

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
PRESCOTT, ARIZONA
MAY 27, 2008

A REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL WAS HELD ON TUESDAY, MAY 27, 2008, in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Wilson called the meeting to order at 3:00 p.m.

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Pastor Warren Thompson of Prescott Community Church

Pastor Thompson was not present.

◆ **PLEDGE OF ALLEGIANCE:** Councilwoman Suttles

Councilwoman Suttles introduced the Prescott Police Officer who was “protecting the backs” of the Council, Kyle Schult, whom she explained has been a Prescott Police Office for two years; he then led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

PRESENT:

ABSENT:

Mayor Wilson
Councilman Bell
Councilman Lamerson
Councilwoman Lopas
Councilman Luzius
Councilman Roecker
Councilwoman Suttles

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mr. Norwood thanked everyone for a great turnout at the US Olympic Softball Team game held last weekend, along with a national tournament. He said that staff did an amazing job.

Councilwoman Suttles specifically thanked Debbie Horton and her group and the volunteers. She said that it was amazing that they had over 3,000 people, and it was done very professionally. She gave special thanks from the City Council.

I. PUBLIC COMMENT (Please limit your comments to five minutes)

A. Cathey Rusing re Pressure Zone 39 (Indian Hill).

Cathey Rusing, 1904 Young Place, addressed the Council, noting that she also owns 1010 Country Club Drive. She welcomed the new Mayor and wished him all the best.

Ms. Rusing said that she was before the Council because after the Lowe's Store, the City now plans to bulldoze the top of Indian Hill and place an 85' tall cell tower along with a new water tank. She said that Indian Hill is a prominent landmark in Prescott. She said that she attended a May 8 community meeting where it was well attended, but since the City planners didn't plan on bringing a PA system, they had a room full of elderly retirees that could not hear. She requested that the meeting be rescheduled and have it accessible to all.

Ms. Rusing said that she has a cell phone and she is not opposed to communication antennas for police, fire and public safety, but the three commercial leases they have, to Verizon, AT&T and Nextel, have nothing to do with public safety. She said that it is unlawful for cities to compete with the private sector; it is nothing more than a commercial venture in the middle of a residential area. She asked if the leases were put out to bid. She said that research has shown that property values will go down with those towers.

Ms. Rusing said that does not include having to live in the shadow of a 1.5 mg water tank. She said that according to the State Historic Preservation office, this is part of the viewshed of historic districts and cell towers are not permitted.

Councilman Luzius asked if they were going to reschedule. Mr. Norwood said they have Darrell Willis under presentations later that will have some information on this, but they can have another one at a different venue.

Councilman Roecker asked Mr. Willis if he would be addressing some of the questions. Mr. Willis said that he will be addressing some of the issues and getting the correct information out to the public.

B. Debra Kaukol re Pressure Zone 39 (Indian Hill).

Ms. Kaukol, 432 Shalamar Drive, said that she is an airline pilot and was a tanker pilot in the late 70's putting out forest fires in the area. She said that many people would have liked to attend the meeting today, but since it started at 3:00 p.m. they could not; she suggested they change their meetings to 5:00 p.m.

She said that the City of Prescott has taken a big risk in determining the desecration of Indian Hill along with the demolition of old growth forest from Montezuma through historic areas up to the hill. She said that the meeting on May 8 was scheduled after 60% of the design process was completed. She said that they were not only unprepared in the information but failed to answer important questions from the public. There was no model or drawings for the public to review with regard to whose property would be affected and what it would look like when standing at street level.

She said that there is a proposal to include a 80' cluster cell tower that would have a strobe on top. She asked if the FCC and FAA form submitted and if so they would know per FAA if the antenna tower is located in a residential neighborhood the Commission requires the application to prepare an Environmental Assessment. Mayor Wilson noted that there was not going to be a flashing light, or any light.

She said that the Commission determines significant environmental impact upon the human environment. Health concerns regarding cancers have never been ruled out by the medical community. She added that Larry King had a show on the dangers of cell towers that all might want to watch.

She said that this is called an upgrade project; they call it anything but that. It will scar the land that will be seen by tourists and residents driving westbound on Highway 69. She just received a note from someone driving from Groom Creek who said that they tried to imagine what it would look like to see a tower with a beacon on top of Indian Hill.

She said that the citizens of Prescott should be very concerned that their tax base and City budget has decreased, yet this ongoing proposal is going to cost in the millions of dollars of which no one has given an exact figure. The City of Prescott will need to budget millions of dollars in liability insurance. She said that the plan indicates that there will be drainage on Indian Hill, which could resemble the area behind Lowe's.

She said that the use of dynamite and earthmovers in the destruction of Indian Hill will destroy the balance of habitat known to the area.

She would like some answers from the City Council, Planning and Zoning, and everyone involved regarding the total cost and a timetable, as well as the other site proposals.

C. Colleen Wilson re American Youth Soccer Organization.

Colleen Wilson, 1265 Sylvania Road, said that she is a volunteer board member of American Youth Soccer Organization (AYSO), Region 172. She said that AYSO started in 1964 and it was chartered in Prescott in 1977 as a nonprofit organization and all volunteer organization, except at the national level.

She said that their upcoming fall season runs from early September until mid November, and it will be their 32nd year of youth soccer in Prescott at virtually no cost to the City. For liability purposes the City lines their fields, but other than that their region owns all of their own equipment and volunteers set it up and take it down.

She said that they host an annual Mile High Class Tournament the third weekend in April, with over 90 teams, coming from California, Colorado, Nevada, New Mexico and Texas, as well as the tri-cities and Phoenix areas.

She said that over the years they have had to turn away as many as 32 teams due to lack of facilities, fields and lodging. She said that they just held their 19th tournament in April, using every available park in the tri-city area. Upon reviewing information from the Parks and Recreation Department, they felt the need to bring to the Council's attention the incredible local economic impact that the tournament has on the City.

She said that the Parks and Recreation Department uses a formula to project local economic impact of the host area, along with additional input from the City's Economic Development Director. They determined that the Mile High Classic Tournament brought a local economic impact of \$1.8 million for the 2007 tournament. They don't have this year's figures yet.

She said that it is the single highest amount listed for tournaments and camps on the 2007 Report. She said that one tournament has a higher economic impact than all 11 ASA tournaments put together. It accounts for more than 25% of the total local economic impact for tournaments and camps for the City of Prescott. Their region has worked hand in hand with the City for years and they appreciate the City's support.

She said that tournament funds over the years have provided \$10,000 for lighting at Keebler Field; Prescott High School Boy's Soccer was given \$4,000 for a trip to Louisiana; the funds began the High School Girl's

Program and additionally funded other girl soccer programs in the area. They have given over \$32,000 to Prescott High School and counting; \$17,000 each to Bradshaw Mountain and Chino Valley High School, and they donate continually every year. The tournament also offers two \$500 scholarships to juniors and seniors that are pursuing higher education. They own all of their own field equipment, and purchased field equipment to the sum of \$12,800 for Parks and Recreation so they could begin their adult soccer league.

She said that they also support the Yavapai College Rough Riders and Coach Mike Pantlione and their youth soccer camps. She thanked the City and the community for their continued support, and urges anyone interested in volunteering for the organization to check their website at www.prescottsoccer.net.

D. Earl Burden and Harry Rossman re Willow Lake Beach.

Mr. Burden said that he developed the Willow Lake Beach, which he has been working on since 2004, and was also on the committee when they purchased the lakes. He said that he has brought with him today Harry Rossman to convey some of his concerns.

Harry Rossman, 2928 Horizon Hills Dr., said that two of the items in the current budget for consideration included two water parks. There are several considerations that should be examined before approving two water parks at a cost of \$27 million. Mr. Burden has a proposal which is more flexible and much cheaper to establish a beach and swimming area at Willow Lake, and an indoor Olympic size swimming pool at a location to be determined later. One initial consideration is cost, which for the beach would be around \$2 million. If they wanted to create a basic facility it would be around \$600,000. A beach area would be far more open to businesses in terms of cost, location than a fixed construction water park, and the City already owns the property. He said that the third consideration is demographics. The vision currently before the Council is a commercial facility similar to those in Phoenix; however the average is of the Phoenix population is 31 years old; in Prescott it is closer to 50.

In conclusion, Mr. Rossman said, Mr. Burden's proposal is cost effective, flexible in location and use and many are willing to donate materials and the work.

Councilman Roecker said that he has asked the Parks and Recreation Director to look into the possibility of developing something at one of the lakes with a "bladder" concept that allows use of water inside the area. Ms. Horton said that she is still looking into that possibility.

Mr. Rossman said that there was a communication from Linda Taunt to Mr. Burden dated 2005, that both of the water bodies are fully suitable for full immersion of the human body for swimming.

Mayor Wilson said that they have had ADEQ tell the City that the lakes are polluted. Mr. Rossman said that the communication is from ADEQ. Mayor Wilson said that communication must have come before they were told that they were polluted.

Mr. Rossman said that approximately 60% of their residential water is reclaimed and recycled back into the aquifer. He is willing to bet that a large percentage of that is shower and toilet water. What they are doing here in Prescott to make that potable process a good foundation.

- E. Tammy Linn to introduce new Executive Director of the United Way.

Tammy Linn, 1401 Claiborne Circle, said that two years ago she took over as Executive Director of United Way, having 35 years of volunteer experience. She told the agency that she would do three things: 1) never lie to them; 2) always respect them and what they do; and 3) work harder than ever to make sure that the United Way was a stronger, more viable nonprofit for the community. She then reviewed some of their accomplishments. She said that it is now time for her to go back and teach Character and be a good community servant.

Ms. Linn then introduced Mike Whiting, the new Executive Director, who has a Masters Degree in Public Administration. he said that he has vast experience, is a wonderful fundraiser and she believes this United Way is going to make even greater strides.

Mr. Whiting said that he appreciated the kind words. He said that Ms. Linn has left United Way at a point where it can do more and more. He said that the City of Prescott has been very supportive. He said that listening to Ms. Linn at the Republican Women's meeting earlier in the day, he understands they have a lot of decisions to make, and he believes that United Way is in the same position. He said that they are counting on the employees of the City as well as the City Council to help them do that.

II. PROCLAMATIONS

- A. May 27, 2008 as *ProRodeo Hall of Fame – Prescott Frontier Days Rodeo Day*

Councilwoman Suttles invited the Prescott Frontier Days group to come forward, at which time she read the proclamation proclaiming May 27,

2008 as *ProRodeo Hall of Fame – Prescott Frontier Days Rodeo Day* and presented it to the group.

III. PRESENTATIONS

A. Introduction of New Businesses.

Susan Cohen of the Prescott Chamber of Commerce introduced the following businesses, whose representatives then gave a brief presentation on their respective business:

- ▶ Jumpin' Juice and Java
- ▶ Krol Gallery
- ▶ Prescott Home Entertainment

B. Presentation of Preservation Awards.

Doug Stroh, Chairman of the Prescott Presentation Commission, thanked the Council for allotting the time and then presented two different types of awards as follows:

Preservation Award – for major/minor revocations:

Amtec Properties – 320 S. Cortez Street
Susan Perkins – 320 N. Mt. Vernon Avenue
Crisencia Properties LLC – 208 S. Cortez Street
Isabelle Rawlins – 316 S. Alarcon Street
John Underwood – 1103 Old Hassayampa Lane

Stewardship Award – good stewards of their houses:

Marshall & Nancy Dobrott – 306 Park Avenue
Linda Myers – 716 Country Club Drive
James & Ann Sult – 336 Park Avenue
Lois Streccius Trust - 1312 Oregon Avenue

C. Update by Jim Holt on the Big Chino Water Ranch project.

Mr. Holt gave an update on the Big Chino Water Ranch, focusing on the following:

1. *Application for Modification of Assured Water Supply.* ADWR has issued a second letter to the City requesting additional information regarding the groundwater model, and they are providing them that information. ADWR has stressed they will make their staff available on a priority basis to help the City overcome any issues. He said

that they knew this would be under scrutiny; the silver lining is that ADWR is committed to build a most complete record to help it accomplish and get past any objections that may be raised.

2. *Acquisition of Easements.* He said that there are 116 property owners over which they are attempting to acquire easements. The project letter and title reports have been prepared for all of the properties. Forty individual appraisals have been conducted and an appraisal workbook has been prepared for the remainder. 105 offers have been prepared and they have presented 93 to date, with 11 offers accepted, and 5 counteroffers. They are preparing for June to bring a number of ordinances to Council accepting offers for purchase of easements.
3. *Discussions re Regional Pipeline.* He said that discussions continue with Prescott, Prescott Valley and Chino Valley, including modifications to pipeline and pumping stations, alignment, location of well field and funding for project costs. They're next meeting with Salt River Project is in June.
4. *Public/Private Partnerships (P3).* These are contractual agreements between a public agency and private sector entity where the skills and assets of each are shared in delivery of the service/facility. Each party shares in the risks as well as the rewards. They continue to explore possible privatization of the Big Chino Water Ranch project. Prescott Valley is taking the lead in the development of concepts and documents and they anticipate being able to move this project forward.
5. *Re recent Habitat Conservation Plans presentations.* Key points to keep in mind is that at the time that Prescott and Prescott Valley purchased the ranch, they committed and they continue to commit, the appropriate resources necessary to address adverse impacts that may result from pumping from the Upper Big Chino reason, assuming such negative impacts can be documented and can be measured. No scientific information exists today that demonstrates that a direct reduction in the flow of Upper Verde River base flow as a result of their groundwater pumping in the Big Chino Water Ranch. Any incidental taking of any member of an endangered or threatened species under the Environmental Endangered Act has not been demonstrated. There is no evidence that base flow dependent habitat for any particular species will be adversely impacted as a result of the project. To commit to consultation with US Fish and Wildlife Service for preparation of a habitat conservation plan at this time, if not unwarranted, is certainly

premature. They will continue to work with US Fish and Wildlife and appreciate their assistance.

Councilman Luzius asked when the actual acquisition of the accepted easements would take place. Mr. Holt said that in June they will begin scheduling on the Council agenda items for authorization. Councilman Luzius said that it was his understanding that they were going to hold off on any expenditure until they were sure they can pump from the Big Chino. Mr. Holt said his direction from Council was that they would proceed with easement acquisition. Councilman Lamerson clarified that the construction contracts would not move forward until pumping was permitted; however, they would proceed with property acquisition.

Councilman Suttles said that she appreciates the monthly presentations, noting that it keeps them on top of where they are with the project. She said that maybe next time they could get a little more in-depth.

Councilman Bell asked Mr. Holt how much they have expended. Mr. Holt said that he did not have the exact number, but it is around \$32 million, including purchase of the property for the ranch, engineering and consulting work, which is divided with Prescott Valley.

Mayor Wilson recognized Yavapai County Board of Supervisor Carol Springer at this time.

D. Presentation re Public Safety Communications Infrastructure.

Emergency Services Director Darrell Willis said that last week at the Budget Meeting he gave a presentation on the public safety communications infrastructure, but he had added a few slides to indicate where Indian Hills was located. He then reviewed a PowerPoint presentation, Exhibit A attached hereto and made a part hereof.

He then directed his presentation to Indian Hill. He said that all of the tower areas are considered controversial because homeowners are not real excited about having towers in their areas. He said that the current tower is 70' high; they would like to extend that height to 85', but they would like to have all of the equipment located on one pole, rather than what they currently have with several poles. He said that if the community would rather have multiple towers, they would do that.

He said that they will not be doing anything until the tank site is completed because they want to be sure that it is done properly and they are able to fit their equipment wherever it is needed at that point.

Mr. Willis said that it is absolutely necessary to have a tower at the Indian Hills site for police and fire services and safety. A police officer cannot contact dispatch if he is in a bad situation on Copper Basin Road. It is a problem if a fire fighter cannot contact the hospital to get doctor's orders.

He said that a lighted beacon is not required. They checked it out with FAA and they would only have to get their permission if they were within 20,000 feet of any runway. Also, they are not going to be over 200' above ground level. He added that studies have shown that cellular sites do not affect public health.

Councilman Lamerson said that he lives in the Indian Hills area, too, and one of the things he has noticed in the last five years is that the water coming out of the faucet does not come out as much as it used to. While that concerns him, he is even more concerned with the ability of the Fire Department to deliver water in the case of a forest fire. He asked if the size of the tank has anything to do with the Fire Department's capability of servicing that area in the case of a forest fire. Mr. Willis said that it absolutely did.

Mr. Willis said that Prescott is divided up into pressure zones and the water department runs water around where it is necessary. Getting into their hot season, normally around the Fourth of July through the 15th is their peak water time. He said that he cannot tell them how many times the water department has called the fire department to lay hose thousands of feet from one hydrant in one pressure zone to the Indian Hill pressure zone to augment water during those times. They have to take a fire truck out of service to keep water on the south side of town. He said that is just for domestic use, much less a forest fire. He said that it is not the growth that caused that because 20 years ago they were doing that. He said that they have better capabilities than they have had in the past, but they don't meet the required fire flows.

Mr. Willis said that one of the questions was regarding MDC's (Mobile Data Computers) and AVL's (Automatic Vehicle Locators). He said that they are 25 years behind the curve; most departments have this capability, and that is one of the reasons they need to upgrade the infrastructure.

Councilman Roecker said that he asked Ms. Rusing to stick around and he was hoping to get a little more information about the water tank. He said that he was under the impression that the consultant they are using recommended a bigger tank than the one being put in. Mr. Ciaffoni said that was true; Carollo Engineers determined that a 2 million gallon tank was optimum. He said that once the 1.3 mg tank being proposed is installed, it will be six to height feet higher than the existing tank.

Councilman Roecker said that he heard about the possible need for a new easement and asked if that was the case. Mr. Ciaffoni said that as presently conceived that would not be required. Councilman Roecker asked how much excavation was going to be needed. Mr. Ciaffoni said that they plan to lower the top elevation about four feet. He said that one fourth of the perimeter will stay the same contour as it is now, with a retaining wall to allow the pad on top to sit a little lower than the peak of the hill on one side.

Councilman Roecker asked if there was going to be one 85 foot tower with all of the equipment on it. Mr. Ciaffoni said that on the 85 foot tower there would be equipment for public safety and three cell providers (AT&T, Sprint and Verizon), and because of the vertical separation between the four entities, it required the 85 foot tower.

Councilman Lamerson asked what the rationale was for going with a smaller tank. Mr. Ciaffoni said that the 2 MG tank came about primarily about because of the volume of water that needs to be stored for fire suppression; however, they recognized early on that there would be an aesthetic concern.

Councilman Lamerson asked Mr. Ciaffoni if he was in Prescott when the Indian Fire happened. Mr. Ciaffoni said that he was not. Mayor Wilson said that they were trying to accommodate the neighbors when they reduced the size of the tank. Councilman Lamerson said that he understood that, but he would like to be able to accommodate them with water instead of a bunch of rubble when their houses burn down.

Mayor Wilson said that he understood that they could also put up two towers at a lower height if they wanted to. Mr. Ciaffoni said that was his understanding. Mr. Wilson said that from the standpoint of aesthetics, the City is willing to do landscaping, painting, etc. Mr. Ciaffoni said that there are a lot of possibilities.

Councilwoman Suttles said that there was reference made earlier to the City not learning their lesson from the Lowe's project. She asked if that mountainside was going to look like the one at Lowe's. Mr. Ciaffoni said that none of the excavation is going to result in a surface visible from any vantage point. It is just the top of the hill that has to be lowered a bit. Councilwoman Suttles asked about the historic preservation part of it.

Ms. Burgess said that based on the archaeological study which was recently prepared by EnviroSystems, she met with their archaeological consultant and they talked about the current fence line. She said that the site was bulldozed in the late 40's and early 50's for installation of the original tank. She said that there is archaeological material on the hillside

and there is a no-build zone that has already been defined where the City will not be working at all.

She said that they are going to fence the site, moving the fence, and when the posts are installed there will be a monitor on-site to make sure that when the drilling is done for the fence posts there are no cultural resource materials that are being disturbed or found. Once the fence is up, all of the work will occur within the fence line. At this current time, no one is of the opinion that there is any archeological material underneath the water tanks; it is off to the side, originally surveyed in 1935 and has been surveyed at least six times since then, including the most recent one. The fence line will be three feet away from any of the cultural resource materials. The property is located in a historic preservation overlay district and the project will be reviewed by the Preservation Commission whenever the City is ready to bring it to them.

Councilwoman Lopas asked the City Manager if the City has a portable PA system that could be used for the public meetings. Mr. Norwood said that they have typically used the school's equipment, but they could do it in the Council Chambers. He said that he believes it would be good to get the information out again and clarify some of the misinformation.

Councilwoman Lopas suggested that they have a visual drawing done by the City's computer department to show people what the hillside would look like afterward, like they showed with the Bradshaw apartments.

Mr. Ciaffoni said that they do have a second community meeting scheduled for July. Given the fact that it would take time to put the notice back in the paper again, he asked if the Council would consider that July meeting the second and final meeting, and perhaps accelerate it some. Council members agreed with that.

Councilman Luzius said that there have been a number of meetings where they have poor sound systems. He said that if they are going to conduct public meetings, they need to make them public and accessible. Also, he asked how much higher a 2 MG tank would be, or if they could dig deeper.

Mr. Ciaffoni said that he could not tell them that right now. He said that there is a practical limitation on how tall they can go. He said that 32' is what they have now and if they had to stay at 32', the diameter would have to be much larger so the top of the mountain would have to come down. Councilman Luzius said that he would still like to see that digitally.

Councilwoman Suttles asked Ms. Rusing to come forward to see if some of her questions were answered. Ms. Rusing said that she was very

impressed with the direction being taken. She said that having the second meeting scheduled is a great idea. One of the main reasons for anxiety was the lack of elevations or artistic renderings showing what the tower and tank would look like. She said that as she drives down Willow Creek Road and looks at the Prescott Heights water tank with its huge cell tower, the anxiety level skyrockets.

IV. CONSENT AGENDA

CONSENT ITEMS A THROUGH J LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.

COUNCILWOMAN SUTTLES MOVED TO APPROVE CONSENT AGENDA ITEMS IV-A THROUGH IV-J; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.

- A. Approve Police Department application for grant funds to the State of Arizona Department of Homeland Security in the amount of \$492,035.00 to purchase a Mobile Emergency Incident Command Center Vehicle.
- B. Approve Police Department application to the State of Arizona Department of Homeland Security for grant funds in the amount of \$240,000.00 to purchase a Special Weapons and Tactics Armored Emergency Response Vehicle.
- C. Adopt Resolution No. 3889-0857 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Memorandum of Understanding with the Federal Aviation Administration (“FAA”) establishing criteria for the construction and operation of certain FAA facilities and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- D. Adopt Resolution No. 3890-0858 – A resolution of the Mayor and Council of the City of Prescott, adopting a Council policy regarding certain fees at Ernest A. Love Field and Rescinding Resolution Numbers 3410 and 3419.
- E. Approve an agreement with Coe and Van Loo, L.L.C., in an amount not to exceed \$35,000.00 for preparation of a land use master plan for the West Airport General Plan major amendment.
- F. Adopt Resolution No. 3891-0859 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona amending the General Plan Land Use Map pertaining to that certain property located at the southwest corner of State Highway 89 and Prescott Lakes Parkway described as parcel numbers: 105-09-295A and 105-09-005C, from “Low-Medium Density Residential” to “Commercial/Employment”; and a portion

of parcel number 105-04-003D, from “Commercial/Employment” to “Low-Medium Density Residential”.

- G. Adopt Ordinance No. 4645-0847 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title X, Land Development Code, of the Prescott City Code by adding to Table 6.2.3, Off-Street Parking Requirements, and Table 11.2.5, Definitions, thereto.
- H. Adopt Ordinance No. 4653-0855 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the purchase of real property from Galpin Gregory Test TR UI for right-of-way to relocate a traffic signal pole at the northwest corner of the Willow Creek Road and Sandretto Drive intersection, and authorizing the Mayor and staff to execute any and all documents to effectuate said purchase.
- I. Award of contract to AES Precast Company Inc. in the amount of \$51,270.00 for the purchase of a precast chlorine storage building for water production operations.
- J. Approve the Minutes of the Prescott City Council Regular Voting Meeting of April 22, 2008, and the Study Session of May 6, 2008.

V. REGULAR AGENDA

- A. Public Hearing and consideration of a liquor license application submitted by Nick Alexander, Agent for C Stop, LLC, for a Series 10, Beer & Wine Store, license for C Stop located at 335 Grove Avenue.

City Clerk Elizabeth Burke reviewed the application submitted by C Stop at 335 Grove Avenue. She indicated that staff had requested that a representative be present at the meeting; however, it did not appear that they were.

Councilwoman Suttles said that she believed that when a business is requesting a liquor license the applicant should be present. Councilman Luzius said that he agreed and he would be voting no if they could not attend.

Discussion was held on the possibility of postponing the public hearing; Mr. Kidd said that it would need to be rescheduled for two weeks from today.

Councilwoman Lopas asked if they are required to be present. Mr. Kidd said that legally they do not have to be present. Councilwoman Suttles said that if the Council sees fit to vote on it that is fine; she didn't see tabling it. She said it is for a new business and asked how much time it

could take to attend when there could be questions since it is located on the corner of Lincoln and Grove.

Councilman Lamerson noted that they are not issuing a liquor license; they are voting to make a recommendation to the State Liquor Board. Mr. Kidd said that the Council does have the ability to recommend approval or denial.

COUNCILMAN BELL MOVED TO POSTPONE CONSIDERATION FOR TWO WEEKS; SECONDED BY COUNCILWOMAN SUTTLES; PASSED 5-2 WITH COUNCILMEN LAMERSON AND LUZIUS CASTING THE DISSENTING VOTES.

- B. Adoption of Ordinance No. 4652-0854 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, abandoning a portion of an existing alley right-of-way between the Smoki Museum and the Citizens Cemetery north of Gurley Street.

Councilman Luzius said that since the last meeting he has had the opportunity to speak with the principals of the Smoki Museum and he has no problem with recording the deed.

COUNCILMAN LUZIUS MOVED TO ADOPT ORDINANCE NO. 4652-0854; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.

At this time Ms. Burke reported that the applicant for the prior liquor license application had returned to the meeting.

COUNCILMAN BELL MOVED TO RECONSIDER ITEM V-A; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

Councilwoman Suttles said that she appreciated the applicant attending the meeting.

There being no public input, **COUNCILMAN LAMERSON MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.**

COUNCILMAN LAMERSON MOVED TO APPROVE THE LIQUOR LICENSE APPLICATION SUBMITTED BY NICK ALEXANDER, AGENT FOR C STOP, LLC, FOR A SERIES 10, BEER & WINE STORE, LICENSE FOR C STOP LOCATED AT 335 GROVE AVENUE; SECONDED BY MAYOR WILSON; PASSED UNANIMOUSLY.

- C. Granite Dells Estates:

Mr. Guice said that the first part of this item is the ordinance that would rezone about half of the site into various categories presented last week. The second portion relates to approval of the preliminary plat, which includes a couple of waivers. He said that the waiver regarding grading is actually a waiver of process as it is not the City Council's purview to approve mass grading as it is permitted within the LDC for commercial and industrial properties. He said that there is a specific requirement that the grading plan would be submitted and viewed by the Planning and Zoning Commission and the City Council in the event of proposed mass grade. At this point in the process, there is a conceptual grading plan, but nothing to a point that has been brought forward as part of the preliminary plat approval process, hence the request for a waiver from that requirement.

Councilwoman Suttles said that she had requested this be pulled from the consent agenda because they have been looking at this annexation for quite a long time and even into last week not all of their questions had been answered.

Councilwoman Suttles said that they previously had discussed the zoning of the properties, with 190 acres for one rezoning, 155 acres for another. This is the first move that they are doing on this property, and she just wanted to look at the rezoning on those pieces again. She said that the zoning is not an issue for her right now, but the waiver is.

Councilman Luzius said that he wants to talk more about the waiver as well. He said that there is no reason why they have to have it. They could still come back and get approval for mass grading. Mr. Guice said that the language in the Code is that the grading plan would be submitted and run through the approval process with the preliminary plat, so if there is an interest in seeing the grading plan prior to preliminary plat approval, then they would not want to approve the preliminary plat until that time.

Mayor Wilson said that one thing they should learn coming out of this is that they touch base with the Open Space Acquisition Committee and look at their recommended revisions to the PAD regulations.

Mayor Wilson said that he would like to see the grading now with the preliminary plat. The Council wants to participate as much as possible and since they approved the Development Agreement, they want to have their say on the whole project.

Councilman Roecker said that he wasn't at the meeting last week and he found it interesting how many e-mails he had received about the "mass grading" discussion held last week. He said that they are very sensitive

with that wording because of what has happened in the past. Mr. Gisi said that their goal is to over-disclosure; they are asking for flexibility to grade in the southeast portion of the property, but it is not something that they are saying is eminent. Other areas of the property will be mass graded. In an attempt to disclose to not only the Commission, the Council, but also the public, they brought it up.

Councilwoman Suttles asked Councilman Roecker if he wanted to go over any of the zoning or if he was comfortable with what he had. He replied that he was okay.

1. Adoption of Ordinance No. 4651-0853 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the zoning of certain property within the City of Prescott generally located south of State Route 89A, east of the Peavine Trail, and commonly referred to as Granite Dells Estates, consisting of approximately: 189.8 acres from RE-2 to SF-35; 92.20 acres from RE-2 to SF-9; 34.1 acres from RE-2 to MF-M; 155.3 acres from RE-2 to BG; 72.8 acres from RE-2 to IG; 10.1 acres from RE-2 to IL. RZ08-002

Steve Blair, 1802 Northside, said that he respects Mr. Gisi as a developer, but he would caution the Council about the mass grading, noting that one of the reasons it is in the Code is because of Neal Klein mass grading a hill in Prescott View North. Mr. Kidd noted that all they are addressing at this time is the rezone.

COUNCILWOMAN SUTTLES MOVED TO ADOPT ORDINANCE NO. 4651-0853; SECONDED BY COUNCILMAN BELL; PASSED UNANIMOUSLY.

2. Approval of Preliminary Plat for Granite Dells Estates. PP08-002

Mayor Wilson said that he believed he had heard a general comment that they want to see a grading plan associated with the Preliminary Plat before they are willing to move forward.

Councilwoman Lopas said that she wouldn't see a reason for mass grading with the lot sizes on the southeast portion. They have many other subdivisions in town with smaller lot sizes that did not require mass grading. She said that she welcomes developers to come here as long as they do what the citizens of Prescott want to do, and if something like not building on slab is something good for the land, that is what needs to be looked at. She said that she understood the commercial and affordable housing areas needing

mass grading, but she is not comfortable with the one area having it.

Councilman Lamerson said that he respects Mr. Blair's comments regarding the drainage issue; it has been a plague throughout the community. He said that perhaps within the process of moving through this they could get that addressed.

Mr. Guice said that the soil and erosion controls put into place last year, they are paying attention to drainage from lot to lot. They do not have regulations on the books, because that is primarily a civil matter between property owners, but when the subdivision is being developed, they are looking at that. Mayor Wilson asked if that is a consideration at the preliminary plat stage; Mr. Guice replied that it is probably more of a final plat issue.

Councilman Lamerson said that if they get to a point where it is in substantial compliance with the preliminary plat stage, they don't have a choice at the other end, so they need to resolve it now. Mr. Guice said that they cannot look at it until the engineering is done, and that typically is not done until later in the process.

Mr. Gisi said that he agreed with Mr. Guice, but they have no problem with addressing it lot to lot. In their definition of what mass grade would be it would include that.

Councilman Bell asked if the final plats would come to the Council one at a time, after going through Planning and Zoning first. Mr. Guice said that was correct. They will not be doing a final plat for the entire site; it will be done in phases.

Mayor Wilson said that the real issue is the one brought up by Councilman Lamerson; they really only have negotiating power at the preliminary plat because as soon as it is approved, if the final plat is in substantial compliance then they are bound to approve it.

Councilman Luzius said that his understanding was that the plats were supposed to go back to Planning and Zoning. Mr. Gisi said that it is correct; the Planning and Zoning Commission approved the preliminary plat and sent it forward to the Council with a recommendation that all final plats go through Planning and Zoning prior to going to Council. There could be 10 different instances, or 3; the waiver to the subdivision requirement in the code allows them to bring them back out of order and most likely it would be in batches that they would final plat sectors.

George Seaman, 1830 Idylwild Hill, said that it sounds like they are talking about two different issues. By combining them they are putting people in a jam to approve both of them and he wonders if it is feasible to engage the mass grading issues as separate issues, and have the Council vote on each one separately. Council clarified that was what they were doing.

Leslie Hoy, 1880 Coyote Road, asked if they were considering the preliminary plat. Mayor Wilson said that if they approve the motion as laid out, they are giving up their ability to look at the drainage issue, so they need to look at it as a term of condition for approval of preliminary plat. He would want to modify the motion that says they are only going to approve it after they have a grading plan that has gone through Planning and Zoning.

Ms. Hoy said that it is cheaper for the developer to mass grade, but the Council represents the interests of the public, and as a member of the public before she would want mass grading approved, she would like to know the benefits of allowing the developer to mass grade some beautiful land.

Mr. Guice said that the subdivision process the State of Arizona does not require commercial and industrial properties to go through that process; the City of Prescott does. There have been a number of times over the years that commercial and industrial projects have been given exemptions from that process. The developer is requesting an exemption from a submittal requirement with respect to approval of the preliminary plat. Without approval of that waiver, the only option is to wait until the preliminary plat has been prepared with the associated grading plans.

Councilman Bell asked if they cause an extra problem for the developer if they deny the motion. Mr. Kidd said that he cannot speak to the developer, but they have a submittal requirement that needed to be made. If it is not made, it is up to the Council to waive it.

Mr. Gisi said that he thought the preliminary plat was going to be approved with the condition that they need to bring in a grading plan prior to grading anything, to coincide with final plat, because they don't know how that will happen. Mayor Wilson said that there is a fallacy in that approach in that Arizona Revised Statutes states that if they approve the preliminary plat, and they bring in a final plat that is in substantial compliance with it, they are stuck, regardless of what they say verbally.

Mr. Gisi asked if their intention was to vote down the preliminary plat request. He said that they are 2 ½ years into a process with the City and their project is in substantial conformance over those 2+ years. Time is money and they are trying to bring this to a successful conclusion. The request made does not seem that unreasonable. It seems that the grading plan has to be approved before a final plat in order to pull a grading permit.

Mr. Guice said that once a preliminary plat is approved, the grading plan can be submitted in its final form and administratively reviewed and approved without the Council seeing it.

Councilwoman Suttles asked Mr. Gisi why they didn't produce the grading plans. Mr. Gisi said that they submitted them conceptually, but not anything that was permit-worthy, which is what they thought was required of them.

Councilwoman Suttles asked if there are other developers that come in without all of the information and are allowed to start. Her concern is that they see what they are grading. She asked if they could take out the waiver. Mr. Guice said that a couple of projects come to mind where they did mass grading, such as on the south side of Prescott Lakes. He said that the Code is structured so that they need to approve the waiver as part of the preliminary plat or request that the applicant prepare something other than conceptual grading plans for the Council's consideration at the time they consider the final plat.

Rick Radevich, 3200 Lakeside Village Drive, said that the submittal they worked on for the last year has all of the things together that the City required them to do. He said that Public Works had a long list and they accepted that at the time of submittal. It has gone through the process for the last three to four months, and now they are being told that they didn't conform to the rules.

Mayor Wilson said that if they had done everything they were supposed to do, they would not be asking for two waivers. Mr. Radevich said that they submitted everything required on the list.

Mr. Guice said that in the conversations staff became aware that there wasn't going to be enough time to get a detailed plan completed and have it final, hence the idea of a waiver for that requirement to keep the project moving forward. An option would be to approve the preliminary plat, but require the grading plan to come back to Council prior to issuance of grading plan.

Mr. Gisi asked if he could just pull the mass grading aspect, understanding that per the City's process, he has to produce it at each final plat anyway.

Councilman Roecker asked if they could consider the detailed grading plan a substantial change to the final plat, then they could do it that way.

Councilwoman Suttles asked if they could table this until they clear up both sides. Mr. Gisi said that he would pull the mass grading off the table; that gives the Council the control they are looking for. Mayor Wilson said that it does not give them the control. Their control is at the preliminary plat stage. They don't have the ability to turn down a final plat if it is in substantial conformance with a preliminary plat.

Len Scamardo, Planning and Zoning Commissioner, 314 Double D, said that the large engineering maps showed four items marked that said mass grading in Phase 1, 2 and 3, totaling about 400 acres. He said that the phases 3, 4, 5, 6 and 7 were the ones that specifically stated mass graded, 99 acres, phase 3, so many lots phase 4, etc. They had no problem with the commercial being mass graded, but the mass grading on the residential areas are in direct violation of the Land Development Code. So, if they allowed the plat to be submitted with those engineering markings, they are saying they are giving them a waiver and they could mass grade. They wanted in the Commission to have those notations removed from the preliminary plat.

Their recommendation is that they approve the preliminary plat, and they would still have to go back to the Planning and Zoning Commission and the Council for the final plat, but they eliminate the waiver of the mass grading on that portion of the residential, and to take the notations off the preliminary plat regarding mass grading.

Mr. Guice said that the motion provided mirrors the Commission's recommendation; it does not include any of those portions that are residentially zoned, to include the waiver for the submittal.

Mr. Blair said that after being on the Planning and Zoning Commission for four years, if Mr. Gisi wants to amend his motion for a straight preliminary plat, if they come back with a final plat that has mass grading, that is a substantial change that would require it to go back to the Commission and Council.

Mr. Kidd said that in order for them to consider this, there is a waiver that has to be done to the submittal requirements. It looks like there are some plat notations that need to be considered. If they had as a condition of the approval that it had to come back to the Council, and no grading is approved at this time, that would be a substantial change. However, the initial issue is whether the submittal requirements were met.

Mayor Wilson suggested that no mass grading until final plats come back to the Council and all annotations on plat drawings will be removed referring to residential mass grading. Mr. Gisi said that he would agree to that. Council agreed. Councilwoman Suttles asked if that was clean to the developer and to the City.

Mr. Gisi said that he is required to go to Planning and Zoning on every plat anyway, so he is not losing time.

Mr. Kidd suggested the following: **MOTION TO APPROVE THE PRELIMINARY PLAT FOR GRANITE DELLS ESTATES TO INCLUDE A WAIVER OF LDC SECTION 9.10.9.A.7.B REQUIRING FINAL PLAT SUBMITTAL WITHIN ONE YEAR; ANY AND ALL FINAL PLATS ARE TO BE REVIEWED AS A CONDITION OF THE WAIVER BY THE PLANNING AND ZONING COMMISSION; ALSO APPROVING A WAIVER TO LDC SECTION 9.10.9.G ALLOWING FOR GRADING AND SITE DISTURBANCE ON COMMERCIAL AND INDUSTRIAL TRACTS A, B, C, D AND E AND THE WELL AND TANK SITES TRACTS G AND H, AND UTILITY EASEMENTS TO ADJACENT PROPERTY BE SHOWN ON THE PRELIMINARY PLAT; THIS WAIVER IS EXPRESSLY CONDITIONED UPON REMOVAL OF ALL TERMS ON THE PRELIMINARY PLAT SUBMITTED PERTAINING TO MASS GRADING AND UPON THE EXPRESS CONDITION THAT ANY AND ALL GRADING PLANS BE SUBMITTED BOTH TO THE PLANNING COMMISSION AND TO THE COUNCIL AS PART OF ANY FINAL PLAT APPROVAL.**

Mr. Gisi said that he thought they were talking about only the residential areas, Phases 1, 2 and 3. Mayor Wilson said that they are talking about having some ability to control the grading as it comes back. Mr. Gisi said that the LDC allows him in the industrial and commercial areas. Mr. Kidd said that he included the waiver on the commercial and industrial areas and if they wanted to further modify the motion to make it real clear that the plats that come back pertaining to mass grading in residential, he would have no problem. Mr. Gisi said that he would. He said that he was okay

with it as stipulated with the residential coming back and their rights under the LDC on the commercial and industrial, which is what Mr. Kidd stated, as well as the removal of the annotations.

COUNCILMAN LUZIUS MOVED TO APPROVE AS STATED (ABOVE); SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

- D Public Hearing and consideration of Ordinance No. 4650-0852 - An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending Title II, Chapter 1 of the Prescott City Code regarding the imposition of sewer fees and alternate water sources fees.

Mr. McConnell said that this was a scheduled public hearing and consideration of an ordinance adopting water and wastewater rates. At last week's meeting, discussing of this item was concluded with direction to bring back two alternative ordinances for consideration. The packet includes the two alternate ordinances were provided and additionally there is information regarding the differences of those items.

Mr. McConnell said that Version B of the ordinance would add a tier to the water charges, increase rates for the top two consumption blocks and provide a tiered structure for the Alternate Water sources fee. Additional comment with respect to introducing an alternate version at this point in the public process is that it is the conclusion of staff and the City Attorney that if the Council was to move toward Version B, it would require re-noticing water charges and alternative water sources fee, and the tiering of the alt water fee for a new public hearing.

Also in the packet is the recommendation of the Water Conservation and Safe Yield Committee. Staff met with representatives of the committee and discussed what they believe is a mutually acceptable plan, which they recommend to Council at this point, which is recommending Ordinance Version A with some qualification and additional information. It is their recommendation that public input be taken today and following the hearing and based on and reflecting on that input, that the Council adopt Ordinance Version A, adding a few last minute wording changes that are nonsubstantive.

Staff has committed to preparing a letter to be sent to high-consumption residential customers, which was the basis of the Committee's concern, to alert these customers to their water usage, and encourage them to contact the City and work with the conservation people.

Additionally, staff has committed with the Committee to define several scenarios addressing the high-consumption residential accounts and the

tiering of fees. Those scenarios would be referred to the rate consultant, Ecnomists.com, to have them model the effects of what they might be, which would provide a basis for modifying rates for high consumption residential customers.

There will be some time required for modeling and notification to the high-water users and would recommend that the Council adopt the Ordinance, and these other things would be done and brought back probably not later than a year from now, with the benefit of this summer's peak demand and have a much stronger basis for the recommendations.

Mr. McConnell said that with respect to sewer rates, they did receive a letter today from Pure Wafer, who uses a substantial amount of water. Upon receipt they did make some analysis of what the modification in their sewer rates would be, and that has been provided to them, and it is staff's understanding that they now have a better sense of what their sewer fee would be.

Councilman Roecker asked who is going to write the letter to the large-water consumers. Mr. McConnell said that it is the City's responsibility to do that, in coordination with the committee. Councilman Roecker asked if the Council could see it before it is sent out. Mr. McConnell said they would do that.

Mayor Wilson, in regard to the letter, said that they also talked about including in the letter their water uses for the last two years and why they are asking questions. Councilman Roecker said that was fine.

Councilman Roecker asked the Committee members to discuss their thought process to have almost a 100% increase on water consumption over 14,000 gallons for residential use.

Howard Mechanic, 309 Bloom Place, Co-Chairman of the Committee with Dr. Crews (who had been present for 3 ½ hours but had to leave), said that he thinks there was a misunderstanding about Version B of the Ordinance, as it was not a recommendation of the Committee. The Committee had asked for different models to be run and suggested different numbers to see if they would be advantageous to encourage conservation. They did not have time to integrate with the study. They support the suggestion that they approve Version A, and support working on dealing with the high water users and try to educate them.

Councilman Roecker asked how they got to Version B. Mayor Wilson said that it came to the front very late. He believes there was some miscoordination from the meeting they had in his office prior to the Council

meeting which touched on the process they would like to use in the future, continuous process improvement.

Mr. McConnell suggested that any public comment be taken during the public hearing, after Mr. Jackson gave his presentation.

Mr. Dan Jackson, Managing Director of Economists.com, thanked the Council for the opportunity to provide his PowerPoint Report, attached hereto as Exhibit B, and covered the following:

- ▶ Presentation Format
- ▶ Rate Comparison
- ▶ Volume and Account Forecast
- ▶ Capital Improvement Plan
- ▶ Total Revenue Requirement
- ▶ Proposed Rate Plan
- ▶ Presentation Summary

At this time, Mayor Wilson opened the public hearing.

Jerry Winters, 250 Golden Eagle Drive, said that as a resident he has no problem with the rate increases. As a business manager in Prescott, he does have concerns. He said that he is one of the lucky ones that will only have a 36% increase. His biggest concern is that they need more time before approving this to let the business community look at it. Today was the first day he heard what his rates would be. He said that according to the information, the School District will see a 300% increase; the college is 300%; the hospital has 250%.

Mr. Woodfill said that their initial presentation was held on April 1, and notices went out in the water bills and have been posted on the website, and in the newspaper. Mr. Winters said that until today he didn't realize the percent of increases.

Mayor Wilson said that if they look at the methodology, if they don't raise the rates and continue the prior situation, the residential customers would continue to subsidize the commercial businesses.

Mr. Winters said that he understands that rates do need to go up, but he thinks they should let the public see the rate increases. Councilman Roecker asked what would happen if they waited. He said that it is going to be a tough pill no matter when they raise them. They have not had a rate increase on sewer since 1991.

Mr. Winters said that on another note, he appreciates the support of the Council and staff given to Pure Wafer over the years.

Howard Mechanic, 309 Bloom Place, said that, speaking as an individual, he disagreed with the presentation when the consultant said that a 5% reduction in per capita use over a ten-year period is an aggressive goal. He said that over a ten-year period, if Prescott did what other communities did, they could easily conserve 15-30% per capita. It may not be easy; it would take some effort. The Committee will come back in the future and ask what the Council would like to see in conservation.

Mr. Mechanic showed a slide to demonstrate a 25,000 gallon tank, which is what some residents are using. He said that if someone worked a 9-5 job, five days a week, and when they started their job they turned their shower on and turned it off when they got home, they would not use 25,000 gallons. It would be around 20,600 gallons. His point is that these show the need to justify the higher users having a higher rate.

Mr. Mechanic said that they need to address the safe yield issue, and to give an example he would comment on someone using 25,000 gallons of water. He said that if they divide up the safe yield groundwater in the AMA, it is around 8,000 to 12,000 ac. ft. a year. If they divide that by each individual, there would be about 1,000 gallons in a month. So, if there is a family using 3,000 with 3 people, that would be their safe yield groundwater. If they are using 25,000 gallons in a month that means that almost 90% of the water they use represents an overdraft. That is why they need an aggressive conservation program.

Dave Maurer, 117 Goodwin, said that seeing the numbers today, he realizes that they have been talking about this issue for awhile, but he remembers last time the rates were increases they did a lot of education of the public before it happened, and perhaps that was lacking this time. He does agree with Councilman Roecker that the end result will be the same, and it is not a question of changing rates, as much as the the lack of communication they had a year ago.

There being no further public input, **COUNCILMAN BELL MOVED TO CLOSE THE PUBLIC HEARING; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.**

COUNCILMAN BELL MOVED TO APPROVE ORDINANCE NO. 4650-0852 VERSION A; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

- E. Discussion of consolidation of Verde River Basin Partnership, Yavapai County Water Advisory Committee, and Upper Verde River Watershed Protection Coalition.

Mayor Wilson said that this had been discussed last week and was brought back because Councilman Roecker was not able to participate. Councilman Luzius said that not much had changed since last week. He had brought this forward last week to discuss the possibility of joining entities to eliminate duplicate efforts. He said that the federal government dealt them a dirty deck with the land swindle where they promised them \$8 million and gave them nothing. Mayor Wilson noted that they were not going to vote on anything; just allow for discussion.

Councilman Roecker said that he has written some comments in response to each of Councilman Luzius's comments from last week, which he then reviewed:

Eliminate duplication of efforts. He is unaware of any duplication of efforts; if there is, he would like to know. All studies completed by the Water Advisory Committee or Coalition are public. They are discussed in a public forum and approved by vote or consensus. He would doubt that members of the Verde River Basin Partnership would not be aware of the studies.

One organization is looking for volunteers that may exist in another group to work with an issue. He does not know of any restrictions on anyone to volunteer for a work group, study or assist on any issues, including issues relating to those appointed to a Technical Advisory Committee.

Losing sight of very thing each group has set out to do. He is not convinced that WAC or the Coalition has lost sight of their objectives.

Goals of groups being in jeopardy. He doubts that any of the organizations believe its goals are jeopardized by the existence of another organization.

Push back and dissention between groups is increasing. He said that Prescott and Prescott Valley have signed a 200-year agreement for their communities to provide water to their citizens, and the agreement shows a high level of cooperation. Also, they are working with Chino Valley and he is hopeful that results will be seen with them also. They also invite Dewey-Humboldt and the Tribe in all discussions they have.

SRP has now threatened to sue. He said that most entities reserve their right to sue. The public should know that the SRP representatives attend and are always welcome to be present when the WAC or Coalition organizations are meeting. He commented on a report that Councilman Bell had read over the weekend, written by Bruce Hallan of the SRP Water Business Development area, who said, "growth outside our territory--it is in our best interest to work with those entities to help them however we can to make sure they have a reliable water supply." To him, he finds that to be an indication that they want to cooperate, not fight with them.

ADWR is being dragged into our issues. He thinks that their participation is appropriate and he hopes their representatives don't feel they are being dragged in. They are legislatively empowered to play a role in water planning in the State and he would not only invite their participation, he is grateful to their commitment to assist them. Also, he believes it is good that US Fish and Wildlife and other entities know what the City is doing.

"2 Elephants in the Kitchen." There were comments made about Senator McCain, Congress itself and Governor Napolitano and Herb Guenther who is head of ADWR as being "spooked." They can certainly speak for themselves and he would be happy to ask the appropriate parties to respond to any and all of their inquiries. None of the groups are working in a vacuum. All parties have a common goal to do no harm to the Verde River.

Issues re governance. He said that two discussion points offered were to regroup as a new entity or cooperate under the umbrella of the WAC. Creating a whole new entity would probably create a whole new set of issues so he would suggest that they try to work under an established group such as the WAC. To his knowledge, neither WAC nor the Coalition has been asked to place this issue on their agenda for discussion. He has recommended in the past that the Partnership become part of the WAC and the concept was rejected. He still has issues with the formation of the Partnership and how it affects their community.

He had heard during the formation of the Partnership that they had agreed to follow the Open Meeting Law; however he could not find a reference to it in their by-laws. His main concern with the Partnership is with how voting takes place.

Councilman Roecker said that he would recommend: 1) they ask that the Verde River Basin Partnership be put on the WAC and Coalition's agenda for those two groups for consideration, discussion or recommendations; 2) ask that the Partnership come with viable, specific recommendations; 3) he has always supported efforts to obtain Federal funds through Title II and it would be appropriate to focus on the financial effort so studies in the Verde Valley could be accomplished; and 4) he would suggest that all of these issues can be resolved if they continue to dialogue in an open, honest way.

Councilman Luzius said that he would have liked to have his comments prior to the meeting so he could review. Councilman Roecker said that he wrote it yesterday.

Councilman Lamerson said that they have not heard from any of their partners, and asked the “water people” if they have heard anything from the Coalition, WAC, etc. Mr. Holt said that the Coalition has not had any discussion on this topic. The WAC has talked about this their last two meetings. At the first meeting it was proposed and the WAC asked the TAC to bring together some of the mission statements, planning documents, etc. for the three organizations which they did. At its meeting last week, the WAC believed this is a policy issue and that not a lot of technical information is needed.

Councilman Lamerson said that he agreed with Councilman Luzius that the idea of working as Rural Arizona, looking after their water, beats the option of depending on Phoenix taking care of them. This is not just a Prescott issue.

Mayor Wilson said that they have been talking about this for years and years, and until they get people in one room and roll the issues out, they will continue to have water wars.

Councilman Roecker said that he is hopeful that his comments will suggest to the Partnership that they try to come up with a compromise on their organizational process.

Councilwoman Suttles asked what the Mayor was looking for from the Council. Mayor Wilson said that he is just looking for the Council to say they can start discussing the possibility of they can get the groups together. Councilwoman Suttles suggested that they independently discuss this issue among each of the separate groups. Councilwoman Suttles asked if he could take the request to the Coalition. Mayor Wilson said that he could but he did not want to do that without the Council's participation, understanding what they are trying to do.

Councilman Luzius said that as a member of the Coalition, he believes the Mayor has to take direction from the Council; they have to remember that cooperation has to start somewhere. He said that Karen Fann has said that she is in favor of some type of assimilation between the three groups. There are others on the other side of the mountain that want to do that. They also realize that some structure has to be changed.

Councilman Lamerson said that he is hearing from the Mayor that he will go to the Coalition, with four on the Council asking him to do that, and they have their representative from the WAC sitting there. He just wants to hear from their partners because they have people that they have built relationships with over the years.

Councilman Roecker suggested that they be specific in whether they are asking them to join the groups because of their TAC or because they are trying to get funding from the Federal government, or what the purpose is to assimilate the group into the existing, functioning, funded organizations they are now working through. Mayor Wilson said that he wants to get the three groups together in some sense so that can talk about the possibility of combining their groups. He said that the \$8 million is a big reason. Councilman Roecker said that if they are talking about the sole purpose to coordinate these groups, because the other two groups are functioning fine, most of the people in the Partnership are in the other groups; he is concerned with where it will be focused.

Mayor Wilson said that McCain supported it twice, but it was deleted from the Presidential budget. He said that McCain has never done an earmark in his career.

Councilman Lamerson said that his understanding is that Councilman Luzius's suggestion is to have all of the entities sit down together and find some commonality at the same table, under the umbrella of WAC. All he is asking for is to ask WAC and the Coalition if they would like to approach it from that perspective, and then approach the Verde River Basin Partnership.

Carol Springer, 1735 Oregon, and Member of the Yavapai County Board of Supervisors, said that she is also on the Board of Directors of WAC and the Coalition, but she is speaking for none of them; she is speaking for herself. She said that she thinks that in the last 3 ½ years they have become so entrenched in the politics and rhetoric of this discussion that they have overlooked the basic fundamentals of what the Partnership is. She then passed out copies of Title II legislation together with the Federal Summary.

She then reviewed Title II, noting that it sunsets in November of 2009, which is 18 months from now. Within the legislation it included two specific time frames by which certain things were to have been done: January 22, 2007 and March 22, 2007 (Section 204B and C). She said that the mission was that there were certain studies to be conducted by the USGS, subject to appropriation. Three of those five budget years (2006-2010) have elapsed without any request from any legislators for appropriations.

She said that Senator McCain's two letters to the President have no meaning, it is like sending a telegram to Congress; it means nothing. The budget comes from the Congress and any legislator who wants something in the budget asks for it while it is in there. At no time has any senator or congressman requested this appropriation.

She said that some people are saying “if everyone had joined in the VRBP they would have been official and gotten the appropriation,” but that’s not true. McCain sent a letter to the Partnership recognizing them as the partnership – they were official – nothing said they couldn’t get it if someone asked for it.

Supervisor Springer said that the Partnership did vote to adopt a Board of Directors, but as of the present time, they have never seated that Board of Directors. They are operating currently under the direction of the organizational committee.

She said that the purpose of a merger is that everyone should bring their assets to the table, to merge their assets for the benefit of everyone, no matter what they are. The assets of WAC are defined. They have a representative Board of Directors from all county governments, a stable funding source, a proven record of accomplishments, and specific projects in stages. She said that looking at the assets of the Partnership, they have no Board of Directors, no funding, no projects scheduled, the Partnership ceases to exist in 18 months, and it is unlikely that there will be any funding in the next 18 months.

Mayor Wilson said that they need to go after the \$8 million. Supervisor Springer said that in the past three years McCain has not requested funding. He is now running for President on a platform that does not accept earmarks. He said that there is no way for him to request this funding without it being construed as an earmark. Even if another congressional delegate asked for it next year and McCain had been elected President, he would be obliged to veto the bill. She sees no way that anyone will be asking for that money.

Mayor Wilson asked why they couldn’t get it. He asked if the budget is all earmarks. Supervisor Springer said that someone has to ask for it. Mayor Wilson said that he would continue to ask for it. Supervisor Springer said that the bill that Councilman Roecker referred to was a bill specific that was passed a few months ago, specifically for the USGS. It was the largest bill ever passed in the history for an appropriation to catch them up on past studies. She said that would have been the opportune time for McCain to request funding and no one asked for it.

Leslie Hoy, 1880 Coyote Road, said that she agrees with Supervisor Springer about Senator McCain. She said that in her former home state of Nebraska President Bush just signed a bill awarding \$153 million for the Platte River recovery project. That happened because people in that area saw the benefits of a healthy Platte River to all of them. They are so far apart in Arizona, so far from doing what they need to do to get the amount of money they need. There are too many hidden and not so hidden

agendas. Her suggestion is that rather than try to merge the diverse water groups that they meet with each other as human beings. Perhaps the City of Prescott could have a forum where all of the stakeholders, including the public, could come together in an informal basis, without looking for immediate decisions and have some common goals for the region. She said that until they come together and have a common vision of the future, they won't be able to come together with a common vision for water.

Mayor Wilson said that he would bring the issue up with the Coalition.

F. Recess into Executive Session.

The Prescott City Council recessed into Executive Session at 7:10 p.m.

VI. EXECUTIVE SESSION

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to A.R.S. Section 38-431.03(A)(3).

1. Water transmission tax issues.

B. Discussion or consideration of employment, assignment, appointment, promotion, demotion, dismissal, salaries, disciplining or resignation of a public officer, appointee or employee of any public body, except that, with the exception of salary discussions, an officer, appointee or employee may demand that the discussion or consideration occur at a public meeting. The public body shall provide the officer, appointee or employee with written notice of the executive session as is appropriate but not less than twenty-four hours for the officer, appointee or employee to determine whether the discussion or consideration should occur at a public meeting, pursuant to A.R.S. Section 38-431.03(A)(1).

1. Annual evaluation of City Attorney Gary Kidd.

VII. POST EXECUTIVE SESSION

A. Consideration and possible action - amendment to Employment Agreement with Gary Kidd.

The Prescott City Council reconvened into Open Session at 7:40 p.m. at which time **MAYOR WILSON MOVED TO AMEND THE EMPLOYMENT AGREEMENT WITH CITY ATTORNEY GARY KIDD TO PAY HIM FOR**

ONE WEEK OF UNUSED VACATION, AND PROVIDE HIM WITH A 4% MERIT INCREASE ON HIS ANNIVERSARY DATE, AND CONTINUE HIS CONTRACT AS WRITTEN; SECONDED BY COUNCILMAN ROECKER; PASSED UNANIMOUSLY.

VIII. ADJOURNMENT

There being no further business to be brought before the Council, the Regular Meeting of the Prescott City Council of May 27, 2008, adjourned at 7:41 p.m.

JACK D. WILSON, 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 27th day of May, 2008. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2008.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk