



CITY OF SURPRISE
City Council Meeting Minutes
100 North Civic Center Plaza
Surprise, AZ 85374

Thursday, December 8, 2011 @ 04:00 PM

CALL TO ORDER.

A. Roll Call

Mayor Truitt called the **Special City Council Meeting** to order at 04:00 p.m. Surprise City Hall Council Chamber 16000 North Civic Center Plaza Surprise, Arizona 85374 , on **Thursday, December 8, 2011**. Also in attendance with Mayor Truitt were Vice Mayor Hall, Council Member Biundo, Council Member Alton, Council Member Williams, Council Member Villanueva, and Council Member Woodard.

Staff Present: Assistant City Manager, Jeff Mihelich, City Attorney, Michael Bailey, and City Clerk, Sherry Aguilar.

B. Pledge of Allegiance

Special City Council Meeting Agenda:

CALL TO THE PUBLIC:

REGULAR AGENDA ITEM - NON-PUBLIC HEARING:

#1. Consideration and possible action regarding the Arizona-American Water rate case

City Attorney Bailey explained to Council that a short notice meeting was called due to the fact that negotiations are taking place and this issue is very important. He asked Mr. Curtis Eckmark to come forward and explain the conditions of the proposed settlement.

Mr. Eckmark commented that he represents 19 HOA's besides Sun City Grand and commented that a settlement has been offered and after careful consideration, he is confident that this needs to be done to close this. The City of Surprise is the only signature that is needed on the agreement out of all the other cities involved. If Surprise does not sign, they will not support this and it will go to litigation.

Mayor Truitt inquired about the overall cost.

Council Member Biundo commented on 5 year scope instead of 3.

Jody Jarrett, Arizona Residential Consumer Office stated that we have intervened in this case, we believe that this is a fair offer for residential rate payers. This provides rate stability.

Vice Mayor Hall inquired about the analysis.

Mitzi Mills stated that she was representing the residents and wanted a better settlement. During the hearings, all of the attorneys were saying we are not going to do any better than this. She further stated that we need to do this now, it is the right thing to do.

Mayor Truitt recommended that incoming Mayor Wolcott meet and discuss this issue so that she is fully aware of what is taking place and that we are on the same page.

Council Member Alton stated that he was disappointed to hear that a deal is being reached, but after hearing the information today, it eases my mind a bit.

Council Member Williams thanked the attorneys and Mitzi Mills then asked for clarification regarding Homeowners Associations.

Council Member Woodard stated that he is not happy with this settlement at all.

Public comments:

Bill Lipscomb stated that he is an intervener and is concerned about this. The increase proposed was 82.89% increase. Why didn't the Arizona Corporation Commission tell them to hit the door and never come back? This is extortion and outrageous!

Ken Wright stated that he appreciates the fact that the Council is holding this meeting to see what we can do to resolve this issue. He asked what the factors were that this company would build this large of a facility.

Andy Cepon asked for clarification regarding future credits as growth justifies.

EXECUTIVE SESSION: NONE

#2. LITIGATION/LEGAL ADVICE - Discussion/consultation with the City Attorney to receive an receive legal advice, to consider its position, and to provide instruction/direction to the City Attorney regarding Surprise's position in connection with pending or contemplated litigation, or in settlement discussions conducted in order to avoid or resolve litigation (A.R.S. §38-431.03 (A)(3)(4))

ADJOURNMENT:

Mayor Truitt adjourned the Special City Council Meeting of December 8, 2011 at 4:59 p.m.

ATTEST:

Sherry Ann Aguilar, City Clerk,

CERTIFICATION:

I, Sherry Ann Aguilar, City Clerk for the City of Surprise, Maricopa County, Arizona, do hereby verify that these are the true and correct minutes of the Special City Council Meeting of **Thursday, December 8, 2011.**

Sherry Ann Aguilar, City Clerk,