

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, January 18, 2022, in the Council Chambers, 1255 Marina Blvd., Bullhead City, Arizona.

CALL TO ORDER

Mayor Brady called the special meeting to order at 3:30 p.m.

ROLL CALL

Council Present

Brady, Brummett, D'Amico, Hecht, Wegmann, Zehri

Council Absent

None – Vacant Seat

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

UTILITIES DIRECTOR: Mark R. Clark

DISCUSSION ITEM(S)

1. Discussion regarding revisions and updates to the Bullhead City Water Conservation Program.

Utilities Director Clark provided a slide presentation and a draft of the Water Conservation Plan to the Council. He said the Council had previously met at a workshop to discuss the program and determine future conservation measures for the city. He said today they would discuss the purpose of the water conservation plan update, project background, methodology behind the DSS Model (Demand Side Management Least Cost Planning Decision Support System) and demand forecasting, future conservation measures, and their next steps.

Utilities Director Clark said the update would serve as a supporting document to the Enhanced Urban Water Management Plan; a long range planning document to identify and project attainable conservation goals; and the result of a modeling exercise with Maddaus Water Management to evaluate cost-effectiveness of measures and to meet future water efficiency objectives set by the state. He said the development of the plan update included compilation of historical and projected population and commercial growth rates; evaluation of conservation measures using a set of applicable criteria; quantification of the costs and water savings of measures, and the combination of measures into programs to be evaluated as a group. He said the city had been saving over 2,000 acre feet of water per year under the current program. He said residential water use was 71.2 percent and commercial water use was 28.8 percent.

Utilities Director Clark said the current water conservation program included high efficiency toilet rebates, high efficiency washing machine rebates, landscape conservation with turf removal, and smart irrigation controller rebates. He said the turf conversion program was the most successful. He said the high efficiency toilets and washing machines had to be purchased from vendors located within the city limits in order to qualify for the rebates.

Utilities Director Clark discussed the DSS Model Methodology. He said they considered water demand projections broken down by use, the impact of water quality measures, cost benefit analysis and total demand reductions for conservation in order to determine which items should be added to

the list in order to provide good water savings. He said the foundation of the plan update development was four-fold: 1) incorporate current, historical, and projected population growth and commercial growth rates, 2) evaluate current and future conservation measures using a set of applicable criteria, 3) quantify the costs and water savings of these measures; and 4) combine the measures into increasingly aggressive programs that could be evaluated as a group. He said they began with over 100 potential measures that were reviewed by staff. He said out of the original 100, 25 potential measures were presented to the Council, and of those 25; Council had selected 12 items. He said those 12 items were included in this presentation, and said they would recommend that 3 of those measures be eliminated. He said under the updated program, they would like to include a total of nine conservation measures, eliminating the high efficiency urinal rebate, swimming pool cover rebate, and efficient dishwasher rebate. He said there was not much participation in those three programs and the administrative costs would outweigh any water savings.

Utilities Director Clark said they anticipated realizing a lot of savings on eliminating water loss, which they would conduct in-house. He said water loss was the difference between water production and water consumption. He said distribution system water losses were the physical water losses from the water distribution system and the suppliers' storage facilities. He said meter losses were due to under-reporting meters, theft, or other billing system errors. He said EPCOR had a high rate of water loss of about 20 percent, and said the normal rate of loss was about 10 percent. He said they would work with the Fire Department to calculate how much water they were using, and would work with all of their partners in order to decrease the rate of loss. He said they would also conduct testing for new AMI meters internally and expand that program into the rest of the city, starting with new development.

Utilities Director Clark said they were in the first water shortage ever declared on the Colorado River (Tier 1 shortage). He said the next steps would be to engage in state legislative processes, prioritize measures for implementation and develop implementation plans, prepare an annual work plan, form partnerships and apply for grants, store and track measure elements, review the plan goals annually and amend the plan and its elements as required. He said conservation was the least expensive means of meeting future water supply needs for the area. He said, using the DSS Model, the city identified numerous components that could be used in the planning documents.

Utilities Director Clark said the city had a water entitlement for a population of 110,000; however under a water shortage declaration, that entitlement could be reduced slightly in order to have enough water to go around. He said the program would help save additional acre feet of water. He said the city currently used about 14,000 acre feet of water, and saved 2,000 acre feet of water this year. He said they should be able to double that amount over the next few years under the proposed program. He said the budget for the rebate measures was approximately \$250,000 and the funds came out of the impost fees.

The consensus of the Council was to include nine conservation measures: AMI installation for new development, non-regenerative water softeners incentives, hot water on demand rebate, conservation print media, electronic conservation options, high efficiency toilet rebate, high efficiency washing machine rebate, landscape conversation with turf removal, and smart irrigation controller rebate; and exclude the high efficiency urinal rebate, efficient dishwasher rebate, and swimming pool cover rebate.

City Manager Cotter said most of the conservation measures were designed for residential users. He said the larger users such as HOAs might consider performing substantial projects that were not covered under the current rebate program. He said the Council might want to consider incentives for the larger water users in order to conserve more water. He suggested offering up to a \$50,000 dollar for dollar match to the larger users as an incentive.

The consensus of the Council was to add \$150,000 to the program's budget to fund water conservation incentives for larger commercial users.

Utilities Director Clark said the Council would consider this item at the February 15, 2022 meeting.

MOTION: Vice Mayor D'Amico made a motion to adjourn the special meeting and convene into executive session at 4:21 p.m. Council Member Wegmann seconded the motion.

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

MOTION CARRIED

EXECUTIVE SESSION

2. Discussion or consultation for legal advice concerning the status of: 1) the City's eminent domain litigation with EPCOR; and 2) EPCOR's water rate case pending with the Arizona Corporation Commission. Arizona Revised Statutes § 38-431.03(A)(3).

3. Annual evaluation of the City Manager pursuant to A.R.S. § 38-431.03(A)(1).

MOTION: Council Member Wegmann made a motion to adjourn from executive session and the special meeting at 4:58 p.m. Vice Mayor D'Amico seconded the motion.

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

MOTION CARRIED

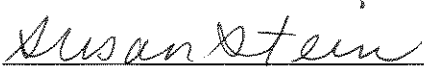
ADJOURNMENT

Mayor Brady declared the special meeting adjourned at 4:58 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 18th day of January 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 1st day of February 2022.

A handwritten signature in cursive script that reads "Susan Stein". The signature is written in dark ink and is positioned above a horizontal line.

Susan Stein, MMC, CPM
City Clerk

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, January 18, 2022, 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 Bruce Rahlf from the River Chapel Assembly of God to deliver the invocation. Council Member Brummett led the assembly in the Pledge of Allegiance to the Flag.

ROLL CALL

Council Present

Brady, Brummett, D'Amico, Hecht, Wegmann, Zehri

Council Absent

None

Staff Present:

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

CITY CLERK: Susan Stein

POLICE CHIEF: Robert Trebes

FINANCE DIRECTOR: Rudy Vera

PUBLIC WORKS DIRECTOR: Angie Johnson

UTILITIES DIRECTOR: Mark R. Clark

HUMAN SERVICES DIRECTOR: Jeff Tipton

DEVELOPMENT SERVICES DIRECTOR: Saritti Chooniyom

PRESENTATIONS AND PROCLAMATIONS

1. Presentations to Olivia McCormick and the City of Bullhead City by the Noon Kiwanis Club.

Corn Fest Co-Chair Ken Sondgeroth presented a check from funds raised towards the improvements at Gary Keith Park to Olivia McCormick. Co-Chair Clay Parker presented an award of appreciation to Parks and Recreation Superintendent Dave Heath and the Bullhead City Parks and Recreation Department.

OPEN CALL TO THE PUBLIC

Mayor Brady opened the call to the public.

Steven Lee said the newly formed Bullhead City Patriots group was looking to add members. He spoke in opposition to mask and vaccine mandates.

Dr. Tishchenko invited the community to attend the Community Health Fair to be held on January 22nd at Mohave Community College.

Barbara Pape provided information on a voter registration drive.

Regina Guarisco said she approached the Mohave County Board of Supervisors regarding possible mismanagement of \$2.3 million in ARPA funding for the school board's proposed affordable

housing project. She said a mail-in ballot for any measure violated the rules of the Arizona Constitution.

Debra Adams invited the public to attend the Morning Kiwanis meeting at the Moose Club.

Harvey Pryor invited members of the community to attend the Bullhead RC club meeting to be held at Rotary Park on January 15th at noon.

Scotty McClure said he did not support the construction of the Landon Drive extension because it would cost too much money.

Julie Hassett provided information on upcoming performances provided by the Colorado River Concert Association.

Bo Hellams from the Bullhead Area Chamber of Commerce provided an update on the Chamber's activities and membership numbers.

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

AGENDA MODIFICATIONS

None

WAIVER MOTION

MOTION: Vice Mayor D'Amico 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, Brummett, D'Amico, Hecht, Wegmann, Zehri
NAYS: None ABSENT: None

MOTION CARRIED

MANAGER'S REPORT

1. Winter Visitors' Expo

City Manager Cotter said the Expo would be held on February 10th at the Anderson Auto Group Fieldhouse with more than 100 vendors. He said this was another opportunity for people to explore Bullhead City.

2. Tri-City Council Meeting

City Manager Cotter said Tri-City Council meetings were held quarterly, and the next meeting would be held on January 19th in Lake Havasu City. He said former Bullhead City Mayor Hakim and former Lake Havasu Mayor Nexsen had formed the group many years ago. He said the Cities of Kingman, Lake Havasu, and Bullhead shared health insurance providers and worked together on mutual issues, both local and legislative.

3. Bridge Progress Update

City Manager Cotter said the bridge construction had begun and the public could see drone footage of the activity on YouTube.

4. Landon Drive Connection Project

City Manager Cotter said the preliminary engineering for the project was completed. He said the city would have to acquire a small piece of private property and more land from the state. He said they planned to put the project out for bid in the next fiscal year. He said the connection would alleviate traffic on Highway 95.

MAYOR AND COUNCIL MEMBERS' REPORTS ON CURRENT EVENTS

Council Member Wegmann thanked the Police Department and other law enforcement agencies for quickly solving a recent homicide within a few days. She thanked them for making the community safe.

Council Member Hecht said she went on a police ride along and said it was an amazing experience. She provided information on the Swap Meet/Carnival to be held at Mohave Community College on February 12th.

Council Member Zehri said the community recently lost John Morales, a great person and coach. He spoke about Dr. Martin Luther King.

ITEMS WITHDRAWN FROM CONSENT AGENDA

None

CONSENT AGENDA

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

VOTE: AYES: Brady, Brummett, D'Amico, Hecht, Wegmann, Zehri
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 January 4, 2022. (City Clerk Stein)

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

2. **PUBLIC HEARING.** Discussion and possible action to adopt Ordinance No. 2022-01 approving the request for a zoning map change from R2MF (Residential Multiple-Family District) to C-3 (Commercial and Minor Industrial District) for a 1.08 acre parcel of land located at 2877 Easy Street and described as Enchanted Acres, Block 3, Lot 8, Section 35, T20N, R22W, Bullhead City, AZ. (Development Services Director Chooniyom)

Planning Manager Loera said the applicant was requesting the rezone in order to build a commercial storage building. He said the Planning and Zoning Commission had unanimously recommended approval.

Mayor Brady opened the public hearing. Having no one requesting to speak, Mayor Brady closed the public hearing.

MOTION: Council Member Wegmann made a motion to adopt Ordinance No. 2022-01 approving the request for a zoning map change from R2MF (Residential Multiple-Family District) to C-3 (Commercial and Minor Industrial District) for a 1.08 acre parcel of land located at 2877 Easy Street and described as Enchanted Acres, Block 3, Lot 8, Section 35, T20N, R22W, Bullhead City, AZ. Council Member Zehri seconded the motion.

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

MOTION CARRIED

3. Discussion and possible action to adopt Ordinance No. 2022-02 by reference, approving amendments to Chapter 16.52, “Assurances, Reductions, and Acceptance,” of the Bullhead City Municipal Code concerning reviewing agencies for reversion to acreage requests; and adopt Resolution No. 2022R-01 declaring the code amendment a public record. (Development Services Director Chooniyom)

Planning Manager Loera said this was a housekeeping item that would remove all of the individual utility companies and add a category for utilities as applicable.

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

MOTION: Vice Mayor D’Amico made a motion to Ordinance No. 2022-02 by reference, approving amendments to Chapter 16.52, “Assurances, Reductions, and Acceptance,” of the Bullhead City Municipal Code concerning reviewing agencies for reversion to acreage requests; and adopt Resolution No. 2022R-01 declaring the code amendment a public record. Council Member Wegmann seconded the motion.

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

MOTION CARRIED

4. Discussion and possible action to adopt Ordinance No. 2022-03 by reference, approving amendments to Chapter 17.07, “Abandonments,” of the Bullhead City Municipal Code concerning reviewing agencies for abandonment requests, and adopt Resolution No. 2022R-02 declaring the code amendment a public record. (Development Services Director Chooniyom)

Planning Manager Loera said this agenda item was related to Agenda Item No. 4 and was a housekeeping item.

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

Steven Lee asked if adoption of this amendment would interfere with property rights. Mayor Brady said it would not.

MOTION: Vice Mayor D’Amico made a motion to adopt Ordinance No. 2022-03 by reference, approving amendments to Chapter 17.07, “Abandonments,” of the Bullhead City Municipal Code concerning reviewing agencies for abandonment requests, and adopt Resolution No. 2022R-02 declaring the code amendment a public record. Council Member seconded the motion.

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

MOTION CARRIED

Bid Awards, Contracts, Intergovernmental Agreement, and Purchases

None

Other Business

5. **AMENDED ITEM.** Discussion and possible action to adopt Resolution No. 2022R-03 approving the settlement of the City’s eminent domain litigation with EPCOR Water Arizona; and further, approving the settlement and purchase price of \$100 million. (City Manager Cotter)

City Manager Cotter said in 2017/2018, the city started discussions with EPCOR about its rate hikes and talks of statewide consolidation. He said those efforts did not produce the desired results so the City Council placed an item on the ballot in November of 2019 asking voters to approve the

acquisition of EPCOR by purchase or condemnation. He said the voters approved the ballot item and authorized the city to acquire bonds of \$130 million at no more than 8 percent interest. He said, since voter approval in 2019, the city had repeatedly offered to purchase the assets but EPCOR had consistently refused any offers for purchase or settlement and continued to say it was not for sale and that the court process would determine the price to be paid. He said in preparation for the trial set for January 24, 2022, the court directed the parties to engage in a private mediation, which took place on Friday, January 14, 2022. He said the city had hoped the court directed mediation would be productive and if possible lead to settlement. He said before the litigation began, EPCOR had consistently asserted a value of at least \$130 million, and during the course of preparing for the jury trial scheduled for the next week, had revised its claimed value to \$155 million. He said EPCOR opened the mediation with a position that appeared to present, unlike before, an openness to consider settlement and negotiate on a purchase price at less than what they had been recently asserting or historically claiming. He said at the conclusion of an extended mediation process, the parties reached the proposed settlement price of \$100 million. He said authorized EPCOR representatives obtained preliminary approval of the final price. He said the city's condemnation counsel had been advised by EPCOR representatives that they anticipated approval and the EPCOR board would meet to consider the proposed purchase by no later than 4:00 p.m. on Wednesday, January 19, 2022.

City Manager Cotter said the city had already issued a bond in the amount of \$80 million at the low interest rate of 1.87 percent in order to enter into possession of the water assets in September 2021. He said settlement would require the acquisition of another \$20 million in order to conclude the settlement; and given the trend of current markets, it was imperative that the process begin as soon as possible so the city could obtain the additional \$20 million at a low interest rate. He said staff would be coming back to the City Council over the coming months and years to come, with a number of capital project requests, water masterplan, facility needs, budget reviews, and more. He said all water rate making, budgeting, approvals, and planning would be done in Bullhead City in the City Council Chambers rather than in Phoenix at the Arizona Corporation Commission. He said staff believed the purchase price of \$100 million would not require a rate increase in 2022/2023. He said staff might propose a small cost of living adjustment down the road once all revenues and expenditures had been realized for at least one complete fiscal year.

City Manager Cotter thanked the EPCOR board and staff for allowing the city to reach a settlement. He said the city could now apply for grants and federal and state aid. He said they could now proceed with the business of city residents and future growth.

Vice Mayor D'Amico said once the debt was paid off, their grandchildren and great children would have safe, good tasting drinking water far into the future.

Council Member Wegmann said the Council had been fighting for this for many years. She said the city would now be in control of the water rates, and would do what was right for the citizens.

Council Member Zehri said this day was historical for the city. He congratulated staff and outside counsel. He said the city was not for profit, and the money would be put back into the community.

Council Member Brummett thanked staff for their hard work and the citizens for approving the ballot measure. She said she was glad this day was finally here.

Council Member Hecht said she was new to the Council and very excited to be a part of this vote.

Mayor Brady said they learned about how complicated this process was. He said it was nearly impossible for one to understand, but remembered what a water attorney had told him in the beginning. He said he was told that the purchase price sounded like a lot then, but the water wars in the Southwest would be such that the voters would approve of the purchase in years to come due to the potential lack of water in the future. He said this was one of the most historic votes of the City Council since he took office in 2014. He thanked EPCOR for bending the ear of their lawyer and trying the mediation process.

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

Steven Lee congratulated the city for finally getting this done. He asked if the city could possibly continue negotiating the purchase price.

Al Scigliano he was the first city leader to make the suggestion that the city own and control the water system. He said it cost a lot of money to maintain the system but would be worth it.

Barbara Pape said this was a long journey and a water system under the peoples' control was a really good thing for the city.

MOTION: Vice Mayor D'Amico made a motion to adopt Resolution No. 2022R-03 approving the settlement of the City's eminent domain litigation with EPCOR Water Arizona; and further, approving the settlement and purchase price of \$100 million. Council Member Wegmann seconded the motion.

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

MOTION CARRIED

6. Discussion and possible action to adopt Ordinance No. 2022-04 approving the amendment to the Bullhead City Municipal Code entitled, "High Water Bill Adjustment Amendments 2022" by reference; and adopt Resolution No. 2022R-04 declaring the amendment a public record. (City Manager Cotter)

Assistant to the City Manager Travis Pruit said the proposed code amendment was the result of guidance received from the City Council at two workshops held on December 7 and 21, 2021. He said occasionally, a Bullhead City water customer may receive an abnormally high water bill due to water loss on their property. He said this might pose a financial hardship. He said the purpose of the policy was to create a bill adjustment process that allowed water customers reasonable financial relief for abnormal spikes in their water bills related to unintended and unanticipated causes. He said the policy was also designed to help reduce the likelihood of continued water loss/waste by encouraging people to fix and repair the issues.

Utilities Director Clark said the reason for this policy was that some things happen beyond the customers' control. He said they could see 96 days of data on the water meters and could determine

the cause of a leak. He said they wanted to help the customers in any way they could, and said payment plans were also available.

Mayor Brady said under the control of the city, they had the option of changing the policies to accommodate citizens that found themselves in an unfortunate situation. He said this was another reason for the city to take control of the water system.

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

Billy Pershing commended the city for their compassion on behalf of the customers.

MOTION: Vice Mayor D'Amico made a motion to adopt Ordinance No. 2022-04 approving the amendment to the Bullhead City Municipal Code entitled, "High Water Bill Adjustment Amendments 2022" by reference; and adopt Resolution No. 2022R-04 declaring the amendment a public record. Council Member Wegmann seconded the motion.

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

MOTION CARRIED

7. Discussion and possible action to appoint a citizen to serve as a City Council Member for a ten-month term beginning on February 1, 2022, and expiring at the end of the 2022 election cycle. (City Manager Cotter)

City Manager Cotter said a vacancy was created on the City Council after the death of Council Member John Mieding. He said eleven citizens applied for the position and were interviewed by the seven member council-appointed nominating committee on January 10, 2022. He said the nominating committee unanimously approved the rankings as the final result of the interview process. He said the top five citizens recommended and their rankings were: Rodney Head (94.01), Larry Tunforss (91.09), Carey Fearing (88.01), Tyler Carlson (87.68), and Dan Alfonzo (82.84). He said the individual appointed by the Council tonight would be sworn into office at the beginning of the February 1, 2022 Council meeting.

Mayor Brady asked if any of the candidates would like to speak.

Carey Fearing thanked the city for the experience and the opportunity.

Rodney Head discussed his qualifications and his interest in serving the city.

MOTION: Vice Mayor D'Amico made a motion to appoint Rodney Head to serve as a City Council Member for a ten-month term beginning on February 1, 2022, and expiring at the end of the 2022 election cycle. Council Member Hecht seconded the motion.

VOTE: AYES: Brady, Brummett, D'Amico, Hecht, Wegmann, Zehri
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 7:01 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 18th day of January 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 1st day of February 2022.



Susan Stein, MMC, CPM
City Clerk