

**MINUTES
TOWN OF QUARTZSITE
REGULAR MEETING OF THE COMMON COUNCIL
TUESDAY, JULY 22, 2014, 7:00 PM**

CALL TO ORDER: 7:00 p.m.

INVOCATION: Prayer said by Audrey Berger.

PLEDGE OF ALLEGIANCE: Led by Council Member Orgeron.

ROLL CALL:

Present: Mayor Foster, Vice Mayor Jewitt, Council Member Kelley, Council Member Crooks, Council Member Orgeron, Council Member Timberlake.

Absent: Council Member Scott.

STAFF PRESENT: Skylor Miller, Town Manager; Susan Goodwin, Town Attorney; Tina Abriani, Town Clerk

APPROVAL/AMENDMENT OF AGENDA: Vice Mayor Jewitt moved to accept the agenda as presented and Council Member Timberlake seconded the motion. The vote was unanimous. **Motion Passed.**

CONSENT AGENDA:

1-a. LEDGER OF ACCOUNTS PAID – Consider approval of check series 37601 - 37688, totaling \$118,037.07

1-b. MINUTES – Consider approval of the minutes of the Regular Meeting of July 8, 2014.

Council Member Orgeron pulled checks 37622, 37646 and 37657.

Vice Mayor Jewitt moved to approve the consent agenda as amended and **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Orgeron asked about check 37622 made out to Clemmons, Charles and Ann – credit on final utility bill.

Rondus Bennett, Utilities Accountant, explained it was a final bill after selling the property. The account had a credit because the Clemmons had overpaid.

Council Member Orgeron moved to approve check 37622 and **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Orgeron asked about check 37646 – sales tax audit services for the period of April 18, 2014 – June 18, 2014 for the amount of \$12,600 for only two months.

Town Manager Miller will get the invoice for check 37646.

Council Member Orgeron moved to table check 37646 until the next regular meeting and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

Council Member Orgeron asked about check 37657 – consultant services for community development services.

Town Manager Miller stated the payment was for permit review. In the absence of a Community Development Director, the contracted consultant has been performing those services. The consultant bills by service, not at a flat rate.

Council Member Orgeron moved to approve check 37657 and **Council Member Kelley seconded** the motion. The vote was unanimous. **Motion Passed.**

ADMINISTRATIVE ITEMS:

2. WATER RATES PRESENTATION – Presentation regarding proposed Water Rate Change and consider adoption of a Notice of Water Rate Change and setting a public hearing on the proposed increases.

Town Manager Miller stated that in lieu of a public hearing, there will be a presentation. He discussed the update to the schedule for the water rate increase. He said this presentation will cover similar content to that of the Work Session on May 29, 2014.

Town Manager Miller advised a Notice of Intent for the rate change was presented at the June 10, 2014 Town Council Meeting. The notice was not published in the newspaper and after reviewing the publishing schedule, a new date was set. A new Notice of Intent to increase water rates must be adopted and a new public hearing date must be posted.

August 26, 2014 is the tentative public hearing date, which falls on a regular meeting night. The new effective date for the new rate would be October 1, 2014

Town Manager Miller reviewed the main challenge facing the Town's utilities. He advised the current revenue is \$765,000, but the current 2014-2015 revenue requirement is \$1.2 million and annual costs will only rise. The revenue shortfall is caused by the lack of rate adjustments to keep up with costs. There were no rate increases from FY 2001 to FY 2009. Planned rate increases from FY 2012 and FY 2013 were not implemented and the general fund has been subsidizing water rates.

Town Manager Miller reviewed current rate issues. The Q Mountain subsidy, which started in 2009, froze their rate structure. The current commodity rate is arbitrarily low.

Industry standards do not support separate base rate structures by user class. The Town's General Fund has been subsidizing water rates by approximately \$400,000 per year. The Public Works and Park departments were not being charged for water usage associated with street improvements and streetscape maintenance.

Town Manager Miller advised that due to existing issues from the long-term revenue inadequacies, the water enterprise fund's annual revenue is facing a deficit of \$435,000. The approved 2014-2015 Budget requires the water enterprise fund to make up the deficit and be self-sustaining.

Kevin Murphy of Atkins, the Town's Engineer, reviewed the current water usage broken down by user class. He also reviewed the current rate structure. The monthly base rates are charged to recover fixed costs and differ by user class. The monthly commodity rate, per 1000 gallons, is a residential two tier system with non-residential rates.

Mr. Murphy stated that the proposed rate structure recommends eliminating the two tier system. He advised industry standards do not support separate base rate structures by user class. The proposed rate structure uses the American Water Works Association meter equivalencies.

Town Manager Miller explained the significant changes between the current rate structure and the proposed rate structure. The proposed rate structure has been named the Fair Use Plan. There will be uniform base rates for all users, based on water meter size, not use. There will be a flat commodity rate for all users. The Town will assess all internal departments to insure that all users are paying their fair share. This has been reflected and incorporated into the FY 2014-2015 budget.

Mr. Murphy stated it is a common practice among all communities that water is accounted for by departments.

Town Manager Miller asked the Town Council to review the Fair Use Plan, the proposed rate structure. He summarized the recommendations contained in the proposed rate structure.

Town Manager Miller noted a recommendation that the Public Works and Park departments be billed for past documented water usage. This water used was for street improvements and street beautification. The payment is a legitimately permitted HURF expenditure. This payment reflects the last five years totaling \$240,000 and will be spread over two years to phase in cost of service rates.

Water Rate Implementation Schedule displayed during the presentation:

- May 29, 2014: Work Session with Council
- July 22, 2014: Presentation of final rate recommendations – Council to adopt notice of intent.
- By August 6, 2014: Notice published to newspaper and website

- August 26, 2014: Public Hearing – Council may adopt proposed rate change.
- October 1, 2014: New rate effective

Vice Mayor Jewitt moved to adopt the Notice of Intent for the water rate change and to set a public hearing on the proposed increases for August 26, 2014. **Council Member Timberlake seconded** the motion.

Roll Call Vote: Motion Passed (summary: Yes = 5, No = 1, Abstain = 0).

Yes: Vice Mayor Jewitt, Council Member Kelley; Council Member Crooks, Council Member Orgeron, Council Member Timberlake.

No: Mayor Foster.

3. MUNICIPAL LIBRARY BOARD APPOINTMENT - Discussion and possible action to appoint one regular member, with a term to expire in April 2015, to the Municipal Library Board.

Mrs. Therri Hearne approached the podium.

Council Member Orgeron stated the board meetings are normally on Thursdays at 3:00 p.m. He asked Mrs. Hearne if she would be able to attend those meetings.

Mrs. Hearne replied, no because she works until 4:00 p.m. on Thursdays.

Council Member Orgeron asked if she had any discussions with the Librarian as far as changing times.

Mrs. Hearne said no, she had not.

Council Member Kelley asked Mrs. Hearne if there was any way she could change her day or time to work in order to attend the meetings, because she would have to be at the meetings.

Mrs. Hearne stated that if she knew what the date of the meetings would be, she could change her work schedule with someone else.

The Mayor thanked Mrs. Hearne.

Vice Mayor Jewitt moved to approve the application of Therri Hearne to the Library Board and **Council Member Timberlake seconded** the motion. The vote was unanimous. **Motion Passed.**

4. LABOR DAY AT THE PARK – Discussion and Direction on a potential Labor Day Celebration.

Town Manager Miller introduced the item explaining that Council Member Kelley approached him to have this put on the agenda.

Council Member Kelley stated the Fourth of July was done without the charities being in charge; she noted there was help by the Rotary Club. She said there was so much fun had by all that people said they wanted to do it again on Labor Day.

Council Member Timberlake suggested a community softball game.

Council Member Kelley said those of the Food Bank will do the straw thing, only with something other than straw, because it bothered the children. She said there were corn hole games and a water slide.

The Mayor asked if there is an expense to have a Labor Day Celebration.

Town Manager Miller explained that expenses were incurred by the Fourth of July Celebration and there will be some staffing expenses to set up the event. He will try to make it fiscally responsible and he will be at the Labor Day Celebration.

Town Manager Miller stated the success of the Fourth of July event was due to a number of groups getting together, making it a true community event.

The Mayor asked Council Member Kelley if she thought she could get the volunteer groups in the community to come back to the table again. Council Member Kelley replied, certainly.

Vice Mayor Jewitt directed staff to assist Council Member Kelley in her endeavor to bring this to fruition.

5. FINAL DRAFT OF AMENDMENTS TO THE TOWN CODE - Review, discussion and possible adoption of an ordinance adopting by reference the 2014 Amendments to Chapter 3 of the Quartzsite Town Code – amending the Town Code, Chapter 3 Administration.

Council Member Orgeron moved to adopt Ordinance No. 14-04 amending the Town Code, Chapter 3, Administration and **Vice Mayor Jewitt seconded** the motion. The vote was unanimous. **Motion Passed.**

COMMUNICATIONS:

Announcements and Reports from the MAYOR on current events.

The Mayor announced that on Monday he attended the County Board Meeting and the County Board voted to join with Mojave County in a lawsuit against the Federal Government. He advised that Congress has managed to pass a law and get it signed by the President. The law takes away parts of the Williams River Reserve and water rights along with it, to give it to a mining company. Mohave County has hired an attorney because they are being told that the citizens of Arizona have no say in the matter. La Paz County voted Monday to join in that lawsuit. The Mayor stated the biggest issue is giving up water rights.

Announcements and Reports from the COUNCIL on current events.

Council Member Kelley said it was wonderful that the community came together on the Fourth of July and everybody had a good time. She said, "Let's do it again Labor Day."

Reports from the TOWN MANAGER to the Council.

Town Manager Miller stated that yesterday, Monday, July 21, 2014, the Town of Quartzsite had a successful refunding. The closing for the refinancing took place; so there will be a release of the 2004 Reserve Fund of \$152,000 that will go towards the Love's water line payment. He stated there will also be a \$53,000 in present value savings over the period of the loan.

Town Manager Miller advised a Scott Lane pre-construction meeting was held today. They are planning on mobilizing for that project the first full week of August. The project is due to be completed by the end of August. The project scope did not include resurfacing because that was already proposed to be performed by the Town. Showplace Lane is also being repaired, resurfaced and re-graded by Public Works staff, so those two will be resurfaced at the same time.

Council Member Orgeron asked the Town Manager if there was an update regarding Sun Edison.

Town Manager Miller advised that Sun Edison believes they can commence work within the 21 day window and the Town is legally obligated to allow them to proceed. They have paid for their permits. They believe they will have substantial commencement of work before Monday, the 28th. Work has not commenced yet.

Town Manager Miller announced there will be a Public Training held on July 30, 2014 in the Town Hall beginning at 10:00 a.m. Information regarding Open Meetings Law and Public Records Law will be presented in two separate sessions by the Arizona Assistant Ombudsman for Public Access.

Town Manager Miller passed along a 'thank you' from the summer recreation program. The program went on a field trip yesterday to the Arizona Science Center and had a very enjoyable day. The children made a large poster board full of thanks to the Council for providing the funding to make the field trip possible.

Town Manager Miller stated he sees a lot of potential for the Recreation Program and opportunity for more community participation. He stated he will be looking into partnerships for additional funding and grant sources.

COMMUNICATIONS FROM CITIZENS

Steve Schue, the Vice President of the Rotary Club, stated the Fourth of July was a great time and the Club is ready for the next one. He announced there will be a meet

the local candidates night on July 29, 2014 at the Senior Center and he urged everyone to attend.

Audrey Berger announced the Senior Center has changed its hours back to 9:00 a.m. – 3:00 p.m. beginning Monday, July 28, 2014. She advised this helps people by giving them a longer time to stay where it is cooler.

Pamela Kasby, homeowner and Quartzsite resident, recommended that first aid kits be available for the next event; especially, in the building where the cooking is done. She noted that at the Fourth of July Celebration there were some scratches and bruises and it would have been handy to have a first aid kit for the safety of everybody.

Michael Roth, resident for eight years, spoke about the Yakima law suit and stated he gets the same sick, sinking feeling watching what is happening with the sewer plant.

He advised that he knows of a company out of Austin, Texas that fixes treatment plants around the world with a 100% natural solution and it will put money into the Town coffers. Mr. Roth said Paul Skillicorn runs Agriquatics and everyone may check him out at agriquatics.com. Mr. Skillicorn takes troubled treatment plants and ultimately raises a plant called duckweed. Duckweed is a plant that fish eat and that cleans the water.

Mr. Roth advised that Mr. Skillicorn tells him that he can fix the Town's treatment plant with his proven system and even turn the plant into a profit center as he has done before around the world.

Mr. Roth asked the Council to put the matter on the agenda.

Kay Mooring, resident, invited everyone in the Town to a free picnic meal on Friday, August 1, 2014, at 5:00 p.m. at the Community Center. It is being put on by several churches in Town.

Elmer London spoke about lines under the ground for the Town to grow.

Shanana Rain Golden Bear asked the Council to help the Quartzsite residents take concrete action toward preparing for emergencies and disasters by declaring September as National Preparedness Month in our community. She stated the Town is very unprepared right now and that emergency preparedness is the responsibility of everyone. She would like to see the Town Council help the community create wonderful support during disasters and emergencies by creating an emergency plan. Rain stated more information can be found at Ready.gov.

The Mayor directed the Town Manager to look into a resolution that could be adopted and what actions the Town could take in support of an emergency preparedness plan.

Town Manager Miller replied that he will be happy to provide documentation to the Town Council.

Vice Mayor Jewitt moved to adjourn and Council Member Orgeron seconded the motion.

ADJOURNMENT: 7:47 p.m.

CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of July 22, 2014, of the Town Council of Quartzsite, Arizona, held on July 22, 2014.

I further certify that the meeting was duly called and held and that a quorum was present.

DATED this 12th day of August 2014



Tina M. Abriani, Town Clerk

On behalf of the Common Council

Approved:



Ed Foster, Mayor