



## City Council Regular Meeting

### Minutes - Final

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Tuesday, October 22, 2024

5:30 PM

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#### 1. CALL TO ORDER

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

#### 2. INVOCATION

Ms. Joan Dzuro, citizen, gave the invocation.

#### 3. PLEDGE OF ALLEGIANCE

Members from Havasu Stitchers led in the Pledge of Allegiance.

#### 4. ROLL CALL

**Present:** 7 - Mayor Cal Sheehy, Councilmember Nancy Campbell, Councilmember Michele Lin, Councilmember Jeni Coke, Councilmember Jim Dolan, Councilmember David Lane and Vice Mayor Cameron Moses

#### 5. CONSENT AGENDA

- 5.1 [ID 24-4506](#) Action: Approve the October 8, 2024, City Council Regular Meeting Minutes (*Kelly Williams*)
- 5.2 [ID 24-4510](#) Action: Resolution No. 24-3789 Approving Abandonment of the Northwesterly 8-Foot of the Existing 10-Foot-Wide Public Utility and Drainage Easement on the Southeasterly Property Line of 2140 Eagle Drive, Tract 136, Block 5, Lot 29 (*Trevor Kearns*)
- 5.3 [ID 24-4489](#) Action: Resolution No. 24-3787 Approving a Grant Agreement with the U.S. Army Corps of Engineers under the Arizona & Rural 595 Program for the Water Conservation and Water Reuse Project (*Vijette Saari*)
- 5.4 [ID 24-4498](#) Action: Development Agreement for The Villages at Victoria Farms Road with CP LHC I, LLC, Regarding Private Roadways and Drainage for the Development (*Jeff Thuneman*)
- 5.5 [ID 24-4451](#) Action: Sole Source Purchases of Wastewater Treatment Plant Parts, Equipment,

and Service from Parkson Corporation (*Thilak Fernando*)

- 5.6 [ID 24-4514](#) Action: Resolution No. 24-3790 Memorandum of Understanding with the Arizona Supreme Court, Administrative Office of the Courts, for Use of the eAccess Web Portal (*Chief Stirling*)
- 5.7 [ID 24-4507](#) Action: Call for Executive Session Pursuant to A.R.S.§ 38-431.03(A) 4:30 p.m., Tuesday, November 12, 2024 (*Kelly Williams*)

**Councilmember Coke moved to approve the Consent Agenda as presented, seconded by Councilmember Dolan, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

## **6. CORRESPONDENCE, COMMUNICATIONS, PETITIONS, ANNOUNCEMENTS, CITY MANAGER REPORT**

- 6.1 [ID 24-4515](#) Go Lake Havasu Quarterly Presentation (*Jess Knudson*)

Ms. Lisa Krueger, Interim CEO of Go Lake Havasu, presented the Go Lake Havasu Quarterly Report highlighting the vital impact of tourism, visitor numbers and demographics, marketing, public relations, advertising, community engagement, local tourism support, and challenges and opportunities for strategic adjustments for future growth. Ms. Krueger emphasized that tourism is the city's economic engine and their commitment to transparency. She said looking ahead they are focused on strengthening relationships, prioritizing strategic growth, and unveiling a new website in January 2025 with enhanced user experience.

- 6.2 [ID 24-4508](#) Announce Vacancies on Lake Havasu City Boards, Committees, and Commissions (*Kelly Williams*)

City Clerk Kelly Williams announced the current vacancies on various Lake Havasu City Boards, Committees, and Commissions. She added that applications are available at City Hall and on the City's website at [www.lhcaz.gov](http://www.lhcaz.gov).

- 6.3 [ID 24-4509](#) City Manager's Report (*Jess Knudson*)

City Manager Jess Knudson reported on the following:

- Announced various events, ceremonies, and proclamations.
- Congratulated Mayor Sheehy for being named a Freeman by the Right Honorable Lord Mayor of the City of London.
- Announced several upcoming events in October including the Youth Talent Show, Concerts in the Park, Annual Fall Fun Fair, and Halloween Spooktacular.
- Provided an update regarding the issue of missing water hydrant meters and unpaid water bills.

- Public Service Announcement Video “2024 Leave No Trace – How to Dispose of Waste Properly” from the Lake Havasu City Police Department.

## 7. PUBLIC HEARINGS

- 7.1 [ID 24-4448](#) Discussion and Action: Series #12 Restaurant Liquor License, Sake Sushi & Grill, 460 El Camino Way/Miller (*Kelly Williams*)

Ms. Williams advised that Mr. Jeffrey Miller has applied for a Series #12 Restaurant Liquor License for Sake Sushi & Grill, located at 460 El Camino Way. She said all posting requirements have been met, all fees have been paid, and no objections were received. Ms. Williams added that the location is properly zoned for a Series #12 liquor license.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Vice Mayor Moses moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 restaurant liquor license for Sake Sushi & Grill, 460 El Camino Way, seconded by Councilmember Dolan, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

- 7.2 [ID 24-4475](#) Discussion and Action: Series #12 Restaurant Liquor License, Dos Amigos Tacos, 2231 McCulloch/McLearn (*Kelly Williams*)

Ms. Williams advised that Ms. Harriet Margaret McLearn has applied for a Series #12 Restaurant Liquor License for Dos Amigos Tacos, located at 2231 McCulloch Boulevard. She said all posting requirements have been met, all fees have been paid, and no objections were received. Ms. Williams added that the location is properly zoned for a Series #12 liquor license.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Dolan moved to recommend that the Arizona Department of Liquor Licenses & Control approve a Series #12 restaurant liquor license for Dos Amigos Tacos, 2231 McCulloch, seconded by Vice Mayor Moses, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

- 7.3 [ID 24-4501](#) Discussion and Action: Resolution No. 24-3791 Appointing Member(s) to the Lake Havasu City Planning & Zoning Commission (*Kelly Williams*)

Ms. Williams advised that an appointment is necessary to fill the remaining term of one regular member vacancy on the Planning & Zoning Commission due to the resignation of regular member David Diaz on September 2, 2024. As part of the Application Review Panel process which conducted interviews for the Planning & Zoning Commission on June 10th and June 19th, it was anticipated that there could be one or more vacancies on the board due to the election and members running for public office. She said the panel met on October 2, 2024, to review the 13 applications on file in the City Clerk's Office for the Planning & Zoning Commission and recommends that JP Thornton be appointed as a regular member to fill the remaining term ending June 30, 2027. She noted that Mr. Thornton currently serves as an alternate member; therefore, if appointed, an alternate member position would become available, and the application review panel recommends that Phil Annett be appointed to the alternate member position with a term ending June 30, 2025.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

Councilmember Campbell expressed concerns regarding the process and complaints from the public that the positions are being picked by staff and the Mayor. She said she would like to have future discussions on changing the process. Mayor Sheehy clarified that every member of the city's boards, committees, and commissions has been appointed by the City Council. He said an application review panel practice was put into place that has worked out well with the increase in members of the community interested in serving on the city's boards, committees, and commissions. Councilmember Campbell said she would like more transparency and to be more involved in the process.

**Councilmember Lane moved to adopt Resolution No. 24-3791 appointing JP Thornton as a regular member with a term ending June 30, 2027; and Phil Annett as an alternate member to the Lake Havasu City Planning & Zoning Commission with a term ending June 30, 2025, seconded by Councilmember Coke, and carried by the following vote:**

- Aye:** 6 - Mayor Sheehy, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses
- Nay:** 1 - Councilmember Campbell

- 7.4 [ID 24-4503](#) Discussion and Action: Ordinance No. 24-1348 Approving the General Development Plan and Rezone of 2801 Highway 95 North, Tract 2277, Block 2, Lot 19, and the Vacated Cul-de-Sacs of Deepwater Drive and Cactus Wren Lane, 10.29

Acres, from Limited Commercial District/Planned Development (C-1/PD) to General Commercial District/Planned Development (C-2/PD) to Accommodate a Vehicle Sales Development and Approving Specific Requested Exceptions (*Chris Gilbert*)

Planning Division Manager Chris Gilbert advised that the subject property is a 10-acre parcel that was previously owned by the city and sold to Anderson Powersports by the City Council in February 2024. He said the property was previously intended for a major retailer to develop the site and a City Council ordinance was approved establishing a Planned Development (PD) for that purpose in 2008; however, that project was never built and the property has remained vacant. The entire east side of the property abuts the right-of-way for Highway 95 with dead-end connections to the residential neighborhood to the west and south by a Deepwater Lane and Cactus Wren Drive. Mr. Gilbert added that the cul-de-sac ends for both streets are abandoned but not the existing streets which terminate at the property line. He noted that to the north of the property is a major drainage way separating the property from retail development to the north. Mr. Gilbert noted that the subject property is currently zoned Limited Commercial (C-1) with a PD overlay. The proposed use of the property as a vehicle sales establishment is more consistent with the General Commercial (C-2) underlying zoning with surrounding zoning of Light-Industrial to the east, C-2 to the north, and Residential Single-Family (R-1) to the west and south. He said the subject property and surrounding property is presently identified as Commercial Mixed-Use Nodule (CMU-N) on General Plan Future Land Use Map which is consistent with the zoning category being requested. Mr. Gilbert reviewed the General Development Plan site plan which shows the southern 70 percent of the 10-acre subject parcel taken up by the project, and explained that the structure comprising the Anderson Powersports development has been designed to provide a barrier to both noise and light pollution to the neighborhoods to the west and south through design and placement of structures to simulate a tall barrier wall in lieu of a separate six-foot perimeter masonry wall that would be required by code. He added that access to the site would be from Highway 95 only, with both vacated cul-de-sacs being blocked off from access at Deepwater Drive and Cactus Wren Lane. Mr. Gilbert reviewed the General Development Plan grading plan, view angles, and concept drawing views from the east.

Mr. Gilbert noted that the applicant requested the following exceptions from the Development Code standards be included as part of the PD rezone and General Development Plan approval:

- A) Side setbacks shall be 20 feet.
- B) Rear setbacks shall be 35 feet.
- C) Main building pad elevation set at +/- 577.5 feet.
- D) Maximum height of the main building shall be 36 feet.
- E) Maximum height of the tower roof feature of the showroom set at 45 feet.

- F) Maximum height of the perimeter showroom building set at 25 feet.
- G) Proposed showroom building on the setback to satisfy the requirements of a wall/buffer with the neighboring properties.

Mr. Gilbert reviewed the following conditions to ensure compliance with the Development Code:

- A) The property shall substantially match the conceptual Site Plan attached as Exhibit A (attached to ordinance). Any substantial change shall be an amendment to the General Development Plan and require Planning & Zoning Commission and City Council consideration in accordance with the City Code. Development of Phase II as identified on the Site Plan will require an amendment to the Planned Development.
- B) Building Permits and Design Review for compliance with the City Code shall be required prior to any construction commencing on the subject property.
- C) All traffic flow upgrades recommended by the traffic study and any additional requirements by the Arizona Department of Transportation and the Lake Havasu City Public Works Department, including off-site improvements to address traffic flow, shall be constructed by the property owner.

He noted that the Planning & Zoning Commission held a full public hearing at its October 2, 2024, regular meeting on this application and voted 7 to 0 to recommend approval to the City Council. He said a protest was filed with the City Clerk on October 15, 2024, by eight property owners representing ten adjacent and nearby lots to the property that is the subject of this application. Staff verified all the protest signatories to be valid and produced a map showing the protest areas and pertinent details. He said in order for a protest to be valid the following two requirements must be met: 1) owners of 20 percent or more of the property by number of lots within 150-feet of the affected property subject to the proposed zoning map amendment of change, and 2) owners of 20 percent or more of the property by area that are within 150-feet of the affected property subject to the proposed zoning map amendment of change. Mr. Gilbert said based on the analysis, the protest fails to satisfy the total property by area as the eight owners control a total of 2.1 acres with the requirement being for 2.7 acres in order to be valid.

Mr. Mychal Gorden, Desert Land Group representing the applicant, addressed the council and spoke on the history of the subject property. He said as they began this process, they knew there were some challenges from the site from the constraints of the surrounding highway and elevations, adjoining neighborhood and elevations, as well as the existing PD that was in place. He said they believe they have come up with a Development Plan that fits all the criteria and is something that they can execute in the field and work with the Arizona Department of Transportation (ADOT) to obtain access off Highway 95. He spoke on the process and neighborhood meetings that were held where they presented the

concept and listened to the concerns. He said most of the concerns revolved around primarily the existing C-1/PD and rights that were given at the time, screening of light pollution, sound/noise, and operating hours. He said additional concerns were addressed regarding commercial activity exiting onto a residential street (Cactus Wren Drive); however, after discussions with engineering and ADOT they believe they are going to be able to achieve the access points needed to have access points only off the highway. He reviewed the proposed Development Plan and building locations and explained that it is difficult to bring the project too close to the highway because of the grade change and elevations that exist. He said as they worked through the locations for access to the highway and positioning the buildings, they tried to look for ways to satisfy those concerns of the site but also those concerns from the neighbors.

Mayor Sheehy asked if there would be a driveway behind the building, to which Mr. Gorden replied no. He said the green shaded portion in the proposed development plan would be a landscaping buffer. He said there are no walkways, doors, or windows along the back of the showroom building.

Councilmember Lin asked if the cul-de-sac on Deepwater Lane would no longer exist, to which Mr. Gorden said the cul-de-sac that sits on the subject property is being abandoned. Councilmember Lin asked if it would be necessary to re-create a cul-de-sac there, to which Mr. Gorden said no explaining that it is a short enough distance that services a couple of homes. Mr. Gilbert noted that the two cul-de-sacs have been abandoned and are owned by the applicant.

Councilmember Campbell questioned the showroom building materials, to which Mr. Gorden said the rendered views are only illustrations and not final materials; however, the intent is to use some block foundation in places and a combination of architectural metals and stucco.

Councilmember Dolan asked if the applicant has taken into consideration light reflection from metal materials, to which Mr. Gorden said they would certainly take light reflection into account in terms of final colors that are selected for the building.

Mayor Sheehy opened the public hearing.

Mr. Emiliano Torres, citizen, addressed the council concerning the traffic flows in and out of this property off Highway 95.

Mayor Sheehy noted that one of the conditions as mentioned earlier requires all traffic flow upgrades recommended by ADOT including off-site improvements (such as turn lanes) to address traffic flows.

Ms. Trisha Gagnon, citizen, addressed the council and said she lives on the west side of this property. She said the City Council is talking about hypothetical ADOT approvals and asked what happens if the applicant does not receive the approvals. She said when the applicant purchased the property, the C-1/PD conditions were tied to the property and there are no assurances that they are going to receive ADOT approvals. She expressed concerns that the neighborhood would have no recourse when it comes to the materials used and lights without any assurances from the applicant. She said they did meet with the applicant and understands that they will take these things into consideration, but said the applicant also wants to get rid of all the previous assurances that the neighborhood received that protected them, and added that the view angles presented in the illustrations were extremely distorted, especially on the west side.

Mayor Sheehy said if they do not receive ADOT approvals the applicant would then have to go through another public process. Mr. Gilbert added that ADOT's comment regarding the rezoning application was that they had no objection to the application to rezone the property and would address all access issues during design review.

Mr. Dennis Buccolo, citizen, addressed the council and said he lives at the end of the cul-de-sac on Deepwater Drive. He said as residents they do not oppose the rezoning but oppose the site plan that has been presented to them. He said the meeting notes from the neighborhood meetings do not contain any input or address any of the concerns that were voiced by the neighbors. Mr. Buccolo said in 2008, the City Council, with the Planning & Zoning Commission, developer, and residents, worked together to come up with a plan for the property, which was originally zoned R-1, that would fit in the community. He said the plan states that the conditions and requirements are tied to the property, not the project, and questioned why the conditions are being changed.

Mayor Sheehy explained that zoning is tied to the land; however, any property owner has the ability to go through a public process to request a change. Mr. Buccolo said he understands the applicant is requesting a rezone; however, the previous conditions are tied to the property, not the project.

Ms. Bonny Toy, citizen, addressed the council regarding the loss of views from the proposed building.

Mr. Gilbert displayed renderings from the west, south, and north and explained that from the west side of the building there is a 50-foot easement with a 35-foot proposed buffer, for a total of 85-feet.

Mr. Leonard Lacey, citizen, addressed the council and asked how long the city owned the

property prior to the applicant purchasing the land and why it was sold.

City Attorney Kelly Garry stated that she did not know the exact date; however, the city received the property from MCO Properties. Mayor Sheehy explained the auction process of city-owned land and history of the property. He added that this particular parcel was always intended to be used for an economic development need.

Mr. Scott Stillman, citizen, addressed the council and said he lives on Deepwater Lane and expressed concerns that the citizens meeting notes did not address any of the neighbors' concerns regarding the proposed 20-foot setback. He said he feels like the applicant is avoiding them because they know that 20-feet is terrible and asked why they are not able to move their building another 30-feet north.

There being no further comments, Mayor Sheehy closed the public hearing.

Mayor Sheehy requested clarification on the setback on the west side, to which Mr. Gilbert said the applicant is proposing a 20-foot buffer between the building and the property lines. He said the C-2 minimum standard is 6-feet for a buffer.

Councilmember Lane said when it comes to the setbacks this property was originally intended for a department store and the reason for the 50-foot setbacks was due to delivery vehicles at night. He said if the applicant were to give 50-foot setbacks they would then have enough room to move vehicles back and forth and take delivery of vehicles in the back. He said he believes the applicant has compromised to do away with the 50-foot setback and have a 20-foot or 30-foot setback with no activity, windows, walkways, doorways, or driveways at the back of the building, allowing for privacy; whereas, with a 50-foot setback would take away any privacy with delivery of vehicles. Mayor Sheehy added that the applicant also explained some of the challenges with moving the building forward due to the topography of the land.

**Councilmember Lane moved to adopt Ordinance No. 24-1348 approving the General Development Plan and Rezone of 2801 Highway 95 North, Tract 2277, Block 2, Lot 19, and the vacated Cul-de-Sacs of Deepwater Drive and Cactus Wren Lane from Limited Commercial District/Planned Development to General Commercial District/Planned Development to accommodate a vehicle sales development and approving specific requested exceptions, seconded by Councilmember Campbell, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

- 7.5 [ID 24-4496](#) Discussion and Action: Ordinance No. 24-1346 Repealing Article X, Airport Advisory Board, Sections 11.08.970 through 11.08.1010 of City Code Chapter 11.08 (Adoption) (*Robert C. Kane*)

Airport Manager Robert Kane advised that the item before the council is an ordinance for final adoption that will assist in modernizing the Airport and create an efficient and effective communication venue for the community and stakeholders at the Airport.

Councilmember Dolan supported this change and said he was still willing to serve as the council liaison at the Airport as they transition to keep the council updated on changes.

Councilmember Campbell asked if there was a way to continue having a council liaison at the Airport, to which Mayor Sheehy explained that the proposed ordinance repeals the section of the City Code that has an Airport Advisory Board; however, the City Council could still have a council liaison or person that could attend the new iteration of communication strategies at the Airport. He said the goal has always been to engage the users at the airport to support airport operations.

**Councilmember Dolan moved to adopt Ordinance No. 24-1346 repealing Article X, Airport Advisory Board, Sections 11.08.970 through 11.08.1010 of City Code Chapter 11.08, seconded by Vice Mayor Moses, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

- 7.6 [ID 24-4497](#) Discussion and Action: Ordinance No. 24-1347 Amending Lake Havasu City Code Section 3.20.040, Schedule of Fees and Service Charges, to Add and Revise Fees and Service Charges (Introduction) (*Jill Olsen*)

Administrative Services Jill Olsen advised that this is the annual review of the city fees and charges as required by city code. Ms. Olsen said every few years, staff completes a detailed review of services and adjusts the fees based on actual costs. During this process, departments review the time and specific costs invoiced in each service; evaluate the need for new services as the citizens needs change; and determine which fees are no longer required. Ms. Olsen added that for services that reflect market rates, the applicable markets were researched to determine if the City was charging within a reasonable range of those markets, and added that some rates are determined by the rate study (i.e., water and sewer fees). Ms. Olsen noted some fees in the Proposed Master Fee Schedule have increased and some have decreased primarily due to the analysis that entails reviewing how each service is provided, adjusting the process to improve any possible efficiencies, determining the amount of time and cost of materials, and calculating the total cost (time and materials) for providing each service. She added that the schedule shows the current 2024 adopted fee, the proposed 2025 fee, and the difference between the two for quick

reference of all changes, noting that the highlighted fees are either new, restructured, or have changes to the cost-to-recover percentage.

Mr. Knudson noted that staff is recommending one change in the proposed Master Fee Schedule, S-356 Sponsored Swim (Page 11), to maintain the fees currently set at \$1,300 for commercial and \$600 for non-profit. He said the sponsored swims have been a very successful program to sponsor and offer free swim at the Aquatic Center. Councilmember Lin said she was in favor of maintaining the current fees for Sponsored Swim.

Councilmember Lin suggested keeping the fees in the proposed Master Fee Schedule, S-110 Business License Processing (Page 4), for a new business license application and renewal business license application at \$167 and \$120 (no increase). Ms. Olsen explained the costs associated with assessing business licenses and compliance with the business licensing system. She said in accordance with the code, the city collects a 50 percent recovery for business license renewals and 70 percent recovery for new business licenses; however, the council can make changes to these fees and cost recovery rate.

Councilmember Lin suggested lowering the open swim fees in the proposed Master Fee Schedule, S-352 Open Swim (Page 11), for children, adults and the punch pass.

Mayor Sheehy said he could support Councilmember Lin's recommendation. Mr. Knudson shared that over a 12-month period there were approximately 2,800 participants for open swim, generating approximately \$63,000 in revenue. Mayor Sheehy asked if charging a flat fee of \$3 would be possible from an operational perspective.

Parks and Recreation Director Gabby Vera spoke on the operations at the Aquatic Center and comparison of open swim rates throughout Arizona. Ms. Vera suggested having two separate rates; one for children 17 and under, and one for adults. Councilmember Lin suggested \$3 (currently \$5.25/proposed \$5) for children and seniors, \$6 (currently \$6.25/proposed \$6) for adults, and lowering the punch pass rate (currently \$78/proposed \$80) to \$30.

Councilmember Dolan asked if the Aquatic Center reaches full capacity in the summer months, to which Ms. Vera said they do not take on full capacity for safety reasons and will take up to 400 participants for non-sponsored open swim sessions. Ms. Vera added that over the past weekend the Aquatic Center had 125 participants for open swim. She said the only other facility in Arizona that compares to the city's community center is in Tempe, which currently charges \$4 for participants 17 and under. She suggested reducing the rates at the Aquatic Center over the summer months. Councilmember Dolan said he could support lowering the open swim rates during the summer months.

Vice Mayor Moses said he could support lowering the open swim rates during the summer months, but did not support lowering the business license rates.

Councilmember Campbell said she could support lowering the open swim rates and lowering the business license rates. She questioned the fee increases in the proposed Master Fee Schedule, S-131 Water Meter & Service Line Installation, for flat fee by meter size, to which Ms. Olsen explained that in determining the actual costs, staff realized that much of the cost was not being captured associated with the water meters and service line installations. Public Works Director Ron Foggin added that the city has been undercharging for meter installation and the proposed fee is the actual cost to cover the equipment (meter) and installation expenses.

Mayor Sheehy said staff performed a cost recovery analysis based on the actual costs, and asked whether the city, collectively across all ratepayers, should help subsidize the costs of a water meter or if those costs should be paid by the homeowner.

Councilmember Lin asked how long the city has been subsidizing the water meter fees, to which Ms. Olsen said staff does not believe all the costs were being captured until this year.

Councilmember Lin and Vice Mayor Moses asked if staff could bring back more information on the costs associated with the water meters and what specifically changed.

Councilmember Lin suggested increasing the alcohol beverage fees on the Facility Use Schedule to offset lowering the open swim fees. Ms. Vera explained that the Community Center venue has been used as an event space; however, beginning in February 2026, the city is hoping to add more activities inside the Community Center that would not necessarily be utilized for venue space, but Parks and Recreation operated programs and activities specifically in the evenings and weekends. She said for times that the Parks and Recreation would not be utilizing the space, increasing those fees would be something that the city could consider but noted that she did not know at this time if increasing those fees would be something that would offset the costs of lowering the open swim fees.

Mayor Sheehy said people value and live in Lake Havasu City because of the youth and recreational programs. He said when it comes to lowering the fees for open swim, the City Council could choose to subsidize those costs with the General Fund to keep the Parks and Recreation Department budget at its current funding levels until the next budget discussions.

Mayor Sheehy opened the public hearing.

Ms. Toy addressed the council and thanked them for their consideration of lowering the open swim fees.

Mr. Robert Fischer, citizen, addressed the council and said the city should be paying businesses to come to Lake Havasu City because once a business gets going it is going to more than offset any of the costs of the business license application fees. He said he believes the city is being disingenuous and inhibiting some of the things that would help with businesses coming to Lake Havasu City. He thought the water meter installation fees were also outrageous as the homeowner is going to pay the water bill and taxes on the property for the next hundred years and it is a benefit to the city to have them installed. Mr. Fischer said it was only a few months ago that this council gave away money to a bunch of charities that most of the taxpayers would not necessarily want to donate to and said he feels that the City Council is being a little disingenuous with some of the discussions regarding fees and can have a better business friendly and home building environment without having some of these burdensome costs and fees.

Mayor Sheehy said the money that Mr. Fischer was referring to was funding through the American Rescue Plan Act (ARPA) that had specific federal requirements.

Ms. Joan Dzuro, citizen, addressed the council and said she recently built a house and fully expected to pay the costs of the materials and equipment. She said she did not expect her neighbors to pay those costs, and said she is comfortable with what the City Council decides on the rates and appreciates that the council is willing to look at lowering the rates for open swim for the children as learning to swim is important especially when living next to a lake.

Mr. Lacey, citizen, addressed the council and said the city should have a water exchange program and a water board that can advise and bring important water issues to the City Council.

Councilmember Lin said Bullhead City charges \$60 for a business license and the City of Kingman charges \$100 and asked if their recovery fees were different, to which Ms. Olsen said they very well could be as she did not know what the cost recovery rates were for their fees or how they calculated their costs.

There being no further comments, Mayor Sheehy closed the public hearing.

Mayor Sheehy noted that tonight's item is an introduction and would be brought forward for adoption at a subsequent meeting. He outlined the suggestions and comments from the council regarding the fees as follows: 1) reduce the open swim rates and punch cards by half, 2) keep sponsored swim rates at the current fees, 3) further review of the business

license fees, 4) staff to bring forward additional data regarding the water meter fees, and 4) increase the alcohol beverage fees by \$1.

**Councilmember Dolan moved to introduce Ordinance No. 24-1347 amending Lake Havasu City Code Section 3.20.040 with the suggestions and comments from the council as outlined by Mayor Sheehy, seconded by Councilmember Lane, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

**7.7**     [ID 24-4483](#)     Discussion and Action: Resolution No. 24-3785 Approving the 2024 Update to the 2022 Wastewater Master Plan (*Timothy Kellett*)

Deputy Director of Public Works Timothy Kellett advised that before the council is the 2022 Wastewater Master Plan (“Plan”) as it was put together with the inclusion of a 2024 update. He reviewed the purpose of the plan, which included: system review, performance analysis, identifying needs (demands, prioritizing), and looking to the future (planning horizon). Mr. Kellett said typically master plans in the utility industry are done every five to seven years, with the City’s most recent plan completed in 2022 and updated in 2024 by Jacobs Engineering, Inc.

Mr. Mark Elliott, with Jacobs Engineering, Inc., reviewed the city’s wastewater collection system, including 49 city-owned lift stations, 12 privately owned lift stations, 12 personal lift stations, 350-miles of gravity sewer mains and 49-miles of force mains. He noted that the city operates three wastewater treatment plants: Island Treatment Plant (ITP), Mulberry Treatment Plant (MTP), and North Regional Treatment Plant (NRTP). He noted that as of today, the city has over 8 MGD of capacity and is operating at approximately 50 percent. Mr. Elliott explained that a 2024 update to the Plan was necessary due to recent growth and increased development activity, and to review the city’s capital planning and priorities over the next five to ten years, with a focus on the 2022 population forecast, growth trends, water conservation, and short-term rental projections. He said as part of the update they saw an increase in growth of approximately one percent and calculated the wastewater flow projections which indicated no capacity issues through 2040. Mr. Elliott reviewed some of the priority projects that Jacobs Engineering, Inc., worked collaboratively with the city to develop as part of the 2022 Plan.

Wastewater Superintendent Thilak Fernando highlighted several wastewater projects as a result of the 2022 Plan including the biological odor control system at the MTP, flow equalization basin at the ITP, recondition and rebuild of the belt filter press at the NRTP, disk filter, Chip Drive lift station, and vadose well expansion.

Councilmember Lin asked what changes were made to the 2022 Plan, to which Mr. Kellett said the only changes were to the population projections and the use and capacity projections. He said the city had the opportunity to look at it again over the last couple of years and noticed that instead of a 0.7 percent growth, the city was following a 1.0 percent growth and updated the rest of the report to reflect the new growth parameter and projection of need.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Coke moved to adopt Resolution No. 24-3785 approving the 2024 Update to the 2022 Wastewater Master Plan, seconded by Councilmember Dolan, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

- 7.8 [ID 24-4511](#) Discussion and Action: Agreement for Professional Services for the Programming, Design, CMAR Management and Construction Management of the Second Bridge to NV 5 of Arizona (*Mike Wolfe*)

Engineering Manager Mike Wolfe advised that the item before the council is to award an agreement for Professional Services (design) and Construction Management of the new second bridge. He noted that the City Council previously approved a second bridge feasibility study, which highlighted evacuation and emergency Island/Mainland access, roadway network connections, utility crossing redundancy, minimizing environmental impacts over Bridgewater Channel, existing rights-of-ways, and identified funding and budget. Mr. Wolfe reviewed the Request for Statements of Qualification (RFSQ) selection process for design and Construction Management at Risk (CMAR) administration. He said the RFSQ for design services was issued on June 11, 2024, and three firms that submitted. He said a six-member selection committee reviewed and independently scored the statement of qualifications and selected all three firms for interview. He noted that the selection committee interview panel independently scored all three firms and upon scoring tabulation NV 5 was selected as most qualified. Mr. Wolfe said on August 26, 2024, a selection notice was issued to NV 5 for professional services negotiations and a professional services scope and fee was negotiated for design at approximately 12 percent of estimated construction cost. Mr. Wolfe said the major scope components include: Phase I - Preconstruction Services (survey, geotechnical investigation, roadway and utility alignments within existing right of ways, 10 percent and 20 percent design submittals, for roadway, utility and bridge components, CMAR RFSQ selection and contracting, 30 percent design and Guaranteed Maximum Price (GMP) estimate), Phase II - Design and Environmental Permitting (US Coast Guard

permitting, 60 percent and 90 percent roadway, bridge and utility design submittals with GMP estimates updates, value engineering and early construction package), and Phase III - Construction Services (submittals, samples, requests for information and construction surveys, mobilization, traffic control, special inspections, progress meetings, documentation, as-built record keeping, substantial completion and, bridge opening).

Mr. Wolfe reviewed the project schedule as follows:

- Seven months preconstruction, 30 percent design and CMAR contracting
- 12-month environmental permitting overlapped with 100% design completion
- November 2025 early construction package
- 15-month construction period
- Estimated bridge completion August 2027

He reviewed the professional services contract fees, including: \$4,475,337 in design and environmental permitting, \$1,832,345 in construction and CMAR management, \$315,384 in owner contingency (five percent), for a total professional services fee of \$6,623,065 (inclusive of the \$35,500,000 total project funding).

Mr. Kevin Murphy, Vice President of Water Resources with NV 5, addressed the council and said he was honored to be before the City Council as this was a project that he and his staff presented to the City Council back in 2001. He spoke on several other team members that they would also be working with on this project including Ms. Jill Himes, Himes Consulting, Mr. Joe Farr'e, Sigma Engineering, and Ms. Lindsey Van Parys, GHD.

Councilmember Dolan said he has always supported the idea of a second bridge but expressed concerns regarding using the State's money to build a bridge on a manmade island that once built will open the door for the State to sell off all the vacant land. He said it is a very big decision that he thought should go to a referendum for the people to decide.

Mayor Sheehy added that there are some additional benefits to this project including redundancy in the utility lines. He acknowledged Representative Biasiucci for leading the efforts in securing funding for the second bridge as this idea has been discussed for years dating back to the 1970's.

Councilmember Lane added that at some point the State will sell off the land on the Island regardless of whether there is a second bridge. He said he does not think the city needs a second bridge today, but it will be needed in the future when the land is sold, and if this funding is not used to build a second bridge today, future councils will have to come up with the funding.

Councilmember Campbell said a second bridge would also address traffic concerns, allow for utility redundancies, and work and maintenance to be done on the London Bridge.

Mayor Sheehy opened the public hearing.

Mr. Fischer addressed the council and said he feels building a second bridge today will be money well spent for the future of the city and the Island, and expansion in the city's master plan.

Mr. Greg Froslic, citizen, addressed the council and said he was on Mr. Murphy's team back in 2001 regarding the second bridge and was employed by Lake Havasu City for 26 years, serving as the City Engineer for 17 of those years. He said he is very familiar with the contracts that the City Council is discussing tonight and wanted to touch on the fact that it is very unusual to switch design firms from a preliminary design to a final design especially considering that the city just spent \$200,000 with a different firm that spent six to eight months meeting with people, listening to the community, and identifying exactly what the city wanted for a second bridge, and put that information into a very comprehensive manual with cost models and then was not selected for the final design. He said NV 5 came out of nowhere, which is great, but they must have had something special to offer, where someone with the intimate knowledge that the previous consultant had did not get selected, which is not unheard of, but it does not happen very often at all. He said he was curious to know what was so spectacular or innovative that no one else presented or heard of before, because this is a big contract that the other firm put a lot of work into and now are gone, and the city loses a lot of momentum, and no one knows how much it is going to cost to get the new firm caught up. He said he thinks the city lost a lot of time and valuable knowledge just by switching. Mr. Froslic added that he anticipated a design contract of around \$3.5 million for this project and what the council has before them is a contract for \$12.6 million for design, which is based on a \$38 million construction project, meaning that the city is about \$10 million short. Mr. Froslic added that he does not understand why the city is doing a construction management contract with a design contract considering that work does not even start at best for 20 months. He noted that the "owner's contingency" does not belong on a professional services contract and is for a construction contract. He said in a design-bid-build that is called a "force account" and said for CMAR for the courthouse building, the city had an "owner's contingency" with the contractor not the designer. He said they have a \$600,000 design fee for wet utilities that implies approximately \$6 million construction project for wet utilities, which the city does several miles of water main replacement for less than half of that design fee. He said the construction fees include two lines for construction management services and another for construction management, which he said are not different things. Mr. Froslic said the city is hiring a construction management at risk to

manage the construction and does not need project management as those are in construction services. He said he understands the city wants to connect the utilities now because of the new road, but there is a lot of room to install the utilities in the future after the bridge is done. Mr. Froslic said, from an outsider's perspective, the contract just looks like a lot of fluff to drive up the costs and none of it is described in the scope of work as the only detail in the scope of work is for the wet utilities. Mr. Froslic said the contract includes \$300,000 for contingency and asked what unforeseen circumstances they are going to find in a design contract? He said this is one of the most consequential projects the city is going to do and suggested the city take the construction management out and focus only on the design.

Mr. Lacey addressed the council and said the city needs a second bridge for safety as there is currently only one way on and off the Island. He spoke concerning the water quality with redundancy of utility lines and asked if the second bridge would have pedestrian and bicycle zones with pillars or guardrails for protection. He wondered why the city has not installed pillars or guardrails on the London Bridge to protect it from damage.

There being no further comments, Mayor Sheehy closed the public hearing.

Mayor Sheehy asked for more information regarding the "owner's contingency" costs in the proposal, to which Mr. Wolfe explained that these costs cover any unforeseen conditions that could arise and were negotiated. He said to Mr. Froslic's point, it is not something that is typically found in a design contract; however, this is a very large (\$6.5 million) contract and covers any unforeseen conditions that could arise any time after the award of the contract all the way into August 2027. He added that it is an "owner's contingency" that must be authorized and justified and said staff will go through an extensive value engineering to get to the final construction costs.

Discussion ensued related to the project management and construction management services.

Councilmember Lin asked why the city was not using the same consultant who conducted the feasibility study, to which Mayor Sheehy explained the requirements, timing and State funding that was secured for the second bridge feasibility study and construction, as well as the RFSQ and selection process in which three firms submitted qualifications that were ranked with NV 5 being selected. Councilmember Lin asked if the other two firms submitted bids, to which Mr. Knudson explained that State Statutes do not allow cities and towns to ask for bids when soliciting statements of qualifications. He explained the RFSQ submittal, review, ranking, and negotiation process. He said if the city team determines through negotiations that the price is too high or the city does not want to do

business with them, then those negotiations pause, and the process starts over again with the second ranked firm.

Councilmember Lin said when it comes to the contract she is concerned with the “fluff” mentioned by Mr. Froslic in the contract and suggested the contract go back to staff for further review of the concerns before the City Council take any action tonight.

Discussion ensued related to the contract and payment schedule when milestones are met.

Councilmember Lin asked Mr. Wolfe if he had any of the same concerns regarding the contract that were expressed by Mr. Froslic, to which Mr. Wolfe replied no.

Vice Mayor Moses asked about the CMAR process used for the courthouse project and what percentage of those costs were design and construction management services, to which Mr. Knudson explained that the courthouse project did not go through the traditional CMAR process as it started as a design-bid-build and then shifted to CMAR after the design. Vice Mayor Moses asked if 12 percent was a reasonable percentage for design and construction management services, to which Mr. Wolfe said 12 percent was for design services only and the construction management services was another add (construction management and administration). He said the total percentage for both was approximately 18 percent, which was slightly higher than the norm, but emphasized that this project was a complex project.

Mr. Knudson clarified that the project is not just for a bridge, as the price for just a bridge would go down drastically. He said if the City Council just wants to do a bridge and road network and connect to London Bridge Road and McCulloch Boulevard the price would go down and is certainly the prerogative of the City Council and community. He said what the city is trying to accomplish is an all-encompassing approach to the construction of a second bridge in the area that is not just the roadwork and the bridge, but changing the traffic flows throughout the community with introducing a second bridge and looking at what the impacts will be on the Island side in terms of traffic signals, etc. He said the design component was included in the percentage as well as the design of the utilities. Mr. Wolfe added that just the design of the utility infrastructure was approximately \$785,000.

Councilmember Campbell expressed concerns related to the construction services costs. She said she was told that on average the design services portion was the only thing the City Council should be discussing at this time.

Councilmember Lane explained the process of the feasibility study that has been done and the contract that has been negotiated for the second bridge. He said he trusts city staff has brought forward the best contract and has the best interests of the city at heart.

Councilmember Campbell moved to accept the design project and Phase II, design services, only, seconded by Councilmember Lin.

Ms. Garry advised that the motion on the floor is not how the contract was drafted, how it was bid, or how the proposal was provided to the city. She noted that if that was the direction of the City Council, then staff would have to go back and see if it could be done like that.

**Councilmember Campbell amended the motion for city staff to take the item back to address the concerns of the City Council, seconded by Councilmember Lin, and failed by the following vote:**

**Aye:** 2 - Councilmember Campbell and Councilmember Lin

**Nay:** 5 - Mayor Sheehy, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

**Councilmember Lane moved to accept the design project and to award the Agreement for Professional Services for the Programming, Design, CMAR Services and Construction Management for the Second Bridge to NV 5 of Arizona in the amount of \$6,623,065, seconded by Councilmember Lin, and carried by the following vote:**

**Aye:** 4 - Mayor Sheehy, Councilmember Coke, Councilmember Lane and Vice Mayor Moses

**Nay:** 3 - Councilmember Campbell, Councilmember Lin and Councilmember Dolan

- 7.9**     [ID 24-4505](#)     Discussion and Action: Amendment No. 2 to the Cooperative Purchasing Agreement with Holbrook Asphalt, LLC, and Purchase of HA5 High Density Mineral Bond Pavement Preservation Services for Fiscal Year 2024-25 (*Bill Young*)

Transportation & Maintenance Superintendent Bill Young advised that the item before the council is requesting approval of a cooperative purchase agreement with Holbrook Asphalt, LLC, for the purchase of HA5 High Density Mineral Bond Pavement Preservation Services for Fiscal Year (FY) 2024-25 in the amount of \$577,656.46.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Vice Mayor Moses moved to approve Amendment No. 2 to the Cooperative Purchasing Agreement with Holbrook Asphalt, LLC; authorize the City Manager to execute the Amendment; and authorize expenditures for the FY 2024-25 HA5 high-density mineral bond pavement preservation services in the amount of**

**\$577,656.46, seconded by Councilmember Lane, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

**7.10**    [ID 24-4513](#)    Discussion and Action: Construction Contract to Pioneer Earth Movers, Inc., for the Dick Samp Parking Lot Project (*Bill Young*)

Mr. Young advised that this item is requesting approval of a construction contract for the Dick Samp Parking Lot Project to Pioneer Earth Movers, Inc., in the amount of \$139,480, plus applicable taxes. He said this project would provide additional paved parking to accommodate the users of the park.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Lane moved to award the Construction Contract for the Dick Samp Parking Lot Project to Pioneer Earth Movers, Inc., for a total amount of \$139,480 plus applicable taxes, seconded by Vice Mayor Moses, and carried by the following vote:**

**Aye:** 6 - Mayor Sheehy, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

**Recused:** 1 - Councilmember Campbell

**7.11**    [ID 24-4512](#)    Discussion and Action: Continue with Construction of the Traffic Signal at the McCulloch Boulevard and Jamaica Boulevard Intersection (*Mike Wolfe*)

Mr. Wolfe advised that this project was before the council previously for the approval of the Intergovernmental Agreement (IGA) with Arizona Department of Transportation (ADOT) for the design and construction of the traffic signal at the McCulloch Boulevard and Jamaica Boulevard intersection utilizing Highway Safety Improvement Program (HSIP) Funds. He said the project includes the signalization of McCulloch Boulevard at Jamaica Boulevard as well as other safety improvements. Mr. Wolfe explained that this project is before the City Council at this time for bid award recommendation and funding. He said two bids were received by ADOT NW District on September 6, 2024, with the low bid from Combs Construction Company, Inc., in the amount of \$1,252,101.40. He explained that ADOT's construction estimate for this project was \$745,277 (which was incorporated into the IGA and HSIP Funds) and, in accordance with the IGA, the City is responsible for the overages in the construction and contingency in the amount of \$531,810. Mr. Wolfe noted that if the overages are paid by the City, ADOT will award the contract to build the signal and issue a notice to proceed in January 2025.

Councilmember Lin asked what the costs would be if the city were to construct the signal, which Mr. Wolfe explained that this is a specialized project for one signal that includes signal poles, pedestrian crossings, and striping. He said they have found that smaller projects tend to be more expensive; however, if constructed by the city, staff would have found ways to do some of the work in-house or added some bid alternates into the project. He said this project does offer one advantage in that after the award of the project should the city want to negotiate a change order that reduces the scope (reducing the dollar amount) staff's understanding is that any money would go back to the city as a credit towards the contract. Mayor Sheehy said his understanding is that this project, similar to the HAWK signal on Acoma Boulevard, would cost the city approximately \$700,000. He said the costs coming down to the city are unfortunate; however, it is a safety project that is necessary at that intersection.

Mayor Sheehy opened the public hearing. There being no comments, he closed the public hearing.

**Councilmember Coke moved to approve the continuation of the construction of the traffic signal and the payment of \$531,810 to ADOT, seconded by Councilmember Campbell, and carried by the following vote:**

**Aye:** 7 - Mayor Sheehy, Councilmember Campbell, Councilmember Lin, Councilmember Coke, Councilmember Dolan, Councilmember Lane and Vice Mayor Moses

## **8. CALL TO THE PUBLIC**

Mr. Lacey addressed the council and spoke regarding the number of accidents and damage to the London Bridge over the years and concerns regarding pedestrian and bicycle safety.

Ms. Toy addressed the council regarding pedestrian safety at night on the London Bridge and suggested the City Council consider lowering the speed limit across the bridge.

## **9. CURRENT EVENTS**

Vice Mayor Moses gave an update from the Partnership for Economic Development (PED).

## **10. FUTURE MEETINGS**

Tuesday, November 12, 2024 @ 5:30 p.m. – Regular Meeting

Tuesday, November 26, 2024 @ 5:30 p.m. – Regular Meeting

## **11. FUTURE DISCUSSION ITEMS**

There were no requests from Council for future discussion items.

## **12. ADJOURN**

Upon motion by Councilmember Lane and seconded, the meeting adjourned at 9:30 p.m.

CERTIFICATION

I hereby certify that the foregoing is a full and true copy of the Regular Meeting Minutes of the Lake Havasu City Council held on the 22nd day of October, 2024. I further certify that the meeting was duly called and posted, and that a quorum was present.

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Kelly Williams, City Clerk/MMC