



COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEETING

SUBCOMMITTEE MEETING AGENDA

TUESDAY, SEPTEMBER 4, 2018, 9:00 AM

Lower Level City Hall, 201 South Cortez Street
Prescott AZ 86303
(928) 777-1272

Jim Lamerson, Chairman

Steve Blair, Councilman

Steve Sischka, Councilman

The following Agenda will be considered by the Prescott **Council Subcommittee for Water Issues** at its **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 Subcommittee may be attending the meeting through the use of a technological device.

- A. Call to Order
- B. Roll Call
- C. Approval of Minutes of July 3, 2018
- D. 2018 Alternative Water Budget Update
- E. Water Service Agreement Applications Summary
- F. City's Water Portfolio and 2019 Policy Outline
- G. Drop by Drop September program
- H. Update on the CWAG Presentation
- I. Adjournment

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the Council Subcommittee for Water Issues, the Council Subcommittee may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 48 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at www.azrelay.org

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless Council Subcommittee for Water Issues takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott Council Subcommittee for Water Issues with the City Clerk

Maureen Scott, MMC, City Clerk

COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: Approval of Minutes of July 3, 2018

Item Summary

Subcommittee meeting minutes from July 3, 2018, for review and approval. The August 7, 2018, meeting was not conducted with the approval of the Subcommittee Chairman.

Attachments

1. Council Subcommittee meeting minutes of July 3, 2018

Recommended Action: MOVE to approve Subcommittee minutes of July 3, 2018.

MINUTES OF THE CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES HELD ON JULY 3, 2018, IN THE LOWER LEVEL CONFERENCE ROOM, LOCATED AT 201 S. CORTEZ STREET, PRESCOTT, ARIZONA.

A. Call to Order

Chairman Lamerson called the meeting to order at 9:05 a.m.

B. Roll Call

CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEMBERS:

Present:

Chairman Jim Lamerson

Member Steve Blair

Member Steve Sischka (arrived 9:11 a.m.)

Staff Present:

Michael Lamar, City Manager

Jon Paladini, City Attorney

Leslie Graser, Water Resource Manager

Craig Dotseth, Public Works Director

Teresa Ogle, Administrative Assistant

C. Approval of Minutes for the April 3, 2018 Meeting

COUNCILMAN BLAIR MOVED TO APPROVE THE MEETING MINUTES OF MAY 23, 2018; CHAIRMAN LAMERSON 2ND. PASSED (2.0). (COUNCILMAN SISCHKA NOT PRESENT FOR THE VOTE)

D. Alternative Water Budget Update

Leslie Graser reviewed the 2018 Alternative Water Budget. The single-family category was budgeted at 20 acre-feet (AF), with 19.25 AF remaining. The multi-family category was budgeted at 10 AF, with 0.68 AF remaining.

E. Whispering Rock Annexation Update and 2018 Alternative Water Budget

Whispering Rock, a commercial subdivision (approximately 70.25 acres), is seeking annexation in the City of Prescott. The intersection entering the proposed annexation will line up with the entrance to ERAU. A draft Development Agreement is under review. The aerial location map was reviewed.

Councilman Blair asked if this subdivision followed the established requirements for an annexation. Jon Paladini stated that it meets all statutory requirements for an annexation. Annexation makes sense due to prime highway frontage, and already annexed properties to the north and east of the subject property.

The amount of water required is unknown until the plat is finalized. The preliminary plat includes open space, parking lots, and trail heads. This will be an employment intensive, medically-oriented development, including urgent care, assisted living, a surgical center and two hotels for visitors.

There will be limited residential use for housing of medical professionals who work there. The development will also include restaurants and limited retail.

Councilman Lamerson asked if this development was consistent with the General Plan for commercial versus residential. Jon Paladini indicated that the planning commission approved this plan as consistent with rezoning to Business General for this area. There will be an attempt to limit the project to 7-8 years for build out. At that time the City may be able to take back the unused water, so that it will not be tied up forever. Water allocation will be tied (via DA) to the final preliminary plat.

Councilman Blair asked about the City-owned properties adjacent to this project, which are zoned RS. East of the property there are City trails that could be accessible from the project.

COUNCILMAN SISCHKA MOVED THAT THE SUBCOMMITTEE FOR WATER ISSUES RECOMMEND THAT THE WHISPERING ROCK ANNEXATION AND PROPOSED PROJECT AS SHOWN ON ATTACHMENT 1 BE ALLOCATED WATER SUPPLIES FROM THE CALENDAR YEAR 2018 COMMERCIAL CATEGORY. STEVE BLAIR 2ND. PASSED (3-0).

F. Liberator Commercial Expansion Annexation Update and 2018 Alternative Water Budget

The Liberator Commercial Expansion project, a commercial subdivision which is approximately 66.7 acres, is seeking annexation into the City of Prescott. The property which is next to the recharge facility is currently in the County and zoned as Light Industrial. The Fann Corporate Headquarters would be moving to this property, and also would include about 8 small industrial lots. Changes to the surrounding streets would extend Center Force and Liberator Drive into the property. Water usage is proposed at about 20 acre feet from the Commercial portfolio.

COUNCILMAN BLAIR MOVED THAT THE SUBCOMMITTEE FOR WATER ISSUES RECOMMEND THAT LIBERATOR COMMERCIAL EXPANSION ANNEXATION AND PROPOSED PROJECT AS SHOWN ON ATTACHMENT 1 HAVE WATER SUPPLIES ALLOCATED FROM THE CALENDAR YEAR 2018 COMMERCIAL CATEGORY. COUNCILMAN SISCHKA 2ND. PASSED (3-0).

G. Commercial Subdivisions

This is Part 2 of a 3 part discussion on commercial subdivisions, relative to assured water supply requirements. Part 2 identifies existing commercial subdivisions without a Water Service Agreement.

Arizona Revised Statute § 32-2101 applies to both residential and commercial subdivisions, and requires that all subdivisions have an assured water supply.

Data was pulled using GIS and the long-term management model to identify existing subdivisions without a Water Service Agreement. . The list includes subdivisions without contracts that came in after 1998, which are currently riding on the .10 mark up.

The next part in this series will be to propose guidelines for placing alternative supplies for existing commercial subdivisions and future commercial subdivisions into contract. Staff will work with Utility Billing to assign actual usage and continue to review data to further dial in these numbers.

THE SUBCOMMITTEE MADE NO RECOMMENDATION AS THIS WAS AN INFORMATION ITEM.

H. Blyth IRA, Water Services Agreement

This is an in-fill project seeking an alternative water allocation for a single-family residence on land within the City limits. The total water for this project per the 2018 Policy requires an alternative water allocation of 0.12 acre-feet, and can be administratively approved by the City Manager.

THE SUBCOMMITTEE MADE NO RECOMMENDATION AS THIS WSA MEETS THE CITY'S WATER POLICY FOR ADMINISTRATIVE APPROVAL.

I. Highland Pines Domestic Water Improvement District IGA

- a. Janelle Riedl APN 100-04-113**
- b. Ron Lofgren APN 100-06-026**
- c. Richard O'Neall APN 100-01-075C**

The Water Service Agreement with Highland Pines Properties, Inc. dates back to August 10, 1970. Later in 1997, the City entered into an Intergovernmental Agreement (IGA) with the Highland Pines Domestic Water Improvement District, City Contract No. 1997-176, with subsequent amendments to each with a different reason to include more land, and in some cases water service to properties that were outside the IGA boundary.

Owner 1

Janelle Riedl currently resides on APN 100-04-113. Ms. Riedl owned APN 100-01-127H which on June 30, 2005, was split into APN 100-01-127J and 127K. The parent parcel of APN 100-01-127H was APN 100-01-108Q (this is the County's first digital record) and subsequently further splits occurred starting on March 23, 1994, creating the APN series of 127 and 127A. A neighbor (Owner 2 - Lofgren) entered into an agreement that if the parcel APN 100-01-127H could be split, the Lofgrens would purchase a portion of the former lot. In 2005, the property was split creating APN 100-01-127J (1.5 acres) and K (0.75 acres). Ms. Riedl would now like to combine APN 100-04-113 and 100-01-127J. This owner is not seeking an additional connection to City water supplies.

Owner 2

Ron Lofgren and Martha Walton-Lofgren currently reside on APN 100-06-026. In 2005, an adjacent parcel (APN 100-01-127K) was available for sale and two neighbors were interested in splitting the lot (see Owner 1 information), with each person purchasing a portion of said parcel. They are seeking to combine APN 100-06-026 with 100-01-127K. This owner is not seeking an additional connection to City water supplies.

Owner 3

Richard C. O'Neall currently owns APN 100-01-075C (0.11 acres). He would like to remove the parcel from the Highland Pines IGA and combine the parcel with APN 100-01-155C (7.99 acres) to complete an 8 acre parcel. The resulting parcel would then be split into 4, 2-acre parcels and would be made available for sale. This owner is not seeking City water supplies, and would not be eligible for such supplies.

STEVE SISCHKA MOVED TO RECOMMEND CITY WATER RESOURCE MANAGEMENT CONTINUE TO WORK WITH THE PARTIES TO PREPARE AMENDMENTS TO THE IGA WITHOUT THE CITY INCURRING ADDITIONAL WATER SUPPLY OBLIGATIONS. CHAIRMAN LAMERSON 2ND. PASSED (3-0).

J. Adjournment

There being no further business to discuss, the meeting was adjourned at 10:09 a.m.

Respectfully Submitted by:

Teresa Ogle, Administrative Coordinator

Councilman Jim Lamerson, Chairman

Date: _____

COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: 2018 Alternative Water Budget Update

Summary

For Calendar Year 2018 (January 1, 2018, through December 31, 2018), alternative water for new development was made available ("budgeted") by Council in the categories below; the remaining unallocated balances are as indicated:

	2018 Budget	Amount of Budget Remaining
Single Family	20 acre-feet	19.25 acre-feet
Multi-Family	10 acre-feet	0.68 acre-feet
Commercial	100 acre-feet	20.0 acre-feet

No single project is eligible for allocation of more than 50% of the applicable preceding quantity, or of the remaining balance during the calendar year.

The opening balance of alternative water available for 2018 was set by the 2018 Water Management Policy, approved by Council at their December 12, 2017, Voting Meeting.

New Water Service Agreement applications have been received. Application No. 18-011 will require Subcommittee recommendation in accordance with City water policy.

Water Service Agreement (WSA) Requests on this Agenda (in acre-feet)

Application No.	Applicant	Development Type	Total Project Qty Required	GW¹	Alternative Water	
					Reserved²	Not Reserved³
18-009	Harper	1 SFR	0.25		0.25	
18-011	Routson	4 MFR	0.60	0.36		0.30
18-012	Pluger	1 SFR	0.25			0.25

SFR = single-family residential MFR = multi-family residential APT = apartment units

COM = commercial

AGENDA ITEM: 2018 Alternative Water Budget Update

- ¹ GW = eligibility from current & committed groundwater, well abandonment, or extinguished IGFRs
- ² Alternative water reservations apply (e.g., residential tract, CVID)

Recommended Action: For information purposes only.

COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: Water Service Agreement Applications Summary
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Summary

Five (5) Water Service Agreement Applications have been received since the last meeting conducted on July 3, 2018. Only one (1) application will need review for Council Subcommittee recommendation.

WSA Applications

WSA 18-009 (Harper)

The request for supplies was in the amount of 0.25 AF/year and was provided from the CVID Reservation. In accordance with City water policy the contract was administratively approved.

WSA 18-010 (Whispering Rock)

The original request for supplies in the amount of 60 AF/year was estimated using an initial site plan. In July 2018, the Subcommittee made recommendation for allocation from the 2018 Commercial block. The annexation hearing was conducted at City Council Voting Session of August 28, 2018. The Development Agreement is scheduled for Council Voting Session on September 11, 2018.

WSA 18-011 (Routson)

An application was filed by Dan Routson, owner of APN 109-14-025, on August 20, 2018, seeking an alternative water allocation for four (4) multi-family units resulting in two (2) duplexes. See Attachments 1 and 2.

In accordance with the Calendar Year 2018 Water Management Policy the applicant submitted a corresponding building permit (B1804-115). The total water allocation for this project is 0.60 AF/year of which a portion will be from current and committed groundwater; the remainder will require an alternative water allocation in the amount of 0.30 AF/year. This volume is available in the 2018 water budget.

WSA 18-012 (Pfluger)

The request for supplies in the amount of 0.25 AF/year and was available from the 2018 residential block. In accordance with City water policy the contract meets administrative approval requirements.

AGENDA ITEM: Water Service Agreement Applications Summary
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WSA 18-013 (3rd Gen Enterprises, LLC)

The request for supplies was in the amount of 20 AF/year. In July 2018, the Subcommittee made recommendation for allocation from the 2018 Commercial block. The annexation hearing was scheduled at City Council Voting Session on August 28, 2018. The annexation hearing was conducted at City Council Voting Session of August 28, 2018.

Attachments

1. Water Service Agreement Application No. 18-011
2. Location Map for WSA Application No. 18-011

Recommended Action: Forward Water Service Agreement Application No. 18-011 to Council for consideration of approval.



WATER SERVICE AGREEMENT APPLICATION

Water Resource Management Division
201 S Cortez St., Prescott, AZ 86303
(P) 928.777.1645 (F) 928.777.1255

Please complete the form and submit a legible legal description on a separate sheet of paper as well as a site plan of the subject property with proposed improvements. Submit all documents and the filing fee directly to the Community Development Department at 201 S Cortez St., Prescott, AZ 86302.

APPLICANT INFORMATION

Applicant: DONALD C. ROXTSON Contact Person: DONALD C. ROXTSON
Address: 11500 W. FAIR OAKS RD City/State/Zip: PRESOTT, AZ 86305
Phone: 928-460-2836 Email: dcroutson@gmail.com

Property Owner: DONALD C. ROXTSON Contact Person: _____
Address: 11500 W. FAIR OAKS RD City/State/Zip: PRESOTT, AZ 86305
Phone: 928-460-2836 Email: dcroutson@gmail.com

PROJECT SITE

Address: 516 S. MONTEZUMA
Current Zoning: BR Proposed Zoning: _____
Assessor's Parcel Number(s) of Existing Property: 109-14-025
Existing Water Service (Y/N): 5/8" Existing Sewer Service (Y/N): 4" φ
Existing Well (Y/N): N/A If Yes, Well Registry No.: _____

PROJECT DESCRIPTION

Is the project Residential or Commercial? RES.
Please provide brief description: STACKED DUPLEX. EA. UNIT IS TWO BEDROOM, ONE BATH (3/4), KITCHEN & WASH. MACH.

of Proposed Units: 2 # of Proposed Lots: 1 EXISTING LOT

Has a Water Demand Analysis been completed (commercial)? N/A
Has a building permit application been submitted? YES
Has a Planning and Zoning Recommendation been made? _____

Applicant Signature: [Signature]

Date: 8-20-18

OFFICE USE ONLY

DATE	PERMIT #: WSA18-011	FEE PAID:	ACCELA:	Legal Attached:
SITE PLAN:	BUILDING PERMIT: B1804-115	PRELIMINARY/PLAT:		

Attachment: Water Service Agreement Application No. 18-011 (2160 : Item E: Water Service Agreement Applications Summary)

FIELD SET

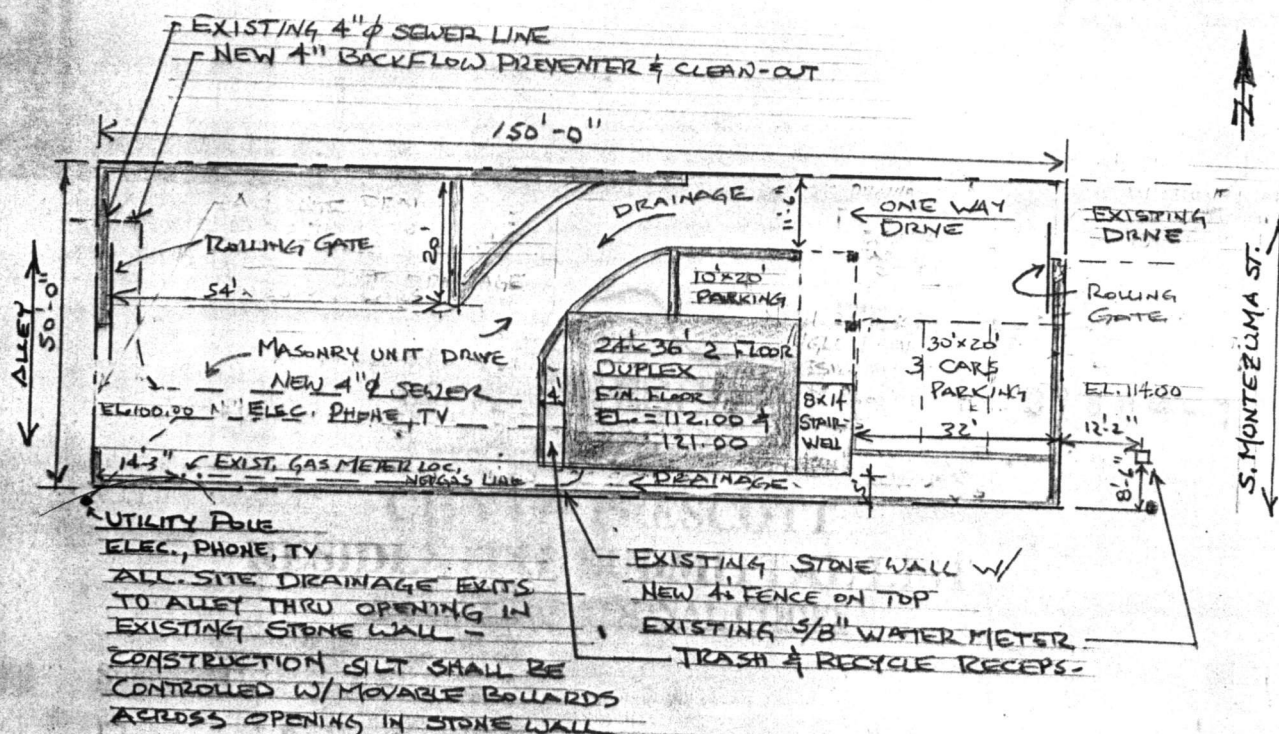
CITY OF PRESCOTT
Everybody's Hometown

B1804-115

CITY OF PRESCOTT
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING SAFETY DIVISION
PLOT PLAN SKETCH - 2012 CODES

Building Permit #:		Job Address: <u>516 S. MONTEZUMA ST.</u>	
Scale: 1 inch = <u>30</u> ft.		Assessor's Parcel Number (s): <u>10914025</u>	
City of Prescott Building Division APPROVED	City of Prescott Planning & Zoning APPROVED	City of Prescott Engineering APPROVED	City of Prescott Fire Department APPROVED

1. It is the responsibility of the owner or contractor to field verify ALL UTILITY MAINS prior to construction.
 2. Any improvement in City right-of-way requires permit issued by City Engineering Department per Ordinance #1338.
 3. No structure shall encroach onto any easement or right-of-way. Driveway entrance may require dip section or minimum 12 inch corrugated metal pipe.
 4. DO NOT ALTER SIDEWALK. SIDEWALK MUST MEET AMERICANS WITH DISABILITIES ACT (ADA) STANDARDS.
- All mailbox installations must be to City of Prescott standard detail 1-08. Any deviation must be specially permitted by the Engineering Department.
6. Approval of the Planning & Zoning Department is subject to all other easements, encumbrances, etc. or restriction which may apply to said property by virtue of any City Ordinances and/or state law and deed restrictions. The City takes no responsibility for said restrictions or requirements and the burden to comply with such restrictions lies solely with the property owner and/or applicant.



SCALE: 1" = 30'-0"

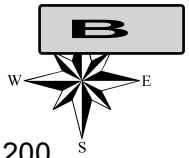
I, DONALD C. ROUTSON, the owner's agent or the owner of record, for the structure to be located at:
516 S. MONTEZUMA, parcel number 10914025, do certify that the structure will meet all required setbacks, the property corner pins are correct and the footings are excavated upon the property as shown on the City approved site plan. If for any reason any deviation from the approved site plan becomes necessary, a revised site plan will be submitted for approval before any additional construction takes place.

Donald C. Routson
 Owner/Contractor Signature

JAN-31-2018
 Date



Exhibit B WSA 18-011



COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: Discussion on the City's Water Portfolio and Proposed Outline for Calendar Year 2019 and forward Water Management Policy

Summary

Each year the Council Subcommittee receives an update on the overall water portfolio. Since 1999, the Council has made available for use certain volumes from the water portfolio, and further created set-asides or reservations as they determined necessary for the community. Understanding the structure of the water accounts, the volumes that have been placed into contract, and the remaining volumes available are used to guide the following year(s) policy.

Discussion topics

1. Review of the City's water portfolio tracking spreadsheet. The general pool, and current set-asides and reservations will be identified, and their available supplies for possible allocation.
2. Next water management policy
 - In September, the Council Subcommittee begins work on the water management policy for the coming year(s). A new outline is under consideration.
 - The next policy is proposed to be five (5) years, Calendar Year 2019 through 2023.
 - Portfolio policies under development for consideration by the Council
 - i. Recombine all water blocks in the City Portfolio that are not a court-decree (i.e Historic/Pre-Existing, and Vacant Residentially Zoned Tracts)
 - ii. Reinstate for use supplies that were originally over-allocated either by the State (Groundwater) or by the City (Alt water)
 - iii. Open the City's Long-term Storage Account (2009 D&O) for use
 - iv. During the policy time period, develop cost/benefit analysis to determine the cost of water for applicants, and process to track contract consumption and require payment for water used in excess of the contract volume.
 - Allocation policies – similar to previous City policies, these provide bounds for the Water Resource Management Division to address new applicants and move projects through the approval process (administrative or Council

AGENDA ITEM: Discussion on the City's Water Portfolio and Proposed Outline for Calendar Year 2019 and forward Water Management Policy

approval). This also sets forth the tracking procedures of the City's portfolio supplies (specifically the "alt" water supplies).

Recommended Action: For discussion and Council Subcommittee direction.

COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: Presentation and Discussion on the September WaterSmart: Drop by Drop Program

Summary

In January 2018, the City initiated a monthly water education series at the Prescott Public Library. The next presentation will be provided on September 19, 2018, and will focus on the Big Chino Water Ranch (BCWR) Project. Based on previous presentations at the library, this is a topic that has elevated interest by the public. Water Resource Management will provide the Subcommittee with a brief overview of the elements of the BCWR that will be discussed and updates related to the monitoring and modeling work (Comprehensive Agreement No. 1).

Recommended Action: For informational purposes only.

COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **9-4-18**

DEPARTMENT: **Public Works**

AGENDA ITEM: Update on the Presentation by the Citizen's Water Advocacy Group

Summary

The Citizen's Water Advocacy Group (CWAG) provided the City with two papers, 1) CWAG Position on New Annexations, and 2) CWAG Policy on Landscape Water, both approved by the CWAG Board on April 9, 2018. The City was contacted by the organization and a meeting was scheduled on June 21, 2018, where Water Resource Management was able to provide some feedback on the "CWAG Policy on Landscape Water." CWAG sought placement on the City's Council Subcommittee for Water Issues agenda in September 2018; however, the meeting was cancelled, due to no pending WSA applications, at the approval of the Subcommittee Chairman.

Recommended Action: Placement of a CWAG presentation on a proposed landscape policy onto the October or another future agenda.