PLEASE NOTE: AN AUDIO RECORDING OF THE TOWN COUNCIL MEETING WILL BE AVAILABLE ONLINE WITHIN THREE BUSINESS DAYS OF THE MEETING.

The Town Council may recess the public meeting and convene in Executive Session for the purpose of discussion or consultation for legal advice with the Town Attorney regarding any item listed on this agenda pursuant to A.R.S. § 38-431.03 (A)(3) and (A)(4).

The Chair reserves the right, with the consent of Council, to take items on the agenda out of order.

Mayor Ernie Bunch convened the meeting 5:00 pm at Cave Creek Town Hall Council Chambers, 37622 N. Cave Creek Road, Cave Creek, Arizona.

ROLL CALL: Deputy Town Clerk Jane Fuller

Council Present: Mayor Ernie Bunch, Vice Mayor Ron Sova, Council Members Susan Clancy, Mary Elrod, Thomas McGuire, David Smith and Eileen Wright (one or more members may attend by technological means)

Council Absent: NONE

Staff Present:
- Town Manager: Carrie Dyrek
- Deputy Town Clerk: Jane Fuller
- Town Attorney: Bill Sims
- Town Attorney: Garry Hays
- Finance Director: Robert Weddigen
- Town Engineer: Dave Peterson
- Town Marshal: Adam Stein

EXECUTIVE SESSION

An Executive Session will be held during the Special Council Session for personnel matters pursuant to A.R.S. Section 38-431.03(A)(3) and (4) as follows:

EXECUTIVE SESSION AGENDA

1. Discussion, consultation, direction with legal advice with the Town attorneys regarding a Town of Cave Creek Water Policy. A.R.S. 38-431.03(A)(3) and (4).

M/Clancy, S/McGuire to convene into Executive Session at 5:01 p.m.
Motion carried 7-0 by voice vote.
PUBLIC SESSION BEGAN 7:03 PM
PLEDGE OF ALLEGIANCE

PUBLIC ANNOUNCEMENTS
Mayor thanked everyone for participation in Wild West Days.
Moment of silence for the folks in Texas who lost their lives in such a senseless fashion.

CALL TO THE PUBLIC
Niko Lambesis thanked Council for their help on behalf of their HOA.

COUNCIL REQUESTS FOR FUTURE AGENDA ITEMS - None

TOWN MANAGER REPORT
October Check registers are part of the packet and available online.
Rodeo Ground Bleacher Bid period extended for hopefully more qualified bids. Coming to November 20, Council Meeting.
Several seats expiring on Water Advisory Committee & Planning Commission, Board of Adjustment – those interested can submit an application.
Marshal is here to give follow up on Taste and WW Days.

Overview of Taste of Cave Creel by Town Marshal and Wild West Days
Marshal Stein - Taste of Cave Creek – the best year so far as participation.
Wild West Days – Fantastic, really nice parade with good turnout, after the parade was over, the Town was packed.

PRESENTATIONS

APS PEAK SOLUTIONS EVENT:
Mayor Bunch stated the town participates in a program called APS Peak Solution. On August 31, 2017 at 9:33 am, APS called a Peak Solutions event from 5:00 pm – 7:00 pm. This entailed short-term shutdowns of portions of our water systems including:
1. CAP 1, 2, 3 and 4 Pump Stations
2. Basin Road Water Treatment Plant
3. Joy Ranch well
4. Galvin well
5. 14th Street booster pumps

Flow, pressure, and water quality to our customers were not affected, as we maintained operation of key booster stations using stored water. As a result of our participation in the program and helping APS divert peak electrical load demands, our 2017 APS Peak Solutions Incentive is in the amount of $15,149.52.

Town Engineer Peterson introduced APS staff Joel Fisher and Patty McLaughlin. They presented check to Town. Joel noted Cave Creek has participated in this program for six years and has earned over $77,000 thousand dollars. He thanked the Town for participating.

ACTION ITEMS:
A. CONSENT AGENDA

1. Recommend approval of a #6 Bar Liquor License for OUTLAWS CREEK, LLC dba Outlaws Cave, 6705 E Cave Creek Road, Cave Creek AZ 85331 as requested by their agent and managing member Collin Leroy Thorstenson.
3. Approval of the October 16, 2017 Special Joint Town Council - Water Advisory Committee Meeting Minutes.
4. Approval of the October 2, 2017 Regular Council Meeting Minutes.

M/McGuire, S/Clancy to approve the Consent Agenda as presented.
M/C 7-0 by voice vote.

B. GENERAL AGENDA ITEMS

1. THE TOWN COUNCIL MAY DISCUSS AND CONSIDER DIRECTION REGARDING A POLICY FOR ESTABLISHING STANDPIPE WATER SERVICE AND/OR OPTIONS AVAILABLE TO FUND AND OPERATE WATER INFRASTRUCTURE USING A DOMESTIC WATER IMPROVEMENT DISTRICT

Placed on the agenda by Mayor Bunch, Town of Cave Creek. Council Action Needed: Council may give direction to the Town Manager and/or the Town Attorney regarding this matter.

Mayor Bunch moved Item 3 to Item 1.
Attorney Sims introduced item stating the issue is how you can provide water to your customers. You have been working with the WAC to get a handle on your water capacity and your ability to provide “Will Serve” letters. We are still in the throes although we anticipate completing that for our recommendation to Council for approval, hopefully at next Council meeting.

There have been some constituents in your jurisdiction who wish to receive water at a location that is currently not served. There are two potential options:
1. Standpipe. Formation of an independent entity called the Domestic Water Improvement District (DWID). The down-side of a standpipe is that it comes at a time when it is challenging to control the use. You have the right to have a standpipe; you have a standpipe provision in your Town Code. The problem with creating a standpipe is policing it to ensure the water is appropriately used. That is an option and some here tonight may request Council to explore that option.

2. The second option is one that he has worked with some of his jurisdictions if there is formation of a separate entity, the DWID. It is, like you, a political subdivision; unlike you however, it would respond to the needs of individual property owners. It allows property owners who wish to obtain and pay for water infrastructure, to pay for it themselves and not wait for the town to do it. It allows for WIFA loans; it allows for assessments; it allows for local governance that would have to be done through the County Board of Supervisors with your approval as the Town Council, but you would be a vehicle by which water infrastructure could be financed by the property owners who use that water infrastructure. So they could respond to their own needs far more on an immediate basis than they have in years past relying on the broader town.
Certainly the Town has a Water Department; the Town could use its funds to provide water infrastructure. One way to do that could be the standpipe. The alternative would be the creation of an independent entity called this DWID; districts that are created all over the State who are not necessarily exclusive but they are certainly two options.

COUNCIL QUESTIONS
Clancy – What is the cost of a standpipe and what is the ability of the Town to assure that water quality for drinking water, in particular, is there?

Attorney Sims responded if the Town is charging your customers for water the Town would be responsibility for determining that the quality of the water coming out of the standpipe is appropriate. That’s why oftentimes it is safer to use the standpipe as opposed to just pulling water out of a hydrant. The Towns do this all over the State and you are currently doing it at Desert Hills and you have the responsibility as the water provider to ensure the water is of quality nature; Town’s responsibility... Town would have to test it.

CALL TO PUBLIC
Bill Basore, 2415 E Rockaway Hills Road, thanked Council again for considering this.

We all know that another thing that is occurring is that Epcore is in the process of trying to install this and standpipe next door to Anthem and that presents kind of a solution. Epcore is not doing that because they have big hearts; they are doing it because it is very profitable to do so. One of the problems as we discussed is that water is measured in acre-feet, which would be like putting speed limits in furlongs or fortnights because nobody knows what an acre-foot is. But here are some numbers with real meaning: 2000 gallons is about what an average family uses in a week; that’s also what we buy when we buy a load of water. From CAP that water costs $1.00 and another $1.00 to pump it up the hill and treat it so you have a $2.00 cost for the Town of Cave Creek in that water. We want you to sell it to us for $20.00 which is what we would probably pay Epcore; that’s a 10-1 ratio.

Here’s how that works out: If 2 residents per day ordered water, which he thinks they can do just from the west side, amounts to $72,000 per year against $7,200 in costs so this is a profitable deal. Now that you have that check he thinks he can help them use it. A Cadillac system of water station from a company called Flow Point Systems in Canada has all the bells and whistles, comes pre-fab with a little metal building; small 4x5, 6 feet tall, looks like a glorified outhouse. It absolutely can control who gets the water. There are at least three different systems to do that. 1) Key-pad system with a pin number; 2) System that uses an access card and they have little key fobs so if a resident had one of those cards, or key fobs, or pin number they could give that to the water hauler and take it with them.

Second alternative is a local hauling company called Three-Pin Dust Control, also licensed to haul potable water as a complete GPS System with monitoring on tank level. So they can tell when they filled, how many gallons they added, exactly where they went; you can see them unload it, you will know the exact address of every location; you have an audit trail that you can look at on the computer in real time. (Basore asked to use someone else’s three minutes to continue.) He stated he also had spoken with Baker from Border Marketing who is the factory rep from Badger Meter who does business with the Town Water Department already. He says he can get us in business for about $1500 and that is a standpipe with a meter with some controlled access. The meter will talk to the Town’s computer with a little bit of work to be able to do that. He thinks there is something
between $35,000 for the Cadillac and $1500. But for $2900 we could have one that would be so accurate it would measure the water down to the teaspoon.

The other possibility is to let the water haulers hook up to the hydrants that are in business on 26th. There is some concern about getting water out of a hydrant, but we have been doing that from Phoenix for 16 years and no one has had a problem with that. The water haulers are regulated by the County, licensed by the County, inspected by the County and they are very anxious to keep their license so they are very careful not to poison their customers.

One control factor that is very important to understand is the cost of fuel. Right now we can get the water in Peoria; unfortunately it costs $200.00 to drive it over here. No one in Peoria is going to get water from Cave Creek. The economic system is just going to tell you who can afford to buy it and how far it can go. He thinks if we get too focused on the wrong guy getting a drink of water and letting a bunch over here die of thirst that’s probably not a great idea. He has done research, spoken with consultant that has done multiple water systems and he says the best way to do this is actually called a Community Facilities District. This is under Title 48 of the Arizona Revised Statutes and ARS 4879 and it is designed exactly to do what we want to do. We don't need to drill wells, we just need to add pipeline onto an existing pipeline and it won’t cost the Town anything using this system to organize it (and all the little towns around use this) so we’re not breaking new ground here, we can look at what they did, copy the paperwork and set the thing up. This is a bonding system; currently the rates on these bonds are very low about 2.4% range, usually runs 15 to 20 years. It is a levy, a special taxing district, but it is a levy against our property and a road against successors and assigns so as long as the property is there the bonds are well secured. For us it will appear under the Special District Section of our Maricopa County Property Tax Statement.

Clancy thanked Bill for bringing more information to us with a broader picture.

Wendy Kerychuk, 40577 N. 26th Street, hosted a meeting at her home last Thursday night at which Bill was there. There were probably about 50 people at that thrown-together meeting. Their intention is to organize so they may speak to you from the west side as one voice and we all love the ideas that Bill has. We know there other options and we would like to address these in a way that is equitable for the Town as well as to the residents. She represents these people; they have a meeting set up next week; would like to meet with the Town Manager and then the Council again. It makes so much sense to do some of the things he talked about. This is going on all over the State.

Denise Holder, 40812 N 26th Street, thanked the Council for having the water issues on the agenda tonight. It is quite a concern to all of them. She asked Town Council to commit to having the Town Manager form a working relationship with their group from the west side so they can represent all of the residents in the Valley. They need access to water and they are willing to work with the Town to make this happen; willing to go out to get petition signed; listen; anything to get access to water.

Claudia Speed, 40627 N 26th Street, stated she is part of the group at that meeting and they have an urgency issue. She agrees with everything that Bill had to say but that is a long-term issue and their urgency issue is going to be ending December 31st when our water hauler can no longer access water from the hydrants from which they have been accessing because of Epcor. Please be sympathetic to our plight...the west corner residents have been residents of Cave Creek for 25 years; we were never able to drill a well because it was spotty so they have been hauling for all those 25 years. Many of the other residents do the same thing so they are asking for a short-term resolution for the
Town to possibly consider their plight that our water hauler would be able to hook into the hydrants that Cave Creek supplies. Once we get that we resolve the situation in the long-term; we need a short-term resolution otherwise they will be forced to pay huge amounts of money to haul water to horses, vegetation, homes and how they live. They request the Town to be able to have some way they can figure out for their water haulers to hook up to the Town hydrants for the residents.

Jane Rhodes, 39616 N 16th Street, had spoken before and knows the Town cares and is concerned and wants to do something for them. She appreciates that and that is why she got behind all the Council members at last election. There are two issues: one is the short term and the other is that they run out of water at the end of the year. They have been hauling for 13 years expecting to be hooked up some time since they bought their home. She doesn’t want to lose sight of the long term of getting that infrastructure set up so they can hook up to those lines; she knows that is complicated. She just hopes the Town will not only make it a priority but move this issue to a higher position to have some of that money go into the infrastructure.

They have a near-term emergency so whatever the town can do for that whether it is fire hydrants, which is what they have all used for all these years, or a standpipe. She is certain that the water haulers would work with you, they probably all put GPS on their systems and get on board with that if they could have a local place to get their water. That is an immediate short-term issue and that’s the quick and dirty which is a lot better than sophisticated and takes five months. We need water right now.

Frank Brannan, 40440 N. 26th Street, has been hauling water 20 years when he had abandoned his pump and actually gave the pump to Terry. He agrees with all that has been said and he agrees they do need a short term solution where they can hook up to a standpipe or the hydrant to assure water for haulers or individuals. He hopes they will consider the standpipe or the hydrant for sure.

Keith Grunent, 39342 N 26th Street, would like to see what a group can do with an immediate plan followed by some long range goals. Thank you for your time.

Robert Morris yielded his 3 minutes to Bill.

Harrold Shell, 39802 N. 26th Street, totally agreed the first thing in life is water, food and shelter. All these people have rightful need for water and he will back them up all the way he can. He is fortunate that he has a good well but it may not last forever. His concern as a retired fire fighter is that we have a bunch of fire hydrants that are wet and they all say “out of service”; and we saved three foundations in the last 18 years that he has lived there. He would hate to see some lives lost. On the last one the first fire truck that pulled up, hooked up to one of those dry hydrants with a ring on it that said it was out of service and they layed line all the way into the house. But we need to get water to these people first, but secondly we need good fire protection and good water for that protection.

Terry Smith, 39825 N. 26th Street – we are in a situation where he has been involved with this for years; we’ve had promises and promises; we’ve been told things and a year ago we were sitting here and were told that by the end of the year we would have water and access to it. Some of them had drawn up all the engineering required as the Town required things at that time to hook it up. Promises have been broken year after year...going back to Walmart...if we get Walmart we’ll be able to get water to the west side. It goes on and on and on. Most of them pay development fees for
water/sewer to the Town and we have nothing. We have our backs against the wall right now; we are facing a situation of not having their water bills raised $5, $10, $40, but hundreds of dollars. We’re paying ridiculous amounts right now. We have an immediate need which is to have water hauled in long-term and then we have two years until Cahava Springs is before we can actually be hooking up. We have lots of time to talk about long term but right now we are pleading with the Town to give the west side a standpipe, a fire hydrant, water haulers have many ways to guarantee you if you just want to make sure it’s coming to the west side properties. One hauler said if the Town is concerned about water haulers drawing down the water pressure at the Water Ranch or at 10th Street he will install at his expense a 5000 gallon tank, give the Town a ¼ inch line, he will pay for a pump to pump it out of there so he can deliver water to us. And he can show you ounce for ounce or gallon for gallon who got the water and what came out of it so you don’t have to worry about somebody else coming in to take water out of Cave Creek. But we need today by the end of the year…..water…from our Town because we are Town residents. Everybody else has meters hooked up, they got their water…we have no water and we are begging and pleading for help.

Kathy Smith, 2424 E Ridgecrest Road thanked the Council and knows they are doing the best they can but it’s desperate. She has a well but yet through the water table flocking no longer supplies water for her. She pays $75.00 for 2000 gallons of water weekly and it’s doable because you cannot truly function or live without water. That’s how basic and critical the need is. Now with this crisis coming up with no longer allowing the water haulers it’s really scary and when she built she put $12,000 toward the Impact Fees for city services for the amenities that come with being in a town. We understand but now it’s getting critical where we just need basic water for survival. Please help us to do everything you can.

Mark DeSimone, 2410 E Tanya Road, clarified that what is happening with water haulers from Phoenix is they are shutting off on December 31st; the Ecore thing is negotiating with Anthem to New River and Desert Hills to supply water. Every jurisdiction is concerned about water in their future long-term and are concerned about water leaving their area. This problem has been kind of solved by the water haulers and by the jurisdictions themselves to make sure the water doesn’t leave the area. The water haulers police themselves because they don’t want to lose access to the water. Anthem is negotiating with New River/Desert Hills and the water may be only for New River/Desert Hills…we live in Cave Creek. We need to be able to get our water from Cave Creek because we may be excluded from that deal which means the haulers can haul some from Peoria if allowed and we will be paying a fortune for water because of time and distance. Haulers can’t hold that much water and how many trips can they make in a day? So we may not just have a pipe problem we will have a supply problem. We really do need a standpipe or something in our area.

Ethan Strickland yielded his 3 minutes to Bill.
Larry Fields, 39611 N. 26th Street, stated he doesn’t need his time but it is highly critical that we have water.

Richard Maes, 40445 N. 32nd Street – It is critical that we have some decision immediately about what we are going to do before December 31st. Can the Council make some action tonight to move this along so our haulers will have access to water locally from Cave Creek? He thinks fire hydrants would be fine, we’ve been using them forever, the lowest cost solution so we really need a decision immediately or we are not going to have access to water.
**Gary Becker.** 2420 E. Desert Hills Drive, followed Terry’s comment that we’re talking tonight that this process is just starting when in fact we have been talking about this for years. The last time we talked back in August we thought we had a commitment from the Town that by the first of the year we would be able to hook up. Some of us put lines together to hook up to the existing line; we were told we couldn’t do it...no explanation why...just can’t do it. The other problem is of frustration when you see water running right by our houses going up to Cahava Springs for dust control and we are sitting there as human beings trying to have water for ourselves and animals and we are denied. Just what is the priority for this Council? He urged them to think of them on the west side and help them with this issue. It’s been years...it’s time for you guys to act.

**Clancy - How many families do we have here?** Crowd answered 90.

**Mayor** commented they have had discussions this evening in Executive Session that he can’t speak about. He requested several spokesmen from this group to get together with the Town Manager.

**Attorney Sims** stated he thought Mr. Basore had some clearly good ideas. He thinks there is a precept process. Bob Morris has been helping us through the WAC; this governing body has been wrestling with water for over a year now and they are about to solve the problem. Water is scarce and whatever they do they need to make sure they address that person. It is their duty to provide water on a non-discriminatory basis. Mr. Basore had a good suggestion...one thing we could do for the first step would be a standpipe. If we could figure out a standpipe in the near term then we have to figure out who can use it because as a water provider the CFD says they have to provide water on an equal basis, so that means people from any other service areas can come technically come and say “I demand you provide water.”

But you all seem to have history and it may be that we could enter into an agreement with you that we, the Town, will agree to provide a standpipe at a location that is to be for you out of town; we have talked through who pays for the capital costs and he wouldn’t want the $1500 range. And then we charge to those allowed water...there is a rate per charge; we would have to make sure that there is a rigorous regiment to make sure those customers who are agreed to go to the next step, which is a longer-term of a DWID as Bill mentioned and why the CFD is following the alternative. There are new laws that make it more difficult for governing. The reason why he likes the DWID is because you get the control of it. If we go down as CFD they control it and then two private sector developers get on board with them and it is more expensive for a government to use CFD.

Maybe the Town can enter into agreement with residents who agree to enter into DWID that the Town will provide Standpipe service temporarily and short-term; only if residents would agree...that would be or could be a solution for everyone. We would have to have an agreement with the hauler to ensure water is only delivered to you and then we would work with you to form a DWID or CFD. And we could sit down with Cahava if indeed the future is for Cahava, to provide the service, your CFD would provide infrastructure that’s consistent with what they want to do and then you’ve borne some of the cost and make arrangements. Bottom line – he thinks this is workable; he understands the passion; he thinks a standpipe could work if you can help me help them so it only serves a discreet number of customers and not the universe customers in Carefree, Desert Hills, and Cave Creek. Because as a water provider they have to provide water service on an equal basis and they can’t unplug the standpipe and let the world come and use it. If you would agree to sit down with them and move toward the transition toward a third-party entity it eventually would be taken up with Cahava if indeed that works. That would be a solution for everyone. He thinks they could set up a
group where we could work with the Manager, himself and the people to figure out a way to come back to Council with an implementation policy for a standpipe only if there is an agreement to move forward.

Mayor Bunch called Mr. Basore to podium for additional comments. Basore stated he had not covered water haulers. There is a large number of people on hauled water or are using hauled water in every part of Cave Creek. What you are seeing here is a group that is organized because we see an immediate need. If you see the water trucks driving through Town, they are not doing that for practice. Perhaps if we had a better connection with the rest of the Town we might have organized a few of them coming here too. Water haulers clearly don’t want to tell me exactly who their customers are.

As to the technologies controlling the water and the rigorousness of the standpipe, you have a standpipe today; it is in operation today. You have a standard for how that should be done today, we do not need to establish a new statement; you are not having problems with health and safety issues with that standpipe so please let’s not generate a bunch of road blocks that will keep us from having water before the end of the year.

Basore’s understanding is the people who use the existing standpipe pay $50.00 a month plus the $3.50 per thousand gallons. With the technology of the systems that he has explored that are available, you could use such a billing system on this and that really kind of locks the thing down. Do I need to clarify that, do you guys understand what I am saying? That would be a way to generate some certainty with the technology system that they have with the key fobs, the cards, and the pin numbers will be about 100 times more secure than the standpipe you have today.

McGuire – This is for Legal Counsel you talked about setting up an Improvement District, you talked about serving those customers with water…would this service also cover any customers that are not a part of the Improvement District?

Sims – He would say “no” because just as was said you’ve probably have a universe of other customers who would come in to draw water from the standpipe. You all are wrestling with the water scarcity issue; if we are about to go down this path, the way he could explain to other customers who want to drive their hauler up...these people have paid at the office; these people have agreed to move toward the DWID or CFD. So that is how it is limited so all the customers in Desert Hills don’t come to you as a water provider and say the ACC says you have to serve me. I want to serve these people because they have agreed to form a DWID.

Basore stated that their part of Town is not in the Cave Creek Water Service area as defined in the Plan that was produced by the Water Advisory Committee. However we are in the municipality so when he tries to talk the EPCOR folks they say you are in another municipality; you’re not in a County Island; you should be serviced by the municipality and by their water company – it’s a catch-22 for us. So EPCOR specifically has already promised nobody in Goodyear, nobody in Peoria is going to get this water because they are another municipality. And they also don’t like the idea of serving any County Islands that Phoenix has surrounded that are currently served by this Phoenix hydrant. However, Desert Hills is in your District and so he thinks the people that are in Desert Hills that are served by your mains probably do have a claim on this thing because you are their water service provider. It has to do with the fact that you have a monopoly on that. Because we’re in your municipality we can’t form an independent water company, we have to do this through the Town.

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He had originally proposed a DWID and he has the book on how to do one. He thought you would prefer the community program because you would be the Board of Directors on that.

Sims responded the problem is the developers, not you, have so changed that statute to where it is very costly for governments.

Basore responded but the CFD can reimburse the Town for the Town’s expenses.

Sims – The standpipe would be a bridge.

2. PRESENTATION BY COUNCILMAN FARRAR OF THE TOWN OF CAREFREE REGARDING A PROPOSED PILOT PROJECT TO RUN A TROLLEY THROUGH THE TOWNS OF CAREFREE AND CAVE CREEK BUSINESS DISTRICTS DURING THE MONTHS OF DECEMBER THROUGH JUNE ON WEEKENDS ONLY TO BE FUNDED IN ONE-THIRD EQUAL PAYMENTS BY THE TOWN OF CAREFREE, TOWN OF CAVE CREEK AND THE BUSINESS COMMUNITIES IN EACH TOWN.

Placed on the Agenda by Mayor Bunch, Town of Cave Creek.

Carefree Councilman Farrar spoke and introduced Margaret Dunn to speak also.

Farrar thanked the Mayor and Council for allowing him to present this proposal. He has had opportunity to meet and talk with some of the folks about this at the League of Cities and Towns Conference. He also talked with some of the folks after that to talk about the idea collectively between our two towns. As a fellow Council person for about six years in your neighboring community he has reached out to Cave Creek to work together to mend some of these wounds because collectively we can do more together than we can apart. This may be one idea, one way that we can accomplish that.

He is here tonight to propose a potential partnership between the town communities and the between merchants and landlords. He asked Margaret Dunn with Dunn Transportation to accompany him tonight. We are looking to propose this trolley service during our high tourist season of December through April and only on weekends from 11:00 a.m. to 9:00 p.m...so ten hours per day. The route would saddle effectively on Cave Creek Road along Cave Creek down town Merchant District up to the down town Carefree Merchant District and would return in a continuous cycle. There would be one trolley and stops would occur approximately every 30 minutes. The cost is approximately $6600 a month total, that includes an open air trackless trolley with a professional uniformed driver; a five million dollar liability insurance; fuel and maintenance; and a non-duty supervisor and mechanic. The investment he is asking Cave Creek to participate in is approximately $2200 per month. The total cost for this really unique event is $6600 a month or $33,000 for that five-month period.

The town of Carefree on their last Council meeting approved the expenditure of $2200 per month for five months condition upon Cave Creek’s acceptance. The route again would connect the west side of Cave Creek up through Carefree. Some of the benefits would be it accommodates tourists and local residents during the high tourist season; increases safety by reducing car and motorcycle traffic; lessens vehicular pollutions...very eco-friendly; lessens our respective preferred parking problems during festivals and events. We don’t have so much of a parking problem as a
convenience or preferred-parking problem. We found that people in Carefree and Cave Creek usually park and walk about in the immediate area of where they parked. Otherwise they get back in their vehicle and travel up the road.

He is convinced that if this is accepted as a beta project and do it for one season to test the measure of it, that it would be a tremendous tourist attraction. The trolley would be an event unto itself; it would be a draw; something that people would want to experience. We want this trolley service to be free for the residents of both Carefree and Cave Creek so they can conveniently board at any time by showing their ID...get on and off the trolley any time during the weekend. We would like, subject to your approval, to make this trolley service free to everyone who comes up to our Foothills community. The trolley itself is vintage and characteristic of the Old West and open air trolley. He is convinced that this could be an economic development driver and why it might be challenging to carve off $2200 a month from your budget and very difficult to measure the economics are alive on this, we should take a look at. He has talked with a few landlords and merchants and Mark Pegler at Frontier Town. He loved the idea and he signed on. He is already involved with the stagecoach so we can both work together side by side. The trolley can accommodate many more people and again we are trying to keep it free for everyone. He spoke to the owner of Spanish Village in Carefree, Ruth and Tim, and they love the idea. As a landlord this would be a great value for my tenant and would certainly help them with their business which is important to Farrar.

Subject to your decision tonight Farrar plans to reach out to other merchants and landlords in this community. He has spoken to a few; owners of Harold have thought the idea was great but at the time the cost to be a preferred stock was $500.00. If you are willing to invest in this equally with Carefree we can reduce that preferred stock to each private community, going $250.00 per month. We have other opportunities to offset costs and that is to advertise on the exterior of the trolley with brochure and flyer racks on the interior. He thinks this is a great partnership to bring the entire communities together along with our merchants to expose a greater variety of businesses along this route that otherwise would not be seen or heard. He urged Council to give this serious consideration. Farrar asked Margaret to talk a little more about this.

Margaret Dunn, President, CEO, and Founder of Century Transportation and Ollie the Trolley. They were incorporated in 1906; that was the year she established her company; 32 years of operating Charley. Quick history: she was a student at Arizona State; needed a part time job; went to Scottsdale and started driving Ollie Trolley. That part time job became her life-time passion. Trolleys affect communities, trolleys are welcoming and fun; it's contagious and is something that she can continue to do for a long time. Mike mentioned connectivity...she feels that transportation is just transportation unless you really connect communities together and you do it in a way that has a lot of style and fun and makes people feel warm and welcome when they come on board. And that's really the idea of the trolley. As you can probably well imagine the trolleys have been managed for our tourists and that is truly the tradition that comes to trolleys but it's meant for everyone.

She has operated for the City of Scottsdale for 26 years; she does a few routes now. They no longer do that route but she has a number of different routes. One is their resort route; it's a great example of a public/private partnership. The Town of Paradise Valley pays about 1/3, the resorts pay about 1/3 and the shopping malls pay about 1/3 so altogether we propose that route January, February, March. If one entity drops out then the whole thing kind of falls apart; so everyone has a little skin in the game and she is very invested on seeing that success. To the passengers on that route in
particular, are simply tourists. They have a few residents who like to cart and then use the trolley because they do go to some recreational areas at Echo Canyon and Cholla Trail Head.

Another route they do is called the Talking Stick Trolley and they started that with a spring training opening at the Salt River Field so that people didn’t have the hassle with parking. They park in downtown Scottsdale and are shuttled out to the game. That expanded to Talking Stick Trolley so it now not only operates for spring training so they also transport people to Oddities, to Butterfly Museum, another attraction, and reach out at Talking Sticks so you see how things can start small and a pilot project that was just spring training now operates October through May very successfully.

So there are a lot of different ways you can start and maintain the system, engage it and give it a shot to see what it does for our community. Get on board and talk to people, have a survey, ask did you enjoy your ride today? Would you ride again? Is it something that would bring you back to the community? And that connectivity part when you want to go from one place to another, there is big hesitation on doing that because you’ve got a really good parking space or whatever the reason may be. If there was a vehicle at the trolley which is fun and friendly that could take you to different places, hop on board, hop off board and make it very easy for people. So people understand on the sign where the trolley goes and how often it stops. We have a lot of people that just get on the trolley and just ride around just to see what there is to offer and after their round trip they will go back to get on and off after they understand the area. So as a visitor, so many people don’t understand all of the things that you have to offer here so it’s Cave Creek and Carefree and everything in between. She feels the trolley is a great way for people to get to know the community better and feel at ease and happy doing it.

We do all of our own in-house maintenance taking care of trolleys and they also have buses so safety is really paramount for them and it is very important for us as we represent our clients, whether communities, municipalities or a business that we do it in such a way that it gives you a lot of pride. They think of their drivers as ambassadors to welcome visitors to the communities to share some fun facts or whatever that may be. Drivers go through a serious amount of training with requirements on alcohol testing and their professional life is paramount to them as well so they operate the vehicle in a very safe manner.

COUNCIL QUESTIONS

**Sova** – How many people can a trolley accommodate at one time?

**Margaret** – 50 people, vendors are welcome to hop on board. You may have an entertainment on board the trolley like a singing cowboy or someone who knows the community to give a little tour. This is a turn-key opportunity; vehicle, fuel, maintenance, if there is an issue on the road we have either a mechanic on the road or another vehicle coming...we always have a supervisor on duty.

**Sova** asked Mike what happens if you don’t get the full 1/3 partnership from the merchants.

**Mike Farrar** responded he only needs eight per stops. He’s not talking about just signage on the outside of the bus or even flyers on the inside. The venue in Carefree loves the idea; he’s reluctant to start knocking on doors, rather he just wanted to test the water a bit to see how merchants would feel. There are two stops, that’s Frontier Town and Stage Coach and people pay. It’s wonderful that you are doing that, he thinks it is very characteristic of Cave Creek and there is no reason why we
can’t do both. If we don’t get those monies raised here shortly then we’re not going to proceed; this is truly a public/private partnership. We need our merchants and our landlords to be contributors to our respective communities and see the benefit in that.

**Bunch** – Let me ask you something. Look at the route map...what would it take for you to actually go down into Stage Coach Village and drop them off in the circle there because that hill is kind of nasty for some folks.

**Mike** – We could really do that. Most of the route is really Cave Creek...we really may have one or two stops in Carefree and circle back around. He spoke with the new owners of the Carefree Resort and they are going through a remodel. They love the idea and want to participate but can’t do anything until February. Mike is thinking they will probably start the route at Oregano’s; they love it; they don’t see any problem with $250.00 a month.

**Sova** – If you excel in getting merchants to sign on and its more than you thought or needed, does that have an effect on the $2200 to the town?

**Mike** – Absolutely. Then we could keep it free for everyone and we can reduce our respective costs to both of our communities.

**Clancy** commented that there are a lot of things going on in that season but we have a lot in April and it would be nice to be able to use a trolley as opposed to one that takes you from the Roadhouse to the highway; and it doesn’t reduce the ability to park. Trolleys are fun, and they help a lot of the merchants. She is in favor of this, feels a lot of the little shops will benefit as well.

**Margaret** responded she hopes that even the smallest of micro-businesses will be involved and participate. There are opportunities to simply put your brochure on board and that provides just a little extra for the business.

**Smith** – You talk about I.D’, is this not a free trolley?

**Mike** clarified that no matter what happens this trolley is a free service for the residents of Cave Creek and Carefree. But if the merchants can collect the other third it’s free for everyone. He is confident they can get there.

**Smith** asked because most of the business is at night time and is done by residents of other communities rather than Cave Creek and Carefree. So having the ability to jump on something like this would be a great advantage.

**Sova** asked where the funds would come from should it move forward.

**Town Manager Dyrek** responded in our analysis of that, that was one of our questions to request that the funds that are not budgeted for be designated from another location in the budget so we do need to make that decision, whether you want it in Economic Development area you see in the budget under Planning would probably be the most appropriate.

**Sova** As a follow-up to Smith’s question – would there be a charge then for non-residents to ride this if you didn’t get the minimum dollars from the merchants?
Mike stated he is so convinced this is going to be a benefit to our community and certainly to our merchants it’s really immaterial but he hates to not meet that threshold. So a $3.00 fee all day if we are unable to raise the other $2200 a month from the private sector but he is hopeful, very optimistic we are going to accomplish that. Just budgeting ten stops, that exceeds the $2200 that they need and he already has two and is convinced he can get eight at $250.00 a month.

Dyrek – In the staff’s review we did have one other safety concern and we’re looking for information on whether the trolley will pull off the roadway onto private property as it stops where they are going to be located. How would that work?

Margaret responded she believes they would have to take a look at that; there are reasons you would want to stay on the street but we don’t want to cause any more congestion than we need to as people are boarding. Typically we will pull off maybe into a turn lane but that would need to be evaluated mainly with your public safety team to determine what would be the safest place to stop and then move forward from there. She suggests if this goes through they would need to come out with the trolley, meet with the Cave Creek public safety teams that would be involved in that process and actually do some figuring out where would be the best place. She believes the business people will be willing to allow them to pull into their drive.

M/Clancy, Second/Wright to provide one-third of the funding not to exceed $2200 per month for a pilot project trolley as proposed by Councilman Farrar of the Town of Carefree.

Clancy – Is in favor of it.

Vice Mayor asked to insert at a cost not to exceed $2200 per month.

Clancy accepted the addition.

McGuire was concerned that Farrar is so concerned that this is going to work he wonders if it would be possible for the company to take on the cost of the pilot program themselves.

Margaret responded that is a nice idea but they would not be interested in that. The reason is that Olley the Trolley is well-known and this community doesn’t know me like they know Mike so she would come in as a stranger and spin her wheels for a period of time. So she relies on those who have connections with the community to bring the trolley into their community.

McGuire – In the other communities that you serve is there up-front money from the communities?

Margaret – Exactly. She provides a turn-key and it is her clients’ responsibility that there is monetary support.

Wright loves any opportunity to work with Care Free and that is something we should look for and do. This is a real good idea but we don’t have the financial part all tied together like we should to go forward. She is big on basic economics that we can’t have everything that we want and it’s not in our budget. She would not be in favor of this until the merchants were on board.
Mike added this proposal is not going forward unless we do...and if we can’t get the private community to participate then its dead in the water, it’s not going anywhere. He feels this is certainly worth the backing of both communities to demonstrate to our merchants that we are concerned about all the merchants, not just the big ones and we are here to do all we can within our budget. It’s only $2200 a month for five months to demonstrate to you that we are here to help people sell your success. That statement alone from this Council would mean a lot to the community.

McGuire stated he would be more comfortable with this if there was some kind of commitment, not necessarily money, but commitment from the merchants’ side that if it is approved by Carefree McGuire will realize the finances for a stop.

Mike – We are splitting hairs...it’s not going anywhere unless we can get the other third funded. Mike doesn’t want to waste his time or knock on doors with a “maybe” from Cave Creek. If you are really serious about your merchants you are going to demonstrate that tonight. This is a Cave Creek trolley.

M/C 5-2 by roll call vote with McGuire and Wright voting nay.


Placed on the agenda by the Finance Director, Town of Cave Creek.

Robert Weddigen, Finance.
This is to physically finalize the 2016/2017 fiscal year now that the books are closed and we know where we stand with the budget. These two departments were slightly over
1) The Town Manager’s budget was slightly over because it wasn’t anticipated that the Town Manager would be let go 1 ½ years ago and have to be paid out. That’s the principal reason for that amount to be over budget.
2) Public Works – The project was undertaken after the fiscal year was started and wasn’t anticipated in the budget and that was for cross-walk improvements; the primary reason for that Department to be over-budget.

COUNCIL QUESTIONS

Eileen Wright – What was the unanticipated vehicle maintenance?

Weddigen responded there were some tires that had to be replaced, small stuff.

Sova – The dollars collected for donations for those cross-walks are reflected in the net amount of the change. Correct?
Weddigon – No, the gross amount had to be because that was revenue and this is expenses. They didn’t meet, hit the expenditure line item.

M/Clancy, S/Bunch to approve amending the Fiscal Year 2016-2017 budget by transferring appropriations by the following amounts: From the General Fund Contingency Department - Contingency (01-013100-2949) in the amount of $35,600 to the General Fund Town Manager Department - Salaries and Wages (01-001100-1001) in the amount of $15,300, and to the General Fund Public Works - Improvements (01-016200-4100) in the amount of $20,300.

M/C 7-0 BY ROLL CALL VOTE.

4. PRESENTATION BY COUNCILWOMAN WRIGHT: "ARE YOU THIRSTY?" IT'S 2025 - WHAT DOES THE COLORADO RIVER LOOK LIKE TODAY

Placed on the Agenda by Councilwoman Wright, Town of Cave Creek. Council Action Needed: No Action will be taken on this item.

COUNCILWOMAN WRIGHT GAVE A POWERPOINT PRESENTATION

Wright stated it is time to face our water challenge; it is inevitable that we will all have to learn to live with less water than we are using today. She gave some interesting information on the current and future water situation.

Slide
If you are on Cave Creek’s water your water originates from the Colorado River. The graph shows clearly shows the river’s water supply and use from 1923 to 2014. Blue line is supply and red line that continues to climb is the water use. The Colorado River’s problem is very simple; particularly when you look at the graph...more water is being allocated to water users than is actually in the river.

Next slide
Lake Mead and Lake Powell are the backbone of the Colorado River. The states that get their water from Lake Powell are Wyoming, Utah, Colorado, and New Mexico. As long as these upper basin' states have enough water from Lake Powell to release 8.2 or 3 million acre-feet of water each year, Lake Mead has met their obligation under the laws of River. The law is very convoluted and complicated but they have met it. States that get their water from Lake Mead are Arizona, California, Nevada, and the Republic of Mexico. In early 2000 for the very first time water experts realized that Lake Mead was over-allocated and it started to drop and continued to drop. It was a very simple math equation...the 8.2 or 3 million acre-feet was not enough because we had allocations from all those states that were legal allocations of water. For example: California = 4.4 million acre-feet; Arizona = 2.8 million acre-feet; Nevada = 300,000 acre-feet; and Mexico = 1.5 million acre-feet. Adding those you come up with 9 million acre-feet (9 is more than 8) so you can see that we have already over-allocated Lake Mead.

Next slide
Surface water in Lake Mead is over-allocated which makes a structural deficit and you can see the water continues to go down and drop further and further, so more water is allocated than is in the Lake which is a huge problem.
Next slide
You can see here the actual process that takes place because we don't get all of that 8.2 or 3 million acre-feet; some of it evaporates; some is lost in transit; and we actually end up with 1.2 million dollars in the hole every single year which makes that lake drop 12 feet per year.

Next slide
Governments always have agreements so by the terms of the 2000 agreement Arizona would begin taking some substantial cut-backs in our water allocation. The lakes' levels would drop what they dropped below 1075, that's the key. If it drops below that it triggers a mandatory cut-back and we are actually just hovering not far above that at this particular time. So if Lake Mead 1) gets too low than a shortage is declared, then the water reductions start going into effect and the reduction that impacts Arizona is first. For some reason we got the short end of the stick a long time ago about 1960, so any time there will be a cut-back Arizona is the first to get cut back. Now Scientists realized something here though, this particular 2007 agreement still wasn't enough. With their calculations, even with this new law, Lake Mead could be unusually empty by early 2020. Unusually empty means it gets so low we can't get the last force of the water out of Lake Mead.

Next slide
Where we are now is what they call a Lower Basin Drought Contingency Plan. This is what they are pushing for; it has not been finalized but its purpose is to prevent catastrophic dropping in Lake Mead, keep it above 1,025. That's not acre-feet, that's above sea level so it's 1,025 feet above sea level. So under this Drought Contingency Plan which is not yet finalized if Lake Mead falls below 1,075 Arizona would cut back its CAP supplies or its allocation by over 500,000 acre-feet. That's a substantial amount. We didn't have a shortage in 2017 or 2018 because of a massive Conservation Program. Lake Mead though is projected to be on January 1, 2019 at 1,076, so again we are right on the edge of having to start taking cut-backs. Experts agree the problem isn't resolved. In 2020 the chance of a shortage is back up to more than 50% so we basically have just kicked the can down the road for a couple years. The structural deficit still exists.

The solution is very straight forward...everyone on the Colorado system has to use less water. We know we are capable of surviving and even thriving with substantially less water that we use today but we must be oriented to have safe and liable water now and in the future. This is a call to action; we must develop a plan to store and recharge the approximately 6,075 acre-feet of our unused CAP allocation. Water sustainability planning is absolutely critical to the future of Cave Creek and its residents. So tonight on Agenda #5 we will be presenting a very important part of all of this. We're dealing with all the critical issues and she will be urging Council to support this Agenda item with a future vote.

COUNCIL QUESTIONS - None

5. COUNCIL DISCUSSION AND APPROVAL OF RESOLUTION R2017-16
INSTRUCTING THE TOWN MANAGER TO ENGAGE CONSULTANTS WITH COUNCIL APPROVAL TO INVESTIGATE AND ADVISE THE TOWN COUNCIL OF THE FEASIBILITY/ COST OF DEVELOPING AND IMPLEMENTING A RECHARGE PROJECT PERMITTED BY THE ARIZONA DEPARTMENT OF WATER RESOURCES (ADWR) AND INITIATE AND DEVELOP A PLAN TO DELIVER ALL OF THE TOWN'S (UNUSED) CAP ALLOCATION TO BE STORED AND RECOVERED THROUGH WELLS PERMITTED FOR RECOVERY BY ADWR.
Placed on the Agenda by Councilwoman Wright, Town of Cave Creek.

Wright clarified that she left out the word “unused” in all of the Town’s unused CAP allocation to be stored.

McGuire thanked Wright for her Resolution. Do you have a sense of what the cost would be of recharging the water? Wright responded that she had looked into the Albuquerque, N. M. plan who have two wells and it’s much more difficult but its six million dollars to do the whole recharge.

Sova supports Councilwoman Wright’s Resolution but he wonders if it is going far enough. By that he means it seems to him that all of the towns have a Master Water Plan. We had one done four years ago in 2014. It is his understanding that part of a Master Water Plan would encompass just this item and would it not be more beneficial to look at considering doing that? We’re talking a lot of money; a Master Water Plan is not done inexpensively. However it is his understanding we had over seventy million dollars in debt originally ten years ago which included the waste water treatment plant, and we still have a considerable amount of debt going over the next ten years. So even though the cost to do such a study is quite high, might it not make more sense to do a study for the entire town? Not just on recharge but on all the other elements of what we have; the equipment, the lines, etc. so this is basically a rhetorical question at this point.

Wright — Those are based on we are over-allocated in Lake Mead and we will soon be getting cutbacks; it’s a matter of time. So if we have water and it’s our water and we have no place to put it, she thinks the timing on this is very important to get the water so we can have it stored or a recharge area for when the cutbacks come; they project we will have problems forever on Lake Mead because it can never catch up when its dropping. So now we would have something in storage to backup safe and reliable water for the town which the Water Master Plan doesn’t really do. And that’s a huge amount of time that would take. This is just to get a consultant to get it in place.

Sova stated his question lies with the fact he believes Town Manager Dyrek has the ability to award a contract if it’s under $25,000 without the need of an RFP. Is that correct? Dyrek responded that is correct.

Sova’s next question is for our Water Attorney. What would you guess the approximate cost of something like this would be? He asked because if you are going to say its $50,000 we then have to go out for an RFP and if it’s under $25,000…that was the course of action the Council would decide to take.

Attorney Hays responded feasibility cost and hiring consultants for that are very difficult for the lawyers of the world to figure out what they are going to charge you. He thinks Councilwoman Wright is on the exact right path; it is something we have been talking about internally as it relates to storing and banking our water. As you know, your staff has been working for a long time and working very hard on a water policy and this is one portion of that policy. So it comes down to simply as you look at the water policy as it comes to you, you are going to have a finite amount of resources and you are going to have to determine as a Council “how do you spend those resources and what is the most effective way to do it in the most prudent manner?” This is a very important topic because currently the Town is not utilizing all of their allocation and they are not banking or
storing and given some of these long-term credits which are important but he thinks we have to look at this in its totality, not bit by bit. Because bit by bit you may end up spending money here that you wanted to spend over there or allocate your resources appropriately. So how much does it cost? He is sure we could find somebody who would charge you $100,000 and somebody who would do it for $2,000 but what are you going to get for that is the question. It could be anything but you are going to get back what you pay for so if we spend $1,000 you are going to get $1,000 worth of work which is not going to help you at all.

Sova – His understanding of recharge in talking to DWR is that you need a static area in which to store it; you don’t want to put it in a wash that’s going to go down stream and benefit another town. So his question: Is it feasible that the Town has an area, does the town have an area that could be used for storing water without it moving on?

Smith posed this question to a few folks...one of them, Bill Allen, earlier today and his comment was “no, if there is any introduction even on the east side of town, we would be losing free flow quickly.”

Sova – Assuming that’s an absolute fact then does it make sense to go forward rather than investigating if we don’t have a place to store it?

Smith – The first question he would pose to a consulting engineer or hydrologist is where in this basin or sub-basin? Would there be that kind of storage? He has asked folks and hasn’t seen data any more recently than about 15-20 years, so nothing current.

Sova – This would be a question to ask before we sign a contract or...Smith – Correct.

Sova – If there isn’t anything feasible in your area then obviously we wouldn’t go forward? Smith – Right.

Hays – Probably one of the most feasible and cheapest is trying to figure out other municipalities or other private water companies that are currently recharging. Just 6 or 7 months ago CAP entered into a deal with Liberty where Liberty utilities were out on the west side to recharge a lot of CAP for CAP. So rather than saying we need to build a recharge project...let’s take Chandler, it’s flat, nothing going on but a bunch of cotton gins; there are lots of recharge wells. Cave Creek doesn’t have the same topography that Chandler does but can we figure out a way to get the City of Phoenix or Chandler, or Scottsdale or even one of the private water companies to come to a deal where we can use their wells to recharge our allocations? We’d lose some of it probably to them for using their stuff but is it still better than not doing it at all? When he talked earlier about the water policy and how staff is looking at this in totality those are some of the things that we need to look at. Not just...“can we go out and build a recharge well?” and figure out that’s the way to do it or do we look at the panacea of options we have in front of us and then move forward on that.

Wright said she did talk with the SRP at one of the conventions and they are more than happy to take our water so there are all kinds of options but we have to get to that point; it doesn’t have to be recharged here...it doesn’t say that. So wherever we can get it that is part of what is most beneficial to the town.

Sova – That is helpful because he read the cost of developing and implementing a recharge project. When he thinks of project he thinks of building something so when he read Wright’s ordinance he thought she meant she wanted to find a place to put a well in the ground.

Bunch - So what you are suggesting is piggy-backing it on someone who is already doing it.
Councilman Smith thought this was way too specific saying recharge when banking is another potential. He personally has an issue with the concept of recharge in Cave Creek. The Carefree aquifer is already brimming with water because of Scottsdale dumping water in there for twenty years. So we have two other aquifers to deal with. One is the Cave Creek aquifer which is not very wide and the one that’s on the other side of that little hump there where the folks who were here earlier went and the thing is...if we don’t water down into an aquifer the beneficiary may very well be the city of Phoenix; because it migrates. And it’s going to go downhill which runs right into Phoenix. So recharge from his point of view (and he has talked to people who know something about it) is probably not the best direction to go. Banking, if it can be worked out in a way where we can say you take our water, we’ll pay for it; you put it into some sort of a reservoir into the ground so we can take it back out. And some time in the future that would be a much better approach. He thinks there are many others in CAP and other entities that do DWR and probably have done this many times over the past few years. We can hire a consultant but we might be just as successful by going to talk to them and getting their direction.

Hays commented that we probably don’t want to say no recharge because we want to have the option to explore. It probably wouldn’t be in Cave Creek itself but it could be at somebody else’s wells but we do get credits which are very helpful. We want to ensure that our options are all open to look at everything as we move forward. While he agrees that recharging within your municipal boundaries may not be the best way to get there, there may be somebody else who has one that we could say “put our water under the ground so we get credit so we have the long-term credits.

Smith - The other issue with context of recharge in Cave Creek is the six to ten million dollars you have to put in a BIG well, pump water down into it, and then drill other wells to suck water back out in the future. Everybody complains about our debt and all he sees is the potential of increasing the debt fairly substantially.

McGuire commented that he had training in geology and what he knows is the kind of substrate that we have here is not the deep sand that they have in the rest of the Valley. He agrees that storage for future use has to be done; it probably should be done in the form of banking. When we get down to this level on Lake Mead and Lake Powell how would that level effect water supplies for the Town of Cave Creek?

Hays – I think that is a little ‘unknown’ because we’ve never been there and this wouldn’t just affect Cave Creek; it would be the whole State of Arizona. The Governor has a committee working on water; they’re working on it; CAP is working on some of this; there are people who are trying to fix this on a State-wide level so as it relates to what does it mean to the Town...he can’t give a specific answer. If it ever got to that spot there could be and would be some sort of types of conservation measures; some type of tightening the belt.

McGuire understands that some 80% of the water that is used in Arizona is used for agriculture and most of that agriculture water is not by drip but by spraying which is a very inefficient method. The good thing about Arizona is that we do have a very deep, substantial aquifer under the Phoenix Valley.

CALL TO PUBLIC
Reg Monachino asked why we have to hire yet another consultant when we have a Water Advisory Committee who works with exactly this kind of issue. Has Council asked the Committee to investigate and make a recommendation? If not, why not? We heard about how much it would cost to recharge, put it in the ground...that does not seem to be a viable alternative. We could, however, have a meeting with CAP; they do have a recharge program. It would be fairly easy to set up a meeting with CAP next week so we know exactly what their program is. He suggested Council give this task to the Water Advisory Committee and ask for a recommendation within 60 days.

M/Clancy, S/Wright to approve Resolution R2017-16, Resolution R2017-16, a Resolution of the Mayor and Town Council.

COUNCIL COMMENTS

Clancy - According to the discussion we’ve had we have many things to look at to consider and cost is one of them and it appears to be many other options are less expensive. She is inclined to vote no.

Wright – We haven’t heard any other quotes other than the six million so we would be hard-pressed to have something to judge what banking would be so that wasn’t really a valid reason but it’s just to get this is going.

McGuire thanked Commissioner Monachino with the excellent idea and a way of pursuing this to get more information. We have two members here with the WAC and McGuire thinks it would be very valuable to hear from them before we move forward. We’ve had some discussion tonight and it is not clear that recharge would work all that well. Banking is another possibility and of course, it’s about recharge and he agrees with Sova that this needs to be part of a larger policy. Counsel has pointed out that if we do these things one at a time rather than doing it all as an integrated approach we’d end up spending money on something that would be better done in a more logical way.

Elrod had nothing to add.

Smith – Much as he dislikes countering something that Councilwoman Wright has put forward, he feels this is targeted a little too much toward one thing. He likes what Commissioner Monachino put forward. It echoes something that he has said; he thinks we can do it by directing staff to get together with WAC as necessary and talk it over with people in CAP who know a lot about this and elsewhere.

Sova questioned that if he were on the WAC and was asked this question he would maybe come back and say, “Don’t we need a consultant to do this?” Unless we have people on staff in house who are on the committee that can so advise us. When Reg said we should have WAC look at this, Sova doesn’t know that they would come up with any suggestions other than saying they think we need to go to a professional, a consultant who does this day in and day out. That would be Sova’s recommendation as a CAP member. It’s a good idea but we may need to have somebody, instead of recharge and/or banking and any other possible programs, they should all be investigated. He would suggest that in addition to where Wright left out the word “unused” CAP, three lines above where it says “in implementing a recharge/banking and any and all other possibilities permitted under” and go on. He thinks they should all be looked at and move forward with that.

Clancy would agree because this is the beginning of the discussion.

Sova commented that he thinks it should be more than just recharge. He made a friendly amendment to add: “recharge, banking and all other possibilities as allowed by CAP and ADWR permitted.”
McGuire asked the Town Manager if this would be an imposition on Staff or are we prepared to do this?

Dyrek responded she understood the recommendation from Mr. Monachino was to then take this to WAC and work with someone for direction. That is how she understood it but are you talking about specific…this resolution…Wright/Clancy – separate resolution. 

Dyrek – So are you asking whether we can put together the proposal to get the consultant? This is giving direction to go out with the proposal…Clancy - to get the consultant to do this feasibility study.

McGuire thinks mentioning the WAC is very germane.

Attorney Hays recommended ask CAP to make a presentation to WAC and potentially to Council to see what they have available before we go paying money; there may be something they have in their program that doesn’t cost money to go hire a consultant. That may be a first step to at least get information to WAC and to you without spending on consultants and then we may decide after that, maybe within 30 days or as soon as we can meet with CAP.

Clancy – We could take out ‘engage consultant’ and put in something to the effect of ‘engage in business’ because CAP could be one and then others.

Hays – I think we start with CAP because they are the ones who we get the credit from so that would be a good one to start with and that would be so we could have information and the WAC and Council could have that information. He thought of this as he was listening and based on what the Commissioner said as well.

Bunch said that many times we rush out to spend money on studies and there may be sources of information available to us that we don’t have to pay for to begin with. CAP is the main player in this whole thing. He is not going to support this and go with doing some ground work first to see what is actually available to us. It is in their best interest for us to bank and not have to depend on them so much from the river in times of duress.

Hays stated Lisa Atkins, President of CAP is a point of contact. He will call her tomorrow and see if we can get that ball rolling.

Sova asked Wright if she would be willing to table this to see what is feasible and then go forward from that point.

Wright – Absolutely. Something to keep in mind, if you leave your water in CAP like we do, they’re not reserving it for us, it’s not our water, it’s what we buy.

Bunch stated we need to undo the motion.

M/CLANCY, S/BUNCH MOVED TO TABLE THE MOTION. 
M/C 7-0 BY VOICE VOTE.

ADJOURNMENT: Adjourned at 9:26PM.
CERTIFICATION
I hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Regular Session of the Town Council of Cave Creek held on the 6th day of November, 2017. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of December 2017.

Carrie A. Dyrek, Town Clerk