



CITY COUNCIL STUDY SESSION MEETING

STUDY SESSION MINUTES

TUESDAY, MARCH 22, 2022, 1:00 PM

201 S. Cortez Street
Prescott, AZ 86303
Council Chambers

Phil Goode, Mayor

Cathey Rusing, Mayor Pro Tem

Brandon Montoya, Councilman

Eric Moore, Councilman

Jessica Hall, Councilwoman

Steve Sischka, Councilman

Clark Tenney, Councilman

MINUTES OF THE STUDY SESSION OF THE PRESCOTT CITY COUNCIL STUDY SESSION HELD ON MARCH 22, 2022, IN THE 201 S. CORTEZ STREET PRESCOTT, AZ 86303 COUNCIL CHAMBERS.

1. CALL TO ORDER

Mayor Goode called the meeting to order at 1:00 p.m.

2. ROLL CALL

Phil Goode	Mayor
Cathey Rusing	Mayor Pro Tem
Jessica Hall	Councilwoman
Brandon Montoya	Councilman
Eric Moore	Councilman
Steve Sischka	Councilman
Clark Tenney	Councilman

3. DISCUSSION

- A. Discussion and Presentation Regarding the Second Draft of the 2022 Water Management Policy.

Deputy Public Works Director Gwen Rowitsch provided a presentation to Council regarding the draft water management policy. This is the sixth discussion, and the plan is to wrap up the discussions so the draft can be out to the public by the end of next week.

Water Budget

Policy 11: The Council shall set the water budget bi-annually at its last meeting in June and December

Policy 12: A Water Budget for new residential development is hereby created in the amount of __ Acre Feet (AF) for the period of January to June. An additional Water Budget shall be created in the amount of __ AF for the period of July to December. Any remaining unallocated Water Budget balance may be preserved and carried over to the next budget period. This Water Budget quantity is available for projects other than those already entitled to water by an existing Contract. Administratively approved projects (Policy 2) shall be included in the Water Budget.

Councilman Montoya asked if the 150 AF of water number that is related to the budget is still accurate.

Ms. Rowitsch confirmed. She added that administratively approved projects at less than 1 AF would also be included in the water budget.

Residential Water Approved Outside of Contracts by Council:

- * 2020 - 4.25 AF (25 dwelling units)
- * 2021 - 84.11 AF (569 dwelling units)

Residential Water Approved Administratively:

- * 0.68 AF (four dwelling units)
- * 3.41 AF (20 dwelling units)

The citywide average for single family residential units is 0.17/dwelling unit so 30 AF would account for approximately 176 dwelling units, and for multi-family averages 0.12/dwelling unit and 30 AF accounts for 250 dwelling units.

Mayor Goode commented that he feels Council needs to establish a water budget and should be looking at a historical average for approvals. He also suggested that any additional water available not be rolled over to the next unit and suggested that an appropriate amount is 50 AF for residential and 50 AF for non-residential for the year split over the six-month periods. There isn't much space left to develop and this should establish a good baseline to work with.

Councilman Sischa asked how much water we are dealing with annually that we have over our committed demand. There is a lot of water attached to contracts that goes far into the future.

Ms. Rowitsch responded it is 1,978.44 AF, however, this may change after the Decision and Order (D&O) under review at ADWR is approved. All contracts are shown in either the committed or projected categories, so this number is areas within the city's water service area and can apply for water. This is the amount of AF is a 100-year assured supply in perpetuity.

Councilman Moore asked if the city's water service area includes the area in Chino Valley where we provide water and asked how an increase in that area would impact our usage.

Ms. Rowitsch responded that it does, the IGA with Chino Valley has conditions attached to the providing of water for commercial uses. Those requests are subject to all city requirements and regulations.

Policy 13A: A water budget for new commercial, industrial, or institutional development is hereby created in the amount of ___ AF for the period of January to June. An additional water budget shall be created in the amount of ___ AF for the period of July to December. Any remaining unallocated water budget balance may be preserved and carried over to the next budget period. All non-residential uses with a water estimate greater than 1 AF/year (AFY) will be reviewed by the Water Issues Subcommittee and then Council for consideration considering the estimated water use and the benefits to the city offered by the proposed water use. Administratively approved projects (Policy 2) shall be included in the Water Budget.

Policy 13B: No water budget shall be pre-established for new commercial, industrial, or institutional development. All non-residential uses with a water estimate greater than 1 AFY will be reviewed by the Water Issues Subcommittee and then Council for consideration, considering the estimated water use and the benefits to the city offered by the proposed water use. Non-residential water requests shall not be included in the city's Water Budget.

Ms. Rowitsch added that staff is seeking direction on whether Council wants non-residential requests to be included in the water budget.

Councilman Montoya commented that if we are going to ask residents and developments to commit to water, we should ask that of commercial as well. He stated that he believes that 25 AF will be a reasonable starting point for this.

Mayor Goode added that if there were a substantial and valuable proposal the Council could still consider it.

Mayor Pro Tem Rusing concurred and said just because we have a budget doesn't mean we are shutting the door, can still be flexible and can still be open.

Councilwoman Hall added that it is contradictory to still consider and take applications for water but then have a policy stating that it won't be considered.

Mayor Goode commented that if there was a large development, they could apply to the Water Issues Subcommittee and be reviewed for a recommendation to be made to Council. Council has not seen a project like this come through regularly.

Ms. Rowitsch confirmed and provided examples regarding applications approved over the last couple of years like a car wash, justice center, distribution center, etc. that have come before Council for approval.

Commercial Water Approved by Council Outside of Contracts:

* 2020 - 83.76 AF

* 2021 - 9.95 AF

Commercial Water Approved Administratively:

* 2020 - 5.75 AF

* 2021 - 19.79 AF

Ms. Rowitsch commented that 25 AF semi-annually would be reasonable for a water budget based on these figures.

Councilman Tenney commented that the car wash would be more than half of the available water budget and asked how that would work.

Ms. Rowitsch continued to Policy 14 which addresses this.

Policy 14: No single Water Service Application will be approved for water usage estimates greater than 50% of the remaining bi-annual water budget. Projects that request more than 50% of the remaining bi-annual water budget may: 1. File a water service application to be considered when the next water budget is available, OR 2. Appeal the 50% rule. The applicant shall demonstrate the benefits to the city such as job creation, wages, sales tax, economic impacts, or other benefits to the city. All such requests shall be reviewed by the Water Issues Subcommittee and the Council.

Policy 15: Water supplies associated with an existing contract may not be amended to increase the number of lots or volume of water used; any such proposal to increase the number of lots or volume of water shall require submission of a new Water Service Application for the revised project, which will be evaluated according to the current Water Management Policy and Water Budget if applicable.

Policy 16: When a Contract expires, the associated volume(s) of water shall be returned to the Water Resource Portfolio.

Mayor Pro Tem Rusing commented that in Policy 15 it should read “change” the number of lots and not “increase”.

Ms. Rowitsch responded that this is addressing existing contracts which have a maximum number of dwelling units.

Interim City Attorney Matt Podracky stated that it depends on the intent of the policy, if it is to avoid increasing water allocations then it should be “increase”.

Councilman Tenney commented that immediately after that it says, “increase the volume of water”, which covers the issue.

Mr. Podracky stated that it could confuse the point to change the language. Whether they increase or decrease lots may not be relevant to the analysis, changing the language to “change” doesn’t necessarily get you any closer to where you want to be.

Mayor Goode commented that the Petroglyph Pointe discussion doesn't necessarily apply here, it is more an issue of how the Development Agreement was originally crafted. How this water policy applies to new or existing contracts makes it clear that if more lots or more water were requested this would be triggered. Should likely add the language “contracts and agreements”.

Ms. Rowitsch responded that she has added a definitions section to the updated draft to hopefully simplify the policy and make things clearer.

Planning Manager George Worley continued the presentation with a review of Policy 17.

Policy 17: This policy was removed, language regarding lot splits will be addressed in the Land Development Code (LDC) amendment.

Mayor Pro Tem Rusing commented that she believes in redundancy and being perfectly clear and she would like to have something about this perfectly clear and in the Land Development Code.

Mr. Worley responded that anything in the Land Development Code would be universally applicable. LDC explicitly states they are an administrative process for lot splits unless Council determines otherwise. The difference between changing the code and a policy is significant; when it is put into the code that takes away discretion from staff and Council.

Policy 18: Contracts for water service outside city limits shall contain performance criteria appropriate to the project, including a performance completion date. In the event a project does not meet the performance criteria or date, the allocation of water for the project shall be terminated and returned to the water portfolio.

Policy 19: No new contracts for water outside of city limits shall be approved except as provided in Prescott City Code 2-1-8. Commitments to serve water outside city limits within existing contracts will be met.

Councilwoman Hall commented that she doesn’t understand why we would tie our own hands with regard to water outside the city limits.

Ms. Rowitsch responded that typically staff receives requests to connect to the main when they are adjacent but not within city limits, they would be required to annex.

Councilman Montoya stated that he disagrees with the notion of Council tying their hands, if there is an extraordinary need, they could still petition the city to do so. Council is creating a policy and sending a message to the community.

Ms. Rowitsch responded that if the request was coming from a political subdivision (excluding water districts), they could consider it but could not if it was an individual.

Mr. Podracky responded that there can be exceptions to the policy, but the way this is written short of an IGA there will not be water outside of the city limits.

Councilman Tenney stated that his chief concern is conservation of water and wise management of water and if water is going to be used adjacent to the city anyway it is better to have that managed under city regulations than not. There are circumstances where a person would not be able to annex but servicing them water would be beneficial. This policy seems to stand in the way of conservation and management.

City Manager Michael Lamar added that for annexation you must be contiguous to the city, which can present issues for individual property owners that would be interested in doing so.

Mayor Goode stated that in his opinion if we provide water outside of city limits, we promote development and have difficulty managing that. Have to keep our general plan in mind and conservatively manage water in those areas.

Councilman Montoya stated that he is curious to see if there is a policy that could be drafted for special circumstances. His concern though would be something like Stringfield Ranch coming up in the future.

Ms. Rowitsch responded that there could be an option to review requests for single family residents that would abandon their well to connect. May not be immediately adjacent to the city but front to a water main. Many of the requests come from residents who are already connected to city sewer but cannot connect to city water. City would receive a 0.5 AF credit for the abandoned well, would primarily be the County and the city.

Councilman Sischka stated that the General Plan is just that, a plan, Council always talks about how it was approved by the voters of Prescott but many of them probably didn't even read it; they approved it because they felt comfortable with the people who put it forward. To tie something to the General Plan is not always the best policy, and you can't have the perfect situation. He wants to make things better for the aquifer and for Prescott and is interested in enabling Council with the opportunity to do things the right way and not being limiting.

Policy 20: All new development shall install water sense fixtures, meet adopted building and plumbing code standards, and install only low-water use landscape plantings per City Code requirements. The low water use/drought tolerant plant list may be found at:
https://new.azwater.gov/sites/default/files/media/PRAMA2014WUPL_2020.pdf

Policy 21: Savings accrued to the effective date hereof, accumulated from the difference between the overall volumes of water allocated and actual volumes consumed by projects that were put into contracts shall be retained in the Water Resource Management Model (WRMM) as committed demand, and not used to support additional development.

Policy 22: Well(s) on any property to be served by city water must be officially abandoned through Arizona Department of Water Resources (ADWR) as part of the approval of a Water Service Application. The increase in groundwater allowance received for these wells shall be retained in the city's Water Portfolio, and not used to support additional development that is not identified as current, committed or projected demand within the WRMM.

Policy 23: Any applicant for development and/or water service within the City of Prescott water service area may acquire and present for consideration sufficient "extinguishment" credits to support their development. The volume of the credits will be required to meet the calculated 100-year demand for water. The project must connect to city's sewer system before water supplies are furnished.

Ms. Rowitsch commented that this is very rare but does come up occasionally.

Policy 24: This policy has been removed as Council made comments in the first round of discussions that regional cooperation was not part of a policy.

Once this water policy is adopted, staff will begin work on a water conservation policy and regional cooperation discussions. At this time, they need direction on whether a second draft needs to be seen in a public meeting or if it should come back for a vote.

Mayor Goode feels that having the second draft done and available to review and have this come back for a vote will be the best way to handle it.

Mayor Pro Tem Rusing concurred, should allow the public to comment in a Study Session before this is voted on.

Councilman Montoya asked how many presentations there have been on this topic and added that he feels it is sufficient to have the updated draft brought forward at a Voting Meeting and discussed at that time.

Ms. Rowitsch responded that there have been six presentations and approximately 14 hours of time.

Member of the public Howard Mechanic addressed Council and stated that there should be an ability to take proposals that are a benefit for the community and aquifer that can be reviewed. If people get water from the city, they should be required to connect to sewer. City should consider proposals and input of the public. The public has said that they want more control over growth, and protection of the aquifer but they don't understand the background and detail. Any property that can annex should be required to do so which would resolve the concerns the Mayor Pro Tem mentioned.

Member of the public Leslie Hoy commented that she feels this is the best water policy the city has ever had and thanked Council and staff, this is a gift we are giving to the future. She added that the 1,900 AF in the portfolio is enough for 10,000 or so more homes with no commercial. In Policy 19 here is a reference made to Prescott Code 2-1-8 and she is concerned that it should be listed in the policy because it leaves too wide a door open.

This item was for discussion only, no formal action was taken.

B. Discussion Regarding Potential Future Public Safety Locations.

Deputy Fire Chief Tom Knapp introduced a presentation regarding demands on quality of service that are impacted by the growth of our community. A data analysis was requested, and GIS staff conducted a drive time analysis to identify locations that would be impacted where additional facilities could be added to improve response times in the future.

GIS Coordinator and Historic Preservation Specialist Cat Moody continued the presentation with an overview of staff's analysis. She added that this is a theoretical analysis based on current street network/speed limits, staff included future streets in this analysis in areas where they are already master planned. She reviewed the maps which include response times in various colors as well as potential future locations and how those locations would impact response times in particular areas and finally how future roads would impact response times in areas where improvements are needed.

Mayor Goode thanked staff for their information and analysis. He added that it is clear to him that we need another fire station, possibly three and now need to investigate what comes along with that and asked staff for their input on priority for locations and what should be first, second, and third with that in mind.

Councilman Montoya concurred and asked where the most benefit will be seen so call time does not get worse in Northern Prescott, asked where can the biggest impact be made.

Mayor Pro Tem Rusing stated that the last fire station was in 1993 on White Spar, important that our infrastructure keep up with our growth. She feels that Stringfield Ranch should be included because there is a mutual aid agreement.

Ms. Moody agreed and added that we do have a mutual aid agreement with the County and provide services all over that would be impacted.

Councilman Sischka commented that if we are going to put in numerous new stations, we have to have the personnel to staff them, therefore Council has to commit to doing that.

Ms. Moody said that James Way and Granite Dells areas need the most improvements, but we do have

mutual aid as well so a location more centrally located might be best. AED North/South need to be considered and assist east for mutual aid agreement. Financially, city owned property is ideal, there are two locations that would work but those locations didn't result in as substantial an improvement. Sundog connector would also result in better response times.

Councilman Moore commented that there is an advantage to city owned property and asked if any developers have expressed interest in having a location.

City Manager Michael Lamar responded that some in Deep Well Ranch have been offered, not specifically in the areas identified by staff, but close.

Mayor Pro Tem Rusing added that being close to thoroughfare near Prescott Lakes Parkway would be beneficial. She asked if there would be any use in approaching Prescott Valley to discuss assisting in placement of locations.

Mr. Knapp commented that it would be beneficial to do a realistic analysis of calls, we have a good relationship with neighboring communities and have shared locations already. Living capacity in these areas and a clear understanding of what is happening is critical to determining what the priorities are, could get the data quickly.

Councilman Sischka asked if it is possible to get to the back of Yavapai Hills without going through the front of the development.

Mr. Knapp responded that you cannot, we currently have an 8-10 minute response time if they come from the Smoke Tree.

Mayor Goode asked staff's opinion on the Smoke Tree station and if it can continue as a station in the future.

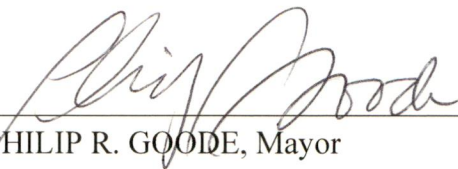
Mr. Knapp responded that we need to analyze the facilities we currently have, it wasn't built to be a fire station - it is a house, so it probably isn't likely to last in the long term. Covering the areas in northern Prescott is a telltale sign that we need to pay attention, there are younger families in that area.

Ms. Moody responded that the Smoke Tree location for service is wonderful but the building itself is suboptimal.

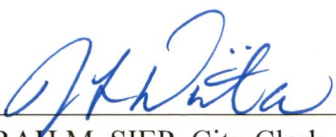
This item was for discussion only, no formal action was taken.

4. ADJOURNMENT

There being no further business to discuss, Mayor Goode adjourned the meeting at 2:53 p.m.


PHILIP R. GOODE, Mayor

ATTEST:

 *for*
SARAH M. SIEP, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council Study Session of the City of Prescott, Arizona held on March 22, 2022. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 22nd day of April, 2022.



 *for*
Sarah M. Siep, City Clerk