

# TOWN OF SUPERIOR MINUTES

## OF SPECIAL MEETING OF THE TOWN OF SUPERIOR TOWN COUNCIL

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the Superior Town Council and to the general public, that a Work Session of the Superior Town Council was held on Thursday, September 14, 2023 at 6:00 p.m. in the Superior Town Hall Auditorium, 199 N. Lobb Ave., Superior, Pinal County, Arizona.

Work session was live-streamed on the Town's youtube channel.

<https://www.youtube.com/channel/UCd2f5D2dfTkaazjwNyhAXRA> .

This meeting was held remotely through technological means, as permitted under Arizona law.

1. **CALL TO ORDER**

Mayor Besich called the meeting to order at 6:00 PM.

2. **ROLL CALL**

PRESENT:

Mayor Mila Besich  
Council Member Vanessa Navarrette  
Council Member Gilbert Aguilar  
Council Member Amy Byrd  
Council Member Bruce Armitage  
Council Member Olga Lopez

ABSENT:

Vice-Mayor Michael Alonzo

STAFF PRESENT:

Todd Pryor – Town Manager  
Stephen Cooper – Town Attorney  
Ruby Cervantes – Town Clerk  
Karla Luedke – Admin Assistant

PUBLIC PRESENT:

Jim Schenck  
Fred Keiss  
Joanna Memahon  
Rick and Teresa Cartier

3. **PLEDGE OF ALLEGIANCE**

Mayor Besich led everyone present in the Pledge of Allegiance.

#### 4. WORK SESSION

##### A. Presentation/Discussion for WWTP.

Mayor Besich – thanked everyone for joining us for the presentation and discussion on the potential sale of the Wastewater Treatment Plant.

Todd Pryor – would encourage us to have members here that can give their presentation and that would give us something to talk about.

Fred Keiess and Joanna Memahon gave a Power Point Presentation on Central States Water Resources. (CSWR).

Mr. Keiess covered the highlights of CSWR. Their Mission is to bring safe, reliable and environmentally responsible water resources to every community in the U.S.

1. They are serving more than 500,000 customers in 11 states – Rural systems similar to Superior.

2. Investor-Owned Water Utility Connections Summary. CSWR is now the 11<sup>th</sup> Largest IOU in the U.S. – they have resources to meet the Town's needs.

3. Single largest operator of wastewater plants in the United States.

4. Customer Experience – consistent, transparent conversations are essential. Also gave examples of Real community impacts.

5. CSWR in Arizona –

Entered Arizona in 2021, under the utility operating name of Cactus State.

They own and operate systems statewide serving rural communities similar to Superior.

They now own and have acquisitions pending approval for 34 water and wastewater systems that will provide service to more than 6, 000 connections.

Once they receive approval from the Corporation Commission for all of their pending acquisitions, they will be the state's 9<sup>th</sup> largest privately owned water and wastewater utility.

Despite their growth, their focus will continue to be on Arizona's rural communities. They take care of customers.

They are invested in Arizona and taking care of valuable water and wastewater systems assets.

Committed to Improving Arizona's Water and Wastewater Utilities.

The ongoing commitment of Cactus State - \$15.3 million of projected capital investments for systems improvements.

Council Member Aguilar asked is the plant bit enough – we are getting the Arboretum; with our annexing; hotels. Need for bigger facility.

Mr. Pryor stated in the 70's it was double oversized. The rebuild is fixing that.

Mayor Besich – having anticipated growth, how would they be handling that growth?

Mr. Kriess- we would work with developers. Process they go through. Goes through corporation commission and engineering evaluation.

Purchase agreement up front; detailed; ongoing obligations. Corporation Commission reviews application; sends staff to review system; makes recommendations; they will have conditions; operating agreement.

Council Member Armitage – in conjunction with the sales agreement?

Mr. Pryor – Dependence on effluent for Arboretum survival- needs to be written out.

Council Member Navarrette – same with the school. Mr. Pryor replied yes.

Mr. Armitage asked what is the timeline? What is the process?

Mr. Kriess – one year. Signed purchase agreement; to commissioner within 30 days; 150 days to act; review; report; hearing; recommend.

MR. Pryor – put out to open bid.

Mr. Jim Schenck – question for Todd. We are spending to fix. Will they assume the loan?

Mr. Pryor – the new asset will be \$5.5 million dollars.

Council Member Navarrette – \$3.5 million debt.

Mr. Pryor - \$3.5 million is non-payroll debt. \$1.75 million is the plant. USDA grant doesn't want the money back.

What plant doesn't do:

Purchased 3 pumps - \$20,000.

Generator last year - \$70,000.

We would need to increase rates to operate at current level – build a pump fund.

Council Member Aguilar – This has been a sore for us. The same every year.

Mr. Pryor- Grant resources; engineering reports is a long process. It has been 9 years on this upgrade. USDA 15 hurdles.

Mayor Besich – many demands; the community growing; know risks; responsibility.

Can't get ahead with this debt. Thank God we have had the backup money when we have needed it. So Mr. Cooper, our next step would be to put this on the Council Agenda and put this out to bid. If there was a next step.

Mr. Cooper – Mayor, Council Members, this is probably going to be one of the biggest decisions you are going to make as a Council and for the community. Thought basically would present this to you. No going to make a commitment to make that decision. There is going to have to be a lot of due diligence that will have to be taken. Such as making sure that we have, at the town's standpoint, we have a fair price for the plant. We are able to make sure that any debts associated with it can either be assumed or that we have. We also have to go back and look at the plant. With work you could bring it back to a 700,000 resident facility that would give you the ability to expand in the future. But its basically going to be a business decision. Ultimately, whether or not you want to remain in the sewer business. That scares a lot of communities but as I point out to you, you're not in the solid waste business; you're not in the water business. You have had some experience with it. You sell to one of these companies, it is going to be a regulating company with the Arizona Corporation Commission. They still have to deal with ADEQ. We would also have to plan to have effluent in there. If you sell the plant, it goes to someone else. We would have to negotiate some agreement so that we could have water set aside for the Arboretum and as pointed out by the council, there are some agreements with the school as well as a source of irrigation. We have to make sure we have those things that are appropriate to protect this. At the end of

the day, it's going to be a tough decision whether you stay or whether you sell. Its hard at our standpoint, how do we value a wastewater treatment system. You can hire people to evaluate that for you. There are some industry rules that go in there. Probably a dollar amount they associate with the number of users. If you get to that point that you want to do this, we would do a request for proposals; we'd have you look at it. With the Az laws, we wouldn't have to go with the highest bidder. Basically, we would look at a lot of things; the price; what kind of services are going to be there; the commitment they are going to have to feature improvements. Basically, you have some leadway, as long a you take the most responsible proposal that you believe protects the community. Money is great but basically if its one check and they are not going to run the system efficiently. I hear the town managers' concerns and the councils that basically you have been pushing the stone uphill. Roll forward 1, back 2. We need to decide what is the next step.

Mayor Mila – Tonight was an opportunity for the council to have this discussion. To get more information. We have to give some type of direction. I understand we have 90 days or even 6 months to make sure we are making the right decision. Pending feedback. Give staff more direction. Do more research and bring it back to a meeting.

Mr. Cooper – It's not going to be a deal unless the Corporation Commission says it's a deal. If there is a target out there 2025 2026, you are going to have a lot of time to reflect and study on this issue.

Council Member Navarrette – do we need to have a vote to direct staff to continue. At the next council meeting, take a vote to direct staff to continue to pursue or not.

Mr. Cooper – You would not need to do that. But you can express that you would like to hear some more about this or thank you this is a nice presentation, but I would like to keep our sewer plant. We would hear the consensus of the council.

Mr Pryor – No vote. No motion. Just individual council members would like to hear more.


Council Member Navarrette - based on what she heard today, this is something that we have to be looking at.

Council Member Aguilar feels the same way. So do Council Members Lopez, Armitage and Byrd.

Mayor Besich – there is obviously direction from our Council to get this good thought and good study. Mr. Pryor, add that to your to do list. Thanked everyone for educating us on this. Thank you for your time and proposal.

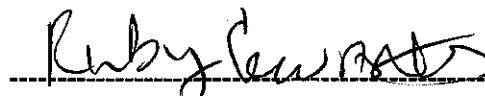
5. **ADJOURNMENT**

**Mayor Besich adjourned the Worksession at 7:00 PM.**



Mila Besich, Mayor

**ATTEST:**



Ruby Cervantes, Town Clerk