CITY OF PRESCOTT
Everybody's Hometown

AGENDA

Council Water Issues Committee
NOTICE OF PUBLIC MEETING
Tuesday, January 28, 2014
10:00 a.m.

Prescott City Hall
Downstairs Conference Room
201 S. Cortez St.
Prescott, Arizona 86303

The Council Water Issues Committee will hold a meeting on **Tuesday, January 28, 2014, at 10:00 a.m.** in the Prescott City Hall Downstairs Conference Room, 201 S. Cortez St., Prescott, Arizona. The agenda is as follows:

A. Call to Order.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Chairman Jim Lamerson
Member Steve Blair
Member Charlie Arnold

C. Approval of minutes of the April 30, 2013, Committee meeting

D. Policies and procedures re water service to lot splits inside and outside the City limits

E. Definition of "workforce housing" as it relates to water allocation for new development

F. Request of Crystal Creek Homes for retroactive extension of water service agreements

G. Yavapai County Water Advisory Committee (WAC) FY 2015 work plan, budget, member dues, and City participation

H. Adjournment

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 1/23/2014 at 12:00 p .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong

Dana R. DeLong, City Clerk

PRESCOTT WATER ISSUES
COMMITTEE MEETING
TUESDAY, APRIL 30, 2013
PRESCOTT, ARIZONA

MINUTES OF THE MEETING OF THE PRESCOTT WATER ISSUES COMMITTEE held on Tuesday, April 30, 2013 in the PRESCOTT CITY HALL DOWNSTAIRS CONFERENCE ROOM located at 201 SOUTH CORTEZ STREET, Prescott, Arizona.

A. Call to Order.

Chairman Lamerson called the meeting to order at 10:30 A.M.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Chairman Jim Lamerson
Member Steve Blair
Member Charlie Arnold

C. The Alternative Water Portfolio - resource availability and management policy

Leslie Graser, Water Resource Specialist, gave an overview of the Alternative Water Portfolio and some terminology involved.

She said the current total volume of water available for the City to allocate to new development or other demand is 4,640.26 acre-feet/year. This is from the remaining 1999 and 2005 Decision and Order. She noted that this amount includes the Big Chino, which has not been plumbed.

Councilman Lamerson asked how much water the City of Prescott has if the pipeline is not built. Ms. Graser said the City has 1,175.76. She then broke down the analysis of the 1999 and 2005 Decision and Orders and the water budgeted or reserved by Council. The approximate remaining volume from the 1999 and 2005 Decision and Orders, less the total committed and contracted is 437.78 acre feet.

Ms. Graser noted that in the current Decision and Order, the only bump the City saw in 2009 is related to the treated effluent supply, which is 1,471.98. The City has not had a discussion as to how to budget that water, so it is not in contract. She noted that there are two reservations against that water; one for vacant State Lands in City Limits and the second increment for the Deep Well. The remaining volume from the 2009 Decision and Order (treated effluent only), less the total committed and contracted is 737.98.

Craig McConnell, City Manager, reminded them that they are only talking about alternative water, not the grandfathered groundwater, in all of the developable plats. He said that some of the water Ms. Graser mentioned is not immediately available because the Big Chino Project is not pumping water. He noted that the City entered into a water service agreement for residential building of Granite Dells Estates, none of which has been built.

Councilman Lamerson asked if the contracts attached to water agreements have performance requirements. Mr. McConnell said they vary.

Ms. Graser said there is a wide range of residential performance agreements between three and fifteen years; some agreements are in perpetuity. She noted that most of them are not within the alternative contract because they are on the groundwater side of the portfolio..

Mr. McConnell noted that there is a policy for vacant, unwatered parcels in the event of a rezone. The Council agreed with staff two years ago, that if the property was rezoned, it did not mean that water automatically went with it. He said the water will not get locked in until there is a specific development proposal which is approved and there is performance.

Ms.Graser noted that the Council requested she look at the portfolio to figure out what has expired and determine what can be brought back into the portfolio. She noted that the renewable supply identified by the Decision and Order is subject to review and updating, due to the fact that the amount reflects projections of future treated effluent and surface water recharge which may or may not be achieved. Due to lower precipitation, the City has not been able to move the water quantities they should be moving to support the Decision and Order. She said the next date would be 2019 to do an update on a new Decision and Order. If the City did not have approval of construction for the Big Chino Project, the City should be ramping up in 2017 to modify the Decision and Order. She noted that the City should be mindful of how they budget out the remaining volumes.

Ms. Graser also noted that a lot of growth was expected and the current effluent supplies are not what they based the 2009 Decision and Order.

Mr. McConnell said there needs to be a focus on performance.

D. Granite Dells Estates: application for rezoning a tract from industrial to residential; existing water service agreement and request for a new water allocation

This item was moved to the end of the agenda. Councilman Arnold recused himself for potential conflict of interest and left the room at 11:46 A.M.

Leslie Graser, Water Resources Specialist, presented. She noted that there is an existing Water Resources Agreement and a request for a new water allocation. The agreement was executed in 2007 for a total volume for 248.5 acre feet. The contract remains in effect until 2022. The request is to rezone 72 acres that would be 600 additional residential units, needing 210 acre feet of water.

City Manager McConnell said it would appear that if rezoned, the water service agreement would have to be amended.

Councilman Lamerson said they should have that discussion after Granite Dells Estates went through rezoning.

Mr. McConnell said the application for rezoning will go through the system. He wanted to make Council aware that this would consume one year of water which has been made available through the water budget.

Councilman Lamerson is concerned that an increase in residential units may necessitate construction of the Big Chino Project. He asked where the money would come from for that project.

Mr. McConnell said Mr. Jason Gisi is here for discussion of the project and added that an agreement could be made, similar to Deep Well Ranch, which had a third increment to their agreement that was based on the build out of the Big Chino.

Councilman Lamerson asked if the City would revisit impact fees for these projects. Mr. McConnell said they could grant an entitlement based on the development of the Big Chino pipeline, which may or may not happen.

He said this item is to make Council aware of some of the projects that may come before them and the water that would be requested. He noted that Mr. Gisi submitted an application for 600 additional units that will end up on an agenda of the City Council.

Mr. Gisi said the Federal Aviation Administration changed the dimensions for the buffer zone around the airport. They now have the opportunity to build single family houses closer to the buffer zone. He said there is an overabundance of industrially zoned property around the airport. He intended to develop the lots in 2014.

Mr. McConnell said the Big Chino project may not be required for the 600 additional units. He said they had to manage the portfolio and not tie up the water without performance requirements. He noted that an agreement could be structured where, as they use their 248.5 acre feet they currently have, the City can replenish that, based on performance.

E. Yavapai Regional Medical Center Pre-Development Agreement: request for a new water allocation

Craig McConnell, City Manager said this item contemplated a predevelopment agreement with Yavapai Regional Medical Center (YRMC), which will involve a request for an allocation of alternative water. He noted that Ms. Graser said that allocation is what the state gives to the City in terms of alternative water. But, the City also uses the term to mean an allocation of water from the City to a property owner for the purpose of development.

Mr. McConnell said that in order for the YRMC campus to become a reality, Council will look at an amendment to a pre annexation agreement with Deep Well Ranch (DWR) to add the north airport area to the west airport area and a predevelopment agreement between the City and YRMC.

He said considerable master planning and modeling has been done for the North Airport Annexation Area. A build-out quantity of water has been established of 127 acre feet for the intensities of land uses by YRMC for the north campus. He noted that DWR owes the City a credit of 58 acre feet against the blocks of water we gave them. DWR is coming to the table with 29 acre feet, which reduces the net allocation of YRMC to 98 acre feet.

Mr. McConnell said Tim Barnett, Chief Executive Officer and John Amos, East Chief Operating Officer are here for questions. Mr. McConnell said YRMC is proposing to create major medical center and employment center to provide additional health care resources. They anticipate the agreement to come to Council during May 2013.

Councilman Blair asked when YRMC would begin building. Mr. McConnell said it would be at least five years.

There was a discussion about the allocation of water, in segments, and the roadwork being done by Arizona Department of Transportation. Mr. McConnell noted that the planned roundabout which will serve the entrance to the YRMC project is already planned.

E. Senator Heights Subdivision: request for renewal of expired water contracts 2004-211A, 2004-213A, 2004-214A and 2004-215A

Leslie Graser, Water Resource Specialist, noted that in 2004 water service agreements were requested for five parcels outside City limits. Contracts were executed for each lot under the authorization of City Code 211-4. There is a performance period of three years, at which point the water would return to the portfolio. The City was contacted in September 2007 and asked for an extension for another three years, which was done. She said the project began as five individual residential lots; one lot has been built upon. The other four lots became a subdivision and the contract expired in 2010.

Ms. Graser noted that Mr. Bud Beshers, Crystal Creek Homes, was here for comment.

Ms. Graser said there is discussion that the request did not meet current City Code 2.1.8. She noted that the City did not have sewer lines in the area of the parcels discussed. The exemptions from the provisions of the subsection of the Code were discussed.

Mr. McConnell said the contracts have expired. The request is to amend them retroactively.

Councilman Lamerson noted that there is no contract to amend. He said the City Code precluded them from serving water outside the City limits. He noted that City Code could be changed.

Mr. Podracky, Assistant City Attorney, said there are four expired contracts that are not grandfathered. He said they wwill need to enter into new contracts, if that is possible, given the change to the Code.

There was a discussion with the applicant about the history of the project. Mr. Beshers said they asked the City to annex the property in 2005 and it was turned down. He said it had to do with the maintenance of Haisley Road and Senator Highway. He noted the sewer system was over 1,500 feet away from the hook up to the City, with no easements. He said there are three, five acre parcels and one ten acre parcel. The original agreement said the water service agreement would be void if they divided the property up, which they have not done.

Ms. Graser said she contacted the Department of Real Estate who did not find the project under the name Senator Heights; it is under a former ownership and is no longer a valid public report. The public report and the contract were both expired when she was first contacted about the project.

Mr. Podracky said the Code is the law. He did not know if there could be a variance. He said they could go back and look at the history. Councilman Lamerson said he will defer to legal. He found it difficult to ask Council to go against City Code. He asked if there is more research that can be done.

G. Highland Pines Domestic Water Improvement District: request for annexation of property into the District (APN 100-01-034B)

Leslie Graser, Water Resource Specialist, said the City has an Intergovernmental Agreement (IGA) that dates to 1997 with the community, which is master metered. She noted that the owner of the parcel ending in 034A wants to be added into the IGA. However, parcel 034B has not been recognized as having an entitlement to water. The property owners asked the county to combine the two properties, for which they were refused. The property owners then went to the Highland Pines Board, who said they could combine the properties and add them to the district. The Board said they would combine but the properties could not be split again.

She noted that if the agreement with the Board was county legal, with the Council's approval, staff will have to make a resolution to add 034B with conditions so it could be served in the future.

Mr. McConnell said the effect from a wet water resource is nothing; 034A is already entitled to water. He said they cannot combine the parcels without the cities approval because one parcel is in a district and the other is not.

H. Touchmark at the Ranch; discussion of anticipated request for a new water allocation

Leslie Graser, Water Resources Specialist, noted that the property is adjacent to Walmart on the Highway 69 and the development is within city limits. The property currently has no water. She noted that at one time Council made reservation for vacant residentially zoned property.

City Manager McConnell said that some of the property is residentially zoned and some is not. The reservation that is made pertains only to the residentially zoned portion.

Ms. Graser said analysis was done by GIS to refigure the residential portion due to the slope factor. She said that 54 acre feet will be moved off the annual amount budgeted by Council for the development. She noted that it may be 9 acre feet over the budget.

Mr. McConnell said there could be a development agreement, in the near future, that would require a quantity of water that the City has already reserved but, a new water service agreement may be required. He noted that a performance requirement could be phased.

Councilman Lamerson said that when water is reserved for a project, it denies water to others who may be ready to build. Mr. McConnell said this is different because the City has already made a reservation for the vacant un-watered zones of the development.

I. Adjournment

There being no further business to be discussed, the Prescott Water Issues Meeting of April 30, 2013, adjourned at 12:04 P.M.

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KIM WEBB, Deputy City Clerk

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Jim Lamerson, Chairman

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO January 28, 2014	
DEPARTMENT: City Manager (Water Resource Management)	
AGENDA ITEM: Policies and procedures re water service to lot splits inside and outside of City limits	
Approved By:	**Date:**
Water Resource Specialist: Leslie Graser	
City Manager: Craig McConnell	

Background

The City receives requests for water service for lot splits both within and outside of the City limits. City codes are in place to address these requests, supplemented by other policies and procedures such as:

Inside the City limits

1. The Water Management Policy (as amended) states how the City's will allocate the Assured Water Supply (AWS).

"Effective December 31, 1998, all residential development within the City's water service area desiring to utilize the City's water system, and not having a 100-year AWS certification, must obtain an alternative water allocation through an agreement approved by the City of Prescott. Each such agreement is required as part of a preliminary subdivision plat, or amendment of a previously approved preliminary or final subdivision plat when the amendment increases the previously approved number of residential lots or residential units. An agreement is also required prior to the issuance of any building permit for... residential development on lot splits..."

2. In March 2011, Resolution 4071-1141 was adopted by Council addressing the rezoning of property within the City which would increase the number of residential dwelling units: the reservation of water for Vacant Residential Unwatered Parcels shall not be increased at the time of such rezoning to reflect the additional demand corresponding to the increase in dwelling units.

3. City Code provision re water service are found in Chapter 2-1.

Outside the City limits

1. The Water Management Policy also applies outside the City limits as it relates to current and potential future water customers.

2. City Code 2-1-8 sets forth conditions for water service outside of the City limits. Briefly, it outlines:

Agenda Item: Policies and procedures re water service to lot splits inside and outside of City limits

A. No property outside of the City limits shall be served water, nor shall any main extensions outside of the city limits be allowed, unless:

- The City has previously entered into a valid contractual agreement to provide water to a specific property.
- There is a City water main fronting residential property for which service was requested on or before October 4, 2005. Connection to the City's sewer system is also required.
- Water service will be pursuant to an intergovernmental agreement.

B. Water will be furnished subject to rules and regulations of the City.

C. No more than one residential dwelling unit per parcel of property shall be provided potable water. The phrase "parcel of property" shall mean all of that real property which was contiguous and under common ownership at any time on or after October 4, 2005.

Other City Code Provisions

City Code 2-1-24: Water Meters states, "All water furnished or sold by the City shall be delivered or supplied through meter only, and every separate building supplied with the City water must have its own separate service connection and meter, except that two (2) or more building located on the same lot or on contiguous lots under the same ownership, or property know as a court, apartment house..." The goal of this code appears to be for billing purposes; however, if each property/building (especially a lot split done by the County) required a meter then that would likely also come with a greater demand on City water supplies. An entitlement of water supplies should not be inferred by code 2-1-24.

Attachment

- City Code 2-1-12
- City Code 2-1-8
- Example 1: 50 acre parcel outside of City limits
- Example 2: Lot split in Idylwild Tract
- Example 3: Idylwild Tract Area

Committee Recommendation to Council: (to be determined by the Committee at the meeting).

2-1-12 UTILITIES DIVISION; WATER SERVICE CONNECTION AND METER INSTALLATION CHARGES:

(A) All meter installations shall be made by the City upon written application. Meters shall be placed at suitable locations approved by the City. The consumer or property owner at the time of making application shall pay to the City the following installation charges:

Meter Size	Installation Charge
5/8" x 3/4"	Cost plus 10%, but not less than $420.00
3/4"	Cost plus 10%, but not less than $440.00
1"	Cost plus 10%, but not less than $600.00
1 1/2"	Cost plus 10%, but not less than $1,000.00
2"	Cost plus 10%, but not less than $1,200.00
All others	Cost plus 10%, but not less than $1,500.00

(B) Property must be abutting a water main for a service connection to be made, unless otherwise allowed pursuant to this section. In cases where the main is not abutting, the main must be extended at the expense of the property owner before a connection is made. Private lines will not be allowed to be extended over areas that could be provided water by public mains; provided, however, that notwithstanding anything to the contrary herein, if it is determined by the Public Works Director that no benefit to the water system would be realized from a main extension, the City Manager or his designee may grant permission for a private line extension to service not more than one (1) customer.

(C) A contractor shall have the right to install individual stub-in service connections provided that the stub-in service connections are constructed in conjunction with a development, and the costs for said service connections are included as a part of the financial assurances of an approved subdivision, planned area development or other development.

(D) All service connections installed by contractors shall be according to City standards and specifications. In the event a contractor makes such installation, which installation includes the stub-in service line, meter yokes and boxes, there shall be a credit allowance in the amount of two hundred dollars ($200.00) towards the purchase of the water meter for such stub-in service connection.

(E) In the event a service connection must cross an Arizona Department of Transportation highway right-of-way, the consumer or property owner shall obtain the necessary permits directly from the Arizona Department of Transportation to make said service connection and the consumer or property owner shall obtain their own contractor to make said service connection. Said service connection shall include the meter yoke and box and the service line from the meter box to the water main. The City will install the water main tap and the water meter after the contractor exposes the water main and the service connection in the right-of-way is in place and has been inspected and approved by the Arizona Department of Transportation. There shall be a credit allowance in the amount of two hundred dollars ($200.00) toward the purchase of the water meter for such installation.

(F) All service connections installed prior to the effective date of this section that do not include the meter box and yoke shall only receive a credit of fifty dollars ($50.00) toward the purchase of the water meter for such service connection.

(G) All applications for a meter installation shall be processed upon the receipt of a five dollar ($5.00) permit fee for each meter.

(H) Service Connections: Service connections for: (1) residential lots in a plat which had not received preliminary plat approval and a designation of assured water supply by August 21, 1998, based upon water being provided by the City; (2) new construction on vacant unplatted residential lots; (3) multi-family residential units; (4) mobile home parks and manufactured home parks; (5) timeshares; (6) apartment houses; (7) RV parks; and (8) similar high intensity uses shall only be provided pursuant to an agreement with the property owner or applicant and the City Council for the provision of water. No such agreement may be entered into unless the Council finds that:

1. The project or development is consistent with and conforms to, furthers the implementation of, and is not contrary to the adopted water management policy.

2. The project or development is consistent with and conforms to, furthers the implementation of, and is not contrary to the adopted general plan.

3. The project or development is consistent with and conforms to, furthers the implementation of, and is not contrary to any applicable adopted plans, including, but not limited to, specific area plans, circulation plans, capital improvement plans, open space and trail plans, neighborhood plans, local historic district plans, growth planning or growth management plans, and redevelopment plans.

4. Is in accord with the duly adopted City water budget.

5. In determining compliance with the foregoing, the Council shall consider the overall intent and goals of the applicable plan or policy.

6. That notwithstanding the foregoing, a variance or exception may be granted by the City Council, in accordance with the Council's duly adopted policy providing for same.

(I) Additional Fees:

1. That in the event that an irrigation meter is installed, or a meter placed upon vacant property without the issuance of a building permit, or a meter upsized without the issuance of a building permit, then and in that event the applicant must pay to the City, in addition to all other fees required by this section, a fee equivalent to those fees which would have been levied pursuant to Sections 3-14-13 and 3-14-14.

2. In the event of a charge pursuant to this subsection for an upsized meter, the applicant shall be assessed the difference between the fees which would have been levied pursuant to Sections 3-14-13 and 3-14-14 for the upsized meter versus the fees which would have been assessed for the existing meter according to the fee schedule in effect at the time of the application for the upside meter.

(J) Irrigation Meters:

1. A water service meter shall only be issued and installed by the City when accompanied by an approved City building permit for development of the property to be served by such meter.

2. A water service meter shall not be issued or installed by the City for any property for which the land use is single family residential when and where such meter would be used solely for irrigation and not for domestic supply purposes.

3. A water service meter may be approved, issued, and installed by the City for irrigation of lands within master planned developments, common areas managed by homeowner associations, improved areas of multiple family developments, and landscaped areas within other commercial, industrial, and institutional developments upon approval of a site development plan conforming to the requirements of the Land Development Code of the City

2-1-8 UTILITIES DIVISION; PROVISION OF WATER TO AREAS OUTSIDE OF THE CITY LIMITS; RULES AND REGULATIONS:

(A) Water Service To Areas Outside The City Limits: No property outside of the city limits shall be served water, nor shall any main extensions outside of the city limits be allowed. (Ord. 3527, eff. 9-12-1996; amd. Ord. 4317, 5-27-2003, eff. 7-1-2003)

Notwithstanding the foregoing, the following are exempt from the provisions of this subsection:

1. Where the city has previously entered into a valid contractual agreement to provide water service to a specific property, in which event water service or a main extension shall only be allowed to the extent necessary to allow the city to comply with its contractual obligations. (Ord. 2133, 11-28-1989; amd. Ord. 4317, 5-27-2003, eff. 7-1-2003)

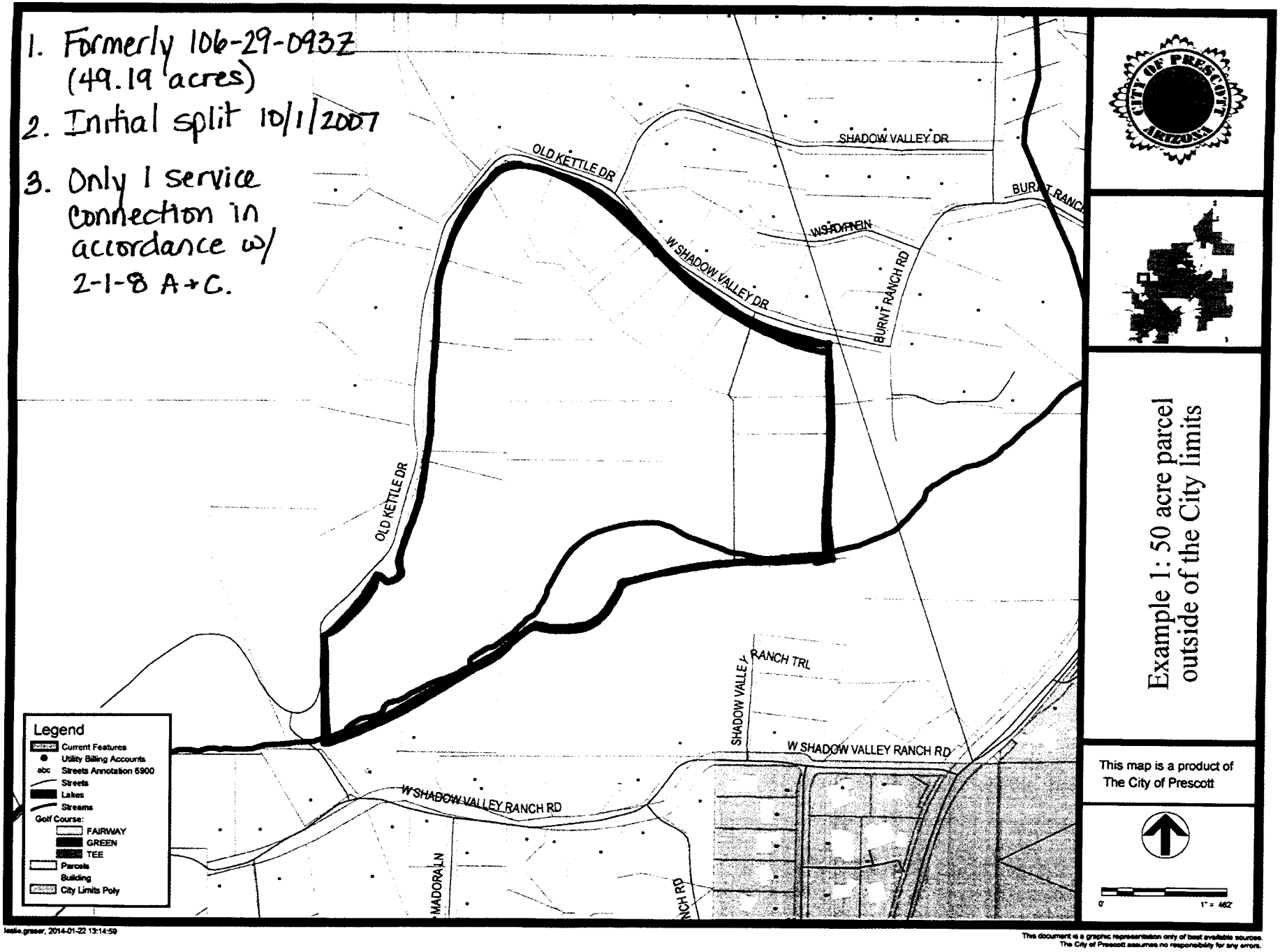
2. Where there is a city water main fronting residential property desiring to be served on or before October 4, 2005, and there is sufficient capacity in the existing main to allow service to the property, and the service connection does not exceed one hundred feet (100'), and the environmental services director determines that there will be no adverse impact upon the city's water system nor upon the city's ability to deliver sufficient water at sufficient pressure to existing water customers and expected future customers within the city limits; provided, however, that as a condition to obtaining water service pursuant to this subsection, any such property must also connect onto the city's sanitary sewer main at the property owner's cost. (Ord. 4305, 4-8-2003; amd. Ord. 4317, 5-27-2003, eff. 7-1-2003; Ord. 4503, 10-25-2005, eff. imm.)

3. If water service is provided for pursuant to an intergovernmental agreement.

(B) Rules and Regulations: Water will be furnished subject to rules and regulations of the city, which rules and regulations are made a part of every application, contract, agreement or license entered into between the property owner or consumer and the city. (Ord. 2133, 11-28-1989; amd. Ord. 4317, 5-27-2003, eff. 7-1-2003)

(C) Unless otherwise required pursuant to Subsections 2-1-8(A)(1), (2) or (3), if potable water is provided to property outside of the City limits in accordance with this Section 2-1-8, then and in that event no more than one residential dwelling unit per parcel of property shall be provided potable water. The phrase "parcel of property", as used herein, shall mean all of that real property which was contiguous and under common ownership at any time on or after October 4, 2005. (Ord. 4503, 10-25-2005, eff. imm.)

1. Formerly 106-29-093Z (49.19 acres)
2. Initial split 10/1/2007
3. Only 1 service connection in accordance w/ 2-1-8 A+C.



Example 1: 50 acre parcel outside of the City limits

This map is a product of The City of Prescott

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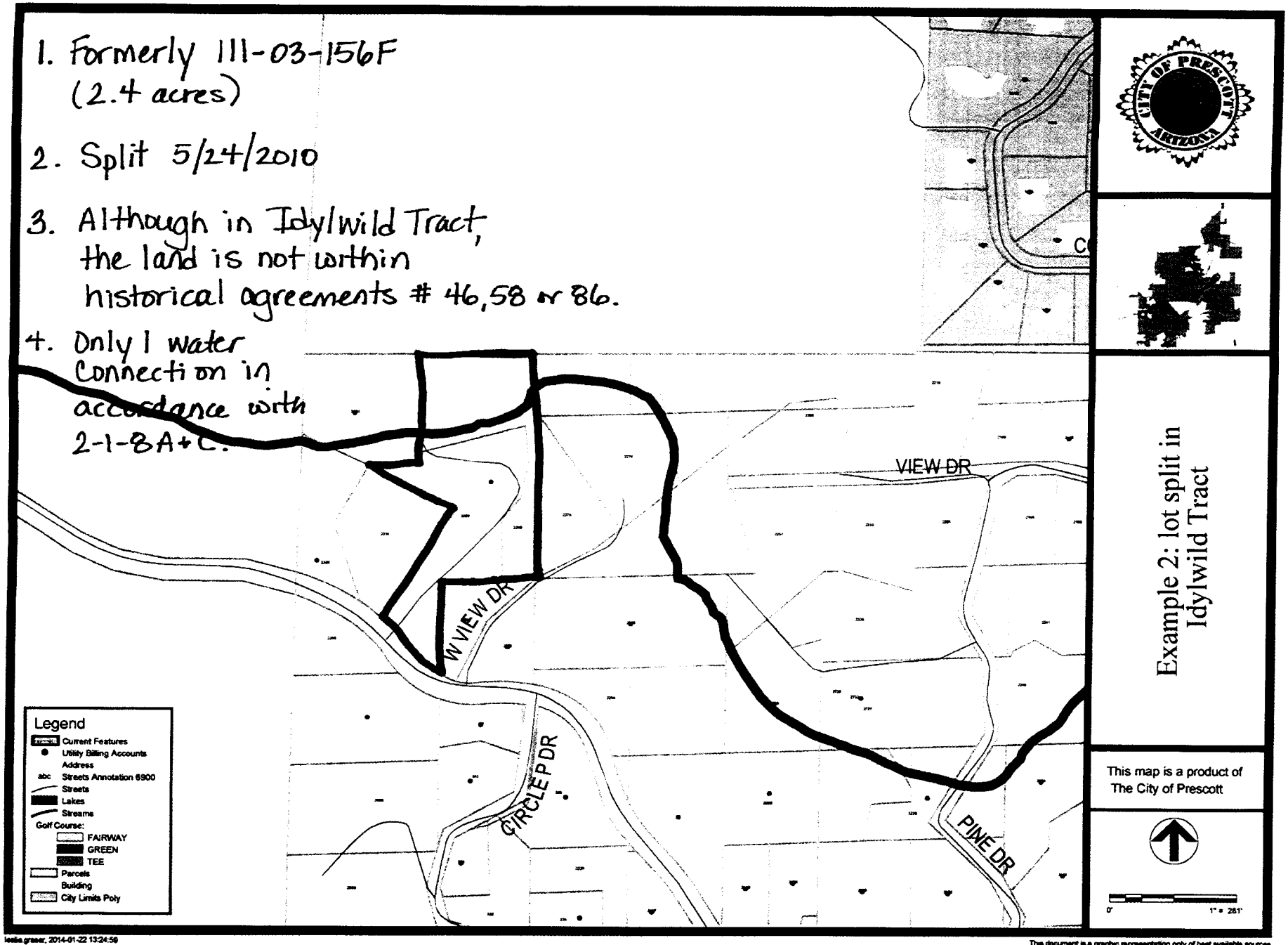
1. Formerly 111-03-156F
(2.4 acres)

2. Split 5/24/2010

3. Although in Idylwild Tract,
the land is not within
historical agreements # 46, 58 or 86.

4. Only 1 water
connection in
accordance with
2-1-8A+C.



Example 2: lot split in Idylwild Tract

This map is a product of The City of Prescott

0' 1" = 281'

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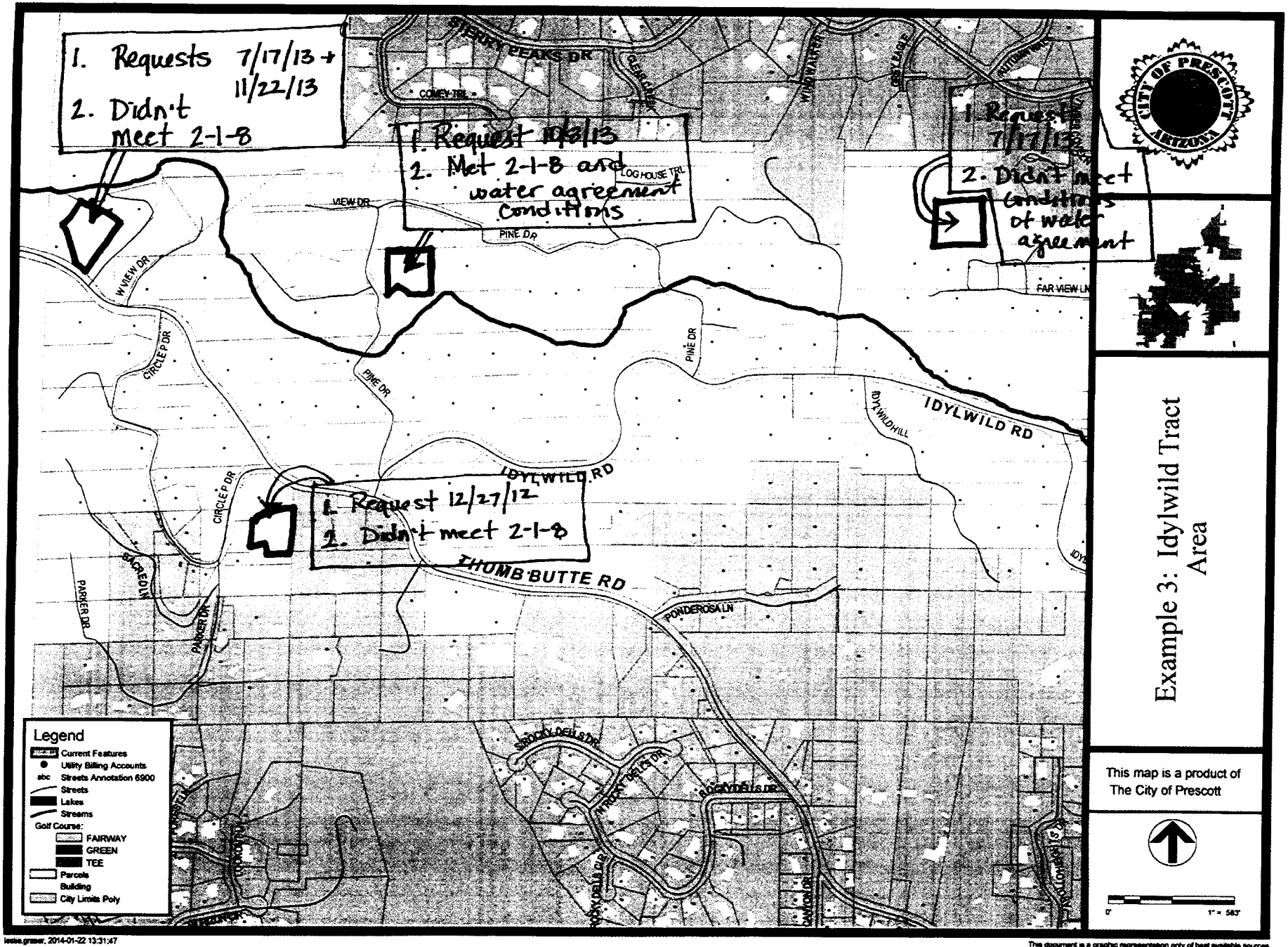

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COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO January 28, 2014	
DEPARTMENT: City Manager (Water Resource Management)	
AGENDA ITEM: Definition of "workforce housing" as it relates to water allocation for new development	
Approved By:	**Date:**
Water Resource Specialist: Leslie Graser	
City Manager: Craig McConnell	

Background

The City's Water Management Policy (as amended) provides for budgeting of 200 acre-feet/year of water to new development. This volume is divided into two categories: market and workforce/affordable housing (40 acre-feet per year) as follows:

> "Workforce/Affordable housing" shall be defined as housing available for homebuyers earning incomes less than 120% of the median income for Prescott for a family of four as defined annually by the U. S. Department of Housing and Urban Development (HUD); provided the mortgage payments (principal and interest) for said housing will not constitute more than one third of the homebuyer's income. The 50% per project limit shall not apply to the workforce/affordable housing category. The Water Allocation Committee will develop scoring criteria to evaluate each project for which an allocation from the Workforce category has been requested, with the objectives of encouraging a wider range of opportunities for workforce housing and providing flexibility for Council consideration of workforce housing proposals. Approval of a project will require that the developer enter into a development agreement, to include deed restrictions identifying and requiring the property to remain as workforce housing."

The City's Community Development staff offers additional background for the terms: workforce and affordable housing. "Workforce" housing is often tied to the median income of a specific area and generally ranges from at or below 80% of the median up to 120% of the median income. Two examples of the terms are as follows:

> Affordable Housing
> Mortgage lenders typically impose a limit of 28% to 36% of household income allowable for principal, interest, taxes and insurance (PITI). Pricing calculations aimed at renters, who represent approximately one third of US households, define a desirable workforce housing cost as at or below 30% of household income. Affordability is a function of the relationship between one's income and the housing costs of the area, which leads to variation in the percentage of AMI that may be used to describe people who might need workforce housing.

Agenda Item: Workforce/Affordable Housing: discussion of its definition and application

Workforce Housing

The term "workforce" is meant to connote those who are gainfully employed, a group of people who are not typically understood to be the target of affordable housing programs. Workforce housing, then, implies an altered or expanded understanding of affordable housing. Workforce housing is commonly targeted at "essential workers" in a community i.e. police officers, firemen, teachers, nurses, medical personnel. Some communities define "essential" more broadly to include service workers, as in the case of resort communities where one finds high real estate costs and a high number of low-paying service jobs essential to the local economy. Workforce housing may be targeted more generally at certain income levels regardless of type of employment, with definitions ranging from 50% to 120% of Area Median Income (AMI).

The City's Land Development Code (as amended) contains the following definition.

Affordable Housing Decent, safe and sanitary housing that can be secured at a cost not exceeding 30 percent of the owner's/owners' or renter's household income. For renters, the 30 percent is comprised of rent and utilities. For owner(s), the 30 percent is comprised of mortgage principal, interest, real estate taxes and insurance (PITI).

The U.S. Department of Housing and Urban Development (HUD) states that the generally accepted definition of affordability ("affordable" housing) is for a household to pay no more than 30 percent of its annual income to housing.

Committee Recommendation to Council: (to be determined by the Committee at the meeting).

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO
January 28, 2014

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Request of Crystal Creek Homes for retroactive extension of water service agreements

Approved By:	**Date:**
Water Resource Specialist: Leslie Graser	
City Manager: Craig McConnell	

NOTE: The information in this memo is the same provided for the April 30, 2013, Water Issues Committee meeting—the minutes for that meeting summarize the Committee's discussion.

Background

In 2004 City water service was requested for five (5) parcels located outside the City limits, and contracts were executed for each lot under authorization of City Code Section 2-11-4 (Provision of Water to Areas Outside of the City Limits) which was in effect at that time. In September 2007 the expiration date for each of the contracts was extended from October 2007 to September 2010. As of April 2013, one dwelling unit has been completed and is presently served with City water. The four other contracts, for unbuilt lots, expired in 2010, and 1.4 acre-feet/year (4 x 0.35 acre-feet/year) was returned to the Alternative Water Portfolio.

These parcels were to be included in a subdivision proposed to be annexed into the City; however, in 2003 the annexation was rejected. In March 2005 Yavapai County approved the Senator Heights subdivision plat.

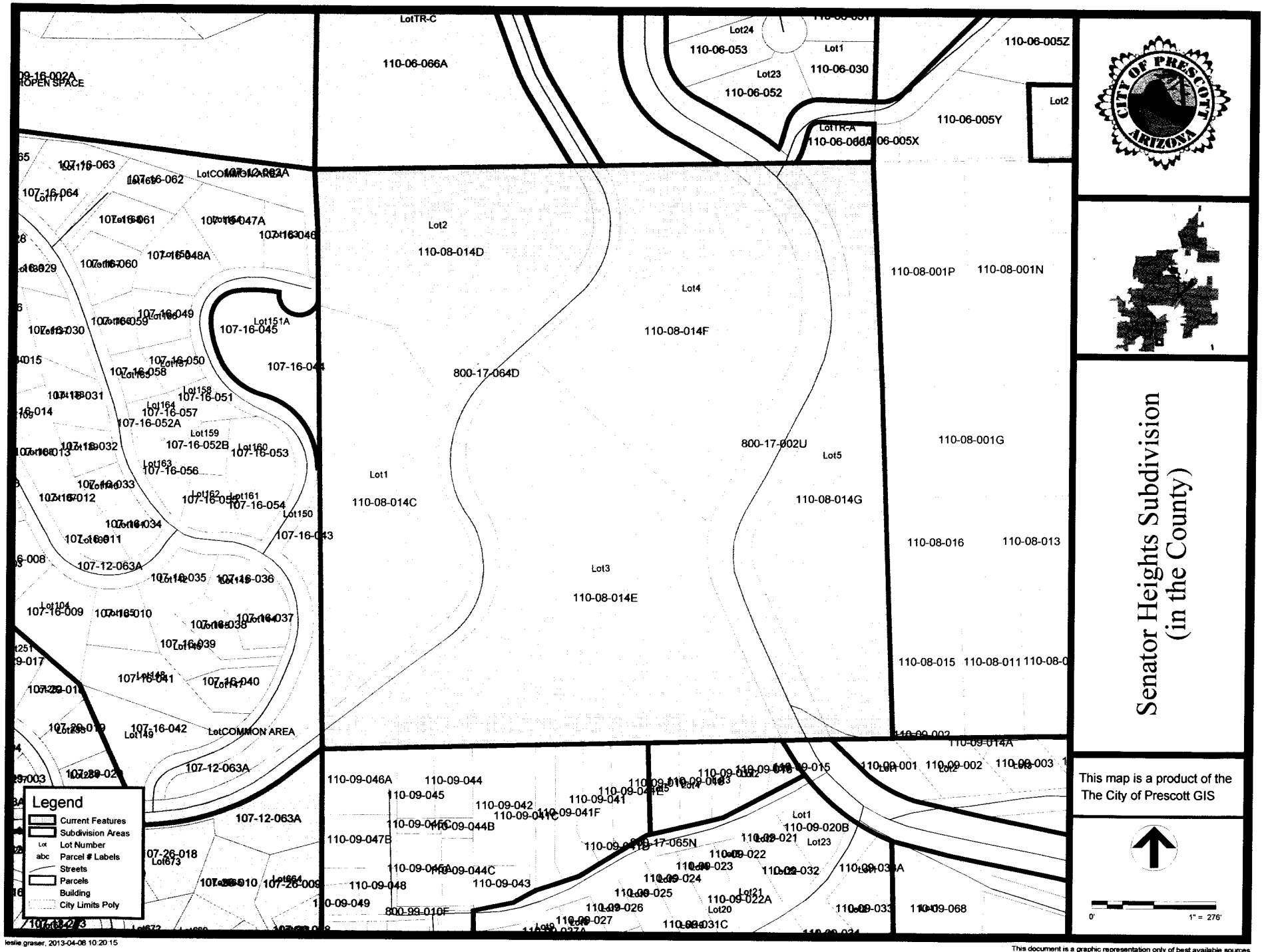
On October 25, 2005, City Ordinance No. 4503 was approved which requires that, "... as a condition to obtaining water service ... any such property must also connect onto the City's sanitary sewer main at the property owner's cost." This ordinance, modifying and superseding prior City Code Section 2-11-4, was codified as City Code Section 2-1-8.

Since the subject water service contracts have expired, and no sewer is in place to serve them, the City Code precludes the provision of City water.

Bud Beshers, Crystal Creek Homes, has requested that the expired contracts be amended to extend them retroactively.

Attachments - Senator Heights Subdivision location map
- City Code Section 2-1-8

Committee Recommendation to Council: (to be determined by the Committee at the meeting)



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The City of Prescott assumes no responsibility for any errors.

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO January 28, 2014	
DEPARTMENT: City Manager (Water Resource Management)	
AGENDA ITEM: Yavapai County Water Advisory Committee (WAC) FY2015 work plan, budget, member dues, and City participation	
Approved By:	**Date:**
Water Resource Specialist: Leslie Graser	
City Manager: Craig McConnell	

Background

The City has been a member of the Yavapai County Water Advisory Committee (WAC) since 2000 (City Contract No. 2000-195). Each year the contract automatically renews subject to the Duration and Termination clause.

In 2013, the City requested that a planning session be held by the WAC, "... to review its mission, structure, governance, operation, projects, initiatives and funding in light of past accomplishments and regional effectiveness and the recent increase in the Yavapai County Board of Supervisors to five members, in order to assist participating local governments in assessing continuation under the intergovernmental agreement of September 16, 2000." The City subsequently remained a member of the WAC at a 50% dues reduction ($21,336), with the understanding that focus would be placed on the regional study (Central Yavapai Highlands Water Resources Management Study), on-going USGS data collection, and on-going community water education support through part-time funding of a UA Cooperative Extension position (no new studies).

Next month, the WAC will be discussing their on-going projects and monetary needs in order to notify and seek continued participation by the communities. Additional information will be available at the February meeting regarding the outcomes (deliverables) for the past year. The WAC has three principal active projects:

Central Yavapai Highlands Water Resources Management Study (CYHWRMS)

- Estimates the study area needs an additional 45K to 80K AF of water supplies in 2050 and there are water resources that may be obtained to meet these needs.
- Water Resources Development Report has similar finding
- ADWR PrAMA Fourth Management Plan predicts a temporary safe-yield condition potentially to 2070 subject to substantial changes in management practices (all sectors), substantial infrastructure additions, and substantial changes to state and local government regulations.
- WAC has not completed the committee's education process on this study
- WAC representatives have not discussed next steps, if any, with Councils/Boards
- The next step is termed a Feasibility Study (more detailed cost studies for the water supply of interest), it requires the communities (or a subset of the communities) to obtain Congressional authority, or apply and be awarded authorization of the Rural Water Supply Act.

Agenda Item: Yavapai County Water Advisory Committee (WAC) FY2015 work plan, budget, member dues, and City participation

On-going data collection program (USGS)

- WAC approved a 127K contract with USGS in December 2013
- USGS stated they would be drafting a publishing a report with findings of the data in their next fiscal year (Oct 2014 or later)

Water Education (funding of half the UA Cooperative Extension Position)

- $27,000 of WAC funds are directed to the UA Co-op Extension
- Benefits to the WAC have been shared and discussed. Education outreach is throughout Yavapai County with a focus on K-12 and some programs for adults (Well Owner's Workshop).

Committee Recommendation to Council: (to be determined by the Committee at the meeting).