

CITY COUNCIL SUBCOMMITTEE  
FOR WATER ISSUES  
REGULAR MEETING  
TUESDAY, APRIL 3, 2018  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES HELD ON APRIL 3, 2018, 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.

CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEMBERS:

Present:

Chairman Jim Lamerson  
Member Steve Blair (arrived 9:06 a.m.)  
Member Steve Sischka

Staff Present:

Michael Lamar, City Manager  
Clyde Halstead, Assistant City Attorney  
Craig McConnell, Regional Programs Director  
Leslie Graser, Water Resource Manager

C. Approval of Minutes of February 6, 2018

**COUNCILMAN SISCHKA MOVED TO APPROVE THE MEETING MINUTES OF FEBRUARY 6, 2018; PASSED (2-0). (COUNCILMAN BLAIR NOT PRESENT FOR THE VOTE)**

D. 2018 Alternative Water Budget Update

Leslie Graser reviewed the 2018 Alternative Water Budget. The single-family category was budgeted at 20 AF and 18.75 AF remained. The multi-family category was budgeted at 10 AF and due to actions in December 2017, 4.4 AF remained.

Councilman Sischka inquired if the Commercial Reservation still stood at 100 AF. Leslie Graser confirmed that availability, and reviewed the unit allocation for single-family and multi-family residential projects. Craig McConnell noted that the Commercial reservation is not budgeted, but in fact is a reservation, which is why it does not appear on the Alternative Water Budget Update memorandum.

**THE SUBCOMMITTEE MADE NO RECOMMENDATION AS THIS WAS AN INFORMATION ITEM.**

E. Requests for Water Service Agreements

1. WSA 18-001 (Wagner) – The request pertains to a single-family residence that can be administratively approved.

**THE SUBCOMMITTEE MADE NO RECOMMENDATION, AS THIS WAS AN INFORMATION ITEM.**

2. WSA 18-002 (Garage City, LLC/Willow Lake RV Condos) – Councilman Blair entered the meeting at this time. The property is vacant, and plan is to offer 59 storage condominiums, with a toilet and a sink in each one. The property has a 1997 Development Agreement, which anticipated less than 2 AF of demand in the future. The grandfathered groundwater is 1.8 AF, which should be sufficient for the project. Councilman Lamerson asked for clarification of the being a “condo” project. Craig McConnell explained that condos signify the ownership structure, not the actual use of the property. McConnell stated that there would be a clause that a change of use of the parcel (from non-residential) would negate the WSA. City Manager Lamar stated that it appears the intent of this project is for storage, and the City will ensure it remains that way. This project needs to go through Community Development and Public Works process before it will proceed. Councilman Blair asked how we will make sure these do not become inhabited structures. Assistant City Attorney Clyde Halstead said that the City would treat it as a typical storage unit complex and periodically do inspections to ensure no one is living there. Leslie Graser said the WSA will be presented to Council in the future with the Development Agreement.

**THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.**

3. WSA 18-003 (Aspen Valley Properties, LLC/Las Palomas) – 26-Unit apartment complex eligible for alternative water from the residentially zoned tracts reservation. Performance criteria will be specified by the WSA..

**THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.**

4. WSA 18-004 (Wright) – This request pertains to a single-family residence that can be administratively approved.

**THE SUBCOMMITTEE MADE NO RECOMMENDATION, AS THIS WAS AN INFORMATION ITEM.**

5. WSA 18-005 (Bullwhacker Associates/Winfield) – A reservation or set-aside was made in 2015 for the old Bullwhacker Ranch. Former Community Development Planner Frank Hall helped determine the max density of perspective development. This project consists of 100 apartment units, requiring between 12-15 AF depending on water efficiency. The allocation will come out of the Bullwhacker Reservation. The WSA will appear on a future Council agenda.

**THE SUBCOMMITTEE RECOMMENDED THAT THE WATER SERVICE AGREEMENT PROCEED TO COUNCIL.**

6. WSA 18-006 (Stella) – This request pertains to a single-family residence that can be administratively approved.

**THE SUBCOMMITTEE MADE NO RECOMMENDATION, AS THIS WAS AN INFORMATION ITEM.**

F. Proposed Annexation (Askari Hojat, MD)

Leslie Graser provided an overview of the Whispering Rock annexation request located off of Willow Creek Road across from Embry-Riddle. The land cannot be annexed into the City without determination of water supply. A demand analysis was submitted to the City, identifying a need for about 60 AF.

Ms. Graser reviewed the quantities that have been or can be made available in the Calendar Year 2018 Water Management Policy.

Table 1: Calendar Year 2018 Alternative Water Budget		
Category	Remaining Volume (AF)	Comments
Single-Family	18.75	75 units with standard allocation; 93 units with water efficient allocation
Multi-Family	4.4	29 units with standard allocation; 36 units with water efficient allocation
Commercial	100	

Ms. Graser also reviewed the availability of water supplies in the portfolio by volumes that had been set aside or are part of the General Pool. They are as follows:

Table 2: Other Remaining Alternative Water (shading denotes the water supply is specifically restricted)

Category	Remaining Volume (AF)	Comments
Deep Well Ranch 1	151.4	In a contract, not available
Deep Well Ranch 2	500	In a contract, not available
Deep Well Ranch 3	900	In a contract, not available
Vacant, residentially-zoned tracts	282.0	Initially created for use within the city limits for lands that had not yet developed. In Calendar Year 2016, 200 AF was transferred to the General Pool and each subsequent year 50 AF has been transferred. For Calendar Year 2019, another 50 AF will be transferred leaving 232 AF. Quantities in qualifying water service agreements approved in 2018 or subsequent years must be deducted from this 232 AF.
Chino Valley Irrigation District	501.2	In an IGA, not available
General Pool	291.2	The unreserved, unbudgeted balance.

Ms. Graser further reviewed ongoing and recent interest in projects that are seeking water supplies, estimated as follows:

Table 3: Projects Seeking Alternative Water

Project	Inside or Outside City Limits	Approx. Requested Volume (AF)
Whispering Rock	Outside	60
New Fann Industrial Facility (3 <sup>rd</sup> Generation Enterprises, LLC)	Outside	5-10
AZ Eco	Outside	300
ERAU (20 year plan)	Inside	50-60
YRMC – West (10 year plan)	Inside	5-10
Lakeview Commercial Subdivision	Inside	TBD
Prescott Lakes Master plan	Inside	TBD

**THE WATER ISSUES SUBCOMMITTEE RECOMMENDED THAT THIS REQUEST BE CONSIDERED BY THE COUNCIL AS A WHOLE, IN CONJUNCTION WITH THE PROSPECTIVE ANNEXATION AND ASSOCIATED LAND USES.**

G. Proposed Annexation (3<sup>rd</sup> Generation Enterprises, LLC)

Leslie Graser provide an overview of this annexation which would also involve bringing a City property into the corporate limits. Water allocation for the project will require a second review, as it is now proposed to be a commercial subdivision (per state statutes, residential and commercial subdivision must have an Assured Water Supply). The property owner will need to provide a demand calculation addressing both the current metered volumes and possible uses on the other lots to be created.

The City's 2018 Water Management Policy identified a commercial allocation quantity of 100 AF. Subject to annexation of the property, the associated demand could be satisfied from this source.

**THE WATER ISSUES SUBCOMMITTEE MADE NO RECOMMENDATION AS THIS ITEM WAS FOR INFORMATION PURPOSES AND THE PROJECT REMAINS UNDER REVIEW.**

H. Adjournment

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the City Council Subcommittee for Water Issues held on the 6th day of February, 2018. I further certify the meeting was duly called and held, and a quorum was present.

Dated this 23<sup>rd</sup> day of May, 2018.

Leslie Graser  
Leslie Graser, Water Resource Manager