



AGENDA

**COUNCIL WATER ISSUES COMMITTEE
NOTICE OF PUBLIC MEETING
Tuesday, November 1, 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, November 1, 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 October 4, 2016, Council Water Issues Committee meeting
- D. Alternative Water Portfolio Update
- E. Water Service Agreements
 - 1. Kevin Randle (WSA 15-017)
 - 2. Michael T. Hendrickson (WSA16-022)
- F. Draft City Water Management Policy and Calendar Year 2017 Alternative Water Allocation
- G. Granite Dells Estates
- H. 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 28th at 10:24 a.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, OCTOBER 4, 2016
PRESCOTT, ARIZONA

MINUTES OF THE REGULAR MEETING OF THE COUNCIL WATER ISSUES COMMITTEE HELD ON OCTOBER 4, 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 9:00 a.m.

B. Roll Call.

COUNCIL WATER ISSUES COMMITTEE MEMBERS:

Present:

Chairman Jim Lamerson
Member Steve Blair (arrived at 9:07 am)
Member Steve Sischka

Staff Present:

Leslie Graser, Water Resources Manager
Clyde Halstead, Assistant City Attorney
Rhonda K. Basore, Deputy City Clerk
Alison Zelms, Deputy City Manager

C. Approval of minutes of the September 6, 2016, Water Issues Committee meeting

**MEMBER SISCHKA MOVED TO APPROVE THE MINUTES AS WRITTEN;
SECONDED BY CHAIRMAN LAMERSON; PASSED 2-0.**

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 were two residential categories within that category (Market – 125 acre-feet; Workforce – 100 acre-feet). She said at year-end 2016, if the preceding volumes were allocated, 50 acre-feet would be the opening balance for Calendar Year 2017. She said as of September 27, 2016, of the 225 acre-feet, market and workforce budget, 104.10 acre-feet remained, with the difference of 120.90 acre-feet allocated by water service agreements. In addition, the Water Issues Committee and/or Planning & Zoning Commission have recommended Council consideration/approval of

projects for which the combined demand was 44.70 acre-feet. This 44.70 acre-feet included applications that have been administratively approved in accordance with the current policy. If all of these projects were approved, the remaining Calendar Year 2016 budget balances would be: Market – 23.50 acre-feet and Workforce 11.75 acre-feet. Ms. Graser said the report was an update and no action was required.

E. Water Service Agreements

1. Hahn Catherine Miller Living Trust (WSA 16-017)

Leslie Graser, Water Resources Manager, presented. She said the property had an existing single family residence on a lot located in an existing groundwater subdivision plat. The alternative water allocation for the project was 0.65 AF. She said the project met the requirements for water allocation as defined in the Workforce/MF/Duplex/Apts column of the Category 2 table of the Policy and since the project was for less than four units, per Policy, it qualified for administrative approval.

Chairman Lamerson asked if the approval needed to go before the City Council. Ms. Graser said no, this application qualified for administrative approval.

2. Mary S. Houston (WSA 16-018)

Leslie Graser, Water Resources Manager, presented. She said the property had an existing single family residence on a lot located in an existing groundwater subdivision plat. The alternative water allocation for the project was 0.15 AF. She said the project met the requirements for water allocation as defined in the Workforce/MF/Duplex/Apts column of the Category 2 table of the Policy and since the project was for less than four units, per Policy, it qualified for administrative approval.

3. Dave Everson (WSA 16-020)

Leslie Graser, Water Resources Manager, presented. She said the property was 4.63 acres with an existing well. The property owner was seeking to split the property into three lots and drill wells to serve the land splits. She said the property owner was seeking a letter from the City stating that it would not serve the lands in accordance with A.R.S. §45-454. She said the City would provide the letter and refund the application fee. She said this report was informational only.

Member Blair asked what the property was zoned. He said the property owner had a right to split their property if zoned correctly. Ms. Graser said the current water policy stated no additional alternative water would be used to support a lot split. She said the zoning for the property was SF35. She said, if this property has been recognized for the vacant, residentially zoned tracts reservation within City limits, then the lot split could have moved forward in accordance with policy. The lot is not vacant and it has an existing well.

Member Sischka asked if the new lots would be on septic. He asked if the policy was to not allow connection to city sewer if properties were on a well. Ms. Graser said the new properties would be required to connect to city sewer.

Chairman Lamerson said the Council needed an update on State law, regarding wells, that was in competition with the City. He said the State required the City to ensure the water supply was clear of contaminants, yet allowed well drilling. He asked why it was okay for the State to not be held to the same standards of water delivery as the City was mandated. Ms. Graser said she would bring forward a report on exemptions related to wells.

Member Blair said how could the State allow well drilling and yet, place mandates on the City regarding its water supply. He said the City was trying to do the right thing. Ms. Graser said the Agency interprets the law and enforces as the law is written. She said if there was a problem or disagreement with statute interpretation, then cities generally work to seek changes to the laws. Ms. Graser said if someone applied for a State exemption, and the State determined the well applicant met the exemption, then the City could not deny their request.

Clyde Halstead, Assistant City Attorney said the City could not prevent exempt wells from being drilled. The City regulated properties through zoning codes. He said the current policy stated no lot splits would be allowed if alternative water was required. He said the City could deny this application (for lot split); the property owner would not be able to drill the two exempt wells, and have the property owner apply for alternative water in 2017.

Chairman Lamerson thought the City had in place a policy regarding lot splits. Ms. Graser said the City water policy stated "no lot splits would be allowed". However, the Land Development Code allowed for lot splits. She said staff was working with other departments to ensure the same rules applied across the board.

Leslie Hoy, citizen, asked if the City was in contact with ADWR regarding permits. Ms. Graser said the City remains in contact with ADWR.

Chairman Lamerson said it was difficult to deal with ADWR. He said the City was just a small fish in a large pond.

F. Resolution 4310-1519, Part 2

Ms. Graser said Resolution No. 4310-1519 placed a temporary suspension for the submittal of water service agreement applications. She said the resolution identified work plans for policy amendments in two parts, Part 1 (interim) and Part 2 (longer term). The temporary suspension was lifted on May 3, 2016 with interim actions applied in the current City water policy. She said the item before the committee identified changes for the longer term.

Chairman Lamerson said the water policy for 2017-2020 spanned three years. He said things were always changing and suggested a one year water policy.

Ms. Graser said Water Resource Management has been mindful of things always changing. She said the water policy could be amended if conditions changed. She said the volume of water for 2017 would not be known until January 2017. She said the policy would generally remain the same with an amendment regarding volume of water available.

- Volumes (in AF) available when 0.1 AF was summed from WSAs (1999-Sept 2016)
 - Final WSA 50.46
 - Approved WSA 31.14
 - Applied WSA 5.50

Chairman Lamerson asked how long items were tied to performance criteria. How much water was subject to returning to the portfolio? Ms. Graser said if performance criteria was not met, the water contract would expire. Chairman Lamerson said applicants needed to be reminded they could lose the volume of water there were allocated by contract if they did not meet the performance criteria.

Ms. Graser continued with the presentation:

- Feasibility of modifying the single family and multi-family allocation of 0.25 AF/yr and 0.15 AF/yr (0.1 removed) for water-conserving developments
- Single family use – 67%
- Multi-family use – 63%
- On average, non-residential water use was 79% of the expected
- Well abandonment and sewer connection ordinances
 - Well abandonment ordinance has been drafted
 - Sewer connection ordinance language was being drafted for consistency across code sections

Chairman Lamerson said there needed to be uniformity between the Land Development Code and Water Management. Ms. Graser said staff continued to work with departments to ensure the same rules applied across the board.

Member Sischka asked if the recommended water policy updates worked towards alignment across the codes. Ms. Graser said yes.

Member Sischka asked the Assistant City Attorney if the City had to work within the precedence set. Mr. Halstead said the City could always change codes to meet current situations. He said to allow people to continue under old codes was a discussion that needed to happen.

Chair Lamerson said the Charter of Prescott empowered elected officials to do what was necessary to protect and provide safety for its residents. Mr. Halstead said that was correct. He said one code requirement required all properties be connected to city sewer, but this was an enormous task to ensure.

Member Sischka asked at what point in the development process required properties to connect to City sewer. Mr. Halstead said once land was annexed.

Ms. Graser continued with the presentation:

- Shifting certain historic agreements (Ewin, Iron Springs, Prescott Riviera and Rancho Vista) from alternative water to groundwater
- Would continue to research and evaluate historical agreements for commitments to serve
- She said 58AF was being held for Ewin and Iron Springs

Member Blair asked if water would be freed up by switching from alternative water to groundwater. Ms. Graser said staff was determining whether allocations covered by historical agreements could be shifted to current and committed groundwater demand.

Chairman Lamerson understood the City had the right to pump 14,000AF of water. He said the City had only pumped 9,000AF. She said Prescott Riviera and Rancho Vista developments were not built out, therefore these and other subdivisions in the same condition are not necessitating the higher pumping. She said the safety net that was placed for the historic agreements (see above), if certain agreements are placed on current and committed groundwater, may reduce the 58AF alternative water set aside returning some to the general pool for use.

Member Blair asked if being out of safe yield was based upon 14,000AF. Ms. Graser said safe-yield applies to the entire AMA.

Member Sischka asked if the City would be liable for wells that contained high levels of contaminants. Ms. Graser said if wells were found unuseable then people would usually seek to connect to City water.

Ms. Graser continued with the presentation:

- EZ Street water station fee update discussion
- Review and adjust availability and pricing of water at the EZ Street water station

Chairman Lamerson asked about the water consumption at EZ Street. Ms. Graser said approximately 12AF per year.

Ms. Graser continued with the presentation:

- Develop policy for accepting Assured Water Supply Certificates brought to the City (pledged IGFRs)

Member Blair voiced his concern regarding the loss of control over water. He said perhaps the long term water management policy should include the installation of in-slope/out-slope valves for certain developments. Ms. Graser said meters were placed to inform how much water was being returned to permanent recharge to meet requirement of City Charter (Prop 400).

Chairman Lamerson asked if the 2017 Water Policy contemplated surface water rights entering the water portfolio. He said his understanding of the subject development was the development received surface rights in exchange for the properties being developed in/annexed to City limits.

Ms. Graser said Member Blair was looking at all the intricacies of surface water rights and how those played out. She said the City did not have any rights until the transfer of water. She said staff was watching.

Ms. Graser summarized items and said the report was informational only.

- Additional data analysis would be completed for the possible modification of the City's water allocation policies
- Additional analysis would be completed for the 0.1 AF supplies for a commercial allocation pool
- Two historic agreements would be transferred to current and committed groundwater. Two would undergo further review
- Well abandonment ordinance would be prepared for an upcoming Council agenda
- Sewer connection ordinance would be drafted for internal review
- Build water distribution (EZ St. Station) would be prepared for an upcoming Council Study Session

G. Draft outline for the 2017-2020 City Water Management and Allocation Policy

Ms. Graser said reviewed the City's water portfolio (24,574.84 AF/yr).

- Big Chino groundwater was not placed into the yearly budget discussions due to the infrastructure was not in place for importation
- Groundwater was for subdivisions (built and unbuilt lots) that had been finalized before 1999
- Direct delivery of alternative water – placed entirely into contracts
- Long-term storage credits – had not been allocated by the City
- Surface water supplies were not increased from the 2005 to 2009 D&O

She said if a 250 acre parcel was annexed into the City, the water used by the parcel had to be put towards permanent recharge. She said surface water could not be banked to earn long-term storage credits. She said two alternative water categories (reclaimed and surface water) support the bulk of the City's water contracts and reservations that have been made since 1999. She reviewed the allocations:

- Alternative Water (Big Chino Water Ranch) - 8,067.40AF
- Reservations – 4,802.9 AF
- Future Supplies – 3,264.50 AF
- Prescott Valley IGA – 3,702.90
- Deep Well – 900 AF
- Transferred Vacant Residential – 200
- Total 4,214 AF

Member Blair asked if the recharge of reservation water located in Prescott Valley was the City's or Prescott Valley's. Ms. Graser said Prescott Valley's.

Chairman Lamerson talked about future development at the Airport and cooperation between municipalities. He said there needed to be buy-in from surrounding municipalities. Mr. Halstead said Prescott Valley worked under a different water management policy. Chairman Lamerson said the regionalization benefited Prescott Valley and thought they would want to participate in discussions.

Member Blair asked why the construction of the pipeline from Chino Valley to Prescott had not been started. Ms. Graser said the City was working on the requirements of Comprehensive Agreement (CA1).. She said an update on CA1 followed as Agenda Item H.

Ms. Graser continued with the presentation:

- Supplies for final plat subdivision and unbuilt lots; pre-1998 preliminary plats – 1,630 AF
- Big Chino water supplies (not in Town of Prescott Valley or Deep Well Ranch reservation) – 3,464.50 AF
- Alternative water supplies from recharge and recovery of reclaimed and surface water – 1,814.73 AF
- Total in GW or Alt Water Reservations – 6,909.23 AF
- Alternative water supplies from recharge and recovery of reclaimed and surface water supplies that remain available – 158 AF

Member Blair said when agricultural land was rezoned residential would water credits return to the City. Ms. Graser said when the landowners, shareholders and Chino Valley Irrigation District (CVID) relinquished their water rights to the City, it was agreed they would receive 0.25 AF when ready to connect. She said the water would likely remain in reservation until/if future discussions were held by the parties to the contract. . Mr. Halstead said if the CVID ceased to exist, the water credits may return to the City.

Ms. Graser said approximately 800 AF was in-contract but the applicant has either not built the project yet and/or the timeframe for the performance criteria has not yet expired. (Example: 80 AF was in-contract for Storm Ranch) She said as of September 29, 2016 the General Pool Balance was 158.30 AF.

Member Blair said if Storm Ranch never developed, would the water allocations return to the general pool balance. Ms. Graser said yes. Ms. Graser said the Storm Ranch contract was set to expire in 2017. Member Blair said if Storm Ranch sold the land, what guarantee confirmed the water allocations would return to the City.

Chairman Lamerson asked if the City had an obligation to extend the contract with Storm Ranch. He said other people have been denied access to water, so why would the City enter into another contract to have the water sit in a holding pattern. Ms. Graser said the existing water policy stated if a contract expired, the applicant could apply for a one-time,

one-year extension.

Ms. Graser reviewed Big Chino supply. Chairman Lamerson said it was hard to plan on water from Big Chino when nothing had been decided on how to get the water. Ms. Graser said water management had to consider water availability now and for the future.

Member Blair said the City had 3,661 AF available, which did not include Big Chino water. Ms. Graser said yes. She reviewed water availability:

- Category 2: Exhibit A Projects (Market, Workforce/MF/Duplex, Commercial). She said Exhibit A projects had first priority until the end of Calendar Year 2016 or their application expired per policy 1M.
- Market – 48.35 AF (the quantity of 125 AF was capped for Calendar Year 2016)
- Workforce/MF/Duplex – 10.95 AF (the quantity of 100 AF was capped for Calendar Year 2016)
- Commercial – 99 AF

Jim Holt, resident, asked if 3,600 AF was available for single-family homes that have not yet been built. Ms. Graser said yes. He said 3,600 AF resulted in water allocations for approximately 10,000 single family homes or 2500 individuals. He said for people to suggest the water supply was not available was untrue. Ms. Graser referred the group back to earlier slides regarding current and committed groundwater were being referred to by Mr. Holt.

Ms. Graser said the idea behind alternative water supplies (recharge and recovery of surface water or imported supply) was based on supplies that were not D&O groundwater.

Member Sischka left the meeting.

Chairman Lamerson spoke on giving away available water supply and relying on Big Chino water supply. He did not want to rely on Big Chino water until the importation issue had been resolved. Ms. Graser said she looked at Big Chino water supply for flexibility. She suggested showing the committee a map of Prescott showing where water was available/needed.

Member Blair wanted to see the map. He felt there may be properties that could or would not ever be developed. Ms. Graser said water management was seeking to have flexibility in the portfolio now and for the future.

Member Blair asked for staff to research how the City could utilize the mitigated water.

Chairman Lamerson said AMA was specific regarding water rights for consumption and mitigation purposes. He asked staff to review the contract regarding withdrawal and use of water from the Big Chino Sub-Basin and the protection of stream flow in the Upper Verde River regarding water management and strategy.

Ms. Graser presented the draft outline for 2017-2010 City Water Management and

Allocation Policy:

- Reviewed the blocks of water within the City's portfolio
- Restated the challenges within the portfolio
- Identified both existing and anticipated water requests in the coming year
- Addressed Committee requests on September 6, 2016 for additional and specific information related to the portfolio and the allocation thereof
- Provided the outline and anticipated timetable for the 2017-2020 City Water Management and Allocation Policy
- Table of Contents
 - Introduction
 - State and City requirement for water supply management
 - Physical Supplies
 - Water Management
 - City's D&O and Calendar Year 2017 supply allocation
- Proposed Policy Actions for 2017
 - November 1, 2016 – Council Water Issues Committee (Review draft 2017-2020 Water Management Policy)
 - November 8, 2016 – Council Study Session (Review draft 2017-2010 Water Management Policy)
 - December 13, 2016 – Council Voting Session (Adoption of 2017-2020 Water Management Policy)
 - January 10, 2016 – Council Voting Session – Amend the 2017-2020 Water Management Policy to include the 2017 budgeted volume

She recapped by reading the Introduction to the draft policy: The City managed its water resources to ensure supplies were sufficient for current and future demand. These supplies were managed by a team of professionals who operate infrastructure (wells, pipes, storage tanks), monitor physical resources (groundwater, surface water, and reclaimed water), and integrate physical supplies with State and City water management requirements (i.e. Assured Water Supply document and City Codes). In order to coordinate the movement and quantity of physical water supplies with regulatory requirements, the City of Prescott Water Resource Portfolio was managed similar to financial accounting principles, including account deposits, withdrawals, creation of savings and subaccounts and allocations. While, this Water Management Policy references infrastructure and physical supplies, it was intended to serve as a Water Resource Management document providing information on the policies that guide water supply protection and use, basic physical supply information, water allocation to new and existing development, and how those were integrated to ensure healthy and stable water supplies for the community.

H. Comprehensive Agreement No. 1, Fiscal Year 2016 Annual Report

Ms. Graser said Comprehensive Agreement No. 1 (CA1) with Salt River Project, Town of Prescott Valley, provides for implementation of an enhanced groundwater and surface water monitoring system generating data for a more refined groundwater model to be developed for the Big Chino Sub-basin and its connection to the Upper Verde River. She

said the annual report contained project accomplishments, finances, and plans for the next fiscal year. She said the report was available on the City's webpage.

Member Blair asked if the reports were available for viewing. Ms. Graser said all the reports and information were posted to the website at <http://prescott-az.gov/services/water/chino.php>.

I. Adjournment

There being no further business to be discussed, the Council Water Issues Committee adjourned the Public Meeting of October 4, 2016, at 11:34 a.m.

JIM LAMERSON, Chairman

ATTEST:

DANA R. DELONG, City Clerk

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO
November 1, 2016

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Alternative Water Portfolio Update

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Director: 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 according to the policy adopted May 3, 2016, which identified an annual transfer of 50 acre-feet from the vacant, residentially-zoned tract reservation. Until that reservation is extinguished. The actual volume recommended for 2017 will likely be more than 50 AF, depending upon any unallocated 2016 year-end balance.

As of October 17, 2016, of the 225 acre-feet, market and workforce budget above, 102.95 acre-feet remains, with the difference (122.05 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 2.0 acre-feet. This 2.0 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 |

Requests for alternative water for the projects on this (November 1, 2016) agenda that have not already been to the Planning & Zoning Commission and received a recommendation of approval to the City Council, if viewed favorably by the Council Water Issues Committee, would further reduce the Calendar Year 2016 budget balances above to:

1. Market 23.15 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.

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO
November 1, 2016

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Water Service Agreement Application No. 15-017 by Kevin Randle, for the construction of 20 apartment units on APN 115-08-065B at 906 Rock Lane

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Director: Craig McConnell

Background

Resolution No. 4328-1537, adopted May 3, 2016, "Alternative Water Allocation Policy for Calendar Year 2016", identifies a supply for possible allocation to Exhibit A projects listed thereto.

Summary

This 5-acre property is located within City limits, has a few existing structures, but no connection to the City's water infrastructure. The zoning for this property is Multi-Family Medium. On October 13, 2016, Site Plan Application No. SI16-006 was filed for Boulder Hills Apartments consisting of twenty (20) units. On November 3, 2015, the applicant filed Water Service Agreement (WSA) Application No. 15-017 and it was recognized as part of Resolution No. 4310-1519, Exhibit A and volumes set aside and documented the aforementioned policy. The water requirement for the proposed 20 multi-family units is 5 acre-feet (AF) (20 units x 0.25 AF/unit).

Status of Project

Completed

- Water Service Agreement Application No. 15-017, November 3, 2015
- Site Plan Application No. SI16-006, October 13, 2016

Remaining to be completed

- Site Plan approval
- Possible Planning and Zoning recommendation
- Council Water Issues Committee recommendation

Attachments

- 1) Location Map
- 2) Building Permit and Water Service Agreement Application

Committee Recommendation to Council: The Committee recommends (or does not recommend) consideration of approval of the water service agreement for 20 multi-family units by the Council.

Parcel Report for APN: **115-08-065B**

Site Address: **906 ROCK LN**

Owner:

**RANDLE KEVIN
136 GROVE AVE
PRESCOTT AZ 863012910**

Subdivision Name:

Max. Lot Coverage: -
Max. Bldg Height: -
Setbacks

Front: -
Side: -
Rear: -
Corner: -

Acres: **5.4 acres**
Square Ft: **sq.ft.**
TRS: **T14 R2 S29**

DOR Usage Code: **Vacant**
Description: **0011-VACANT RESIDENTIAL**

Zoning Information

Zoning: **MF-M (MH)**

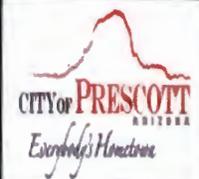
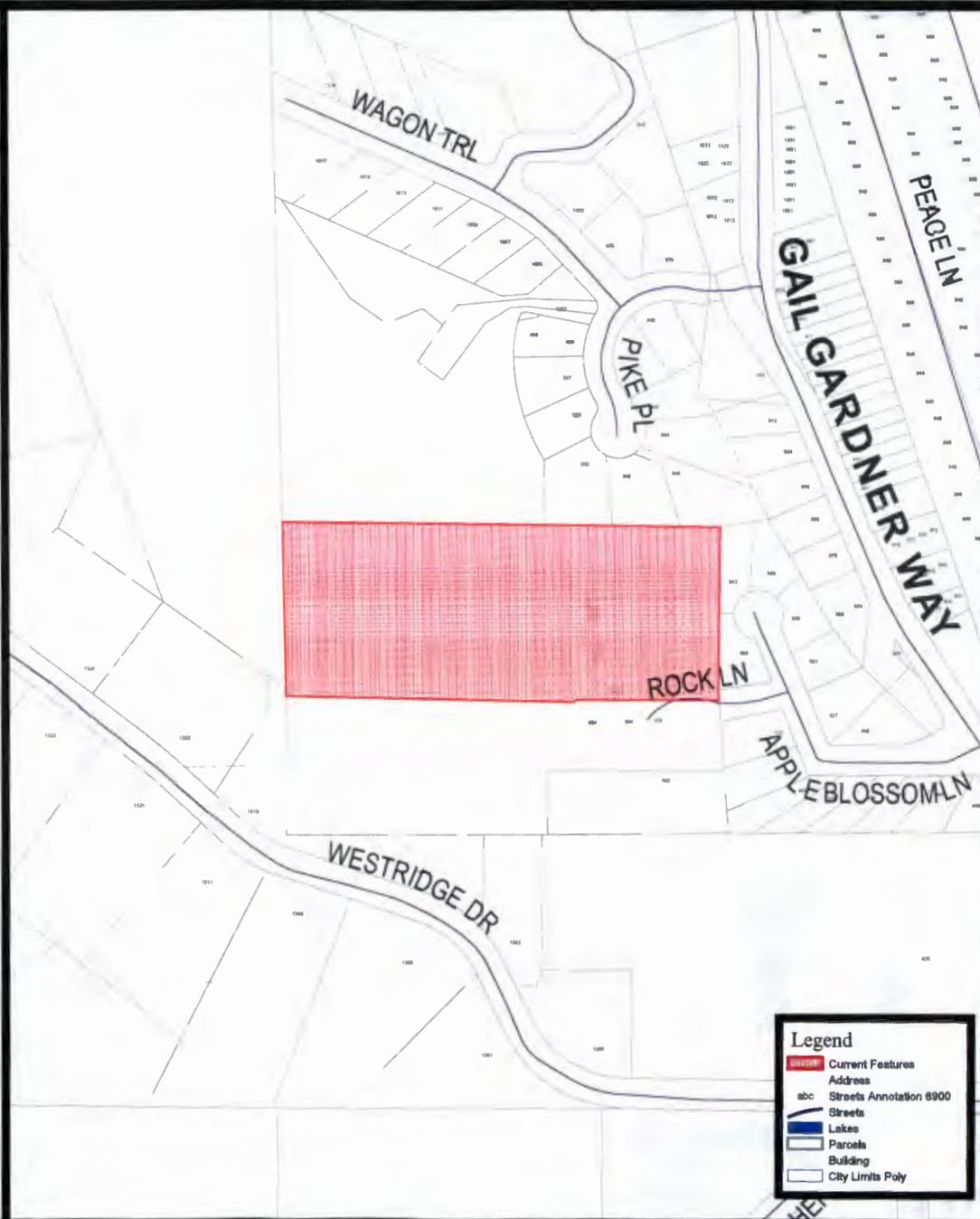
Flood Zone: **X;**
FIRM Panel: **04025C2061G**

Overlay District Information

HPD District: **Outside**
NR District: **Outside**
Willow Creek District: **Outside**
Wipple-Zuma District: **Outside**
Hwy 69 District: **Outside**
Prescott East Area Plan: **Outside**
Prescott Enterprise: **Outside**
Airport Noise District: **Outside**
Wildlife Urban Interface: **Inside**

Planner's Actions:

-



906 ROCK LN

Legend

- Current Features
- Address
- Streets Annotation 6900
- Streets
- Lakes
- Parcels
- Building
- City Limits Poly

This map is a product of the City of Prescott



Attachment E.1.0



CITY OF PRESCOTT
ANNIKKI CHAMBERLAIN
WATER RESOURCE COORDINATOR
201 S. CORTEZ ST, PRESCOTT, AZ 86303
(928) 777-1645 (F) 928-777-1255

WATER SERVICE AGREEMENT APPLICATION

PERMIT #: WSA 15-017

Please complete the form and submit a legible legal description on a separate sheet of paper as well as a site plan of the subject property with proposed improvements. Submit all documents and the filing fee directly to the Community Development Department at 201 S. Cortez St, Prescott, AZ 86302.

APPLICANT NAME: Kevin Randle
ADDRESS: 16 E. Birch #2 Flagstaff AZ
CITY: Flagstaff STATE: AZ ZIP: 86001
PHONE: 928-848-8146 CELL: same

LEGAL OWNER NAME: ~~same~~ Kevin Randle
ADDRESS: 16 E Birch #2 Flagstaff AZ
CITY: _____ STATE: _____ ZIP: _____
PHONE: 928-848-8146 CELL: _____

PROJECT SITE ADDRESS: 906 Rock Lane Prescott AZ 86305
CURRENT ZONING: MF-M(MH) PROPOSED ZONING: NA

ASSESSOR'S PARCEL NUMBER(S) OF EXISTING PROPERTY:
115-08-0658

EXISTING WATER/SEWER (Y/N): NO IF YES, WATER MAIN SIZE: _____ SEWER MAIN SIZE: _____

EXISTING WELL (Y/N): NO IF YES, Wells must be formally abandoned as part of this water service application. Contact the local office of the Arizona Dept of Water Resources (778-7202) for the requirements.

PROJECT DESCRIPTION: # OF PROPOSED UNITS 21 # OF PROPOSED LOTS 1
OTHER _____

- FEES:
- \$ 50.00 LOT SPLIT
 - \$ 50.00 SINGLE FAMILY RESIDENCE
 - \$200.00 SUBDIVISION
 - \$200.00 MULTI-FAMILY, MOBILE HOME PARK



CITY OF PRESCOTT
COMMUNITY DEVELOPMENT DEPARTMENT
201 S. Cortez, Prescott, AZ 86301 (928) 777-1205

SITE PLAN APPLICATION

(Staff Use Only)

SI# 16-006 Zoning: MF-M ^(MKT) Township _____ Section _____ Range _____

Taken in By: _____ Assigned To: _____ Receipt #: _____ Date Application Complete: _____

Property Address: 906 ROCK LANE

Assessor's Parcel Number (s)(APN): 115-08-065B

Total Acres: (if less than 1/2 acre provide square feet if known) 5.36 Total Lots: N/A

Owner Name: KEVIN RANDLE Phone: 928-848-8146

Address: 16 EAST BIRCH AVENUE Fax: _____

FLAGSTAFF, AZ 86001 Email: JINVEST380@AOL.COM

Applicant/Agent Name: (If different than property owner. Agent letter must accompany submittal):
BC Engineering

Address: 212 Marina St. Phone: 899-8772

Prescott AZ 86303 Fax: _____

E-mail: _____

Description of Request: DEVELOPMENT OF 20 APARTMENT UNITS FOR RESIDENTIAL USE WITH PAVED PARKING LOT AND CITY OF PRESCOTT WATER & SEWER SERVICE.

(If necessary: Attach additional sheet (s) to provided a detailed Description of Request)

[Signature] 10.11.14
Applicant/Agent Signature Date

BOULDER HILL APARTMENTS

OWNER: KEVIN RANDLE
16 EAST BIRCH AVENUE
FLAGSTAFF, AZ 86001
(928) 848-8146

SITE INFORMATION:
906 ROCK LANE
APN# 115-08-065B
5.36 ACRES
CITY OF PRESCOTT ZONING MF-M (MH)

PROPOSED DEVELOPMENT INFORMATION:
RESIDENTIAL 2 STORY APARTMENT BUILDINGS
12 THREE BEDROOM APARTMENTS
8 TWO BEDROOM APARTMENTS
BOTH APARTMENT BUILDINGS WILL BE SPRINKLED
REQUIRED PARKING SPACES = 56 SPACES
PROPOSED PARKING SPACES = 62 SPACES
24' WIDE PAVED DRIVE ISLE THRU PARKING LOT
FIRE APARATUS TURN-A-ROUND INCORPORATED IN PARKING LOT
CITY OF PRESCOTT WATER AND SEWER SERVICES PROVIDED

The proposed development is a 20 unit residential apartment complex. It is proposed in an area that has similar residential zoning and therefore will blend well with the surrounding community. The site has large developed trees that will create a buffer between the apartment complex and surrounding homes. The site has a large dell like rock outcropping that consumes most of the back of the parcel. There are no homes on that side of the development, therefore the construction of the 2 story apartment buildings will not block the view of any home.

The development will use City of Prescott water and sewer services as well as the use of other utilities such as gas, cable, phone and power, all underground as to not be an above ground eyesore to the surrounding community. The apartment buildings will be sprinkled to give fire protection and the layout of the parking lot gives easy fire apparatus access to each building.

The development is on a paved street, Rock Lane, and a short way from a major thoroughfare, Gail Gardner Way, for easy traffic access. Rock Lane only has a few homes off of it and the inclusion of 20 apartment units will have a minimal impact on the traffic of Rock Lane or Apple Blossom Lane.

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO
November 1, 2016

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Water Service Agreement Application No. 16-022 by Michael T. Hendrickson, for the construction of 1 single-family unit on APN 105-04-019B at 1799 Savage Lane

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Director: Craig McConnell

Background

Resolution No. 4328-1537, adopted May 3, 2016, "Alternative Water Allocation Policy for Calendar Year 2016", identifies a supply for possible allocation to new projects not listed in Exhibit A thereto.

Summary

This 0.8-acre property is located within City limits, Lot 6B of the Savage Mountain Subdivision Replat Lot 6, dated (5/26/2006). The zoning for this property is Single family-35. Formerly, Lot 6B was issued a water service agreement (City Contract No. 2008-012), it expired April 4, 2011. The water requirement for the single-family unit is 0.35 acre-feet. In accordance with the aforementioned policy, this property is eligible for supplies within the market category and the contract can be administratively approved.

Status of Project

Completed

- Water Service Agreement Application No. 16-022, October 10, 2016
- Building Permit Application No. B1609-056, September 15, 2016

Attachments

- 1) Location Map
- 2) Water Service Agreement Application

Committee Recommendation to Council: For informational purposes

Parcel Report for APN: 105-04-019B

Site Address: 1799 SAVAGE LN S

Owner:

HENRICKSON MICHAEL TIMOTHY & DAWN LEE RS
PO BOX 13069
PRESCOTT AZ 863043069

Subdivision Name: SAVAGE MOUNTAIN SUBDIVISION
REPLAT LOT 6

Max. Lot Coverage: 30%

Max. Bldg Height: 35 ft

Setbacks

Front: 30 ft

Side: 12 ft

Rear: 30 ft

Corner: 20 ft

Acres: 0.9 acres

Square Ft: sq.ft.

TRS: T14 R2 S23

DOR Usage Code: Vacant

Description: 0011-VACANT RESIDENTIAL

Zoning Information

Zoning: SF-35

Flood Zone: X;

FIRM Panel: 04025C2055G

Overlay District Information

HPD District: Outside

NR District: Outside

Willow Creek District: Outside

Wipple-Zuma District: Outside

Hwy 69 District: Outside

Prescott East Area Plan: Outside

Prescott Enterprise: Outside

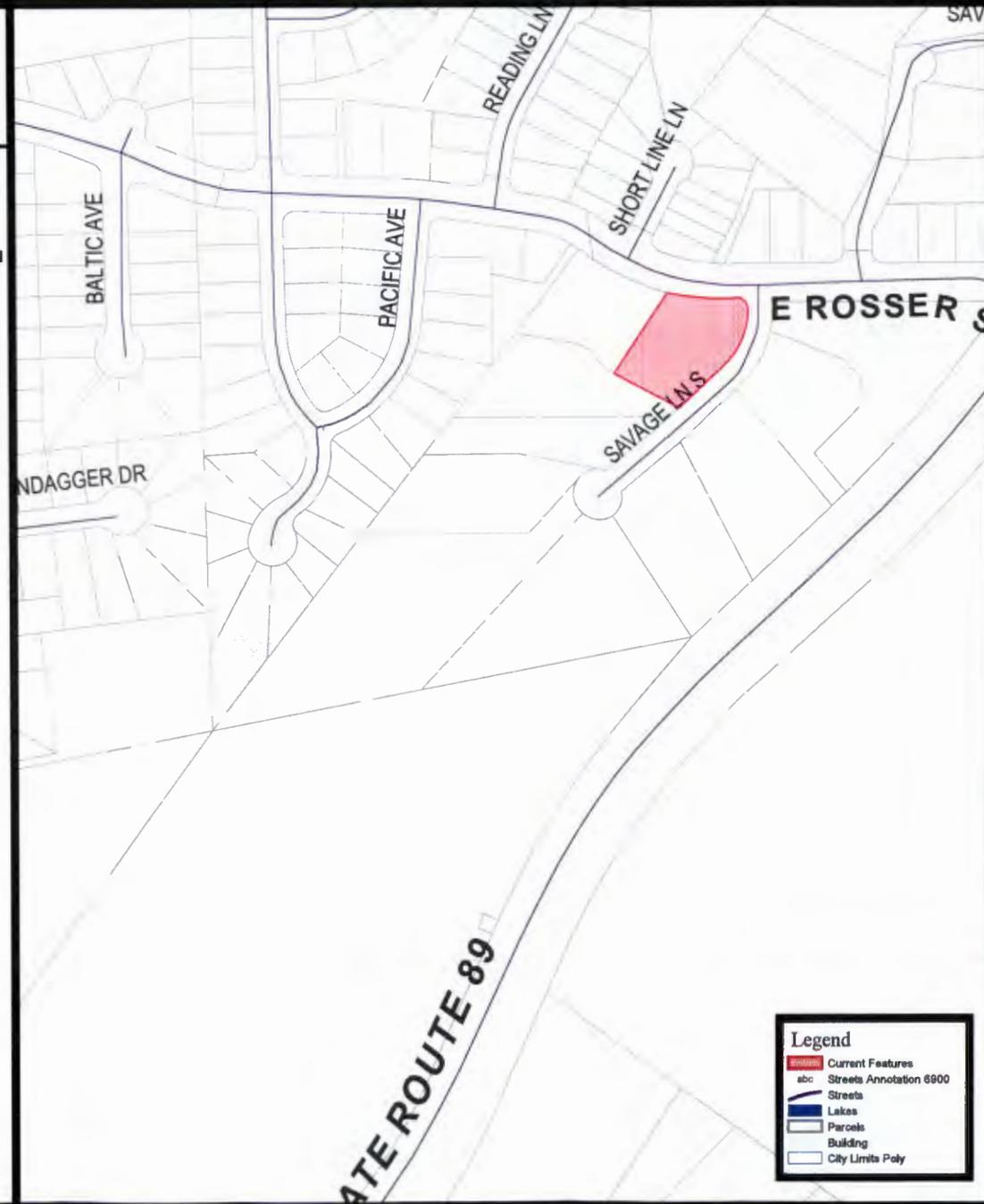
Airport Noise District: Outside

Wildlife Urban Interface: Outside

Planner's Actions:



1799 SAVAGE LN S



Legend

- Current Features
- Streets Annotation 6900
- Streets
- Lakes
- Parcels
- Building
- City Limits Poly

This map is a product of The City of Prescott



Attachment E.2.(1)

This document is a graphic representation only of best available sources. The City of Prescott assumes no responsibility for any errors.



WATER SERVICE AGREEMENT APPLICATION

Water Resources: Annikki Chamberlain
 201 S. Cortez St., Prescott, AZ 86303
 (P) 928.777.1645 (F) 928.777.1255

Please complete the form and submit a legible legal description on a separate sheet of paper as well as a site plan of the subject property with proposed improvements. Submit all documents and the filing fee directly to the Community Development Department at 201 S. Cortez St, Prescott, AZ 86302.

APPLICANT INFORMATION

Applicant: MICHAEL T. HENRICKSON Contact Person: TIM HENRICKSON
 Address: PO BOX 13069 City/State/Zip: PRESCOTT, AZ 86304
 Phone: 928-899-2412 Email: TIM@DESERTDEVELOPMENTAZ.COM

PROPERTY OWNER INFORMATION

Owner: MICHAEL T. HENRICKSON Contact Person: TIM HENRICKSON
 Address: PO BOX 13069 City/State/Zip: PRESCOTT, AZ 86304
 Phone: 928-899-2412 Email: TIM@DESERTDEVELOPMENTAZ.COM

PROJECT SITE

Address: 1799 SAVAGE LN S | PRESCOTT | AZ | 86301
 Current Zoning: RESIDENTIAL Proposed Zoning: RESIDENTIAL
 Assessor's Parcel Number(s) of Existing Property
105 - 04 - 019B
 Existing Water Service (Y/N): Y Existing Sewer Service (Y/N): Y
 Existing Well (Y/N): N If Yes, Well Registry No.: N/A.

PROJECT DESCRIPTION

Is the project Residential or Commercial? RESIDENTIAL
 Please provide brief description: PRIMARY RESIDENCE - DETACHED GARAGE.

of Proposed Units: 1 # of Proposed Lots: 1

Has a Water Demand Analysis been completed (commercial)? N/A
 Has a building permit application been submitted? Y
 Has a Planning and Zoning Recommendation been made? Y

FEES: Fees are subject to change.

Single Family Residence	Multi-Family/Apartments	Residential Subdivision	Commercial Subdivision or Individual Commercial Project
<input checked="" type="checkbox"/> \$150	2-5 units <input type="checkbox"/> \$150 6-10 units <input type="checkbox"/> \$200	6-25 lots <input type="checkbox"/> \$300 26-100 lots <input type="checkbox"/> \$500	<2 acre feet <input type="checkbox"/> \$150 2-4.9 acre feet <input type="checkbox"/> \$200
Existing Connection	11-50 units <input type="checkbox"/> \$300 51-99 units <input type="checkbox"/> \$400	100+ lots <input type="checkbox"/> \$700	5-10 acre feet <input type="checkbox"/> \$250 >10 acre feet <input type="checkbox"/> \$300
<input type="checkbox"/> \$150	100+ units <input type="checkbox"/> \$500		100+ units <input type="checkbox"/> \$500

Applicant Signature: [Signature] Date: 10/10/16.

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO November 1, 2016	
DEPARTMENT: City Manager (Water Resource Management)	
AGENDA ITEM: Draft City Water Management and Calendar Year 2017 Alternative Water Allocation Policy	
Approved By:	Date:
Water Resource Manager: Leslie Graser	
Regional Programs Director: Craig McConnell	

Background

Resolution No. 4328-1537, adopted May 3, 2016, "Alternative Water Allocation Policy for Calendar Year 2016", reset the volume of alternative water supplies to be made available for the remainder of Calendar Year 2016 (CY16). It also set forth specific policy for each particular category of use (Market, Workforce/MF/Apts, and Commercial). The overall supply made available was comprised of: 1) remainders from the City's 1999 and 2005 Decision and Orders of Assured Water Supply (D&O); 2) transfers from the vacant, residentially-zoned tracts reservation; and 3) allocations of limited quantities from the 2009 D&O, reclaimed supplies for recharge and recovery.

The attached draft policy provides basic information for intended the next three years and a framework for setting alternative water allocation volumes yearly. (see Section 5 of the draft policy).

Outline for Draft City Water Management and Calendar Year 2017 Alternative Water Allocation Policy:

Section 1: Introduction

Section 2: State and City water supply management requirements

- Section 2.a. State requirements
 - Prescott AMA
 - Assured Water Supply (D&O)
- Section 2.b. City requirements
 - City Codes
 - City Water Management Policy

Section 3: Physical Supplies

Section 4: Water Management – *integrating physical supplies and water supply management requirements*

- Section 4.a. City's Assured Water Supply and the General Plan
- Section 4.b. City's Assured Water Supply and Water Conservation planning
- Section 4.c. City's Assured Water Supply and Drought planning
- Section 4.d. City's Assured Water Supply and Water loss

Agenda Item: Draft City Water Management and Calendar Year 2017 Alternative Water Allocation Policy

- Section 4.e. City Assured Water Supply and Infrastructure planning

Section 5: City's Decision and Order (D&O) and Calendar Year 2017 supply allocation

- Section 5.a. Summary of Alternative Water Allocations (1999-2016)
- Section 5.b. Water Allocation Policies and Volumes for Calendar Year 2017
- Section 5.c. Water Allocations in 2017 and Subsequent Years

Process for Adoption

<u>November 1, 2016</u>	Council Water Issues Committee recommends draft policy to be placed on November 8, 2016 Council Study Session
<u>November 8, 2016</u>	Council Study Session reviews draft policy
<u>December 1, 2016</u>	Council Water Issues Committee reviews and recommends revised policy, for any changed based on November 8 th Study Session, for placement on the December 13, 2016 Council Voting Session
<u>December 13, 2016</u>	Council meeting agenda item for a Resolution to adopt the policy

Attachment

- 1) Draft City Water Management and Calendar Year 2017 Alternative Water Allocation Policy

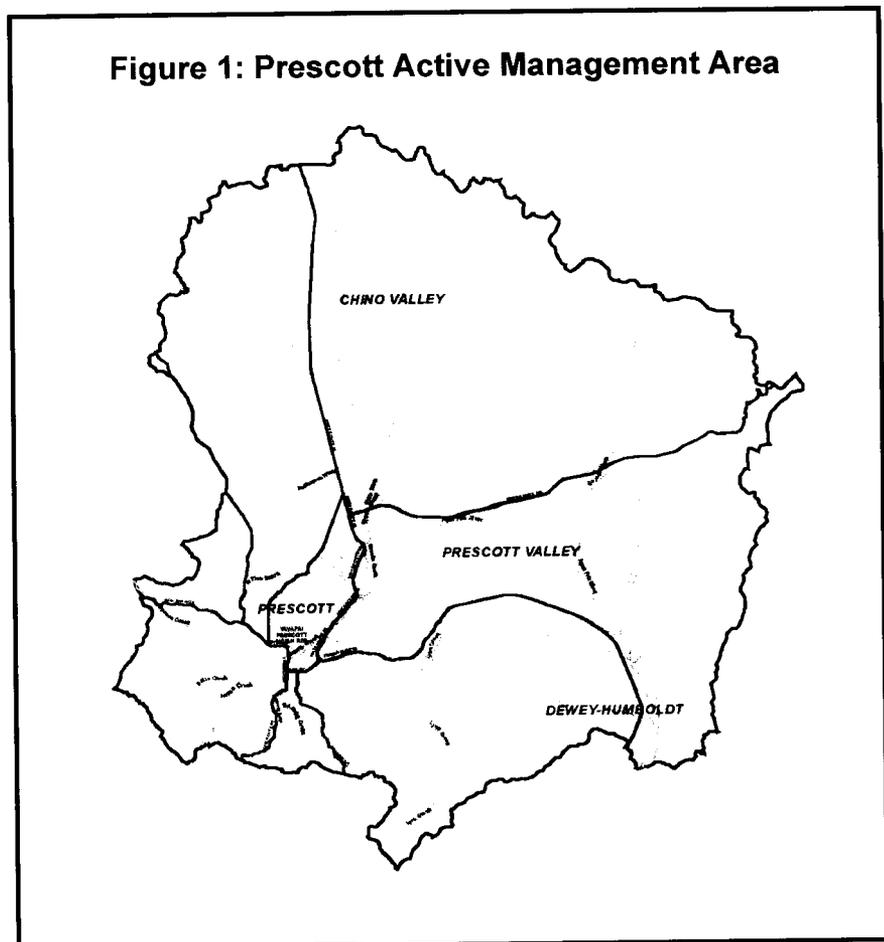
Committee Recommendation to Council: MOVE to recommend the draft City Water Management and Calendar Year 2017 Alternative Water Allocation Policy for presentation to the City Council at their Study Session on November 8, 2016.

Section 1: Introduction

The City manages its water resources to ensure supplies are sufficient for current and future demand. These supplies are managed by a team of professionals who operate infrastructure (wells, pipes, storage tanks), monitor physical resources (groundwater, surface water, and reclaimed water), and integrate physical supplies with State and City water management requirements (i.e. Assured Water Supply document and City Codes). In order to coordinate the movement and quantity of physical water supplies within regulatory requirements, the City of Prescott Water Resource Portfolio is managed similar to financial accounting principles including: account deposits, withdrawals, creation of savings and subaccounts, and allocations. While, this Water Management Policy references infrastructure and physical supplies, it is intended to serve as a Water Resource Management document providing information on the policies that guide water supply protection and use, basic physical supply information, alternative water allocation, and how those are integrated to ensure healthy and stable water supplies for the community.

Section 2: State and City water supply management requirements

The City resides within the State of Arizona Prescott Active Management Area (PrAMA), Figure 1, as defined in State law (Title 45), and must adhere to those requirements set forth. Since 1999, the City has held a State of Arizona Decision and Order (D&O) of Assured Water Supply (AWS) serving as evidence to the City's commitment to provide a secure water supply, now and into the future. Through City Codes additional water management policies are adopted to tailor water allocation to reflect the complexity of the infrastructure, community's growth patterns, and the regional economy. The next two sub sections provide information on water supply management requirements, both State and City.



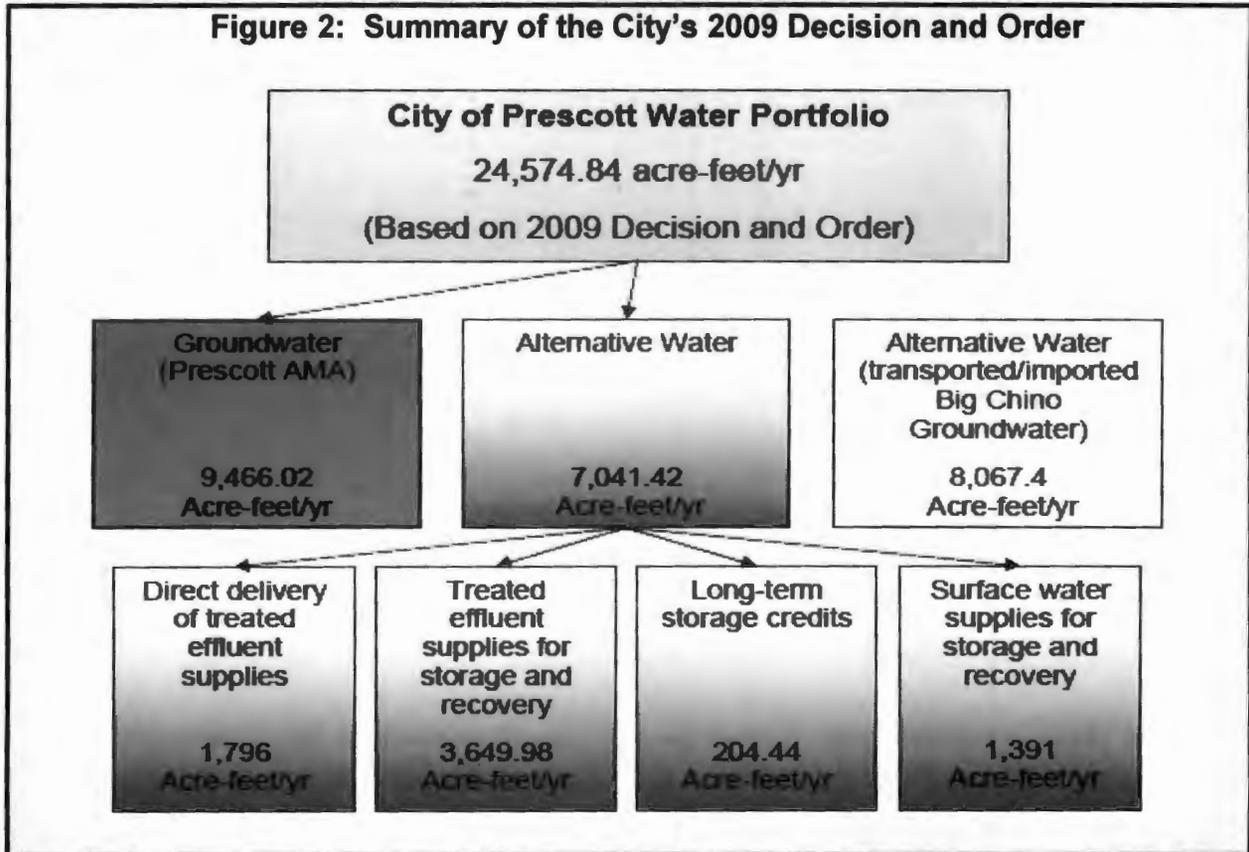
Section 2.a. State Requirements

The City of Prescott water service area is located within the PrAMA established under the Arizona Groundwater Management Act (GMA) of 1980. Prescott Valley, Chino Valley, Dewey-Humboldt, the Yavapai Prescott Indian Tribe Reservation, and some surrounding areas of unincorporated Yavapai County comprise the remainder of the Prescott AMA. The City is only one entity within the PrAMA, not the regulating authority, and accounts for about 8.6% of the land area.

City Policy: Meet all state requirements as identified in A.R.S. § 45 and 49

Through a series of management plans administered by ADWR, the 1980 Groundwater Code establishes water management strategies that emphasize conservation, replacement of existing groundwater use with renewable supplies, recharge, and water quality management by all users within the AMA to help achieve the goal of safe-yield by 2025.

The PrAMA is also subject to the requirements of the Assured Water Supply (AWS) program. The City has maintained a D&O since 1999, which is updated periodically to reflect water resource availability. The City is currently operating under the 2009 D&O (ADWR AWS No. 86-401501.0001), Figure 2, with supplies limited alternative water supplies remaining from the 2005 D&O.



The City of Prescott considers water management to be an important tool in implementing its overall growth planning and management policies, goals and objectives; and intends to manage its water resources accordingly. The City has employed management tools and policies to meet the State's strategies for conservation (e.g. public education programs and tiered water rates), replacement of groundwater with renewable supplies (e.g. reclaimed water and purchase of Watson and Willow Lake reservoirs), recharge (City's facility has been operational since late 1980s), and water quality (efforts in accordance with Arizona Department of Environmental Quality). Further, the City of Prescott manages its water resources in compliance with Prescott AMA specific decadal management plans for reaching the AMA-wide goal of safe-yield. In September 2014, ADWR adopted the Fourth Management Plan (4MP) for the PrAMA. Requirements of the 4MP are effective January 1, 2017. Until then, the City and other regulated parties are subject to ADWR Third Management Plan. A Designation of Assured Water Supply is the highest standing that a water provider can seek from ADWR, and requires demonstration that a water supply will meet the following seven criteria: physical availability, legal availability, and continuous availability for 100 years, financial capability, water quality, consistency with the management goal, and consistency with the management plan. The D&O quantifies the City's available physical supplies. The types, sources, and volumes of water identified by the City's D&O, **Figure 2**, have increased over time.

City Policy: Uphold the City's Decision and Order of Assured Water Supply

The status of each block in relation to this policy:

Groundwater: This quantity, 9,466.02 AF, is not a volume that is allocated by the City, but in accordance with Arizona Revised Statutes. This supply supports the majority of water needs in the City limits that were recognized circa 1998; it is referred to as "current and committed demand."

Alternative Water: Limited supplies remain available from this portion of the portfolio. The majority of the available supply has been placed into post-1998 contracts or reservations for future use. This is the portion of the portfolio that is allocated in accordance with Section 5 of this policy.

Alternative Water (transported/imported): This portion of the portfolio relates to the volumes and authorities the City has within the Big Chino Sub-basin. In the future this supply will be may be allocated similar to other alternative supplies. At this time, this water is not being placed into any new contracts.

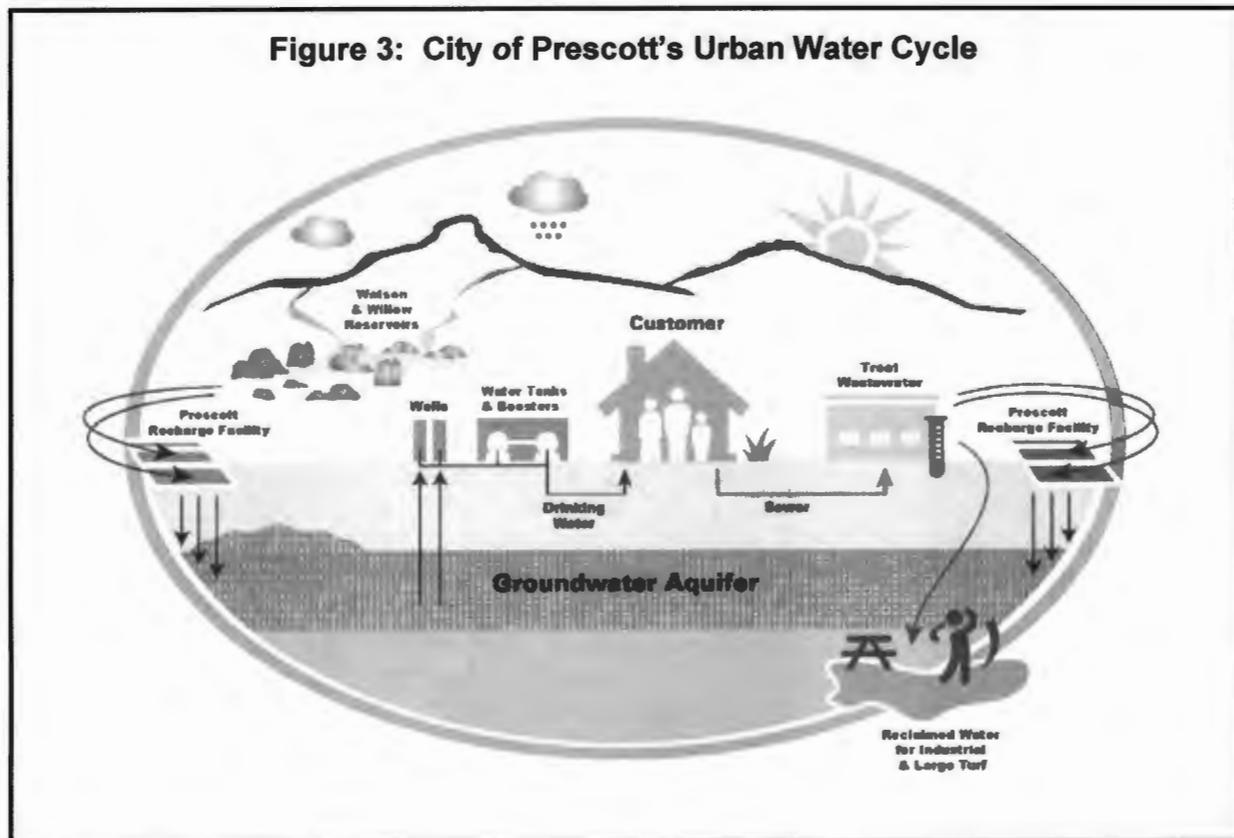
Section 2.b. City requirements

City Codes are modified over time to meet community water supply conditions. To support codes, there are also policies. City Code 2-1-12, identifies that the City can further outline water management through policy. This document is one such policy, providing an overview of water supplies yet its focus is the allocation of alternative water supplies as shown in the D&O.

This document will be updated as needed and the yearly allocation of supplies will be recommended to the Council no later than the beginning of each Calendar Year. For more information on the City's alternative water allocation policy see Section 5.

Section 3: Physical Water Supplies

The City of Prescott relies primarily on groundwater for water supply. Therefore, in order to protect this supply, the City augments the groundwater, as outlined in state laws, by using surface water from local reservoirs and reclaimed supplies (treated effluent) to recharge the aquifer. Additionally, the City has secured groundwater supplies in the neighboring Big Chino sub-basin for use in the future. Water supplies are delivered to homes and businesses according to the Prescott Water Cycle, Figure 3, a synergy of the natural water cycle in combination with the City's infrastructure.



through a network of 400 miles of sewer pipes, 8,200 manholes and 63 lift stations. System maintenance includes mainline repairs, manhole rehabilitation, pump replacement/repairs and response to customer service requests. (See Figure 3 – Customer to Treat Wastewater)

Wastewater Treatment

Wastewater collected by the City sewer system flows to the Wastewater Treatment Plants, where it undergoes a multi-faceted biological process to separate out the solids and treat the water for reuse and recharge. The treated water, called effluent or reclaimed supplies, is sold for use in watering golf courses and industry to reduce potable water demand. The solids are used in land application and/or hauled off to a landfill for cover. (See Figure 3 – Treat Wastewater)

Recharge

The reclaimed water that is not used in direct reuse is recharged to the aquifer, along with surface water from the reservoirs, and the cycle begins anew. (See Figure 3 – Prescott Recharge Facility)

Section 4: Water Management – Integrating Physical Supplies and Legal Requirements

Arizona has a premier water management policy structure dating back to 1980. It has extended the water supplies for many population centers in Arizona. The City has managed community supplies as populations have grown, laws have become more rigorous, and weather patterns have changed. Each subsection below provides a brief explanation of how the physical supplies are integrated with the supplies outline in legal water documents.

Section 4.a. Water Management and the City's General Plan

In 1988, the State first required Arizona cities to prepare a General Plan as part of the “Growing Smarter/Growing Smarter Plus” legislation. The City’s latest General Plan (voter approved August 25, 2015) can be located on the City’s website at

. This plan continues to integrate water resource availability with the possible growth and community’s preferred future.

Current expectations within the general plan estimate a build-out population between 60,000 – 70,000 people.

City Policy: Continue to evaluate and address the community’s water supplies within the City’s General Plan

Section 4.b. Water Management and Conservation Planning

The City has built a strong foundation for water conservation that has set the standard for maintaining a water conservation program capable of, and encouraged to, adapt and grow to address the next generation of water conservation issues. As far back as 1924¹, the Mayor and Council resolved that it had become “necessary to conserve and protect

the water supply of the City of Prescott” and set into motion a long history of water conservation. Since then, community water conservation efforts have matured alongside evolving technology and a changing society. The State of Arizona GMA was adopted in 1980², which among many requirements, included laws that would lead to greater water conservation in all sectors and had the effect of setting the stage for the coming decades.

City Policy: Continue to assess the community's water supplies to provide education and tools to assist home and business owners with basic and advanced conservation methods.

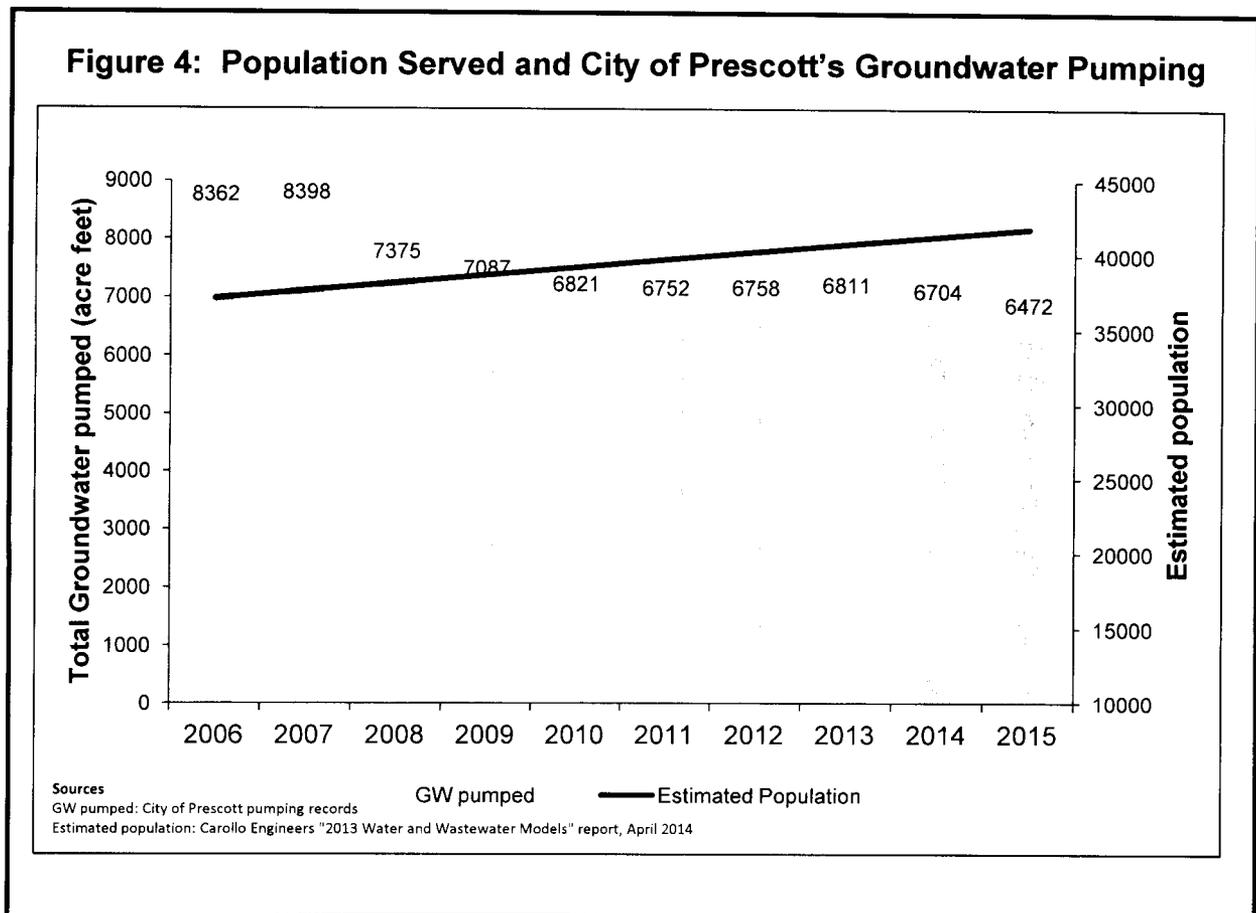
Water Conservation Highlights of the City of Prescott

- ◆ 1981 - The City created an Energy and Resource Task Force³; whose accomplishments included development of a low-water use native plant list suitable for the Prescott area as well as the adoption of a Water Conservation Code in 1982⁴ for the purpose of establishing maximum flow rates for plumbing fixtures and other devices to conserve water.
- ◆ 1987 - The Water Conservation Code was amended⁵ to restrict the filling of artificial lakes with potable water as it “hinders water conservation”; in 1990 it was determined that water meters should be read on a monthly basis⁶, instead of quarterly, to promote water conservation.
- ◆ 1992 - Due to the “specific interest in prudently managing its water resources, of which there is only a finite supply”⁷, the City implemented an Incentive Program to provide rebates to customers for water conservation efforts, prohibited the use of spray fountains, and declared it unlawful to allow potable water to be used for irrigation or be allowed to flow in the streets.
- ◆ 2004 - A Water Conservation Committee was formed⁹ to review the water conservation code and program.
- ◆ 2006 – A Water Conservation Code amendment¹⁰ restricting outdoor watering times during summer months, a water rate study and increase in 2006, and continuous updates to the Incentive Program.
- ◆ Since 2007 - The total groundwater pumped to serve water customer needs has decreased each year, even with a growing population (Figure 4). Gallons per capita per day (GPCD) measures how much water is used per person per day in a community. This is one of the most common measures of water use, and enables comparisons of water use to other water users inside and outside the community. City of Prescott GPCD has been on the decline since 2002 (Figure 5).

- Beginning in September 2009, the City has been regulated under the state's "Modified Non-Per Capita Conservation Program" which requires implementation of a public education program and five additional water conservation measures (Best Management Practices) to be documented in a Conservation Efforts Report each year.

City of Prescott Best Management Practices (BMPs) include:

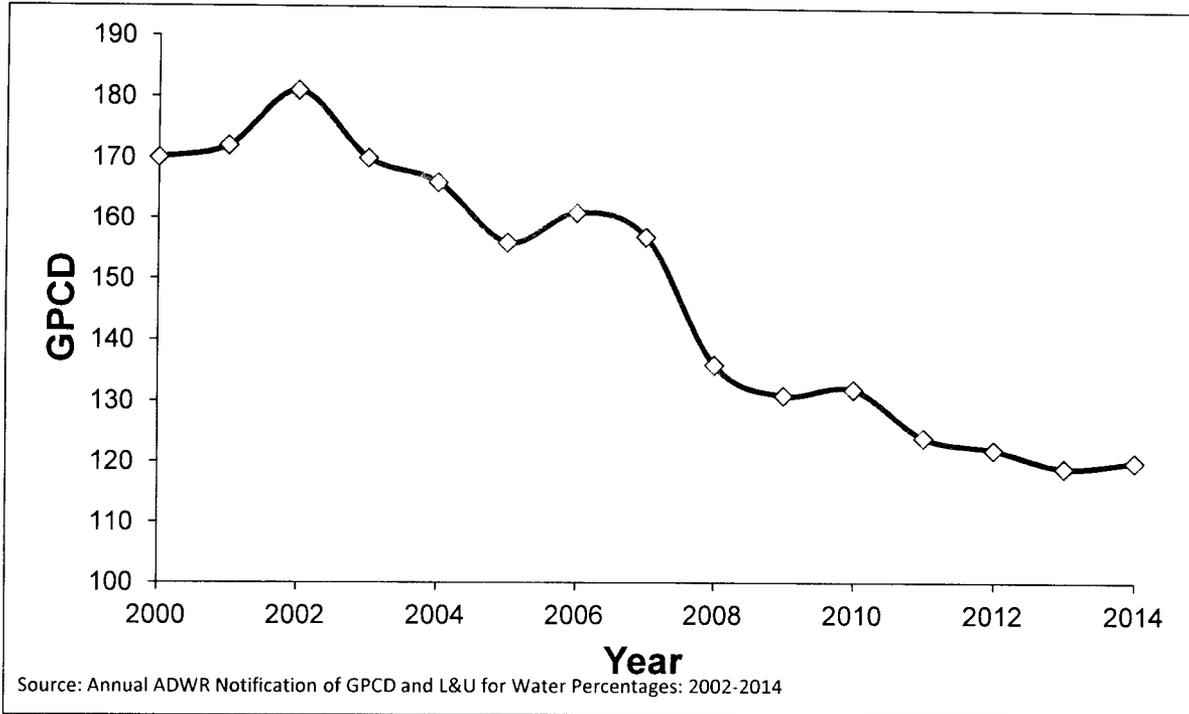
- Local and/or Regional Messaging
- Youth Conservation Education Program
- Residential Interior Retrofit Program
- Landscape Water Restrictions
- Public Education – Outdoor Landscaping
- Incentive (outdoor) – Landscape Conservation Rebate



Through these efforts, the City has bettered the state water conservation requirements for both gallons per capita use and system losses (water line breaks or older main replacements). In January 2017, the ADWR Fourth Management Plan will go into effect. During this management plan period, the City will return to the GPCD program;

however, the City will continue to develop and expand upon certain BMPs to further increase effectiveness of the Water Conservation Program.

Figure 5: City of Prescott Gallons Per Capita Per Day (GPCD)



References:

¹	Resolution No. 76 - March 3, 1924	⁶	Ordinance No. 2154 – Feb 27, 1990
²	Resolution No. 1669 – March 23, 1981	⁷	Ordinance No. 2377 – May 12, 1992
³	A.R.S. § 45		
⁴	Ordinance No. 1596 – Sept 13, 1982	⁸	ADWR Report on the Final Decision and Order that the Prescott Active Management Area is no longer at Safe-Yield. - Jan 12, 1999.
⁵	Ordinance No. 1884 – May 12, 1987	⁹	Prescott City Council Regular Meeting – August 10, 2004
		¹⁰	Ordinance No. 4536 – April 11, 2006

Section 4.c. Water Management and Drought Planning

Prescott is located in the Central Arizona Highlands of AZ, in the Southwestern US, where droughts have occurred regularly throughout history. While much the Southwest is confronting the challenges of an ongoing 15 year drought, the City has worked continuously, through State and local laws, to plan for resilient water supplies. Recognizing the historical and current drought conditions, the City is committed to drought preparedness.

In 2005, the Arizona Legislature passed a law (HB 2277) that required all Arizona water providers to develop a drought preparedness and response plan. City codes regarding water resource shortages (including drought conditions) have been in effect since 1992. The City's first State required Drought Plan was completed in 2007; thereafter it is updated every 5 years.

It is important to note that it would take severe or prolonged drought to cause the City to suspend normal water services and mandate water reduction measures. Nonetheless, deep and prolonged droughts can occur and the City has maintained a Drought Management Plan in preparation.

The City of Prescott's Drought Management Plan is founded on five fundamentals:

1. To provide a quantity of adequate water meeting required quality standards to assure the safety, health, and welfare of the public including wildfire prevention.
2. To minimize disruption of economic, business, and residential activities.
3. To maintain public trust through effective communication with residents and businesses in implementing the plan.
4. To provide a balanced and equitable plan, in which all water customers share the impacts and responsibilities in proportion to the amount of water used in accordance with legal documents, and the magnitude of the water shortage.
5. To provide a comprehensive, logical, and coordinated plan that is effective, practical and flexible.

In addition, the City's Water Conservation Code includes provisions for restrictions during water shortages, (Prescott City Code, § 3-10-11), and provides flexibility for use in any foreseeable water supply emergency. The City Manager can declare Water Resource Status Levels based on the relationship between water demand and municipal safe production capability. These Water Resource Status Levels correspond to a mandatory Water Conservation Level that will take effect upon notice of the declaration.

City Policy: Continue to monitor the community's water usage in accordance with City Code requirements for Resource Status Levels and associated Water Conservation Levels.

Section 4.d. City's Assured Water Supply and Water Loss

Water conservation by the end user, homes and business, is just as important as ensuring that the water delivery system is efficient. The State terms this efficiency as a requirement to reduce system water losses. State statutes define the system losses as not to exceed 10%. Each year the City files information to the State and the City's system losses are examined; the City has not had losses above 10% since 2005 (and likely earlier). The City manages the system losses by documenting any unmetered uses, and through systematic processes identifies capital improvement projects for the replacement of aging infrastructure.

Section 4.e. City's Assured Water Supply and Infrastructure Planning

The City is an Assured Water Provider for over 40,000 people, like other providers of water supplies; hydraulic modeling is applied to ensure the existing and future infrastructure meets all engineering standards. Through modeling, existing and future needs can be assessed as the community reaches build-out (see the City's General Plan). The City's Decision and Order of Assured Water Supplies is included in the hydraulic modeling exercises and updates.

Section 5: City's Decision & Order (D&O) and Calendar Year 2017 supply allocation

This section of the policy is intended to be updated each year as supplies from the City's alternative water portion of its portfolio are available for placement into water service agreements (contracts). For additional background information regarding the City's portfolio, see the *City of Prescott, Alternative Water Allocation Policy, Calendar Year 2016* (Resolution No. 4328-1537) or

Section 5.a. Summary of Alternative Water Allocations (1999-2016)

From 1999 to October 4, 2016, 2,125.74 AF have been placed into contracts while 1,834.73 AF remain in reservations. During Calendar Year 2016 (as of 10/11/2016), 214.2 AF was placed into contract or set aside to meet a historic contractual obligation.

Section 5.b. Water Allocation Policies and Volumes for Calendar Year 2017

The policies are organized in three categories: (1) Overall Requirements, (2) 2017 Budget, and (3) Reservations.

Category 1: Overall Requirements

These overarching policies comprise the basic requirements for placing alternative water supplies into water contracts. Exceptions that apply or connections to other categories have been noted.

Policy 1 – The City Manager may direct any requests for alternative water to the City Council for approval. Residential requests of less than 4 dwelling units may be approved by the City Manager administratively; 4 or more units will require Council approval.

Policy 2 – Water allocation will remain at 0.35 AF and 0.25 AF per residential unit for Single Family Residential and Multi-Family Residential, respectively.

Policy 3 – A water demand analysis satisfactory to the Water Resource Manager may be required for non-residential uses to assure infrastructure and supply sufficiency.

Policy 4 - Water service agreement applications will be accepted with the submission of a building permit, site plan, or preliminary plat application (see Section 5.b. Water Allocation Procedure).

Policy 5 - Alternative water contracts that expire during Calendar Year 2017 will not be amended to increase the number of lots or volume of water. A one-time extension for one (1) year may be requested, by the applicant; however, there shall be no further entitlement to additional extensions or replacement with a new contract.

Policy 6 – For expired contracts, the associated volumes will be returned to the General Pool or original contractual reservation, as applicable.

Policy 7 – Alternative water will not be allocated to support lot splits occurring in subdivisions that have a groundwater allowance. Alternative water will only be allocated per policy to support lot splits occurring in vacant, residentially zoned tracts identified in the associated reservation (see Category 3). Splits of unsubdivided lots (no groundwater allocation), not identified in the vacant residential reservation, and may be supported by alternative water if sewer is available, and connection to sewer is a condition of water service.

Policy 8 – Alternative supplies shall not be allocated for uses that will not return 50% or more wastewater to the treatment plants (e.g. new turf, commercial agriculture, residential requests without sewer connection, etc.), with the exception of certain Pre-Existing/Historical Agreements (Category 3).

Policy 9 – For a project that exceeds the quantity of water available in the water budget, or requires greater than 50% of the remaining volume, the City will accept extinguished, pledged irrigation grandfather rights (Attachment 1).

Policy 10 – Any unallocated water remaining in the General Pool as of December 31 of the Calendar Year may be considered by the Council in setting the water budget for the following Calendar Year.

Policy 11- Contracts shall contain performance criteria to include, but not be limited to, a termination date appropriate for the type of project (large subdivision, single family home, etc.), which date shall not be extended. In the event of termination, the reservation for the entire property shall likewise be terminated.

Policy 12 – Water service agreement applications will expire one (1) year from the date of the application.

Policy 13 – New application for water service agreements for apartments shall not be accepted in 2017, unless it is a project for which a portion of the needed water supplies have been allocated in an earlier contract or an “Exhibit A” project (Attachment 2). The City shall prepare a report assessing inventories and demands for apartments and other housing types within the City limits. Findings will be reported to the City Council as input for the Calendar Year 2018 Alternative Water Allocation policy and budget.

Policy 14 – Water supplies set aside for “Exhibit A” projects (Attachment 2) will expire June 30, 2017. A complete application must be filed in accordance with Section 5 no later than June 30, 2017, 2:00pm.

Policy 15 – Well(s) on the property must be abandoned in accordance with ADWR requirements.

Policy 17 - No one project can use more than 50% of the remaining quantity. If a project needs more than 50% of the remaining volume, see Policy 9.

Policy 18 – All projects must connect to City sewer immediately for allocation.

Category 2: 2017 Alternative Water Supplies for Placement into Contract

Overall budget: 250 AF	
Contractual Obligation	100 AF for use on lands identified by Bk 2099 Pg 666 and Bk 869 Pg 751 (Bullwhacker Ranch Inc). The water will be set aside for three (3) years initially, after which the volume remaining will be reviewed (May 2019).
2017 Water Budget = 150 AF	
Residential	Commercial
Quantity: 50 AF	Quantity: 100 AF
Project must meet all City Codes	A. For commercial subdivisions or economic development B. Water Demand Analysis C. Must be approved by Council.

Category 3: Reservations

Reservations made by the City through contracts or other Council actions are unique. The Category 1 policies generally apply subject to the specific provisions thereof. Four such reservations are identified below.

1. The reservation for Chino Valley Irrigation District in place shall remain in place, and not be modified by this Policy.
2. The reservation for Vacant, Residentially-Zoned Tracts within the City on October 4, 2016, was 431.3AF. Water from the current balance of this reservation is available for allocation subject to the following:
 - A. Allocations will be made for those tracts identified in 2009 and reaffirmed in 2015, at the corresponding development densities and volumes.
 - B. One allocation, up to the entire quantity reserved by the City, shall be available for each tract for which a reservation has been made, and formalized by a water service agreement. No subsequent incremental allocation for each such tract from said reserved quantity shall be made. Any remaining (unused) water for each such tract shall be returned to the General Pool.
 - C. The total quantity reserved for vacant, residentially-zoned tracts shall be reduced by the quantity of fifty (50) acre-feet each year, with said reduction to be transferred to the General Pool, effective January 1, 2017, and on each subsequent anniversary date thereafter.
 - D. Notwithstanding the foregoing, nothing shall preclude the owner of any developable property within the City or otherwise satisfying requirements of the City Code for water service from applying for alternative water that is available within a water budget adopted by the Council.
 - E. Contracts shall require written performance criteria to include, but not be limited to, a termination date of not more than two (2) years, which date shall not be extended. In the event of termination, the reservation for the entire property shall likewise be terminated.
 - F. In the event that rezoning of a property identified as a vacant residentially zoned tract within the city limits increases the number of potential residential dwelling units, the reservation of water for said property shall not be increased at the time of such rezoning to reflect the additional demand corresponding to the increase in dwelling units; and any existing reservation shall remain in force (Resolution No. 4071-1141).
3. The reservation for Pre-Existing/Historic Agreements (Ewin and Iron Springs) is 58.5 AF. In 2016, it was verified that both Prescott Riviera and Rancho Vista meet the State

of Arizona laws to be “current and committed” groundwater demand. As of October 4, 2016, the volume remaining is estimated to be 45.2 AF. This reservation remains under review.

- A. These pre-1998 contractual agreements will be issued water consistent with the agreement provision and all current City codes.
 - B. Once said reservation has been fully placed into contracts, no further water shall be available for development of the specified properties. The corresponding water service agreements shall not expire.
 - C. If, during the remainder of Calendar Year 2017, this reservation is found to be unnecessary (is recognized to be eligible for current and committed groundwater supplies), then the reservation will be terminated.
4. The reservation for Deep Well Ranches was effective December 24, 2009, and set forth by City Contract No. 2010-086. As of October 4, 2016, the volume remaining is 1,756.4 AF (856.4 AF non-BCWR alternatives supplies, and 900 AF BCWR alternative supplies). As provided for by said contract, nothing shall preclude the Owner from applying, now or in the future, for additional water from any sources of the City made available for development within the City.

Water Allocation Procedure

Allocation of the City’s water for development is based upon all applicable City and State of Arizona codes, policies, and adopted plans. Depending on the type of project, there are three potential pathways to possible water allocation. The City will determine the most suitable path for each project from the following list:

1. Administrative Approval (< 4 units)
 - A. Contact Community Development to discuss the project and the need for a Pre-Application Conference (PAC). Submit PAC application and schedule the conference.
 - B. After PAC (if needed) or determination of water supply needs, submit a building permit application (includes water service agreement application).
 - C. See overall policies (Section 5.b.).

2. Site Plan Review and Approval

- A. Contact Community Development to discuss the project and the need for a Pre-Application Conference (PAC). Submit PAC application and schedule the conference.
- B. After PAC (if needed), submit a Site Plan application (includes water service agreement application).
- C. The Site Plan review process is described in the Land Development Code Section 9.8.
- D. Concurrent to Planning Commission (LDC 9.8), the project will also be scheduled for Water Issues Committee review.
- E. Water Service Agreement (WSA) contract approval by City Council will be required at the same time of Site Plan approval.
- F. To be approved, the WSA contract shall include the following performance criteria:
 - i. A building permit application must be submitted within 1 year. A one-time extension of six (6) months will be allowed, if requested in writing before expiration of the water contract.
 - ii. The project must be completed and a certificate of occupancy obtained within the time period specified in the WSA following issuance of a building permit. A one-time extension of one (1) year will be allowed, if requested in writing before expiration of the water contract.
- G. If any of the performance criteria is not satisfied, the water allocation will expire and the water will return to the portfolio.

3. Preliminary Plat Review

- A. Contact Community Development to discuss the project and the need for a Pre-Application Conference (PAC). Submit PAC application and schedule the conference.
- B. After PAC, submit a Preliminary Plat application (includes water service agreement application).
- C. The Preliminary Plat Review process is described in the Land Development Code Section (LDC 9.8).
- D. During the Preliminary Plat review process (LDC 9.8), the project will also be scheduled for Water Issues Committee review.
- E. Water Service Agreement (WSA) contract approval by City Council will be required at the same time of Preliminary Plat approval.
- F. If approved, the WSA contract will include the following performance criteria:
 - i. A final plat must be submitted within one (1) year of approval. A one-time extension of one (1) year will be allowed, if requested in writing before expiration of the water contract
 - ii. The final plat must be recorded within the time period specified in the WSA. A one-time extension of one (1) year will be allowed, if requested in writing before expiration of the water contract
- G. If any of the performance criteria is not satisfied, the water allocation will expire and the water will return to the portfolio.

Water Service Agreement Application

New requests for water shall be made by submission of the updated form (Attachment 2). All applications shall expire in one year. All project fees in effect at the time of the application shall also be paid as a condition of water service agreement approval. *Note that an application does not entitle or guarantee a project's water supplies. Applications will be processed subject to review timeframes, and Council, Committee or Commission meeting schedules. Water contracts are subject to Council approval unless otherwise noted in this policy.*

Section 5.c. Water Allocations in 2017 and Subsequent Years

Any quantity of alternative water remaining from Calendar Year 2017, may be made available for future annual alternative water budgets, as prescribed by the City Council.

COUNCIL WATER ISSUES COMMITTEE AGENDA MEMO
November 1, 2016

DEPARTMENT: City Manager (Water Resource Management)

AGENDA ITEM: Granite Dells Estates

Approved By:

Date:

Water Resource Manager: Leslie Graser

Regional Programs Manager: Craig McConnell

Background

The City received a letter from the property owner dated August 19, 2016, regarding Granite Dells Estates (GDE) subdivision and water allocation. The letter requested placement of the subject on the September 6, 2016, Council Water Issues Committee meeting agenda. At the September Committee meeting the project was reviewed including the following items:

- 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) which is currently in effect.

Amendment 1 to the Agreement for Potable Water outlines the following current availability of water for GDE development.

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 further 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 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”).”
- “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.”

The September 6, 2016, Committee meeting minutes report that a draft 2017-2020 Water Management and Alternative Water Policy was expected in the next month, and available volumes for allocation would be reviewed with the Committee’s October meeting. This additional information is necessary to determine if the supplies requested may be available and their possible timing.

Request for Additional Water for Granite Dells Estates

Phase-in the additional water, approximately 191 acre-feet, beginning Calendar Year 2019 in 50 acre-feet/year blocks. This is a volume that was estimated by the property owner based on a total of 1090 single family and 309 multi-family units.

Consideration of the Granite Dells Estates Request

This request will require several meetings. A timetable is outline as follows:

- | | |
|-------------------------|---|
| <u>November 1, 2016</u> | Council Water Issues Committee provides direction to Water Resource Manager |
| <u>December 6, 2016</u> | If appropriate, Granite Dells Estates request is placed onto Committee agenda for discussion and recommendation to Council (date specified) |
| <u>January 24, 2017</u> | If appropriate, Granite Dells Estates request is placed onto Council Agenda (voting session). |

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:

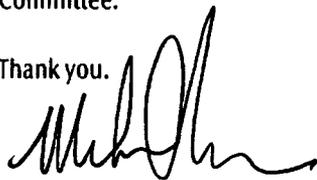
1. Modify the Water Service Agreement to allow for 1090 single-family units and 309 multi-family units or equivalent (approximately 440 acre-feet total).
2. Eliminate the workforce housing requirement (frankly, although it takes a number of assumptions that are simply not defined, I believe that we are 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

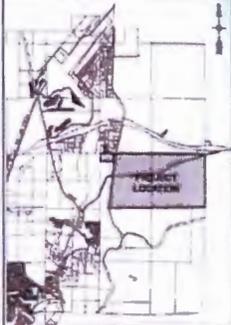
CITY OF PRESCOTT**Special Voting Meeting****Tuesday, July 2, 2013 - 3:00 PM****ACTION TAKEN:****II. REGULAR AGENDA**

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 400th 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 400th 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.



SUBDIVISION MASTER PLAN
GRANITE DELLS ESTATES
LOCATION MAP
 NET 10 DALL



NON-RESIDENTIAL

PRODUCT	AREA
INDUSTRIAL GENERAL	16 AC.
BUSINESS GENERAL	47 AC.
EQUESTRIAN CENTER	13 AC.

RESIDENTIAL DWELLING UNITS (D.U.)

PRODUCT	COUNT	AREA	MASS GRADED
55'x125'	108	0.18 AC.	YES
60'x120'	99	0.17 AC.	YES
70'x125'	101	0.20 AC.	YES
75'x125'	42	0.21 AC.	YES
85'x120'	80	0.28 AC.	YES
CUSTOM	96	0.50 AC.	YES
CUSTOM	92	0.75 AC.	YES
EQUESTRIAN	82	1 AC.	NO
EQUESTRIAN	56	2 AC.	NO
CUSTOM	56	2-3 AC.	NO
MULTI-FAMILY	368	18.8 AC.	YES
WORKFORCE	180	28 AC.	YES
TOTAL:	1,308		

REQUESTED WATER ALLOCATION - 1.988 D.U.
 OWNER
 GRANITE DELLS ESTATES PROPERTIES, INC.
 GRANITE DELLS ESTATES PROPERTIES I, INC.
 1403 INDUSTRIAL WAY
 PRESCOTT, ARIZONA 86301
 (928) 778-0100
 PROJECT CONTACT: MICHAEL FARR

ENGINEERS/SURVEYORS
 DRAWING NO. 202001-001-001-001-001-001
 DATE OF PREPARATION: 08/08/2020
 DATE OF REVISION: _____

 L&L Engineering and Surveying
 1000 WILLOW CREEK ROAD
 PRESCOTT, AZ 86301
 (928) 778-0100
 FAX: (928) 778-0000
EXHIBIT USE ONLY
 SHEET: 1 OF 1



Land Use Data Table

Parcel	Lot Size/Use	Gross Ac.	Unit Count
A	55' x 135'		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'	31.1	60
N	80' x 140'	31.1	60
O	100' x 150'	31.5	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		41
T	Custom 1 ac		60
U	Custom 2/3 ac		97
V	Custom 1/2 ac		66
Total			1,399

THE DELLS
 MASTER PLAN

This document together with the proposed development plan, is a representation of a preliminary plan and is not intended to be a final plan. It is subject to change without notice. © COPYRIGHT 2010 LVA URBAN DESIGN STUDIO, LLC. ALL RIGHTS RESERVED. 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 PERMISSION IN WRITING FROM LVA URBAN DESIGN STUDIO, LLC.

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
GDE Total				412,590	287	825,180	573	1,237,771	860

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



**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).

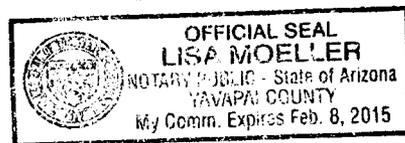
3. Except as otherwise specifically deleted and/or modified in this Amendment, all other terms and conditions of the Agreement are confirmed.

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 8th 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.

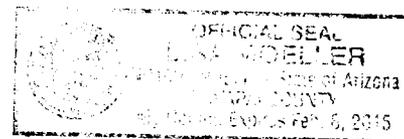
By: [Signature]
Notary Public



STATE OF ARIZONA)
) ss.
County of Yavapai)

On this 8th 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..

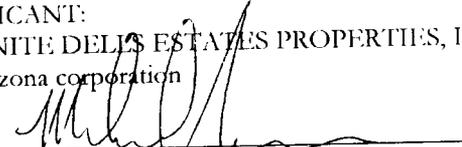
5. That upon approval by the City of a final plat for the 400th residential unit on the Property, the Applicant may apply to the City for an allocation of water above the Cap to serve additional residential units to be developed (the "Application").

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.

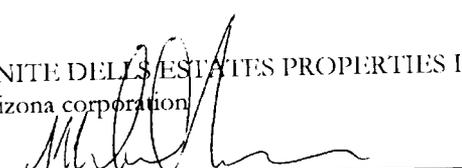
7. That all other terms, conditions, and understandings set forth and agreed to by the Agreement shall remain in force, unless specifically modified by this First Amendment.

DATED this 8th day of July, 2013.

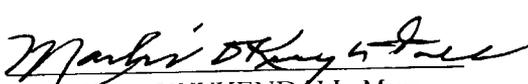
APPLICANT:
GRANITE DELLS ESTATES PROPERTIES, INC.
an Arizona corporation


BY: Michael W. Fann
Its: President

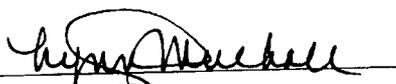
GRANITE DELLS ESTATES PROPERTIES II, INC.
an Arizona corporation


BY: Michael W. Fann
Its: President

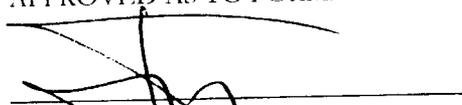
PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott this 2 day of July, 2013.


MARTIN D. KUYKENDALL, Mayor

ATTEST:


LYNN MULHOLLAND
City Clerk

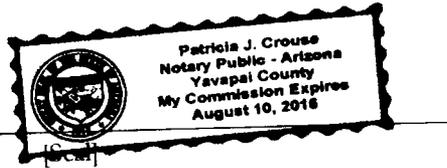
APPROVED AS TO FORM:


JON PALADINO
City Attorney

STATE OF ARIZONA)
)ss.
COUNTY OF YAVAPAI)

SEAL

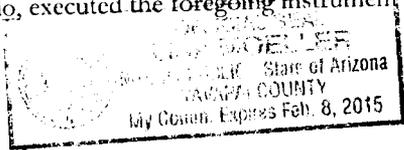
The foregoing instrument was acknowledged before me this 3 day of July, 2013, by Marlin D. Kuykendall, Mayor of the City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to within the instrument, and acknowledged that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

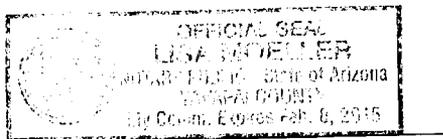


[Seal]

[Signature]
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.



[Seal]

[Signature]
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.

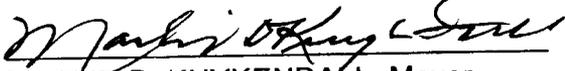
ENACTMENTS:

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.

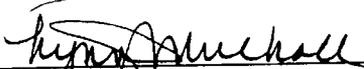
SECTION 2. THAT the Mayor and City staff are hereby authorized to take any and all steps deemed necessary to accomplish the foregoing.

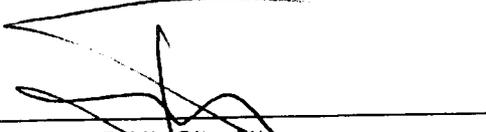
PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 2nd day of July, 2013.


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)