

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

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

A. Call to Order.

Councilman Lamerson called the meeting to order at 9:05 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson
Member Steve Blair

Excused

Member Steve Sischka

Staff Present:

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

C. Approval of minutes of the November 7, 2017, Council Water Issues Committee Meeting.

COUNCILMAN BLAIR MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 7, 2017, WATER ISSUES COMMITTEE MEETING; SECONDED BY COUNCILMAN 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 10.6 AF and 100 AF, respectively. The agenda includes three projects to review, all of which would move to Council if the Committee so chooses.

All Water Service Agreements would likely fall within the 2018 Water Allocation Budget due to scheduling for Council approval after the New Year.

Ms. Graser noted that the water for all projects had already been "reserved" within the Portfolio until decisions were rendered by the Committee and Council.

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

E. Water Service Agreements

Item E.1 Vibrant Building Solutions on Lincoln and Home Streets. There are existing structures on the parcels. The proposal by the applicant was to keep the existing residence and add an additional five (5) units. Council approval required due to being over three units. Project would also require P&Z review. An allocation of 0.30 AF/year would be required to complete the project and 0.30 AF/year of grandfathered groundwater is associated with the property.

Water Issues Committee moved WSA No. 17-026 to Council

Item E.2 357 Pierson, LLC, for Seasmoke Investments. This was Virgil Deorfler's 14-Unit apartment project. The Site Plan was scheduled for P&Z in January. An allocation of 1.4 AF/year of alternative water was requested, and 0.70 AF/year of grandfathered groundwater applies to the parcel. Total project will need 2.10 AF/year.

Water Issues Committee moved WSA No.17-027 to Council

Item E.3 WSA17-028 by Architectural Resources Team. The conversion of an existing commercial property owned by Catholic Charities Community Services, Inc., to a fifty-one (51) unit veterans housing facility. Councilman Blair commented that the housing looked like dormitories. Chairman Lamerson stated that it was a good project and had a real community benefit. Ms. Graser pointed out that it would add additional housing units (51) to the existing 1,500 multi-family units that currently have water contracts but are not yet built. The Committee could make a recommendation today, but Catholic Charities was seeking grants. To do so, they would need a Council letter to set aside and confirm water availability. The property would also require rezoning because a portion was identified as Downtown Business (DTB), becoming Business General (BG).

Water Issues Committee moved WSA No. 17-028 to Council

F. Draft Calendar Year 2018 Water Management Policy

Ms. Graser provided one supporting document for discussion, a table describing Policies 9 and 16 in "as written" and "alternative" versions as follows.

2018 Policy – As Written	Alternate Wording
<p>Policy 9 – Alternative water will not be allocated to support lot splits outside the City limits or within areas for which water is provided according to Pre-Existing/ Historical Agreements, unless specifically provided otherwise by each such agreement.</p>	<p>Policy 9 – Alternative water will not be allocated to support lot splits occurring in subdivisions with a groundwater allowance, or for Pre-Existing/Historical agreements for which the City has satisfied its contractual obligations.</p>
<u>2018 Policy – As Written</u>	<u>Alternate Wording</u>
<p><u>Policy 16 – In Calendar Year 2018, applications for water service agreements to serve new residential development projects, other than those qualifying for an allocation from a reservation, or for which the City has an obligation to serve pursuant to a Pre-Existing/Historical Agreement, are encouraged for single-family or multi-family projects of 3 units or less, subject to the availability of water in the Calendar Year 2018 Alternative Water Budget, reservation, or other agreement, as applicable.</u></p>	<p><u>Policy 16 – In Calendar Year 2018, applications for water service agreements to serve new residential projects of more than 3 units shall include a statement of community benefit.</u></p>

Ms. Graser noted that a Pre-Existing/Historic agreement would be one of the four agreements known as Idylwild, Iron Springs, etc., in which the City agreed in the 1960s to serve water outside City limits. This became a discussion item last time because the 2017 Policy did not allow splits in Groundwater subdivisions. What made this complicated was that older subdivisions have been rezoned, not maintaining the original platting and use. The new Policy would allow for flexibility within these older subdivisions. Councilman Blair pointed out that if he had purchased a lot as an investment with the intention to split it, the previous Policy would not allow for him to do so. The alternate wording has been provided following discussion at the November meeting. The "as written" Policy would encourage infill according to the General Plan. The Committee agreed to move forward with "as written."

Policy 16 refers to the Housing Study which confirmed that considerable quantities of residential development have already been provided water via contracts. Policy 16 as written would encourage infill and smaller development projects. The "alternative wording" would require a statement of Community Benefit for projects of greater than 3 units.

Craig McConnell pointed out that the Policy does not restrict applications for larger projects, but would encourage smaller infill projects. Relative to demand, there are years of "watered" projects in contract. Leslie Graser stated that the City has made reservations, including those for historic agreements, this Policy would not affect. The "as written" Policy is clear for staff to initiate. Craig

McConnell expects the Policy to be presented at Council one week from today. This will allow individual Council members to comment on the wording of Policies 16 and 9.

Craig McConnell noted that many of the large residentially zoned tracts already have reservations. These are where most of the development will occur. Policy 16 will not affect these large unsubdivided tracts within the City limits.

COUNCILMAN LAMERSON AND COUNCILMAN BLAIR 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 DECEMBER 12, 2017.

G. Other Water Management Updates

Comprehensive Agreement No. 1, the Big Chino Project. This contract contemplates several subsequent implementing contracts. Council will be seeing one of them on December 12, 2017, for the drilling of monitoring wells.

The 2018 Committee schedule. It is understood that after creation of a new standing committee by Council, it will meet on the first Tuesday of each month.

WaterSmart Drop by Drop is the public education program. On December 19, 2017, a brief presentation will be made to Council. Councilman Blair inquired regarding measures that can be tracked for the education program. Leslie Graser stated that GPCD has been required by the State. Prescott has always been below the required GPCD, but the population changes over time so it is important to continue education. The Division also tracks progress through the conservation rebate program, and the database system that manages the rebates. This program specifically will have a matrix on how effective it is. The program is anticipated to run for the next 3-5 years. Councilman Blair asked if printed information will be going out in the utility bills. Currently there is no plan to put a mailing insert in. Councilman Blair asked if we could do a one-time mailer in April or May. This will be addressed by the Division.

H. ADJOURNMENT

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

Leslie Graser 5/31/18

Signature requested by Maureen Scott on 5/31/18