



# AGENDA

**COUNCIL WATER ISSUES COMMITTEE  
NOTICE OF PUBLIC MEETING  
Tuesday, September 6, 2016  
9:00 AM**

**Prescott City Hall  
Lower Level Conference Room  
201 South Cortez St., Prescott, Arizona  
(928) 777-1100**

The following Agenda will be considered by the Council Water Issues Committee at its meeting on **Tuesday, September 6, 2016, at 9:00 a.m.** in the Lower Level Conference Room, 201 South Cortez Street, Prescott, Arizona. One or more members of the Council may be attending this meeting through the use of a technological device.

- A. Call to Order.
- B. Roll Call.

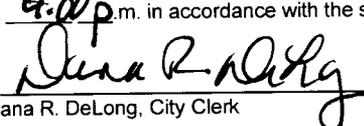
**COUNCIL WATER ISSUES COMMITTEE MEMBERS:**

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka

- C. Approval of minutes of the August 2, 2016, Council Water Issues Committee meeting
- D. Alternative Water Portfolio Update
- E. Granite Dells Estates
- G. Adjournment

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 9/1/16 at 9:00 p.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

  
Dana R. DeLong, City Clerk

COUNCIL WATER ISSUES  
COMMITTEE  
REGULAR MEETING  
TUESDAY, AUGUST 2, 2016  
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON August 2, 2016, 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 9:30 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson  
Member Steve Blair  
Member Steve Sischka

Staff Present:

Leslie Graser, Water Resources Manager  
Annikki Chamberlain, Water Resources Coordinator  
Matt Podracky, Assistant City Attorney  
Rhonda K. Basore, Deputy City Clerk  
Craig McConnell, City Manager

C. Approval of minutes of the July 5, 2016, Council Water Issues Committee meeting.

**MEMBER SISCHKA MOVED TO APPROVE THE MINUTES AS WRITTEN;  
SECONDED BY MEMBER BLAIR; PASSED 3-0.**

D. Alternative Water Portfolio Update

Leslie Graser, Water Resources Manager, presented. She said as of May 3, 2016, 479 acre-feet of "Alternative Water" remained for new development (uncommitted by a water service agreement). She said there are two residential categories within that category (Market – 125 acre-feet; Workforce – 100 acre-feet). She said at year-end 2016, if the preceding volumes are full allocated, 50 acre-feet would be the opening balance for Calendar Year 2017. She said this report was an update and no action was required.

Member Sischka said if nothing else is allocated, would the quantities at the end of 2016 be 50 acre-feet plus additional volumes. Ms. Graser said increases to the 50 acre-feet were anticipated; however, the volume amount would not be known until late 2016.

Member Blair asked if the yearly water budget was January 1 through December or July through June. Ms. Graser said by calendar year, January through December.

E. Water Service Agreement Applications

1. WSA 16-008 Prescott Lake Villas

Leslie Graser, Water Resources Manager, presented. She said the project was for 200-unit apartment and the water requirement was 50-acre-feet. She said the property was currently serviced by a well and if a property was served by a well in 1998 and a connection to City water replaces that well, the City could apply for a groundwater allocation increase of 0.5 AF/residence. She said the applicant would like to seek alternative water supplies for Phase I. She said the applicant was aware that the allocation of Phase I water does not obligate the City to allocate for Phase II. She said the applicant was present to answer any questions.

Chair Lamerson said Member Blair and himself attended the Planning & Zoning meetings in order to be prepared for when item(s) come before the Water Issues Committee. He said if the water was available and it met P&Z requirements he saw no reason in not moving the WSA forward.

Mr. Nestor, applicant, asked if the water allocations approved would carry over to the next year.

Chair Lamerson said the allocation was for 100 year continuous water supply. Ms. Graser said within the contract the 12.5 ground water and 12.25 alternative water allocations would be maintained. She said within the contract are performance criteria. She said if the performance criteria were not met, the contract would be terminated.

Chair Lamerson said in order to protect the City, performance criteria were included in the contract. He said this way water allocations were not tied up. If performance criteria were not met, the water allocations would be taken away and be made available for others.

Mr. Nestor asked if the project met its performance criteria in 2017-2018 would he have to come back before the Committee to be reassessed for additional water supply. Ms. Graser said yes, he would have to apply for water allocations for Phase II. If the Committee and Council approved the water service agreement for Phase I, water allocations would consist of 12.5 AF of committed groundwater and 12.25 acre-feet of alternative water supplies.

Member Sischka asked if the applicant understood he did not have water right now for Phase II. The applicant stated he did.

Member Lamerson said the applicant wanted to move forward on a project that was approved unanimously by the P&Z. He said the project has met all the requirements. He said the project consisted of 99 units (Phase 1 only) and was a viable project and staff informed the applicant the water allocations would be available subject to phasing the project. Ms. Graser said the overall project was for 200 units. She said available water allocations were for 99 units. She said the applicant had the option of using grandfather rights if they wanted to develop all 200 units at this time.

Member Blair said in January more water allocations would be available. Ms. Graser said yes, subject to water budget approval.

Member Blair clarified the two options for the applicant: irrigation grandfathered rights or apply for Phase II water allocations in January 2017.

Member Sischka said the City needed to be guaranteed the project was going to move forward. Ms. Graser said within the contract would be performance criteria listing when certain phases of the project needed to be completed.

Leslie Hoy, Media Coordinator for Citizens Water Advocacy Group, said the Advocacy Group tried to find a list of irrigation ground-fathered rights on the ADWR website with no success. Ms. Graser said she received information by calling ADWR directly for a query of their data base. She said she recommended to all applicants to work directly with ADWR.

Member Sischka asked if the grandfathered-irrigated rights had to be local. Ms. Graser said within AMA area.

Craig McConnell, City Manager informed the applicant the water services agreement and development agreement would go before the Council September 13.

**IT WAS THE CONSENSUS OF THE SUB-COMMITTEE TO FORWARD THIS ITEM TO THE CITY COUNCIL.**

2. WSA 16-013 Burford (vacant residentially-zoned tract)

Ms. Graser presented. She said a revision of Plat No. LS16-003 was filed for a tract identified within the City's vacant, residentially-zoned reservation. The revised plat was identified with Parcel "A" at 0.33 acres and Parcel "B" at 1.15 acres. She said a Water Service Agreement (WSA) Application No. 16-013 was filed for one single family dwelling unit on the land consisting of 0.33 acres. She said the water requirement for one single family unit was 0.35 acre-feet. The current policy stated residential requests of less than 4 dwelling units may be approved by the City Manager administratively.

She indicated the report was informational only and the application was approved administratively.

3. WSA 16-014 Millennium Holdings, LLC

Ms. Graser presented. She said the project consisted of seven condominium units. The water requirement for seven multi-family units was 1.75 acre-feet. This property was within a groundwater subdivision and would maintain the existing structure for commercial purposes. She said the project was subject to the available volume and requirements defined in the Workforce/MF/Duplex/Apts allocations. As proposed the project met the requirements for water allocations.

Chair Lamerson said if the water was available and it met P&Z requirements he saw no reason in not moving the WSA forward.

**IT WAS THE CONSENSUS OF THE SUB-COMMITTEE TO FORWARD THIS ITEM TO THE CITY COUNCIL.**

4. WSA 16-015 Pogue

Ms. Graser presented. She said the project consisted of 4 multi-family units. An existing single-family residence and new duplex would remain on a portion of the property and another new duplex constructed on the other portion. She said the project was subject to the available volume and requirements defined in the Workforce/MF/Duplex/Apts allocations. As proposed the project met the requirements for water allocations.

**IT WAS THE CONSENSUS OF THE SUB-COMMITTEE TO FORWARD THIS ITEM TO THE CITY COUNCIL.**

5. WSA 16-016 Stout

Ms. Graser presented. She said the project consisted of construction of an additional residential structure on a property with an existing single family residential unit. She said the applicant was notified that additional water supplies would be necessary. She said the existing single-family residential unit would continue to be served with groundwater and the new unit would require an alternative water allocation. The total water requirement for one unit was 0.25 acre-feet. She said since the project was less than 4 dwelling units, the project was approved by the City Manager administratively. She indicated the report was informational only.

F. Water Conservation Program

Ms. Graser presented and spoke on water saving tips that could be found at <http://www.prescottwatersmart.com/>.

Member Lamerson asked what ability the City had to ensure proper water usage. Ms. Graser said if someone applied for a water rebate, receipts and information had to be provided.

Ms. Graser continued with the presentation. She said since 2006 the City had offered water conservation rebates and over 2,900 rebates had been filed. She said the database had become cumbersome to maintain so the City had invested in WaterWays™. She said the City would be hosting a conservation info-share meeting, where professionals would gather to see what the City was doing for water conservation.

#### 1. Water Ways™

Annikki Chamberlain, Water Services Coordinator, presented. She presented [www.waterrebates.com/#!az-prescott-az.gov](http://www.waterrebates.com/#!az-prescott-az.gov). She said the program provided:

- On-line, paperless rebate application submission
- Automatic email generation to alert customers to their application status
- Home water use reports for customer communication
- Industry-standard calculations to automatically quantify water and energy savings
- Real-time program statistics including water savings, rebate popularity, and budget
- Analysis of community water conservation trends

She said implementation of Water Ways™ would streamline the water conservation program and enhance program communication and public outreach. Furthermore, this level of data management allows for assessment of program effectiveness to more efficiently direct resources and update program incentives.

Member Blair asked if the information was available in the water bill. Ms. Graser said currently the information was provided upon request.

Chair Lamerson asked how would the public know to request the information. Ms. Graser said staff would announce the program once all the information was available in the data base. Ms. Chamberlain said the City does provide a health check self assessment report upon request.

Member Lamerson asked why not include something in the water bill. Ms. Chamberlain said to provide individual information would be a massive undertaking and require different software. She said something could be inserted announcing the availability of the information.

Member Sischka asked if announcements would be made on the radio. Ms. Graser said yes. She said staff would look at the most effective communication tools.

Ms. Chamberlain continued with the presentation. She covered what kind of reports could be provided, community conservation update and water production.

Member Sischka asked if the system would provide information on whether the .25 water allocation per residential unit was reasonable. Ms. Chamberlain said no. She said the program provided a snapshot of water conservation and overall resources.

Ms. Graser said the City continually looks at programs and software to work more efficiently and provide information in a timely manner to the public.

Leslie Hoy asked if information on water usage and surface water could be placed in the Prescott newspaper. Ms. Chamberlain said the project did not provide water usage and available surface water. She said a report could be generated for water savings. Ms. Chamberlain said the program was to prepare water conservation reports and would not include information on utilities.

Peter Kroopnick, Citizen's Water Advocacy Group asked how often the surface water report would be made available. Ms. Chamberlain said upon request.

Member Lamerson asked staff to work with the Prescott newspaper.

The Committee unanimously agreed to move the project forward.

## 2. Rainwater Harvesting Rebate

Ms. Graser presented. She said the City's Water Conservation Program currently focuses primarily on reducing outdoor water use and rebates available to support this goal. She said rainwater harvesting was part of the conservation plan. She said research indicated rainwater harvesting was an effective tool for promoting water conservation and acted as a catalyst to increase citizen awareness of individual water use. She said the current conservation provision of the City Code offered \$0.10 per gallon of storage capacity and required the installation of a minimum 500-gallon capacity rainwater catchment tank or engineered cistern. She said Water Resource Management recommended an update to the City Code to increase the rainwater harvest rebate to \$0.50 per gallon with a minimum capacity of 100 gallons and a maximum lifetime rebate of \$500 for a property.

Chair Lamerson confirmed the lifetime rebate would be \$500 for a property. Ms. Graser said yes.

Member Blair asked when the City was going to look at ways to save water. He said the Prescott Unified School District reduced the turf around its baseball field. Ms. Graser said the City continuously works towards on-going efforts to save water.

Member Blair asked that the information regarding rain harvesting be made available to the public.

Chair Lamerson mentioned the County watering the Court House Plaza at 3:00 p.m. and during the rain. He asked if staff could have a discussion with the County. Ms. Graser said the City Code does allow for the sprinklers to be on if there was maintenance occurring. She said the City does not have a conservation enforcement officer.

The Committee unanimously recommended approval to forward City Code changes for rainwater harvesting rebate increase to the City Council.

F. Adjournment

There being no further business to be discussed, the Council Water Issues Committee adjourned the Public Meeting of August 2, 2016, at 10:37 a.m.

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JIM LAMERSON, Chairman

ATTEST:

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DANA R. DeLONG, City Clerk

<b>COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO</b>	
<b>September 6, 2016</b>	
<b>DEPARTMENT:</b>	City Manager (Water Resource Management)
<b>AGENDA ITEM:</b>	Alternative Water Portfolio Update

<b>Approved By:</b>	<b>Date:</b>
<b>Water Resource Manager:</b> Leslie Graser	
<b>City Manager:</b> Craig McConnell	

**Summary**

As of May 3, 2016, 479 acre-feet of "Alternative Water" remained for new development (uncommitted by a water service agreement).

For the balance of Calendar Year 2016 (May 3 through December 31, 2016), quantities were made available ("budgeted") in two residential categories:

- 1. Market                    125 acre-feet
- 2. Workforce                100 acre-feet

According to policy, no one project is eligible for allocation of more than 50% of each of the preceding (market and workforce) quantities, or portions of these quantities remaining after such allocations.

At year-end 2016, if the preceding (market and workforce) quantities are fully allocated, 50 acre-feet would be the opening balance for Calendar Year 2017 due to the policy adopted May 3, 2016, which outlined a transfer of 50 acre-feet from the vacant, residentially-zoned tract reservation. This volume, 50 acre-feet, at this time, is the base water allocation budget for recommendation to Council in late 2016. Increases to the 50 acre-feet are anticipated; however, a certain volume will not be known until late 2016 due to continued requests for water supplies and placement of those supplies into contract.

As of August 17, 2016, of the 225 acre-feet, market and workforce budget above, 141.20 acre-feet remains, with the difference (83.80 acre-feet) formally allocated by water service agreements approved by the City Council. In addition, the Council Water Issues Committee and/or Planning & Zoning Commission have recommended Council consideration/approval of projects for which the combined demand is 81.95 acre-feet. This 81.95 acre-feet includes applications that have been administratively approved in accordance with the current policy. If all of these projects are approved, the Calendar Year 2016 budget balances would be:

- 1. Market                    23.50 acre-feet
- 2. Workforce                11.60 acre-feet

Note that the proceeding information solely provides tracking of the market and workforce portions of the budget adopted for the May 3 to December 31, 2016, timeframe. The total volume described in the current policy identifies and categorizes available supplies at 479 acre-feet. Recall this volume, also includes:

- 100 acre-feet side aside for a contractual obligation
- 99 acre-feet for commercial projects

**Committee Recommendation to Council:** Update for Committee information.

<b>COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO</b>	
<b>September 6, 2016</b>	
<b>DEPARTMENT:</b>	City Manager (Water Resource Management)
<b>AGENDA ITEM:</b>	Granite Dells Estates

<b>Approved By:</b>	<b>Date:</b>
<b>Water Resource Manager:</b> Leslie Graser	
<b>City Manager:</b> Craig McConnell	

**Summary**

The City received a letter from Mr. Fann dated August 19, 2016, regarding the Granite Dells Estates (GDE) subdivision and its water allocation. The letter requested placement of the subject on the September 6, 2016, Council Water Issues Committee meeting agenda.

**Background**

The progression of City documents related to this subdivision is as follows:

- Pre-Annexation Development Agreement (Contract No. 2008-164)
- Agreement for Potable Water (Contract No. 2008-165)
- Amendment 1 to the Pre-Annexation Development Agreement (Contract No. 2008-164A1)
  - Minor amendment to the General Plan (Resolution No. 4185-1347)
  - Amendment to Airport Specific Area Plan (Resolution No. 4186-1348)
  - Rezoning of 72 acres from industrial to residential (Resolution No. 4860-1317)
  - Amendment of GDE Master Plan
  - Amendment 1 to the Pre-Annexation DA (Resolution No. 4188-1350)
  - Amendment 1 to the Agreement for Potable Water, selecting Alternate 1
- Amendment 1 to the Agreement for Potable Water (Contract No. 2008-165A1) – currently in effect.

Amendment 1 outlines the following availability of water for development of GDE.

Year	Market	Workforce
2007	40	40
2008	40	15
2009	40	0
2010	40	0
2011	32.5	0
Subtotal	192.50	56.0
Total	248.50 acre-feet	

Amendment 1 to the Agreement for Potable Water provides:

- “That the City will permanently reserve and make available for development a maximum of 248.5 acre feet of potable water annually (the “Cap”) to serve the residential portion of the Property.”
- “That upon approval by the City of a final plat for the 400<sup>th</sup> residential unit on the Property, the Applicant may apply to the City for an allocation of water above the Cap to serve additional residential units to be developed (the “Application”).”
- “That the City will accept, analyze, and respond to the Application considering the water resources available to the City at the time of such Application.”

#### Attachments

- 1) Letter dated August 19, 2016
- 2) City Contract No. 2008-165A1

**Committee Recommendation to Council:** Item for discussion/direction, possibly include placement on a future Committee agenda.



August 19, 2016

City of Prescott  
201 S. Cortez St.  
Prescott, AZ 86301

Attn: Water Issues Committee:  
Mayer Pro-Tem Jim Lamerson, Chairman  
Councilman Steve Blair, Member  
Councilman Steve Sischka, Member

Gentlemen:

In accordance with recent conversations with City Staff, it is time to move forward into the next phase of development at Granite Dells Estates. After owning the 'The Dells' property for over ten years, it is relieving to finally be under construction and watching the sales of new homes by the builders. The infrastructure in Phases 1A and 1D are complete and there are over 30 housing starts underway. Of the 220 lots that make-up Phases 1A and 1D, 184 are sold, leaving only 36 left to sell. Accordingly, I have started conversations with the Land Planner and the Engineer to begin the planning and engineering of phases 2 and 3, along with development and construction of the community facility (clubhouse).

As you are likely aware, we have shifted from the idea of an equestrian-themed development (learning that several problems have transpired with those types of developments, including heavy water usage) and have concentrated on a 'green' theme where the trails are the primary amenity with significant open space. Construction in The Dells will strongly encourage energy efficient homes with near-xeroscape landscaping and water harvesting.

As we have attempted to start the planning of the next phase, we have run into one stark reality: How do we land-plan and engineer the remainder of the development without knowing the end game. In other words, how do we identify housing types (multi-family vs. single family), lot sizes, density and open space, drainage easements, sizing of roadways and utilities, etc. without knowing our ultimate limitations regarding a water service agreement, thereby land planning the entire property correctly.

Our current Master Plan and associated Zoning Map, adopted by Council on July 2, 2013 (copy attached), anticipates and approves a total of 1308 Domestic Units. However, Council did not approve a modification to the Water Service Agreement that is commensurate with the current Master Plan. Accordingly, although we have a Master Plan that includes 1308 Domestic Units, we have a Water Service Agreement that only approves 710 residential units, 160 of them reserved for Workforce Housing.

The current Water Service Agreement is set-up to be readdressed at the 400-unit mark to apply for the additional needed water allocation, but upon retrospect, that does not work because today's planning affects all future planning of the development. Also, although "workforce housing" is currently loosely defined, there is no process to clearly identify when a residential unit meets the criteria and if there are any other restrictions.

The Dells will not need any additional water credits for development this year nor will it likely need any for the next two years thereafter, but we do need to know how to develop the property into the future so that we may plan for it today.

Moving forward, we have interviewed the various builders and have analyzed the current market demand for housing. Adjusting for those market demands, we have generated a revised Master Plan for The Dells and attach it herewith. As can be seen, there is a slight increase in density from the 2013 approved plan, but it is relatively quite similar.

Of particular interest, we must point-out that the originally approved Master Plan and associated Water Service Agreement, adopted by Council in 2008, included significant expanses of industrial parcels, commercial parcels, equestrian areas and finally, residential construction. The original water demand for this development was calculated to be 412,590 GPD or 1146 single-family domestic units (copy attached). In short, the current request to modify our Master Plan and associated Water Service Agreement is only an increase of approximately 15%.

Accordingly, we propose the following:

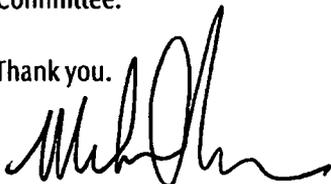
1. Modify the Water Service Agreement to allow for 1090 single-family units and 309 multi-family units or equivalent (approximately 440 acre-feet total).
2. Eliminate the workforce housing requirement (frankly, although it takes a number of assumptions that are simply not defined, I believe that we are currently meeting this requirement with our builder by offering housing for \$279,890.00 and a workforce housing value for 2016 exceeding \$300,000.00).
3. Phase-in the additional water requested (191.5 acre-feet) starting in 2019 at a rate of 50 acre-feet per year.
4. So that there is an assurance that the water is timely utilized, we would agree to return any water to the City of Prescott's water portfolio if it is not incorporated into a final plat by 2024.

I am unaware of any other development that is taking the risk and investing the significant resources as Granite Dells Estates. I am hopeful that the City recognizes that Granite Dells Estates is positioned well to help provide the revenues needed to improve the City's current budget challenges through meter fees, impact fees, permits, sales tax, etc. The builders are ready to commit to additional lots and I am ready to commit additional resources to develop those lots, but as you will likely appreciate, I need to plan for the long-term before I can proceed further.

Additionally, the development of this property will help drive and incentivize commercial development on the adjacent property to the north, providing a significant sales tax generator for our City.

In closing, I respectfully request for Granite Dells Estates be placed on the agenda for the September 6, 2016 Water Issues Committee.

Thank you.



Michael Fann  
President

CC: Craig McConnell  
Leslie Graser

# CITY OF PRESCOTT

Special Voting Meeting

Tuesday, July 2, 2013 - 3:00 PM

## ACTION TAKEN:

### II. REGULAR AGENDA

Councilman Arnold recused himself for possible conflict of interest.

1. **ADOPTED** Resolution No. 4185-1347, a Minor Amendment to the General Plan Land Use Map. (Vote 6-0)
2. **ADOPTED** Resolution No. 4186-1348, an amendment to the Airport Specific Area Plan. (Vote 6-0)
3. **ADOPTED** Ordinance No. 4860-1317, a rezoning of 72 acres of Granite Dells Estates from Industrial General, Industrial Light, and Business General zoning districts to Single-Family 6 zoning district. (Vote 6-0)
4. **APPROVED** MP13-001, an amendment to the Granite Dells Estates Master Plan. (Vote 6-0)
5. **ADOPTED** Resolution No. 4188-1350 approving Amendment One to the Pre-Annexation Development Agreement for Granite Dells Estates (City Contract No. 2088-164 A1). (Vote 6-0)
6. **APPROVED** Alternative 1, locking in the 248.5 acre-feet entitlement to the property, but does not provide an additional allocation of water for the rezoning. The document specifies that upon approval by the City of a final plat for the 400<sup>th</sup> residential unit on the property, the property owner may apply to the City for an allocation of water above the 248.5 acre-feet cap to serve additional residential units proposed to be developed. For reference, final platting of the 400<sup>th</sup> unit would have used 140 acre-feet of the 248.5 acre-feet of water. For the First Amendment to Water Service Agreement No. WSA07-028 (City Contract No. 2008-165 A1) (Vote 5-1) Councilman Kuknyo voted no.

GRANITE DELLS PARK

STATE ROUTE 194



**DRAWING SCALE**  
1 inch = 400 Feet, Horizontal  
(This scale is valid for 22'x36" sheets only)  
or contact our office.

**SUBDIVISION MASTER PLAN**

**GRANITE DELLS ESTATES**

**LOCATION MAP**



**NON-RESIDENTIAL**

PRODUCT	AREA
INDUSTRIAL GENERAL	16 AC.
BUSINESS GENERAL	47 AC.
EQUESTRIAN CENTER	11 AC.

**RESIDENTIAL DWELLING UNITS (D.U.)**

PRODUCT	COUNT	AREA	MASS GRADED
55'x125'	106	0.36 AC.	YES
60'x120'	99	0.17 AC.	YES
70'x120'	101	0.20 AC.	YES
75'x120'	42	0.21 AC.	YES
85'x120'	80	0.28 AC.	YES
CUSTOM	86	0.50 AC.	YES
CUSTOM	92	0.75 AC.	YES
CUSTOM	82	1 AC.	YES
EQUESTRIAN	56	2 AC.	NO
CUSTOM	56	2-3 AC.	NO
MULTI-FAMILY	388	18.8 AC.	YES
WORKFORCE	150	28 AC.	YES
<b>TOTAL</b>	<b>1,308</b>		

REQUESTED WATER ALLOCATION - 1,308 D.U.

**OWNER**  
GRANITE DELLS ESTATES PROPERTIES, INC.  
GRANITE DELLS ESTATES PROPERTIES II, INC.  
1403 INDUSTRIAL WAY  
PRESCOTT, ARIZONA 86301  
(928) 778-0170  
PROJECT CONTACT: MICHAEL FAWN

**ENGINEERS/SURVEYORS**  
Drewn R. B. - DESIGN 400 - 0200 878-10  
DATE OF PREPARATION: 01/20/2016  
DATE OF REVISION:

**Lee Law Companies**  
Old Engineers and Surveyors  
5010 WILSON CENTER ROAD  
PRESCOTT, AZ 86301  
PHONE 928-778-0170  
FAX 928-778-0800

**EXHIBIT  
USE  
ONLY**



Land Use Data Table			
Parcel	Lot Size/Use	Gross Ac.	Unit Count
A	55' x 125'		106
B	95' x 130'		60
C	75' x 125'		42
D	MF Apartments	13.3	258
E	MF Cluster	7.4	51
F	Comm/Hotel	10.2	0
G	Commercial	5.0	0
H	SF Duplex	11.6	52
I	Clubhouse	6.2	0
J	60' x 130'	22.9	63
K	80' x 140'	44.4	91
L	60' x 130'	38.9	106
M	100' x 150'	39.2	63
N	80' x 140'	31.1	60
O	100' x 150'	33.5	52
P	60' x 130'	18.0	49
Q	80' x 140'	16.4	32
R	Custom 2-3 ac		54
S	Custom 2 ac		43
T	Custom 1 ac		60
U	Custom 2/3 ac		92
V	Custom 1/2 ac		66
<b>Total</b>			<b>1,399</b>

**LVA** urban design studio  
 land planning • development entitlements • landscape architecture  
 120 south oak avenue • Tempe, arizona 85281 • 480.994.0994

**THE DELLS**  
 MASTER PLAN

APPROX. SCALE: 1" = 400'  
  
 1625 DRAWN BY PL 5/13/16

PRELIMINARY NOT FOR CONSTRUCTION - SUBJECT TO ENGINEERING AND CITY REVIEW AND APPROVAL - © COPYRIGHT LVA URBAN DESIGN STUDIO, LLC  
 This document, together with the proposals and design presented herein, is an instrument of service to be used only for the specific project and shall be void if not used in accordance with the terms of the agreement between the parties. No part of this document may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or by any information storage and retrieval system, without the prior written permission of LVA Urban Design Studio, LLC. All other rights reserved to LVA Urban Design Studio, LLC.  
 611005-THE DELLS (MAY 2016) (1) (1) 1625 (04) PAGES (REV 05/16) 04 05/16/16

**CITY OF PRESCOTT**  
**GRANITE DELLS ESTATES**  
**PRELIMINARY WATER REPORT**

**PREPARED FOR:**  
Granite Dells Estates Properties, Inc.  
1403 Industrial Way  
Prescott, AZ 86301

**PROJECT CONTACT:**  
Michael Fann



**DESIGN: Scott A. Lyon, P.E., R.L.S.**  
**DATE: March 19, 2008**



**LYON ENGINEERING**  
**Civil Engineers • Land Surveyors**

3623 Crossings Drive • Prescott, AZ 86305 • 928-776-1750 • Fax: 928-776-0605

**Granite Dells Estates  
Water Demand Calculations**

GDE AREA	UNIT TYPE FOR AREA	FLOW PER UNIT (GPD)	UNITS	AVE DAILY DEMAND (GPD)	AVE DAILY DEMAND (GPM)	MAX DAILY DEMAND (GPD)	MAX DAILY DEMAND (GPM)	PEAK HOUR DEMAND (GPD)	PEAK HOUR DEMAND (GPM)
Phase 1 - 161 Lots	SINGLE FAMILY HOMES	360	161	57,960	40	115,920	81	173,880	121
Phase 2 - 99 Lots	SINGLE FAMILY HOMES	360	99	35,640	25	71,280	50	106,920	74
Phase 3 - 100 Lots	SINGLE FAMILY HOMES	360	100	36,000	25	72,000	50	108,000	75
Phase 4 - 65 Lots	SINGLE FAMILY HOMES	360	65	23,400	16	46,800	33	70,200	49
Phase 5 - 91 Lots	SINGLE FAMILY HOMES	360	91	32,760	23	65,520	46	98,280	68
Phase 6 - 16 Lots	SINGLE FAMILY HOMES	360	37	13,320	9	26,640	19	39,960	28
Phase 7 - 47 Lots	SINGLE FAMILY HOMES	360	47	16,920	12	33,840	24	50,760	35
Phase 8 - 28 Lots	SINGLE FAMILY HOMES	360	28	10,080	7	20,160	14	30,240	21
Phase 9 - 34 Lots	SINGLE FAMILY HOMES	360	34	12,240	9	24,480	17	36,720	26
Phase 10 - 50 Lots	SINGLE FAMILY HOMES	360	50	18,000	13	36,000	25	54,000	38
Industrial Lots	ACRES	1200	66	79,548	55	159,096	110	238,644	166
Commerical Lots	ACRES	1000	77	76,722	53	153,444	107	230,167	160
<b>GDE Total</b>				<b>412,590</b>	<b>287</b>	<b>825,180</b>	<b>573</b>	<b>1,237,771</b>	<b>860</b>

NOTE: FLOWS PER ARIZONA ADMINISTRATIVE CODE

412,590 GPD / 360 GPD/D.U. = 1,146 EQUIVALENT D.U. WATER DEMAND



Fee	
\$	RECORDED AT THE REQUEST OF:
	City of Prescott
\$8	WHEN RECORDED, PLEASE
	RETURN TO:
\$5	Prescott City Clerk's Office
	Interoffice Mail
\$1	
\$	

**Caption: Amendment One to Pre-Annexation  
Development Agreement for Granite Dells Estates  
City of Prescott Contract No. 2008-164 A1**

**Dated July 2, 2013**

*Resolution No. 4188-1350 attached*

**DO NOT REMOVE  
THIS IS PART OF THE OFFICIAL DOCUMENT**

**AMENDMENT ONE TO PRE-ANNEXATION DEVELOPMENT AGREEMENT  
FOR  
GRANITE DELLS ESTATES**

City of Prescott Contract No. 2008-164 A1

THIS AMENDMENT TO THAT CERTAIN PRE-ANNEXATION DEVELOPMENT AGREEMENT for Granite Dells Estates ("Amendment"), City of Prescott Contract No. 2008-164, is made effective this 2nd day of July, 2013, by and among the **City of Prescott** (hereinafter "City"), an Arizona municipal corporation, **Granite Dells Estates Properties, Inc.**, an Arizona corporation, and **Granite Dells Estates Properties II, Inc.**, an Arizona corporation (hereinafter collectively "Owner"). City and Owner may be jointly termed "Parties" or individually "Party."

**RECITALS:**

- A. City and Owner are the Parties to that certain Pre-Annexation Development Agreement (hereinafter "Agreement") recorded at Book 4574, Page 221, Official Records of Yavapai County, Arizona, which Agreement is applicable to the real property described in the Agreement ("Property").
- B. Pursuant to adoption of Ordinance No. 4860-1317 by the City Council at their meeting of July 2, 2013, certain of the Property has been rezoned, as described on Exhibit A thereto ("Rezoned Property"), to allow for, among other things, the construction of up to 600 additional residential dwelling units, for a new maximum on the Property of 1,310 residential dwelling units.
- C. Pursuant to Paragraph 23 of the Agreement and A.R.S. § 9-500.05 C., the Parties desire to amend the Agreement as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual agreements set forth in the Agreement and this Amendment, the sufficiency of which is acknowledged by the Parties, it is agreed as follows:

**AMENDMENT:**

1. The foregoing Recitals are incorporated herein by this reference.
2. The Agreement is hereby modified as follows, and shall become operative on the effective date of Ordinance No. 4860-1317.
  - a. The first sentence of Section 5.01.01 is amended to delete “five hundred fifty (550) total residential units in the residential areas set forth in the Preliminary Plan” and insert “one thousand three hundred ten (1310) total residential units in the residential areas set forth in the Preliminary Plan, which includes the one hundred sixty (160) Workforce Housing Units described in Section 5.01.04 below” in lieu thereof.
  - b. Section 6.02 is deleted in its entirety and replaced by the following:

**6.02 Residential Water.** Unless otherwise increased pursuant to Section 6.06, City shall reserve, allocate, and provide a maximum of two hundred forty-eight and one-half (248.5) acre feet of potable water for residential development of the Property, fifty-six (56) acre feet of which shall be solely available for development of work force housing as defined and approved as such by the City, subject to future water regulations and regulatory actions as may be applicable as set forth in A.R.S. § 9-1204(4).
  - b. Section 6.05 is hereby deleted in its entirety.
  - c. Section 6.06 is hereby added, consisting of the following:

**6.06 Water Service Agreement.** The parties may, from time to time by separate action, amend the Water Service Agreement, Exhibit H, to reflect changes in use of the Property, the allocation of additional water to the Property, and/or other regulations and regulatory actions as may be applicable as set forth in A.R.S. § 9-1204(4).
3. Except as otherwise specifically deleted and/or modified in this Amendment, all other terms and conditions of the Agreement are confirmed.

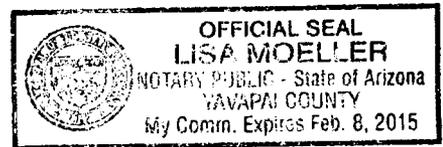
IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Pre-Annexation Development Agreement effective on the day and year first above written.



STATE OF ARIZONA )  
 ) ss.  
County of Yavapai )

On this 3<sup>rd</sup> day of July, 2013, before me, the undersigned Notary Public, personally appeared **Michael W. Fann**, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing Amendment to Pre-Annexation Development Agreement for the purpose therein contained.

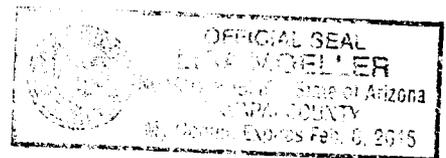
By: [Signature]  
Notary Public



STATE OF ARIZONA )  
 ) ss.  
County of Yavapai )

On this 3<sup>rd</sup> day of July, 2013, before me, the undersigned Notary Public, personally appeared **Michael W. Fann**, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES II, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing Amendment to Pre-Annexation Development Agreement for the purpose therein contained.

By: [Signature]  
Notary Public



**ALTERNATIVE 1 FOR FIRST AMENDMENT TO WATER SERVICE AGREEMENT**

**AGREEMENT FOR POTABLE WATER #WSA07-028  
FIRST AMENDMENT  
Granite Dells Estates  
Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc.  
City Contract No. 2008-165 A1**

WHEREAS, Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc. (the "Applicant"), and the City of Prescott (the "City") entered into that certain Agreement for Potable Water #WSA07-028, City Contract No. 2008-165, on November 30, 2007; and

WHEREAS, by Ordinance No. 4860-1317 adopted July 2, 2013, the City Council has approved the rezoning of portions of the Property described by the Agreement, increasing the maximum number of residential units from 710 to 1,310, of which 160 remain designated as "workforce" residential dwelling units; and

WHEREAS, the Agreement provides that any change in use of the Property exceeding 550 "market" and 160 "work force" residential dwelling units shall result in the termination of the Agreement; and

WHEREAS, the Applicant and the City (the "Parties") mutually wish to update, revise, and maintain in effect the Agreement, as amended herein, to reflect the new maximum number of residential units and set forth the specific understandings relative to the availability of potable water to serve the Property, as rezoned; and

WHEREAS, City Council Resolution No. 4071-1141 (March 2011) set forth policy regarding reservations of water for requests to rezone vacant residential parcels; and

WHEREAS, the City Council finds that the conceptual basis of the policy set forth in Resolution No. 4017-1141 may reasonably be applied to the Property, as rezoned.

NOW, THEREFORE, in consideration of the covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party to the other, it is hereby agreed as follows:

1. That this Agreement, as amended, shall relate to the Property, as more particularly described by the Agreement; and become operative upon Ordinance No. 4860-1317 taking effect.
2. That the City will permanently reserve and make available for development a maximum of 248.5 acre feet of potable water annually (the "Cap") to serve the residential portion of the Property.
3. That Sub-paragraphs 2a, 2b, 2c, 2d, 2e, 2g, and 2j of the Agreement are hereby deleted, each in their entirety..
4. That the aforementioned rezoning of portions of the Property shall not create an entitlement to additional water to serve the increased number of residential dwelling units, rather, it is expressly understood and agreed that the legal entitlement to water for a property shall be created solely by approval of a water service agreement approved by the City Council pursuant to the City Code and 2005-2010 Water Management Policy for the City of Prescott, as extended and/or otherwise superseded by formal action of the City Council..

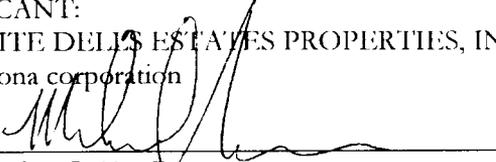
5. That upon approval by the City of a final plat for the 400th residential unit on the Property, the Applicant may apply to the City for an allocation of water above the Cap to serve additional residential units to be developed (the "Application").

6. That the City will accept, analyze, and respond to the Application considering the water resources available to the City at the time of such Application.

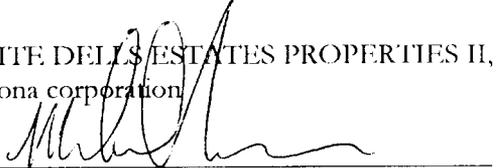
7. That all other terms, conditions, and understandings set forth and agreed to by the Agreement shall remain in force, unless specifically modified by this First Amendment.

DATED this 8<sup>th</sup> day of July, 2013.

APPLICANT:  
GRANITE DELLS ESTATES PROPERTIES, INC.  
an Arizona corporation

  
BY: Michael W. Fann  
Its: President

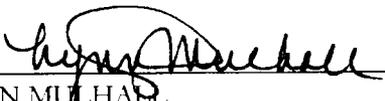
GRANITE DELLS ESTATES PROPERTIES II, INC.  
an Arizona corporation

  
BY: Michael W. Fann  
Its: President

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this 2 day of July, 2013.

  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

  
LYNN MULHAM,  
City Clerk

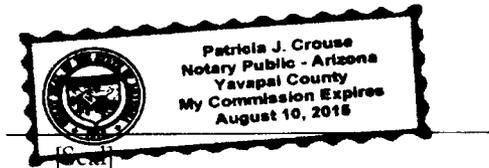
APPROVED AS TO FORM:

  
JON PALADINO  
City Attorney

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )



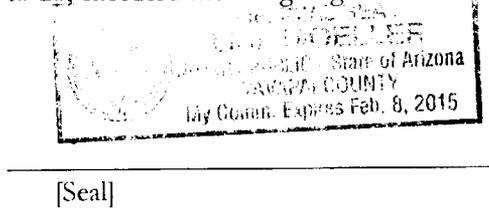
The foregoing instrument was acknowledged before me this 3 day of July, 2013, by Marlin D. Kuykendall, Mayor of the City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged that he executed it.



Patricia J. Crouse  
Notary Public

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

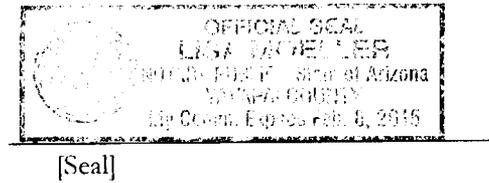
On this 9th day of July, 2013, before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.



Lisa D. Jeweller  
Notary Public

STATE OF ARIZONA            )  
  )ss.  
COUNTY OF YAVAPAI        )

On this 9th day of July, 2013 before me, the undersigned Notary Public, personally appeared Michael W. Fann, who acknowledged himself to be the President of GRANITE DELLS ESTATES PROPERTIES II, INC., an Arizona corporation, and that he, as such President, being authorized so to do, executed the foregoing instrument for the purpose therein contained.



Lisa D. Jeweller  
Notary Public

**RESOLUTION NO. 4188-1350**

**A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE CITY OF PRESCOTT TO ENTER INTO AMENDMENT ONE TO THE PRE-ANNEXATION DEVELOPMENT AGREEMENT FOR GRANITE DELLS ESTATES WITH GRANITE DELLS ESTATES PROPERTIES, INC., AND GRANITE DELLS ESTATES PROPERTIES II, INC. (CITY CONTRACT NO. 2008-164A1); AND AUTHORIZING THE MAYOR AND CITY STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE.**

**RECITALS:**

WHEREAS, Granite Dells Estates Properties, Inc., and Granite Dells Estates Properties II, Inc., are the owners of certain real property within the City limits; and

WHEREAS, in 2007 Granite Dells Estates Properties, Inc., Granite Dells Estates Properties, II, Inc., and the City of Prescott entered in a Pre-Annexation Development Agreement, City Contract No. 2008-164, pertaining to said real property known as Granite Dells Estates; and

WHEREAS, the parties wish to amend and make certain modifications to said Agreement.

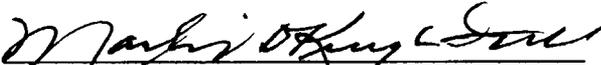
**ENACTMENTS:**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the City of Prescott hereby approves Amendment One to the Pre-Annexation Development Agreement for Granite Dells Estates, which Amendment is attached hereto as Exhibit "A" and made a part hereof, and shall be identified as City Contract No. 2008-164A1.

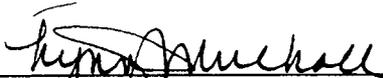
SECTION 2. THAT the Mayor and City staff are hereby authorized to take any and all steps deemed necessary to accomplish the foregoing.

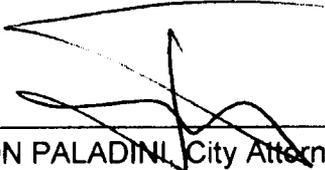
PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 2nd day of July, 2013.

  
MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

  
LYNN MULHALL, City Clerk

  
JON PALADINI, City Attorney

Prescott City Charter, Article I Section 4 (Proposition 400)

Section 4 - Boundaries

- a. Declaration of Policy: The people of the City of Prescott believe it is in the best interest of the city to establish additional local requirements for annexation to ensure that any future expansion of the city's boundary does not undermine the city's efforts to attain safe-yield or otherwise threaten the water supply of city residents.
- b. The boundaries of the city shall be the boundaries as established at the time this charter takes effect, or as such boundaries may be changed thereafter in the manner authorized by law, except that any increase in the corporate limits of the City of Prescott by annexation that equals or exceeds two hundred fifty (250) acres shall: 1) require an affirmative vote by three-fourths of the city council by "ayes and nays"; 2) require a public comment period of no less than sixty (60) days before a vote of the city council takes place, which shall begin at the time of a formal vote on a master plan by the planning and zoning commission; 3) require a public presentation of the public comments received to the city council by city staff; and 4) include a requirement that all effluent generated by new development in the annexed area be used for permanent recharge. The requirements of this section apply not only to single annexations of 250 acres or more, but also to multiple annexations of smaller parcels that have been owned by the same person or entity within ten (10) years from the date of the proposed annexation.
- c. Severability – If any provision of this measure is declared invalid by a court of competent jurisdiction, such invalidity does not affect other provisions that can be given effect without the invalid provision and to this end the provisions of this measure are declared to be severable.

(Adopted November 8, 2005)