

**PAGE CITY COUNCIL
REGULAR MEETING MINUTES
OCTOBER 14, 2015**

A Regular Meeting of the Page City Council was held at 6:30 p.m. on October 14, 2015, in the Council Chambers at City Hall in Page, Arizona. Mayor Bill Diak presided. Vice Mayor John Kocjan, Councilors Mike Bryan, Scott Sadler, Levi Tappan, David Tennis and Dennis Warner were present. There was a moment of meditation. City Attorney Joe Estes led the Pledge of Allegiance.

Mayor Diak called the meeting to order.

Staff members present: City Manager, J. Crystal Prentice; City Attorney, Joe Estes; Page Utility Enterprises General Manager, Bryan Hill; Deputy City Clerk, Sue Kennedy; and City Clerk, Kim Larson.

PRIORITY LIST

Discussion and possible action by the City Council pertaining to the City Council Strategic Priorities

There was no discussion by the City Council.

Discussion and possible action by the City Council pertaining to the City Councilors individual priorities

There was no discussion by the City Council.

MINUTES

Worksession Meeting-September 23, 2015

Regular City Council Meeting-September 23, 2015

Motion made by Vice Mayor Kocjan to approve the minutes. The motion was duly seconded and passed upon a vote.

CONSENT AGENDA

MINUTES

Planning and Zoning Commission-August 4, 2015

Community Development Advisory Board-August 25, 2015

Community Development Advisory Board-September 14, 2015

INFORMATION

City of Page Monthly Cash Allocation Variance Report

Proclamation-Cities and Towns Week-October 18-25, 2015

Motion made by Vice Mayor Kocjan to approve the consent agenda. The motion was duly seconded and passed upon a vote.

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PUBLIC HEARINGS

None

HEAR FROM THE CITIZENS

The following stated concerns pertaining to an agreement with South Central Communications bringing fiber to the City of Page:

Tommy Thompson, resident of Page
Steve Blevins, 623 Elm Street, Canyon County Communications
Dustin Williams, 635 Elm Street, Suite 8

Karlyn Bunting spoke in favor of an agreement with South Central Communications bringing fiber to the City of Page.

UNFINISHED BUSINESS

None scheduled.

NEW BUSINESS

Discussion and possible action by the City Council pertaining to a Quit Claim Deed to Edelweiss Development Limited Company

Edelweiss Development Limited Company currently owns approximately 3.14 acres of vacant property located at the southwest corner of North Navajo Drive and 13th Avenue. According to Pioneer Title Agency, there is a cloud on the title of this property relating back to a Land Purchase Agreement, dated January 28, 1974, between the Department of Interior, Bureau of Reclamation (the "Bureau") and John and Donna Purser. The agreement was dated prior to the formation and incorporation of the City of Page. The Land Purchase Agreement included three (3) installment payments for the purchase of approximately 49.42 acres of property, with the final payment for the property to be made on December 31, 1975. On April 18, 1975, the Bureau quitclaimed the City of Page all property owned by the Bureau at that time (approximately 10,717.50 acres). Because the Bureau quitclaimed the property to the City of Page prior to the date of the final installment payment, the property was quitclaimed to the City, creating a cloud on the title of the property. It appears this issue was last raised in August of 1989, when the City quitclaimed approximately 10.40 acres of property to Western Savings and Loan Association, which property was originally included under the Land Purchase Agreement. Apparently when Edelweiss Development Limited Company purchased the 3.14 acres they did not obtain title insurance and thus the cloud of title was not discovered. Edelweiss Development Limited Company was in the process of attempting to market and sell the vacant land, and the issue of the cloud on the title was discovered. A Quitclaim Deed from the City of Page to Edelweiss Development Limited Company will clear the cloud on the title.

City Attorney Joe Estes presented the agenda item.

Vice Mayor Kocjan asked if the third payment had ever been received. City Attorney Joe

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Estes stated that the City provided a deed for the remaining property, which there was originally 49.42 acres. He stated that the City would not have deeded over the other property without payment, but somehow the 3.14 acre section was not included in the deed.

Motion made by Councilor Bryan to approve the execution of the Quit Claim Deed to Edelweiss Development Limited Company and direct the Mayor to execute the necessary documents. The motion was duly seconded and passed 6-1 with Mayor Diak, Councilors Bryan, Sadler, Tappan, Tennis and Warner voting in favor. Vice Mayor Kocjan voted against.

Discussion and possible action by the City Council pertaining to accepting a donated 19'8" Boston Whaler patrol boat

Presentation to City Council for approval of accepting a donated 19'8" Boston Whaler patrol boat, 225 Mercury Optimax motor and Boat Master trailer. The boat will be used to perform Water Patrol Operations and Boating While Under the Influence Safety Operations in the City of Page/Lake Powell jurisdiction.

The Page Police Department has responded to Fights and Disturbances at the Chains area located within the jurisdiction of the Page Police Department. There has been more than one occasion where person(s) that had been arrested have been walked up the hillside while in handcuffs putting the officer and suspect(s) in danger of falling. The acceptance of the vessel and trailer will allow Officer Bill Schuldies, who is already boat certified to maneuver the vessel to the beach area and place suspect(s) in the boat for transportation to a safe unloading area.

City Attorney Joe Estes presented the agenda item. He stated that the lake patrol would only be for special events, such as Memorial Day, 4th of July and other holidays when there is a high volume of activity on the lake. The Police Department plans on making arrangements with Arizona Game and Fish to keep the boat on the water. The Police Department would also make use of the boat at the Chains area to transport people in-custody on the boat versus climbing up the hill.

Councilor Tennis asked if there were any obligations from the Police Department for accepting the donation.

City Attorney Joe Estes stated that there were not.

Councilor Tappan stated concerns pertaining to the potential expenses for the City owning a boat, and if there was a plan in place for parking the boat on the water.

Councilor Warner shared some of the same concerns as Councilor Tappan. He stated that he did not want to get the City involved in the water for 200 yards of lakefront.

City Attorney Joe Estes stated that the Chains area is an area that the Police Department patrols and the Fire Department responds to, and that they have had to haul individuals up

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the hill when the National Park Service or Arizona Game and Fish have not been available to respond.

Discussion continued.

Councilor Sadler made a motion to table the item. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to City Code Amendment, Chapter 3, Article 5, Section 5, Lease of City Property-Ordinance 626-15-1st reading

At the September 23, 2015 City Council Work Session, the Council discussed certain amendments to the City Code 3-5-5, Lease of City Property. Such amendments included: (1) changing the publication requirements from three (3) weeks to two (2) weeks for publications in a weekly paper; (2) requiring the proposed tenant of a lease to pay for the publication costs; and (3) to establish exemptions from the publication requirement and objections for airport hanger leases and other leases of nominal value. The proposed Ordinance incorporates the discussed changes and sets forth a policy statement that public land or buildings shall be leased in a way that maximizes the value of City assets, promotes activities and uses that are in the overall best interest of the City and are consistent with the General Plan.

Joe Estes presented the agenda item.

Motion made by Vice Mayor Kocjan to introduce Ordinance 626-15 by title only for its first reading. The motion was duly seconded and passed upon a vote.

The City Clerk introduced Ordinance 626-15 by title only.

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE CITY OF PAGE, COCONINO COUNTY, ARIZONA, AMENDING CHAPTER 3, ARTICLE 5, SECTION 5, LEASE OF CITY PROPERTY, OF THE CODE OF THE CITY OF PAGE, ESTABLISHING A POLICY STATEMENT, AMENDING THE PUBLICATION REQUIREMENTS, ASSESSING PUBLICATION COSTS TO PROPOSED TENANTS AND ESTABLISHING CERTAIN EXEMPTIONS FOR LEASES OF NOMINAL VALUE.

Motion made by Vice Mayor Kocjan to pass Ordinance 626-15 to its second reading. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to an Arizona Department of Liquor Licenses and Control Application for Page Animal Adoption Agency (Balloon Regatta Vendor Fair)

The City Clerk's Office received an Arizona Department of Liquor Licenses and Control Application for a Special Event License from the Page Animal Adopting Agency for the 2015 Balloon Regatta Vendor Fair.

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The Arizona Department of Liquor Licenses and Control will be notified of the action taken and will make the final determination.

Motion made by Councilor Warner to approve the Arizona Department of Liquor Licenses and Control Application for a Special Event License for the Page Animal Adoption Agency (Balloon Regatta Vendor Fair). The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to a GPON Fiber/Wireless Agreement with South Central Communications, Inc.

Mayor Diak removed the agenda item.

Councilor Tappan called for a point of order. He asked if Councils approval was needed to remove an agenda item.

Mayor Diak stated that the item was being removed from the agenda because the IT Director, Mike Bergner, was not present to present the item.

Councilor Tappan asked City Attorney Joe Estes if the Mayor can remove an agenda item.

City Attorney Joe Estes answered yes.

Mayor Diak moved Bid Awards to this part of the agenda.

BID AWARDS

Discussion and possible action by the City Council pertaining to an award of bid for Bid #198 for Utility Fiber Optic Project for Page Utility Enterprises

The Page Utility Enterprises (PUE) staff advertised a Request for Proposal (RFP) for the Page to Greenthaven Utility Fiber Project Bid #198. The project will install 96 strands of fiber-optic cable (through Page Utility's Right of Way) from the Waste Water Treatment plant, across the river, through Wahweap, and terminate in Greenthaven. This new infrastructure will facilitate the supervisory control and data acquisition (SCADA) communication needs of the electric utility.

The sealed bids were opened on September 24, 2015 at 3:00 p.m. Three (3) proposals were received as follows:

COMPANY	BASE BID
Niels Fugal Sons Co. Washington, Utah	\$595,063.56 Includes Arizona Sales Tax
MP Nexlevel, LLC Maple Lake, Minnesota	\$572,293.99 Includes Arizona Sales Tax
TelCom Construction, Inc. Clearwater, Minnesota	\$656,740.25 Includes Arizona Sales Tax

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The proposals were reviewed by PUE staff. Staff's recommendation to the Board was to award the contract to MP Nexlevel, LLC, of Maple Lake, Minnesota. Their total base bid fell within the bid description, along with their qualifications package. As a background, in 2011 MP Nexlevel installed approximately 14,000 feet of 48 strand fiber (to tie the Page Utility Office to the Public Safety Facility). All work by MP Nexlevel was performed per the plans, schedule, and without any change order pay request.

At the October 13, 2015 Regular PUE Board Meeting, the Board reviewed staff's summary of the Bids and recommendation. The Board voted to recommend to the City Council to approve the bid award to MP Nexlevel, LLC.

Funding for this project was included in the FY 15/16 City Council approved budget (PUE Electrical Fund 50 Budget FY 15/16) "Capital Additions" GL 50-000-3960.

General Manager Bryan Hill presented the agenda item. He presented a map and disclosed the areas that fiber had been installed by PUE. He explained that the fiber was being used for PUE's system control and data acquisition. The PUE's Master Plan includes a two to three year plan to install fiber in the areas included in this bid. Staff made a decision to accelerate this project, due to the possibility of entering into an agreement with SCC, and included the project in the FY 2015/2016 Budget. With the approval of the budget staff designed the project and went out for a competitive bid.

Ben Ruesch, Attorney from St. George, Utah representing Canyon Country Communications, stated that he reviewed the contract, the Network Extension Build Agreement with South Central Communications, Inc., and his concern from a legal prospective.

It was brought to Mr. Ruesch's attention that he was speaking on a later agenda item.

Mr. Ruesch acknowledged that, but felt his comment was relevant to this agenda item. He confirmed that discussion was pertaining to the concept of running a line from Buckskin to Grenehaven, and then to Page. He stated that his concern was that the Telecommunications Act of 1996 needed to be reviewed for any type of work that was done, and referred to section 12.1. He then stated that the Federal Communications Committee (FCC) needed to be involved in the entire project. Mr. Ruesch then stated that he would reserve further comment.

Motion made by Councilor Warner to award Bid #198 to MP Nexlevel, LLC of Maple Lake, Minnesota in the amount of \$572,293.99. The motion was duly seconded.

Mayor Diak asked the City Clerk to do a roll call vote. Councilors Warner and Tappan Voted aye, Vice Mayor Kocjan voted aye, Councilors Saddler, Bryan and Tennis voted aye, and Mayor Diak voted aye. The motion passed upon a unanimous vote.

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NEW BUSINESS – CONTINUED

Discussion and possible action by the City Council pertaining to a Network Extension Build Agreement with South Central Communications, Inc.

Page Utility staff has been in negotiations with South Central Communications, Inc. (SCC) to extend fiber optic network infrastructure to Page, Arizona. This agreement will cause to construct a point to point fiber optic interconnection from Buckskin Mountain, Utah to Greenehaven, Arizona. Additionally, this agreement will allow SCC to assist with the construction costs of Page Utility Enterprise's point to point fiber optic interconnecton infrastructure from PUE Headquarters to Greenehaven. The combination of these two projects working together (as outlined in this agreement) will allow for Broadband fiber optic interconnection for the Electric Utility and others in Page.

At the October 13, 2015 Regular PUE Board Meeting, the Board reviewed the agreement and Staff's recommendation. The Board voted to recommend that this item be presented to the Page City Council.

PUE General Manager Bryan Hill stated that the SCC agreement was discussed at the earlier City Council Work Session, and agreed that this is a big decision, should the City move forward with the agreement with SCC. Someone had posed a good question: "why does the City need to be involved in this at all?" Mr. Hill explained that the City is the only entity that has the right-of-way to run fiber through Glen Canyon National Recreation Area and across the Colorado River. The fibers need to be owned by the City of Page. The City can contractually grant the right of 24 fibers to someone else, and the fibers will still be owned by the City of Page.

Mr. Hill also made clarification of payments. He stated that if Council approved the agreement with SCC tonight, the City of Page/PUE would need to pay the first one-third tomorrow. When SCC starts construction, the City of Page/PUE would have to pay the second third. Salt River Project (SRP), per their agreement with the City of Page/PUE, would reimburse the City of Page/PUE in January 2016, starting SPR's budget cycle. Mr. Hill provided a copy of the agreement signed by SRP. He stated that this item was not brought before City Council for approval until SRP's budget was approved. SRP signed the agreement in good faith to show that they were committed to the project.

Mayor Diak asked the PUE Board if the agreement came with the Board's recommendation.

PUE Board Members Shayne Jones, Jeff Jones and Ken Sichi were present and stated yes.

The following stated concerns regarding the agreement:
Steve Blevins, 623 Elm Street, Canyon County Communication
Omar Moreno, 123 10th Avenue

The following spoke in favor of the agreement:

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Mark Washburn, 325 Cedar Street
Kyle Davis, Grandview Street
Lena Fowler, Coconino County Supervisor, message delivered by Vin Paitoon
Vin Paitoon, 856 Heron Drive
Brian Price, 245 Hopi Avenue
Derrick Boyce, 1036 Gunsight, owner Digital Lands
Heather Rankin, Rankin Realty
Brian Kellar 1545 15th Avenue
Andrew Serventi, 331 Date Street, Representing Page High School Student Council
Jim Hunter, 1602 Pueblo
Chuck Serventi, School Teacher, 331 Date Street
Joe McKee, local business owner and resident

There was discussion by the City Council during public comments.

Kerry Kirkpatrick, 1200 Glen Canyon Drive, stated that there was confusion and misunderstanding, and the public needs clarity regarding the agreement.

Jon Jones, President of Canyon Country Communications, stated that he has been very concerned regarding the proposed agreement with SCC. He then commended Bryan Hill for the work he has put into the agreement with SCC. He said that he wanted to point out that Mike East with SCC did not refuse to sell bandwidth to Canyon Country Communications, that the amount would have been more than logically needed for their business plan.

Mayor Diak stated that Council does not take the decision that they are moving into lightly, and that every citizen in Page, Grenehaven, Big Water, and the surrounding area is important.

Vice Mayor Kocjan stated that the City can get out of the agreement, if the City does not need fiber in 20 years; the City has the right to abandonment. He then stated that there have been hours of discussion, that there was an hour of discussion prior to this meeting at the Work Session. A lot of time has been spent on this, and this decision is not being made lightly.

Councilor Tappan thanked the Citizens Alert for letting everyone know when the meeting was, so that they could be present during discussion of this item.

City Attorney Joe Estes stated that there has been a lot of talk about this contract, with people not understanding. He stated that he has been reviewing and revising the contract along with Jennings & Strouss; that this contract was so important that the City went to Jennings & Strouss, who is a preeminent law firm here in Arizona. This contract has been through the hands of many lawyers. This is an agreement that has been looked at and reviewed and does provide for the City. If fiber became obsolete, the City can do an abandonment. He clarified that the 120 years was only for 24 fibers, and that SCC owns the lines from Grenehaven North forever. The contract has been reviewed, and has been recommended to Council.

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Motion made by Councilor Bryan to authorize the General Manager of Page Utility Enterprises to enter into the Network Extension Build Agreement, as presented, with South Central Communications, Inc. and authorizing payments as specified in the agreement totaling \$1,310,359.00. The motion was duly seconded and passed upon a vote.

Discussion and possible action by the City Council pertaining to a Communications Master Agreement with Salt River Project

Page Utility staff has been in negotiations with Salt River Project (SRP) to work cooperatively to extend fiber optic network infrastructure to Page, Arizona for Page Utility Enterprises (PUE) and SRP facilities. This agreement represents two electric utility entities working cooperatively to meet their common infrastructure needs. This agreement will allow SRP to compensate PUE for the cost to construct a point to point fiber optic interconnection from Buckskin Mountain, Utah to Greenehaven, Arizona. PUE will in turn construct point to point fiber from PUE Headquarters to Greenehaven, Arizona, grant sole use of 12 fibers point to point fiber optic interconnection infrastructure from PUE Headquarters to the eastern Page Corporate Boundaries, provide SRP rack space within PUE facilities for SRP communication equipment, and Page to provide SRP small ground space at the eastern corporate boundary for their communication equipment. SRP will then be a direct customer with South Central Communications.

At the October 13, 2015 Regular PUE Board Meeting, the Board reviewed the agreement and staff's recommendation. The Board voted to present the Network Extension Build Agreement with South Central Communications, Inc. to the City Council.

Page Utilities Enterprises General Manager Bryan Hill presented the agenda item. He stated that Appendix "A" had also been reviewed by Jennings & Strouss and the City Attorney.

Motion made by Vice Mayor Kocjan to authorize the General Manager of Page Utility Enterprises to enter into the Communications Master Agreement, as presented, with Salt River Project. The motion was duly seconded and passed upon a vote.

Mayor Diak thanked the citizens for attending the meeting.

BUSINESS FROM THE MAYOR

None scheduled

BUSINESS FROM THE MANAGER

None scheduled

BUSINESS FROM THE CITY ATTORNEY

None scheduled

Mayor Diak moved this item to this part of the agenda.

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BOARDS & COMMISSIONS

Discussion by the City Council pertaining to reports by Board Liaisons

There was no discussion by the City Council.

DEPARTMENTS

None scheduled

CLAIMS

None scheduled

BUSINESS FROM THE COUNCIL

Pursuant to ARS § 38-431.03 (A) (3) Discussion or consultation for legal advice with the attorney or attorneys of the public body.

Second Amendment to Professional Services Agreement with Lake Powell National Golf Course

Motion made by Councilor Sadler to enter into Executive Session at 8:29 p.m. The motion was duly seconded and passed upon a vote.

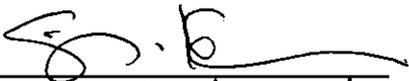
Mayor Diak reconvened the Regular City Council Meeting at 8:45 p.m.

Discussion and possible action by the City Council pertaining to approving the Second Amendment to Professional Services Agreement for the Management, Operation and Maintenance of the Lake Powell National Golf Course

Motion made by Vice Mayor Kocjan to approve the Second Amendment to the Professional Services Agreement for the Management, Operation and Maintenance of the Lake Powell National Golf Course effective in 30 days. The motion was duly seconded and passed upon a vote.

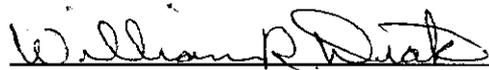
ADJOURN

The meeting was adjourned at 8:48 p.m.



Kim L. Larson
City Clerk

Sue Kennedy

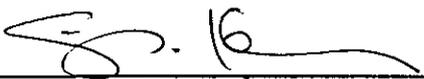


William R. Diak
Mayor

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Regular Meeting, held on the 14th day of October, 2015. I further certify that the meeting was duly called and that a quorum was present.

Dated this 28th day of October, 2015



Sue Kennedy
~~Kim Larson, Deputy~~
City Clerk