

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 Special Meeting on Tuesday, August 24, 2021, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Mayor Brady called the special meeting to order at 5:30 p.m.

PLEDGE OF ALLEGIANCE

ROLL CALL

Council Present

Brady, Bruck, Brummett, D'Amico, Mieding, Wegmann, Zehri

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

UTILITIES DIRECTOR: Mark Clark

CHIEF OF POLICE: Robert Trebes

WAIVER MOTION

Motion to waive the reading in full of all ordinances and resolutions presented for adoption at this meeting.

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

VOTE: AYES: Brady, Bruck, Brummett, D'Amico, Mieding, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

ACTION ITEMS

1. Discussion and possible action to adopt Resolution No. 2021R-47 adopting EPCOR's current water rates, related fees and charges as an interim measure pending a future independent city rate study. (Utilities Director Clark)

City Manager Cotter said EPCOR had raised municipal rates by nearly 100 percent within a few years. He said the voters approved the city's takeover of the water system in order to stabilize rates. He said the city would post the bond at 9:00 a.m. on August 30th and then it would own the water system. He said the Council would consider four items tonight that would finalize the assumption of water operations.

City Manager Cotter said the annual debt payment would be \$4.1 million and said the current water rates were proposed. He said EPCOR was now asking the Arizona Corporation Commission for

another 30 percent increase in rates. He said the proposed future rate increase was now stopped dead in its tracks. He said the city would operate an efficient and effective system to deliver safe, reliable water that the citizens expected and deserved at the current rate. He said staff was proposing a water master plan and a water rate study and hoped the rates could be adjusted downward in the future. He said the city did not need to make a profit as EPCOR, did not have corporate allocations going to Phoenix or Edmonton, did not pay a dividend, and did not pay the CEO of EPCOR. He said they were asking the Council to adopt EPCOR's current rates. He said they were committed to their residents and businesses.

City Manager Cotter said the Council previously approved the current rate discounts offered by EPCOR. He said they were also adopting EPCOR's current commercial rates.

Mayor Brady said EPCOR was asking for a 16 percent increase in the Mohave District and 28 percent increase in the North Mohave District in front of the Arizona Corporation Commission. He said he was in favor of maintaining the current rates that would allow them time to conduct a rate study and request grants to improve the water system.

Council Member Brummett asked about the rate differences between the North Mohave and Mohave Districts.

City Manager Cotter said the Mohave District included the greater Bullhead City area, and the North Mohave District included the Punta de Vista and McCormick areas. He said the North Mohave District was once owned by John McCormick and purchased by EPCOR for \$2.5 million. He said he would predict that, after the rate study, both districts would have the same rate. He said there were some stand-alone systems in Fort Mohave included in the Mohave District. He said there were efficiencies in how systems were operated and maintained, and said it made sense to include those systems. He said the city was not annexing or providing any other services in the Fort Mohave area.

Council Member Bruck said she agreed with Mayor Brady, and said saving the residents from paying another rate increase was very important.

Council Member Mieding said he looked at the rate structure as short-term in order to allow staff to evaluate the system. He said combining the water and wastewater operations was an efficient and good business decision.

Council Member Zehri said he agreed with the proposed rates, and asked when the Council would be considering an updated rate structure.

City Manager Cotter said the jury would decide on the ultimate cost of the water system in January, and said the final purchase price would include the city's cost of operations, staff, debt financing, and capital improvements to the system. He said a full rate study would be conducted after the jury trial.

Mayor Brady said public hearings would be held after the rate study to consider any new rates being proposed. He said they were in the middle of a drought, and said it was time for the city to control all of the water in order to control their future.

Council Member Wegmann said the rate increases were what this issue was about from the beginning. She said members of the Council traveled and attended the Arizona Corporation Commission meetings and fought on behalf of the citizens, and the Commission did not listen to them. She said this was a huge accomplishment and said she was proud of the citizens that stood by their side during the process.

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

Harvey Pryor asked about the number of customers the city would pick up in Fort Mohave.

Utilities Director Clark said there were about 60 customers in Camp Mohave and 1,500 in Rio Vista.

Harvey Pryor asked if customers living in Fort Mohave could vote on the Bullhead City utilities.

City Manager Cotter said they could speak at public meetings but there would be no further votes on the issue.

Harvey Pryor asked if surcharges would be added in order to pay for the bond.

City Manager Cotter said no surcharges would be added. He said the revenue from the utility billings would be used to pay for the bond, staff, capital investments, and operational and maintenance costs.

Harvey Pryor asked if the water utility would have its own maintenance crews.

City Manager Cotter confirmed, and said staff would also perform hydrant maintenance, checking valves and dealing with leaks. He said local contractors would be called upon to help repair major leaks and repair the streets if needed.

Utilities Director Clark said they made offers to nine EPCOR employees to work for the city, made offers to persons from other utility companies, and had more interviews scheduled on Friday.

Harvey Pryor said it would be great to show the public what the water looked like in the tanks.

City Manager Cotter said they had zero cooperation from EPCOR and had not yet been allowed to see the inside of the tanks. He said they would be happy to show the public views from cameras inside of the tanks.

Steven Lee thanked everyone involved with the transition for finally making this happen. He asked if the bill servicing would also be taken over on August 30th. He asked how the changeover in billing process would affect customers. He asked if there was a bid process in hiring Vertex One.

City Manager Cotter said the city would perform all of the billing and maintenance, managing and owning the system. He said VertexOne performed the billing for EPCOR and would now perform the billing for the city. He said the wastewater billings will be combined with the water billings in the future, so customers would receive one bill for both utilities. He said the billing would be seamless. He said the contract with Vertex One was thoroughly vetted at a previous Council

meeting. He said it was an issue of efficiency and they did not want to start over without any customer history that would cost much more.

Gary Genovese asked if existing customers on auto pay would be affected.

City Manager Cotter said customers would have to re-sign for the automatic bill pay with the city. He said it was the same system, but the city did not want to share banking information. He said City Hall was open to accept payments and had a drop box for customers that wanted to pay in cash.

Michael Fisher said the acquisition of EPCOR was a great thing. He discussed a billing and meter issue that he had with EPCOR. He asked if the city would shut off his water if he was past due on payments.

City Manager Cotter said the city would work with the customers on all outstanding accounts by setting up payment plans; however, if someone refused to pay, their water would be shut off.

Eva Corbett said she was excited to see this happening. She said the city would turn 37 years old on August 24th, and said it was important for the city to obtain the water system.

MOTION: Council Member Wegmann made a motion to adopt Resolution No. 2021R-47 adopting EPCOR's current water rates, related fees and charges as an interim measure pending a future independent city rate study. Council Member D'Amico seconded the motion.

VOTE: AYES: Brady, Bruck, Brummett, D'Amico, Mieding, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

2. Discussion and possible action to: 1) adopt Ordinance No. 2021-15 approving the "Utility Service Code 2021" by reference and as an emergency measure; and 2) adopt Resolution No. 2021R-48 declaring the "Utility Service Code 2021" a public record. (Utilities Director Clark)

Utilities Director Clark said the proposed ordinances represented water related issues. He said additional changes to the code would be presented as they worked through the system. He said the code implemented the recently established utility department and provided necessary provisions for the consolidation of wastewater and water operations.

MOTION: Council Member D'Amico made a motion to 1) adopt Ordinance No. 2021-15 approving the "Utility Service Code 2021" by reference and as an emergency measure; and 2) adopt Resolution No. 2021R-48 declaring the "Utility Service Code 2021" a public record. Vice Mayor Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Brummett, D'Amico, Mieding, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

3. Discussion and possible action to adopt Resolution No. 2021R-49 approving the “Rules and Regulations Applicable to Water Service of Mohave Water District North Mohave Water District.” (Utilities Director Clark)

Utilities Director Clark said the rules and regulations for water operations included EPCOR’s existing rules and regulations for water operations as currently in place, and with which water customers were familiar, in facilitation of the city’s imminent control and operation of the water service. He said the city would review and implement changes as may be necessary for efficient operations in the future.

Council Member Mieding asked if the regulations included the provision for backflow prevention issues and the testing process.

Utilities Director Clark said the backflow program would be managed by the city’s water quality specialist. He said currently EPCOR managed the program and outside entities performed the testing and inspection.

MOTION: Council Member Wegmann made a motion to adopt Resolution No. 2021R-49 approving the “Rules and Regulations Applicable to Water Service of Mohave Water District North Mohave Water District.” Vice Mayor Bruck seconded the motion.

VOTE: AYES: Brady, Bruck, Brummett, D’Amico, Mieding, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

4. Discussion and possible action to adopt Resolution No. 2021R-50 approving the “August 2021 Developer and Engineering Guide” in substantial form as presented. (Utilities Director Clark)

City Manager Cotter presented the new “Bullhead City Utilities” logo.

Utilities Director Clark said the guide included engineering specifications for the systems and associated fees necessary for the operation of consolidated operations in the new utility department. He said some items within the guide were fees for developer service, detail of the main extension process, water design criteria, sewer design criteria, construction requirements, and pretreatment requirements. He said review and development of effective standards and practices would be ongoing.

City Manager Cotter said the city would work with the Fire Department to maintain the fire hydrants.

Council Member Zehri asked about the number of fire hydrants in the city.

Utilities Director Clark said there were more than 2,000 fire hydrants.

Council Member Mieding congratulated staff on the publication of the document.

Council Member Zehri said this was a historical day for the city. He thanked former Council Members Sheila Shutts and Tami Ring for their efforts.

Council Member D'Amico thanked the citizens for working with the city to get this done.

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

Steven Lee asked if the city would address the hard water buildup. He said he would be willing to pay more for better water quality.

MOTION: Council Member D'Amico made a motion to adopt Resolution No. 2021R-50 approving the "August 2021 Developer and Engineering Guide" in substantial form as presented. Council Member Wegmann seconded the motion.

VOTE: AYES: Brady, Bruck, Brummett, D'Amico, Mieding, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

Mayor Brady said they were in this fight for a long time. He said the citizens heard many negative comments about the city's capability to take over the system. He said he had seen city staff working hard through all of the challenges to make this happen, and said he commended staff and the citizens of Bullhead City. He said this was a historic moment and something they could all be proud of for the city's future.


ADJOURNMENT

Mayor Brady declared the special meeting adjourned at 6:32 p.m.

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct record of the special meeting of the City Council of the City of Bullhead City held on the 24th day of August 2021. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 7th day of September 2021.


Susan Stein, MMC, CPM
City Clerk