

PRESCOTT WATER ISSUES  
COMMITTEE MEETING  
TUESDAY, JANUARY 28, 2014  
PRESCOTT, ARIZONA

MINUTES OF THE MEETING OF THE PRESCOTT WATER ISSUES COMMITTEE held on Tuesday, January 28, 2014 in the PRESCOTT CITY HALL BASEMENT CONFERENCE ROOM located at 201 SOUTH CORTEZ STREET, Prescott, Arizona

A. Call to Order.

Chairman Lamerson called the meeting to order at 10:00 A.M.

B. Roll Call.

Present:

Absent:

Chairman Jim Lamerson  
Member Steve Blair  
Member Charlie Arnold

None

Staff Present:

Craig McConnell  
Leslie Graser  
Tom Guice  
Councilman Kuknyo  
George Worley

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

**THE MINUTES OF THE APRIL 30, 2013 COMMITTEE MEETING PASSED UNANIMOUSLY.**

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

Leslie Graser, Water Resource Specialist, introduced the item explaining that the Water Management Policy for Prescott requires an agreement prior to the issuance of any building permit for residential development on lot splits. She noted that the policy was amended in March 2011, to say the rezoning of a property within City limits would not increase the number of residential dwellings units. The reservation for water for vacant residential parcels, within City limits, shall not increase at the time of such zoning to reflect additional demand corresponding to increased dwelling units. She noted that Chapter 2.1 of the City Code provides for how water service is issued.

The water management policy is in place outside of City limits. She said that 2-1-8 of the City Code set forth those provisions. No property outside City limits shall be served water, nor shall any main extensions outside City limits, unless one of the three conditions is present:

- The City has previously entered into a valid contractual agreement to provide water to a specific property. She noted that this generally involved easements.

- Residential property would be fronting the water service and would have requested that service on or before October 4, 2005 and they would have to hook to sewer.
- Water service pursuant to an Intergovernmental Agreement – an example is the Chino Valley Irrigation District

Ms. Graser said that City Code 2-1-24 involved water meters, stating that all water furnished or sold by the City shall be delivered or supplied through a water meter only and every separate building supplied with the City water must have its own separate service connection. She noted that the goal of the code is for billing purposes. It does not appear to entitle a person to water.

Craig McConnell, City Manager, summarized by saying the zoning had to be in place. If the zoning allows another structure, it would require another meter, if it was something like a rental unit, inside the City limits.

Mr. McConnell noted that, in the event of a lot split which meets all zoning and other requirements, inside the city limits, the lot split can be approved administratively. He said a water service agreement would be generated and Water Resources would debit that amount of water from the alternative water available. He noted that there has to be wet water available which is sufficient to serve the new demand.

Councilman Arnold said he would like to understand the history as to why the City is serving lots outside the City and how the City of Prescott got to the current policy as well as the obligations to the old agreements.

Mr. McConnell said the Council at the time changed the City Code. One reason was return flow to the wastewater treatment plant. The more water that is served outside the City limits, in the absence of a sewer system to capture return flow, reduces the amount of reuse and assured water the City has. If the City is serving water to properties outside the City limits that are not sewered, there is no return flow to the wastewater treatment plant.

Mayor Pro Tem Lamerson noted that prior to 1998 there was no Active Management Area and no limits to how much water the citizens could withdraw.

There was a discussion on water service and return flow.

Mr. McConnell said a justification for a surcharge for those outside the City limits is that the City is ordered to pay a judgment, which can only be assessed by people in the City limits. Outside the limits the people are not responsible. They get the benefit, but do not have the responsibility.

Councilman Arnold asked why there would be a problem to have a separate meter, if the City was already servicing the property.

Ms. Graser noted that in City Code Chapter 2-1-8 says that no more than one residential dwelling unit per parcel of property shall be provided potable water.

Mr. McConnell said if the property is outside the City limits, the owner may have the right to split the property, but not the entitlement to an additional meter. Ms. Graser noted that it was never the intent to serve all City residents and everyone in the County. If there is an historical agreement with someone, the City will honor it.

The committee agreed to put an item on the Council agenda to discuss serving water to properties outside the City limits.

There was a discussion about also presenting the history of water service decisions made in the past.

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

Leslie Graser, Water Resource Specialist, presented. She said the City of Prescott has a Water Management Policy that says that workforce housing shall be defined as housing available for home buyers earning an income less than 120 percent of the median income for Prescott, for families of four, as defined annually by the United States Department of Housing and Urban Development. The approval of the project will require that the developer enter into a development agreement to include deed restrictions. She noted that workforce housing is further described to help define a group of gainfully employed people who are not typically understood to be the target for affordable housing.

She said the definition of workforce housing in the City's Land Development Code is affordable housing, decent and safe sanitary housing that can be secured, not exceeding 30 percent of the owners or renters household income.

Councilman Arnold asked what the median income is in Prescott. Mr. Worley responded that it is \$43,391.00 for a household median.

Mayor Pro Tem Lamerson asked how well the water portfolio has been applied to workforce housing. He said last time the portfolio was spent on retirement units. The policy should be market driven.

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

Leslie Graser, Water Resource Specialist, said that Mr. Bill Feldmeier and Mr. Bud Bashears were there to discuss the issue.

Mayor Pro Tem Lamerson said the City did not have an agreement with Crystal Creek Homes and he did not know how they could have a discussion. He said the entire Council would have to change the current policy.

Mr. Feldmeier requested that the entire Council be involved. Councilman Blair said there is history with the property. He said there is a discussion about bringing the property into the City and asked if there was any merit to do it now.

Mr. Guice said the City looked into annexing the property at the time it was a 72 lot subdivision. Councilman Blair said the City wanted to wait until Senator Highway was fully improved. City

Manager McConnell said there was a development agreement that the Council considered. One of the items in the development agreement pertained to sewer service. If the property was annexed it would not have been

served by the sewer. He said the committee may want to request that the Council consider this property in conjunction with or after the discussion of water service outside the limits.

Mayor Pro Tem asked if there had been an application to annex into the City. Mr. McConnell said there is not a current application. Councilman Arnold suggested that Mr. Bashears talk to staff about the possibility of annexing his property and hooking up to the sewer.

Mr. McConnell said the question is what the intentions are, of the property owner, with respect to becoming part of the City for annexation or running a main. Mr. Feldmeier said he would take the challenge to create a proposal and said time is of the essence.

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

Councilman Blair said this has been discussed with Mr. McConnell, Ms. Graser and the Water Advisory Board concerning the funding of the committee. Mr. McConnell said that Councilman Blair will recommend to the Water Issues Committee that the City participate in WAC in 2015 at or about the current dues level, the quorum agreed.

H. Adjournment

There being no further business to be discussed, the Prescott Water Issues Meeting of January 28, 2014, adjourned at 11:13 A.M.

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JIM LAMERSON, Chairman

ATTEST:

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KIM WEBB, Deputy City Clerk