

COUNCIL WATER ISSUES COMMITTEE
REGULAR MEETING
TUESDAY, SEPTEMBER 6, 2016
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON September 6, 2016, in the LOWER LEVEL CONFERENCE ROOM, located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

A. Call to Order.

Chairman Lamerson called the meeting to order at 9:00 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson
Member Steve Blair (arrived at 9:09 am)
Member Steve Sischka

Staff Present:

Leslie Graser, Water Resources Manager
Clyde Halstead, Assistant City Attorney
Dana DeLong, City Clerk
Craig McConnell, City Manager

C. Approval of minutes of the August 2, 2016, Council Water Issues Committee meeting.

MEMBER SISCHKA MOVED TO APPROVE THE MINUTES AS WRITTEN; SECONDED BY CHAIR LAMERSON; PASSED 2-0.

D. Alternative Water Portfolio Update

Leslie Graser, Water Resources Manager, presented. She said as of May 3, 2016, 479 acre-feet of "Alternative Water" remained for new development (uncommitted by a water service agreement). She said there were two residential categories within that category (Market – 125 acre-feet; Workforce – 100 acre-feet). She said at year-end 2016, if the preceding volumes were allocated, 50 acre-feet would be the opening balance for Calendar Year 2017. She said as of August 17, 2016, of the 225 acre-feet, market and workforce budget, 141.20 acre-feet remained, with the difference of 83.80 acre-feet allocated by water service agreements. She said the total volume described in the current policy identified and categorized available supplies at 479 acre-feet. She said 100 acre-feet were set aside for a contractual obligation and 99 acre-feet for commercial projects.

Chair Lamerson said extraction of water from Big Chino that the citizens of Prescott have a right too, needed to be discussed at a future meeting.

Board Member Sischka understood the 23.50 acre-feet allocated for Market and 11.60 acre-feet allocated for Workforce was what was left for the calendar year 2016. Ms. Graser said yes.

Ms. Graser said the report was an update and no action was required.

E. Granite Dells Estates

Leslie Graser, Water Resources Manager, presented. She said the item before the Water Issues Committee was for the next phase of development at Granite Dells Estates. She said the applicant requested placement of the subject on the September 6, 2016, Council Water Issues Committee meeting agenda. She said the applicant was present to answer any questions. She said the progression was as follows:

- Pre-Annexation Development Agreement (Contract No. 2008-164)
- Agreement for Potable Water (Contract No. 2008-165)
- Amendment 1 to the Pre-Annexation Development Agreement (Contract No. 2008-164A1)
 - Minor amendment to the General Plan (Resolution No. 4185-1347)
 - Amendment to Airport Specific Area Plan (Resolution No. 4186-1348)
 - Rezoning of 72 acres from industrial to residential(Resolution No. 4860-1317)
 - Amendment of GDE Master Plan
 - Amendment 1 to the Pre-Annexation DA (Resolution No. 4188-1350)
 - Amendment 1 to the Agreement for Potable Water, selecting Alternate 1
- Amendment 1 to the Agreement for Potable Water (Contract No. 2008-165A1) – currently in effect.

Ms. Graser said the applicant is ready to move forward into the next phase of development at Granite Dells Estates. She said the proposal was for 1090 single-family units and 309 multi-family units, which resulted in the allocation of 458.75 acre-feet. She said the current Water Service Agreement was set-up to be readdressed at the 400-unit mark to apply for the additional needed water allocation.

Board Member Sischka asked when the 400th unit would be constructed.

Michael Fann said the originally approved Master Plan and associated Water Service Agreement, adopted by Council in 2008, included significant expanses of industrial parcels, commercial parcels, equestrian areas and residential construction. The original water demand for this development was calculated to be 412,590 GPD or 1146 single-family units. The request to modify the Master Plan and associated Water Service Agreement was only an increase of approximately 15%. He asked how could housing types be identified without knowing limitations regarding water.

Chair Lamerson asked how many current single-family units were constructed.

Mr. Fann said 45 were either completed or under construction at this time.

Chair Lamerson said in 2013 the following approvals were made: 1) amendment to the General Plan, 2) amendment to the Airport Specific Area Plan, 3) rezoning of 72 acres of Granite Dells Estates from Industrial General, Industrial Light and Business General zoning district to single-family zoning district, 4) amendment to Granite Dells Estates Master Plan, 5) amendment to pre-annexation development agreement and 6) approval locking in the 248.5 acre-feet water entitlement. He said specified in the agreement, approval of a final plat for the 400th residential unit, the property owner may apply to the City for an allocation of water above the 248.5 acre-feet.

Board Member Sischka asked how fast Phase II was moving forward.

Mr. Fann said planning for Phase II had started. He said it was hard to identify/plan units without knowing the availability of future water.

Chair Lamerson said the City only has a certain amount of water available.

Board Member Sischka asked how much water was guaranteed to Mr. Fann for the project. Ms. Graser said 248.5 acre-feet, which provided water for 710 units.

Chair Lamerson said the project was plotted for approximately 1,000 units. He said Mr. Fann wanted to know if water would be available in the future.

Board Member Blair said the City could consider Mr. Fann's recommendation of phasing in the additional water requested (191.5 acre feet) starting in 2019 at the rate of 50 acre-feet per year.

Chair Lamerson said by policy the City could only allocate 50% of available water each year. Ms. Graser said if the water budget was approved, 50 acre-feet would be available calendar year 2017. She said the Council would determine during budget review what allocations would be available.

Chair Lamerson asked how an agreement would be written to phase in water that might not be available.

Board Member Sischka agreed a discussion needed to happen regarding water from Big Chino and how and who would pay to have the water made available to the citizens of Prescott.

Craig McConnell, City Manager, said the Master Plan, zoning and other amendments were made to align the Master Plan with the market. He said the applicant was asking to phase-in the additional water needed (191.5 acre-feet) starting in 2019 at a rate of 50 acre-feet per year. The applicant wanted assurance that the water was available as the

development moved forward. He said the water allocations for 2016 were almost depleted, but the Water Resources Manager would be bringing forward a 2017 water allocation budget for approval. He said one way of meeting the applicant's request would be to approve water allocations from the 2017 water budget. He said the City intended to discuss development of Big Chino water resources.

Chair Lamerson asked if there were other challenges to the water portfolio.

Mr. McConnell said staff was aware the water allocations for 2016 were almost depleted and were acting accordingly.

Chair Lamerson said the committee needed to determine approvals based upon what was best for the City.

Board Member Blair said the market also determined the needs of the City.

Mr. McConnell said many aspects of what was best for the City needed to be taken into consideration when determining water allocations for the future. (Senior housing, apartments, single-family units, commercial)

Board Member Sischka asked if staff would be bringing forward a proposal to revise 0.35 acre-feet allocations. Ms. Graser said staff could bring something forward in October.

Chair Lamerson said it was important to also remember all the land mass that could be developed in Prescott. He said if the water was not available, and water was provided, it would be considered a taking from others.

Chair Sischka asked Mr. Fann if he considered smaller footprints and having deed restrictions to maintain energy efficient housing.

Mr. Fann said the development consisted of high energy efficiency homes, smaller footprints and drought resistance landscaping. He said he would consider deed restrictions. He said there was enough water available until 2019. He said he wanted to know the availability of water in the future so he could plan long term.

Board Member Blair said while visiting the development he noticed run-off water being wasted through drainage and said discussions needed to happen regarding the capture of run-off water.

Ms. Graser said this report was an update and no action was required.

F. Adjournment

There being no further business to be discussed, the Council Water Issues Committee adjourned the Public Meeting of September 6, 2016, at 9:54 a.m.



JIM LAMERSON, Chairman

ATTEST:



DANA R. DeLONG, City Clerk