

Minutes

The City of Douglas Mayor and Council met in a regular meeting on Wednesday, November 10, 2021, at 6:00 p.m. in the Council Chamber of City Hall, 425 10th Street. The Honorable Mayor Huish called the meeting to order.

1. **CALL TO ORDER.** 6:00 p.m.
2. **PLEDGE OF ALLEGIANCE.** By Council.
3. **INVOCATION.** By Pastor Abel Salcido from Pentecostal Lighthouse, located at 833 16th Street.
4. **ROLL CALL.**

	<u>PRESENT</u>	<u>ABSENT</u>
MAYOR, DONALD C. HUISH	X	
MAYOR PRO TEMPORE, MARGARET MORALES	X	
COUNCILMEMBER, MITCH LINDEMANN		X (excused)
COUNCILMEMBER, DANYA ACOSTA	X	
COUNCILMEMBER, RAY SHELTON	X	
COUNCILMEMBER, MICHAEL BALDENEGRO		X (excused)
COUNCILMEMBER, JOSE GRIJALVA	X	
CITY MANAGER, ANA URQUIJO	X	
CITY TREASURER, LUIS PEDROZA	X	
CITY ATTORNEY, DENIS FITZGIBBONS	X	
CITY CLERK, ALMA ANDRADE	X	

5. **PERSONS WISHING TO ADDRESS THE COUNCIL IN WRITING OR VERBALLY ON ANY ITEM NOT ON THE AGENDA.**

Dr. Michael Gomez commented on the following:

- Light the D project easement and recognition to Ms. Rocio Garcia Pedroza for her help with obtaining funding for the project.

Mr. Frank Ambriz commented on the following:

- Concerns regarding building on 8th Street and H Avenue construction without setbacks.

Mayor Huish directed City Manager Urquijo to look into the items and report to council and Mr. Ambriz.

6. **PRESENTATION of AWARDS.**

- A. **Dr. Ed and Linda Gomez** for their invaluable hard work and dedication towards the Turkey Trot event in the Douglas community.
- B. **Ken Nelson** for his support and dedication to the Douglas community.

Mayor Huish commented Dr. Ed and Linda Gomez were not available, and proceeded to recognize Mr. Ken Nelson.

Mayor Huish provided the following statement regarding Mr. Ken Nelson:

“Ken Nelson is a longtime resident of Douglas, Arizona who has generously invested his time into giving back to the community through countless hours of service. He generally logs in 400 to 800 volunteer hours a year; in 2021 he has logged 528 volunteer hours and counting. Whether he is coaching Douglas Little League or Youth Football & Cheer, or volunteering weekly at the American Legion Post #11, his service continually benefits the youth, veterans, and community of Douglas. Mr. Nelson has also served on many boards to include; Elks Lodge 955, Cochise County Fair Association, City of Douglas Finance Committee, Douglas China Poblanas Organization, City of Douglas Council, City of Douglas Youth Activity Fund, and the Southern Arizona Youth Football & Cheer League.”

Mayor Huish provided a certificate of appreciation to Mr. Nelson.

ADDENDUM AGENDA posted on November 9, 2021.

1. **PRESENTATION/READING** of Veteran’s Day Proclamation by Mayor Donald C. Huish.

Mayor Huish proceeded to read the Veteran’s Day Proclamation.

2. **PRESENTATION/READING** of Small Business Saturday Proclamation by Mayor Donald C. Huish.

Mayor Huish proceeded to read the Small Business Saturday Proclamation.

7. DISCUSSION/DECISION on APPROVAL of CONSENT AGENDA ITEMS:

- A. **EXPENDITURES** for the month of October 2021, totaling \$1,103,010.82.
- B. **MEETING MINUTES** for September 8, September 14, September 29, and October 13, 2021.

Motion by Council Member Morales, **second** by Council Member Acosta to approve the consent agenda items as presented.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, Ray Shelton, and Jose Grijalva. **Voted against: None.**

8. DISCUSSION/DECISION on APPROVALS.

- A. **THIRD READING OF ORDINANCE NO. 21-1140**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the SALE of a SEMI-IMPROVED PARCEL of LAND located on the 900 block of 2nd Street, lots 13-16 within parcel #409-14-093 to JOSEPH L. GARCIA and MARIA DE LA LUZ GARCIA, Husband and Wife, pursuant to terms entered into by the parties; establishing severability of components of Ordinance; and establishing an effective date thereof.

Luis Pedroza provided background information.

Motion by Council Member Shelton, **second** by Council Member Morales to approve Ordinance No. 21-1140.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, Ray Shelton, and Jose Grijalva. **Voted Against: None.**

- B. **SECOND READING OF ORDINANCE NO. 21-1141**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AMENDING TITLE 13 of the DOUGLAS MUNICIPAL CODE relating to PUBLIC WATER and SEWER services by amending Ordinances 755, 06-904, 09-973, 20-1117 pertaining to WATER and SEWER FEES and CHARGES for SERVICES under Chapter 13.08, establishing severability of components of ordinance; and establishing an effective date thereof.

Mayor Huish asked Mr. Pedroza if there were any clarifications or questions-imposed staff needed to answer for public awareness.

Mr. Pedroza stated no questions or clarifications, but he was ready to present and provided background information.

“The City of Douglas commissioned a water and sewer rate study from the 65th North Group that showed a need for rate increases in both water and sewer in order to maintain existing infrastructure and for necessary capital infrastructure needs.

The 65th North Group presented to the Mayor and Council on April 28, 2021 and presented findings by studying our water and sewer utility infrastructure needs as well as making comparisons to other utilities in our area and in the state of Arizona.”

Mr. Pedroza added the needs for the water side were to drill wells or drill existing wells which could be at \$1.6M estimated for each, and the SCADA system was approximately \$1.3M.

Mr. Pedroza continued to say on the sewer line needs there were line replacements needed, which an estimate about five lots it would cost approximately \$500,000, and the need for heavy and small equipment to be replaced.

Moreover, Mr. Pedroza stated the proposal was to look at water to increase both, base fee and consumption fee increase, and to increase more on the consumption side to leave the ones that consume less at a lesser impact than those that consume more. Further, Mr. Pedroza mentioned the fees would be place at a five-year period.

FY 21/22	2.5% base fees and 5% consumption	Average monthly increase in residential bill: \$0.61
FY 22/23	2.5% base fees and 5% consumption	Average monthly increase in residential bill: \$0.63
FY 23/24	2.5% base fees and 5% consumption	Average monthly increase in residential bill: \$0.66
FY 24/25	3.5% base fees and 8.5% consumption	Average monthly increase in residential bill: \$1.03
FY 25/26	3.5% base fees and 8.5% consumption	Average monthly increase in residential bill: \$1.09

The increases to the fees over a 5-year period represent an average increase of \$4.02 for residential.

The increase to the sewer rates are proposed as follows:

FY 21/22	4.0% base fee	Average monthly increase in residential bill: \$1.00
FY 22/23	4.0% base fee	Average monthly increase in residential bill: \$1.04
FY 23/24	4.0% base fee	Average monthly increase in residential bill: \$1.08
FY 24/25	4.0% base fee	Average monthly increase in residential bill: \$1.13
FY 25/26	4.0% base fee	Average monthly increase in residential bill: \$1.17

Total bill increases after Year 5: \$5.42

Lastly, Mr. Pedroza stated through this ordinance, City staff also recommend to remove the credit card 2.5% surcharge fee as during the pandemic, the City administratively waived the fee in order to encourage more payments online and over the phone as opposed to in person. We learned that there were greater efficiencies and less costs in receiving payments this way.

Motion by Council Member Morales, **second** by Council Member Shelton to approve the second reading of Ordinance No. 21-1141 and to place it on its third reading by number and title only.

Council Member Acosta expressed the city has not done enough to address the increase would affect fixed income individual's and understands there is a consumption differential rate that shouldn't impact people that are on fix income to those with higher consumptions. However, Council Member Acosta stated the final increase would be over \$9.00 monthly could be the difference between medication or pay the water bill.

Moreover, Council Member Acosta mentioned the Federal Government announced an increase to social security but it would only balance the increases to Medicare and inflation everybody is seeing now throughout the country. Further, Council Member Acosta suggested to think about the population that is most vulnerable due to their fixed incomes.

Additionally, Council Member Acosta stated the house bill addressed by the House would address some of the needs water and sewer infrastructure needs, but suggested for the city to keep population in mind to better serve them.

Council Member Shelton expressed the city was very fortunate to have what it has as far as sewer system and good quality water. Council Member Shelton inquired if grants were a possibility.

In response, Mr. Pedroza mentioned the city was pursuing grant funding and the city was able to reduce on the study's recommendation on the water side due to the city being able to get a grant.

Mayor Huish inquired how often rates should be reviewed.

Mr. Pedroza responded it was recommended to review every five years.

- Mr. Gerry Gonzalez has been in the conversation business for forty years, commented on the following:
 - Water is one of the issues that has been look at length and depth and determines how citizens evolved & \$10 dollars was not a lot of money to maintain the integrity of life style and hope for sustainability.

Council Member Acosta asked about the three wells that needed to be deepen or replaced and wondered if it has been a gradual deterioration.

In response, Mr. Pedroza stated water had been decreasing for the past few years, and the study that was completed showed the city needs to start deepening wells or re-drill new ones.

Further, Council Member Acosta inquired if there was anything available to address the population.

Mayor Huish responded that staff would research on social services available to assist.

Mr. Pedroza commented there are organizations that can help, such as St. Vincent de Paul, SECAP, SEAGO, and local churches.

Council Member Acosta mentioned those organizations provide services in emergency situations or on a one-time help. Additionally, Council Member Acosta inquired if the city could do anything to help either by subsidized increase, and stated she has seen people on fix incomes that sometimes the choice is medication or rent or any other bill.

Moreover, Council Member Acosta commented with that in her mind, she can't consciously increase across the board to everybody and should be something the city needed to think about.

Mayor Huish directed staff to look into it and find possibilities to help.

Council Member Shelton asked to personally see the reports on what is happening or situations of the wells in order to understand. Further, Council Member Shelton stated water is a priority and number one resources, and agreed with Council Member Acosta on state or federal assistance for the people.

Mr. Pedroza responded they would look into it.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales and Ray Shelton.
Voted Against: Danya Acosta and Jose Grijalva.

- C. **RESOLUTION NO. 21-1481**, a Resolution of the Mayor and Council of the City of Douglas, Cochise County, Arizona, AUTHORIZING the CITY of DOUGLAS, a Municipal Corporation to participate in the ONE ARIZONA DISTRIBUTION of OPIOID SETTLEMENT FUNDS AGREEMENT to provide financial relief to communities as a result of the effects of the OPIOID PANDEMIC.

Luis Pedroza provided background information.

Motion by Council Member Morales, **second** by Council Member Acosta to approve Resolution No. 21-1481.

Council Member Grijalva thanked staff for looking in to this and getting much needed funds for the city and for first responders. Additionally, Council Member Grijalva commented that some of the funds could be put in to the community as well.

Council Member Morales inquired on how soon can funds be available to the city.

Mr. Pedroza was unaware as other cities needed who wanted to participate in such settlement agreement needed to send those in and it depended on the entire litigation process.

Council Member Acosta inquired on the type of services funds could be used for.

In response, Mr. Pedroza stated it would be to anything that has to do with treatment, addictions or services as a result of Opioid crisis. Additionally, Mr. Pedroza commented the city needed guidance from other programs and will come back with more information on it.

Council Member Acosta added the Amistades consortium also helped on these addiction services and could be contacted for assistance.

Mr. Pedroza responded that Chief Fullen also had some ideas on the entities they deal with to be able to enhance services they currently have.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, Ray Shelton, and Jose Grijalva. **Voted Against:** None.

- D. **AUTHORIZING** the entry into an AGREEMENT between the CITY of DOUGLAS and the ARIZONA DEPARTMENT OF CORRECTIONS, REHABILITATION AND REENTRY (ADCRR) for SEWER SERVICES.

Luis Pedroza provided background information:

ADCRR, who was previously known as Department of Corrections (DOC), partnered with the City in 1993 to build out a sewer main line from the prison's current location along Highway 191 that would connect to our wastewater treatment plant (WWTP) in the city located just west of Chino Road right on the US/Mexico border. ADCRR paid \$5.3 million in construction that included \$910,000 to expand our WWTP by also constructing a secondary clarifier. It was agreed that ADCRR would receive a credit on its monthly sewer bill until the \$910,000 was repaid back. ADCRR was billed a flat \$2,500 per month sewer that averaged to a \$3,671 monthly credit throughout the years.

In addition, the agreement stated that ADCRR would pay for any additional maintenance related to treatment of their wastewater. A lift station/bar screen was necessary to be able to convey wastewater and treat it at our WWTP. The city is to maintain the infrastructure while ADCRR would pay for the associated

maintenance costs. The bar screen was deemed obsolete a few years ago and have had various mechanical issues. In October 2021, the bar screen was replaced at a cost of \$212,197.00 of which ADCRR agreed per the agreement to reimburse the city for the full amount. ADCRR also received credit for any other commercial or residential connections made into the sewer main line they built along Highway 191 based on a calculation of distance from the WWTP and flows treated. Since its construction, there were 5 connections made by commercial and residential structures that earned them a monthly credit averaging \$1.32 per month which were established at different points throughout the last 21 years.

The new proposed agreement has ADCRR pay the actual amount per our established commercial wastewater rates currently at a fixed \$150.00 per month amount plus \$8.50 per 100,000 gallons over \$300,000 gallons treated in one year. ADCRR averages about 7.9 million gallons of treatment per month that equates to an average monthly bill of \$7,425. ADCRR requested that the new fees be implemented in a tiered manner over the next 5 years, therefore the agreement has a \$1.00 increase each year over the next five years until hitting the current \$8.50 mark in 2025.

The agreement continues to charge ADCRR for maintenance of infrastructure that is strictly dedicated to their treatment of sewer, which includes the lift station/bar screen at actual costs. We have also eliminated the credits for any future connections made into the sewer main line, but must provide them a \$65.00 per month credit for two County buildings at BDI Airport that receive sewer service and their wastewater flows are being measured through ADCRR's flow meter. Those two buildings will be billed separately by the City in the amount of \$65 per month for each building. It is also understood that the City absorb responsibility of the entire length of the sewer main line that includes its repair and replacement, as it is customary to do with any other customers in the city. The city's sewer infrastructure responsibility for ADCRR or any other customer is up to the property line of any building, thereafter inside the property it is the property owner's responsibility to maintain. The length of the sewer main line that we absorbed is measured at 6.8 miles. A large portion of the charges must be realized to care for the future maintenance, repairs and replacement of this sewer line, as is the case for all of the sewer infrastructure in our city.

In summary Mr. Pedroza added it was a twenty-year agreement and the city was excited to continue to work with DOC as they are very important in the community and to continue to provide sanitary service to them at the actual cost.

Motion by Council Member Shelton, **second** by Council Member Grijalva to approve the agreement between the City of Douglas and Arizona Department of Corrections for sewer services.

Council Member Acosta inquired on the total amount of gallons of waste treated per month.

Luis Pedroza responded a maximum treatment capacity of 3.1 million gallons per day in the city's treatment plant. Further, Mr. Pedroza didn't have the daily flows for the entire city but could get the information for them at a later date, however, the city would treat a range of 2.5 to 3.1 million gallons per day.

Council Member Acosta inquired on what the rates were based on.

In response, Mr. Pedroza commented they were actual rates per Title 13 of the Douglas Municipal Code and established per commercial use.

Council Member Acosta asked if the rates were considered with the study that was one earlier with the water rate increase.

Mr. Pedroza agreed.

Further, Council Member Acosta inquired on the findings of such study.

Mr. Pedroza responded the city needed to consider future sources coming in and revenues were at approximately for the first year at \$17,000 additional amount per year, \$28,000 in the second year, \$38,000 in the third year, \$48,000 in the fourth year, and \$59,000 in year five, in additional revenue to be received

by the city. However, Mr. Pedroza added the study considered the entire cost to provide service and that the revenues the city would have in future revenues.

Council Member Acosta asked on when the sewer line was installed.

In response, Mr. Pedroza stated it was in 2000 and service began at the prison.

Roll Call: Voted in Favor: Mayor Donald Huish, Council Members: Margaret Morales, Danya Acosta, Ray Shelton, and Jose Grijalva. **Voted Against:** None.

9. CITY MANAGER REPORTS.

Ms. Urquijo mentioned she was in the middle of her fourth week at the city and it had been extremely busy trying to meet individually with each employee to exchange objectives, challenges and needs in the learning capacity for a cohesive team.

Additionally, Ms. Urquijo stated she will come back to council with other concepts and ideas.

The following were Ms. Urquijos updates:

- U.S. Border was open as of November 8, 2021 for all who were vaccinated and hopeful of increase in the community across the border.
- There was an issue with the Saddle Gap RV Park and was happy to report the issue was resolved.
- The Christmas Drive in which the Fire Department ordered 450 jackets for local K-5th grade children.
- Toys for Tots applications available and more information can be obtained from the Fire Department.
- Trunk or Treat event with about 3,000 community members joined the fun event at Veteran's Memorial Park, followed by a movie in the Park which was very successful.
- Veteran's Day Parade hosted by the American Legion with all festivities held at Cochise County Fairgrounds.
- Christmas Tree Lighting Ceremony, followed by the Christmas Light Parade for Saturday, November 27, 2021.

10. INFORMATIONAL ITEMS AND REPORTS FROM COUNCIL AND FUTURE AGENDA ITEM REQUESTS.

Council Member Grijalva reminded everyone about Commodity's Day at the Douglas Area Food Bank on Monday and the need of volunteers. Additionally, Council Member Grijalva thanked Loretto Catholic School for inviting him to the Red Ribbon week to discuss council's responsibilities and asked for Mayor Huish to visit them.

Moreover, Council Member Grijalva thanked Ms. Urquijo for meeting with him even though she had been extremely busy.

Lastly, Council Member Grijalva thanked the Parks and Recreation department for the successful events of the Trunk or Treat and Movie in the Park.

Council Member Shelton commented there was usually many houses for sale in Douglas, however, currently there were only thirty-eight and more housing and apartments being built. Further, Council Member Shelton stated there were going to be fifty new U.S. Customs and Border Patrol agents coming to the community in the next few months.

Lastly, Council Member Shelton suggested to hire an agency and contact the major grocers to bring them to the community, and added there was no reason for people to go to Tucson or Sierra Vista to do their shopping since Douglas has the population for another store.

Council Member Acosta commented on behalf of her family from the bottom of their hearts thanked all Veterans for their sacrifices and of their families, each individual would not be able to enjoy the freedom everyone has.

Council Member Shelton shared a Veteran Day story of World War I in Kentucky in which they could hear bells ringing and that they had hot rocks in which money was placed in by the mural, go into town and enjoyed the end of World War I.

Mayor Huish commented that last week the United States Congress passed the Jobs and Infrastructure bill which included the funding of the city's two port solution in Douglas. Mayor Huish added it was close to \$450M dollars scheduled and approved waiting for President's signature and the city had been contacted by the General Services Administration which handles the property and buildings for these types of projects.

Mayor Huish continued to say they had a video call with GSA and introduced the city to the project manager and other personnel that would be handling the project. Moreover, Mayor Huish added the city was excited for the project and a future agenda may come forward to formalize the process of the donation of property south of James Ranch Road.

Furthermore, Mayor Huish expressed gratitude for the many years of projects which had been in the making and it was in the last step for the President's signature.

In addition, Mayor Huish stated the Arizona Department of Transportation also funded \$800,000 for the Design Concept Review for the road, right away, and acquire the initial environmental portion for Highway 80.

Mayor Huish also commented the City partnered with Cochise County for Water and Sewer services in the area and possibly work with a Planner in the annexation in the area as well.

Mayor Huish also continued to say that him, along with Council Member Morales, Ms. Urquijo and Nubia Romo visited the port of entry to meet with the following officials: Port Director, Mr. Wilson, the General Consul Pineda, Mayor of Agua Prieta with his team and the new Director for Aduanas in Mexico to update them on the project and also were provided with entries into the U.S. which were up to 60%. Mayor Huish thanked Mr. Wilson for configuring the port to make it run as smooth as possible and that the people from Agua Prieta had been presenting their crossing and vaccine cards to allow them entry into the United States.

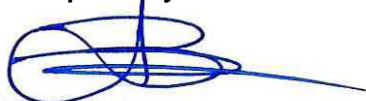
Mayor Huish added the 99cent only store was in the old Stage building, and was reaching former Food City employees to try to hire the ones they can, to continue with the hiring process in the month of November and have staff on payroll by December, all with a soft opening middle to end of December, and a grand opening in January.

Lastly, Mayor Huish thanked all community members for being ambassadors of the community as investors walk through them and were very impressed with the friendliness and opening of the community.

11. ADJOURNMENT.

Motion by Council Member Grijalva, **second** by Council Member Morales to adjourn the meeting at 7:20 p.m.

Prepared by:



Alma Andrade, City Clerk