

As the Mayor of Bullhead City, the last thing I want to do is grow government and deal with all the problems and complaints that are associated with running a community water system.

But now, I firmly believe that it's necessary to protect our citizens from the greed of EPCOR. And "Greed" is not a word I use lightly, but after having fought for you at several Arizona Corporation Commission (ACC) hearings, and reading the hundreds of pages of the legal proceedings and listening to hours of testimony, greed is the appropriate word I choose to use.

Effective 9/1/15, the ACC approved EPCOR to raise rates on the average 7,000 gallon water bill from \$20.63 to \$27.85 – a 35% increase.

Effective 4/1/19, EPCOR was approved for another increase and rate went to \$38.36. In less than four years, our average citizens saw an 86% increase in their water bill. This is totally unacceptable.

And if Bullhead City hadn't intervened in this last case, I'm convinced that we would have been "consolidated" with 10 other EPCOR districts and we would have all paid the exact same rate of \$44.95 that they fought so hard for.

So for now, we intervened and won a battle with EPCOR, but the war is not over. In May of 2020, EPCOR was ordered to file again and I'm certain that they will surely ask for the minimum 7% increase that was not approved, and "socialized consolidation."

As the droughts in the Southwest continue, and water becomes more precious and more expensive, I firmly believe that we need to control our own water destiny and not leave it in the hands of a Canadian owned city and company.

I urge voters to see through all of EPCOR's propaganda and greed, and vote "YES" on Proposition 415.

Tom Brady
Bullhead City, AZ

The Bullhead Area Chamber of Commerce unequivocally supports Proposition 415. We have several problems with the current water service provider (EPCOR). First, the fact that local money is being sent out of the country for a service that could be provided locally is ridiculous. In a day where we all try to buy AMERICAN, when an opportunity arises to do that, we should do that. Second, the fact that rates have climbed over 80% since EPCOR purchased the system; with another rate increase coming early next year, it is quickly making it unaffordable to have water service in your home. Finally, the rates are increasing dramatically for the citizens, but businesses are feeling it much worse. The resulting cost increases will not only be devastating to many citizens, but it will also be prohibitive to local businesses without raising the prices on their goods and services. So we will pay at home and at our local businesses. Further, these cost increases rise exponentially with Business size.

Due to their status as a public utility, the end user is forced to comply with these increasing costs. EPCOR has received backing from the Arizona Corporation Commission regarding these increases. If the city owns it, you have a local face you can argue costs with. Lastly, we emphasize that EPCOR is a commercial organization, whose parent company operates in Canada. By its very nature, there are certain profit thresholds built in. Using your vote to support City control of our water source is a vote for true costs (NO PROFIT) of a local water utility, not foreign. In consideration of all the facts listed above, we urge you to vote "Yes" on Proposition 415 and allow the City to oversee our water business.

John C. Pynakker
President/Secretary

John Hassett
Chairman of the Board

Bullhead Area Chamber of Commerce
1251 Highway 95
Bullhead City, AZ 86442
928-754-4121

The reason our City is using Eminent Domain with EPCOR, in this case, is for the "**GOOD**" of our community. EPCOR is profit generating, investor owned based out of Canada. Our Community can't afford EPCOR's rates, since 22% of our population is low income. EPCOR's Water Rates are "unfair and overpriced." Our City is ready with our city's qualified and trained experts. Also, this Proposition will give our Community control over increasing or decreasing water rates based on expenses rather than "**PROFIT.**"

Barbara Pape
Bullhead City, AZ

Epcor has raised water rates in BHC 86% since 2015. Epcor will be filing another permanent rate increase case and new consolidation case with the ACC before May 1, 2020.

A yes vote on Proposition 415 will ensure that BHC water rates will be fair and balanced for the long-term. The huge difference is that BHC will operate its own water utility not for profit, whereas Epcor runs their company seeking ever-larger profits. BHC owns and operates our wastewater service (not for profit) and charges households \$33.50/mo. Compare that to our neighbors in Ft. Mohave who pay Epcor \$71.00/mo. (for profit) for their wastewater service. BHC has a proven record of operating it's own wastewater system very efficiently and has a stellar record at keeping rates low.

BHC has been so fiscally responsible that it has an AA bond rating and can borrow monies at 2.5% - 3.0%, not the falsely inflated 8% that Epcor states. Don't believe the super-inflated \$130 million Epcor price. Raftelis Consulting evaluated Epcor's BHC system at \$55 million.

Epcor filed a permanent rate increase of 59% for BHC in 2017. The ACC didn't approve it, but did approve interim rates hikes of 28% in Mohave and 34% in N. Mohave districts, effective April 1, 2019. Epcor also tried hard to consolidate their 11 AZ districts into one, which would have socialized our base rates @ \$45.95 per month. Fortunately, the ACC did not approve the consolidation. Paradise Valley's and Anthem's rates would have been greatly reduced and BHC would have been subsidizing the affluent folks' water. We can't trust Epcor's high rate hikes record. If Proposition 415 passes, BHC will never again be at the mercy of Epcor and the ACC for high rate hikes and consolidation.

Vote Yes on Proposition 415.

Tom Hixson
Bullhead City, AZ

I support condemnation:

- 1) EPCOR water North Mohave Valley, last surveyed in 2013.
- 2) EPCOR water Lake Mohave Highlands. The smaller had recommendations issued back in 2009, nothing was done except for taking it out of service.
- 3) EPCOR water Desert Foothills. A survey taken in 2009 noted 4 unresolved deficiencies. 2 were easily fixed, the other 2 are unknown if logs were produced or additional testing conducted. Additionally, the roof on the south tank needs coating.

The third tank was recently acquired from Laughlin Ranch. It was last surveyed in 2013. Of minor note the target cable again needs to be re-screened as was noted in 2009.

- 4) EPCOR water Mohave. The last survey occurred in 2014 and NO deficiencies were noted then or at any time prior according to SDWIS. If you view the actual past reports 2007, 2011, 2012 it appears the problems noted in 2011 and 2012 disappeared from the record and it looks like not all of the storage tanks were ever evaluated (shows only 10 tanks even in 2014

-The Rio Grande Road (River Bend) tank/site has been out of service and abandoned.

-The overflow at Big Bend Acres looks like it needs to have a screen.

-The target at Black Mountain is inoperable.

- The Bullhead (2490 Decker Dr) tank has an overflow that is broken off where it daylights and is filled with dirt. The well information posted by EPCOR is for an inactive well that is supposed to be located around the 200 block of Tedford Ave. ADEQ does not show a WL55-603479 and instead shows WL55-603477 in the Decker location as active.

-One Tank at Laredo Village appears to need a splash block and overflow screen.

-One Tank at Mesa Vista has exterior corrosion which may also include the interior.

Chad Cane
Bullhead City, AZ

Our current water distribution provider is a profit-making business which is subject to Arizona Corporation Commission (ACC) rules on what expenses are eligible to be considered when requesting a rate hike to their customers. I am one of their customers. We have had three rate hikes in 7 years with more coming in next few years. Once the water distribution services become a function and responsibility of the City of Bullhead City, it becomes a Municipal Water Company not subject to ACC. I attend city council meetings on a regular basis. I find that the city is well equipped to perform these services in a highly satisfactory manner. Don't be offset by the \$130 million or 8% interest rate. It is a worse case scenario price and interest rate to purchase this company. It will more likely be \$70 mil @ 3.5%. Also, every new housing development that gets completed, the water distributor gets gifted all pipes laid in the ground to service every home. Recently, Laughlin Ranch turned over these assets for a completed subdivision to EPCOR that were valued at \$360,000. Those homeowners paid for it and the water company gets consideration for these gifts in their profits by the Corporation Commission through their approved rates. With the rate of growth expected over the next 10 years, EPCOR will potentially increase its value as a corporation two-fold plus because of all additional piping they will be gifted from Laughlin Ranch and Fox Creek areas. This is the reason they are fighting so hard and want you to vote against the purchase. The residents have everything to gain from this purchase including local control of pricing where profit isn't a consideration.

Royanne Ortiz
Bullhead City

As a resident of Bullhead City, I find it very discerning that my water cost has increased by 104% since EPCOR took over our water delivery system in 2012. The sole purpose of doing business in the private sector is to make money for the investors. The sole owner of EPCOR is the City of Edmonton, Alberta, Canada. The City of Bullhead City has no interest in making money on the backs of its citizens. The City has the in-house expertise to cut contract services by thousands of dollars.

Because EPCOR plans on applying for another rate increase, we can anticipate more increases in 2020. The ACC requested that EPCOR reapply for consolidation of its eleven Arizona districts which will cause yet more increases for Bullhead City residents.

22% of Bullhead City residents are below the Federal Poverty Level. How much more can we ask of our citizens?

EPCOR claims their business is worth \$130 million-dollars. The City's evaluation is around \$54 million-dollars. EPCOR states if borrowing \$130 million at a rate of 8%, it would raise monthly water bills by around \$40. However, unlike EPCOR, the City has a credit rating that would qualify them for an estimated 2-3% interest rate for a bond. EPCOR's numbers are grossly inflated to lead voters in believing it is not a cost-effective endeavor which in fact, is the best for our community.

Lots of misleading information, do your research then vote YES on Proposition 415.

Ronald Fonzi
Bullhead City, AZ

As an EPCOR customer and concerned citizen, I commend the City in its efforts to acquire EPCOR Arizona Water, a profit-generating, investor-owned corporation based in Canada, whose bottom line is to make money. The question is, do we want them to make money at the expense of our citizens?

Since EPCOR came to Bullhead, we have experienced continual rate increases. EPCOR's plans include future rate hikes as well as consolidation of services of all their Arizona districts. That would be detrimental to our community.

Bullhead City is a small municipality that is highly visible and easily accessible to the community. As a not-for-profit entity, the City has its citizens' best interest in mind therefore compelling them to utilize the process of eminent domain. Our City is simply attempting to stop our community from subsidizing the City of Edmonton.

Don't let EPCOR's numbers fool you. They don't want to sell. They already indicated, "This won't be friendly." So, of course they're going to inflate their numbers. Would you list your house for sale at the price you expect to get? No. You list high and negotiate with the buyer until you come to terms. It appears EPCOR has grossly inflated their numbers wanting you to believe this is not good for our citizens. But, what does that tell you about EPCOR's integrity and ethics? Is that the kind of company you want providing your water? I think not.

If EPCOR does not agree on a purchase price, it will be determined by a judge/jury in Mohave County. The City always has an option of not buying the company if the final price is not cost effective for their constituents. Rest assured they would not put their constituents in financial jeopardy – they live here too. Do your homework.

Lori Fonzi
Bullhead City, AZ

I am in favor of Proposition 415. The City of Bullhead City needs to take over the running of the water system here in the City. The water rates for our citizens are going to go out of sight with no input from us. EPCOR will continue to go to the Arizona Corporate Commission with rate increases as they have in the past. If the City takes over the water system, our rates would be based on the cost of the bond plus the operational costs. The City operational costs would be lower as we already have a billing system in place for our wastewater and we would be able to just add the water bill to those bills. This is just one savings that would be made. We also would not need to make a profit. That is not what the City is all about. We just want to give our residents the best service we can at a reasonable rate.

The City has done an excellent job at keeping our wastewater rates low. Just recently we saw a rise in the rates which have not been done in a long time. But all prices go up. We know that. We just don't have an input into the water rates at this time.. The Arizona Corporate Commission in Phoenix are the ones who have the say as to how much we should pay. We need to keep this local so our residents have a say. Yes the Mayor, City Council and the City Manager are the ones who will manage this, but they are local and are available at all times. I urge all residents to vote FOR Proposition 415 to keep our water system local.

Kathy Bruck
Bullhead City

I will be fully supporting and voting YES on 415. The foreign water company/utility does not have Bullhead City residents best interest and we must stop this now and for our future.

Respectfully,

Tami Ring
Bullhead City Council Member

As a 39 year Bullhead City resident, I have seen a few changes with our water supplier. I think EPCOR is the third owner of the system. Yes they have done a good job. Their employees in Bullhead City are awesome. However, it is my opinion that management here in AZ, in the USA, and in Canada have become greedy.

EPCOR seems to want more and more money out of you and me. Then the businesses pay even more. And they pass it on to you and me. I see the cost of a Big Mac headed to \$9.99. So again the public sees the increase hitting them at home and when they eat out. They are not making the water better. They just want more profit. Did you see the article where EPCOR made "\$133 Million profit in the first half of 2018?" Read it at the Edmonton Journal Web Site. EPCOR has a profit in half of a year than four times Bullhead City's general fund budget for a full year. Are the Bullhead City residents and businesses EPCOR's cash cow?

I also fully believe that once the citizens vote FOR Proposition 415, EPCOR and the City will sit down and come to an agreement for a price. Court fights will only cost both sides a lot of money then a judge or jury will decide and both sides might not like that number.

Your water bill and sewer bill will come together. This will save money for Bullhead City and the residents. Vote FOR affordable water. Vote FOR Local Control. Vote FOR water rates with NO profit. Vote FOR Proposition 415.

Thank You

Larry Tunforss

Bullhead City

I have been talking with people about this proposed purchase of EPCOR. I have heard some say that the city doesn't have employee who know anything about water distribution systems. The city has said that they can potentially hire mostly all the employees who currently work for EPCOR, many of whom are against this purchase. I don't understand why they would be against it because they would still have a job, just their bosses would become unemployed. Maybe they think that their pay will be less but I know the city pays a fair wage and their benefits are much better than EPCOR benefits. The city has a highly competent manager in Toby Cotter. So, things wouldn't change much including the monthly price of water. The city has told us in their meetings that they can keep the price stable and within the current prices offered by EPCOR. So, I believe in keeping things local. Why pay a corporation for services where the profits end up benefitting the city of Edmonton in Canada. Eliminate the profit – bring our water home.

Penny Davis

Bullhead City

The good news for Bullhead City is that the city already owns the water. They just don't own the plumbing system that delivers the water to the homes and businesses in the area. They do own the waste treatment plumbing in most of Bullhead City and most of you already pay the city for waste treatment services. That alone is a great argument for expanding the city services to include water delivery as well.

I have lived all over the United States, from Florida to Oregon, and this is the first time I ever remember paying anyone but the local municipality for my water bill.

The only argument on the negative side of this issue that made me think was the issue of Immanent Domain. Government taking over a business doesn't normally sit too well with me. But, this is different. This is a utility with a monopoly...one that has raised the price of our city owned water twice in seven years. I am mad and you should be, too. This will never stop as long and Epcor runs the system.

This will sound like small argument in a very large and complex case but I have attended many of the meetings discussing most of the issues. The City of Bullhead can and should take over the water system to save money for the citizens of the city.

Charles K. Pipher
Bullhead City, AZ

I am an EPCOR customer as I have rental property in Bullhead City. I have experienced an increase in rates of over 100% since they purchased the water distribution company from Arizona American Water. I have been researching this potential action by the city. It is called the right to eminent domain through the condemnation process. EPCOR knows they will lose because the city has the right to condemn and take over the distribution of water. The only issue is the price. The reason to take public control of water systems is to gain local control. This allows the city to better manage water resources, growth and development. It also allows the control of water costs. Compared to local government, for-profit water utilities like EPCOR charge considerably higher rates than municipal water systems. The city has done its homework. We want to remain a city where it is the most affordable place to live in Arizona. We certainly don't want to be consolidated with all their other customers in Arizona.

Pamela Pittman

Mohave Valley

The reason I am supporting Prop 415 and voting Yes is because the people of Bullhead City need to keep the prices for their water distribution service stable. In Mohave County, the major cities are Kingman, Lake Havasu City and Bullhead City. Kingman and Lake Havasu City both have an ownership as a municipal water company. Bullhead City needs to do the same and take over the water distribution system from EPCOR through the condemnation process. It is the right thing to do to permit the control and management of our water. EPCOR has single shareholder, the City of Edmonton, Canada. Their business is going so well in the United States that they recently opened a new office complex. It costs about \$235 million dollars. We need to take the profit out of the water business. Vote YES on 415.

Jean Glisson

Bullhead City

I am in favor of condemning and purchasing EPCOR because I believe strongly that water distribution should be a local municipality's responsibility. After all, according to EPA over 82% of the population is served by publicly owned community water system. In Arizona, the Arizona Corporation Commission has authority over privately owned utility companies. They approve any proposed increases. If you have a problem with service or quality of the water, you must go down to Phoenix to complain. When the city is the water company, you just drive a few miles to city hall to make your voice heard. Although the EPCOR company has provided adequate services, they are still a profit-making business and they are buying other water distribution companies because it is so profitable. After all, there is no competition. They make a profit on their investment in infrastructure. The more they invest, the more profit they receive. That is why I favor purchasing the water distribution system from EPCOR. It only makes sense because they have had 3 price increases in 7 years and they are applying for another one. We need control of our own future. The city owns and operates the sewer system and the price is the same now as it has been for 30 years. EPCOR's customers locally for sewer services pay over \$70 per month where ours in Bullhead City is \$33.50. I am voting YES.

Leona Knapp

Bullhead City

Water is a necessity, not a commodity!

EPCOR's belittling of Bullhead City's Mayor Tom Brady and City Council is unconscionable.

EPCOR'S propaganda is designed to promote FEAR and ANXIETY in the minds of our citizens.

EPCOR is owned by the City of Edmonton, Alberta, Canada, which is estimated to be a Billion Dollar Water/Power Company and is in business to **make profits**.

The City of Bullhead City is **not for profit**.

EPCOR will buy an Arizona water company at a low price; then immediately apply to the Arizona Corporation Commission for a 30% to 50% rate increase!

The City of Bullhead City is **not for profit**.

Bullhead City Water District will be combining your water and wastewater monthly statements in the same envelope, saving the city the thousands of dollars per month.

Keep in mind that Mohave County and North Mohave County Water Districts currently generate about ONE Million Dollars per month in billing!

With the acquisition of EPCOR's delivery system at approximately \$55 million

Bullhead City could pay off the Municipal Bonds in less than 6 years!

DUMP EPCOR WATER!

Please VOTE YES on PROPOSITION 415

Eva J. Corbett

Bullhead City, AZ