

**TOWN OF KEARNY
WORK SESSION MEETING MINUTES**

**A WORK SESSION OF THE TOWN COUNCIL OF THE TOWN OF KEARNY, ARIZONA, AT
THE KEARNY TOWN HALL LOCATED AT 912-C TILBURY DRIVE ON
MONDAY, NOVEMBER 9, 2020, AT 10:00 A.M.**

COUNCILMEMBERS PRESENT

Mayor	Debra Sommers
Vice Mayor	Daniel Radcliffe
Councilmember	Rose Bradford
Councilmember	Rudy Flores
Councilmember	Sheila Stephenson
Councilmember	Samantha Misita

COUNCILMEMBERS ABSENT

Councilmember	Nancy Hinojos (Excused)
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TOWN STAFF PRESENT

Interim Town Manager/Town Clerk	Martina Burnam
Public Works Director	Ray Camacho

VISITORS PRESENT

NCS Engineering	Ram Narasimhan
	Sudheera Addepally

CALL TO ORDER/PLEDGE OF ALLEGIANCE

Mayor Sommers called the meeting to order at 10:00 a.m. followed by the Pledge of Allegiance.

ROLL CALL

Mayor Debra Sommers requested Town Clerk, Martina Burnam, to call the roll. Quorum was present.

NEW BUSINESS

PRESENTATION BY NCS ENGINEERING ON WATER SYSTEM IMPROVEMENTS

Proposed Improvements:

- New well at Well #4 site to provide a reliable backup (PER originally included upgrade to Well 3 only)
 - Rehabilitation of the two existing storage tanks
 - Site 9 booster pump station upgrades to provide reliable supply to the North Zone
 - Replace existing booster pumps with new pumps
 - Site improvements like grading, finishing, and fence
 - Replacing the existing hydropneumatics tank with new 10,000-gallon hydropneumatics tank and appurtenances
 - Includes removing existing tank and concrete pad; constructing new concrete pad for the new tank
 - Replacing existing air compressor with new equipment
- Design and contracts being finalized and reviewed by USDA. Bidding by Jan. 2021, complete by Dec. 2021

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Water Meter Project Status

- Town of Kearny supplies water to 2,000 customers via 819 service connections
- 781 residential meters
38 commercial meters
- \$300,000 Project Nearing completion
 - Payments being processed through interim financing Bank of the West

Project Cost Estimate

- New Well 4 drilling and equipment - \$1.02 million (will require additional funding – WIFA or similar)
Rehabilitation of Storage Tanks, which are already funded.
- Tank 1 - \$523,800
Tank 2 - \$319,400
Site 9 Booster Pump Station
New Booster Pumps & other site improvements - \$194,500
New Hydropneumatics Tank - \$167,900
Well 3 Equipment
\$150,000
Automated Water Meters - \$300,000 including installation
Total Project Costs - \$2.7 M
Current USDA funding \$2.8 M

Project Financing Update

- USDA has funded \$2.8 M toward the water system improvements – Town has entered into Agreement
- \$1.6 Loan
 - \$1.2 M Grant
 - \$2 M Original Financing was increased for well 4 with 100% Grant
 - Additional \$1 M full Colonia's grant
 - Amendment to original contract for Well 4

Debt service

- Kearny will pay between \$69,000 and \$82,000 per year over 30 years (interest rate not finalized yet, between 1.75% and 3.25%)
- Town can consider additional rate increase for this new debt obligation

NCS Amendment for Well 4 will need to be approved by Council.

Term sheet on interim loan from RCAC

NCS will submit an amended agreement between NCS and Town of Kearny Municipal Property Corporation for Well 4 to be approved by Town Council.

Well 4 will be located within 100 feet of the current well.

The reason for drilling is because the well is crooked due to age issues. Because the drilling is close to the well there should be plenty of water, however, NCS will continue testing to make sure the well has water. The wells will not support the demand of the Town for a long period. They will help get us through times when repairs and low allotments happen.

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Once NCS gets bids for the project work, NCS will include an alternative bid for fire hydrant repairs and installations if funds are available.

NCS did a field visit and evaluation of the Wastewater Treatment Plant Rehabilitation Project.

*The Influent and Effluent flows have reduced over that last decades due to lowering population. There is a possibility to abandon the AZPDES permit due to recent Federal rule changes. It would be beneficial to the Town.

*Influent Chanel-No Improvements needed

*Influent Pump Station-No major improvements needed. Some minor repairs are recommended.

*Onsite Sewer Lift Station-To reduce O & M requirements, consider an improvement to install an onsite sewer and remove the onsite sewer lift station.

*Influent Splitter Box-Improvements Needed. Corrosion is evident making the biological process unit out of service.

*Biological Process Unit- Improvements Needed. Coarse bubble diffusers often get clogged and fixing uses a lot of manpower.

*Tertiary Filter-Improvements Needed. The control system is broken and cannot be adjusted.

*UV Disinfection-No Improvements Needed

*Intermediate Effluent Pump Station-Improvements Needed. One pump is leaking and needs replacement.

Metal structure supporting pumps is corroded and needs replacement.

*Reclaimed Water Storage Tank-No Improvements Needed.

*Effluent Pump Station- No Improvements Needed.

*Utility/Blower Building- No Improvements Needed.

*Sludge Dewatering System-Improvements Needed. This is antiquated and labor intensive. This is the most important and immediate improvement needed.

RECOMMENDED COURSE OF ACTION:

- Improvements to correct the deficiencies listed above and rehabilitate the plant are recommended to keep the plant in reliable operation.
- The total cost of the improvements is significant and not feasible without external grants and funding.
- Preparation of a USDA Preliminary Engineering Report to Obtain USDA funding is recommended to correct these deficiencies.
- The PER would cost \$30,000 in Engineering Fees and the Town would obtain reimbursement for this cost once USDA funding was obtained. Which can be added onto the back end of the USDA funding.

Mayor Sommers asked if there was enough money left, could we fix and install the fire hydrants in town? NCS Ram Narasimhan said they could do it, if there is money left from the USDA. NCS can ask for an alternative bid for the fire hydrants along with bids for the project work.

Councilmember Misita told NCS Engineer to please stay away from sole proprietary agencies, when looking to hire.

NEW BUSINESS-SPECIAL MEETING

APPROVAL TO TRANSFER FROM THE GENERAL FUND CONTINGENCY RESERVE TO THE DEPARTMENTS OUTLINED IN THIS MEMO

Per Arizona Revised Statutes, the final adopted budget by the Town is submitted on Auditor General Forms and sent to the Auditor General each fiscal year for oversight. This form containing the Town's adopted budget becomes the guideline and required appropriation to be spent by fund and departments within each

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fund. If expenditures are more than budget appropriated for a department within a fund, Council action is required to transfer the appropriation for either a contingency reserve or another department to maintain a balanced budget.

The following appropriation transfers outlined in the attached memo, need approval for FY2019-20 and from the General Fund for a total of \$12,910. There are contingency reserve funds available for these unanticipated expenditures.

It is recommended to approve the transferring of \$12,910 from the general fund contingency reserve to the departments outlined in the attached memo.

Motion by Councilmember Bradford, **second** by Vice Mayor Radcliff to Approve the Transfer from the General Fund Contingency Reserve to the Departments Outlined in the Memo. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Rose Bradford, Rudy Flores, Samantha Misita and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED**

EXECUTIVE SESSION

Beginning: 10:55 AM

Motion by Councilmember Bradford, **second** by Vice Mayor Radcliff to enter into Executive Session for 30 minutes. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Rose Bradford, Rudy Flores, Samantha Misita and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED.**

- A. Discussion of Contracts subject to negotiation and possible legal advice pursuant to A.R.S. § 38-431.03 (A) (3) and (4).
- B. Legal advice (if requested by Town Council) with Town Attorney on Item above.

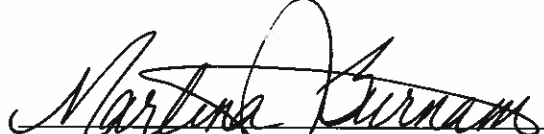
Motion by Vice Mayor Radcliff, **second** by Councilmember Flores to adjourn. **Vote** – Mayor Debra Sommers, Vice Mayor Daniel Radcliffe, Councilmembers Rose Bradford, Rudy Flores, Samantha Misita and Sheila Stephenson all voted in favor of the motion. **MOTION PASSED.**

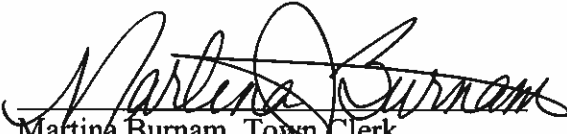
ADJOURNMENT

Meeting was adjourned at 11:00 a.m.


Debra Sommers, Mayor

ATTEST:


Martina Burnam, Interim Town Manager


Martina Burnam, Town Clerk