

**TOWN OF PAYSON
TOWN COUNCIL MEETING
MINUTES OF THE SPECIAL MEETING
November 27, 2012**

CALL TO ORDER

Mayor Evans called the special meeting to order at approximately 4:35 p.m.

PLEDGE OF ALLEGIANCE

PRESENT: Mayor Kenny Evans, Vice - Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Rick Croy, and Council Member John Wilson.

STAFF PRESENT: Debra Galbraith - Town Manager, LaRon Garrett - Assistant Town Manager, Tim Wright - Town Attorney, and Silvia Smith - Town Clerk.

OTHERS PRESENT: Tracie Bailey - Deputy Town Clerk, Hope Cribb - Finance Manager.

Mayor Evans changed the order of the Agenda taking Item 2 first.

2. **Discussion/possible action concerning Resolution No. 2693, captioned as follows: A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPOINTING A DIRECTOR TO THE RIM COUNTRY EDUCATIONAL ALLIANCE SEPARATE LEGAL ENTITY TO FILL THE UNEXPIRED TERM OF MIKE VOGEL.**

Mayor Evans expressed his appreciation for the efforts and service of Mr. Vogel. There were six to eight possible candidates identified.

In lieu of taking action on Resolution 2693, Council Member Su Connell nominated Jim Lyon to replace Mike Vogel on the RCEA Board. The nomination was seconded by Council Member John Wilson. The nomination was unanimously approved by Council.

1. **Discussion/possible action regarding the bid award for the Solar Electric Generation Facilities on Town Property (Town Hall, Police Department, Fire Station 11).**

LaRon Garrett, Assistant Town Manager, explained the bidding process, receiving three bids for this project. Representatives from the company partners were present.

Mayor Evans asked the representative from each, the Edwards Design Group and their partner in this project, Dependable solar Products to introduce themselves. He waived the parliamentary procedure of a motion before discussion to allow for their comments and answering questions from the Council.

Jim Beard, Vice-President of Sales and Marketing for Dependable Solar Products, said they put this bid together with Edwards Design Group. They have worked together on other APS projects.

Kevin Edwards with Edwards Design Group said he was available to answer questions.

Council Member Blair asked if this project would save the Town money. Mr. Garrett explained the current rate from APS was around 9.5 cents per KWH. The projected rate cost after the project is

complete of 8.5 cents per KWH would be a savings.

Council Member Carpenter asked if this system was adaptable for updating to more advanced technology. Jim Beard replied it was and would improve and provide the same amount of power with a smaller foot print. Council Member Carpenter asked if it was more efficient. Mr. Beard said the output would remain the same, but the footprint will be 10% to 15% smaller making it more efficient. Council Member Carpenter asked if the cost of improvement would be a larger gap and if we would see the benefit of that. Mr. Beard said the module prices have decreased in the last three to five years. Maintaining the 8.5 cents per KWH is something they couldn't have done earlier.

Council Member Croy asked who paid for repairs. Mr. Beard said they accept full maintenance and repairs under the contract for the 20 year life of the contract.

Council Member Connell asked what was the estimated construction time from start to finish. Mr. Beard said there is a time line in the proposal for mid to late October, but they plan to accelerate the project. The Town will do the permitting internally. He expected completion of the project by early next summer. Mr. Garrett said this was an APS subsidized program and the October 2013 completion date was the their cutoff date.

Council Member Croy asked if all the buildings would be simultaneous. Mr. Beard said the Police Station and Town Hall would go at the same time and then the Fire Department. The module crew would be on one side at a time. They will put together a specific time line and work with Town staff.

Council Member Carpenter asked Mr. Garrett if this project was similar to the high school parking lot. Mr. Garrett believed it would be. Mr Beard said it would provide 10 feet of clearance and they may be able to do the Police and Town Hall buildings in one section. Council Member Carpenter said that parking under them would be an advantage.

Council Member Blair asked if either firm was involved in the school projects. Mr. Beard said they were not. Council Member Blair made reference to an accident with a bus hitting a module at the high school. He asked who would be responsible for repairs from such an accident. Mr. Beard replied that such an event would be part of the liability covered under their insurance.

Vice-Mayor Hughes asked what percentage of power this project would provide. Mr. Beard responded that it would be around 60%.

Council Member Wilson asked if workers would be hired locally. Mr. Edwards said they will try to hire locally for the less technical work. The electrical side would be done with their staff. Edwards Design Group has hired local people in other areas and he was interested in doing that again.

Mayor Evans referred to an e-mail he received from the University of Arizona where they could receive power under a similar program for around 5 cents per KWH. Mr. Edwards said his friend was the CEO of that company and the system showed some promise, although he believed it to be experimental. Mr. Edwards said the modules for the Town Hall were tried, tested and very reliable. That is why APS likes them. Some of the upcoming technology is still in research.

Mayor Evans recapped the program saying they were talking about buying at a fixed price for the next 20 years at 60% and the other 40% APS would charge at their standard rate. He asked whether we would get dinged by them raising their rate. Mr. Garrett explained this program was subsidized by APS and they helped fund the program, but he couldn't speak to how their rates would be in the future.

Vice-Mayor Hughes asked if we were limited to 60% and, therefore, could not do 100%. Mr. Garrett replied that APS would not participate in it over 60%. Vice-Mayor Hughes suggested a scenario where, with new technologies, the other 40% would be under a different program.

Council Member Carpenter asked who takes the equipment after 20 years. Mr. Garrett replied there were three scenarios; either extend the current contract, have the provider remove the equipment or the Town buy the equipment at market price.

Council Member Carpenter asked if APS would be opposed to new technology to fund the remaining 40%. Mr. Beard did not feel APS would be against it. APS has been doing subsidies for residential and commercial for several years. They are trying to wean off of the subsidies now and there was the possibility the Town could expand to 100% in the future.

Mayor Evans explained this approval was not the final approval and there would be multiple steps between here and there. Mr. Beard added that a contract with the Town would be signed sometime in January.

Motion: to approve to select Edwards Design Group, Inc. in partnership with Dependable Solar Products as the Qualified Provider for the three identified solar electric generation facilities on Town property and authorize the Mayor to sign the necessary documents with the Qualified Provider and with Arizona public Service for each of the projects.

Moved by Council Member Ed Blair, seconded by Council Member John Wilson.

Vote: Motion carried 6 - 0

Yes: Vice - Mayor Michael Hughes, Council Member Ed Blair, Council Member Fred Carpenter, Council Member Su Connell, Council Member Rick Croy, and Council Member John Wilson.
Abstained: Mayor Kenny Evans.

ADJOURNMENT

Mayor Evans adjourned the special meeting at approximately 5:00 p.m.

APPROVED:

_____ Date: _____

Kenny J. Evans, 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 27 of November, 2012. I further certify that the meeting was duly called and held and that a quorum was present.

DATED this ____ day of _____, 2012.

Tracie Bailey, Deputy Town Clerk