



COUNCIL SUBCOMMITTEE ON WATER ISSUES MEETING

REGULAR SUBCOMMITTEE

MEETING MINUTES

TUESDAY, OCTOBER 5, 2021, 9:30 AM

201 S Cortez Street
Prescott, AZ 86303
Council Chambers

Steve Blair, Councilman - Chairman

Phil Goode, Councilman – Member

Steve Sischka, Councilman - Member

MINUTES OF THE REGULAR SUBCOMMITTEE MEETING OF THE PRESCOTT COUNCIL
SUBCOMMITTEE ON WATER ISSUES HELD ON OCTOBER 5, 2021, IN THE 201 S CORTEZ STREET
PRESCOTT, AZ 86303 COUNCIL CHAMBERS.

The following Agenda will be considered by the Prescott Council Subcommittee on Water Issues at Regular Subcommittee Meeting pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

1. CALL TO ORDER

Chairman Blair called the meeting to order at 9:30 a.m.

2. ROLL CALL

Chairman Steve Blair
Member Steve Sischka
Member Goode

3. PUBLIC COMMENT

Public Comment will be accepted following each agenda item and limited to three (3) minutes. Please complete a comment card and return it to the City Clerk, speakers will be called in the order received.

4. ACTION ITEMS

A. Approval of the September 7, 2021 Meeting Minutes.

MOTION BY MEMBER SISCHKA TO APPROVE ITEM 4.A; SECONDED BY MEMBER GOODE: PASSED [3-0].

B. Consideration of WSA21-013, a Water Service Agreement Application Submitted by KW PRS, LLC, on Behalf of Property Owner City of Prescott. Location: Assessor's Parcel No. 103-01-021H; comprising 26.28 Acres in T15N, R01W, Section 19, SW1/4, SE1/4.

Water Resources Project Manager Kay Sydow provided a presentation to the Subcommittee regarding WSA21-013 from KW PRS, LLC, for a 217,233 square foot distribution center located near the city's regional airport. A water demand analysis was submitted by Kent Norcroft of Dibble Engineering with a total estimated demand of 4.21 Acre Feet (AF) per year.

Chairman Blair asked for an explanation of what is located around the property.

Ms. Sydow replied that the distribution center, located on a little over twenty-six (26) acres, is near the wastewater treatment facility.

Chairman Blair added that this is the AED property that the city negotiated on and pointed out where the extension of the runway will be.

Member Sischka asked if the 4.21 acre feet (AF) per year is an estimate and if the Water Resource Management Model (WRMM) will tell staff what the actual use is over time.

Ms. Sydow confirmed and noted that the estimate was based on a similar plant's water usage.

Member Goode noted that with such a large building and staff working 24/7, the estimated water demand is quite reasonable and will have a beneficial impact to the community; is a positive cost benefit scenario given the distribution center.

MOTION BY MEMBER SISCHKA TO RECOMMEND FORWARDING WSA21-013 to COUNCIL FOR APPROVAL; SECONDED BY MEMBER GOODE: PASSED [3-0].

- C. Consideration of WSA21-014, a Water Service Agreement Application for The Cottages at Rosser; Filed by Copper Tree Construction Group, LLC, on Behalf of Owner Mary J Swing Trust; Location: Assessor's Parcel No. 105-03-004G, 4.61 Acres in Township 14N, R02W, Section 22, SE1/4, NE1/4, SE1/4.

Ms. Sydow provided a presentation to the Subcommittee regarding WSA 21-014 for the Cottages at Rosser, a 36-unit single family (SF) rental residence located on Blooming Hills Dr., each with two bedrooms and two baths. Each unit will have its own water meter, landscaping will be served by a separate water meter. Applicant has requested a re-zoning from SF-35,000 square feet to Multi-Family Medium Density. The total estimated demand is 8.5 AF per year.

Chairman Blair asked what the land on the south side of Rosser is zoned as.

Planning Manager George Worley replied that that property is zoned Neighborhood Oriented Business (NOB) and to the West is SF-9 PAD zoning.

Member Sischka asked Interim City Attorney Matt Podracky why this item has come to the Water Issues Subcommittee if it was turned down at the last Planning and Zoning Commission meeting.

Mr. Podracky replied that the Planning and Zoning Commission is a recommending body only, as is the Water Issues Subcommittee, City Council makes the final determination.

Member Sischka asked if the Subcommittee on Water Issues' duty is to recommend a certain allocation of water or to recommend whether or not to forward the applications to Council, and what would happen if recommended to not forward to Council.

Mr. Podracky replied that Council still considers it new when it comes to them and will make the final determination regardless of recommendation.

Member Goode added that it can still be agendized and put before Council for a final decision and asked if this particular parcel is still considered SF-35.

Mr. Podracky confirmed that there has been no re-zoning of this property.

Member Goode commented that the applicant is asking for 8.5 AF of water to go to a parcel zoned SF-35 which is a vast over-allocation for a parcel that should only have five (5) single-family homes on it. He added that he does not support this.

Chairman Blair stated this is not a zoning matter, but the two seem to be intertwined. He commented that buyers should be aware of the zoning when purchasing property and sees no reason why this zoning should be changed or receive water with this application; he does not support it.

Member of the Public James Burke addressed the Subcommittee noting there was no email sent out to the residents and commented that it would be less confusing to citizens if the recommended action read as “move to recommend or deny” rather than “move to recommend”.

Chairman Blair stated that the Subcommittee is a recommending body, and this item will be forwarded to Council with a recommendation of denial of water service.

Member of the Public Lt. Col. Steven Harness addressed the Subcommittee and stated that he objects to the water service application and asked that the Subcommittee deny this request as the developer has not provided a plan to provide for the excess water usage.

Member of the Public Jim Wright addressed the Subcommittee and commented that it appears the water service application came in after the re-zoning was denied, and strongly urges all homeowners to reject this request.

Member of the Public Dayton Silver addressed the Subcommittee and stated this application should be recommended for disapproval to Council.

Member of the Public Gloria Ramirez addressed the Subcommittee and asked how many people on the Council will vote on this application and what they will be taking into consideration when doing so.

Mr. Podracky replied that there are seven (7) members on Council.

Chairman Blair answered that Council will consider the Subcommittee’s recommendations, as well as their personal opinions based on their own research.

Member Sischka noted that he has never, in his 5 ½ years on Council, seen a situation where Planning and Zoning and Water Issues votes for disapproval and Council overturns that vote.

Ms. Rowitsch provided a breakdown of the emails sent in regard to item 4.C. to the Subcommittee:

- All of the emails recommended denial of water for the project, primarily due to increased density
- Other reasons were related to the fact that re-zoning was denied by the Planning and Zoning Commission, it is a rental project, traffic concerns, the use of individual water meters and water pressure.

Chairman Blair assured the public that they are being heard; all messages sent to the Subcommittee are received and read.

Member Sischka thanked the public for attending the meeting.

MOTION BY MEMBER GOODE TO RECOMMEND FORWARDING WSA21-014 TO COUNCIL FOR DENIAL; SECONDED BY MEMBER SISCHKA: PASSED [3-0].

- D. Consideration of WSA21-015, a Water Service Agreement Application Submitted by Michael Lafferty on Behalf of Property Owner Petroglyph Point Doyar, Inc. Location: Assessor's Parcel No. 105-04-217A; Comprising 6.9 Acres in T14N, R02W, Section 23, NE1/4, NW1/4, SE1/4.

Ms. Sydow provided a presentation to the Subcommittee regarding WSA 21-015 for a 224 dwelling unit apartment complex located at Petroglyph Point Dr. A water demand analysis was submitted by RCC Design Group; residential demand estimated at 26.88 AF/year, Open Space Landscaping estimated at 3.66 AF/year, and the restaurant, fitness center and a pool/spa amenities are estimated at 3.60 AF/year for a total estimated demand of 36.58 AF.

Member Goode questioned the total estimated demand amount stating that his calculation is 31.14 AF.

Ms. Sydow confirmed the total should be 31.14 AF and apologized for the error.

Member Sischka pointed out that this is just an estimate that is not limited to the estimated demand.

Ms. Sydow confirmed and added they try to err on the high side; once five years of data is available from the WRMM the demand usually proves to be lower.

Member Goode asked if the WRMM has been used to date other than to design the program.

Ms. Rowitsch responded that staff has not applied the WRMM to a project.

Member Sischka asked if this application has been presented to the Planning and Zoning Commission (P&Z) for review.

Mr. Worley responded that it has not because it is zoned Business General (BG) and does not require any outside approvals of P&Z or Council for zoning purposes.

Member Sischka asked for the definition of Inclusive Zoning.

Mr. Worley explained that each zoning district in intensity allows all the uses of lesser intense zoning districts. Commercial zoning districts allow uses that are less intense than commercial to include multi and single family residential uses.

Member Goode asked what the estimated water demand would have been had the property been developed as originally planned. Estimates that it would be substantially less than a 224 apartment complex.

Mr. Worley stated he does not know and deferred to water resources staff, but believes that is a safe estimate.

Member Sischka asked for clarification that the applicant has the right and asked if the application needs to go through P&Z.

Mr. Podracky confirmed that this applicant does have the legal right under BG Zoning to build multi-family housing and does not have to go through P&Z.

Member Goode noted that he has looked at the public safety response in this area and there are substantial challenges including traffic which is already a challenge due to Basis School. He added that he does not support this massive density increase.

Member of the Public Jim Joannes addressed the Subcommittee and provided the current Development Agreement (DA) between the city, Prescott Lakes Community Association and the land owner. He stated that the property owner needs provide a City Council approved, updated plat to change zoning.

Chairman Blair asked if Council has the right to send it back to P&Z for a full review if there is a substantial change and added that he has not seen the presented DA until today.

Mr. Worley stated that he believes the Land Development Code grants that right to Council, however, is unfamiliar with the DA Mr. Joannes presented and cannot say if it mentions approval by city staff or City Council.

Member Sischka stated that he is very uncomfortable with this situation and does not feel the Subcommittee has the basis to approve or disapprove this water service agreement. Would like to have the DA language presented by Mr. Joannes clarified by Legal.

Mr. Worley agreed.

Chairman Blair asked how much latitude Council has to send it back to P&Z when there is such a substantial change to a master planned community.

Mr. Podracky asked Mr. Joannes which section in the DA he is referring to and responded that he will not give an off-the-cuff legal opinion at this time.

Member Goode stated that based on the material presented it is premature to consider much less vote on this item, his recommendation is to forward this to P&Z.

Chairman Blair responded that it will have to go to Council first, which won't happen until reviewed by the Subcommittee, and they can send to Council as a denial or approval, but prefers to postpone until next month rather than send it as a denial.

Member Goode agreed as it is certainly a significant change in use.

Member Sischka agreed that this issue needs to be addressed and not with a certain result in mind, rather to be sure everyone is on the same page.

Property owner David Parker addressed the Subcommittee with a timeline of the property's development and shared a copy of a finding dated March 6, 2019 sent by Community Development Director Bryn Stotler that stated residential multi-family uses can be developed at up to 32 dwelling units per acre under BG Zoning. There is enough land area and water to build 223 units. The apartments will be upscale luxury apartments, with good views. There may need to be some adjustments made to accommodate traffic but there will be two exits.

Chairman Blair stated that he does not disagree with the project, just needs clarity. Would like to know how many acre feet of water is remaining from the original Prescott Lakes master plan.

Developer Michael Lafferty addressed the Subcommittee stating that everyone in the area is fixed on the fact that this property was slated for an office project and stated that in terms of traffic, an office development is more impactful than any residential community and added that he has agreed to do a traffic study. Finds this very political with the people in attendance and feels the opponents are not grounded. Came to this meeting to explain the development which he did not have to do but wants the subcommittee and public to know that he is aware of the city's water concerns. Prescott is a beautiful growing city that needs housing. Mr. Lafferty asked Member Goode to reconsider his thoughts on development in Prescott and to allow water-conscious projects.

Chairman Blair responded that although he does not disagree, the zoning does allow for the project, but he has questions that need to be answered. Appreciates the willingness to wait until next month.

Member of the public Jim Garing addressed the Subcommittee and stated that this development is requesting about 60 gallons per capita per day. Should consider that the people moving in will use water where they work as well. An office park would use 1/8th of the amount the apartments will use. The city wells are dropping at an average of just shy of two feet per year, and accelerating.

Member of the public Ken Janacek addressed the Subcommittee and stated that given the large number of water requests, they should wait for clarity on the Decision and Order delivered by Arizona Department of Water Resources (ADWR) before making any further water commitments and decisions.

Member of the public Michael Broggie addressed the Subcommittee and stated that there is a study group that has looked at the master plan and Mr. Lafferty's proposal and will come back at the next meeting with a comprehensive white paper providing information necessary to the subcommittee.

Member of the public Hojat Askari addressed the Subcommittee and commented that he wanted to build a skilled nursing or rehabilitation facility, but was approached by Highgate who did not want the competition. He was given approval by the city in March 2019 to build about 200 apartments as well as a commercial restaurant or coffee shop. Will leave the decision to the subcommittee's and the community. Asked that there be no fighting, wants to do it together, however is upset because he is paying the price and is stuck between the city, the Council, the buyer and the community.

MOTION BY CHAIRMAN BLAIR TO POSTPONE RECOMMENDATION OF WSA21-015 TO COUNCIL UNTIL THE NOVEMBER 2, 2021 WATER ISSUES SUBCOMMITTEE MEETING; SECONDED BY MEMBER SISCHKA: PASSED [3-0].

- E. Consideration of WSA21-016, a Water Service Agreement Application Submitted by Astoria II, LLC, on Behalf of Property Owner Michael Fann. Location: Assessor's Parcel No. 105-04-002T, Comprising 29.65 Acres, in T14N, R02W, Section 23, NE¼, NE¼, NE¼; and 106-18-067N Comprising 3.26 acres, in T14N, R02W, Section 14, SE¼, SE¼, SE¼.

Ms. Sydow provided a presentation regarding WSA 21-016 for Astoria Phase IIA comprised of 84 single-family lots and Astoria Phase IIB comprised of 15 single-family lots for a total of 99 lots. A water analysis was submitted by Kevin Horton of Lyon Engineering and Surveying at 16.83 AF per year for the residential portion, open space tracks A,B and C on 9.97 acres is estimated at 14.96 AF per year.

Applicant has stated artificial turf will be used if possible to bring that estimate down. Total estimated water demand is 31.79 AF per year.

Member Sischka asked if this is a formality or is this a request for more of something that has already been approved.

Ms. Rowitsch responded that this is not a new request outside of the existing DA and that under the DA they have the right to develop a maximum number of lots.

Chairman Blair asked if this request is part of their allotted amount.

Ms. Rowitsch confirmed.

Member Goode stated he would like to look at the total allotted amount of water for the master planned community, and asked how many dwelling units and acre feet are going to be provided for the entire DA.

Ms. Rowitsch responded that staff does have that number but recommends legal go through their analysis.

Member Goode commented that there will be a period of time where there is only one ingress and egress and asked if the units will be sprinkled.

Ms. Rowitsch confirmed the sprinklers and added that the limited egresses will be an interim condition until phase IIB.

Developer Mike Fann addressed the Subcommittee stating that although he would like to build the whole thing initially the access is through someone else's property, has spoken to a representative but owner is not interested in building it. He has offered to fund it and be re-paid, but was denied and has done everything in his power to make it happen. Has come up with a plan to build an all-weather secondary access off of Smoketree for fire and construction crews. Will probably set up a re-imbursement district so the landowner can pay their fair share.

Member of the public Jim Garing addressed the Subcommittee and stated that this new configuration is inconsistent with the master plan; has not gone through the process that the DA requires.

MOTION BY MEMBER SISCHKA TO RECOMMEND FORWARDING WSA21-016 TO COUNCIL FOR APPROVAL; SECONDED BY CHAIRMAN BLAIR: PASSED [3-0].

5. DISCUSSION ITEMS

A. Focus Topic - Decision and Order No. 86-401501.0001 Modification Update Presentation

Water Resources Project Manager Leslie Graser provided a presentation to the Subcommittee regarding the Decision and Order Modification update.

- Review of Application Requirements - Ms. Graser shared the components of the application that are being worked on:
 - General info to include requirement for a Council Resolution
 - Demand estimates
 - Physical ability
 - Continuous availability and legal availability of source water
 - Consistency with management goal
 - Water quality
 - Fees – initial of \$2,000, maximum of \$35,000
- Pre-Application Meeting Summary
 - ADWR encourages a pre-app meeting prior to filing an application
 - City attended a 1-hour meeting on August 25th, and a request was made for a second to discuss groundwater modeling.
 - August 25th meeting focused on the use of the WRMM for demand estimates, process for groundwater allowance increased, and inclusion of the surface water claim identified in city contract 2022-011.
 - Follow-up materials are requested by ADWR for the following:
 - Comparison of the WRMM to the ADWT Project Demand Estimator
 - Process for resolving groundwater allowance
 - A narrative on the surface water claim
 - The process and example for exempt well usage replaced by permanent city water service submitted 09/14/2021.
- Groundwater Model Update
 - Prescott Lakes Masterplan – needed to provide update to ADWR showing the entire plat
 - New PrAMA Model Released by ADWR on 06/23/2021
 - Were some missing files – received complete model on 07/2/2021
 - Analysis revealed some necessary corrections
 - Worked with ADWR on corrections and model, released 09/24/2021
 - Satisfactory Model in place
 - Consultant added 100 year look across the model
 - Model runs to meet assured water supply program criteria is currently under discussion
 - DAWS Model Scenario Setup
 - Model runs and output from the scenario
- Schedule
 - Second pre-application meeting with ADWR – October date TBD
 - Bring to Council Study Session – October date TBD
 - Bring to Council Voting Session – November date TBD
 - Submit the city's Designated Assured Water Supply (DAWS) modification – goal is to submit before holidays, is due by December.

Member Sischka asked when the Big Chino study will be available to the public.

Ms. Graser responded in July of 2022.

Member of the public Jim Garing addressed the Subcommittee and stated he has seen the model and will be interested to hear what CWAG has to say. Rainfall should not be depended on to replenish the groundwater supply.

Member of the public Leslie Hoy addressed the Subcommittee and asked about the amount of groundwater being requested in the Decision and Order, and if the overdraft will be considered in that.

Ms. Graser responded that the model needs to be fully running before that is addressed, possibly at the Study Session planned for October.

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

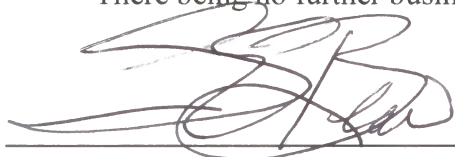
B. Focus Topic - Comprehensive Agreement No. 1 Fiscal Year 2021 Annual Report.

This Item was tabled until the November 2, 2021 Water Issues Meeting.

6. GENERAL ANNOUNCEMENTS – Item 6 tabled until the November 2, 2021 Water Issues Meeting.

7. ADJOURNMENT

There being no further business to discuss, Chairman Blair adjourned the meeting at 11:27 a.m.



Steve Blair, Chairman

ATTEST:



Jennifer Wiita, Deputy City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the regular Subcommittee Meeting of the Council Subcommittee on Water Issues of the City of Prescott, Arizona held on ~~September 7, 2021~~ October 5, 2021. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 10th day of November, 2021

AFFIX
CITY SEAL



Jennifer Wiita, Deputy City Clerk