**COUNCIL AGENDA MEMO**

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**MEETING DATE/TYPE:**                    **STUDY SESSION MEETING**                    **6-25-19**

**DEPARTMENT:**    **Public Works**

**AGENDA ITEM:** Presentation of Proposed Water Policy Changes

**Approved By:** Michael Lamar, City Manager

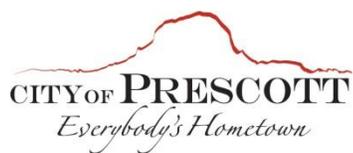
**Item Summary**

Presentation #2 of the Water Policy Study Session Series.

**Background**

On June 11, 2019, the City Legal Department introduced an overview of proposed water policy and code changes. This presentation is the second in a series of presentations that will discuss the draft policy.

**Recommended Action:** This item is for presentation only. No action will be taken.

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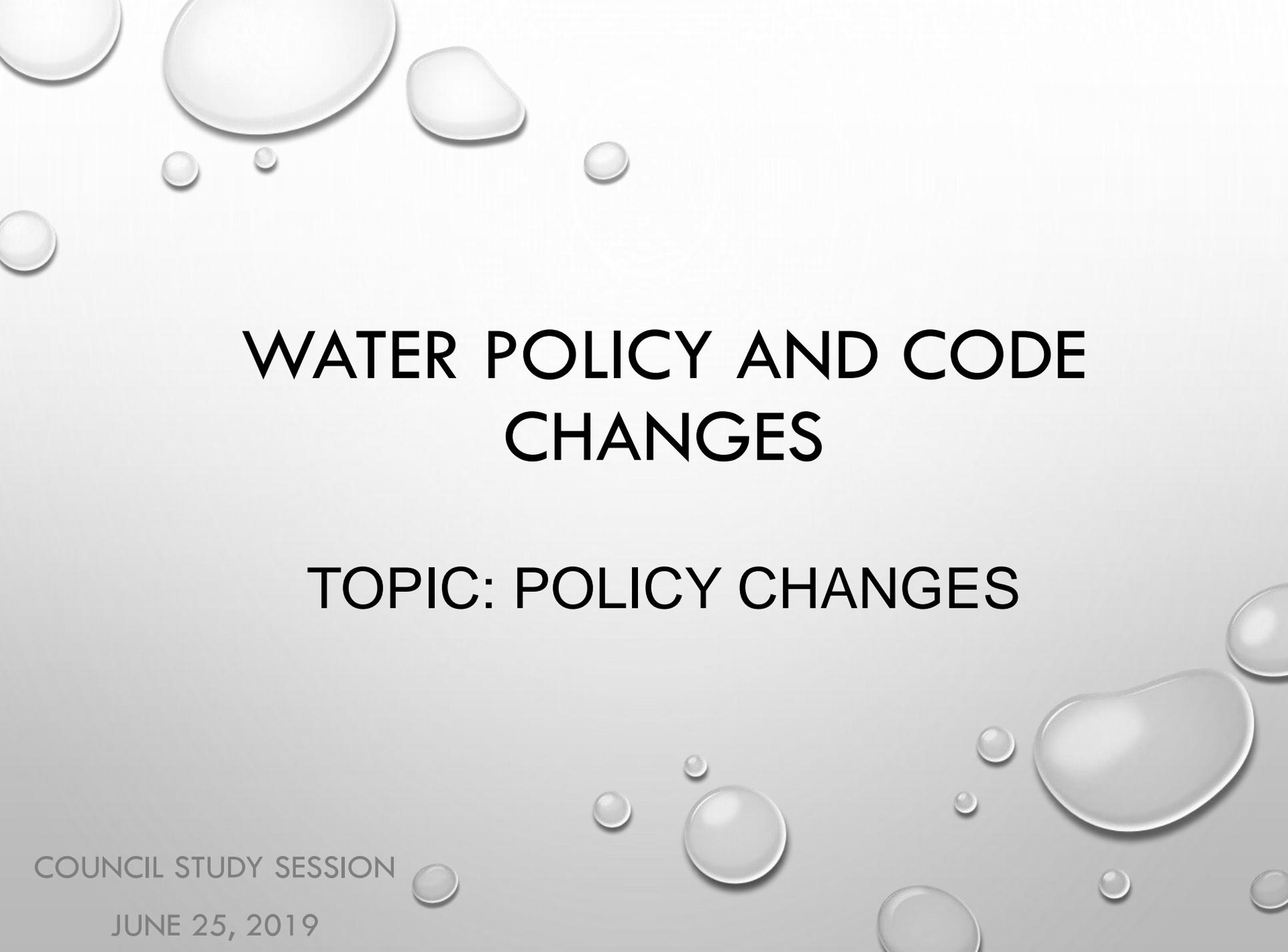
**AGENDA ITEM:** Presentation on Groundwater Recharge.

**Approved By:** Michael Lamar, City Manager

**Item Summary**

This presentation is an overview of the City of Prescott's recharge and reclaimed water supplies.

**Recommended Action:** This item is for presentation only. No action will be taken.

The background of the slide is a light gray gradient with several realistic water droplets of various sizes scattered across it. The droplets have highlights and shadows, giving them a three-dimensional appearance.

# **WATER POLICY AND CODE CHANGES**

## **TOPIC: POLICY CHANGES**

COUNCIL STUDY SESSION

JUNE 25, 2019

# STUDY SESSION SCHEDULE

| Date                 | Topic   |
|----------------------|---|
| June 11, 2019        | Overview of all Code and Policy Changes, and Conservation Rebates |
| <b>June 25, 2019</b> | <b>Policy Changes</b>   |
| July 9, 2019         | Water Service Outside of City Limits                              |
| July 23, 2019        | Other Code Changes  |
| August 13, 2019      | Sewer Requirements  |
| August 27, 2019      | Review of Code and Policy Changes                                 |
| September 10, 2019   | Adoption of Code and Policy Changes                               |

# PREVIOUS TOPIC REVIEW

## OVERVIEW OF CHANGES, AND CONSERVATION REBATE PROGRAM

On June 11, 2019, City Legal Department provided the following information:

- Simplify how the City provides water service
- Use of models that integrate multiple datasets, WRMM and Woodard's
- Continue and update the City water conservation programs
- Seek to balance (or reduce the disparity) of sewer to potable water connection
- Introduce conservation rebate program update

# TODAY'S TOPIC

## POLICY CHANGES

**Title:** City of Prescott Water Service Policy and Procedure

### **I. Scope**

This policy is intended to be a long term plan to direct City staff in managing the City's finite water supplies and to assure potential applicants that they can rely on a consistent set of rules when applying for water service. This document applies to all new applications for water service of any type.

# POLICY CHANGES (CONT.)

## **II. Water Conservation Policy**

The City of Prescott should continue in its role as a leader in conservation of water resources and utilization of non-groundwater sources. City staff shall actively seek ways to improve the City's conservation measures and develop new ways for the City to reduce its net groundwater use.

## **III. Water Use Tracking Tools**

1. Water Resources Management Model (WRMM)
2. Water Conservation Trends (Woodard Model)

# POLICY CHANGES (CONT.)

## IV. Water Connection Policy

1. Water service needs less than 5 acre-feet/year may be approved administratively.
2. A water demand analysis may be required for any project whose service needs are greater than 5 acre-feet/year. Performed at the applicants expense.
3. Water will be provided, but no specific amount of water will be allocated to any project through separate contract.
4. A cost/benefit analysis may be required, at applicants expense.
5. In the event a property applying for water service has an existing entitlement to water from the City, that entitlement must be fully utilized before the City will make additional water available for the property.
6. Water service will be subject to compliance with City Codes and Policies, including those requiring connection to the City's sanitary sewer system.

# POLICY CHANGES (CONT.)

## V. Water Application Procedure

### Within City Limits:

A. Projects requiring less than 5 AF/yr shall:

- 1) Contact Community Development Department to verify the project can proceed to a building permit.
- 2) Submit all required applications and permits. If the project is otherwise approved, administratively or by Council action, water is also allocated to the project.
- 3) Abide by all City Codes and Policies.

# POLICY CHANGES (CONT.)

## V. Water Application Procedure

### Within City Limits (continued):

#### B. Council approval for projects over 5 acre-feet:

- 1) Contact community development for instructions on how to proceed.
- 2) Attend pre-application conference (PAC).
- 3) Submit all required applications.
- 4) Complete the platting process, if required.
- 5) The City Council will vote on the proposed project and water use.
- 6) Abide by all city codes and policies.

# POLICY CHANGES (CONT.)

## V. Water Application Process (cont.)

### 2. Outside City Limits:

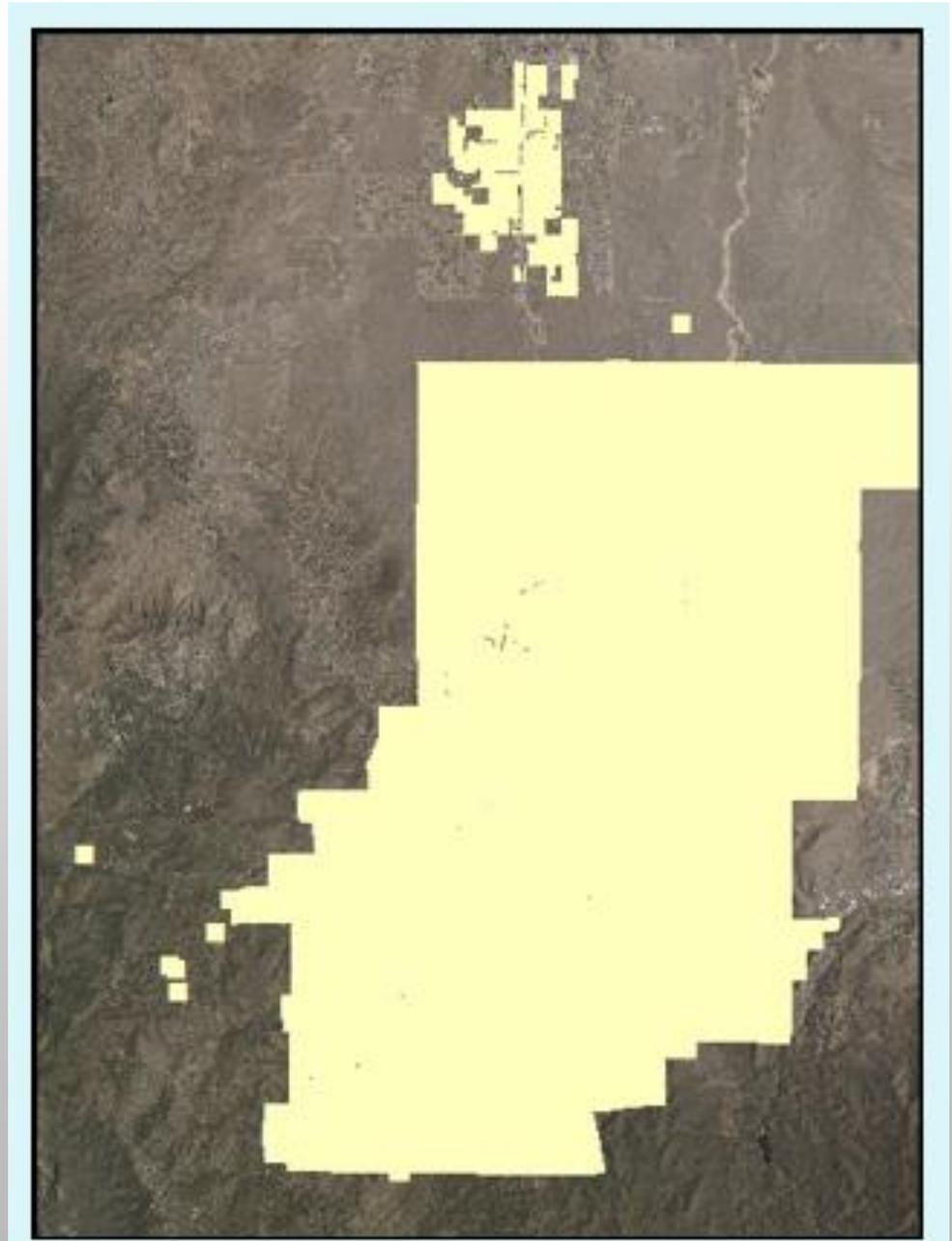
#### A. Contact Public Works Department.

- 1) If the project has an existing entitlement to water, such as a pre-existing contract, follow “City’s Within City Limits Process” .
- 2) If the project does not have an existing entitlement to water, water service may be available if the project is within the City’s Expansion Zone (Exhibit A).
- 3) Submit a PAC application that includes a feasibility analysis, and Cost Benefit Analysis (Exhibit B).
- 4) The PAC application will be reviewed by City Staff.

# CITY'S EXPANSION ZONE MAP

Consisting of:

- Current City Limits
- Portions of Chino Valley
- Yavapai Prescott Indian Tribe
- Contracted County Areas
- City's 2015 Land Use General Plan area



# POLICY CHANGES (CONT.)

## V. Water Application Process (cont.)

### 2. Outside City Limits: (cont.)

- B. After staff review is completed, the application will be forwarded to the City's Water Issues Subcommittee for a recommendation. Following its recommendation, the application will be forwarded to the City Council as a whole for approval determination. If approved, the project will be subject to the City's "Within City Limits" Process.

# SUMMARY

- Conservation Policy Statement
- Use of two new models
- Water service processes for inside and outside Prescott City Limits

# STUDY SESSION SCHEDULE

| Date                | Topic   |
|---------------------|---|
| June 11, 2019       | Overview of all Code and Policy Changes, and Conservation Rebates |
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| <b>July 9, 2019</b> | <b>Water Service Outside of City Limits</b>                       |
| July 23, 2019       | Other Code Changes  |
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| August 27, 2019     | Review of Code and Policy Changes                                 |
| September 10, 2019  | Adoption of Code and Policy Changes                               |

Mr. Dotseth informed Council that staff will put together a comprehensive list of the items that have been discussed to be worked on.

Mike Ammons, Prescott Resident addressed Council regarding his suggestion of a change to the intersection at Gurley and Montezuma as a free pedestrian crossing with an "X" concept, he said that we do need something different at that intersection even if it is just for a test period. He also commented on issues with detection of motorcycles and that needs to be addressed.

Fred Oswald, Member of PBTAC and Certified Bicycle Safety Instructor addressed Council regarding the safety concerns that he has brought before the Committee which have not been addressed including, steep downhill graded roads not being suitable for bike lanes and traffic loops controlling traffic lights are not properly marked and therefore not being used. All intersections need to be inspected and necessary adjustments made.

#### B. Presentation of Proposed Water Policy Changes

City Attorney Jon Paladini introduced the panel discussion presentation regarding water policy discussions and outlined the upcoming schedule for the balance of summer stating that the target adoption date for the City's new policy is the September 10 Voting Meeting. He also reiterated that this policy is in draft and being presented publicly in order to receive input from the public and allow them to participate in the process. The ultimate goal is to simplify city processes.

#### Policy Changes

\* Scope - this policy is intended to be a long term plan to direct City staff in managing the City's finite water supplies and to assure potential applicants that they can rely on a consistent set of rules when applying for water service. This document applies to all new applications for water service of any type.

\* Water Conservation Policy - the City of Prescott should continue its role as a leader in conservation of water resources and utilization of non-groundwater sources. City staff shall actively seek ways to improve the City's conservation measures and develop new ways for the city to reduce its net groundwater use.

\* Water Use Tracking Tools

- Water Resources Management Model (WRMM)
- Water Conservation Trends (Woodard Model)

Public Works Director Craig Dotseth continued the presentation reiterating that this policy update is simply a draft and the purpose of these discussions is for Council and the public to review and discuss as well as suggest changes as necessary. The City wants to continue to be the conservation leader and staff actively seeks ways to improve the conservation measures and develop new ways to reduce net groundwater use.

#### Water Connection Policy

- \* Water service needing less than 5 acre-feet (af) per year may be approved administratively
- \* A water demand analysis may be required for any project whose service needs are greater than 5af/year. Performed at the applicants expense
- \* Water will be provided, but no specific amount of water will be allocated to any project through separate contract
- \* A cost benefit analysis may be required at applicants expense
- \* In the event a property applying for water service has an existing entitlement to water from the City, that entitlement must be fully utilized before the City will make additional water available for the property
- \* Water service will be subject to compliance with City Codes and Policies, including those requiring connection to the City's sanitary sewer system

### Water Application Procedure

#### \* Within City Limits

- Less than 5af/year: contact Community Development Department to verify the project can proceed to a building permit, submit all required applications and permits (if the project is otherwise approved, administratively or by Council action, water is also allocated to the project), and abide by all City Codes and Policies

- Projects over 5af/year: Council approval, contact Community Development Department for instructions on how to proceed, attend pre-application conference, submit all required applications, complete the platting process as required, Council will vote on the proposed project and water use, abide by all city codes and policies

#### \* Outside City Limits

- Contact Public Works Department, if the project has an existing entitlement to water follow "City's Within City Limits Process", if the project does not have an existing entitlement to water service may be available if the project is within the City's Expansion Zone, submit a PAC application that includes a feasibility analysis and cost benefit analysis, the PAC application will be reviewed by city staff

- After staff review is completed, the application will be forwarded to City's Water Issues Subcommittee for a recommendation, following the recommendation the application will be forwarded to Council for approval determination. If approved, the project will be subject to the City's "within city limits" process

Councilman Goode asked how af usage will be determined, he expressed his concern that the incentive for developers to use high efficiency fixtures will be lost with these changes.

Mr. Paladini said that the WRMM is used to determine the likely water usage, the real difference is that allocations will not be on paper. The purpose of the water service agreements is internal calculations.

Mr. Dotseth reiterated that all usage can still be tracked through the WRMM.

Councilman Goode stated that if we are not doing this until after the fact the incentive for builders is gone.

Mr. Paladini commented on the fact that we are losing the most water through unsewered and external usage and making these changes would help alleviate these issues.

Councilman Goode expressed his concern that we are overly focusing on recharge, we have a good regulatory system in place now and we would be losing it.

Councilman Lamerson asked for clarification on how many gallons 5af actually is.

Mr. Dotseth confirmed that 5af is equal to approximately 325,800 gallons per af and the average consumer uses 0.17af/year. A multi unit project is where this amount of water usage would be a consideration.

City Manager Michael Lamar stated that there is nothing "magical" about 5af or less, Council could make this number higher or lower, and the suggestion is that if the usage will be under 5af the paperwork is done at an administrative level rather than at the Council level.

Mr. Paladini echoed Mr. Lamar's comments and stated that it ultimately becomes a point of policy for Council's approval and whether they want the water management policy to examine growth.

Council Sischka commented on the fact that if we are allocating a certain amount of water to a project and they are not using that they additional units could be added to a subdivision.

Mr. Lamar commented that one of the flaws with the existing system is that the allocations have typically been significantly high than actual usage and we are therefore limiting ourselves.

Mayor Pro Tem Orr commented that the goal is to reduce some of the bureaucracy and streamline processes so it is important to keep that in mind as well.

Community Development Director Bryn Stotler continue the presentation with further discussion regarding the proposed changes to the application process.

Councilman Lamerson stated that our current policy states that we do not service or deliver water outside of city limits and he wants to know why we would change that.

Mr. Dotseth clarified that if there are existing contracts and under some exceptions we do deliver and service outside city limits.

Mr. Paladini stated that the main reason for this change is the unsewered recharge would be returned and the customer would have to follow policies regarding outdoor water use, as of now a development going in outside of city limits uses the same aquifer supplies but nothing is returned or recharged.

Mayor Pro Tem Orr asked for confirmation that the cost of infrastructure would be born by the developer.

Mr. Paladini confirmed.

Mr. Dotseth provided the example of Williamson Valley neighborhoods with adjoining properties and being able to get the recharge from those policies.

Councilman Goode said that his initial feeling is that as we remove some of the regulatory review of projects coming in we might be creating too liberal a growth opportunity and that the threshold for af needs to be reduced so we can monitor and see how the change actually works.

Councilman Blair echoed Councilman Goode's comments, he said that he is concerned about the amount of change and that perhaps 2af rather than 5af and an annual report regarding how that is working would be beneficial.

Mr. Dotseth said that could be done.

Ms. Stotler also commented that all proposals coming in would be vetted appropriately through the Planning & Zoning and Land Use process, these changes are getting away from the paper accounting regarding water usage.

Councilman Blair said that we are still accountable to the public to know how much water we are giving out.

Mr. Dotseth said that we are still going to keep track of that but it will be done in a different manner.

Councilman Lamerson said that Mr. Woodard told us how well our current policy is working and if "it ain't broke don't fix it".

Mr. Lamar said that it is acceptable to find a more happy medium on usage numbers rather than moving to swiftly with the changes.

Mayor Pro Tem Orr also stated that it is important for us to be clear about why we are making these changes.

Howard Mechanic, Prescott Resident addressed Council stating that he things the proposed policy has good concepts and the public should be congratulated on their conservation efforts, however, he does not agree with the reaction of Councilmembers that we are protecting our depleating groundwater this is a serious issue. Safe Yield has not been mentioned in any of the proposals and that is concerning for him. He said it is important for Prescott to get together with the other jurisdictions in the AMA to discuss the groundwater issues and be the leader.

Leslie Hoy, Prescott resident addressed Council regarding the public process and that she would like a copy of today's slides accompanying the presentation. She said that even though these items are being discussed in public the information going out before the meeting is too vague, the public needs more details to prepare and should be allowed more than 3 minutes to address Council on complex issues.

C. Presentation on Groundwater Recharge.

Council ran out of time in the Study Session and was not able to discuss this Item.

#### **4. ADJOURNMENT**

There being no further business to discuss, Mayor Pro Tem Orr adjourned the meeting at 3:13 p.m.

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GREG MENGARELLI, Mayor

ATTEST:

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MAUREEN SCOTT, City Clerk

#### **CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session Meeting of the City Council of the City of Prescott, Arizona held on the 25th day of June, 2019. I further certify the meeting was duly called and held and that a quorum was present.

Dated this \_\_\_\_ day of \_\_\_\_\_, 2019.

AFFIX  
CITY SEAL

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Maureen Scott, City Clerk