

Upon notice duly given under Arizona Revised Statutes, Section 38-431, et seq., as amended, the City Council of the City of Bullhead City held a regularly scheduled meeting on Tuesday, July 16, 2019, in the City Council Chambers, 1255 Marina Boulevard, Bullhead City, Arizona.

**CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE**

Mayor Brady called the meeting to order at 5:30 p.m. and invited Pastor Tim Eighmy of Community Lutheran Church to deliver the invocation. Council Member D’Amico led the assembly in the Pledge of Allegiance to the Flag.

**ROLL CALL**

Council Present

Brady, Bruck, Clark, D’Amico, Ring, Shutts, Wegmann

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

POLICE LIEUTENANT: Robert Trebes

FINANCE DIRECTOR: Rudy Vera

INTERIM PUBLIC WORKS DIRECTOR: Angie Johnson

HUMAN SERVICES DIRECTOR: Jeff Tipton

DEVELOPMENT SERVICES DIRECTOR: Absent

**PRESENTATIONS AND PROCLAMATIONS**

None

**OPEN CALL TO THE PUBLIC**

Mayor Brady opened the call to the public.

Larry Tunforss said the city and the police and fire departments have teamed up with local businesses to create river safety banners that would be placed on the boat docks along the river promoting the “Don’t Wreck Your Weekend” water safety program.

Royanne Ortiz invited the public to attend a Town Hall meeting on July 18th at the Bullhead Area Chamber of Commerce. She said state and local elected officials would speak.

Cathy Peterson said Catholic Charities had a name for the new emergency shelter under construction. She said the name was the “Legacy Foundation Christine Stamper Center for Health and Hope.” She said they were very thankful for the Legacy challenge grant and the city for their support.

Gene Quitmeyer thanked the city for quickly fixing the wastewater plant odor issue. He said the curbs and gutters were overgrown in the Holiday Shores area. He said certain things could be cited under code enforcement, such as junk cars and trash being stored in yards.

Scotty McClure said the new flags being flown at the American Legion and Lazy Harry's were already worn and tattered. He said the American Legion provided a box to collect old flags. He suggested the installation of a four-way stop at the intersection near Covue Restaurant and the convenience store.

Eva Corbett invited the public to attend a fundraiser for the "We Care For Animals" rescue organization to be held on July 21st at the Mohave Steak House.

Having no one else present wishing to speak, Mayor Brady closed the call to the public.

### **AGENDA MODIFICATIONS**

None

### **WAIVER MOTION**

**MOTION:** Vice Mayor Wegmann made a motion to waive the reading in full of all ordinances and resolutions presented for adoption at this meeting. Council Member Bruck seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

### **MOTION CARRIED**

### **MANAGER'S REPORT**

#### 1. Gary Keith Park Update

Olivia McCormick said the Gary Keith Park Improvement Committee had worked very hard to complete Phase 2 of the improvement program. She said the south corner of the park was beautified with the addition of a civic walkway, concrete walking paths, landscape and curbing, pathway lighting, parking lot lights, and additional conduit for future lighting. She said they anticipated the bathrooms to be completed soon. She said this phase was estimated to cost \$750,000. She said completion of this phase would not be possible without the generous grant of \$250,000 from the Legacy Foundation. She thanked all of the local supporters and businesses that provided in-kind donations. She said there would be a community park planting day on October 4th to plant 5-gallon shrubs donated by Star Nursery. Since August 2017, they have raised in-kind and monetary donations of \$392,000 for phase 2, and said they still had to raise \$150,000 of improvements to complete the beautification phase for a total project cost of \$562,000. She said they had received a total of \$908,812 in combined in-kind and cash donations to date. She thanked DOT Foods for their recent donation of \$10,000 for park improvements.

#### 2. Splash Bash 2019 - July 20th

City Manager Cotter played a video promoting the event on social media. He said the event would be held again this year at Ken Fovargue Park.

3. Highway 95 and related projects: Corwin, Mohave/Miracle Mile, Center Lane Medians, Traffic Flow Improvements

City Manager Cotter said the traffic signal project at Corwin and Highway 95 was awarded to McCormick Construction, a local contractor. He said the Arizona Department of Transportation (ADOT) was working on highway center lane medians at the north and south ends of the city to improve traffic safety. He said ADOT recently installed white devices on some signal poles that had the technology to assist with the flow of traffic on the highway.

4. Economic Development Updates

City Manager Cotter said since June, the city had processed 114 commercial permits, 208 single family homes, 245 accessory structures, and 11 new multi-family homes. He said the Holiday Inn started construction on the third story of the hotel, and said Dutch Brothers and Burger King would begin construction soon. He said in the past 20 months, \$175 million was added in valuation to this community.

**MAYOR AND COUNCIL MEMBERS' REPORTS ON CURRENT EVENTS**

Mayor Brady said Vice Mayor Wegmann and he met today in Phoenix with Governor Ducey to sign Senate Bill 1443 that passed with the help of Representative Regina Cobb, Senator Sonny Borrelli, and Representative Leo Biasiucci that transferred about 15 acres of land along the river from the State Land Department to the city free of charge. He said the city would develop the land and quarter mile of shoreline in the future.

**ITEMS WITHDRAWN FROM CONSENT AGENDA**

None

**CONSENT AGENDA**

**MOTION:** Council Member Clark made a motion that Items No. 1 and 2 on the Consent Agenda be approved in accordance with the reports, certifications and recommendations furnished each Council Member and without further discussion. Council Member D'Amico seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

**MOTION CARRIED**

Items on the Consent Agenda were approved as follows:

1. Approval of the Minutes of the Regular Council Meeting held on July 2, 2019. (City Clerk Stein)

2. Approval of a contract with Huber Technology of Huntersville, North Carolina, in the amount of \$36,171.70 and \$1,421.00 in shipping and handling, plus applicable taxes, for the parts and labor necessary to rebuild Huber ROTOMAT RPPS 1600/2 Rotary Drum Screens (headworks) at the Section 18 Wastewater Treatment Plant; and to authorize the City Manager to approve resultant payments. (Interim Public Works Director Johnson)

**PUBLIC HEARINGS ON ITEMS PULLED FROM CONSENT AGENDA**

None

**BOARD/COMMISSION/COMMITTEE APPOINTMENTS**

None

**PUBLIC HEARINGS ON LIQUOR LICENSE APPLICATIONS**

None

**ACTION ITEMS**

**Building, Planning and Zoning Items**

None

**Bid Awards, Contracts, Intergovernmental Agreement, and Purchases**

3. Discussion and possible action to approve the purchase of two (2) Fairbanks Morse Submersible 100hp Pumps from Hennesy Mechanical Sales of Phoenix, Arizona, in the amount of \$78,194.10 plus applicable taxes and shipping; and to authorize the City Manager to approve resultant payments. (Interim Public Works Director Johnson)

Utilities Superintendent Jeff Wileman said the new pumps would replace the existing pumps at two of the wastewater stations.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

**MOTION:** Council Member Ring made a motion to approve the purchase of two (2) Fairbanks Morse Submersible 100hp Pumps from Hennesy Mechanical Sales of Phoenix, Arizona, in the amount of \$78,194.10 plus applicable taxes and shipping; and to authorize the City Manager to approve resultant payments. Vice Mayor Wegmann seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

**MOTION CARRIED**

4. Discussion and possible action to approve the contract with Redmond Construction of Fort Mohave, Arizona, for the construction of the Mohave Drive Right Turn Lane (19-E-002) in an amount not to exceed \$191,525.00; and to authorize the City Manager to execute all appropriate documents and approve resultant payments. (Interim Public Works Director Johnson)

City Manager Cotter said the city had been working with the state to correct the traffic flow situation at Mohave Drive and Highway 95. He said the current design had not worked that well and said now the city, with ADOT's permission, would correct the traffic flow design. He said a local contractor would be awarded the contract as low bidder.

Interim Public Works Director Johnson said the center median would be removed with a dedicated right turn lane constructed onto Mohave Drive and a four-way stop. She said Redmond Construction was the lowest bidder at \$191,525, less \$40,000 in contingencies, for a project cost of \$151,525. She said they budgeted \$175,000 and did not anticipate using any contingency so the project would most likely be under budget.

Council Member Wegmann asked if more bids were received.

Interim Public Works Director Johnson said 25 vendors pulled the plans and the city received four bids.

Mayor Brady asked if anyone from the public wanted to speak.

Eva Corbett asked about the project design. Interim Public Works Director Johnson displayed a diagram.

Billy Pershing asked if the configuration would change. Mayor Brady said there would be a four-way stop at the intersection.

**MOTION:** Council Member Shutts made a motion to approve the contract with Redmond Construction of Fort Mohave, Arizona, for the construction of the Mohave Drive Right Turn Lane (19-E-002) in an amount not to exceed \$191,525.00; and to authorize the City Manager to execute all appropriate documents and approve resultant payments. Council Member Ring seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

**MOTION CARRIED**

**Other Business**

5. Discussion and possible action to adopt Resolution No. 2019R-27, setting an election for the question of approving or not the potential acquisition of EPCOR or any other water utility in or around Bullhead City and if approved, seeking bonding authority for the acquisition in an amount not to exceed \$130 million. (City Manager Cotter)

Council Member Clark declared a conflict of interest and left the dais.

City Manager Cotter introduced Rick Giardina, Executive Vice President of Raftelis Financial Consultants.

Mr. Giardina said the city retained their company to provide a preliminary valuation of the EPCOR facilities. He provided a brief background of his firm and personal experience in local government utilities. He said Raftelis had been around for 27 years, and was the largest financial and management consulting company serving governments throughout the country with more than 100 employees. He said they were considered leaders in the water sector. He said many years ago, they helped Bullhead City set its wastewater rates and impact fees.

Mr. Giardina said the information he would present tonight would help the Council make their decision. He said additional work would need to be done if the Council approved the ballot measure including further organization/transition assessment, detailed financial analysis, and the final valuation figure for the water system.

Mr. Giardina said the first site visit in early April included a physical walk of the sites. He said a second site visit led by EPCOR officials included access inside the fence in order to get a closer look of the facilities. He said they inspected all of the EPCOR sites and facilities including equipment yard and administrative office, wells, water tanks, booster pumps, vacant land, and abandoned wells; all except for the underground. He said they also reviewed asset records that helped identify the underground facilities' quantities, materials of the pipe, estimate of useful life, and determine the age and condition. He said there were approximately 1.6 million feet of water mains and transmission lines serving Bullhead City.

Mr. Giardina said they reviewed EPCOR's annual reports and rate filings with the ACC. He said they looked at the ACC's ratemaking methodology to really understand the operating environment, and financial governance model used in Arizona under which EPCOR operated. He said they also researched significant industry data and other utility system sales. He said the vast majority of the U.S. population was served by publicly owned utilities, about 88 percent.

Mr. Giardina said there were three valuation approaches for a monopolistic regulated utility: rate base, income, and market or comparable transactions. He said another approach would be the cost approach, or the cost to re-build the system. He said this approach was not relevant as they had such good data that allowed them to thoroughly look at the rate base, income, market value and comparable sales. He said the rate base approach was the one that EPCOR had used when it was looking to acquire a utility. He said the rate base approach in a regulated utility environment calculated the rate base or investment upon which a utility was allowed to earn a return. He said the ACC used a fair value rate base approach with a 50-50 weighting of original cost and reconstructed cost to calculate the rate base that a utility in Arizona was allowed to earn. He said the income approach looked at the value of any business/investment or the sum of the present value of future cash flows (discounted cash flow) reflecting the estimated earning potential of the business. He said the third approach of market or comparable transaction compared sales of other utilities, preferably recent sales in a similar regulated environment, size, location, service area, source of water supply, age and condition.

Mr. Giardina said their rate base approach used the ACC fair value rate base from the 2017 EPCOR rate filing for the Mohave and North Mohave systems. He said they determined the original cost less depreciation (net book value) and reconstructed cost new less depreciation. He said an adjustment was made for planned capital improvements, projected expansion, and ongoing depreciation in 2018 and 2019. He said the 2017 original cost less depreciation and reconstructed cost new less depreciation were both adjusted for planned capital improvements, projected

expansion, and ongoing depreciation in 2018 and 2019. He said the ACC Fair Value Rate Base value for the Mohave and North Mohave systems was \$42,164,900.

Mr. Giardina said income approach factors included investor owned utilities regulated by the ACC that received a return on the fair value of the assets (rate base) based on a return. He said the rate of return for Mohave and North Mohave was set at 5.98 percent by the ACC. He said the potential net income for Mohave and North Mohave was based on the assumption of a 5.98 percent capitalization rate, and the net income stream was capitalized into perpetuity assuming the 5.98 percent rate of return. He said they discounted projected future cash flows to the present value assuming a 5.98 percent rate of return. He said they used EPCOR's capital expenditure figures and projections as presented to the ACC through year ten and largely duplicated those numbers for years 11 through 20. He said they assumed a stable average income stream after year 20. He said the net income stream into perpetuity and projected future cash flows reduced to present value, assuming a 5.98 percent rate of return, produced an Income Approach Value of the future income stream from the Mohave systems to be \$71,000,000.

Mr. Giardina said they looked at comparable transactions in the Arizona market where EPCOR was a purchaser. He provided the transaction information on five Arizona water companies purchased by EPCOR, and four Arizona water companies purchased by others. He said the average price per connection for all nine transactions in Arizona was \$3,164, and said the average of four comparable transactions outside of Arizona was \$3,374. He said the average value for the five EPCOR transactions was \$3,283 per connection. He said they calculated the value of a system using the number of service connections and the amount paid for the system to obtain a price per connection. He said there were 16,527 connections in Mohave-North Mohave. He said using the comparable market transaction approach, the indicated value for the Mohave North Mohave systems was \$54,159,000.

Mr. Giardina said under the fair value rate base approach, the valuation of the systems would be \$42,165,000 or the investment for regulatory purposes; under the sales approach, the value would be \$52,291,000; and under the income approach \$70,700,000. He said a buyer would not be interested in buying the system for \$71 million, and a seller would not want to sell it for \$42 million. He said they looked at someplace where a willing buyer and a willing seller would end up. He said rate payers should be indifferent as to whose name is on the title. He said the final value would be negotiated, but said he felt that \$55,000,000 was a good valuation estimate.

Mr. Giardina said if the Council moved forward tonight, they would move forward with Phase 2. He said further organization and transition assessment, detailed financial analysis, and the final valuation figure for the water system would take place. He said they would look at cost factors, profit, taxes, borrowing cost, and rates under EPCOR ownership versus city ownership. He said if the election was successful, they would assist the city in negotiations with EPCOR and in the condemnation process.

City Manager Cotter said there was a 2015 rate case that they city did not fight. He said another rate case was filed with the ACC in 2017, and said the city had been fighting EPCOR since last summer. He said they could not agree on just about anything. He said the ACC voted to not allow consolidation to move forward but approved EPCOR's interim rate increase application. He said the ACC ordered another rate case to be filed by May 2020. He said most of the Council Members had gone before the ACC in protest of the rate hikes fighting for the residents and businesses. He said

rates have increased by 25 to 35 percent. He said the people that made the rates lived in Phoenix and Edmonton, Canada. He said the local EPCOR employees did not make the rates, and said the city's analysis included the continued employment of the local EPCOR employees. He said the average monthly increase in Mohave was \$8.43 and an additional \$8.88 per month in North Mohave. He said the City of Edmonton, the owner of EPCOR, received a three percent rate increase each year, and Bullhead City received massive increases. He said EPCOR had been the Bullhead City water provider for the past seven years.

City Manager Cotter said EPCOR was owned by one shareholder, the City of Edmonton. He said Mohave and North Mohave rate payers paid a corporate allocation that paid the CEO and Board of Directors of EPCOR. He said the Edmonton City Council was the shareholder representative and appointed the Board. He said EPCOR's website indicated, *"Our sole common shareholder, the City of Edmonton, appoints the Board."* He said the City of Edmonton received a dividend of \$171 million in 2019 from EPCOR. He said the Arizona rate case filing by EPCOR included an SIB (System Improvement Fee), power adjustor, water adjustor, and increased user rates. He said in 1996, the City of Edmonton received a \$62.3 million dividend from EPCOR. He said the City of Edmonton regulated the customer rates and terms and conditions of service of EPCOR's water and wastewater utility services within Edmonton under a performance based framework. He said Bullhead City had no control over water rates, and said EPCOR rates were regulated by the ACC in Arizona. He said the Mayor of Edmonton said, *"Oversight and ownership of assets remain with the City of Edmonton. EPCOR is 100 % owned by the City of Edmonton and we have the ability, through regular shareholder meetings and appearances before Utility Committee, to oversee and regulate EPCOR's performance, just as we do with our water services today. In the agreement with EPCOR, rate increases will be limited to 3% a year for 5 years consistent with the city's previous forecast."* He said Bullhead City was sending money to Edmonton according to the annual reports.

City Manager Cotter said the ballot initiative requested the authority to acquire EPCOR. He said the city was proposing to borrow up to \$130 million at 8 percent. He said the city believed it could purchase or condemn EPCOR for much less than the \$130 million and borrow money at a rate significantly lower than 8 percent. He said their number was \$55 million, and said the real number was \$42 million which was the approach that EPCOR used to purchase other utilities. He said the \$130 million was EPCOR's number. He said EPCOR indicated that *"EPCOR was not for sale and a hostile government takeover would cost at least \$130 million, plus hundreds of millions more in interest in legal fees."* He said the final price would be between \$42 million and \$130 million and said a jury in Mohave County would decide on the final amount. He said the only way to resolve a final purchase price was by a jury in this county. He said the system was ageing and there were issues.

City Manager Cotter said it would be up to the voters of Bullhead City to approve the purchase or condemnation if they wanted to own the water utility. He said if the resolution was approved tonight, mail ballots would be counted on November 5, 2019, by the Mohave County Elections Department to determine if the measure fails or passes. He said all registered voters in Bullhead City could vote; not just EPCOR water users, not corporations and businesses, not Fort Mohave residents, and not Willow Valley residents.

City Manager Cotter said the bond would be paid in the same manner as EPCOR. He said the debt was paid by water user fees. He said commercial and residential water users would pay a water rate



which paid for bonds, capital improvements, and daily operations, no different than today with EPCOR. He said the city could borrow at a cheaper interest rate than EPCOR as it had a higher bond rating. He said there would be no new property taxes, no new sales taxes, and no new assessments. He said the city owned and operated the wastewater facilities and had the lowest wastewater rates in the region, much lower than what EPCOR charges wastewater users in Fort Mohave. He said the city continually upgraded its wastewater system, city employees were highly skilled and trained, the city's complex billing system could adapt to the water billings, and the city understood water quality and testing methods. He said the city owned the water and EPCOR owned the distribution systems. He said the ballot initiative would give the City Council authority to acquire the water distribution systems in and around the community.

City Manager Cotter said recent EPCOR advertisements compared no Arizona cities with any EPCOR assets. He said EPCOR did not own or operate water companies in Jamaica, New York; Charlotte County, Florida; Peoria, Illinois; Nashua, New Hampshire; or Missoula, Montana, and said they had no relevance. He said what EPCOR did not mention was their system in White Rock, Vancouver, Canada. He said EPCOR sold its water assets to the City of White Rock for \$13.4 million, even though the consultant said it would cost \$15 million. He said EPCOR also did not mention the City of Taber that decided to end its contract with EPCOR after the company proposed a 68 percent rate increase. He said all ten EPCOR employees now worked for the Town of Taber. He played a video regarding the transition. He said there was also no mention of Hingham, MA. He said EPCOR wanted \$191 million for the system; and after a court case and appeal, the City of Hingham paid \$88 million for the water system.

City Manager Cotter said a 'yes' vote tonight would add the question to the ballot for November 5th election. He said it would be an all-mail ballot for the voters to decide on acquisition and borrowing. He said if the majority of the voters said 'no,' the issue would be closed; and if the majority of voters said 'yes,' an offer to purchase would be made to the City of Edmonton and the EPCOR Board of Directors.

Mayor Brady asked if anyone from the public wanted to speak.

Al Scigliano said EPCOR knew how to make money for their stockholders, but said this was not good for Bullhead City. He said the city needed to take over the water system, and said the city currently did a great job with the wastewater system.

Barbara Pape said the plan was extraordinary for the city, and to let the people control their water rates.

Virginia Cruz said she lived in the city and did not have EPCOR water service. She said she received a rate increase from Bermuda Water, and said she was in favor of the city taking over the water service.

Shawn Bradford, Vice President EPCOR Water Corporate Services, said they had been providing safe reliable water to Bullhead City since 2012. He said their team was invested in this community. He said they put \$25 million into the infrastructure since 2012, and were planning another \$58 million in the next ten years. He said the valuation in the memo was recommended to be \$55 million based on a willing seller and a willing buyer. He said there would never be a willing seller and it would have to go to the court when a jury would decide on the price that Bullhead City would

pay for the system. He said the amortized interest rate would increase the loan amount to \$300 to \$400 million, and said customers would have to pay \$50 a month to pay the debt. He requested that Raftelis provide the detailed schedules and reports as they had questions about the numbers and other information provided by the consultant.

David Lipinski said eminent domain was a form of socialism. He said he did not agree with a government takeover of a private business, which was a form of communism.

John Mieding said citizens also incurred the cost of other government functions, and said there were opportunities for cost savings if the city took the system over; such as consolidation of the billings.

Lori Fonzi said EPCOR would not be a willing seller. She said water was not a commodity, it was a necessity. She said she was discouraged that EPCOR did not let this small community run its water service.

Jack Hakim said he believed the city would do a wonderful job in the operation of the water service. He said the takeover of the wastewater system turned out very well.

Larry Tunforss said citizens needed to make their decision and hear the facts. He said he hoped EPCOR would come to terms with the city.

Chad Tebow said he worked for EPCOR Water. He said water bills would go up to pay off the bond if this goes through.

Scotty McClure said consolidation was wrong, and said the water bills were going to a foreign country. He said consolidation would happen if the city did not purchase the water company now. He said he found out that publicity pamphlet arguments would cost \$100, and said he could not afford to pay this.

Greg Valdez said EPCOR employees could apply for a job with the city. He said EPCOR did not supply safe water at low rates, and said no one drinks from the faucet.

Royanne Ortiz said it was a good idea to go to the taxpayers and ask them if they wanted the water system to be a city system. She said every time a subdivision was completed, the developer "gifts" the water lines to the water company; and said the value would be added which would be reflected in higher rates.

John Pynakker, President/CEO of the Bullhead Area Chamber of Commerce, said he represented 600 businesses. He said they were unequivocally in support of the acquisition of the system as cost increases would burden business development in the future. He said the city should not have to be stuck with a monopoly. He said the ballot measure would allow constituents to vote for true costs of a local water utility, not a foreign company; and put a local face on any and all things associated with water rates and quality.

Charles Pfeiffer said his neighbors and he were in support of putting this measure on the ballot.

David Lords said condemnation would only happen through a democratic election in Bullhead City. He said Bullhead City had outgrown EPCOR and said this was totally about local control. He said EPCOR had an unlimited budget and would spend it to fight this.

Eva Corbett said she was in support of the city's acquisition of the water company.

Billy Pershing asked about the available interest rates, and said consolidation would increase the water rates even more. He asked if the city could provide citizens with an estimated rate under city ownership.

City Manager Cotter said the city recently borrowed several million dollars at a 2 percent interest rate and said they believed the rate would be in that range, but the issue could drag on for years. He said the city could be operating the system and bringing in revenue for a few years, and said it was possible the rates could fluctuate by the time the jury made a decision. He said Raftelis would provide a full analysis of the rates, staffing, and operational issues.

Mike Sirchia asked about court costs.

City Manager Cotter said the city would prevail. He said only if the city walked away from purchasing the system, the city would be liable for EPCOR's attorney fees.

Mayor Brady said the last thing he wanted to do was to grow government, and said he was frugal in spending the city's money. He said in this case, he firmly believed it was necessary to take this action to protect the citizens from the greed of EPCOR and the City of Edmonton. He said after attending several ACC meetings in Phoenix, reading hundreds of pages of legal proceedings, and listening to hours of testimony, "greed" was the appropriate word to use. He said EPCOR took over the system in 2012 and immediately asked the ACC for an increase that was approved in 2015. He said an average customer's water bill went from \$21 to \$28. As of April 1, 2019, EPCOR was approved to raise the rate to \$38, or an 86 percent increase. He said this was totally unacceptable. He said if the city did not intervene in the last rate case, the rates would have increased even more. He said the automatic adjusters were not approved in the interim rate case, which would have cost substantially more than the 86 percent increase. He said EPCOR did not want to include the deployed service member program, the disabled veterans' program, and low income \$10 monthly discounts. He said the ACC ordered them to continue these programs. He urged everyone eligible to apply for these programs. He said the ACC ordered EPCOR to apply for a new rate case by May of next year, and said they were asked to include the consolidation option. He said the war was not over. He said today's action would allow water users to decide if they wanted EPCOR or the city to control its water destiny. He said he believed this was the right thing to do. He said he hoped the voters would see through EPCOR's propaganda and greed and allow the city to move forward with this transaction.

**MOTION:** Council Member D'Amico made a motion to adopt Resolution No. 2019R-27, setting an election for the question of approving or not the potential acquisition of EPCOR or any other water utility in or around Bullhead City and if approved, seeking bonding authority for the acquisition in an amount not to exceed \$130 million. Vice Mayor Wegmann seconded the motion.

**VOTE:** AYES: Brady, Bruck, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None ABSTAIN: Clark

**MOTION CARRIED**

Council Member Clark returned to the dais.

6. Discussion and possible action to adopt Resolution No. 2019R-28 authorizing submission of an application to the Arizona Department of Housing for the State Housing Fund and HOME Investment Partnerships Program Grant Fund. (Human Services Director Tipton)

Human Services Director Tipton said this was a request to apply for \$385,000 of grant funding to continue the city's housing rehab program. He said the goal was to benefit qualified low-income families living in the city, upgrade their living conditions, and to improve and preserve the quality and appearance of the housing stock. He said this was a competitive grant with no match required.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

**MOTION:** Vice Mayor Wegmann made a motion to adopt Resolution No. 2019R-28 authorizing submission of an application to the Arizona Department of Housing for the State Housing Fund and HOME Investment Partnerships Program Grant Fund. Council Member Shutts seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

**MOTION CARRIED**

7. Discussion and possible action to approve the estimated total annual assessment of \$87,902.00 for all Improvement Districts listed for Fiscal Year 2020; grant the City Manager or designee approval to sign all Tax Levies & Rates Certification Forms on behalf of the Lighting Districts; and forward the information to Mohave County for inclusion in its Fiscal Year 2019-2020 Statement of Tax Levies and Rates. (Finance Director Vera)

Finance Director Vera said this was the annual street lighting district assessment levied each year based on the energy costs for each district and the county's administrative costs.

City Manager Cotter said these were very old lighting districts that dated back to the 80's and early 90's. He said any new street lighting was added by the developers upfront or the city looked at them as a public necessity, such as a dangerous intersection or neighborhood.

Mayor Brady asked if anyone from the public wanted to speak. No one from the public spoke.

**MOTION:** Council Member Ring made a motion to approve the estimated total annual assessment of \$87,902.00 for all Improvement Districts listed for Fiscal Year 2020; grant the City Manager or designee approval to sign all Tax Levies & Rates Certification Forms on behalf of the Lighting Districts; and forward the information to Mohave County for inclusion in its Fiscal Year 2019-2020 Statement of Tax Levies and Rates. Council Member Clark seconded the motion.

**VOTE:** AYES: Brady, Bruck, Clark, D'Amico, Ring, Shutts, Wegmann NAYS: None  
ABSENT: None

**MOTION CARRIED**

**COUNCIL REQUESTED ITEMS**

None

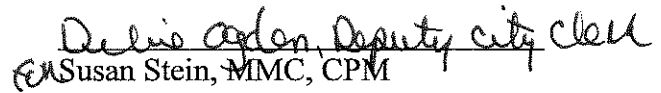
**ADJOURNMENT**

There being no further business to come before the Council, the Mayor declared the meeting adjourned at 8:00 p.m.

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct record of the regular meeting of the City Council of the City of Bullhead City held on the 16th day of July 2019. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 6th day of August 2019.

  
Susan Stein, MMC, CPM  
City Clerk