

**MINUTES OF THE CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES HELD ON JULY 3, 2018, IN THE LOWER LEVEL CONFERENCE ROOM, LOCATED AT 201 S. CORTEZ STREET, PRESCOTT, ARIZONA.**

**A. Call to Order**

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

**B. Roll Call**

**CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEMBERS:**

**Present:**

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka (arrived 9:11 a.m.)

**Staff Present:**

Michael Lamar, City Manager  
Jon Paladini, City Attorney  
Leslie Graser, Water Resource Manager  
Craig Dotseth, Public Works Director  
Teresa Ogle, Administrative Assistant

**C. Approval of Minutes for the April 3, 2018 Meeting**

**COUNCILMAN BLAIR MOVED TO APPROVE THE MEETING MINUTES OF MAY 23, 2018; CHAIRMAN LAMERSON 2<sup>ND</sup>. PASSED (2.0). (COUNCILMAN SISCHKA NOT PRESENT FOR THE VOTE)**

**D. Alternative Water Budget Update**

Leslie Graser reviewed the 2018 Alternative Water Budget. The single-family category was budgeted at 20 acre-feet (AF), with 19.25 AF remaining. The multi-family category was budgeted at 10 AF, with 0.68 AF remaining.

**E. Whispering Rock Annexation Update and 2018 Alternative Water Budget**

Whispering Rock, a commercial subdivision (approximately 70.25 acres), is seeking annexation in the City of Prescott. The intersection entering the proposed annexation will line up with the entrance to ERAU. A draft Development Agreement is under review. The aerial location map was reviewed.

Councilman Blair asked if this subdivision followed the established requirements for an annexation. Jon Paladini stated that it meets all statutory requirements for an annexation. Annexation makes sense due to prime highway frontage, and already annexed properties to the north and east of the subject property.

The amount of water required is unknown until the plat is finalized. The preliminary plat includes open space, parking lots, and trail heads. This will be an employment intensive medical oriented

development, including urgent care, assisted living, a surgical center and two hotels for visitors. There will be limited residential use for housing of medical professionals who work there. The development will also include restaurants and limited retail.

Councilman Lamerson asked if this development was consistent with the General Plan for commercial versus residential. Jon Paladini indicated that the planning commission approved this plan as consistent with rezoning to Business General for this area. There will be an attempt to limit the project to 7-8 years for build out. At that time the City may be able to take back the unused water, so that it will not be tied up forever. Water allocation will be tied (via DA) to the final preliminary plat.

Councilman Blair asked about the City-owned properties adjacent to this project, which are zoned RS. East of the property there are City trails that could be accessible from the project.

**COUNCILMAN SISCHKA MOVED THAT THE SUBCOMMITTEE FOR WATER ISSUES RECOMMEND THAT THE WHISPERING ROCK ANNEXATION AND PROPOSED PROJECT AS SHOWN ON ATTACHMENT 1 BE ALLOCATED WATER SUPPLIES FROM THE CALENDAR YEAR 2018 COMMERCIAL CATEGORY. STEVE BLAIR 2<sup>ND</sup>. PASSED (3-0).**

#### **F. Liberator Commercial Expansion Annexation Update and 2018 Alternative Water Budget**

The Liberator Commercial Expansion project, a commercial subdivision which is approximately 66.7 acres, is seeking annexation into the City of Prescott. The property which is next to the recharge facility is currently in the County and zoned as Light Industrial. The Fann Corporate Headquarters would be moving to this property, and also would include about 8 small industrial lots. Changes to the surrounding streets would extend Center Force and Liberator Drive into the property. Water usage is proposed at about 20 acre feet from the Commercial portfolio.

**COUNCILMAN BLAIR MOVED THAT THE SUBCOMMITTEE FOR WATER ISSUES RECOMMEND THAT LIBERATOR COMMERCIAL EXPANSION ANNEXATION AND PROPOSED PROJECT AS SHOWN ON ATTACHMENT 1 HAVE WATER SUPPLIES ALLOCATED FROM THE CALENDAR YEAR 2018 COMMERCIAL CATEGORY. COUNCILMAN SISCHKA 2<sup>ND</sup>. PASSED (3-0).**

#### **G. Commercial Subdivisions**

This is Part 2 of a 3 part discussion on commercial subdivisions, relative to assured water supply requirements. Part 2 identifies existing commercial subdivisions without a Water Service Agreement.

Arizona Revised Statute § 32-2101 applies to both residential and commercial subdivisions, and requires that all subdivisions have an assured water supply.

Data was pulled using GIS and the long-term management model to identify existing subdivisions without a Water Service Agreement. . The list includes subdivisions without contracts that came in after 1998, which are currently riding on the .10 mark up.

The next part in this series will be to propose guidelines for placing alternative supplies for existing commercial subdivisions and future commercial subdivisions into contract. Staff will work with Utility Billing to assign actual usage and continue to review data to further dial in these numbers.

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

**H. Blyth IRA, Water Services Agreement**

This an in-fill project seeking an alternative water allocation for a single-family residence on land within the City limits. The total water for this project per the 2018 Policy requires an alternative water allocation of 0.12 acre-feet, and can be administratively approved the City Manager.

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

**I. Highland Pines Domestic Water Improvement District IGA**

- a. **Janelle Riedl APN 100-04-113**
- b. **Ron Lofgren APN 100-06-026**
- c. **Richard O'Neall APN 100-01-075C**

The Water Service Agreement with Highland Pines Properties, Inc. dates back to August 10, 1970. Later in 1997, the City entered into an Intergovernmental Agreement (IGA) with the Highland Pines Domestic Water Improvement District, City Contract No. 1997-176, with subsequent amendments to each with a different reason to include more land, and in some cases water service to properties that were outside the IGA boundary.

**Owner 1**

Janelle Riedl currently resides on APN 100-04-113. Ms. Riedl owned APN 100-01-127H which on June 30, 2005, was split into APN 100-01-127J and 127K. The parent parcel of APN 100-01-127H was APN 100-01-108Q (this is the County's first digital record) and subsequently further splits occurred starting on March 23, 1994, creating the APN series of 127 and 127A. A neighbor (Owner 2 - Lofgren) entered into an agreement that if the parcel APN 100-01-127H could be split, the Lofgrens would purchase a portion of the former lot. In 2005, the property was split creating APN 100-01-127J (1.5 acres) and K (0.75 acres). Ms. Riedl would now like to combine APN 100-04-113 and 100-01-127J.

**Owner 2**

Ron Lofgren and Martha Walton-Lofgren currently reside on APN 100-06-026. In 2005, an adjacent parcel (APN 100-01-127K) was available for sale and two neighbors were interested in splitting the lot (see Owner 1 information), with each person purchasing a portion of said parcel. They are seeking to combine APN 100-06-026 with 100-01-127K.

**Owner 3**

Richard C. O'Neall currently owns APN 100-01-075C (0.11 acres). He would like to remove the parcel from the Highland Pines IGA and combine the parcel with APN 100-01-155C (7.99 acres) to complete an 8 acre parcel. The resulting parcel would then be split into 4, 2-acre parcels and would be made available for sale.

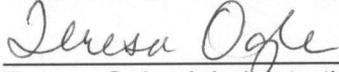
**STEVE SISCHKA MOVED TO RECOMMEND CITY WATER RESOURCE MANAGEMENT CONTINUE TO WORK WITH THE PARTIES TO PREPARE AMENDMENTS TO THE IGA WITHOUT THE CITY INCURRING ADDITIONAL WATER SUPPLY OBLIGATIONS. CHAIRMAN LAMERSON 2<sup>ND</sup>. PASSED (3-0).**

**J. Adjournment**

K.

There being no further business to discuss, the meeting was adjourned at 10:09 a.m.

Respectfully Submitted by:



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Teresa Ogle, Administrative Coordinator

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Councilman Jim Lamerson, Chairman

Date: \_\_\_\_\_

