



# Lake Havasu City

Lake Havasu City  
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## Legislation Details (With Text)

**File #:** ID 19-2081    **Version:** 1    **Name:**

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**On agenda:** 7/9/2019    **Final action:**

**Title:** Adopt Resolution No. 19-3331 Approving the Intergovernmental Agreement with Horizon Six Improvement District (Mohave County Acting as Board of Directors) Regarding Water Services (Mark Clark)

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** 1. Resolution No. 19-3331, 2. Intergovernmental Agreement

Date	Ver.	Action By	Action	Result
7/9/2019	1	City Council	Adopted	Pass

## COUNCIL COMMUNICATION

**TO:** Honorable Mayor and Council

**FROM:** W. Mark Clark, Public Works Manager

### **SUBJECT:**

Adopt Resolution No. 19-3331 Approving the Intergovernmental Agreement with Horizon Six Improvement District (Mohave County Acting as Board of Directors) Regarding Water Services (*Mark Clark*)

### **FUNDING SOURCE:**

Irrigation and Drainage District Fund

Horizon Six User Fees Reimburse the Irrigation and Drainage District Fund

### **PURPOSE:**

To adopt a resolution approving an Intergovernmental Agreement with the Horizon Six Improvement District for Lake Havasu City to provide the District's water allocation to its system as well as provide routine maintenance, emergency repairs, meter reading, billing and testing for the Horizon Six water system while being reimbursed those costs from the users.

### **BACKGROUND:**

In 1998, Lake Havasu City entered into an agreement with Mohave County/Horizon Six Improvement District to provide contract routine maintenance, emergency repairs, meter reading, billing and testing for the Horizon Six water system. Horizon Six has its own allocation of Colorado River water, which the City is contractually

obligated to provide to a point of discharge. Both parties determined that the provision of these services in this manner is in the best interest of the public, as well as most efficient and effective.

A new 10-year agreement was completed in 2009 and an addendum completed in 2013 (rate change).

The current agreement expires on July 20, 2019. The agreement presented would be effective upon signatures and has a 5-year term.

Clarifications on billing have been added to the proposed agreement as well as inclusion for a payment method for “non-metered water” to improve conservation and encourage major maintenance of the system.

The City’s objective with this agreement is to ensure that the City’s costs for providing these services are completely covered so as the community is not subsidizing the District’s system. To this effect, water rates are also charged at an “Out of District” rate.

A parallel fire service agreement (\$5.00 monthly fee for fire protection was identified in the Water Service Agreement) has been allowed to expire due to concerns related to the water system and its ability to meet fire system needs. This new agreement does not include a fee for fire service. At the time that the system is deemed to be suitable for fire service, a new agreement and fee structure can be established if it is the desire of the City to do so.

#### **COMMUNITY IMPACT:**

Providing safe, efficient and effective water service to the Horizon Six Improvement District at no fiscal cost to the Irrigation and Drainage District users helps the citizens of Mohave County and indirectly, the citizens of Lake Havasu City. User fees cover the costs of the service and there is little impact to the staff providing service inside our community.

#### **FISCAL IMPACT:**

By making the user fees cover the costs for services, the City is ensuring there is no negative impact to the City resources. In addition to using fully burdened rates for the labor, and materials costs being reimbursed, a 10.6% administrative processing fee and 10% labor surcharge are added to the billings. Normal “Out of District” and meter rates apply.

#### **ATTACHMENTS:**

Resolution 19-3331  
Intergovernmental Agreement

#### **SUGGESTED MOTION:**

I move to adopt Resolution No. 19-3331 approving the Intergovernmental Agreement with Horizon Six Improvement District for water services and to authorize the City Manager to execute the Agreement on behalf of the City.