

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, September 5, 2023, in the City Council Chambers, 1255 Marina Boulevard, Bullhead City, Arizona.

CALL TO ORDER, INVOCATION AND PLEDGE OF ALLEGIANCE

Mayor D'Amico called the meeting to order at 5:30 p.m. and invited Pastor George Lyman from Desert Shores Community Baptist Church to deliver the invocation. Vice Mayor Head led the assembly in the Pledge of Allegiance to the Flag.

ROLL CALL

Council Present

Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring

Council Absent

None

Staff Present

CITY MANAGER: Toby Cotter

CITY ATTORNEY: Garnet Emery

ASSISTANT CITY MANAGER: Edigar Kajirwa

CITY CLERK: Susan Stein

POLICE DEPARTMENT: Captain Jason Harms

FINANCE DIRECTOR: Robert Drexler

PUBLIC WORKS DIRECTOR: Angie Johnson

PLANNING MANAGER: Johnny Loera

HUMAN SERVICES DIRECTOR: Jeff Tipton

POLICE CHIEF: Robert Trebes

UTILITIES DIRECTOR: Mark Clark

PRESENTATIONS AND PROCLAMATIONS

1. The Bullhead City Morning Kiwanis Club will present a check to the city to sponsor free swim lessons.

Mayor D'Amico read the proclamation and Dr. Terry Coyle, President of the Kiwanis Club, presented a \$13,400 check to the city to sponsor free swim lessons to prevent children from drowning.

2. Proclamation declaring Saturday, September 16, 2023, as the "Recovery in the Park Celebration."

Mayor D'Amico read the proclamation and presented it to Lorrie Duggins of the Bullhead City Police Department and Larry Tunforss representing the M.A.P.P.E.D. organization.

3. Dr. Chad Kingsley, Mohave County Public Health Director, provided a report on tuberculosis.

Dr. Kingsley discussed basic information related to tuberculosis including prevention, transmission, symptoms, treatment, and the number of cases within Mohave County. An exposure to tuberculosis (TB) during the last school year at Diamondback Elementary School was reported to the Mohave County Department of Public Health on August 1st. An immediate response action was initiated, and all required notifications were completed, and press releases were issued. On August 11th, 137 tests were completed and 10 came back as reactive for nonresistant TB, which is treatable with antibiotics. TB is mandated by State Statute to be monitored and treated, which has been and continues to be provided to those that tested positive at no cost.

Council Member Ring asked if the open borders brought in disease.

Dr. Kingsley said transmission of the disease from border crossings and immigration has always been a concern for years. The United States public health system is the best in the world with the lowest number of cases of TB. Border health is important and should be addressed, but it is not one single thing. Transmission of diseases can also happen when a U.S. citizen travels to other countries and returns. There is no direct correlation in Mohave County with immigration and TB.

CALL TO THE PUBLIC

Mayor D'Amico opened the call to the public.

Steven Lee of Voices for Freedom welcomed the new health director and invited him to attend their next meeting. He discussed some political issues.

Eric Fox, chef and owner of Pro-Fit-Kitchen, stated the on the 11th of every month he donates 11 percent of his revenue to a non-profit organization. He wanted to help Maui after the fire and rallied other local businesses to do the same. With 15 percent of his revenue and donations from other local businesses, a check was presented to the Salvation Army in the amount of \$1,300.

Thomas Shanaman shared his experiences with a short-term rental next to him and asked the Council to consider additional amendments to noise regulations within residential neighborhoods for short term-rentals.

John Sanchelli discussed a new non-profit organization called S.O.A.R (Stop Overdose Addiction Resources), and invited the public to attend their car show fundraising event on November 5th.

Jim Shuey discussed his concerns with unwanted activity at the river access on Riverfront Drive and asked that it be investigated.

Nicole Tracy from Make Bullhead Better invited the public to attend and support the Little Pumpkins Community Baby Shower to be held on September 21st at the Optimum Community Center.

Sue Demarco from S.A.I.N.T. (Saving Animals in Need Together) described some animals available for adoption. She invited the public to their Bowling for Pets fundraising event being held on September 17th at Riverside Lanes.

Jim Fuller said he was opposed to mandates, vaccines, and masks.

Sean Regan from Arizona Veteran K-9 Services stated the organization needs community support through volunteerism and/or donations. He also invited the public to attend a Bingo fundraiser at Mohave Valley Association of Realtors on September 21st.

Captain John Birks from the Salvation Army discussed their efforts in supporting Maui. He thanked Eric Fox from Pro-Fit-Kitchen and the other local businesses for their donations.

Scotty McClure expressed concerns with the Make Bullhead Better non-profit organization and the local GOP Office. He said he pulled papers to run for County Supervisor.

AGENDA MODIFICATIONS

None

WAIVER MOTION

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

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

MANAGER'S REPORT

1. Labor Day Statistics

City Manager Cotter said the water levels were low over the holiday weekend which impacted the area. Visitors and community members enjoyed a weekend in the river, even with only 1 to 2 units of water in the river.

Police Chief Trebes provided statistics related to 430 police responses over the holiday weekend. He provided year-to-date statistics that did not include Labor Day Weekend for the river, which included 720 contacts on the river and 271 water rescues. City Manager Cotter noted the saturation of the police department personnel, lifeguards, and public education has assisted in creating a safer environment on the river.

2. Update on Highway 95 Transfer from ADOT

City Manager Cotter discussed the reconstruction of Highway 95 from the Laughlin Bridge to Needles with \$30 million in funding from the Arizona Department of Transportation. He stated a proposed intergovernmental agreement will be brought before the City Council at their next meeting.

3. Water Conservation Update

Utilities Director Clark said the water levels for Lake Powell and Lake Mead have increased this year. Bullhead City will be moving from Tier 2b to Tier 1, and all water conservation efforts would be voluntary rather than mandated next year.

4. Flood Control Discussion

City Manager Cotter discussed the city's efforts that have been made annually to address flood waters on the roadways and divert them to ultimately end up in the river.

5. Update on City Grants

Assistant City Manager Kajirwa provided an update on the city grants awarded during the last fiscal year. He said more than \$6 million in grant funds were awarded to Bullhead City for various projects including the WaterSmart metering pilot program, expansion and improvement of city utilities, improvement of clean water (sewer), new well project, two side-by-sides for OHV and ATV enforcement programs, a jet boat and two jet skis, new splash pad at the family zone area, outdoor revitalization and improvements to Rotary Park, and the Silver Creek staging area.

Assistant City Manager Kajirwa said in fiscal year 2024, an \$850,000 grant was applied for from Arizona State Parks and Trails to update and revitalize the fishing pier at Rotary Park. In addition, applications have been or will be submitted for grant funds from ADOT for Bullhead Parkway, which has been determined as a high merit and high consideration project, the U.S. Department of Justice Vest program which provides bulletproof vests to the police department, the U.S. Department of Housing and Urban Development, and the U.S. Department of Transportation which awarded Bullhead City with \$20,000 for the Step Program, a selective traffic enforcement program; and \$20,000 from the Governor's Office of Highway Safety. He said staff will continue to work on all of the grants available for Bullhead City. To date a \$300 million grant from the Bureau of Reclamation was brought before the Council for two water treatment plants to reduce water salts and provide quality drinkable water to the residents. He said they were looking forward to a favorable response.

Assistant City Manager Kajirwa said Council Member Hecht represented Bullhead City at the League of Cities and Towns by carrying the city's flag during the Parade of Flags, and Council Member Ring was awarded an 8-year service award.

City Manager Cotter recognized Assistant City Manager Kajirwa for the hard work that he and his team have done in finding and acquiring grants from the State and Federal government.

MAYOR AND COUNCIL MEMBERS' REPORTS ON CURRENT EVENTS

Council Member Hecht recognized the Public Works Department for their work in cleaning up debris from the recent flooding. She encouraged residents to utilize the Bullhead City Direct App for reporting concerns.

Council Member Alfonzo thanked city staff for their assistance at the League of Arizona Cities and Towns.

Mayor D'Amico thanked all Council Members for attending the League of Arizona Cities and Towns and participating in classes and building relationships that will help move them forward. He stated the Veterans Peninsula and boat launches have officially been transferred to Bullhead City and he is seeking to gain full control over the Nature Center and pond to make it a family-friendly area. He addressed previous concerns from the public related to masks and related mandates, and said he will not activate any mask mandates or business and park closures.

ITEMS WITHDRAWN FROM CONSENT AGENDA

None

CONSENT AGENDA

MOTION: Council Member Hecht made a motion to approve Consent Agenda Items No. 1 and 2 as presented. Council Member Alfonzo seconded the motion.

VOTE: AYES: Alfonzo, D' Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

Items on the Consent Agenda were approved as follows:

1. Approval of the Minutes of the Special Council Meeting held on July 5, 2023; the Minutes of the Regular Council Meeting held on July 18, 2023; and the Minutes of the Special Council Meeting held on August 1, 2023. (City Clerk Stein)

2. Acceptance of the dedication of a 15-foot right-of-way for Riviera Boulevard as depicted in the Grant and Dedication Right of Way Fee Title Section 19 Township 20N Range 22W G&SRM (Clear21, LLC/Portion of 2160 Clearwater Drive). (Public Works Director Johnson)

HEARINGS ON ITEMS PULLED FROM CONSENT AGENDA

None

BOARD/COMMISSION/COMMITTEE APPOINTMENTS

3. Discussion and possible action to appoint three citizens to serve on the Bullhead Area Transit System Commission to fill three 2-year terms expiring on September 30, 2025. (City Clerk Stein)

City Manager Cotter stated there are three applicants for three positions.

A. J. Pompos expressed his interest in serving on the BATS Commission.

MOTION: Council Member Lizarraga made a motion to appoint three citizens to serve on the Bullhead Area Transit System Commission to fill three 2-year terms expiring on September 30, 2025. Council Member Alfonzo seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

PUBLIC HEARINGS ON LIQUOR LICENSE APPLICATIONS

4. **PUBLIC HEARING.** Discussion and possible action to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for a Series 12 (restaurant) Liquor License and Interim Permit Job No. 249614 submitted by Sadie Elaina Erath for The Vibe Lounge located at 2064 Highway 95, Suite 6, in Bullhead City. (City Clerk Stein)

City Manager Cotter said staff reviewed the application and had no concerns.

Mayor D'Amico opened the public hearing.

Ivy Yeomans stated she is a concerned citizen and did not agree with the addition of more liquor stores and restaurants that serve alcohol.

Having no one else from the public requesting to speak, Mayor D'Amico closed the public hearing.

MOTION: Council Member Lizarraga made a motion to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for a Series 12 (restaurant) Liquor License and Interim Permit Job No. 249614 submitted by Sadie Elaina Erath for The Vibe Lounge located at 2064 Highway 95, Suite 6, in Bullhead City. Council Member Alfonzo seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

5. **PUBLIC HEARING.** Discussion and possible action to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for a Series 12 (restaurant) Liquor License Job No. 252371 submitted by Ravinder Singh for The Indian Oven Cuisine located at 3061 Highway 95 in Bullhead City. (City Clerk Stein)

City Manager Cotter said staff has reviewed the application and had no objections or concerns.

Mayor D'Amico opened the public hearing. Having no one else from the public requesting to speak, Mayor D'Amico closed the public hearing.

MOTION: Council Member Ring made a motion to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for a Series 12 (restaurant) Liquor License Job No. 252371 submitted by Ravinder Singh for The Indian Oven Cuisine located at 3061 Highway 95 in Bullhead City. Council Member Hecht seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

6. **PUBLIC HEARING.** Discussion and possible action to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for Acquisition of Control of a Series 12 (restaurant) Liquor License Job No. 252446 submitted by Jared Michael Repinski for Earl's at the Castle Home Cookin' located at 491 Long Avenue in Bullhead City. (City Clerk Stein)

City Manager Cotter said staff reviewed the application and had no concerns or objection.

Mayor D'Amico stated these three applications were from existing businesses that are being transferred or renewed.

Mayor D'Amico opened the public hearing. Having no one else from the public requesting to speak, Mayor D'Amico closed the public hearing.

MOTION: Council Member Hecht made a motion to make a recommendation to the Arizona Department of Liquor Licenses and Control to approve the application for Acquisition of Control of a Series 12 (restaurant) Liquor License Job No. 252446 submitted by Jared Michael Repinski for Earl's at the Castle Home Cookin' located at 491 Long Avenue in Bullhead City. Council Member Lizarraga seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

ACTION ITEMS

BUILDING, PLANNING AND ZONING ITEMS

None

Bids Awards, Contracts, Intergovernmental Agreements, and Purchases

7. Discussion and possible action to approve a lease purchase of a new 2023 Caterpillar 415IL Industrial Loader from Empire Machinery of Mesa, Arizona, utilizing the City of Tucson Cooperative Contract #212816-01 in a total financed amount of \$173,418.74; and authorize the City Manager to finalize a lease purchase agreement, execute all required documentation and issue resulting payments. (Public Works Director Johnson)

Public Works Director Johnson stated this is a five-year lease agreement with the intent to purchase the equipment at the end of the lease. This is a budgeted item being purchased through a cooperative agreement.

Council Member Lettman asked if this was replacement or a new purchase.

Council Member Alfonzo asked if any used equipment was available for purchase.

Public Works Director Johnson stated this was a new purchase, and said used equipment is more expensive than new and did not include a warranty.

Mayor D'Amico asked if anyone from the public wanted to speak.

Bill Pershing inquired if this equipment would be used by the roads department to maintain the roads. Public Works Director Johnson confirmed.

MOTION: Council Member Lizarraga made a motion to approve a lease purchase of a new 2023 Caterpillar 415IL Industrial Loader from Empire Machinery of Mesa, Arizona, utilizing the City of Tucson Cooperative Contract #212816-01 in a total financed amount of \$173,418.74; and authorize the City Manager to finalize a lease purchase agreement, execute all required documentation and issue resulting payments. Council Member Ring seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

8. Discussion and possible action to: 1) approve a Data Conversion Agreement with Motorola for converting Cody and Caper reporting systems data to the current Flex Spillman reporting system in the amount of \$152,376.98; 2) authorize continued annual maintenance services with the first year quoted at \$4,680.00; and 3) authorize the City Manager to enter any necessary agreements and issue resultant payments. (Police Chief Trebes)

Police Chief Trebes stated two years ago, the Police Department implemented a new report management system through Motorola, called the Flex Spillman System. The report management system is necessary for gathering law enforcement data for daily police operations. The time has come to convert the data from the older system into the Spillman system, and only Motorola could import the data. The agreement includes the first year of database support which will be budgeted for \$4,680.00 annually.

Mayor D'Amico asked if anyone from the public wanted to speak.

Steven Lee asked how secure the system is, what citizen data is stored, and who the database is shared with. Police Chief Trebes stated any interactions with citizens or calls for service is recorded in this system, and the information is only shared for law enforcement related reasons or approved record requests.

MOTION: Vice Mayor Head made a motion to: 1) approve a Data Conversion Agreement with Motorola for converting Cody and Caper reporting systems data to the current Flex Spillman reporting system in the amount of \$152,376.98; 2) authorize continued annual maintenance services with the first year quoted at \$4,680.00; and 3) authorize the City Manager to enter any necessary agreements and issue resultant payments. Council Member Ring seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

9. Discussion and possible action in support of naming State Route 68 as the “Colorado River Highway.” (City Manager Cotter)

City Manager Cotter said he was contacted by the State Board of Geographic and Historic Names asking for the city’s input on renaming State Route 68 to “Colorado River Highway, State Route 68.” This name change was initiated by Mohave County and approved by their staff. The State Board of Geographic and Historic Names felt it was important to obtain the city’s opinion and approval because it would affect a significant portion within the city’s jurisdiction. This change will not necessitate any address changes as it is merely an addition to the current name.

Council Member Alfonzo stated a majority of the 85 attendees at a senior group meeting felt the name should remain unchanged, and said they would have preferred more options.

Council Member Lettman stated this is a low-cost, simple step toward improving tourism, which would create more jobs in this valley. He also stated Laughlin and Clark County are moving towards renaming Highway 163 to the “Colorado River Highway,” which will create regionalization of tourism.

Council Member Hecht stated the name change would highlight the Colorado River, the main attraction of Bullhead City.

Mayor D’Amico stated this is a good name and he is all for it.

Mayor D’Amico asked if anyone from the public wanted to speak. No one from the public spoke.

MOTION: Council Member Ring made a motion to name State Route 68 as the “Colorado River Highway.” Council Member Hecht seconded the motion.

VOTE: AYES: D’Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: Alfonzo ABSENT: None

MOTION CARRIED

10. Discussion and possible action to: 1) approve the construction contract with Yellow Jacket Drilling Services, LLC, for drilling two new production wells in the amount of \$2,334,586.10; 2) waiving the requirement for competitive bidding as being in the best interests of the city pursuant to Bullhead City Municipal Code Section 3.37.030(D); and 3) authorize the City Manager to execute the agreement and issue resultant payments. (Utilities Director Clark)

Utilities Director Clark explained this item is for the drilling of two wells that were put out to bid on June 18th. No bids were received during the allotted time; however, a bid was received one week later from Yellow Jacket Drilling Services, LLC. Because WIFA funds

were being used for this project, companies will be required to use Davis-Bacon wages and U.S. Steel. Yellow Jacket is the company that performed the eight test borings for the city. When no additional bids were received and in the best interests of the city, it was decided to move forward with Yellow Jacket rather than conduct a rebidding process. This decision was made partly due to the 24-1 well on Black Mountain Road failing. The bid received is competitive with the bid received by Lake Havasu in 2021 for two new wells. The second well (20-1) will be drilled on Riverview Drive on donated property.

Mayor D'Amico stated these wells are urgently needed within the city, and said he supports the decision.

Council Member Lettman inquired where the funding was coming from. City Manager Cotter said they will be using WIFA funds, and money was budgeted within the Enterprise Fund.

Vice Mayor Head stated he appreciates Mr. Clark's explanation regarding the bidding process and work to get them to this point.

Council Member Alfonzo inquired about the performance rating for Yellow Jacket based on previous interactions. Utilities Director Clark said they were easy to work with and did a wonderful job.

Mayor D'Amico asked if anyone from the public wanted to speak.

Steven Lee expressed concern with the bidding process. Utilities Director Clark clarified the steps taken during the bidding process, and confirmed all parameters were included in the advertisement that was open to all parties.

Billy Pershing inquired if the new well would replace the failing well and if it would remain in place and operational. Utilities Director Clark clarified the new well will be in proximity to the existing 24-1 which would remain operational until no longer functional, at which time it would be discontinued.

Sean Regan stated Mr. Clark's explanation was spot-on and said he is in support of the proposition.

Scotty McClure inquired if the well had dried up. Utilities Director Clark clarified the problem is with the blocked screening, and said there are holes in the casing.

MOTION: Council Member Ring made a motion to 1) approve the construction contract with Yellow Jacket Drilling Services, LLC, for drilling two new production wells in the amount of \$2,334,586.10; 2) waiving the requirement for competitive bidding as being in the best interests of the city pursuant to Bullhead City Municipal Code Section 3.37.030(D); and 3) authorize the City Manager to execute the agreement and issue resultant payments. Council Member Alfonzo seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

OTHER BUSINESS

11. Discussion and possible action to adopt Ordinance No. 2023-22 adopting the code amendment entitled "Water Conservation Amendment 2023" by reference; and adopt Resolution No. 2023R-40 declaring the code amendment a public record. (Assistant to the City Manager Pruitt)

Assistant to the City Manager Pruitt stated this is an amendment to the water conservation ordinance that will remove the restriction of using water misting systems during a Tier 2 drought situation.

Mayor D'Amico asked if this provision pertained to residential properties as well as commercial. City Manager Cotter stated this provision was a minor restriction used for educating the public on different ways to save water.

Mayor D'Amico asked if anyone from the public wanted to speak.

Steven Lee thanked city staff for creating this amendment and stated all water restrictions should be reviewed for potential amendments, as the mandatory restrictions are limiting residents from enjoying their lives.

MOTION: Council Member Ring made a motion to adopt Ordinance No. 2023-22 adopting the code amendment entitled "Water Conservation Amendment 2023" by reference; and adopt Resolution No. 2023R-40 declaring the code amendment a public record. Council Member Lizarraga seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

12. Discussion and possible action to approve Amendment No. 2 to the Water Conservation Plan Update adopted on February 15, 2022, increasing the high efficiency toilet rebate to \$100.00; and adding an incentive for reduction in water loss for watering systems for HOAs and large commercial projects. (Utilities Director Clark)

City Manager Cotter stated water conservation is something the City is intently engaged in, with an evolving water conservation program. This is a two-part item with a \$100 rebate for utilizing low water efficient toilets; and incentives for HOAs and large water users for reducing water loss within watering systems.

Council Member Lettman inquired about the success of the current rebate program. Utilities Director Clark stated the current rebate program is very successful and the two programs with the highest participation are the turf buy back, which saves the most water; and the toilet rebate program.

Council Member Hecht inquired if employees at stores such as Lowe's and Home Depot are familiar with the program, and inform people of the possible rebates when purchasing items such as a toilet. Utilities Director Clark stated they had provided education in the past, but this should probably be done again due to employee turnover.

Mayor D'Amico asked if anyone from the public wanted to speak.

Steven Lee said he thought that suppliers could only sell low flow toilets. Utilities Director Clark stated that is true for new construction, but many homes within the community still have older toilets.

Billy Pershing inquired about the source of the funds for the \$100 rebate and if the rebate could be used for installation expenses as well. City Manager Cotter stated all funding is budgeted as part of the city's water conservation program. It is funded from the impost fee on everyone's water bill, which is allowed under the allocation with the Bureau of Reclamation. Utilities Director Clark stated the rebate covers just the cost of the toilet.

Grace Telsner asked if the rebates applied to homeowners only. Utilities Director Clark stated the individual purchasing the toilet is eligible for the rebate.

Greg Attle, Desert Foothill Estates Homeowners' Association President, thanked City Manager Cotter and Utilities Director Clark for meeting with the HOA and assisting them with a plan to reduce water usage.

Walt Sawyer, Vice-President of the Royal Vista Estates Board, inquired what steps needed to be taken to be approved to receive incentives to replace their turf and water irrigation system. Utilities Director Clark stated he would be happy to talk to them regarding the programs available and suggested the HOA reach out to the city.

Mayor D'Amico stated the State Legislature is very impressed with Bullhead City's knowledge and actions to conserve water. The steps taken now will maintain water allocations in the future.

Ivy Yeomans inquired if the rebate would apply to a toilet purchased four years ago but not installed. City Manager Cotter said she should reach out to the city's staff regarding the program and complete an application.

MOTION: Council Member Hecht made a motion to approve Amendment No. 2 to the Water Conservation Plan Update adopted on February 15, 2022, increasing the high efficiency toilet rebate to \$100.00; and adding an incentive for reduction in water loss for watering systems for HOAs and large commercial projects. Council Member Lizarraga seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lettman, Lizarraga, Ring
NAYS: None ABSENT: None

MOTION CARRIED

13. Discussion and possible action to adopt Resolution No. 2023R-41 affirming the designation of a housing development area within the city; authorizing an additional loan of \$250,000.00 to Haan Development for completion of the project; and directing the City Manager to enter into appropriate agreements with the developer to secure the repayment of the loan. (City Manager Cotter)

City Manager Cotter explained this is part of the State's Affordable Housing Program that the city participates in, and the developer receives points with city participation. The City Council previously approved a loan for this developer under Resolution No. 2022R-10. This would be a \$250,000 loan that will be repaid with a 2 percent interest over the next 20 years.

Utilities Director Clark said, while reviewing the proposed Havasupai development, the developer pointed out they needed to gain water pressure appropriate for an apartment complex. The city had two choices: either to work with developers and provide an additional loan, or to spend millions of dollars to increase the water pressure. The better option was to provide an additional \$250,000 loan to the developer. This is not an incentive or a gift, but a loan to be repaid at a 2 percent rate.

Council Member Lettman said the developer would receive a savings of approximately \$10,000. City Manager Cotter said every percentage rate made a difference to the developer, and said the concern was that the money could be invested in a different way and gain more interest; but without the loan, the apartment complex would not be built. He said the developer must follow the State's criteria for affordable housing, which is different from Section 8 housing.

Vice Mayor Head asked about the cost to build the booster pump station. Utilities Director Clark said booster stations could cost between \$500,000 and \$1 million. City Manager Cotter said the project could go forward without this loan, but it would fall upon the city to come up with a way to increase the water pressure at the city's expense. With this partnership, the developer is absorbing the extra costs above and beyond the \$250,000 the city would invest in affordable housing.

Council Member Alfonzo asked about the time line of the project. City Manager Cotter stated the project is ready to go upon approval of this loan.

Mayor D'Amico asked if anyone from the public wanted to speak.

Steven Lee said the city should not be subsidizing low-income housing because in his opinion this brings in residents who are not good for the city. He said the developer is making money and getting more points with the State at Bullhead City residents' expense.

City Manager Cotter said this is the structure the State Housing Department has in place to provide State and Federal tax credits for affordable housing, which was not low-income housing. Developers go through a strenuous process to qualify to participate in this program. He said the price of housing continued to rise and the city was in need of 3,000 housing additional units.

Mayor D'Amico noted that affordable housing is necessary for economic development because it would retain a workforce that would entice more businesses to come here.

Sean Regan asked about the number of units the project would include, and asked if the developer was tying the city's hands. City Manager Cotter stated he will have to get back to him as to the exact number of units within this complex. This process starts with the State of Arizona because they provide the points for development. The developer is saying this is a make-or-break deal because without the loan to provide extra water pressure, they are unable to build the complex. Affordable housing rates are set by the State based on market conditions.

Ivy Yeomans asked if the properties being developed were privately owned. City Manager Cotter explained the developers are building on privately-owned land and funded outside of this program. Developers tend to hire local subcontractors to assist with constructing the apartment complexes. He stated there is an application process for those wanting to construct apartment buildings and suggested she contact the Planning Department.

City Attorney Emery explained this transaction is part of the State Statute where developers who receive State and Federal tax credits are eligible to seek low interest loans from municipalities, which is limited to affordable housing. This transaction will include a promissory note obligating the developer to repay the loan over a 20-year period.

MOTION: Council Member Ring made a motion to adopt Resolution No. 2023R-41 affirming the designation of a housing development area within the city; authorizing an additional loan of \$250,000.00 to Haan Development for completion of the project; and directing the City Manager to enter into appropriate agreements with the developer to secure the repayment of the loan. Council Member Alfonzo seconded the motion.

VOTE: AYES: Alfonzo, D'Amico, Head, Hecht, Lizarraga, Ring
NAYS: Lettman 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 8:12 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 5th day of September 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 17th day of October 2023.

for 
Susan Stein, MMC, CPM
City Clerk