

COUNCIL WATER ISSUES  
COMMITTEE  
REGULAR MEETING  
TUESDAY, AUGUST 1, 2017  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON AUGUST 1, 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 9:00 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka arrived 9:08 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 Resource Manager

C. Approval of minutes of the July 5, 2017, Council Water Issues Committee meeting.

**COUNCILMAN BLAIR MOVED TO APPROVE THE MINUTES OF THE JULY 5, 2017, WATER ISSUES COMMITTEE MEETING; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED (2-0).**

D. Alternative Water Portfolio Update

Leslie Graser, Water Resource Manager presented on the Alternative Water Portfolio. In 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.

She said there were two Water Service Agreement (WSA) requests on the agenda and they were for the U.S.Vets and Enequist.

Mayor Pro Tem Lamerson asked if the Water Resource Division gave regular updates to the media.

Ms. Graser said it did not.

Mayor Pro Tem Lamerson commented that the items on Committee agendas are discussed in open meetings, and the media could report on them if they chose to attend.

Ms. Graser said that the Division will discuss any items with persons who have questions regarding the alternative water portfolio.

1. U.S.VETS (WSA17-009)

Ms. Graser presented a map of the area of the U.S.Vets project.

Councilman Blair said he was raised off of Whipple and asked how water was granted to this area in the first place.

Ms. Graser said it was groundwater.

Councilman Blair mentioned that there was heavy use in that area with the salons. He asked if alternative water would be used.

Ms. Graser said yes, it would be alternative water.

Councilman Blair asked why it was considered residential, and where the line is drawn between commercial and residential uses.

Craig McConnell, Regional Programs Director, responded that for water allocation purposes, if the project or use involves people living there, it's residential. He further commented that the Council could at anytime move water from commercial to residential, although a policy change might be involved in doing so.

Councilman Blair said he wanted it on the record that Council has the flexibility to move alternative water for allocation purposes if deemed necessary.

Councilman Sischka asked for clarification regarding the U.S.Vets not getting the grant for their project.

Ms. Graser said that the Division could not comment regarding specifics of the U.S.Vets grant application, but remarked that the scope of the project has since changed. Ms. Graser indicated that if alternative water is allocated to the project but not used, it would be returned to the water portfolio.

Ms. Graser said that the Division would continue to work with U.S.Vets concerning their revised application.

Mayor Pro Tem Lamerson said regardless of how they go with this, at least the veterans would have priority.

Mr. McConnell said there were alternatives for proceeding, one of which was to place the project on the agenda of a Council study session for presentation and discussion, which could eventually result in an appropriate performance standard to be included in a Water Service Agreement.

Mayor Pro Tem Lamerson said he liked the idea to review the project with Council.

**Recommendation was to move forward to a Council study session.**

2. John and Terri Enequist (WSA 17-006)

Ms. Graser presented a map of the area for the single-family home. She said the 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.

Ms. Graser gave background information on APN 108-21-007F, that 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.”

Mayor Pro Tem Lamerson said when sewer was available they would have to connect.

### 3. Amendment to RAN & Associates (City Contract Nos. 2017-009 and 009A1)

Ms. Graser presented a map of the area in question. She said that 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). Mr. Manering was 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.

Ms. Graser said 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).

Ms. Graser said the Water Resource Management Division has no objection to the above-described requests.

Ms. Graser said upon such approval, the new expiration date would be December 5, 2018.

Councilman Blair asked the City Attorney if the water would stay with the property.

Mr. Halstead the water would stay with the property as this would correct a larger problem.

Councilman Blair said the next item was a property change in ownership would the water would stay with the property.

Councilman Sischka said if a new owner came in and bought the property would they be able to ask for a year extension.

Mr. McConnell said only if they timely accomplished the performance requirements specified by the contract. Water allocated for a project stays with the property only if the project is completed as described by the water service agreement.

Councilman Blair said when it did a change of ownership did they have to reapply.

Mr. McConnell said that as long as it's the same project, a new application is not required.

Mayor Pro Tem Lamerson asked if they have to go to the back to the end of the line.

Mr. McConnell said they only have to reapply if the project scope changes, or the applicant did not timely accomplish the performance requirements specified by the contract. In the event of a reapplication, the new application would have no standing in line, it would be on a first-come, first-served basis.

Ms. Graser said that was why the City policy provides for a one-time extension for cases of change of ownership.

Councilman Sischka said if they were changing ownership and there were two other projects ahead of them would they have to wait.

Mr. Halstead explained that just because they did a change of ownership they would still get the water that was allocated, if the project remained the same.

Councilman Blair said he did not have a problem with the extension.

**Recommended to move this forward to Council.**

**4. Amendment to F.L. Brown Enterprises, LLC (City Contract No. 2017-007)**

Ms. Graser presented a map of the area. She said 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.

Ms. Graser said 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.

**Recommended to move this forward to Council.**

Following Committee consideration of the meeting agenda, several attendees in the audience asked question pertaining to projects or other topics not listed on the agenda. Ms. Graser noted the items, and responded that the Division would look into them separately.

**F. ADJOURNMENT**

There being no further business to be discussed, the Council Water Issues Committee adjourned the Public Meeting of August 1, 2017, at 9:47 a.m.

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JIM LAMERSON, Chairman

ATTEST:

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Maureen Scott, City Clerk