

PRESCOTT CITY COUNCIL
REGULAR VOTING MEETING
TUESDAY, MARCH 12, 2013
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR VOTING MEETING OF THE PRESCOTT CITY COUNCIL HELD ON MARCH 12, 2013, 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** by Reverend Julia, Each One Reach One Ministries

◆ **PLEDGE OF ALLEGIANCE** by Mayor Kuykendall

◆ **ROLL CALL:**

Present:

Absent:

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

None

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

No summary given.

I. CONSENT AGENDA

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

- A. Approval of the minutes of the Prescott City Council Caucus of February 19, 2013; Special Meeting of February 26, 2013; and Voting Meeting of February 26, 2013, as corrected.

**COUNCILMAN ARNOLD MOVED TO APPROVE CONSENT AGENDA ITEM I.A;
SECONDED BY COUNCILMAN LAMERSON; PASSED UNANIMOUSLY.**

II. REGULAR AGENDA

- A. Public Hearing for amendment of City Code Title II Chapter 2-1: Public Works Department, Sewer Use Ordinance for Wastewater Pretreatment Program implementation.

Mark Nietupski, Public Works Director, introduced the public hearing at 3:05 P.M., and explained that it is the commencement of the thirty day comment period. Comments and questions will be received and recorded. Questions from persons not present will be received in the next 30 calendar days. Written responses will be provided to all questions received during that time, pertaining to the Wastewater Pretreatment Program. The comments, questions and answers will be provided to the public at a regularly scheduled City Council Meeting on April 23, 2013. The information will also be available on the City web site. The Public Hearing is for a presentation of the Program. Mr. Nietupski reported the City is obligated to implement a pretreatment program under the City Charter and through Federal and State statutes.

A contract was awarded to ARCADIS US Inc. on March 13, 2012 for completion of the program. He listed the objectives and noted the dates the stakeholder meetings were held. Marla Miller of ARCADIS is present to answer questions.

Ms. Miller described the Program and provided information why we do this, what the objective is for the pretreatment program, and how Prescott's industries could be impacted by the program. She followed her presentation with next steps for the program.

ARCADIS will identify potential significant industrial users and their discharge from information collected from surveys. The City will be able to develop Best Management Practices, issue permits and perform site inspections of significant users. ARCADIS will work with the significant users to develop permits and compliance schedules and will perform a cost benefit analysis.

Councilman Lamerson said this is a federal mandate and that Council gave direction to pursue implementation of an aquifer protection fee or a watershed protection fee, to be assigned to all the water user rates of the City. Mr. McConnell said everything is connected and said they had discussed, in a watershed runoff context, establishing an aquifer protection fee. One of the sources of input to the aquifer is the effluent which is recharged. Another component is surface waters from the watershed. He noted that there is an agenda item today that pertains to the TMDL (Total Maximum Daily Load) in Watson Lake, in particular. The discussion of both items should trigger the discussion for the aquifer protection fee.

Councilman Lamerson discussed parking lot runoff and standards for the runoff and who will pay to clean the water.

Councilman Kuknyo shared his concerns for the local businesses and the costs they will have to absorb. Mr. Nietupski assured the Councilman that steps have been taken to communicate with the business community. He said staff will discuss with Council the cost benefit analysis for the businesses involved and any potential fees that may be recommended. The initial ordinance must be implemented to allow staff to go forward. He said the first part of the program will be educating the public concerning best practices.

Councilman Blair said he is concerned with the ongoing costs for the businesses in the community.

Mr. Nietupski described the difference between the City and the County responsibilities. The City has the obligation to operate and maintain the program in conformance with environmental regulations. Councilman Blair asked if inspections will be done on businesses that discharge. Mr. Nietupski said it was likely, but not in the near future. First we need to know what they are putting into the system. He will be coming back to Council multiple times and any fees will have to be approved by Council.

Councilman Arnold said he would like to see all of the comments from the public and stakeholders. Mr. Nietupski reported that everything is on the website. Councilman Arnold said he would appreciate an email alerting the Council of the updates.

Mayor Kuykendall said he is surprised the County is not involved at this time. They are a key player. Mr. Nietupski said he will initiate that conversation.

John Nielson, Prescott Brewing Company, looked into wastewater pretreatment when he was building the plant at the airport. He called attention to the Sundog Wastewater Treatment Center and the airport water reclamation plant and commented on how much it took to treat wastewater. Based on 500 gallons of wastewater per day, his bids were from \$80,000 to \$1.2 million. If he had to endure that expense, his company would cease to exist. He said the impact will be greater on small business than what they think.

Doris Cellarius, Prescott resident, said she has followed the design and upgrade of the two sewer plants. She feels the pretreatment program is necessary and something that would make sewage treatment more efficient and cost effective, with cleaner water going into the aquifer.

Greg Lazzell, Prescott resident, asked if the Environmental Protection Agency (EPA) is telling us where we need to arrive at standards or how to get there. He is also concerned with the added regulations to various industries.

John Zambrano, Prescott resident, said he is happy the City is going forward with a pretreatment program. He is curious to see whether the program uncovers the reasons why there are high organic and solid loads.

There being no further public Comments, the Public Hearing closed at 3:42 P.M.

- B. Approval of a professional services agreement (City of Prescott Contract No. 2013-147) with AMEC Environmental & Infrastructure, Inc., for the Upper Granite Creek Watershed and Watson and Willow Reservoirs Water Quality Improvement Study, in an amount not to exceed \$60,000.00.

Leslie Graser, Water Resources Specialist, presented and clarified the item title. She said the item was the first step to the action plan to address impairments in both Upper Granite Creek Watershed and Watson Lake Reservoir. The plan commences with the City seeking specialized professional services to review and respond to Arizona Department of Environmental Quality (ADEQ) TMDL reports within a designated time period. The TMDL's could have implications on the City's storm water, permits and reservoir operations.

She gave background on the City's two reservoirs – Watson and Willow Lake. Both Watson Reservoir and the Upper Granite Creek Watershed have been studied and recorded to have impairments. ADEQ seeks to work with local stakeholders to improve the water body or watershed. When the TMDL report is released, the community will have two opportunities to provide comments and respond to the findings before it is sent to the Environmental Protection Agency (EPA). The two TMDL's intended for release in the Spring of 2013 will likely require updates to the City's storm water permit, which will be the first time a TMDL would be applied to an MS4 permit.

The consultant will provide a critical review of the ADEQ contracted studies of both the Watson Reservoir Nutrient TMDL and Upper Granite Creek Watershed TMDL, articulating the potential implications of the TMDL's to the stakeholders within the watershed. The contract will allow the City to scientifically scrutinize ADEQ's findings and be positioned to respond to the findings.

Phase II is not part of this contract. It will develop a comprehensive Storm Water Management Master Plan to improve water quality in the lake and watershed. The budget for the project is in Water and Wastewater Funds.

She then discussed the procurement and schedule for the project.

Ms. Graser addressed information previously discussed in October of 2012:

- Review of ADEQ contracted studies
- Review and response summary of draft TMDL's
- Review and action recommendations to the AAR draft final TMDL's
- Phase I summary and development of Interim Action Plan
- Project Management
- Additional regulatory coordination and technical support (optional task)

She noted that it was an inter-departmental effort by the City - Storm Water Management, Operations, Water Resource Management and others. The local area has an enthusiastic Water Improvement Council which includes Arizona Department of Transportation, Yavapai County Flood and the City. Prescott Creeks has organized and spearheaded the efforts to date related to the Upper Granite Watershed Improvement Council and has produced a Watershed Improvement Plan that will be integral in the future actions.

Councilman Arnold asked for elaboration on the TMDL being applied to the MS4 permit. Ms. Graser said the TMDL seeks to put improvements on the ground and monitor them. The MS4 has a compliance schedule which starts a watchdog effect. He asked about additional impacts it would have to the City's drainage manual and Storm Water Protection Program. Councilman Arnold said he would like to know intended and unintended consequences. Ms. Graser said there were three studies that went into the TMDL report that the consultant will review.

Councilman Kuknyo asked if the problem could really be fixed. If we did do this, it seems like we'd start upstream and work toward the lakes. Is it economically viable? Is this the first step doing something that we think is attainable, the Councilman asked.

Ms. Graser said yes, and added that it is important to see if ADEQ is setting a standard the City could actually attain. Councilman Blair asked if they were really addressing the core issue of what is wrong with the lakes. The sewer lines are in the middle of the creeks and are gravity fed. He asked if the City will have to fix what is above the lakes before they fixed the lakes.

Greg Toth, Civil Drainage Engineer, said the City has contributed to the Watershed Improvement Council for the past three years. It is ADEQ sponsored, through a grant headed up by Prescott Creeks. The report tried to identify where there may have been a point discharge and found that Prescott had a non-point source of pollutants. The approach will be developed in Phase II.

Councilman Lamerson said at the end of the day, we may come to the realization that we can't make the quality of that lake better than 'this point' over here, and you can't swim or eat the fish. But we can't just keep spending money, in a non objective manner, if we can't fix it. There are certain things that we can do, like recharge, and meet the standards, but those lakes may never meet the standard for public consumption. There are certain things you can use the lake for, and certain things you can't. We need to determine where our dollars are best spent.

COUNCILMAN SCAMARDO MOVED TO APPROVE A PROFESSIONAL SERVICES AGREEMENT (CITY OF PRESCOTT CONTRACT NO. 2013-147) WITH AMEC ENVIRONMENTAL & INFRASTRUCTURE, INC., FOR THE UPPER GRANITE CREEK WATERSHED AND WATSON AND WILLOW RESERVOIRS WATER QUALITY IMPROVEMENT STUDY, IN AN AMOUNT NOT TO EXCEED \$60,000.00; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- C. Public Hearing for request to annex APN 107-14-057A (ANX12-001; owners Todd L. Metcalf and Dawn L. Nabors).

Tom Guice, Community Development Director, introduced the public hearing at 4:14 P.M.

Mr. Guice explained that the owners wish to annex this property to resolve issues related to service and financing. When they bought the property, it was shown to be in the City of Prescott. Three years later, when they wanted to refinance, a map showed they were not. The Council approved the abandonment of the right-of-way at the location last year. The Planning and Zoning Commission approved this request at their February 14th meeting.

Councilman Kuknyo said he called Liberty Management who manages the Home Owners Association and they are in support of this request.

There being no public comments, the public hearing closed at 4:18 P.M.

COUNCILMAN KUKNYO MOVED TO CLOSE THE PUBLIC HEARING FOR ANX12-001, ANNEXATION REQUEST FOR 0.38 ACRES OF RESIDENTIAL PROPERTY IN YAVAPAI COUNTY; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

- D. Revision of Cloudstone Unit 1 final plat to incorporate an adjacent open space tract (RP12-002).

Tom Guice, Community Development Director, introduced the item. This is a revision to the Cloudstone Unit 1 final plat, modifying the boundaries to include an adjacent tract of open space.

No adverse impacts on the community have been identified. The action will benefit the Association by giving them the authority to maintain and enjoy the tract as additional open space

A representative of Cloudstone was available to answer questions.

COUNCILMAN ARNOLD APPROVED PLAT REVISION RP12-002 AMENDING THE BOUNDARY OF CLOUDSTONE UNIT 1 TO INCORPORATE THE OPEN SPACE TRACT AS DEPICTED; SECONDED BY COUNCILMAN KUKNYO; PASSED UNANIMOUSLY.

- E. Approval of Preliminary Plat PP12-002 and Water Service Agreement WSA12-003 (City Contract No. 2013-146) for The Meadows at Lynx Lake PAD, a 17 lot single-family home subdivision on 6.3 acres located on Walker Road south of State Route 69. APPLICANT/OWNER: Scot Lee, Lee Ltd., 300 N. Lee Blvd., Prescott, AZ 86301.

Tom Guice, Community Development Director, introduced the item. The Water Service Agreement requests 5.95 acre-feet of water for the development and, according to policy, stipulates water shall be available for a period of five years from the Preliminary Plat approval. The plat meets all requirements of the Land Development Code for subdivisions. Mr. Guice said the Planning and Zoning Commission approved the request at their February 14th meeting. Scot Lee is available to answer any questions.

Councilman Arnold asked about the impact to Walker Road. Mr. Guice said no traffic study was necessary due to the number of lots and current road improvements.

Mr. Nietupski, Public Works Director, said the existing lift station had some capacity issues and it is in the best interest of the City to abandon it and put in a gravity station for the sewer and abandon the current lift station. The developer would pay for that and the City would do a main line extension, budgeted in the coming fiscal year. The cost of the gravity system is significantly less than the lift station.

COUNCILMAN ARNOLD MOVED TO (1) APPROVE PRELIMINARY PLAT PP12-002 WITH THE CONDITION THAT THE FINAL PLAT BE SUBMITTED WITHIN 5 YEARS; SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

COUNCILMAN ARNOLD (2) MOVED TO APPROVE WATER SERVICE AGREEMENT WSA12-003, (CITY CONTRACT NO. 2013-146); SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

F. Future annexations in the West and North Airport Areas – Presentation. No Action taken.

Craig McConnell, City Manager, presented. He provided additional detail regarding these areas. The City's General Plan, approved in 2004, indicates a goal of proactive airport area annexations. In 2008, the City approved a General Plan major amendment, formulated with Deep Well Ranch and the Arizona State Land Department. In 2009, the City created Water and Sewer Master Plans for the area. Additionally, the City created an Airport Area Transportation Plan. The West Airport Master Plan is part of discussions which are ongoing now about the widening of SR89 and the relocation of Willow Creek Road, north of Pioneer Parkway.

After the General Plan was amended to indicate the land use, the City entered into a pre-annexation development agreement with Deep Well Ranch in November of 2009. The City entered into the development agreement which laid the groundwork that described the terms and conditions for a series of future annexations. The agreement also addressed water and settled an obligation of the City of Prescott to provide water to Deep Well Ranch pursuant to a 1967 grant of easement. It identified blocks of water, and the pre-annexation agreement has the expressed intent of that water quantity being applied within lands which would ultimately be annexed into the City of Prescott. The water will be used to the benefit of economic development within the City and it will assure that there is a sewer system for return flow to the Wastewater Treatment Plant where effluent can be produced.

On July 24, 2012, the Yavapai Regional Medical Center (YRMC) described a north campus of 180 acres. Tim Barnett, CEO, said the medical center had a long term goal of creating a campus that includes clinics and practitioners. The Council did approve the North Airport General Plan Master Plan and Land Use. These are two specific annexations. Both will be consistent with the 2009 Pre-Annexation Agreement with Deep Well Ranch. We have a goal of initiating and completing the annexations this year.

Mr. McConnell showed a slide depicting a triangle of 247 acres, bound on the south by Pioneer Parkway, the west by Willow Creek Road, and the east by State Route 89, and extending beyond the properties by the airport. The City has completed the Sewer and Utilities Master Plan. The access is good with future widening of SR89. This potential annexation is not subject to Proposition 400, since it is less than 250 acres. A cost benefit analysis will be prepared and does require a separate annexation agreement, implementing the Pre-Annexation Agreement and a zoning ordinance. The Council will see these items in the next four to five months. Mr. McConnell reported we have no specific development proposal received for this area at this time.

The North Airport Area proposed for the annexation area is 499 acres. It extends from the City limit on the north side of the airport, northerly to the YRMC 180 acres. Access will be provided by roundabout intersections on SR89. The City has completed the Waste and Utility Master Plan for the entire North Airport Annexation Area. Phase I will need to get underway within five years for YRMC planning purposes. This will be subject to Proposition 400, which will require a cost benefit analysis and a review by a committee. In the coming months Council will see the City initiate an amendment to the 2009 agreement with Deep Well Ranch, adding the North Airport area. A separate pre-annexation agreement with YRMC will also be required.

The City of Prescott has a very detailed annexation process. It requires approximately 26 weeks if it is subject to Proposition 400. In April the Council will see an amendment to the pre-annexation agreement with Deep Well Ranch. There will be many opportunities for ample public input.

Councilman Lamerson talked about Deep Well Ranch and said it is important that Council understand that our water obligation is not tied to annexations. We have the obligation if it is annexed or not. If we annex, there will be impact fees and it will be built to the specifications of the City.

- G. Approval of a grant application to the Arizona Department of Homeland Security seeking total funds in the amount of \$103,033.00 for CAD Server replacement and Mobile Modem upgrades.

Lieutenant Bonney, City of Prescott Police Department, presented. If awarded, the funds will be used to replace servers and associated hardware to the Computer Aided Dispatch system as well as upgrade the current modems in Police and Fire vehicles

from 3G to 4G modems and associated install and cutover costs. There are no requirements for local matching funds associated with this grant opportunity.

Councilman Arnold asked when the Prescott area will have 4G. Lieutenant Bonnie said it would be about two to three years.

COUNCILMAN LAMERSON MOVED TO APPROVE SUBMISSION OF A GRANT APPLICATION TO THE ARIZONA DEPARTMENT OF HOMELAND SECURITY FOR FUNDING IN THE AMOUNT OF \$103,033.00; SECONDED BY COUNCILMAN ARNOLD; PASSED UNANIMOUSLY.

H. Award of bids and contracts for off-site refueling stations to dispense gasoline and diesel fuel to (1) Bennett's Oil of Prescott at OPIS pricing plus a per gallon markup of \$0.09 and (2) SC Fuels of Camp Verde at OPIS pricing plus a per gallon markup of \$0.09.

Stephanie Miller, Director of Field and Facilities Services presented. Gasoline and diesel fuels are required for all City vehicles and equipment, however, the City does not have its own fueling facility. An estimated 125,000 gallons of gasoline, and approximately 135,000 gallons of ultra low sulfur diesel (ULSD), are consumed annually.

Under these contracts, facilities would be open 24 hours a day, 7 days a week, with electronic reporting by the vendors. The term will be for one year with an option to extend for one year, up to four additional times. Both bidders understand that minimum quantities to be supplied to either vendor are not included. Funding is available in the departments that have equipment. Both vendors have stations in Prescott.

Councilman Scamardo asked if there are any plans to look into natural gas engines. Ms. Miller said the infrastructure is not here and our vehicles are not equipped. If we ever go in that direction we will have to do it through attrition. Ms. Miller said this is still a new industry and mountainous areas have problems with power in their vehicles that use natural gas.

COUNCILMAN KUKNYO MOVED TO AWARD BIDS AND CONTRACTS FOR GASOLINE AND DIESEL FUEL- OFF-SITE- REFUELING STATIONS TO EACH OF: (1) BENNETT'S OIL OF PRESCOTT AT OPIS PRICING PLUS A PER GALLON MARK UP OF \$0.09 AND (2) SC FUELS OF CAMP VERDE AT OPIS PRICING PLUS A PER GALLON MARK UP OF \$0.09; SECONDED BY COUNCILMAN CARLOW; PASSED UNANIMOUSLY.

I. Communications and Marketing - Presentation. No Action taken.

Mr. McConnell, City Manager, introduced this item. Community partnerships and dialogue are essential to maintaining a quality community. He said it is about informing and retaining businesses and residents, and positioning the community to attract new ones.

Mel Preston, Communications & Public Affairs Manager, explained her Mission Statement and listed the importance of strategic action. Ms. Preston listed her goals, which she hopes increase citizen involvement and communication.

In summary, Ms. Preston said citizen involvement, having a broadened scope of the communication and marketing audience, and accuracy in reporting to the media will bolster the City's image internally and to the community.

- J. Legislation.
 - a. HB 2527 Elections; revisions

Mr. McConnell said this was placed on the agenda at Councils' request.

Daniel Mattson, Prescott resident, called attention to language in the law as relates to Council terms. His desire was to have a conversation.

City Attorney Paladini said if it the bill is approved by the Senate and signed by the Governor, it would allow Council a one-time move of election dates to shorten or lengthen terms. It potentially creates a problem with Charter Cities. A change to the Charter requires a Charter Amendment vote by the people. He is not confident that the bill is Constitutional under the Charter Amendment provisions of the Arizona State Constitution. His recommendation is that Council stays the course and proceeds with the elections in 2013 and 2015, unless the Supreme Court states otherwise.

- b. Update on other legislation

Ms. Preston gave an update on current bills.

III. ADJOURNMENT

There being no further business to be discussed, the Regular Voting Meeting of March 12, 2013, adjourned at 5:20 P.M.

ATTEST:

MARLIN D. KUYKENDALL, Mayor

LYNN MULHALL, 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 12th day of March, 2013. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2013.

AFFIX
CITY SEAL

LYNN MULHALL, City Clerk