



TOWN COUNCIL REGULAR MEETING

Minutes

Wednesday, January 20, 2021 at 6:00 pm

Attendees: Staff: Joseph Jarvis - Town Manager, Kelsi Miller - Town Clerk, Dayson Merrill - Chief of Police, James Kempf- Police Sergeant, Robin Aguero - Community Services

**Springerville Town Council Chambers - 418 E. Main St.
Springerville, AZ 85938**

Pursuant to A.R.S. Section 38-431.02, notice is hereby given to the members of the Springerville Town Council and to the general public that the Council will hold a meeting open to the public at the Springerville Town Hall, 418 East Main Street, Springerville, Arizona. The Town Council reserves the right to adjourn into Executive Session in accordance with Arizona Revised Statutes Section 38-431.03 (A)(1)(3)(4) and (7) for legal consultation on any of the following agenda items.

TOWN COUNCIL MEETING: 6:00 P.M.

1. CALL MEETING TO ORDER AND PLEDGE OF ALLEGIANCE:

Minutes:

Mayor Hanson called the meeting to order at 6:00 p.m.
Jena Dodge led the pledge of allegiance.

2. ROLL CALL:

Minutes:

The Town Clerk completed a Roll Call:
Councilor Llamas - Present, Vice-Mayor MacKenzie - Present, Mayor Hanson - Present,
Councilor Davis- Present, Councilor Reidhead - Present
A quorum is present.

3. PUBLIC HEARING & PUBLIC FORUM:

a. White Mountains Flower LLC.:

Minutes:

Mayor Hanson declared a conflict of interest and recused himself and turned this

item of the meeting over to Vice-Mayor MacKenzie. Councilor Ruben Llamas also declared a conflict and interest and informed them he will be recusing himself from this item.

ACTION: Richard/ Shelly motion to enter into a public forum to take public and Council comments on White Mountains Flower LLC.

Ayes: 3 Nays: 0

Discussion:

Manager Jarvis started by reading a statement of events he prepared regarding WMF LLC. The following events and dates were included: July 8, 2020, Special Council Meeting Council voted in favor to negotiate a development and lease agreement. September 16, 2020, Council Meeting included an update from the tenant. October 21, 2020, Council Meeting included discussion regarding development and lease agreement dependent on P & Z's November 10th meeting. November 10, 2020 Planning and Zoning Commission Meeting regarding rezoning and conditional use permits. Passed by commission 4-0. November 12, 2020, Council Meeting, passed the development and lease agreement 5-0. November 18, 2020, Council Meeting no public comment on the subject. December 16, 2020, Council meeting no public comment on the subject. January 2, 2021, the public commented on WMF.

Between July 8th and November 12th, the Town Council held 5 public meetings in which public comments could have been shared with the Town Council.

As it pertains to the employment of Councilmembers by WMF, there are now members of the Town Council that are employed by WMF. After reviewing, each Council member was hired after the November 12th Special Council Meeting. Chris Dodge addressed the Council and Public. He is sure there will be a lot of questions regarding WMF. But right now he is here as a resident of the community and a father. He feels there will be both fact and fiction said tonight regarding marijuana, he encourages everyone to do their own research. There is a lot of false information out there, he and Jena are always willing to answer questions regarding the plant. They will be available to answer them.

Jena Dodge addressed the Council and the public. Although she is a part-owner of WMF she is speaking as a resident of this community. She understands there are people for this and against this. Within the last year, she has witnessed new businesses closing. It is scary to be in a small town with few businesses and then seeing them close. She feels this farm is good for this community and employment here in order for people to have good jobs.

Steven Petuck introduced himself as the CEO and representative of WMF. He thanked everyone for having questions and the ability to come and answer them. He said many of his team members have joined them tonight. He feels the relationship between the Town and WMF is successful. He is here to answer questions as they come.

Lisa Edwards introduced herself as the CFO and Human Resource representative of WMF. She wanted to give an update on employment and how they have been

giving back to the community. They currently have 40 people on site with plans to hire 20 more. To address traffic concerns 25% of the employees are carpooling. All third party vendors are local. Materials that can be purchased locally are sourced here first. Several employees that were previously unemployed are now able to put money back into our community through supporting local stores and restaurants. She is also available for questions. Kay Dyson addressed the Council and public and thanked Council for this opportunity to speak. She has questions left over from the last meeting regarding the environmental issues with WMF. There has been no hydrology study done. She went over the amount of water needed for this farm, based on Chris's estimates from a former meeting. Has the city done due diligence to find out if we have enough water? She has not been given an answer to that question yet. Will the Town be willing to work with WMF and the citizens of Springerville to determine if we have enough water? She would like to know if this is sustainable. Chris Dodge let her know those amounts are for phases 1 and 2. At this point, they have not committed to expanding to phase 2. Although phase 2 has been approved by the Town Council. She asked if WMF would be willing to pay for a hydrology study, they responded at this time one is not required by the Town, they are not willing to pay for one.

Scott Hamblin on behalf of Round Valley Coalition for Family Values addressed the Council and public. He explained the RVCFV is made up of many churches and other organizations centered around maintaining Christian family values. He gave the analogy of George Bailey and Mr. Potter and the future of the Town. He is concerned about debt and drugs in our community. He feels this farm is not good for our community, he understands we are all worried about the power plants closing, but questions if we want our biggest employer to be that of an illicit substance. He feels these jobs will entice our youth and moral compass. He wants to know what type of message it is sending the children by embracing this enterprise. We have a family-oriented community, drugs destroy families, they are calling upon the governing body to promote measures that support strength in family, not potentially destroy it.

Travis Schroeder on behalf of Momentum Life Church, Assembly of God, president of the RV Cares Foodbank, a Christian, and a representative for the Round Valley Coalition for Family Values addressed the Council and public. He has concerns about marijuana in the community. While the state of AZ voted in favor of recreational marijuana, the four precincts of Round Valley voted strongly against it. While the Council knows this, they still approved measures to seek to allow recreational marijuana in our community. He mentioned the conflicts of interest issues he has with WMF and two Council members. He is concerned about the amount WMF is paying in the lease and the discounts for utilities. Water bills are increasing, and the town is giving out water-saving devices due to constant droughts and water supply problems. He feels our community does not want the growth, sale, use, or transportation of any kind of

drugs including recreational marijuana. He feels they have made their voices heard on recreational marijuana and Council has disregarded how the majority of the community spoke on this issue. We are a family-friendly community with faith and values committed to keeping our children and adults safe and free from the impact of drugs. He stands with many faith and community leaders asking this council to reject any further actions that would allow the growth, use, sale, and transport of recreational marijuana in the Town of Springerville. Stephen Martin addressed the public and Council and thanked Ruben for recusing himself. He announced they have a petition circulating the room for anyone wishing to sign, this is for legal, procedural issues, and improper conduct of officials it also includes issues pertaining to zoning, construction, ordinances, code, and potential impacts to the Town. The current agreement is 25 years and he feels the cost of living increases are totally ignored in that, he feels this is below fair market value. Water resources are a concern and we do not know if we can provide millions of gallons of water for this farm. No environmental assessment has been done. He feels the broader issues are wildlife, river habitat, air quality, pollution, noise, and effects to well owners. These are things he feels an ADEQ study will address. He mentioned the conflict of interest issues and feels these issues need to be addressed.

Acey Martin introduced himself as a husband, father, and pastor of this community. He stated he is not opposed to the medicinal use of marijuana, but he is opposed to the recreational use of marijuana. He understands the state has voted and chosen to allow that. But he has reasons why he stands opposed and would like to share those; marijuana is a drug that causes an apathy of the user, he doesn't want to see more apathy in the lives of our young people, he would like to see our youth moved out of the areas of grey and into honesty and integrity and work that produces a bright future, marijuana is a gateway drug, he has seen this first hand, marijuana can lead to more drugs coming into our community, he worries about the safety of our children in Round Valley, he feels adding WMF to our community of vendors will add bring added risk to our children and their freedoms, lastly, our nation is condoning behaviors not good for our wellbeing, we are a community that needs to point people to the light of Christ. Looking for a quick fix to economic issues will add to the downward spiral and will cost us. He feels we could be sacrificing our greatest commodity, our children.

Kerry Nedrow addressed the Council and the public. His comments are on the planning and zoning issues related to notices and public hearings. He referenced the A.R.S. on requirements for adopting a town ordinance for rezoning applications specifically requiring a public hearing, posting requirements, and publishing notices. He said the only place he saw postings in this area was down past Reidheads. He also stated there have been no public hearings, only a planning and zoning meeting.

Amber Baca introduced herself on behalf of the Youth Council of Apache County.

The majority of what she does works with the middle school kids in our community. She understands their interests, strengths, struggles, and trends. This is an impressionable age and they form opinions on things based on what they see. They have developing brains that need guidance from adults. She believes there are kids in our middle school using marijuana, she works with these kids and knows these kids and she understands their perception of marijuana is casual. We have a responsibility to protect our youth in our community and the decisions Council makes regarding dispensaries in our community will make an impact on the youth. Youth will have higher chances of using marijuana and the message we are sending these kids. Having a dispensary here will give the appearance of acceptance to the use of marijuana especially if we have the opportunity to stop or delay the opening of a dispensary.

Jason Leininger addressed the Council and the public. He is a resident of this area, works construction, and is married to an elementary school teacher. He said they are both here tonight to show support to White Mountains Flower. They believe they are a much-needed asset in this community. With the current situation regarding fossil fuels and coal SRP and TEP will be closing in 5-8 years and this community will be losing jobs and this town will suffer from the lack of opportunities. With WMF coming into our community they will be hiring locally. They will eventually be bringing 100's of desperately needed jobs here. He believes that in order for this town to stay a great tight-knit place to raise our kids we will need great employment opportunities to put money back into our economy. With COVID this money for small businesses could be the difference between staying afloat or closing their doors permanently. He hopes everyone can see the bigger picture of what this company could do if everyone could keep an open mind while issues arise to help solve them. This is something new and different, give it time and patience.

Cameron Hunt addressed the public and Council. He said he lives just down the hill from where the farm is being built. Originally he was not opposed to the idea, bringing in more jobs is great. With the passing of recreational marijuana, he is a little more opposed. He is open to education as he voices his concerns tonight. He stated he is a father of three children ages 8, 6, and 3. They were very excited when they purchased their home on the bluff, it was a place for their kids to go play. They were not informed what so ever about this project. They did not receive anything in the mail, notices of public hearings, or see any signs. There was no communication with them until they saw the fence being built. He said he believes the farm is about 200 feet from his house. His first concern is the odor from the plants as he is downwind and if they are outside or have windows open they do not want to smell marijuana. He is curious to know what measure the Town has put in place regarding odor and the effects on his property. The second concern is will this farm affect his property value? They love their place, but if the odor is an issue will he be able to sell the home? He

feels everything should be stopped until some of the issues have been addressed. He suggested with the hundreds of acres all around town away from all residences the farm could move. He does not understand why this is being built in the middle of a neighborhood. He said that would also be better for the company. He feels it's destroying his neighborhood.

Chris Dodge asked to respond to some of the concerns, Vice-Mayor MacKenzie approved of him responding. He responded to Mr. Hunt, stating historically marijuana has been a big industry throughout the United States over a period of time. Over the long term, it has shown there is actually an increase in property value because of the jobs offered. He has probably 20 employees here that would probably love to buy Mr. Hunt's house to be as close to work as possible. When you have industry property values go up. Regarding the smell concerns, this is an agricultural product, at the end of the day regardless if this is a cotton farm there will be some smells involved. They have contacted ADEQ and were told they are not eligible for any air quality permits. Basically, the air quality concern and smell issues are so minimal that ADEQ is saying they do not need a permit. He said there is a mild smell, but not an overabundance of odor. He has spoken to the Mayor of Snowflake who has a large growery and the Town has nothing but positive things to say. Mr. Hunt responded that the people in Snowflake are who have warned him about the odor. Mr. Dodge feels overall people feel the groweries are a positive thing. He mentioned the fence questions, he wanted to remind the public that they are still currently a construction site and things will be changing and being built daily. He said in the long list of things they would like to complete they have included trying to beautify the fence, maybe have local artists come out and get input from the neighbors. Mr. Hunt asked if they have a fence permit? Mr. Dodge responded they do have a fence permit and it is hanging along with the conditional use permit for all of the other construction. He said they will get the building permit closer to the building construction time. Vice-Mayor MacKenzie said some people are concerned they will be selling marijuana with a storefront out there. Chris Dodge responded they will not have a storefront out there, they are strictly cultivation and reselling.

Shelly Reidhead/ Richard Davis made a motion to end public hearing 3a

Ayes: 3

Nays: 0

ACTION: Shelly Reidhead/ Richard Davis motioned to close the public hearing 3a.

VOTE: Ayes: 3 Nays: 0

b. Small cells wireless facilities in the right-of-way fees:

Minutes:

ACTION: Ruben Llamas/ Richard Davis motioned to open a public hearing to take public and Council comments on Small cells item 3b.

Ayes: 5

Nayes: 0

No Public Comment

ACTION: Shelly Reidhead/ Richard Davis motion to close the public hearing and enter regular session.

Ayes: 5

Nayes: 0

4. PUBLIC PARTICIPATION:

Minutes:

Mayor Hanson announced if you have already spoken to the Council tonight they have heard you, unless you have new comments or questions please allow this time for those who haven't spoken.

Cindy Henderson a resident of the airport area addressed the Council and public. Her comments are regarding the sale of the airport home previously owned by the Town of Springerville and sold to the Lefler family. She is not a spokesperson for the Lefler family, but rather a neighbor looking out for a neighbor. She stated the Town sold the home to the family Lefler family and failed to mention the City was in negotiations with a marijuana farm next door. The family had no idea they would be raising their family next to a marijuana farm. She feels that would be very important information to have when deciding to purchase a home. She questions if this was illegal. She believes it was very unethical. Was the Town so busy with negotiations they just missed this one? She stated the Lefler family was also not notified of the planning and zoning meeting to change the zoning of the parcel. She received a letter, why didn't the Lefler's? She is ashamed of how the Town has treated this family. She would like the town to make a public apology and have a discussion on rectifying this situation or will the Town blame the realtor who handled the transaction who may not have even know about the project? Is this how the Town plans to encourage new people to come to the community? She feels the Town did not follow proper procedures or follow their own ordinances. We should all be good neighbors and Springerville let down all of her neighbors.

Robert Dyson addressed the Council and the public. He thanked Council for the opportunity to talk and Mr. Dodge for providing information they did not have. He feels the Town has messed up with its public involvement process, back in June or July the residence did not know anything about it. By going to the sale of marijuana and by growing it here the Town is on the slippery slope, his faith teaches him that if you contribute to the burden of people's addiction you are complicit. He feels they have made an immoral decision and they need to fix it.

Kay Dyson addressed the Council and the public. She would like to address item 18 "Planning and Zoning Administrator". She let them know she spent 10 years on this Town Council, during that time she learned a lot. One thing she learned is you must work as a team. And she sees that the Town Manager now wants to be the planning and zoning administrator. She stated he is already the Town Manager and Community Development Director and now he wants to do P&Z. We all know Joe is bright and

young, but he should not do three jobs. If you are a member of a team, you need to study an issue, research it, discern what is right, and debate it. If you are getting it all from one person, he is the one telling Council what to do. Is Council doing their homework on the issues? She challenges Council to do that. It is not fair to the Town Manager to do all of these jobs. She also questioned where the Town Attorney was? Who is making the legal decisions? Is the Town Manager doing that job as well. She said this needs to stop, it is improper, not good town management, and needs to be fixed.

Terry Shove addressed the Council and Public as a school board member. She updated the Council with the controversy on AIA sports. With basketball, the only way they will be allowed to have a basketball season is if all the parents and community members participate in the manner the AIA wants them to participate. That means the only people that will be allowed at home games are two parents or guardians for each player. They will be checked in at the door. Players, officials, coaches, and parents must wear a mask. If the official makes the decision that someone is not wearing a mask it could cause that team to forfeit the game. If it happens repeatedly they could make the team forfeit the season. Parents will not be allowed to attend out of town games. We need to remember this basketball season is about having the opportunity for the players to get to play. Most parents and coaches don't like the idea of the kids wearing a mask on the court but they will do it so the kids will have the ability to play. Wrestling season will be similar. She asks everyone to support the school board, athletic director, and coaches. Little League basketball starts January 3rd, all spectators are welcome.

Erin Silva addressed the Council and Public. She asked why the Town Manager and the Town attorney have signed documents to join Apache County and Apache County Attorney's office in a class-action lawsuit against the drug manufacturers and the pharmacies without talking to the Council?

Gayle Rich addressed the Council and Public and announced her residence is on East Main St. She lives 70 feet from the groomer Happy Tails. In actuality, she feels it is a groomer, boarder, breeder. Again she is seeking the Council's help to enforce the Zoning codes. She read a code from Chapter 17 Zoning regarding no pet shops. She said this is and what has been happening there for over a year and a half. Noise problem aside, she would just like the law addressed. In trying to get this enforced she has spoken with the Animal Control Officer, Public Works Director, Police Chief, Town Manager, and server Officers, and now the Council twice. She does not understand why it is so difficult to get the zoning codes enforced. She feels that unless the Town Manager orders the code to be enforced it won't be enforced. She has followed up with the Town Manager, the last being January 14th, and told the same thing. She said she was told to call the police after hours and make a noise complaint. She feels this is going backward. She hopes after addressing this again, some action will be taken to enforce the codes.

Gypsy addressed the Council and Public. She said she is very new to the area and has been involved in several different businesses as well as owning her own. She is

involved in the herb industry and works for WMF. What she has seen is that this company cares greatly about the neighbors, how the construction site is left at the end of the day, and about the community. She stated she is a Christian, missionary, and Pastor, she has traveled across the united states helping people. The things said tonight are nothing new to her. She said the people tonight are attacking. She believes as adults we should walk with love and honor and care about our community, and employees. If those have questions about the medical industry they should be asking questions. If you want your children to learn about marijuana, teach them at home. She does not feel like that is White Mountain Flowers responsibility.

5. COUNCIL, MANAGER AND STAFF REPORTS:

a. Mayor & Council Reports: Summary Updates on committee meetings.

Minutes:

None

b. Staff Reports: Summary Updates

Minutes:

None

c. Manager Joseph Jarvis: Summary Updates & presentation(s)

Minutes:

Manager Jarvis reported that the water adjudication trial began on November 21, 2021. Tim Rasmussen represented the Town in our testimony. Next, he reported that the Town received a memorandum of understanding about a settlement from the Arizona Attorney Generals Office. By signing the MOU the Town joined other cities and towns across Arizona agreeing to the terms of the proposed settlement. He further explained the Town did not join a lawsuit of any kind regarding the opioid crisis. The state Attorney General did that for us. Many other municipalities and counties across the state have shown their support also. The lawsuit did not individually name all of the cities and counties damaged by the opioid crisis. But the AG's office filed a fully encompassing suit. He asked if Council is interested in holding a Special Council meeting next week in order for the Council to discuss this specific item. Council directed that they would like to hold this meeting on Tuesday the 26th of January. They would like Mr. Shaffery available for questions. Manager Jarvis said he will let the individual know and the public is welcome to attend.

6. CONSENT ITEMS:

Minutes:

ACTION: Robert MacKenzie/ Richard Davis motioned to approve consent items 6a, 6b, 6c, and 6d as presented.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

- a. **Consider approval of the December 16, 2020 Regular Town Council minutes.**
- b. **Consider approval of the January 6, 2021 Special Council Meeting minutes.**
- c. **Consider ratification and approval of accounts payable register from 12/09/2020 through 01/12/2021.**
- d. **Consider reappointment of Brian Carpenter to the Planning and Zoning Commission with a 3 year term.**

7. APACHE COUNTY YOUTH COUNCIL PRESENTATION:

Minutes:

Shannon Latham on behalf of the Apache County Youth Council asked to have this item on the agenda prior to knowing that this was a topic of action today. She wanted to focus on the support, the success, and positive outcomes of the community. They only share information that has been proven factual by SAMHSA. Today she is concerned about youth use increasing if we have an increase in growth and dispensaries of marijuana in our community. SAMHSA did a study of youth in the United States among 17-year-olds and younger and showed an increase of use in the states with legal marijuana. The trends show the more the substance is available the higher the use. As youth see messages such as its medicine now and voters said it is okay, they think it is not harmful and it is okay to use. Marijuana affects youth differently including dependency and brain development. Most youth surveyed got their marijuana from a medical cardholder. Marijuana has changed, the THC levels are now being manufactured at 3 times the concentration and have many different forms. The concentrates are appealing to children in different forms of candy. There are increase risks to mental illness with high potency use over a period of time. In closing, a university in Colorado completed a study showing for every \$1.00 of revenue from marijuana costs \$4.00 to mitigate the social and economic cost to the community. The youth council strongly opposes any dispensaries, as it pertains to our youth she hopes the dollars aren't the deciding factor and that they look at the effects on youth. She said once you allow a dispensary you cannot go back per the law of prop 207.

8. BROADBAND PRESENTATIONS:

a. ATNI:

Minutes:

John Champagne with ATNI addressed the Council and the public. He explained ATNI specializes in building broadband in rural areas with fiber and wireless technology. Everyone wants fiber, it's economical and can be subsidized with wireless. He explained his project with Barry Williams to run cable to all of the schools in Apache County. They finished the last school last summer. This gave them a very good "middle mile". There are three types of fiber long haul, middle mile, and last mile. He gave the example of the long haul being the interstate, middle mile fiber is doing the operations of a highway taking you from interstate into a community, and the last mile fiber is when it is in the community and you need to get the fiber to all the homes and businesses. He built the middle mile

fiber when he brought it to the schools. He is working on several grants, there are three more attractive grants coming up. he would like to work with the Town and go after some of these grants to finish the last mile of fiber. In addition to the grants, they will be running fiber to some of the ADOT yards. Between cell towers and ADOT, he is going to try to build some more fiber. When you try to build last-mile fiber you have to be a telephone company or do it to yourself. He prides ATNI on being a hybrid of those. He explained some of his recent projects and how they worked on the Navajo Nation. He explained if the Town tries to put in their own telephone company and doesn't have experience doing this the hope is to work with someone to help. He explained he is not a consultant. He has no interest in consulting. But rather coming here, partnering, and building a business together. John said when the Town applied for the EDA grant he wrote a support letter saying if the Town wins the grant he will support the Town with the middle mile. He explained why his letter was important for the access to the middle mile fiber. Manager Jarvis asked the Council if they would like him to work with John in providing proposals for applying for future grants. Council gave no direction. John explained there won't be one big grant, they will need to apply for smaller grants and do it in stages. The grant right now is for healthcare and for colleges. There is also COVID grants for small communities. The state is about to reinstate some grants. Southern Apache county is high up, if we build fiber in Springerville, we will need to help with all of Southern Apache County as a region. If some areas develop and others don't at the same time it could cause issues. Manager Jarvis asked if they have any questions for John. Councilor Reidhead asked if he writes the grant will he be writing his salary into the grant? He explained as a carrier, not a consultant, he has his own grant writers and the internal company will write the grant. The Town will need to supply support such as economic data, commitments, and human capital not money. The Town will not pay him. He explained he has access to capital if he goes after a grant that requires a down payment. There are some cool projects that could be done in 3-4 months that won't require a grant. They are self-funded. ADOT is paying him to build fiber to their yard, he could come to the Council and show them he needs to get from A to B and see what makes the most sense to pick a path. Barry Williams joined John at the podium as the retired superintendent of the schools. He explained this was their project and the success he had working with John.

b. Executive Session:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to enter into executive session at 7:30 p.m.

Ayes: 5

Nays: 0

ACTION: Robert MacKenzie/ Shelly Reidhead motion to enter into regular session

at 7:56 p.m.

Ayes: 5

Nays: 0

OLD BUSINESS

9. RESOLUTION 2021-R002:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to adopt Resolution 2021-R002, regarding establishing fees associated with small cell wireless facilities in the right-of-way.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

10. Discussion/Action leading to the events of White Mountains Flower LLC (Erin Silva, Doug Henderson).

Minutes:

Mayor Hanson declared a conflict of interest and recused himself and turned this item of the meeting over to Vice-Mayor MacKenzie. Councilor Ruben Llamas also declared a conflict of interest and informed them he will be recusing himself from this item. Vice-Mayor MacKenzie invited Erin Silva to the podium. Erin Silva introduced herself. She started by stating this is not about jobs, they are for economic development and good-paying jobs in Round Valley. She explained they are not against White Mountains Flower, they are addressing the improper and unethical manner that some staff and Councilors have pushed this project forward with no regard to implications. She would like to explain to the Council and audience what has not been handled procedurally and ethically and what continues to show disregard for the community, ordinances, and procedures. She feels the Town did not do its due diligence. The RV voters spoke clearly against prop 207. Why would cultivation be any different? She listed Ordinances that she believes the Town violated regarding WMF. There was not a neighborhood meeting or a public hearing. She explained the difference between a public hearing and a public meeting. Notification letters were sent to the residence within 300 feet regarding the November 10th Planning and Zoning Meeting. She said Cameron Hunt has stated tonight his house is 200 feet and he did receive the letter. But excluded from the notification letters was the Lefler family. Did the Town disclose to the Lefler family that a marijuana farm was going in across from the home before they purchased it? The Planning and Zoning meeting on November 10, 2020, was not a public hearing. At that meeting, the residence voiced their comments, concerns, and protests, and yet instead of tabling the item, the Commission voted to approve the Conditional Use Permit. Did the Commission already have their minds made up before the meeting? After the Planning and Zoning recommendation, the Town had the chance to hold the public hearing since there were objections at the planning and zoning hearing. The Town did not have an environmental impact study or a study on

the effects of the farm on the neighborhoods near the operation, the Town never had a hydrologist study. Tonight, Steve said they are not interested in furthering the study because they already have an agreement with the Town. There weren't any permits prior to the construction yet, excavation began in mid-August to early September without any permits. WMF stated in an email dated September 28, 2020, no building permit is required due to the agricultural and temporary nature of the structure. She feels the Town just took their word for it and let them proceed. She feels ADEQ was not notified prior to any digging. There was not an NOI, SWPPP, discharge permits for water, soil, or air. As of January 14, 2021, ADEQ was finally notified. The Department of Health Services as of December 21, 2020, had WMF as preliminary and nothing approved. In the development agreement and master plan, WMF states that we in conjunction with the Town of Springerville have selected the Springerville Industrial Park as our home to avoid many of the residential issues found elsewhere. In the lease it states WMF is a commercial venture, she feels there haven't been any commercial contractors licensed with the ROC on this project. A contractor working on the project that knows that codes are not being followed is at risk of losing their own licenses. She asked if the Town has received COI's and Work Comp certificates prior to work starting. Did WMF require their vendors to supply the certificates? In conclusion, they are requesting the following items be enacted; Mayor Hanson and Councilman Llamas recuse themselves from any and all discussions and decisions involving WMF, a moratorium on further development by WMF, a moratorium on any ordinance or zoning changes. They are a group of individuals that believes any business in our community can succeed on its own if the playing field is level and the process is transparent. She feels it has not been and it has been self-serving. She said this is just the start, in the coming weeks they will be bringing more information to the Council that will show many other items that prove her points. The information they will supply will be complete and researched. The information given to them tonight should give them thought of who is the Mayor and Councilperson working for.

Vice-Mayor MacKenzie introduced Doug Henderson and invited him to the podium. Doug introduced himself and said he will be covering a lot of stuff that has been covered tonight and he apologizes for that. He has been asked to speak on behalf of concerned citizens regarding how the town has handled the development agreement and that the town is now revising ordinances after the fact that the agreement has already been adopted including a variety of concerns. Therefore they submit a moratorium petition the Town Council signed by citizens of Springerville with concerns regarding WMF that have not been addressed and questions have not been answered satisfactorily. The list of concerns includes; legal and procedural issues, Ordinances regarding zoning and construction permits as seen in item 13. He feels the Town is now attempting to revise this after the fact under new business item 12. Other concerns are property values, crime rates, safety, and other public nuisance concerns that appear to him to be unaccounted for. He feels the town is now trying to revise this after the fact. He has concerns regarding resources and environmental issues. The current agreement obligates the Town for 25 years without adjustments for cost

of living and other financial increases. No assessments have been done to look at effects on wildlife, river, habitats, air quality, noise, light pollution, sewer, and groundwater pollutants. Well owners have not been given a guarantee regarding the integrity of their well. The FAA's position on the use of the development of the land is uncertain. Other concerns are the impacts on roads, bridges, waste disposal, electricity, etc. He talked about the breach of faith that has already been covered. He revisited the Conflict of Interest concerns. He feels the town is rewriting ordinances instead of enforcing ordinances. He feels there has been a failure to ensure the long and short-term effects of the development. In closing, they would like a moratorium on any further development and ordinance/zoning changes until research can be done and an investigation be completed by the Attorney General's Office.

Councilor Davis asked why the 200-foot setback is not being followed. He feels everyone was aware of it before this project started construction. Manager Jarvis said we are focusing on the buildings that are on the property now are considered temporary structures treated as temporary structures. With that, they are not permitted structures. Councilor Davis asked doesn't any building or structure that has water or electricity require a permit? Manager Jarvis said it is his understanding that the buildings that are on-site do not require a permit. Councilor Davis disagrees, he said any building with water or electricity should have a permit. Manager Jarvis said in that case if we are treating the greenhouses as permitted structures then yes, they are not meeting the 200 feet from residential properties. They are closer than 200 feet to the Lefler property and the properties off the cliff near the airport. The properties north and west of the farm are zoned agricultural by the county. The Lefler property is zoned agricultural and resides in the county. The staff has reached out to the county for clarification. There is inconsistent information. The County has not yet provided us with a confirmed answer but he feels the county has suggested they reside in the county. Councilor Davis asked is it based on residential properties or zoned residential properties. Manager Jarvis said the way the zoning wording is, is if a property is zoned residential. So the properties on the North and West do not apply, he is not sure why those aren't zoned residential but they are not. But he agrees with Councilor Davis, if you treat the greenhouses as permitted buildings then yes they are within 200 feet of residentially zoned properties. Councilor Davis asked if that is the house the Town sold. Manager Jarvis said the house that the town sold is zoned agricultural. Councilor Reidhead asked if that is also the case for the Henderson property? Manager Jarvis said yes. She asked Mr. Henderson if he pays residential taxes or agricultural? He responded, residential taxes and he has also voted in every Town election since 2002. Manager Jarvis said he is unaware of documentation showing that the Town of Springerville ever annexed Mr. Henderson's property into the Town. However, Mr. Henderson has shown that he received a building permit from the Town of Springerville. Manager Jarvis is not sure why the Town of Springerville would issue a building permit to a property that is in the County. He understands the Hendersons questioning if they are County or Town. Councilor Davis asked who gave permission for these to be done within 200 feet of the property line. Manager Jarvis

said he did, he always treated those buildings as non permitted buildings. Councilor Davis asked if he can take a mobile home put it anywhere he wants as long as it is not hooked up to water and electricity and not have to permit it. Manager Jarvis said no, that is not what he is saying. Councilor Davis feels it's the same thing. Barry Williams asked to make a comment on the situation, approval granted. He explained his family was in the chain of title for this property 30 years ago. At that time that property was considered within the town limits. He is not sure how it ever could have been deemed county. The Williams road itself the county has for access, he at one point owned that road. Councilor Davis said at one point the property on the North West side, the Town had a water tank within the Town limits on. He said this was around the '60s to '70s. Manager Jarvis said the town could own property outside the Town limits. Scott Silva also wanted to add to this subject. He stated years ago he was Chair of the Planning and Zoning commission. They were part of the original group that contemplated what was industrial or light industrial in the zones around that property. He said all of those zoning maps show it in the City. The discussions included those being in the city limits. This was in 1986 he still has those maps. The questions are is this a county island. He said the city has always maintained the roads and utilities. He feels it's a distraction. The setbacks affect people regardless if it's in the county or the city. When making decisions like this it the setback should go for anyone in the area. He said as they have already stated, they are not against development and jobs. They have been employers in the community for over 30 years. They understand the value. There is a procedure that needs to be followed to make sure everyone is treated fairly. Manager Jarvis said this is valuable information. We need to remember the Town goes above and beyond to provide services to properties they maybe should or shouldn't. Councilor Davis also asked what is going on with the FAA. Manager Jarvis said he would provide an update on that. The FAA has given authority over a large amount of land around the airport. Springerville has put in the effort to create an industrial zone. In order for the industrial zone to be developed those areas must be used related to aviation. The FAA has authority over specific parcels. The Town specifically asked the FAA if the farm could be built on the northside of the airport. They affirmed it could be built there, it is outside of their authority. Councilor Reidhead asked even though it is the same parcel? Manager Jarvis said yes, even though it is the same parcel. It is divided by a road. The Town has submitted a request to the FAA to release some of those properties so we can develop them. In addition, Manager Jarvis has reached out to some of his contacts and it seems only a few cities and towns have passed specific ordinances that require the city to follow its own zoning ordinances. Most cities and Towns can choose if they want to follow their own zoning since we are our own zoning administrator. Mr. Jarvis feels the Town of Springerville was going above in providing opportunities for the public to comment and be involved in the process. He recognizes some do not feel this way, but he said in some ways the Town could have done whatever we wanted to our own property. Councilor Davis asked about the Eastside properties, he is trying to explore and find a solution to move the greenhouses that are in conflict. He asked if

the FAA releases the other side of the road could those be moved? Manager Jarvis said if they release those, that could be an option. Manager Jarvis stated that when the Town Council directed staff back in June to begin talking with White Mountains Flower about options. We talked to the FAA about the south side and they said no. We came up with the creative solution to develop the north side of the road as phase 1. And if and when the FAA releases the southern part of that parcel and the other 55 acres then they could pursue developing those sections. The lease was written in a way that it's one lease amount for the part they are developing and if and when they can develop the other part the lease amount increases. Councilor Davis clarified he is asking because of the setback issues is there a way to buy the property from the Harpers and move all of those over there within a reasonable amount of time? Manager Jarvis stated as the Town Council you can make declarations and determinations at your decision. You must remember those decisions will have positive and negative impacts. He suspects that even if all of the greenhouses were moved to Mr. Harper's property they will potentially still be within 200 feet of Mr. Lefler's house. He also noted that Mr. Lefler is not here tonight, wasn't at the previous meeting, and wasn't at the planning and zoning meeting. He was at the meeting where Council approved the Development Agreement and Lease but we have not seen him since. If we move to phase 2 and development occurs in phase 2 that will probably be more than 200 feet away from every residential property. But, at this time we are not legally authorized to move forward with phase 2. Councilor Reidhead asked when we sold the property to Mr. Lefler, was Manager Jarvis the one who was responsible for filling out the seller's disclosure statement that was provided to the buyer? Manager Jarvis let her know he provided the information to the seller. He explained we listed the property in either May or June and it was prior to the conversation that occurred with White Mountains Flower. Councilor Davis asked before it was sold was this already in progress? Manager Jarvis said he does not remember the specifics and he will have to check into that. He is willing to email the Council or any citizen looking for that information the specifics. Councilor Reidhead asked if Brenda does. Brenda said the property transfer was on September 10, 2020. The disclosure should have been made prior to closing. Councilor Reidhead asked when was the contract opened? Brenda said she would have to check. Manager Jarvis said if it closed in September the name should have changed in September with Apache County. She said no, the assessor is months behind on updating the assessor's website. Erin Silva said Mr. Lefler's family made the proposal to the Town at the July Town Council meeting. The Proposal was accepted by the Town Council at an August meeting. Mr. Lefler has given Mrs. Silva permission to bring up his name. She feels what the Town has done to this family is not right. Cindy Henderson said Mr. Lefler is a private pilot and a father and was unable to attend. Councilor Reidhead asked Brenda Ciminski with Ponderosa Realty if the Lefler family has come to them with any requests for remedy. Mrs. Ciminski responded no, their agent has come to her but she has not spoken to the Lefler's. Kerry Nedrow commented on Mr. Lefler's behalf that he is a commercial pilot who cannot take in any substances in the air, and

he has concerns about being in that close proximity of the marijuana farm. Mr. Dodge explained you have to physically ingest or inhale the substance. Councilor Davis asked what are some solutions to these issues? Vice-Mayor MacKenzie feels the town is operating in good faith. Councilor Reidhead disagreed and Councilor Davis feels we have overstepped. Vice-Mayor MacKenzie said there is some confusion on setbacks. Manager Jarvis said we received a proposed plan and construction is in line with that plan. Councilor Davis said originally it was going in on the other side of the road. He also is wondering if the Town is ready to give them 20 gallons of water a minute, that was the original amount he recalls them needing. He asked if the Town's well goes down who do we give water to, the townspeople or WMF? Manager Jarvis said we treat all of our customers the same. Councilor Davis then asked if there isn't enough water to furnish their crops and they lose them is their liability on the Town? Manager Jarvis said the Town is planning on providing them water if there is a water emergency, everyone would be impacted. Councilor Davis said there has been no snow and low moisture, this is a bad time we are in a drought. He understands this side of town is fully furnished from the River Well. What happens if that well goes down, can Springerville East Well produce enough water for everyone? Manager Jarvis said with the Voight upgrade project it is his understanding we can move water from one side of town to the other. Manager Jarvis said he understands the frustrations and where they are disagreeing, but we have gone through a public process per the Council's request, started these conversations in June, held many public meetings where individuals could come comment on these subjects and meetings where these decisions have been made. He said whatever direction Council would like, staff, will move in that direction. Erin Silva asked when were these public hearings? Manager Jarvis responded to Mrs. Silva that on July 8th there was a Special Council Meeting. She explained that is not a public hearing. Manager Jarvis once more read a time frame of events explaining there were 5 public meetings where the public could have come and spoken. Councilor Davis asked once more for suggestions to resolve the 200-foot setback issue.

Chris Dodge on behalf of WMF said they will maintain, based on AZ Agricultural code that those greenhouses are temporary structures. Councilor Davis said yes, but they are within 200 feet. Chris understands that but through this whole process, WMF has been given the understanding that that was fine, they gave layouts and maps showing exactly what they were building. He feels WMF has always done what the Town has required of them. He knows some feel it was pushed through but he said no action was taken until June and he was having these conversations with the Town Manager in February/March of last year. He said it has been a year almost that they have been going through this. He doesn't feel it was rushed. Where they sit as a company they have jumped through every hoop including changing all plans from the north side of the road to the south side of the road. In doing so, they lost thousands of dollars, they had already paid for engineering. When the City had requested them to change they did and still chose to bring their business to Springerville. He understands Mr. Davis's concerns but the fact of the matter is it is not as simple as

moving some greenhouses. In about 90 days he has put about \$1 million into the project. They have a significant investment into that property at this point. He is trying to do good by the neighbors, they want to be the best neighbors that they can. He said there have been many complaints about the traffic. People need to understand the traffic isn't them, they have a shift where people start at 8 am and leave at 5 pm. The traffic issue could be the drivers from the lumber mill or the construction workers coming and going from the new hanger being built. They have offered to put in a pedestrian walkway or purchase some yellow pedestrian flags. He explained they are continuously asking what they can do to be good neighbors. Kay Dyson said they still have the question if there will be enough water? What are the specs of wells the Town has? She asked if the Town has treated this company fairly if we do not even know if we can supply them with enough water? Her concerns are if this company has been given factual and honest information from the Town regarding water. She feels WMF is unaware of our water situation. Councilor Davis explained there have been issues with the wells on the south side. He explained an issue they had in the past with having to redrill a new well. He said it is not feasible to run water from the North side to the South side. Kay asked if we have any idea if we have enough water for Springerville Ditch, Pioneer Irrigation, Arizona Game and Fish who have rights to the Towns water? Council Davis said a lot of people in Coronado acres have wells. Kay said we could answer these questions with a water study and see if this is sustainable. Water is a valuable resource. She said we need to stop now and find out the truth about our water. Someone can analyze the wells. Councilor Davis agrees.

Chris Dodge said a possible solution although not an immediate solution is upon FAA approval they could move the greenhouses that infringe on the 200 feet setbacks from the Northside to the Southside leaving 7 greenhouses on the Southside property. They would obviously not want to do that short term. Councilor Davis asked if the property is filled now or if they could be moved among that parcel now? Chris explained the parcel is full they couldn't be moved within the parcel, it would have to be on the other side of the road. The two-acre site on the other side owned by a private party was attempted to be purchased by them. They were told the owner was not interested in selling the property to them. It is also a narrow property and is not ideal. Chris also said the license is attached to the parcel, it would take significant efforts to change the parcel. Manager Jarvis explained to Councilman Davis that even if the Town sold the parcel where the development agreement is the FAA would still assert their authority over that southern portion. Chris said he feels even if they aren't infringing on the 200 feet, many of the people upset are still going to be upset because the farm is still up there. Councilor Davis said we as the Town have violated our own code and have done whatever we wanted, he is not happy about this. Chris said he understands, but what Manager Jarvis has told them is that the Town controls the codes and owns the property and doesn't have to follow the codes. Councilor Davis and Councilor Reidhead both agreed we should be following the codes, the Town shouldn't be any different than anyone else. Vice-Mayor MacKenzie said he feels

the Town did not intentionally violate codes as it was hitting agricultural property. Councilor Davis asked about the east side buildings, are they within 200 feet? Manager Jarvis said the greenhouses on the east side are, the permitted building is not. Chris said Tim did the research and agreed with that on the permanent structure. He said they have done this same thing in AZ and NM and have never had problems with the greenhouses as temporary structures. They are doing everything they can to do this right. Chris added on a side note that they were going to keep as much money local as they could and it is disappointing that people are now being looked poorly upon for doing the work. He said look at the other business being built in Town, they aren't using local contractors. They made a commitment to the Town and community and are doing everything they can to stand by those commitments. Councilor Davis asked if the Council is interested in a water feasibility study? Manager Jarvis said we could budget for one, he would estimate one would cost us around \$50,000. Manager Jarvis said or we could stop our other planned projects and use that money to get it done this year. Up to this point he hasn't seen interest in the study, but clearly, there is strong interest from the community. Councilor Davis said he would like one done for their benefit and our own. Manager Jarvis asked when would they like one done? Manager Jarvis said we could come up with a plan to give options on when we could get one done.

Kay Dyson said she has been given names of hydrologists that could help or to save some money we could contact U of A or NAU and for free or not much the college could possibly complete the study. When she was the Mayor they partnered with NAU and completed several projects that way. If the Town is willing to consider that, she is willing to volunteer to try to find someone at a reduced rate and work with the Town Manager to get it completed. Councilor Davis said we need to proceed with this sooner rather than later. Councilor Reidhead agreed we need to do this as soon as possible to not hold up the progress. Manager Jarvis reiterated that two of the three Council members are directing staff to work with Mrs. Dyson to see if a university is willing to supply us a hydrology study at a reduced rate. In the meantime, he will reach out to some hydrologists to get some estimated costs. Staff will provide Council with estimates. Vice-Mayor MacKenzie said it is a good idea, even for just our own knowledge, he does not want it to hold up WMF. Manager Jarvis reminded Council that our Town code is not requiring this study. Council understands.

11. COVID-19:

Minutes:

Discussion: None

NEW BUSINESS

12. PROPOSED CHANGES TO THE TOWN CODE PERTAINING TO ADULT-USE MARIJUANA:

Minutes:

DISCUSSION: Manager Jarvis reminded the Council they have the option to table items

for future agendas if they see fit. Council asked Manager Jarvis to further explain the item. Manager Jarvis explained in the November election Prop 207 passed allowing the adult use of cannabis in Arizona. The Town of Springerville modified the Code in 2011 allowing medical growth, dispensing, manufacturing, and infusion in the Town of Springerville. That code clearly says medical marijuana. We have no ability of auditing if a plant is a medical or adult-use plant. If the Town Council supports dispensing manufacturing in the community, it is suggested to modify the Town Code to allow adult-use also. What has been presented tonight is a draft consideration. This is not an Ordinance. If Council would like an Ordinance one will be drafted and presented for a first reading and a second reading. At those times the public can come out and speak on the subject. The Arizona League of Cities and Towns has provided us with two versions. One version allows adult use and one says no marijuana at all. He is proposing to the Council how we manage dispensaries, infusion and growth, and an increase in the fees regarding this particular business.

Councilor Llamas stopped Manager Jarvis and declared a conflict of interest and asked to be recused from this item, Mayor Hanson said he would like to be recused as a conflict of interest as well.

ACTION: Shelly Reidhead/ Richard Davis motioned to table item 12.

Vote results:

Ayes: 3 / Nays: 0

13. CONFLICT OF INTEREST:

Minutes:

DISCUSSION: Manager Jarvis said a Councilmember has requested this item be placed on the agenda. The attorney is ready and willing to discuss with them Conflicts of Interest. We are all aware two Councilmembers have declared a conflict tonight. If Council would like the attorney is ready to provide information either in public or in executive session.

ACTION: Robert MacKenzie / Richard Davis motioned to enter into executive session at 9:07 p.m.

Ayes: 5 Nays: 0

ACTION: Robert MacKenzie/ Ruben Llamas motioned to enter back into regular session at 9:20 p.m.

Ayes: 5 Nays: 0

14. CONTRACTED TOWN MANAGER:

Minutes:

ACTION: Ruben Llamas/ Shelly Reidhead motioned to table item 14 Contracted Town Manager

DISCUSSION: Councilor Llamas said the Council plans to meet Tuesday, January 26, 2021. He would like this item added to that meeting.

Vote results:

Ayes: 5 / Nays: 0

15. LOCKHART BUILDING LLC:

a. Limited Release and Settlement Agreement:

Minutes:

ACTION: Shelly Reidhead/ Robert MacKenzie motioned to approve the Limited Release and Settlement Agreement.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

b. Resolution 2021-R004:

Minutes:

ACTION: Richard Davis/ Robert MacKenzie motioned to approve Resolution 2021-R004, regarding the easement at the Lockhart Building.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

16. DRUG AND ALCOHOL TESTING POLICY:

a. Resolution 2021-R003:

Minutes:

ACTION: Robert MacKenzie motioned to adopt Resolution 2021-R003, regarding the drug and alcohol policies.

Motioned failed with the lack of a second.

DISCUSSION: Manager Jarvis said we have an existing drug and alcohol testing policy, however, it is outdated. He would like to update it to current law. He asked if Council would like it brought up at a future agenda? Council gave no direction.

ACTION: Shelly Reidhead / Richard Davis motioned to table Resolution 2021-R003, regarding the drug and alcohol testing policies and item 16b.

VOTE ON SECOND MOTION:

Ayes 5

Nays 0

b. WMRMC Testing:

17. PIONEER IRRIGATION ANNUAL MEETING:

Minutes:

DISCUSSION: Manager Jarvis is not sure if the Council has ever appointed anyone to represent the Town at the annual meeting for Pioneer Irrigation. Last year Manager Jarvis went. We have shares in the company, meaning we have a vote. He was unsuccessful in joining the board last year. He said they meet annually. Councilor Davis said depending on disputes they could meet more. Councilor Reidhead nominated Richard Davis to go, all other Councilmembers agreed. Richard Davis agreed to be our representative at the Pioneer Irrigation meetings.

18. PLANNING AND ZONING ADMINISTRATOR:

Minutes:

ACTION: Ruben Llamas / Shelly Reidhead motion to table this item.

DISCUSSION: None

Vote results:

Ayes: 5 / Nays: 0

19. ADJOURNMENT:

Minutes:

ACTION: Robert MacKenzie/ Shelly Reidhead motioned to adjourn the meeting at 9:26 p.m.

Vote results:

Ayes: 5 / Nays: 0

Members of the public who only want to provide written comments can express their comments by emailing the Town Clerk at **kmiller@springervilleaz.gov** to be read during the call to the public. All comments must be submitted by 5:00 p.m. on the day of the meeting.

Americans with Disabilities Act (A.D.A.): The Town of Springerville intends to comply with A.D.A. If you are physically challenged or disabled and need special accommodations to participate in this town meeting, please contact the Town Clerk at (928) 333-2656 ext. 224 forty-eight (48) hours prior to the meeting to arrange necessary accommodations.