

MINUTES

SPECIAL WORK SESSION
MONDAY, SEPTEMBER 30, 2013
COUNCIL CHAMBERS
211 WEST ASPEN AVENUE
4:00 P.M.

1. **Call to Order**

Mayor Nabours called the meeting to order at 4:00 p.m.

2. **Roll Call**

NOTE: One or more Councilmembers may be in attendance telephonically or by other technological means.

Present:

Absent:

MAYOR NABOURS
COUNCILMEMBER BAROTZ
COUNCILMEMBER BREWSTER
COUNCILMEMBER ORAVITS
COUNCILMEMBER OVERTON
COUNCILMEMBER WOODSON

VICE MAYOR EVANS

Others present: City Manager Kevin Burke and Deputy City Attorney Sterling Solomon.

3. **Presentation on Principles of Sound Water Management - Water Policies.**

Utilities Director Brad Hill began a PowerPoint presentation on the review of the Principles of Sound Water Management Water Policies Chapter. Mr. Hill provided a brief background and history of the process to date and introduced Utilities Engineering Manager Ryan Roberts, Water Resources Manager Erin Young and Planning Director Jim Cronk.

Mr. Roberts continued the presentation.

- ▶ E – INFRASTRUCTURE
- ▶ POLICY E4 - SERVICE OUTSIDE CITY LIMITS

Mayor Nabours noted that there is not a separate section in the policy for reclaimed water outside of City limits as there is for water and sewer. He suggested that a section be added for reclaimed water.

Councilmember Brewster inquired about annexation of the new W.L. Gore complex on Route 66 as they are currently receiving services from the City. Mr. Roberts explained that a portion of the complex is outside city limits and they were granted services with a pre-annexation agreement. That agreement has expired and they are now seeking services for additional buildings with another pre-annexation agreement. They are not currently receiving reclaimed water due to not having lines near their development. If

W.L. Gore wanted reclaimed water they could pay for a main extension to their site and there has not been any known conversation to that effect.

Mr. Roberts continued the presentation.

- ▶ POLICY A3.3 - RATE DESIGN
- ▶ POLICY A3.4 - RECLAIMED WATER RATES

Council inquired about water users who are planning to expand their business and if they have to apply and go through the process again. Mr. Roberts responded that if they are not asking for an additional meter then they do not have to come back to Council or Utilities; in the case of additional meters, those would have to go before Council and Utilities for approval.

Mayor Nabours asked for clarification on the adjusted rate that will be subsidized by the water rate customers. Mr. Roberts stated that the subsidy is being assigned to the water side so that the rates offset the reclaimed water price which is in direct correlation to the potable water savings. The revenue generated from the reclaimed side stays in the Utilities funds.

Council asked if the City is able to deny a hook up based on the type of use if the city has maxed out on the reclaimed water supply. Mr. Hill offered that the ability to deny the availability of water does exist and he is able to make those decisions based on current supply.

Mr. Roberts continued the presentation.

- ▶ RECLAIMED WATER MAP

Mayor Nabours indicated that Council needs to give direction on whether or not it wants to treat water and sewer the same as reclaimed water or treat them as three separate commodities and if new customers outside the City have to be annexed before they can get reclaimed water.

Councilmember Barotz asked for clarification on the policy that deals with contiguous and non-contiguous annexations. Mr. Cronk responded that the state legislature has adopted certain annexation requirements; the property is required to be contiguous to the City or a City island. In the event it is not, it is required that everyone in between them and the city also annex. It is not permitted to annex properties that are not contiguous. Mr. Burke offered that at the June meeting Council discussed the use of a pre-annexation agreement as a tool. This policy does not allow for pre-annexations unless the property is contiguous.

Councilmember Woodson offered if the City does not give someone water service outside City limits they drill a well or haul water, essentially it is the same water the City would be distributing anyways. If the City does not offer sewer outside the City limits they put in a septic system that ends up at the treatment facility. It all is connected in terms of commodity. Council needs to decide the best use and value of the resources available. To apply the rules the same way to all three could be detrimental in the future

however, there should be some consistency to being contiguous and annexed. If annexed, the customer gets a better rate and those who do not annex get a higher rate.

Councilmember Overton commented on his desire for the City to treat everyone equitably. When State law allows the City to annex it should do so; for those non-contiguous it seems a waste of time to ask them to complete a pre-annexation agreement when it is known that it will never happen due to state law.

Mr. Cronk offered that with the way the policy is written customers have to be contiguous or an island to be annexed. If not, they are offered a pre-annexation agreement but what happens is if and when the water is limited the City would continue to service outside the City but have to deny inside the City if new requests came in. It is a development issue.

Mayor Nabours asked if there should be a policy that requires water and sewer to annex contiguous requests but reclaimed water could be sold to whoever wanted to pay for the piping without annexation. A majority of Council agreed with this statement.

Mayor Nabours again suggested that a separate section needs to be devoted to reclaimed water. Council agreed that there should be a separate section for water, sewer, and reclaimed water.

Council discussed the need to make sure reclaim water customers are aware that at some points during the year reclaim water may not be available.

Mr. Hill continued the presentation

- ▶ WATER RESOURCE MANAGEMENT – RECLAIMED WATER
- ▶ WATER RECLAMATION – RECLAIMED WATER
- ▶ B4 DEFINITIONS
- ▶ POLICY B4.1
- ▶ POLICY B4.2
- ▶ POLICY B4.3
- ▶ POLICY B4.4
- ▶ POLICY B4.5
- ▶ POLICY B4.6

Mr. Burke clarified that the ability for the Utilities Director to stop issuing reclaimed agreements is already in ordinance. Mr. Hill responded that there are several new requests that are currently waiting for the supply to increase.

- ▶ POLICY B4.7
- ▶ POLICY B4.8
- ▶ POLICY B4.9
- ▶ POLICY B4.10
 - EXAMPLES OF DIRECT & INDIRECT REUSE

Councilmember Barotz offered that the City's primary responsibility is to provide water to the residents and business within City limits. It is important to show recognition of this responsibility.

Mayor Nabours asked who it is that decides the uses that take precedent within the defined priorities. Mr. Hill responded that if three customers apply, one inside city limits and two outside city limits, staff would first see if there is capacity to serve all three; if not the Utilities Director would define the priority based on water conservation and public benefit with priority going to the customer inside city limits, then first come first serve.

Councilmember Oravits requested that the language of Section A be modified to reflect the state laws that govern water conservation.

Mayor Nabours asked about the termination date of the direct delivered reclaimed water agreement. He asked, when the contract term ends and there is someone with a higher priority waiting, if the existing customer gets bumped or if they are able to renew. Mr. Hill responded that the existing customer gets priority so long as they are in good standing. Mayor Nabours suggested that it be stated somewhere in Policy B4.10.

Ms. Young continued the presentation.

- ▶ B5 - RECHARGE & RECOVERY
- ▶ POLICY B5.1
- ▶ POLICY B5.2
- ▶ C1 – WATER CONSERVATION - EDUCATION
- ▶ POLICY C1.1
- ▶ HISTORIC DRINKING WATER USE
- ▶ C2 – WATER USE RESTRICTIONS AND REGULATORY COMPLIANCE
- ▶ POLICY C2.1
- ▶ C3 - INCENTIVE PROGRAMS
- ▶ POLICY C3.1
- ▶ C4 - REGIONAL PARTICIPATION
- ▶ POLICY C4.1
- ▶ C5 - RAINWATER HARVESTING
- ▶ POLICY C5.1
- ▶ C6 - SUPPORT OF RIPARIAN AREAS
- ▶ POLICY C6.1
- ▶ C7 - DROUGHT PLANNING
- ▶ POLICY C7.1
- ▶ POLICY C7.2
- ▶ POLICY C7.3

Councilmember Oravits asked about the rebate programs and if those rebate funds are grants or if they are budgeted for in the budget process. Mr. Hill responded that Utilities Division budgets for them every year. It is an extremely popular program and the funds are usually fully expended in the first quarter.

Councilmember Brewster asked if there are any homeowners within the City limits that use reclaimed water for irrigation. Ms. Young stated that there are some, but they account for less than 1% of the reclaimed water used. The infrastructure is not available everywhere and typically those customers are right in front of the existing lines; the expense is too great to make it available to all residential customers.

Dawn Dyer, resident, addressed Council against the sale of reclaimed water outside City limits.

Mr. Hill continued the presentation.

- ▶ F - MASTER PLANNING
- ▶ REGIONAL COOPERATION AND LEADERSHIP
- ▶ G1 - COLLABORATION WITH TRIBAL GOVERNMENTS
- ▶ G2 - COLLABORATIONS WITH WATER AGENCIES AND ASSOCIATED WATER GROUPS
- ▶ POLICY G2.1
- ▶ G3 - WATER RIGHTS ACQUISITION
- ▶ POLICY G3.1
- ▶ WATER SECURITY
- ▶ H1 - WATER SUPPLY SECURITY
- ▶ POLICY H1.1
- ▶ H2 - INFRASTRUCTURE SECURITY
- ▶ POLICY H2.1
- ▶ POLICY H2.2
- ▶ H3 - DISCHARGE CONTROL FOR SANITARY AND STORMWATER SYSTEMS
- ▶ POLICY H3.1

Councilmember Brewster asked about the types of regulations the plant operators have to go through as far as security and if they are vetted to be secure. Mr. Hill responded that the operators go through EPA and Homeland Security training.

4. Adjournment

The Special Meeting of the Flagstaff City Council held September 30, 2013, adjourned at 5:58 p.m.

MAYOR

ATTEST:

CITY CLERK