

PRESCOTT CITY COUNCIL
REGULAR COUNCIL MEETING
PRESCOTT, ARIZONA
SEPTEMBER 26, 2006

A REGULAR MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, SEPTEMBER 26, 2006, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Mayor Simmons opened the meeting at 3:00 P.M. Councilwoman Suttles introduced Boy Scouts from Troops 10 and 5 and their leader to lead the Pledge of Allegiance. The Boy Scouts were presented with Prescott cups and it was noted they had a meeting with the Mayor and were earning a merit badge.

Mayor Simmons asked City Clerk Elizabeth Burke to call the roll, which was as follows:

Present:

Mayor Simmons
Councilman Bell
Councilman Blair
Councilman Lamerson
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

Absent:

None

SUMMARY OF CURRENT OR RECENT EVENTS

Manager Steve Norwood commented on the (1) Project Aware ceremony yesterday, which included Governor Janet Napolitano and commended Linda Hartmann for the great job in getting the CDBG project completed; (2) The Sanitation Department received a call a few weeks ago from a lady who thought she had thrown out her purse in the garbage; the men were able to find the route truck and searched through 10 tons of garbage and were able to find the purse; (3) the same type of thing happened with a set of keys a while ago; (4) also someone left \$10,000 in the bathroom at the sanitation department and the money was returned to its owner; (5) another garbage truck driver found a wallet on the road and called the lady who owned it and returned it to her. This was service second to none and the City was very proud of their employees.

Councilman Blair commended city staff for putting on a great employee picnic on Saturday.

I. PRESENTATIONS:**A. Introduction of New Businesses.**

Sam Welchons, Director of Membership and Marketing of the Prescott Chamber of Commerce, introduced the following new businesses:

1. Nita's Frozen Yogurt and Sandwiches in the Frontier Village Center
2. J Events located at 6020 N. Acorn Circle, Prescott Valley
3. Edward Jones Investments/Julie Pindzola at 2971 Willow Creek Road
4. MADShirtz at 303 E. Gurley Street, #155

Mayor Simmons introduced special guests in attendance today - Lucy Mason, Tom O'Halleron, and Andy Tobin.

B. Presentation on Prescott Resources for Sustainable Community Development.

Jan Bryan, Certified Financial Planner and Mary Linn, Marketing Director for Prescott College, presented information regarding a Green to Gold Sustainability Cities Conference held in March and they offered to assist Prescott in attaining Green to Gold goals relating to growth. The next meeting would be held October 19, 2006, at lunchtime at Prescott College.

C. Presentation by Prescott Frontier Days, Inc. on the 2006 World's Oldest Rodeo.

Tony Zembik, President of Prescott Frontier Days, Inc. thanked the Council for their financial support; they were one of the top rodeo's on the Pro Rodeo tour; their profits were exceptional this year and the money for advertising outside Prescott and ticket sales did very well; he thanked the City for ongoing negotiations with Yavapai County on the transfer of the rodeo grounds to the City and it was heartwarming to know the City was with them.

Mayor Simmons commented since 2002 there had been a 72% increase in ticket sales and Councilman Blair asked what was done with the money they made and Mr. Zembik replied they had done approximately \$100,000 in improvements with the electrical system; the facility was built in the 1930s and needed to be upgraded; \$30,000 was put in to the bucking shoots, and \$20,000 was put in to improvements in the announcers booth for a total of \$150,000.00; they also were able to donate money to several groups; their motto was "We rodeo, We give".

Councilman Blair asked Manager Steve Norwood how the negotiations with Yavapai County for an exchange of properties were going and Mr. Norwood replied staff was pursuing the exchange vigorously but there was a gap yet.

Councilman Blair asked if the item would be back to Council in October and Mr. Norwood responded “probably not”.

II. CONSENT AGENDA

Councilwoman Suttles MOVED to APPROVE Items II-A through II-L of the Consent Agenda, which was SECONDED by Councilman Bell. The motion carried unanimously.

- A. Award bid for dry chlorine tablets to Hill Brothers Chemical Company in the estimated amount of \$60,192.00, including taxes and shipping.
- B. Adopt Ordinance No. 4555 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, extending and increasing the corporate limits of the City of Prescott by annexing property generally located northwest of Highway 89 on the north side of Ruger Road adjacent to the City of Prescott Airport and assigning zoning classifications thereto.
- C. Approve Special Use Permit for a Telecommunications Site for Alamosa PCS Wireless, for construction of a Mono Pole, 47 feet in height with associated equipment compound, at the rear of property located at 1052 Willow Creek Road (West of Goodyear Tire Dealership), zoned Business General (SUP06-002).
- D. Estrella Hills:
 - 1. Approve Preliminary Plat for Estrella Hills, a single-family subdivision containing 10 lots on 13 acres, located in the area of Green Lane and Meadowridge, zoned SF-35 (SP05-008).
 - 2. Approve Water Service Agreement with Chris Browning for 3.5 acre feet for Estrella Hills subdivision.
- E. Approve Final Plat of Timber Creek Villas Townhomes, Phase 2 PAD, 22 lots on 6.94 acres located on Hassayampa Lane South of its intersection with Thumb Butte Road, zoned SF-9 (FP06-014).
- F. Adopt Ordinance No. 4556 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona awarding a lease of a portion of City-owned property known as the City of Prescott Parking Garage at 135 South Granite to Sprint/Nextel for wireless communications facilities.

- G. Adopt Resolution No. 3780 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, approving and authorizing an IGA with the Arizona Division of Emergency Management (ADEM) and Pima County to enable the receipt of a grant from the Arizona Division of Emergency Management, Homeland Security Grant Program, for funding of tactical radio systems, emergency communication satellite systems and related equipment and authorizing the execution of any and all documents to implement same.
- H. Adopt Ordinance No. 4558 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of easements and right of way from the Prescott Unified School District for the Ruth Street Improvement Project and authorizing the Mayor and staff to execute any and all documents to effectuate said purchase.
- I. Adopt Ordinance No. 4559 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, disclaiming any title interest in real property known as Yavapai County Parcel No. 109-08-088 and authorizing the Mayor and staff to execute all necessary documents to disclaim such interest.
- J. Adopt Ordinance No. 4560 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the sale of a portion of property located on the City of Prescott South Golf Course, consisting of approximately 1,227 square feet to Andrew Ozols and authorizing the Mayor and staff to execute all necessary conveyance documents.
- K. Approve payment to Prescott Chamber of Commerce for Christmas lighting in the amount of \$30,000.00.
- L. Approve Minutes of the Prescott City Council Regular Voting Meeting of September 12, 2006.

III. REGULAR AGENDA

- A. **Public Hearing and approval of a liquor license application from John Stephen Protesto, agent for Spencer Stephens, LLC, for the person transfer of a Series 6, Bar, license for Scrappy's Sidestreet Bar and Grill located at 1011 Commerce Drive, Suite A and B.**

Clerk Elizabeth Burke explained this was a person transfer of a liquor license for Scrappy's Sidestreet Bar and Grill; the property was posted August 28 and no comments were received from the public.

The applicant was in the audience.

Councilman Blair MOVED to CLOSE the public hearing, which was SECONDED by Councilman Roecker. The motion passed unanimously.

Councilman Blair MOVED to APPROVE a liquor license application from John Stephen Protesto, agent for Spencer Stephens, LLC, for the person transfer of a Series 6, Bar, license for Scrappy's Sidestreet Bar and Grill located at 1011 Commerce Drive, Suite A and B, which was SECONDED by Councilwoman Suttles. The motion passed unanimously.

B. Approve preparation of contract with Southwest Land and Lake Tours for concessionaire services at Watson Lake Park.

Recreation Services Director Jim McCasland explained the company wished to enter into a contract with the City to run a concessionaire service; they had the right to use the city streets and lake without permission and it had been their idea to come to the Council and request a contract; and he had no new information to provide following the Study Session.

Councilwoman Suttles said if they had the right to use the vehicle on the streets and lake without City permission, why had they asked for a contract and Mr. McCasland responded they wanted to offer the City some revenue from the business.

Councilmembers expressed concern that Watson Lake was too small for such a large craft and would disrupt other smaller craft in the lake.

Mayor Simmons asked if the boat ramp would handle the weight and Mr. McCasland said he didn't believe that was an issue.

Speakers:

Karen O'Neil, 4560 S. Feldspar Road, member of Audubon Society – pointed out Watson and Willow Lake and Watson Woods were a part of an important bird area; it was a wintering ground for ducks and other water birds and food stops for migrating birds as well; the birds would be spooked at these large crafts and it would result in the birds looking for other places to winter, probably at Willow Lake; Watson Lake was not a big enough lake to handle this craft.

Brian Hauser, owner of the business, was asked how many times a day the tour would be run and Mr. Hauser replied in winter they would have 3 tours and in summer they would have 4 tours. He said he was glad to hear the concerns so they could be addressed; they had initiated the contract; it was a legal vehicle on land and water and didn't weigh more than a school bus or a garbage truck; they realized Watson Lake was small but they would not harm the land or tear things up or disturb the birds; it was a novelty vehicle because it could go on land and in

the water; they would only go out half way into the lake, turn around and come back; it wouldn't be detrimental to the landing or wildlife and wasn't any different than a vehicle backing and unloading a boat into the water.

Earl Burden, 2930 Horizon Hills Drive – Council asked if the ramp would hold a vehicle of this size and he was afraid there would be nothing left of the ramp for the boaters after this vehicle used it several times; it would pack down the dirt in the water; the ramp wasn't very usable now with the lower water level; if it got caught on rocks it would be difficult to get the large craft off the rocks; if it didn't use the ramp it would ruin the sides of the lake; he was against it; it wouldn't help the city; a sign by the lake said "no wake" and this boat would make a wave due to its size and the small boaters would have problems.

Norm Samuelson, 383 Bloomingdale Drive, member of the Paddle Club – was against the contract; the extension of the boat ramp was already a problem; the large vehicle would pollute the water with motor oil; he was strongly against the idea of letting them use the lake and encouraged the City to change the rules to prevent large vehicles in the lake.

Mayor Simmons said he was having problems with this because they had the right to do it without asking the City and yet the community was not in support and he would vote against it.

Councilman Lamerson commented they might have the right but the City didn't have to enter into an agreement and the lakes were small bodies of water.

Councilman Luzius suggested limiting the size of craft on Watson Lake.

Councilwoman Suttles MOVED to APPROVE preparation of a contract with Southwest Land and Lake Tours for concessionaire services at Watson Lake Park, which was SECONDED by Councilman Blair. The motion was DEFEATED unanimously.

C. Approve contract with Logan Simpson Design, Inc. in an amount not to exceed \$170,000.00 for the preparation of the City of Prescott Parks and Recreation Master Plan.

Recreation Services Director Jim McCasland explained the previous Parks and Recreation Master Plan was done in 1988; a new plan was a high Council priority this year; \$170,000 was budgeted to hire a consultant (\$140,000 from impact fees, \$30,000 from General Fund); and there was no new information to present.

Mayor Simmons said this was discussed at the Council retreat and was placed on the high priority list, \$170,000 had been budgeted and he was in favor of pursuing the development of a new plan; he also didn't like outside consultants but realized the City didn't have the staff or local people to do this.

Councilwoman Suttles brought up the fact many City projects such as this could not be done by City staff; a Master Plan was important and needed to be done but she didn't like hiring outside consultants to do it; she would not vote in favor of this contract.

Councilman Blair commented he would support the plan after looking at the scope of work to be done which affected numerous groups in the community, how the community wanted City parks to grow; it was essential to understand what the community wanted, and was part of the Strategic Plan.

Councilman Lamerson remarked he had been concerned about the \$30,000 from the General Fund; the plan had been a priority with the Council at the January retreat; after talking with Mr. McCasland and finding out the park user fees and other recreation fees went into the General Fund he would support this.

Councilman Bell said he also had spoken with Mr. McCasland and realized the complexity of the scope of work and even though he didn't like another consulting contract, he was impressed with the amount of work involved; the parks and recreation staff would be very involved with the process and the consultant and the community deserved this plan and he would support it.

Councilman Luzius talked prior to today's meeting with Mr. McCasland and as there had not been a new Master Plan for almost 20 years, the community needed to have a new updated one.

Earl Burden, 2930 Horizon Hills Drive – he worked with the consultants on the Steering Committee for the first Master Plan and they were very easy to work with. Council then adopted the Master Plan, however, there were features removed from the plan that was adopted.

Councilman Blair MOVED to APPROVE a contract with Logan Simpson Design, Inc. in an amount not to exceed \$170,000.00 for the preparation of the City of Prescott Parks and Recreation Master Plan, which was SECONDED by Councilman Bell. The motion passed 6-1 with Councilwoman Suttles casting the dissenting vote.

D. Adopt Ordinance No. 4557 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona amending Title III, Chapter 14 of the Prescott City Code relating to development fees.

Budget/Finance Director Mark Woodfill presented two different ordinances for Council to consider; one was prepared with only an increase in Police and Fire impact fees and the second ordinance contained Police and Fire impact fees raised to the maximum and 25% for the others, except Streets.

Councilman Blair said he was in favor of Option--Police and Fire with recommended amounts.

Councilman Lamerson didn't like impact fees but they could be used for new police cars and fire trucks and agreed with the Mayor that only Police and Fire impact fees should be considered at this time.

Councilwoman Suttles thought the proposed increases for Police and Fire were too high but realized impact fees were a necessary evil; she wasn't comfortable with only increasing the Police and Fire fees and was undecided on how to vote at this time.

Councilman Lamerson asked what the impact fees would bring in on approximately 600 units a year which was the approximately 2% growth rate stated in the Water Management policy and Mr. Woodfill said that would bring an estimated \$315,000 for Fire per year.

Councilman Blair suggested revisiting users fee because too much was being put on the back of new residents; a user fee could be charged to those outside City limits to use the Public Library for instance; he supported increasing impact fees.

Councilman Luzius supported increasing impact fees the maximum amount for Police and Fire only; he suggested having an Option C with all maximum amounts; the General Plan stated new growth must pay for itself.

Councilman Blair exclaimed it was wrong to put everything on City residents and Councilman Luzius pointed out Council was not discussing user fees; and anyone could go to Phoenix and use their roads and parks without being charged.

Councilman Roecker didn't want Police and Fire to get behind and supported the increase in those areas; he was not opposed to increasing the other fees but the Chamber of Commerce and other agencies had indicated an overall increase could have an impact on Prescott's economic base. He supported Option B and to come back and revisit the fee structure another time.

Councilman Bell wanted to make sure Police and Fire could take care of the community and he supported the increase in those impact fees at this time and to look at this in two years after the Parks Master Plan and Growth Strategy Plans were completed and review the other impact fees.

Speaker:

Jack Wilson, 1514 Eagle Ridge Road - Police and Fire were not the entire City; the other impact fees took care of other components of the City; Streets impact

fee was not being discussed at all and thought all the impact fees should be increased.

Councilman Bell MOVED to ADOPT Ordinance No. 4557 (Option B), which was SECONDED by Councilman Roecker.

Councilman Luzius said he was against the motion and the ordinance; he was dedicated to the Police and Fire Departments and they needed help; higher impact fees were needed, however, he would support the Police and Fire Departments and vote in favor of this action.

The motion passed unanimously.

E. Adopt Resolution No. 3778 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, in support of the application of equal standards for water quality including arsenic standards to exempt wells and revised criteria pertaining to exempt wells in the Prescott AMA accordingly.

Attorney Gary Kidd explained Items E and F were related in that both dealt with exempt wells; Resolution No. 3778 supported the application and a recommended policy statement to apply equally the water quality standards to both exempt wells and to municipalities; Prescott was required to treat their water to standards set by the Environmental Protection Agency but exempt wells did not have to comply with any water quality standards. The majority of exempt wells in the State were in Yavapai County and adoption of this resolution would provide a policy statement from Council.

Mayor Simmons understood there could be a recommendation from Council or from one of the Water Advisory groups.

Mr. Kidd verified there were a number of methods the support could take – a resolution with a policy statement by Council; the policy statement could then go to the Legislature or ADWR; a policy statement in a letter; Council could direct staff to approach the Groundwater Users Group with a resolution for them to address; or staff could take another look at it and come back to Council for more discussion.

Mayor Simmons suggested taking a regional approach and stated Councilman Lamerson wanted to bring the issues to the attention of the Legislature and that had been done.

Councilman Lamerson noted he wanted the Legislature to know Prescott was not happy with the water management strategy in the State; there were conflicting rules and regulations hindering the City's opportunity to address the issues and requirements that both the Federal and State governments had saddled local

municipalities in doing and he wanted the most effective way to begin a conversation at the State level to address rural Arizona concerns; it didn't matter if it was through a resolution, a letter, through GUAC, just some form of communication from the elected officials of the local AMA region and these issues needed to be hammered out and resolved for today and the future.

Councilman Roecker asked State Representatives Mason and O'Halleran which form of communication would be most effective to express the City's concerns to the Legislature.

Councilman Blair asked for an explanation of what GUAC was and it was clarified it was Groundwater Users Advisory Committee.

State Representative Tom O'Halleran, District 1, remarked he would appreciate any support to bring the issues forward; he said they had already started to research the arsenic issue based on the Council's comments several weeks ago so he would address exempt wells. He said there would be a Statewide water group coming to Prescott at the end of October and he hoped the Council would make sure their voices were heard loud and clear as the group would be making recommendations in the next session of the Legislature relating to water management in rural areas. He said proposed legislation relating to exempt wells in an AMA had failed to pass over the last three years; support from rural areas for better water management policies was appreciated. He currently served as Chair of the Natural Resource Committee that dealt with water issues but would probably not be in that position another year and suggested moving forward more quickly. The Legislature needed to know how the current laws affected Prescott's AMA and also because of wanting to bring in water from outside the AMA; the Resolution would be sent to the Governor and Legislature and if everyone in the AMA and County were together it would send a strong message.

Representative Lucy Mason thanked Councilman Lamerson for bringing this forward; the two resolutions exemplified Prescott's concerns and that's what they needed to hear; dialogue had been going on for a long time but the affected cities needed to get more vocal; she wanted her colleagues at the State Capitol to see the Resolutions and to begin discussions, but cautioned the Council to not stop and to go to GUAC and have the same discussion; and either come to Phoenix and meet with them or invite them back up here to keep discussions going.

Councilman Roecker noted Representative O'Halleran suggested GUAC should put something together for the region and asked if that was the way Council should proceed and Representative Mason replied it was important to hear from local jurisdictions about their concerns and sending the resolution to the Legislature was a good idea as it was a formalized way to get all the concerns across. She suggested Council vote on it today and to continue the dialogue and make recommendations.

Representative O'Halleran responded time was important and the Council should present their concerns to their State Representatives and then go to other organizations; the final statewide public hearings of the Statewide Water Advisory Committee would be completed by the end of October or the middle of November and recommendations would be put forward and put into the Legislative body for consideration and right now exempt wells or lot splits were not part of the process; the State was not taking this issue head-on but was looking for an easier route and he would appreciate Prescott being direct.

Councilman Luzius suggested voting on both resolutions today and not back pedaling and still cooperate with the other groups.

Mayor Simmons asked if it was better to address this on a regional basis or with the Prescott AMA only and Representative O'Halleran commented some recently passed legislation dealt with a specific AMA in a specific location and that was the only way it got out of Legislature; Prescott had a larger obligation to more than just an AMA and suggested looking at it as a regional issue.

Councilman Roecker pointed out that as of August this year, in the State of Arizona, there were 27,247 exempt wells located in Yavapai County; in Maricopa County there were 15,889 and they were the closest in number to Yavapai County; this was a problem that was more pressing in this area than in any other county in the State and thanked Councilman Lamerson for bringing this up and for the representatives being in attendance today.

Councilman Lamerson added the relevant number was there were 5 to 6 million people in Maricopa County, and several hundred thousand in Yavapai County and at no time was his intent related to the mom and pop wells in existence today; it was to question the State's logic in proliferating the continuation of exempt wells while the AMA in Prescott was trying to address the problem of safe yield and arsenic and the State seemed to be in competition for development, denying any responsibility or culpability for either of the issues.

Representative O'Halleran stressed the importance about personal property rights and no one was trying to take away the ability of anyone to have a home on their property; there were many things that could be done – incentive packages, cooperation on water districts, or other options to look at these issues on a higher level.

Councilman Lamerson pointed out the water that sat in the ground belonged to the State of Arizona but what did belong to the property owner was the well that was issued; once the property owner was given the water and the right to pump there should be an equitable level of safe yield that the State expected from the municipality; impact fees were a direct result of the unfunded mandates by the State and Federal government; Prescott was going to build a pipeline that was

going to cost a lot of money, and treat arsenic that was an unfunded mandate and would also cost a lot of money; the Legislature in January passed a bill that said if impact fees and hook-up fees cost more than what it cost to drill a well the property owner could get an exempt well in an assured water-providing community and the Legislature had compromised the City's ability to address the laws they had mandated Prescott to do.

Representative O'Halleran responded he did not know about the new regulation and was reviewing that currently; it was not the Legislative intent and the issue would be revisited; the intent was that In areas where there was a water provider service a person who built a house and could hook up to a water system would do so; if the service provider would not hook them up due to distance then they could drill a well and the impact fee issue probably came from the distance requirement and that was being reviewed currently.

Councilmembers expressed their gratitude to Representatives Mason and O'Halleran for being in attendance today as it reassured the Council the resolutions would be discussed.

Councilman Roecker was not comfortable with the wording of the resolutions and whether there were other options or to focus on Prescott AMA or include others and he wanted to be sure the wording was right.

Mr. Kidd said Council could approve the resolutions as written today, direct staff to bring revised resolutions back to the next Study Session with additional comments, make a motion to table the resolutions or direct staff to bring back a policy statement in a letter; it was their choice.

Councilman Roecker commented he didn't want to screw up the local economy by making suggestions that there be a cessation of exemptions for wells; it sounded like the City was saying to stop issuing permits and Mayor Simmons agreed he would also rather wait than send a flawed resolution to the Legislature.

Ranch Project Manager Jim Holt pointed out the Groundwater Users Advisory Council formed a Safe Yield Subcommittee about eight months ago and their mission was to examine and identify impediments and opportunities for achieving and maintaining the state of safe yield in the Prescott Active Management Area by the year 2025; they would recommend a strategic directive to GUAC no later than December 31; a draft report would be available in October and the impediments identified included exempt wells along with a number of other impediments; things brought up in today's meeting would likely be included in the report.

Speakers:

Howard Mechanic, 309 Bloom Place said he appreciated having the issue brought up and having the State Representatives in attendance. He suggested a simple resolution stating (1) the City wanted safe yield in the AMA, (2) need all users in the AMA to take responsibility for their overdraft, (3) therefore, exempt wells must participate in the regime to reach safe yield. Arsenic was a related issue but wasn't part of the exempt wells/safe yield issue and the City should only address one item. He would recommend staff specify they wanted safe yield and wanted all parties to participate in the safe yield program; State assistance was needed to get exempt wells to participate.

Mr. Mechanic continued the resolution relating to the arsenic issue didn't say within the resolution that according to staff or scientific evidence that arsenic standards were reasonable or unreasonable standards; there were reasons why regulations didn't apply to exempt wells regarding arsenic or numerous other chemicals that the city needed to test for and the City should stick to the issue of safe yield.

Mr. Mechanic suggested sending the resolution to the Legislature and to address this area only and request the setting up of a district run by the County Supervisors or someone else to have fees for all users to participate in safe yield. Mr. Mechanic concluded Council should make the resolution simple and send the resolution to the Legislature.

Jack Wilson, 1514 Eagle Ridge Road – He supported the resolution and urged the Council to go forward with it; he had attended a meeting of the statewide water group with Councilman Luzius a couple of months ago and there was agreement that exempt wells were a statewide problem, but there was opposition from homeowners' associations and cattle growers associations and nothing was done; the resolution was a good first step.

John Zambrano, 2910 West Crestview Drive – Exempt wells were an issue and something needed to be done; Mr. Mechanic was correct about addressing safe yield only; water quality standards were not going to change and input from exempt well owners was needed on how they might be regulated and said why antagonize the people you needed the cooperation from.

Mayor Simmons agreed Mr. Mechanic was correct that the two issues needed to be separate.

Dar Rosito, 2155 Chickadee Creek – The two resolutions were right in spirit but not in their wording and the cause of the problem was unfunded mandates and unfunded expectations from the State which were being passed on to the owners of exempt wells; he questioned the practicality of the resolutions because he had no other source of water to turn to; he asked if eventually he would have to put an arsenic treatment plant in his well or measure the amount of water that went in and came out to help with reaching the goal of safe yield.

Mr. Rosito continued, stating that a lot of people on wells used less water than if they were on City water because they were aware of how well or poorly their wells performed and urged Council to study and rewrite the resolutions.

Mr. Kidd explained Resolution No. 3778 was amended to make it clear the resolution regarding arsenic treatment would only apply to future exempt wells and both resolutions dealt only with future exempt wells.

Ken Janecek, 2764 Boone Court was concerned about the arsenic issue; most people felt the responsibility to achieve safe yield but to include the arsenic problem would make people vote against the whole regarding the regulation of exempt wells; EPA passed the regulation six years ago and Prescott was only now addressing it; the City was trying to protect people from hurting themselves by drinking arsenic in their water and it wouldn't be any different from telling people to stop smoking, it wasn't realistic; if Prescott managed to get a law through what would their responsibility be; it would be impossible to test every single well and intrude on people and it was only a red herring that would detract from the basic concept of regulating future exempt wells.

Councilman Lamerson clarified the resolution only addressed future exempt wells and the proliferation of them; that in 1980 or 1981 the State of Arizona Department of Water Resources took all the groundwater in the State and said they owned it.

Councilman Lamerson continued, stating that the concern was the State of Arizona through ADWR continued the proliferation of exempt wells with a harmful substance so harmful they required municipalities such as Prescott to mediate or mitigate arsenic to 10ppb or less, while they continued to issue water that had that very same substance in it and the intent of the resolution didn't have anything to do with exempt wells, it had to do with the State's continuation of issuing permits for exempt wells, knowing the water in the areas they were issuing the wells in had the potential for having arsenic problem and Ranch Project Manager Jim Holt confirmed the information.

Councilman Roecker said the people in the State of Arizona had been fighting about water for a long time and one more week wasn't going to make a difference and asked for the resolutions to be redone more clearly and concisely; he wasn't opposed to either one of them but was not in favor of forming any kind of district.

Mayor Simmons asked if the two resolutions should be tabled and Mr. Kidd suggested continuing the resolutions until next week and have staff simplify them and bring them back for consideration.

Yvonne Dorman, 1335 Mullen Way – expressed concern about personal property rights; Council started talking about future exempt wells and then about “all exempt wells”; the residents in her neighborhood had no other choice but to have wells; it was too expensive to hook up to City water with a City estimate of costing over \$80,000 per lot and no one could afford that; she was happy to hear Representative O’Halloran suggest an incentive package to hook up and that might be nice; she was disappointed that the State representatives didn’t stay long enough to hear there might be some opposition to the resolutions.

Mayor Simmons noted they had actually stayed later than they were supposed to as they had another meeting they were late for.

Ms. Dorman asked if the State was required to send 1.5 million acre feet of water to Mexico and Mr. Holt responded that was surface water (Colorado River water) and was not the same as groundwater and he wasn’t familiar with that situation.

Ms. Dorman urged Council to take more time to study this; residents with wells were very nervous about mention of exempt well regulations and without water they could not exist.

Attorney Kidd suggested Council direct staff to bring the two resolutions back next week for approval at a Special Meeting.

F. Adopt Resolution No. 3779 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, in support of the application of revised criteria pertaining to exempt wells in the Prescott AMA and regulating the proliferation of exempt wells in the AMA area.

G. Authorize purchase of Airport Owners and Operators Liability and Non-Owned Aviation coverage from ACE in the amount of \$31,627.00 and authorize the Mayor and staff to execute all necessary documents.

Airport Manager Rick Severson explained this item was the insurance renewal for the airport with coverage at the \$50 million level and this was the same policy the City had for the past couple of years; the policy premium was reduced saving the City \$2,034 over last year; the low quote was from the City’s current carrier. Mr. Severson apologized for the delay in bringing this to Council, but a second quote was required and there were questions that needed to be answered before it was ready to present to Council for award.

Councilwoman Suttles asked how the City got so lucky to see a reduction in the premium and Mr. Severson responded there had been no claims or judgments during the past year and the aviation market was favorable at this time; the policy period was October 1, 2006 through September 30, 2007.

Councilwoman Suttles MOVED to AUTHORIZE to authorize purchase of Airport Owners and Operators Liability and Non-Owned Aviation coverage from ACE in the amount of \$31,627.00 and authorize the Mayor and staff to execute all necessary documents, which was SECONDED by Councilman Lamerson. The motion passed unanimously.

IV. ADJOURNMENT

There being no further business to come before the Prescott City Council, Mayor Simmons ADJOURNED the meeting at 5:15 P.M.

ROWLE P. SIMMONS, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Voting Meeting of the City Council of the City of Prescott, Arizona held on the 26th day of September, 2006. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2006.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk