

# AGENDA

**COUNCIL WATER ISSUES COMMITTEE  
NOTICE OF PUBLIC MEETING  
Tuesday, August 1, 2017  
9:00 a.m.**

**Prescott City Hall  
Lower Level Conference Room  
201 South Cortez St., Prescott, Arizona  
(928) 777-1100**

The following Agenda will be considered by the Council Water Issues Committee at its meeting on **Tuesday, August 1, 2017, at 9:00 a.m.** in the Lower Level Conference Room, 201 South Cortez Street, Prescott, Arizona. One or more members of the Council may be attending this meeting through the use of a technological device.

- A. Call to Order
- B. Roll Call

**COUNCIL WATER ISSUES COMMITTEE MEMBERS:**

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka

- C. Approval of Minutes of the July 5, 2017, Council Water Issues Committee Meeting
- D. Alternative Water Portfolio Update
- E. Water Service Agreements
  - 1. U.S. VETS (WSA17-009)
  - 2. John and Terri Enequist (WSA 17-006)
  - 3. Amendment to RAN & Associates (City Contract Nos. 2017-009 and 009A1)
  - 4. Amendment to F.L. Brown Enterprises, LLC (City Contract No. 2017-007)
- F. 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 \_\_\_\_\_ at \_\_\_\_\_.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

\_\_\_\_\_  
Virginia Mefford, Deputy City Clerk

COUNCIL WATER ISSUES  
COMMITTEE  
REGULAR MEETING  
TUESDAY, JULY 5, 2017  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON JULY 5, 2017, in the LOWER LEVEL CONFERENCE ROOM, located at CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

A. Call to Order.

Mayor Pro Tem Lamerson called the meeting to order at 10:04 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka arrived 9:06 am.

Absent/Excused

Staff Present:

Michael Lamar, City Manager  
Virginia Mefford, Deputy City Clerk  
Clyde Halstead, Assistant City Attorney  
Craig McConnell, Regional Programs Director  
Leslie Graser, Water Resources Manager

C. Approval of minutes of the June 6, 2017, Council Water Issues Committee meeting.

**COUNCILMAN BLAIR MOVED TO APPROVE THE MINUTES OF THE JUNE 6, 2017, WATER ISSUES COMMITTEE MEETING; SECONDED BY COUNCILMAN SISCHKA; PASSED.**

D. Alternative Water Portfolio Update

Leslie Graser, Water Resource Manager, gave a presentation on the Alternative Water Portfolio.

Ms. Graser said for Calendar Year 2017 (January 1, 2017, through December 31, 2017), alternative water was made available ("budgeted") by Council in the categories below; the current remaining unallocated balances are as indicated:

## Water Issues Committee Meeting Minutes

	<u>Budget</u>	<u>Amount of Budget Remaining</u>
1. Residential	70 acre-feet	20.65 acre-feet (AF) <sup>1</sup>
2. Commercial	100 acre-feet	100 acre-feet

<sup>1</sup> 21.35 AF – 0.7 AF administratively approved projects on June 6, 2017, agenda = 20.65 AF

No single project is eligible for allocation of more than 50% of the applicable preceding quantity (residential or commercial), or of the remaining balance during the calendar year.

At year-end 2017, if the preceding quantities are fully allocated, 50 AF would be the opening balance for Calendar Year 2018 according to the policy adopted December 13, 2016, which identified an annual transfer of 50 AF from the vacant, residentially zoned tract reservation (until that reservation is extinguished). The actual volume recommended for 2018 may be more that 50 AF, depending upon any unallocated, year-end 2017 balance.

As of June 20, 2017, no new water service agreement applications have been submitted for placement on this July 6, 2017, agenda.

### **NO ACTION WAS TAKEN.**

#### E. Rainwater Harvesting Policy

Leslie Graser, Water Resource Manager, said at their Voting Meeting of May 9, 2017, the Council adopted Resolution No. 4380-1589, amending the "Water Management and Calendar Year 2017 Alternative Water Allocation Policy." The resolution included the following direction regarding rainwater harvesting:

*Section 3 THAT the Water Resource Management Division shall conduct additional research, engage appropriate stakeholders and experts, and report to the Council Water Issues Committee, and said Committee shall provide a recommendation and/or alternatives to the Council within sixty (60) days of the date hereof, for further consideration of rainwater harvesting as it relates to unit allocations for residential development.*

Prior to the May 9, 2017, meeting, rainwater harvesting was discussed at two other Council meetings, April 25, 2017, and September 13, 2016. At the Study Session of April 25, 2017, several Council members expressed an interest in recognizing the contribution rainwater harvesting can make in reducing outdoor potable water use by offering, as an additional incentive, a lesser unit allocation (enabling more units per acre-foot of alternative water) for residences built with qualifying installations. As

## Water Issues Committee Meeting Minutes

stated then, the subject was previously raised by the Council Water Issues Committee, at which time the Water Resource Management Division recommended the following:

*Rainwater harvesting – Water-Efficient Residential Development, as described herein, relies upon EPA WaterSense® best practices, including outdoor (landscaping) improvements. No specific consideration is proposed for rainwater harvesting as a means of reducing potable outdoor water use; however, it should be noted that the City offers a conservation rebate for installing qualifying storage (<http://www.waterrebates.com/az-prescott>), and the homeowner will benefit from recurring savings on their water bill.*

Ms. Graser said concerns were expressed at the April 25, 2017, Study Session regarding offering a lesser unit allocation as suggested: to what type(s) of rainwater harvesting the incentive would apply (barrels, above or below-ground cisterns), how to determine the reduction quantity (the fraction of an acre-foot offset in potable water use provided by the rainwater harvesting), whether the rainwater harvesting equipment would be properly maintained, sediment removed, etc., and consistently used in the long-term future. Additionally, it was pointed out that to the extent a property with rainwater harvesting is more extensively landscaped to take advantage of that irrigation source, in years of drought, if the rainwater harvesting storage/replenishment is insufficient to properly sustain the landscaping, it is conceivable that an increase in potable water could actually result.

Ms. Graser said at the September 13, 2016, Voting Meeting, a representative of Dorn Homes addressed questions about the Antelope Crossing subdivision preliminary plat, a workforce housing project. Councilman Blair spoke on the benefit of rainwater harvesting, and asked if the developer would consider installing two rainwater cistern systems per house. The Dorn Homes representative said he was willing to consider that, and would work with the Citizens Water Advocacy Group (CWAG) and the City. Councilwoman Wilcox moved to approve preliminary plat PP16-001 for Antelope Crossing with the additional requirement that rainwater harvesting systems be built with each residence. The action subsequently passed.

Ms. Graser said that in consideration of the Council action and direction of Resolution No. 4380-1589, Water Resource Management has further addressed the topic including: (1) review of City data related to rainwater harvesting; (2) compilation of stakeholder input; and (3) evaluation of the US EPA document titled, *Rainwater Harvesting, Conservation, Credits, Codes, and Cost Literature Review and Case Studies*, for information and applicability.

Ms. Graser said in 2009 the City included rainwater harvesting as a rebate opportunity within the Water Conservation Incentive Program (Resolution No. 4691-0934). In September 2016, the rebate for rainwater harvesting was increased by City Council action (Ordinance No. 5002-1540). The City also migrated its rebate program data from spreadsheets and paper applications into an efficient database (WaterWays) in 2016, to improve customer service and administration. According to WaterWays, since 2009, 52 customers have received the rainwater harvesting rebate.

## Water Issues Committee Meeting Minutes

Ms. Graser commented that the rainwater harvesting the rebate was increased from \$0.10/gal to \$0.50/gal on September 13, 2016, by Ordinance No. 5002-1540.

Ms. Graser said a questionnaire was sent to three stakeholders to gain their perspectives on rainwater harvesting: an advocacy group (#1), developer (#2), and landscape architect (#3). Table 1 provides the survey questions and responses.

Mayor Pro Tem Lamerson asked if there was a correlation of water use reduction to the installation of rainwater harvesting systems.

Ms. Graser said they did look at this and it was inconclusive.

Mayor Pro Tem Lamerson asked then why offer the rebate.

Ms. Graser said the rebate program was valuable in raising customer awareness of water conservation.

Councilman Blair said the rebate program does make a difference: not using as much water, and water customers saving money, were beneficial.

Councilman Sischka commented that only 52 customers have taken advantage of the rainwater harvesting rebate: he asked what was the average water use reduction.

Craig McConnell said the presentation would be addressing this aspect.

Mayor Pro Tem Lamerson observed that the biggest users were government and the hospitals, and asked whether they have been contacted about rainwater harvesting.

Ms. Graser said the water conservation approach being pursued contemplates outreach to the major water users. She said the City of Tucson had experience with rainwater harvesting on commercial (non-residential) properties.

Mayor Pro Tem Lamerson said that government should lead by example.

Michael Lamar, City Manager, agreed, and said that the City of Prescott would look to identify rainwater harvesting opportunities.

Mayor Pro Tem Lamerson suggested that through public relations, they could educate and show how it was working for the City.

Mr. McConnell said the focus on rainwater harvesting at this time was residential and not commercial, but agreed the latter is also a good topic to address.

Councilman Blair said in Sonora, Mexico, rainwater is used for irrigation, shower, and bathrooms, helping with their water supply situation.

Councilman Sischka suggested that it would be useful to ask customers who may have considered installing a rainwater harvesting system but then did not, the reason why not.

Councilman Blair stated that rainwater harvesting should be installed in new development. When the Touchmark project was designed, it included rainwater

## Water Issues Committee Meeting Minutes

detention tanks, but no one asked them to reuse the water. He felt that this was a missed opportunity.

Question	Stakeholder Responses		
	#1	#2	#3
Are you familiar with the City's Water Conservation Rebate Program, which offers a Rainwater Harvesting Rebate of \$0.50/gal of storage? The rebate is added as a credit on the user's water bill.	Yes	Yes	Yes
Considering the City's tiered water rate structure, and the increasing popularity and installation of xeriscaped residences, do you believe that Rainwater Harvesting would be of specific, significant, and continuous benefit to new development?	Yes	Yes	No
Did you install or implement additional landscaping to take advantage of the water stored and made available by a Rainwater Harvesting system?	No	Yes	No
If you have a Rainwater Harvesting System, in years of drought would you rely upon City potable water to sustain your landscaping?	Yes <sup>1</sup>	Yes	Yes <sup>1</sup>
Should the city set aside less water for each new home built that has a rainwater harvesting system, but charge more for the water used in excess of the lower quantity that was set aside?	No	Yes	Yes

<sup>1</sup>Stakeholder responded "NA" (not applicable) to a previous question, "If you have a Rainwater Harvesting cistern, do you maintain the catchment, storage, and delivery system?"

Mayor Pro Tem Lamerson said if people are not informed on rain harvesting, they're not going to do it.

Councilman Blair said if the hospital was approached, he was sure they would do this.

Councilman Sischka said the landscaping at the hospital was minimal.

Ms. Graser commented upon the ongoing, very positive dialogue with Embry-Riddle regarding water conservation; the university agreed to install artificial turf to save water. Councilman Blair said he would support the approach expressed in the last survey question.

Ms. Graser suggested that further reducing the unit allocations for residential development at this time, before meaningful data is available, would be premature.

Councilman Blair said that once the Granite Dells Estates development was completed, that information would be known.

Mayor Pro Tem Lamerson asked several questions regarding the incentive for rainwater harvesting.

## Water Issues Committee Meeting Minutes

Ms. Graser advised the Committee that the stakeholders also had the opportunity to provide comments supplemental to the questionnaire. Table 2 is a compilation of that input.

Table 2: Additional Stakeholder Comments	
Monthly water bills should be lower if folks use rainwater harvesting instead of pumping groundwater	A legitimate concern is customers relying on City potable water to sustain landscaping in times of drought. Education on how, why, and when to use rainwater harvesting is important.
Promote rainwater harvesting for new and existing homes because: it attracts the public, leads to more interest in xeriscaping, possibly already has lowered the use of rainwater in Prescott.	If a lower water allocation was rewarded, homeowners may invest in a high-water use landscape, and the excess water use will be unpredictable.
Give incentives for creation of rain gardens, storm-water slowing & green infrastructure, wetlands and other habitat creation, native & low water landscape etc.	Rainwater harvesting needs to be coordinated project by project. It can be expensive to install systems large enough to have a meaningful impact on a water budget.
Potable water could potentially be reduced.	Rainwater harvesting can be an eye sore on neighborhoods.
Size of storage tanks to support landscaping through the drier months would be too large for most home developments.	Tighter housing density makes rainwater harvesting a challenge.
Overflow could cause warranty issues with customers and have an effect of drainage on the lots.	

Ms. Graser said that during discussion of outdoor irrigation in this region, the topic of greywater inevitably arises. Prescott does not allow diversion of greywater to outside use, since our wastewater has been pledged to the Arizona Department of Water Resources for assured water supply (treated wastewater is one type of alternative water that is made available for development).

Mr. McConnell said that the City's standard water service agreement contains a requirement that if sewer is or become available, the party receiving the water must connect.

Mr. Lamar observed that talking to the stakeholders was a great thing to do, but more education would certainly raise the awareness of this effective conservation means within the community.

Councilman Blair agreed with the benefit education would provide, and mentioned that there was already a conservation-oriented group that could assist with education.

Councilman Sischka said they needed to find out why more people weren't doing rainwater harvesting; reasons might include the cost of maintaining the equipment, and whether it was worth the effort.

## Water Issues Committee Meeting Minutes

Ms. Graser described the educational materials presently available on the City website, as well as printed brochures.

Mayor Pro Tem Lamerson commented that water rates must be set considering infrastructure and operating costs, as well as such things as rebates and the effect of water use reduction, so that the City's water enterprise continues to have adequate resources.

Councilman Sischka asked about possible unintended consequences of rainwater harvesting.

To address various questions by the Committee members, Ms. Graser referenced an overview of rainwater harvesting at the national level by the US EPA, which compiled *Rainwater Harvesting, Conservation, Credits, Codes, and Cost Literature Review and Case Studies* (January 2013). This document reviewed the existing literature in four key areas related to rainwater harvesting: water conservation, stormwater runoff volume and pollution load reduction, code and administration, and cost factors. These topics were further reviewed based on technical, operation and maintenance, programmatic, and predictability merits. The following statements were excerpted from the water conservation section:

- "...the potential for water conservation...varies significantly with factors such as climate, land use, and development type."
- "The water conservation performance of active systems is significantly better than that of passive systems (e.g., rain barrels) due to two primary factors: storage and delivery systems."
- "In general, passive systems (e.g., rain barrels) require only minor maintenance at little or no cost to the system owner. The City and County of San Francisco, CA, lists some basic guidelines for rain barrel maintenance in a 2008 Memorandum of Understanding between the San Francisco Public Utilities Commission, Department of Building Inspection, and Department of Public Health. "
- "There are currently no federal regulations governing rainwater harvesting for non-potable use, and the policies and regulation enacted at the state and local levels vary widely from one location to another. Regulations are particularly fragmented with regard to water conservation, as the permissible uses for harvested water tend to vary depending on the climate and reliability of the water supply."
- "...the efficiency of a rainwater harvesting system for conserving water depends largely on the ability to balance water demands with the supply provided by regional precipitation."

Councilman Sischka said that was why people are reluctant to do this, it has so many moving parts.

## Water Issues Committee Meeting Minutes

Councilman Blair said an old fashioned water tank with a spout could be used, with no maintenance needed.

Ms. Graser said the complete EPA document is available online at the following link: [www.epa.gov/sites/production/files/2015-11/documents/rainharvesting.pdf](http://www.epa.gov/sites/production/files/2015-11/documents/rainharvesting.pdf)

Ms. Graser said based upon the research and evaluation performed and summarized in the agenda memorandum, pertinent regulations of the Prescott Active Management Area (PrAMA), and stakeholder input, the following findings are provided by Water Resource Management.

1. Participation by existing City water customers in the rainwater harvesting conservation rebate program (and hence conservation savings, if any) has been minimal to date (not more than 10 rebates in any one year as compared to 21,300 residential water customers).
2. It is arguable that the creation of new rainwater harvesting incentives for new subdivisions, even when accompanied by a public education program, will not bring significant potable water savings, and at best would be premature:
  - Most of the new housing units will be built as "Water-Efficient Residential Development," defined in the "Water Management and Calendar Year 2017 Alternative Water Allocation Policy" (as amended, Resolution No. 4380-1589, May 9, 2017). As it pertains to potable water, a primary focus of this type of development is already reduction of outdoor water use through xeriscaping.
  - There is no data suggesting the buyers of new homes want rainwater harvesting systems, they (and their successors in ownership) are prepared to operate them, and will in fact do so—the Prescott demographic, an older population, is more often seeking lifestyle simplification, including reduced yard and landscaping maintenance.
  - The placement of storage basins on smaller lots (with narrow side-yards enclosed by walls, e.g., Antelope Crossing) is problematic.
  - To the extent a property with rainwater harvesting is more extensively landscaped to take advantage of that irrigation source, in years of drought, if the rainwater harvesting storage/replenishment is insufficient to sustain the landscaping, as has been the case observed throughout the City, an increase in potable water would undoubtedly result to protect the landscaping investment.
  - On-site inspections of any type after conservations measures are installed to assure compliance/operability would require adding personnel and associated expenses, and should be avoided.

Water Issues Committee Meeting Minutes

3. It would be prudent to track water usage and assess the recent policy change for “Water-Efficient Residential Development” unit allocations before considering creating another (even lower) unit allocation for development providing rainwater harvesting, and/or a lower water rate recognizing the same. The Antelope Crossing subdivision will provide useful information regarding public perception, implementation, homeowner usage/acceptance of rainwater harvesting, and determination whether it is actually causing a reduction in outdoor water use.
4. Continuing to offer a rainwater harvesting rebate to the owners of occupied residences, both new and those built in past years, will provide a means for reducing outdoor water use, and lowering water bills.

Mr. McConnell said the recommendation was to forward this topic to the Council for a presentation, Council discussion, and public comment, at a study session.

**THE WATER ISSUES COMMITTEE AGREED BY CONSENSUS TO MOVE THE TOPIC FORWARD TO COUNCIL AS RECOMMENDED.**

F. Adjournment

There being no further business to be discussed, the Council Water Issues Committee adjourned the Public Meeting of July 5, 2017, at 11:13 a.m.

---

JIM LAMERSON, Chairman

ATTEST:

---

Virginia A. Mefford, interim City Clerk

# COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO

August 1, 2017

**DEPARTMENT:** City Manager (Water Resource Management)

**AGENDA ITEM:** Alternative Water Portfolio Update

**Approved By:**

**Date:**

**Water Resource Manager:** Leslie Graser

**Regional Programs Director:** Craig McConnell

## Summary

For Calendar Year 2017 (January 1, 2017, through December 31, 2017), alternative water was made available ("budgeted") by Council in the categories below; the current remaining unallocated balances are also indicated:

	<u>Budget</u>	<u>Amount of Budget Remaining</u>
1. Residential	70 acre-feet	25.56 acre-feet (AF)
2. Commercial	100 acre-feet	100 acre-feet

No single project is eligible for allocation of more than 50% of the applicable preceding quantity (residential or commercial), or of the remaining balance during the calendar year.

At year-end 2017, if the preceding quantities are fully allocated, 50 AF would be the opening balance for Calendar Year 2018 according to the policy adopted December 13, 2016, which identified an annual transfer of 50 AF from the vacant, residentially zoned tract reservation (until that reservation is extinguished). The actual volume recommended for 2018 may be more than 50 AF, depending upon any unallocated, year-end 2017 balance.

## Water Service Agreement (WSA) Requests on this Agenda

<u>Application No.</u>	<u>Applicant</u>	<u>Type of Development</u>	<u>Total Project Qty Required</u>	<u>GW<sup>1</sup></u>	<u>Alternative Water Reserved</u>	<u>Not Reserved<sup>2</sup></u>
17-009 (rev.)	U.S.VETS	89 APTS + shelter	14.35 AF	2.0 AF		12.35 AF
17-016	Enequist	1 SFR	0.25 AF	0.25 AF		

SFR = single-family residence MF = multi-family APTS = apartments

<sup>1</sup> GW = eligibility based on current and committed groundwater or well abandonment

<sup>2</sup> Requires allocation from remaining current calendar year alternative water budget (25.56 AF)

**Recommended Committee Action:** Information item.

# COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO

August 1, 2017

**DEPARTMENT:** City Manager (Water Resource Management)

**AGENDA ITEM:** Water Service Agreement Application No. WSA17-009 (revised) by U.S.VETS, for conversion of an existing commercial property owned by Capelouto Enterprises, Inc., to two (2) 44-unit apartment buildings, one (1) 14-unit (56-bed) shelter, a commercial kitchen and dining hall, and one (1) manager's apartment, on APNs 115-09-008C, 115-09-008D, and 115-09-010A, at 1040 Whipple Street

**Approved By:**

**Date:**

**Water Resource Manager:** Leslie Graser

**Regional Programs Director:** Craig McConnell

## Summary

Water Service Agreement Application No. WSA17-009 was submitted on April 14, 2017, by Carole Benedict on behalf of U.S.VETS, requesting an alternative water allocation for conversion of an existing commercial building into a 60-unit low-income apartment complex for veterans and other community members. U.S.VETS sought an Arizona Department of Housing grant to fund the project. The grant was not obtained, however, and U.S.VETS have submitted a revised project with 88 studio apartment units, 1 manager's apartment, a 14-unit shelter with 56 beds, and a commercial kitchen and dining hall.

## Background

APNs 115-09-008C, D, and 010A are part of the Gardenland Tract and Hinman Tract Subdivisions, and zoned Business Regional (BR). The project work consists of interior renovation of the existing buildings for the above-described uses. Review of utility billing records established historical annual usage of two (2.0) acre-feet (AF) of groundwater, which can be applied to offset, in part, the water necessary for the building conversions.

The project will require a total of 14.35 AF of water: the 2.0 AF of grandfathered groundwater, and a new allocation of 12.35 AF of alternative water from the Calendar Year 2017 residential budget. Since this amount (12.35 AF) is less than 50% of the remaining 2017 residential budget (25.56 AF), it could be approved by Council within existing water management policy.

## Council Resolution No. 4385-1594

At their voting meeting of May 23, 2017, the Council adopted Resolution No. 4385-1594 providing:

1. City endorsement of the project. *(Note: As mentioned above, the scope of the project has been expanded.)*

**Agenda Item:** Water Service Agreement Application No. WSA17-009 (revised) by U.S.VETS, for conversion of an existing commercial property owned by Capelouto Enterprises, Inc., to two (2) 44-unit apartment buildings, one (1) 14-unit (56-bed) shelter, a commercial kitchen and dining hall, and one (1) manager's apartment, on APNs 115-09-008C, 115-09-008D, and 115-09-010A, at 1040 Whipple Street

2. A finding of particular benefit to the health, safety, and welfare of the community, pursuant to Policy 16 of the Water Management and Calendar Year 2017 Alternative Water Allocation Policy, as amended.
3. The setting aside of 7.0 acre-feet of alternative water, pending the determination/award of grant funding by the Arizona Department of Housing. *(Note: The volume of 7 AF has been returned to the Calendar Year 2017 Alternative Water budget since the grant was not received, and the project has been revised.)*

### **Attachments**

- 1) Location Map
- 2) Revised Site Plan
- 3) Water Service Agreement Application No. WSA17-009 (revised) and new project narrative

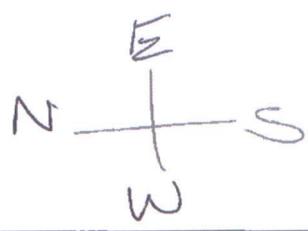
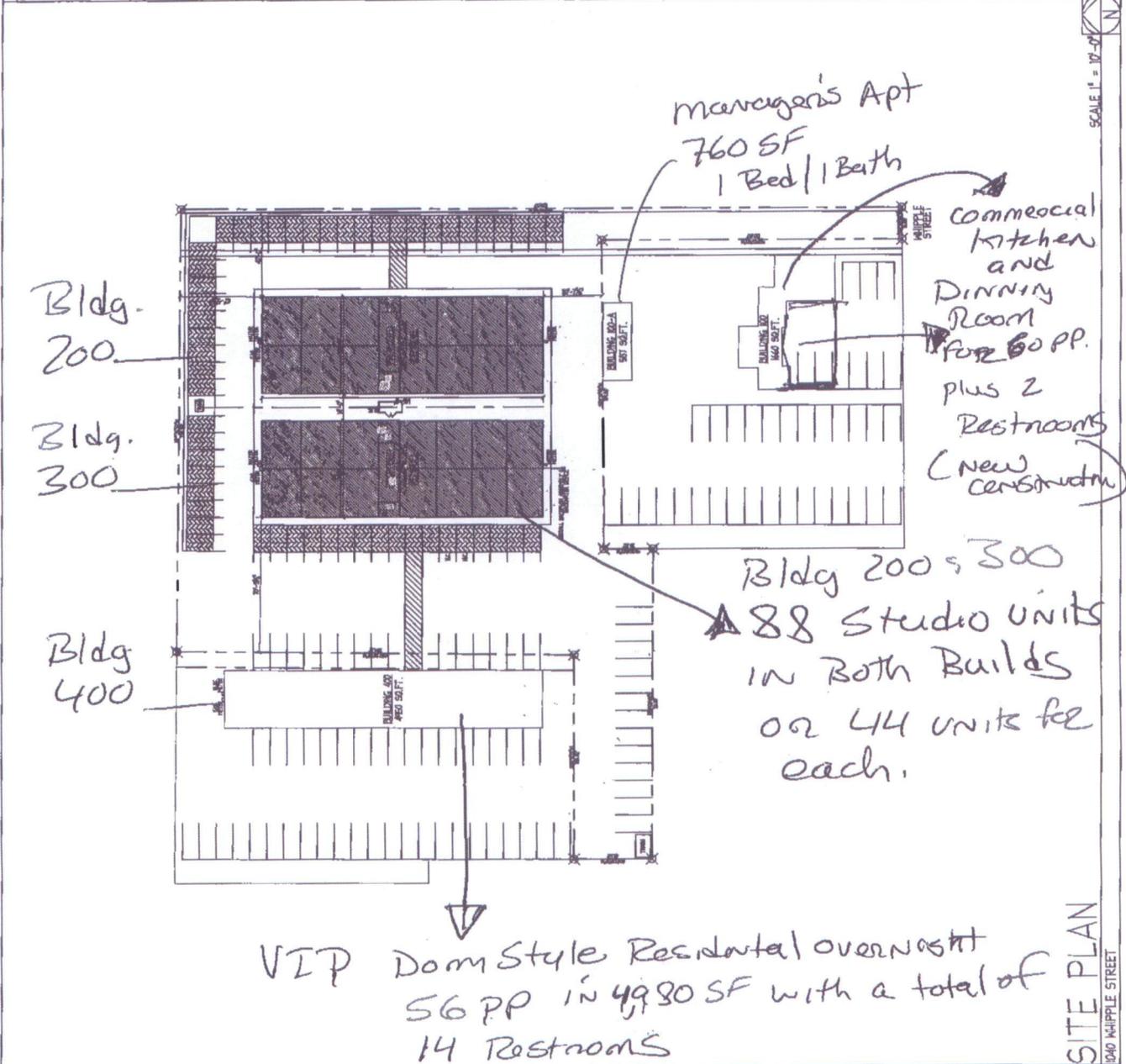
**Recommended Committee Action:** **MOVE** that the Committee recommend the Council consider approval of revised Water Service Agreement Application No. WSA17-009.



REVISIONS BY	DATE	DESCRIPTION

PROJECT INFO	BUILDING VALUATION	SHEET SCHEDULE
OWNER: _____ ARCHITECT: _____ CONTRACTOR: _____	1. VALUE ADDED 2. GENERAL BUILDING 3. SPECIAL BUILDING 4. TOTAL BUILDING 5. TOTAL PROJECT 6. TOTAL SITE 7. TOTAL PROJECT 8. TOTAL SITE	SHEET NO. _____ TOTAL SHEETS _____ DATE BUILT _____ SCALE P-1-P-1 DRAWING NO. _____ SHEET NO. _____



1040 Whipple  
Proposed  
Site PLAN



## Exhibit A - Water Application

### *Citigate Apartments*

#### **An Integrated Permanent Supportive/Affordable & Needs-Based Housing Campus**

**Applicant:** YC Development Properties, LLC and United States Veterans Initiative (U.S.VETS)

**Proposed location:** 1040 Whipple St., Prescott, AZ

#### **Project Summary:**

YC Development Properties, LLC and U.S.VETS are submitting this application water allocation which entails the acquisition and renovation of an existing complex known as the Prescott Business Center which is approximately 36,000 sf and is made up of five buildings. The goal is to convert this office complex into an integrated permanent supportive housing, affordable housing and needs-based housing campus known as Citigate Apartments (Citigate). Citigate will have two primary components. Two of the five buildings (Buildings #100 & #400 per the attached site plan) will be leased to the United States Veterans Initiative, hereinafter referred to as U.S.VETS, a non-profit organization created to meet the requirements of a federally funded program to house, feed and offer rehabilitation services to 56 veterans aka Veterans in Process (VIP) program. Two additional buildings (Buildings #200 & #300 per the attached site plan) consisting of approximately 28,000 sf in total and will be converted to 88 permanent supportive housing and affordable efficiency apartment units. These 88 units are projected to be leased at the Housing and Urban Development (HUD) Fair Market Rate (FMR) for Yavapai County, of \$683 per month including utilities. U.S.VETS may lease up to 50% of these units as permanent supportive housing for veterans. The fifth building is currently a manager's apartment that would be utilized for an onsite manager/security presence for the campus. This building will be expanded to include a laundry facility for the campus.

#### **Outline of Renovation Plan:**

##### Building 1

- Current commercial building with a beauty salon & offices totaling approximately 2,000 sf.
- This building will be remodeled and expanded by an additional 7,500 sf in order to facilitate a commercial kitchen, dining area, administrative offices, outreach/coordinated entry center, food pantry and other program services for U.S.VETS.

##### Buildings 2 & 3

- Both buildings are identical and are approximately 14,000 sf each and are 2 story office buildings to be converted to 88 efficiency apartment units (see attached floor plans).

**Building 4**

- This is a single-story office of approx. 4,950 sf that will be converted into 14 dormitory style housing units (see attached plan) that will accommodate up to 56 occupants for the U.S.VETS needs based housing program called Veterans In Progress (VIP).

**Building 5**

This is an existing manager's apartment of approx. 760 sf that will be utilized for an onsite manager/security presence on the campus and be expanded by approximately 1,286 sf to include additional U.S.VETS support offices and a laundry facility for the campus. The existing building along with the expansion of this building also includes a lower level underneath the entire area. This lower level will incorporate 44 storage units that will be available for lease to the tenants of the efficiency units.

**Funding:** YC Development Properties is currently in application for local community development funding from various local and regional lenders. Funding for these programs mandates on-site services that must be included in the project, which U.S.VETS is currently offering the following: case management, counseling, life skills classes, workforce development, benefit application assistance and food pantry. U.S.VETS staff are SOAR certified and can submit applications via Social Security for disability benefits. U.S.VETS is also a HEAplus partner with the State of Arizona Department of Economic Services, so we can also submit applications for ACCHCS, food stamps, TANF, and other state aid benefits.

**Community Sector Served:** 1) Veterans: Chronic homeless, elderly homeless, homeless with SMI diagnosis. 2) General population: Affordable & Low-Income sectors.

**Estimated Rental housing costs:** Will be at what the Fair Market Value (FMR) is at the time of leasing, current rates are studio-\$683 to include utilities.

**U.S.VETS:**

U.S.VETS has actively been leading the local continuum of care meetings within Yavapai County, and has sufficient experience and data available to submit a competitive application for funding. U.S.VETS implemented and facilitates the Coordinated Entry within Yavapai County, which is required in order to apply for HUD funding. It is the intent that additional funding will be continually sought out for this project. Prescott has a rental market at 98% capacity, with any available rentals ranging at a minimum 150% above FMR. Yavapai County has nearly four times the national average of homeless veterans (34%) and our continuum of care overall has a 40% chronic homelessness rate.

Prescott is the HUDVASH catchment area for Northern Arizona. The HUDVASH contract manager will provide an MOU stating the HUDVASH vouchers can be utilized, with veteran choice, within these proposed rental units. U.S.VETS is seeking a similar commitment from the Arizona Department of Housing Section 8 administrator

**COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO**

**August 1, 2017**

**DEPARTMENT:** City Manager (Water Resource Management)

**AGENDA ITEM:** Water Service Agreement Application No. WSA17-006 by John and Terri Enequist for an existing single-family residence on APN 108-21-007F, at 2530 Copper Basin Road

**Approved By:**

**Date:**

**Water Resource Manager:** Leslie Graser

**Regional Programs Director:** Craig McConnell

**Summary**

Water Service Agreement Application No. WSA17-016 was submitted on June 26, 2017, by John and Terri Enequist, seeking an alternative water allocation for their existing home at 2530 Copper Basin Road, previously served by a private well.

**Background**

APN 108-21-007F is located in the City, but not within a platted subdivision. In conjunction with the Zone 19 Water Reservoir Project, the Enequists were offered service by the City, accepted, paid all applicable fees, and abandoned their private well.

An allocation of 0.25 AF/year of alternative water and service to the subject property are consistent with Policy 10 of the City's Water Management and Calendar Year 2017 Alternative Water Allocation Policy (as amended):

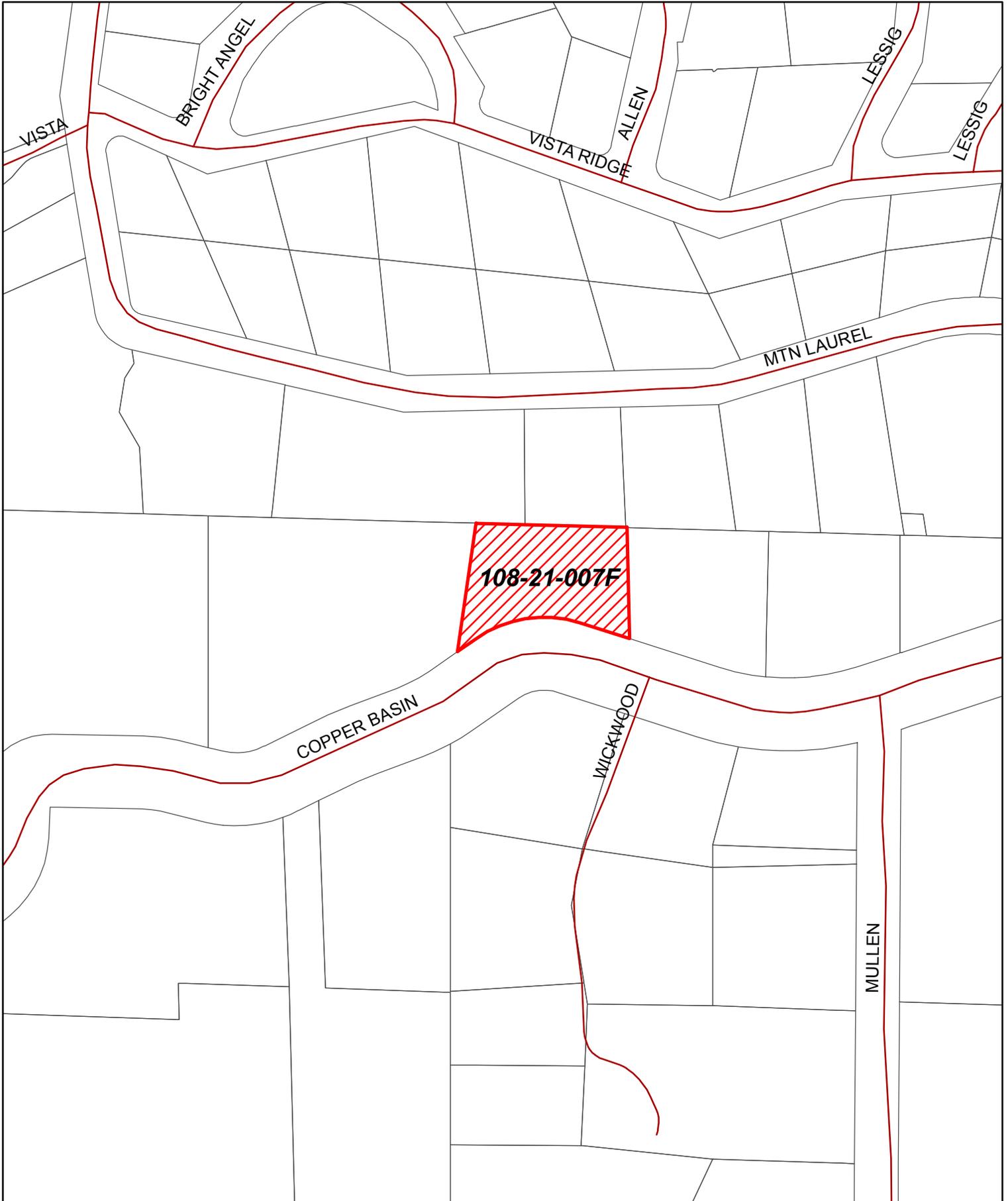
“Alternative water shall not be allocated for uses that will not return 50% or more wastewater to the treatment plants (e.g. new turf, commercial agriculture, residential requests without sewer connection, etc.), with the exception of certain Pre-Existing/Historical Agreements (Category 3) or as associated with Zone 19 land acquisition.”

This request may be approved administratively by the City Manager.

**Attachments**

- 1) Location Map
- 2) Water Service Agreement Application No. WSA17-016

**Recommended Committee Action:** For information purposes.





**WATER SERVICE AGREEMENT APPLICATION**

Water Resources  
 201 S. Cortez St., Prescott, AZ 86303  
 (P) 928.777.1645 (F) 928.777.1255

Please complete the form and submit a legible legal description on a separate sheet of paper as well as a site plan of the subject property with proposed improvements. Submit all documents and the filing fee directly to the Community Development Department at 201 S. Cortez St, Prescott, AZ 86302.

**APPLICANT INFORMATION**

Applicant: JOHN & TERRI ENEQUIST Contact Person: JOHN & TERRI ENEQUIST  
 Address: 2530 W. COPPER BAGIN RD. City/State/Zip: PRESCOTT, AZ. 86303  
 Phone: 928-778-1575 Email: enequist@Cableone.net

**PROPERTY OWNER INFORMATION**

Owner: SAME AS ABOVE Contact Person: \_\_\_\_\_  
 Address: \_\_\_\_\_ City/State/Zip: \_\_\_\_\_  
 Phone: \_\_\_\_\_ Email: \_\_\_\_\_

**PROJECT SITE**

Address: 2530 W. COPPER BAGIN RD. PRESCOTT 86303  
 Current Zoning: \_\_\_\_\_ Proposed Zoning: \_\_\_\_\_  
 Assessor's Parcel Number(s) of Existing Property: 108-21-007F  
 Existing Water Service (Y/N): N Existing Sewer Service (Y/N): N  
 Existing Well (Y/N): N If Yes, Well Registry No.: \_\_\_\_\_

**PROJECT DESCRIPTION**

Is the project Residential or Commercial? RESIDENTIAL  
 Please provide brief description: SINGLE FAMILY HOME

# of Proposed Units: 1 # of Proposed Lots: 1

Has a Water Demand Analysis been completed (commercial)? \_\_\_\_\_  
 Has a building permit application been submitted? \_\_\_\_\_  
 Has a Planning and Zoning Recommendation been made? \_\_\_\_\_

**FEES: Fees are subject to change.**

Single Family Residence	Multi-Family/Apartments	Residential Subdivision	Commercial Subdivision or Individual Commercial Project
<input checked="" type="checkbox"/> \$150	2-5 units <input type="checkbox"/> \$150 6-10 units <input type="checkbox"/> \$200	6-25 lots <input type="checkbox"/> \$300 26-100 lots <input type="checkbox"/> \$500	<2 acre feet <input type="checkbox"/> \$150 2-4.9 acre feet <input type="checkbox"/> \$200
<b>Existing Connection</b>	11-50 units <input type="checkbox"/> \$300 51-99 units <input type="checkbox"/> \$400	100+ lots <input type="checkbox"/> \$700	5-10 acre feet <input type="checkbox"/> \$250 >10 acre feet <input type="checkbox"/> \$300
<input type="checkbox"/> \$150	100+ units <input type="checkbox"/> \$500		100+ units <input type="checkbox"/> \$500

Applicant Signature: Terri Enequist

Date: 6-22-17

**COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO**

**August 1, 2017**

**DEPARTMENT:** City Manager (Water Resource Management)

**AGENDA ITEM:** Request by Mark Manering to amend City Contract No. 2017-009A1 for the project known as Prescott Lakes Villas, APN 106-13-031H

**Approved By:**

**Date:**

**Water Resource Manager:** Leslie Graser

**Regional Programs Director:** Craig McConnell

**Summary**

On June 29, 2017, and July 18, 2017, Mark Manering submitted letters to the City requesting to amend and extend City Contract No 2017-009A1 (if approved, the revision would be City Contract No. 2017-009A2).

Specifically, Mr. Manering is seeking: (1) that Woodsman Properties, LLC, the current property owner, be formally recognized in said agreement; and (2) that in accordance with the City's Water Management and Calendar Year 2017 Alternative Water Allocation Policy, as amended, a one-time, one (1) year extension of the agreement be approved. Upon such approval, the new expiration date would be December 5, 2018.

**Background**

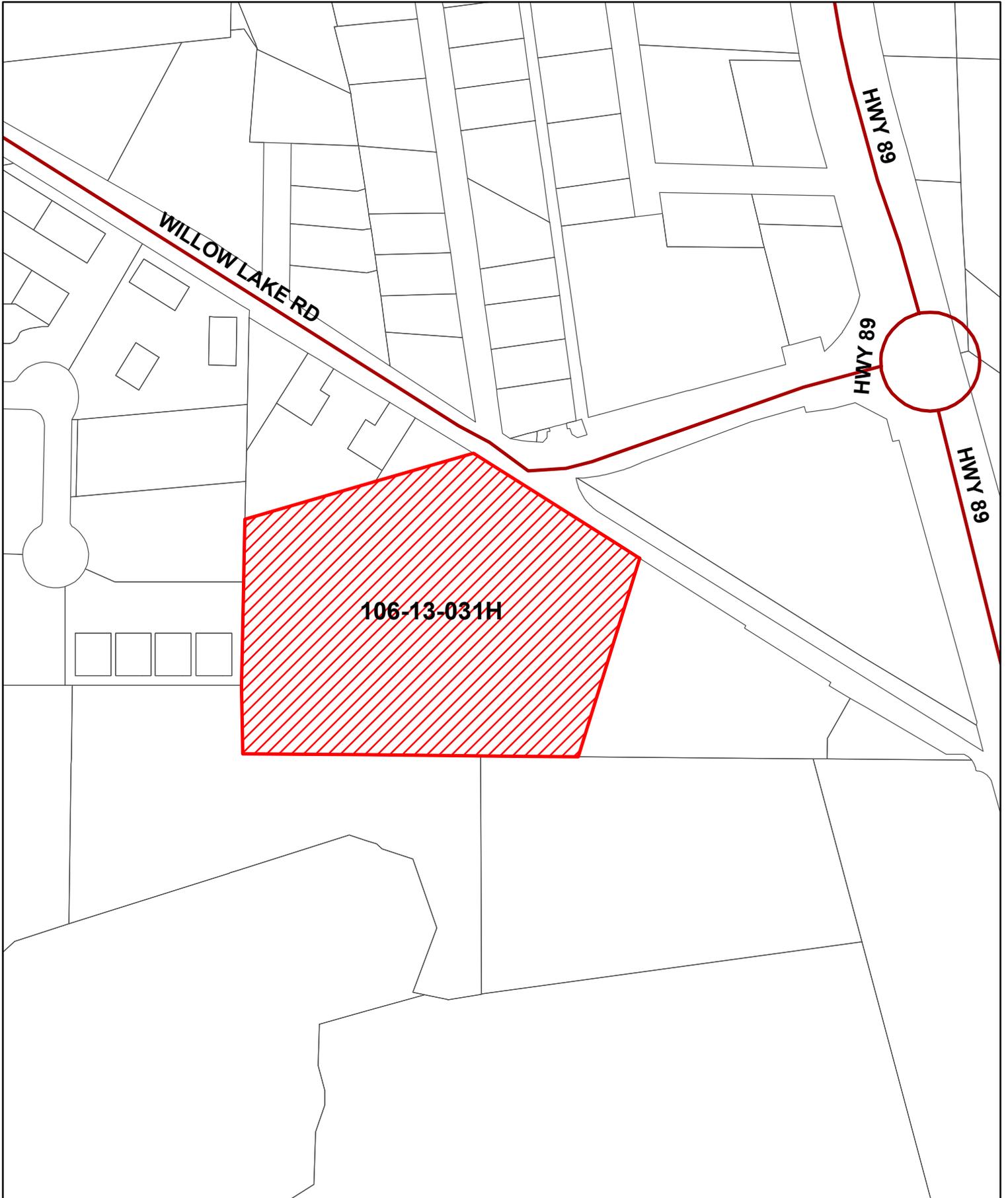
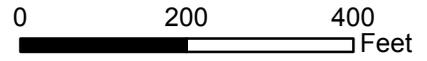
On December 5, 2016, and February 17, 2017, the City Council respectively approved City Contract No. 2017-009 and Amendment No. 1 thereto, City Contract No. 2017-009A1. The agreement pertains to a proposed 200-unit apartment complex, and associated total water allocation of 50 AF/year (37.5 AF of alternative water, and 12.5 AF/year of groundwater available through well abandonment).

The Water Resource Management Division has no objection to the above-described requests.

**Attachments**

- 1) Location Map
- 2) Letter dated June 29, 2016
- 3) Letter dated July 18, 2017

**Committee Recommendation to Council:** **MOVE** to recommend Council approval of Amendment No. 2 to City Contract No. 2017-009A2, to extend the water service agreement one (1) year to December 5, 2018, and recognize the current property owner, Woodsman Properties, LLC.



## Item E3 Attachment 2

Woodsman Properties, LLC.  
10898 East Buckboard Trail  
Dewey, AZ 86327

June 29, 2017

Mr. Clyde Halstead  
Senior Assistant City Attorney  
City Attorney's Office  
City of Prescott  
221 S. Cortez St.  
Prescott, AZ 86303

RE: Water Service Agreements WSA 16-00X and WSA 17-001

Dear Mr. Halstead

Woodsman Properties, LLC (hereinafter referred to as "Owner") is the owner of the property located at 2051 Willow Lake Road within the City of Prescott.

Owner has terminated its relationship with RAN & Associates as the developer of the project proposed for the property. Owner intends to pursue the completion of this project with another developer.

Therefore, Owner requests an amendment to the WSAs to reflect the Owner as contracting party.

Best Regards,

  
\_\_\_\_\_  
Mark Manering  
Manager, Woodsman Properties, LLC

# Item E3 Attachment 3

Woodsman Properties, LLC.  
10898 East Buckboard Trail  
Dewey, AZ 86327

July 18, 2017

Mr. Clyde Halstead  
Senior Assistant City Attorney  
City Attorney's Office  
City of Prescott  
221 S. Cortez St.  
Prescott, AZ 86303

RE: Extension of City Contract Nos. 2017-009 and 2017-009A1

Dear Mr. Halstead

Woodsman Properties, LLC (hereinafter referred to as "Owner") is the owner of the property located at 2051 Willow Lake Road within the City of Prescott.

Per City Water Policy 7 (below), Owner is requesting a one-time, one year extension of City Contract Nos. 2017-009 and 2017-009A1.

"Policy 7 – Alternative water contracts that expire during Calendar Year 2017 will not be amended to increase the number of lots or volume of water. A one-time extension for one (1) year may be requested (subject to water availability)."

Thank You for your prompt action.

Best Regards,

  
\_\_\_\_\_  
Mark Manering  
Manager, Woodsman Properties, LLC

cc: Leslie Graser

**COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO**  
**August 1, 2017**

**DEPARTMENT:** City Manager (Water Resource Management)

**AGENDA ITEM:** Request by Lee Borst to amend City Contract No. 2017-007A1 for APNs 106-18-071 and 106-13-025P, formerly known as the F.L. Brown Enterprises, LLC, property, located on Willow Lake Road

**Approved By:**

**Date:**

**Water Resource Manager:** Leslie Graser

**Regional Programs Director:** Craig McConnell

### Summary

On July 21, 2017, Lee Borst, representing Willow Lakes, LLC, which has purchased the subject property, submitted a letter to the City requesting to amend City Contract No. 2017-007 with the prior owner, F.L. Brown Enterprises, LLC. The new property owner seeks a one-time extension for one (1) year in accordance with the City's Water Management and Calendar Year 2017 Alternative Water Allocation Policy.

### Background

On July 12, 2016, the City Council approved City Contract No. 2017-007, a water service agreement for a project consisting of 13 multi-family dwelling units. The applicant (Brown) executed the agreement on August 15, 2016.

The total water allocation required is 3.25 AF/year (2.75 AF/year of alternative water and 0.5 AF/year of groundwater available through well abandonment).

City Contract No. 2017-007 required that the applicant obtain a City building permit for the project within one (1) year. As stated in the attached letter, the new owner anticipates issuance of a building permit in late 2017, which would be within the one-year extension period.

### Attachments

- 1) Location Map
- 2) Letter dated July 21, 2016

**Committee Recommendation to Council:** The Committee recommends that the City Council approve Amendment No. 1 to City Contract No. 2017-A1, to extend the water service agreement for one (1) year.



## Item E4 Attachment 2

**TO:** Water Resource Department, City of Prescott  
**FROM:** Willow Lakes, LLC, 1989 Willow Lake Road, Unit 101, Prescott AZ 86301  
**DATE:** July 21, 2017  
**RE:** Request for Extension of Agreement for Potable Water (WSA No.16-005)

To Whom It May Concern:

Willow Lakes, LLC has purchased 1989 Willow Lake Road from Fred Brown Enterprises, LLC. We fully intend to complete the project that Fred had envisioned and had started for this parcel.

We have secured Ken Mohn, KMA Architecture, to provide plans for submittal to the City of Prescott. The timing for submittal should be on or around August 31, 2017. We intend to begin construction within 2-3 months after the plans have been approved by the City of Prescott, hopefully no later than December 1, 2017. We estimate the project to be completed on or before December 2018.

We respectfully request an extension of the Potable Water Agreement (attached) given to Fred Brown Enterprises, LLC and ask that the extension be placed in the name of Willow Lakes, LLC.

Best regards,



Lee Borst  
Manager, Willow Lakes, LLC  
(928)830-1843

att