



COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEETING AGENDA

WEDNESDAY, MAY 23, 2018, 9:00 AM

Lower Level Conference Room, 201 South Cortez Street
Prescott AZ 86303
(928) 777-1100

Jim Lamerson, Chairman

Steve Blair, Member

Steve Sischka, Member

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 for the April 03, 2018 Meeting
- D. 2018 Alternative Water Budget Update
- E. Commercial Subdivisions and Assured Water Supply Requirements
- F. Scheduling of Next Subcommittee Meeting
- G. 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

SUBCOMMITTEE AGENDA MEMO

MEETING DATE/TYPE: SUBCOMMITTEE MEETING 5-23-18

DEPARTMENT: Water Resources

AGENDA ITEM: Subcommittee Memo

Item Summary

Approval of April 3, 2018 Council Subcommittee on Water Issues Minutes.

Attachments

1. April 03, 2018 Draft Minutes

Recommended Action: Approve the April 03, 2018 Minutes.

CITY COUNCIL SUBCOMMITTEE
FOR WATER ISSUES
REGULAR MEETING
TUESDAY, APRIL 3, 2018
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES HELD ON APRIL 3, 2018, in the LOWER LEVEL CONFERENCE ROOM, located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

A. Call to Order.

Chairman Lamerson called the meeting to order at 9:00 a.m.

B. Roll Call.

CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEMBERS:

Present:

Chairman Jim Lamerson
Member Steve Blair (arrived 9:06 a.m.)
Member Steve Sischka

Staff Present:

Michael Lamar, City Manager
Clyde Halstead, Assistant City Attorney
Craig McConnell, Regional Programs Director
Leslie Graser, Water Resource Manager

C. Approval of Minutes of February 6, 2018

COUNCILMAN SISCHKA MOVED TO APPROVE THE MEETING MINUTES OF FEBRUARY 6, 2018; PASSED (2-0). (COUNCILMAN BLAIR NOT PRESENT FOR THE VOTE)

D. 2018 Alternative Water Budget Update

Leslie Graser reviewed the 2018 Alternative Water Budget. The single- family category was budgeted at 20 AF and 18.75 AF remained. The multi-family category was budgeted at 10 AF and due to actions in December 2017, 4.4 AF remained.

Councilman Sischka inquired if the Commercial Reservation still stood at 100 AF. Leslie Graser confirmed that availability, and reviewed the unit allocation for single-family and multi-family residential projects. Craig McConnell noted that the Commercial reservation is not budgeted, but in fact is a reservation, which is why it does not appear on the Alternative Water Budget Update memorandum.

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

E. Requests for Water Service Agreements

1. WSA 18-001 (Wagner) – The request pertains to a single-family residence that can be administratively approved.

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

2. WSA 18-002 (Garage City, LLC/Willow Lake RV Condos) – Councilman Blair entered the meeting at this time. The property is vacant, and plan is to offer 59 storage condominiums, with a toilet and a sink in each one. The property has a 1997 Development Agreement, which anticipated less than 2 AF of demand in the future. The grandfathered groundwater is 1.8 AF, which should be sufficient for the project. Councilman Lamerson asked for clarification of the being a “condo” project. Craig McConnell explained that condos signify the ownership structure, not the actual use of the property. McConnell stated that there would be a clause that a change of use of the parcel (from non-residential) would negate the WSA. City Manager Lamar stated that it appears the intent of this project is for storage, and the City will ensure it remains that way. This project needs to go through Community Development and Public Works process before it will proceed. Councilman Blair asked how we will make sure these do not become inhabited structures. Assistant City Attorney Clyde Halstead said that the City would treat it as a typical storage unit complex and periodically do inspections to ensure no one is living there. Leslie Graser said the WSA will be presented to Council in the future with the Development Agreement.

THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.

3. WSA 18-003 (Aspen Valley Properties, LLC/Las Palomas) – 26-Unit apartment complex eligible for alternative water from the residentially zoned tracts reservation. Performance criteria will be specified by the WSA..

THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.

4. WSA 18-004 (Wright) – This request pertains to a single-family residence that can be administratively approved.

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

5. WSA 18-005 (Bullwhacker Associates/Winfield) – A reservation or set-aside was made in 2015 for the old Bullwhacker Ranch. Former Community Development Planner Frank Hall helped determine the max density of perspective development. This project consists of 100 apartment units, requiring between 12-15 AF depending on water efficiency. The allocation will come out of the Bullwhacker Reservation. The WSA will appear on a future Council agenda.

THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.

6. WSA 18-006 (Stella) – This request pertains to a single-family residence that can be administratively approved.

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

F. Proposed Annexation (Askari Hojat, MD)

Leslie Graser provided an overview of the Whispering Rock annexation request located off of Willow Creek Road across from Embury-Riddle. The land cannot be annexed into the City without determination of water supply. A demand analysis was submitted to the City, identifying a need for about 60 AF.

Ms. Graser reviewed the quantities that have been or can be made available in the Calendar Year 2018 Water Management Policy.

Table 1: Calendar Year 2018 Alternative Water Budget		
Category	Remaining Volume (AF)	Comments
Single-Family	18.75	75 units with standard allocation; 93 units with water efficient allocation
Multi-Family	4.4	29 units with standard allocation; 36 units with water efficient allocation
Commercial	100	

Ms. Graser also reviewed the availability of water supplies in the portfolio by volumes that had been set aside or are part of the General Pool. They are as follows:

Table 2: Other Remaining Alternative Water (shading denotes the water supply is specifically restricted)		
Category	Remaining Volume (AF)	Comments
Deep Well Ranch 1	151.4	In a contract, not available
Deep Well Ranch 2	500	In a contract, not available
Deep Well Ranch 3	900	In a contract, not available
Vacant, residentially-zoned tracts	282.0	Initially created for use within the city limits for lands that had not yet developed. In Calendar Year 2016, 200 AF was transferred to the General Pool and each subsequent year 50 AF has been transferred. For Calendar Year 2019, another 50 AF will be transferred leaving 232 AF. Quantities in qualifying water service agreements approved in 2018 or subsequent years must be deducted from this 232 AF.
Chino Valley Irrigation District	501.2	In an IGA, not available
General Pool	291.2	The unreserved, unbudgeted balance.

Ms. Graser further reviewed ongoing and recent interest in projects that are seeking water supplies, estimated as follows:

Table 3: Projects Seeking Alternative Water		
Project	Inside or Outside City Limits	Approx. Requested Volume (AF)
Whispering Rock	Outside	60
New Fann Industrial Facility (3 rd Generation Enterprises, LLC)	Outside	5-10
AZ Eco	Outside	300
ERAU (20 year plan)	Inside	50-60
YRMC – West (10 year plan)	Inside	5-10
Lakeview Commercial Subdivision	Inside	TBD
Prescott Lakes Master plan	Inside	TBD

THE WATER ISSUES SUBCOMMITTEE RECOMMENDED THAT THIS REQUEST BE CONSIDERED BY THE COUNCIL AS A WHOLE, IN CONJUNCTION WITH THE PROSPECTIVE ANNEXATION AND ASSOCIATED LAND USES.

G. Proposed Annexation (3rd Generation Enterprises, LLC)

Leslie Graser provide an overview of this annexation which would also involve bringing a City property into the corporate limits. Water allocation for the project will require a second review, as it is now proposed to be a commercial subdivision (per state statutes, residential and commercial subdivision must have an Assured Water Supply). The property owner will need to provide a demand calculation addressing both the current metered volumes and possible uses on the other lots to be created.

The City's 2018 Water Management Policy identified a commercial allocation quantity of 100 AF. Subject to annexation of the property, the associated demand could be satisfied from this source.

THE WATER ISSUES SUBCOMMITTEE MADE NO RECOMMENDATION AS THIS ITEM WAS FOR INFORMATION PURPOSES AND THE PROJECT REMAINS UNDER REVIEW.

H. Adjournment

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Subcommittee for Water Issues held on the 6th day of February, 2018. I further certify the meeting was duly called and held, and a quorum was present.

Dated this ____ day of _____, 2018.

Leslie Graser, Water Resource Manager

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **5-23-18**

DEPARTMENT: **Water Resources**

AGENDA ITEM: Subcommittee Memo

Attachments

1. Alternative Water Portfolio Update

Recommended Action: For Subcommittee information.
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CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES AGENDA MEMO
May 23, 2018

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Alternative Water Portfolio Update

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Director: Craig McConnell

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:

	<u>Budget</u>	<u>Amount of Budget Remaining</u>
1. Single Family	20 acre-feet	18.50 acre-feet
2. Multi-Family	10 acre-feet	All 2018 supplies are in contract

No single project is eligible for allocation of more than 50% of the applicable preceding quantity (residential or commercial), 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.

No new Water Service Agreement applications have been received that require presentation/discussion at this meeting.

Recommended Action: For Subcommittee information.

MEETING DATE/TYPE: SUBCOMMITTEE MEETING 5-23-18

DEPARTMENT: Water Resources

AGENDA ITEM: Subcommittee Memo

Attachments

1. Commerical Subdivision Memo
2. Final Plat-The Crossings

Recommended Action: For Subcommittee Information.

CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES AGENDA MEMO

May 23, 2018

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Commercial Subdivisions and Assured Water Supply Requirements

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Director: Craig McConnell

Summary

On April, 26, 2018, Subcommittee members were provided a briefing memo in lieu of convening the May 1, 2018, regularly scheduled monthly meeting. An introduction to commercial subdivisions was provided therein. This memo will provide the first of an anticipated three-part discussion on this type of subdivision, relative to assured water supply requirements.

Background

Arizona Revised Statute § 32-2101 prescribes that the ADWR Assured and Adequate Water Supply Programs apply to both residential and commercial subdivisions:

“Subdivision” means improved or unimproved land or lands divided or proposed to be divided for the purpose of sale or lease, whether immediate or future, into six or more lots, parcels or fractional interests.

Post-1999, when the City became a Designated Provider of Assured Water Supplies, various commercial subdivisions proceeded to be approved. In some cases, these subdivisions were not accompanied by water service agreements identifying water demand and availability. This may have occurred for one of two reasons: 1) the City’s 2005-2010 Water Policy formally assigned supplies only if a commercial development required 5 AF/year or more; 2) assigning accurate supplies for a commercial subdivision is problematic since occupancies and hence quantities are generally unknown at the time of platting.

Upon adoption of the City’s Alternative Water Allocation Policy Calendar Year 2016 (Resolution No. 4328-1537, effective May 4, 2016, to December 31, 2016), a volume was identified for “commercial needs or economic development.” This volume, now adjusted to 100 AF, continues to be reserved in the Calendar Year 2018 Water Management Policy (Resolution No. 4411-1620, effective January 1, 2018, to December 31, 2018).

Steps to Address Commercial Subdivision Assured Water Supply (AWS)

Agenda Item: Commercial Subdivisions and Assured Water Supply Requirements

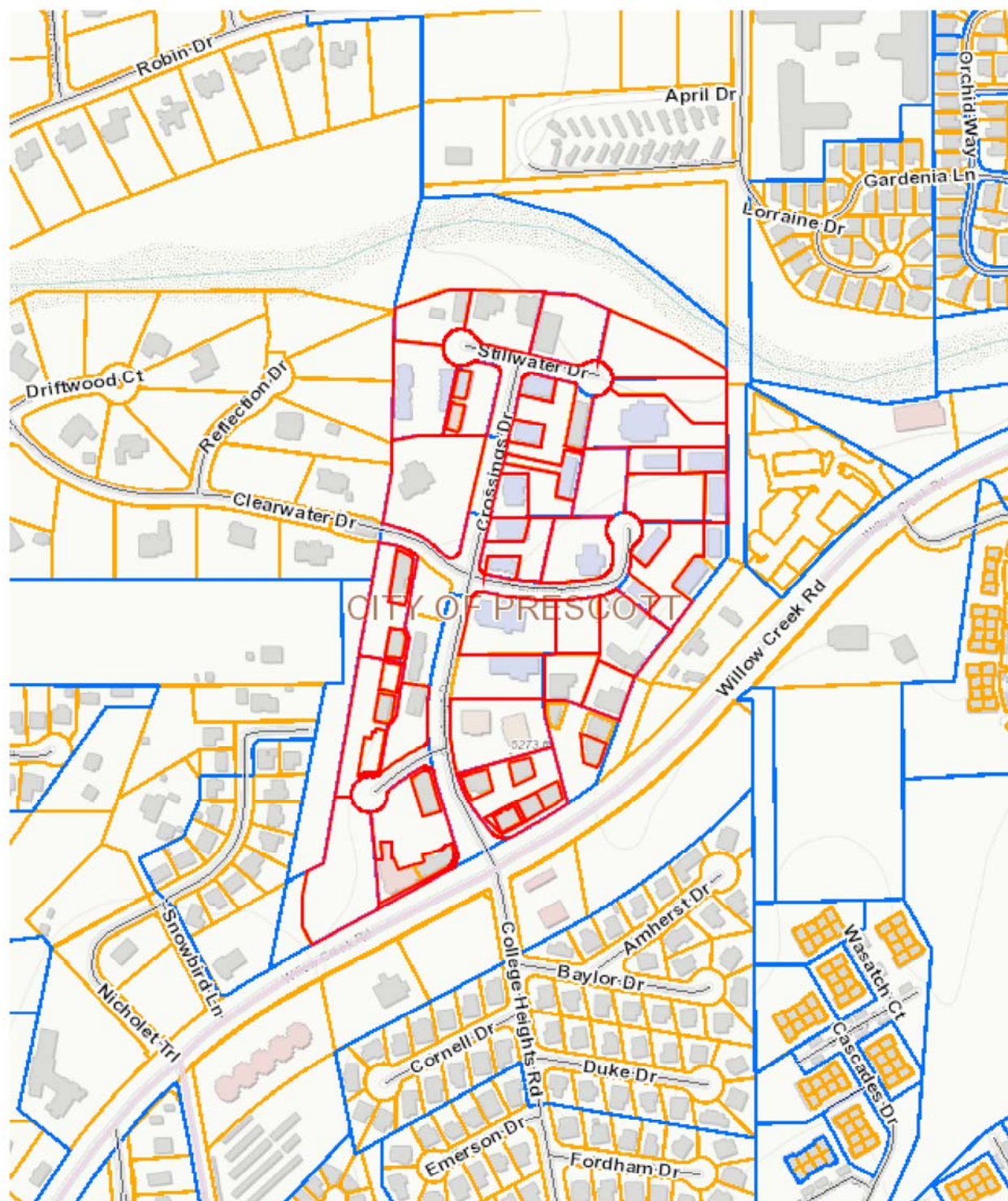
- 1) Review an example of an existing commercial subdivision (May 23, 2018)
- 2) Identify existing commercial subdivisions presently without a water service agreement (subsequent meeting)
- 3) Propose guidelines for placing alternative supplies for these commercial subdivisions and future commercial subdivision into contract (future meeting).

Attachment

- 1) Final Plat - The Crossings a Commercial Subdivision (example)

Recommended Action: For Subcommittee information.

The Crossings at Willow Creek Business Park



Disclaimer: Map and parcel information is believed to be accurate but accuracy is not guaranteed. No portion of the information should be considered to be, or used as, a legal document. The information is provided subject to the express condition that the user knowingly waives any and all claims for damages against Yavapai County that may arise from the use of this data.

Map printed on: 5.17.2018

Attachment: Final Plat-The Crossings (2004 : Commercial Subdivisions and Assured Water Supply Requirements)