

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, DECEMBER 8, 2009

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL held on TUESDAY, DECEMBER 8, 2009 in the COUNCIL CHAMBERS located at CITY HALL 201 SOUTH CORTEZ STREET, Prescott, Arizona.

◆ **CALL TO ORDER**

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

◆ **INTRODUCTIONS**

◆ **INVOCATION:** Councilman John Hanna

Councilman Hanna gave the invocation.

◆ **PLEDGE OF ALLEGIANCE:** Councilwoman Lopas

Councilwoman Lopas led the Council and audience in the Pledge of Allegiance.

◆ **ROLL CALL:**

PRESENT:

Mayor Kuykendall
Councilman Blair
Councilman Hanna
Councilman Lamerson
Councilwoman Linn
Councilwoman Lopas
Councilwoman Suttles

ABSENT:

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

Mr. Norwood mentioned that there were over 700 calls to dispatch and over 100 9-1-1 calls with the latest snow and over 50 trees had fallen. The crew used a new product to melt the ice on the streets.

He also said that when small grants are obtained, he will mention it to Council at the beginning of each meeting. The police department received two grants, one

for \$18,000 to purchase new accident investigation equipment and the other for \$19,000 to conduct speedy, DUI and aggressive driving enforcement.

I. PRESENTATIONS

- A. Presentation by students at Northpoint Expeditionary Learning Academy regarding trip they are taking to Thailand.

Nobody was present for the Northpoint presentation at this time. (See below)

- B. Quarterly Report by Chairman Barbara Gillis of the *Prescott: The Arizona Centennial City Committee*.

Ms. Gillis noted that the statehood celebration was determined by State agencies to begin February 2011 and conclude in February 2012. The committee will continue to support projects through the end of 2012. They registered a complaint with state agencies to extend their date as well. She said the two purposes of the committee are education and economics.

The committee is working with three government agencies—the Arizona Historical Advisory Commission, the Centennial Commission and the Yavapai County Centennial Committee.

They will be working with County and City schools to get kids involved with the Centennial Stamp Project. There is a possibility that the stamp project will be a signature event.

They may also publish books and CDs of chronological collections of historically accurate stories about Prescott's history. Each chapter will be written by a local writer. The Sharlot Hall Museum Press will publish it. Beginning February 2011, there will be an excerpt from each of the 52 chapters published each week in the Daily Courier.

The committee is also going to engage the community by capturing their interest and appreciation of the centennial, secondly, to assist them in their project and getting it put together; and thirdly, to provide media and promotional support for the activity.

Mayor Kuykendall asked how many of communities in state were doing the same thing. Chairman Gillis said that at the outreach meeting she went to, she was the only centennial person there and the rest were represented by museums. Thanks to the Council for establishing the Committee a year ago. They are way ahead of the pack. She believes that

Tucson, Phoenix and Prescott will be very much involved. Prescott is history oriented and has that kind of focus.

Councilman Hanna asked if Prescott is going to be on New Mexico's webpage. Chairman Gillis said that she did not know about that. She said that the Centennial Commission told them that they are working closely with the centennial people in New Mexico because the centennials are so close together. They are going to combine resources to try and get national advertising to get people to come to the Southwest.

Councilwoman Linn asked if she had looked into an AmeriCorp / Vista employee. Chairman Gillis said that they had not because they do not have the \$5,500 to obtain that person.

Mayor Kuykendall said that they will start to look at next year's money in January and February.

- A. Presentation by students at Northpoint Expeditionary Learning Academy regarding trip they are taking to Thailand.

Mayor Kuykendall invited a representative from Northpoint Expeditionary High School to come forward to speak as they were now present.

The representative said that the school would be taking a trip to Thailand. When Northpoint first began, they wanted every student to go out of the country at least once during their four years in school. They will be selling Thai goods to make money for the trip, accepting tax credits and doing fund raisers.

Mayor Kuykendall wished him good luck. Councilwoman Lopas asked where they could obtain the items for sale. The representative said that the students going to Thailand were selling them or they could be purchased from the school.

- C. Summary of the City's Water Portfolio.

Ms. Tucker presented a PowerPoint presentation to update the new Council on the water portfolio which addressed:

- ▶ TERMINOLOGY
- ▶ 2005 DECISION & ORDER
- ▶ 2008 DECISION & ORDER (Pending)
- ▶ DEMAND – Two Types

▶ CURRENT & COMMITTED DEMAND - Groundwater

▶ CURRENT & COMMITTED DEMAND – Alternate Water

Councilman Lamerson said that just because a person has not used the water on his lot does not give the City the right to use all of the water they had and then say they do not have the water. The City should be accountable for the people who have been paying taxes on their private property. The citizens have the right to their water when they decide to build on their property, based on zoning.

Councilwoman Suttles asked Ms. Tucker to talk about the CVID agreement and others. Ms. Tucker noted that CVID was agreed upon in 1998 when the lakes were purchased and the surface water rights were purchased from CVID. The City of Prescott said they would provide water to the selling land owners at a rate of one dwelling unit per acre. They have had several of the landowners come in since then. There were a total of about 3,000 acres with a large land mass that has not come in. The water has been set aside for that. The other agreements include the Iron Springs Water Improvement District Agreement, which is from the 1960's and 1970's. There is an agreement that encompasses a large portion of the northwest county area and then there is a subdivision that is southeast of the City that the City has agreed to provide that did not make it into 1998 declaration.

▶ TOTAL EFFLUENT

▶ RESERVATION FORWARD

She said that when the 2008 Decision and Order is approved and becomes effective, the City will owe another increment to Deep Well Ranches. The City will then have 1,065 acre feet. Councilman Lamerson asked if the 1,065 acre feet include the borrowed 450. Ms. Tucker said that it did not. Councilman Lamerson said that he thought that it was important to know that 450 acre feet of the 1,065 were borrowed.

Councilman Blair said that the borrowed amount should be on that total. Ms. Tucker said yes and no. When those lands come in for water that amount is taken out of the budget. When a landowner has a two acre parcel and wants to build the four units that he could build, he will get a Water Service Agreement and an allocation. The allocation will come out of the budgeted amount and the reservation will be reduced by whatever amount is owed them.

Councilman Blair said that the Council was obligated to the people that own property, for X amount of water. He did not feel that people should be

led to believe that the City has more water than it actually has. Ms. Tucker noted that when they did the reduction in the reservation, they looked at the slopes of all of the land that was remaining. Roughly 35% of the slopes were 20% or greater. There is a less likely chance that it would come in at maximum density.

Councilman Blair said that it was not the staff's position to believe that he may not want to engineer a house on that property. Ms. Tucker agreed. She said that it was the staff's recommendation and the Council said yes. The staff said that the likelihood that the land would be built at maximum density was reduced.

Councilman Blair said that he still believes there needed to be an asterisk for a pay back. With Ms. Tucker leaving the community, they need to make sure that they have it in writing Ms. Tucker said that she could do that.

Councilman Hanna said that the City owes that money and it needs to be reflected. Councilwoman Suttles agreed. She asked what was promised to Cavan and Granite Dells Estates. Ms. Tucker said that Granite Dells Estates is already included in the water budget. The Cavan was a nonresidential annexation and per water management policy it was not included. As each project comes in on that annexation, if greater than five acre feet, it will come before City Council for a Water Service Agreement.

▶ CONSERVATION REDUCTION

▶ ADDITIONAL CONSERVATION INDICATORS

▶ CONSERVATION INCENTIVES

Councilman Blair asked what the cost was per acre foot and where does it come from. Ms. Tucker said that it was \$310,239 which is arrived at by dividing it by 226, which comes out to \$13,000 cost per acre foot.

Councilman Blair asked if they were to sell water on the open market, if that was what she would recommend that they sell it for. Ms. Tucker said that is what it cost the City to acquire that acre foot of conserved water.

Councilman Blair asked what an acre foot of water would go for on the open market. Ms. Tucker answered that if it were used for assured water supply purposes to build houses, the last auction was around \$25,000 per acre foot for a 100 year assured supply. But this was a acre foot of water, staying in the ground which will not be used for assured water supply purposes.

Councilman Lamerson said that it looks like the investment of \$310,239 paid through the incentive program; by reducing pumping and reducing the demand, it was a worthwhile investment. Ms. Tucker agreed and said that not only are they saving money on having to acquire new sources to replace the water, they are also saving operational costs.

▶ REGIONAL CONSERVATION INITIATIVES

▶ REGIONAL WATERSMART CAMPAIGN

▶ UPCOMING POLICY ITEMS TO ADDRESS

Ms. Tucker said that the City does not have an ordinance that prohibits drilling a well within City limits. There is a state law that says that if a citizen is within 100 feet of a designated provider, which is what the City is, he is not allowed to drill a well; however there are a lot of exemptions.

Councilman Hanna said that one of the exemptions is that if the cost is less to drill a well than to tie into the City water. He said that it is a lot cheaper to drill a well and it needs to be addressed. Ms. Tucker noted that currently they are just talking about those already on City water, and not allowing them to drill a well. If it is a new parcel that exemption comes into play.

Councilman Hanna asked who was allowing them to drill. Ms. Tucker said that all wells were governed by the state.

Councilwoman Suttles asked Mr. Norwood if they could discuss the item at their retreat. Mr. Norwood said that it was definitely on the list, especially as they get into the Capital Improvements Plan. There is no state law that says they have to have nice streets. There are state and federal mandates that govern how water is treated and this will be a big portion of that retreat.

Councilman Lamerson said that the water policy needs to be revamped and that there needs to be more than one policy.

Councilwoman Lopas asked if it was possible to get copies of the state regulations, what they are allowed to do as a city versus what the state allows. Ms. Tucker said that they could.

Councilman Blair asked if this would be an action item at the retreat. Mr. Norwood said that it would get them through 2010.

Tom Atkins, 309 S. Washington, said that there was not much information concerning safe yield in the report. He asked how close the City was, in acre feet, to reaching a balance or dynamic equilibrium with the water supply. He said that the water was going down 15 feet every 10 years. He asked what it would look like now if the City was at safe yield and how many acre feet per year would they be using. Ms. Tucker said that Safe Yield was an AMA goal and is not specific to individual water providers.

Mr. Atkins asked how close to dynamic equilibrium the City was with the six production wells in Chino Valley. Mayor Kuykendall said that the City has until 2025 to reach safe yield. That is why they are looking for another source of water.

Councilman Blair asked if it was a mandate by the state that the City has to reach Safe Yield by 2025, or was it a suggestion. He also asked what would happen if they do not reach Safe Yield. Ms. Tucker said it was a mandate that the Prescott AMA reach Safe Yield, although there are no repercussions, but the City does not take it lightly. She thought that the City could get to Safe Yield by 2025.

Mayor Kuykendall said that it was the intent and the goal of the City and they will reach it. The community will reach safe yield and be a good neighbor and not take something that does not belong to them.

Councilman Lamerson said that Mr. Guenther felt that the Prescott AMA would not reach Safe Yield without importation of water. In the combination of different advisory people, they came up with an 80/20 suggested rate. About 20% of water coming out of Big Chino was being targeted for the current ratepayers. At some point it is going to be incumbent on the City Council to acknowledge that 20% and commit it.

II. CONSENT AGENDA

CONSENT ITEMS A THROUGH C 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 I-A THROUGH II-C; SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.

- A. Authorize payment to SirsiDynix in the amount of \$83,885.57 for maintenance costs associated with the automated library system operated by the City on behalf of the Yavapai Library Network.

- B. Authorize payment to Tech Logic Corporation in the amount of \$93,051.00 to purchase RFID products and services for the Prescott Public Library.
- C. Approval off the Minutes of the Prescott City Council Workshop of November 24, 2009, and the Regular Meeting of November 24, 2009.

III. REGULAR AGENDA

Mayor Kuykendall indicated that Item B was being removed from the agenda for further study.

- A. Appointment of Council representative to the Upper Verde River Watershed Protection Coalition.

COUNCILMAN LAMERSON MOVED TO APPOINT MAYOR KUYKENDALL AS THE COUNCIL REPRESENTATIVE TO THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- B. Adoption of Ordinance No. 4720-1017 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending certain portions of City Code, Title IV, Business Regulation.

This item was previously removed from the agenda.

- C. Recess into Executive Session.

COUNCILMAN LAMERSON MOVED TO RECESS INTO EXECUTIVE SESSION; SECONDED BY COUNCILWOMAN SUTTLES; PASSED UNANIMOUSLY.

The Regular Voting Meeting was adjourned at 4:24 p.m.

IV. EXECUTIVE SESSION

- A. Discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to A.R.S. §38-431.03(A)(4).
 - 1. Salt River Valley Water Users' Association vs. City of Prescott

V. ADJOURNMENT

The Prescott City Council reconvened into Open Session at 6:00 p.m. at which time the meeting was adjourned.

MARLIN D. KUYKENDALL, 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 8th day of December, 2009. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2009.

AFFIX
CITY SEAL

ELIZABETH A. BURKE, City Clerk