

COUNCIL WATER ISSUES  
COMMITTEE  
REGULAR MEETING  
TUESDAY, NOVEMBER 7, 2017  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON NOVEMBER 7, 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 9:10 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson  
Member Steve Sischka

Excused

Member Steve Blair

Staff Present:

Maureen Scott, City Clerk  
Clyde Halstead, Assistant City Attorney  
Leslie Graser, Water Resource Manager

C. Approval of minutes of the October 3, 2017 Council Water Issues Committee Meeting.

**COUNCILMAN SISCHKA MOVED TO APPROVE THE MINUTES OF THE OCTOBER 7, 2017, WATER ISSUES COMMITTEE MEETING; SECONDED BY MAYOR PRO TEM LAMERSON; PASSED (2-0).**

D. Alternative Water Portfolio Update

Leslie Graser reviewed the Calendar Year 2017 (January 1, 2017, through December 31, 2017) Alternative Water Budget. The budget had 70 AF for residential and 100 AF for commercial; as of November 7, 2017, the remaining balances were 7.81 AF and 100 AF, respectively. To provide more discussion time on the draft Policy (Item F), the requests for Water Service Agreements (WSAs) in Item E were acknowledged during the portfolio update. All the WSAs on the agenda met the current policy for administrative approval.

This was an informational item. No recommendations were made by the Committee.

E. Water Service Agreements

Leslie Graser reviewed the WSAs in conjunction with Item D. Clyde Halstead noted that Items E.2. (Suffriti) and E.3. (Goldsmith) had the same map. Ms. Graser noted that the map for Goldsmith would be corrected.

All WSAs were for informational purposes only. No recommendations were made by the Committee.

F. Draft Calendar Year 2018 Water Management Policy

Leslie Graser provided three (3) supporting items for this discussion: 1) Draft Calendar Year 2018 Water Management Policy; 2) PowerPoint of significant policy updates; and 3) Comparison of Water Management Policies. The PowerPoint was presented noting completion of the housing study and information it provided regarding single-family and multi-family housing demand and availability. The study forecasted the following demand:

	2016	2017 (YTD)	2018		2019		2020	
	Building Permits Issued	Building Permits Issued	Demand	In Contract	Demand	In Contract	Demand	In Contract
Single Family Residential	330	237	275	1621	279	1621	283	1621
Multi- Family Residential	163	10	149	1566	160	1144	170	971
<b>Total</b>	493	247	424	3187	439	2765	453	2592

Ms. Graser noted that the City had significant alternative water supplies in contracts for both the single-family and multi-family housing types. With this condition of water available for housing, it was recommended that alternative water continue to be made available for single family building projects of 3 units or less, and multi-family projects of 4 units or less. An associated table was shown to provide the existing projects in contract, housing type, and number of dwelling units.

Ms. Graser continued with the significant changes (Comparison of Water Management Policies) handout, recommending that Policy 9, 16, 18, 19, and 20 should be reviewed and discussed before a recommendation was made moving

the draft policy to the Council as a whole. Chairman Lamerson commented that Policy 9 did change from the 2017 version and sought more clarification for why a lot within a groundwater subdivision should split and then be provided alternative supplies. Member Sischka commented that Policy 9, as amended, was not as clear as the 2017 language. The Chairman stated that this overall policy may not be ready to go to Council. Ms. Graser acknowledged this was their first review of the Draft 2018 policy, a work session to identify and discuss refinements to the document. Ms. Graser understood that the Committee would like to see alternative language proposed.

Policy 16 was reviewed and reflected the findings of the housing study. Ms. Graser said the City was in good shape, it was meeting the forecasted housing demands, and there was alternative water in contracts for additional single-family and multi-family projects. Mr. Halstead stated that the current language as written could signify a moratorium. Ms. Graser noted that the language could be adjusted as there was no intent for a moratorium, but rather to recognize that the City's portfolio is able to meet the needs for more housing through both groundwater and alternative water supplies, and at this time, the majority of the alternative water was in contract. The remaining volumes may be used to facilitate developments of 3-4 units while larger subdivisions can proceed using water already in the various contracts. (Chairman Lamerson spoke that the market would decide when to use the water already in contract. Member Sischka stated that Policy 16 could remain as written. Ms. Graser and Mr. Halstead will review the proposed language to avoid the implication of a moratorium, and prepare alternate wording for consideration.

Policy 18 was reviewed: it creates a 100 AF reservation for commercial development. Policy 19 allows for industrial or institutional development to be allocated water from the portfolio, in lieu of a specific budget amount. Ms. Graser explained how water policy for commercial growth, at one time, was allocated into a water service agreement if the project's water requirement was over 5 AF. This new policy to provide a commercial pool recognizes that with the amount of proposed residential water contracts in place, some water needs to be available for associated commercial growth. Further, existing institutions are likely not at capacity yet (they may need additional supplies to serve increasing population). Member Sischka questioned if institutional will be fighting for industrial supplies. Ms. Graser stated no, that was not the intent. Generally, the City is aware of which institutions may grow in the coming years, and relies on the City's Economic Development Division to help attract business to the community for which water supplies are available (not water intensive users).

Policy 20 was reviewed. This policy was added to provide accounting documentation for the transfer of supplies from the Vacant, Residentially Zoned Tract Pool to the General Pool. It further notes that a replacement pool is being created from the Big Chino water supplies. Chairman Lamerson was concerned that someone down the road would see this as an inferred right to water. Ms.

Graser stated until water was placed into contract there was no right to the supplies that the City makes available from its water portfolio.

Ms. Graser asked the Committee if they would like to proceed with the draft policy, subject to the comments made for policy language options as discussed today, and prepare the document for Council Study Session on November 28, 2017.

**MAYOR PRO TEM LAMERSON AND COUNCILMAN SISCHKA AGREED BY CONSENSUS THAT THE DRAFT POLICY, WITH THE ADDITION OF ALTERNATE PROVISIONS FOR POLICIES 9 AND 16, PROCEED TO THE COUNCIL STUDY SESSION OF NOVEMBER 28, 2017.**

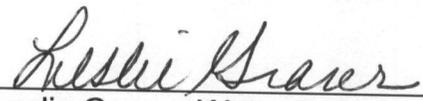
G. Other Water Management Updates

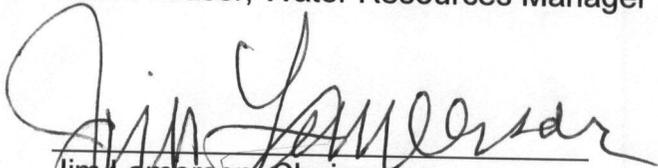
Item G was not discussed.

H. ADJOURNMENT

There being no further business to discuss, Chairman Lamerson adjourned the Council Water Issues Committee Meeting at 10:39 a.m.

Respectfully Submitted by:

  
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Leslie Graser, Water Resources Manager

  
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Jim Lamerson, Chairman