

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
January 31, 2008**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PRESENT: Mayor Bob Edwards, Vice-Mayor Tim Fruth, Council Member Ed Blair, Council Member Su Connell, Council Member Andy Romance, Council Member Mike Vogel, and Council Member John Wilson.

STAFF PRESENT: Silvia Smith - Town Clerk, Sam Streichman - Town Attorney, Debra Galbraith - Town Manager, Colin P. Walker - Water Superintendent, and Rick Manchester - Parks & Recreation Director.

OTHERS PRESENT: Gaye Stidham, Deputy Town Clerk; Tim Wright, Deputy Town Attorney; Debbie Dawson, Executive Assistant; Diane Stoyer, Legal Department Office Manager.

PURPOSE OF MEETING

1. Motion to retire to executive session for the following reasons:

- A. C.C. Cragin Reservoir

- (1) Discussion or consultation for legal advice with the attorneys for the Town of Payson regarding negotiations with Salt River Project for water from C.C. Cragin reservoir, pursuant to A.R.S. Section 38-431-.03(A)(3); and (2) discussion or consultation with the attorneys of the Town of Payson in order to consider its position and instruct its attorneys regarding the Town's position regarding negotiations for a contract with Salt River Project for water from C.C. Cragin, pursuant to A.R.S. Section 38-431.03(A)(4).

Motion: to Approve (1) to retire to executive session for discussion or consultation for legal advice with the attorneys for the Town of Payson regarding negotiations with Salt River Project for water from C.C. Cragin reservoir, pursuant to A.R.S. Section 38-431-.03(A)(3) and (2) discussion or consultation with the attorneys of the Town of Payson in order to consider its position and instruct its attorneys regarding the Town's position regarding negotiations for a contract with Salt Rive Project for water from C.C. Cragin, pursuant to A.R.S. Section 38-431.03(A)(4).
Moved by Council Member Mike Vogel, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

Yes: Mayor Bob Edwards, Vice-Mayor Tim Fruth, Council Member Ed Blair, Council Member Su Connell, Council Member Andy Romance, Council Member Mike Vogel, and Council Member John Wilson.

The Council retired to Executive Session at approximately 3:05 p.m.

The Council returned from Executive Session at approximately 4:16 p.m.

2. Discussion/possible action re: C.C. Cragin Reservoir water and/or negotiations with Salt River Project for obtaining such water.

Attorney Larry Castor was present by phone. The partial assignment of water rights from SRP would be from water stored behind the C.C. Cragin dam. Allocation would be determined on the water physically available May 1 of each year. This should produce an average of 3,000 acre feet of water per year for the Town. The Town would agree to limit their underground well water withdrawal and constraints would be put upon the Town concerning their ability to drill new wells outside the Town limits or receive water from outside the Town limits. Mr. Walker, Water Superintendent, was satisfied that the amounts allocated would be sufficient for the Town of Payson into future build-out. Although some issues still remained to be resolved, both Mr. Walker and Mr. Castor were optimistic and said that SRP had been very understanding.

Jim Keyworth, reporter for the *Gazette*, asked concerning the time an agreement would be complete. Mr. Castor explained that he was hopeful for an agreement shortly after the mid-February meeting.

Pete Aleshire, reporter for the *Payson Roundup*, asked about the timing and cost of building the pipeline to bring the water from the C.C. Cragin Reservoir to Payson. Mr. Walker and Mr. Castor explained that a certificate of water right application would need to be processed by the Department of Water Resources and would take at least 440 days. Meantime the staff would apply to the Forest Service for approvals needed to lay the pipeline and acquire the land needed for a water treatment plant. The Town is several years at best from delivery, but SRP has continued to be cooperative.

Tom Loeffler asked about the limitations on the use of Town wells as proposed by SRP. Mr. Walker explained that the Town could drill and serve within its water service area. The service area could change with adjustments to Town boundaries. SRP's major concern was the quantity of ground water used and it was important to them that the Town agree not to go outside the service area to drill new wells or accept deliveries of water from outside that service area.

Mayor Edwards credited the work of many including Fred Carpenter, Buzz Walker, LaRon Garrett, Sam Streichman, Tim Wright, Lynn Godfry and Debra Galbraith. He thanked Buzz Walker and Larry Castor for their vision to make application to Congress to make this happen and Sen. Kyl for his help getting this through Congress and his help since then.

B. YMCA Lease

- (1) Discussion or consultation for legal advice with the attorneys for the Town of Payson regarding negotiations with the YMCA for a lease to the YMCA of Town land, pursuant to A.R.S. Section 38-431.03(A)(3); and (2) Discussion or consultation with the attorneys of the Town of Payson in order to consider its

position and instruct its attorneys regarding the Town's position regarding negotiations with the YMCA for a lease to the YMCA of Town land, pursuant to A.R.S. Section 38-431-03(A)(4).

Motion: to Approve recessing to Executive Session for possible discussion or consultation for legal advice with the attorneys for the Town of Payson regarding negotiations with the YMCA for a lease to the YMCA of Town land, pursuant to A.R.S. Section 38-431.03(A)(3); and discussion or consultation with the attorneys of the Town of Payson in order to consider its position and instruct its attorneys regarding the Town's position regarding negotiations with the YMCA for a lease to the YMCA of Town land, pursuant to A.R.S. Section 38-431-03(A)(4); and discussions or consultations with designated representatives of the Town Payson in order to consider its position and instruct its representatives regarding negotiations with the YMCA for the lease of Town real property, pursuant to A.R.S. Section 38-431.03(A)(7).

Moved by Council Member John Wilson, seconded by Council Member Su Connell.

Vote: Motion carried 7 - 0

Yes: Mayor Bob Edwards, Vice-Mayor Tim Fruth, Council Member Ed Blair, Council Member Su Connell, Council Member Andy Romance, Council Member Mike Vogel, and Council Member John Wilson.

Mayor Edwards recessed to Executive Session at approximately 4:37 p.m.

3. Discussion/possible action re: the potential lease of real property to the YMCA and related negotiations.

Mayor Edwards reconvened the Special Meeting at approximately 6:16 p.m. Clnns. Vogel, Connell, and Wilson were in attendance. Mayor Edwards explained that negotiations were ongoing and there would be a report to the Council within 30 days.

ADJOURNMENT: Mayor Edwards adjourned the meeting adjourned at approximately 6:17 p.m.

_____ Date: _____

Bob Edwards, Mayor

ATTEST:

Silvia Smith, Town Clerk

Certification

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the special meeting of the Town Council of the Town of Payson held on this day the 31 of January, 2008. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2008.

Gaye Stidham, Deputy Town Clerk