

**MINUTES OF THE REGULAR MEETING
TOWN COUNCIL WATER AND UTILITIES SUBCOMMITTEE
TOWN OF CHINO VALLEY**

**TUESDAY, MAY 28, 2019
4:00 P.M.**

The Town Council Water and Utilities Subcommittee of the Town of Chino Valley convened for a public meeting in the Council Chambers Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona.

1) CALL TO ORDER

Chair Turner called the meeting to order at 4.26 p.m.

2) ROLL CALL

Present: Lon Turner, Chair; Corey Mendoza, Councilmember; Jack Miller, Councilmember (arrived at 4:46 p.m.)

Staff Present: Cecilia Gritman, Town Manager; Frank Marbury, Public Works Director; Mark Holmes, Water Services Consultant

Guest: Claudia – Central Highlands Natural Resource Preservation

3) APPROVAL OF MINUTES

- a) Consideration and possible action to approve April 9, 2019, meeting minutes.

MOVED by Councilmember Corey Mendoza, seconded by Chair Lon Turner to approve April 9, 2019, meeting minutes.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember (arrived at 4:46 p.m.) Jack Miller

PASSED - Unanimously

4) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Subcommittee concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 15 minutes per meeting. Subcommittee action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

Chair Turner called the meeting to order at 4.26 p.m.

5) OLD BUSINESS

- a) Discussion and update regarding water modeling options for Old Home Manor and the Wineglass Acres areas.

Mark Holmes presented the following information:

- Met with Arizona Department of Water Resources (ADWR) to discuss the use of the Northern Arizona Regional Flow Model (NARFM) to accomplish two analysis required by the Town.
 - A physical availability determination within the Town's service area
 - Assured water supply for Wineglass Acres area
- ADWR staff had concerns about the original flow model, but after recent modifications to the model by ITC, ADWR staff wanted to review the updated model before making a decision of the Town's request.
- ADWR was being cautious and moving slowly due to current water issues in other communities.
- ITC would publicly release the new model in the fall or winter and ADWR review of the revised model would take four to six months.
- If the model was approved by ADWR, the Town could hire a consultant.
- The timeline end date for completion of the entire process would be approximately January 2021.
- The time period would not work for the physical availability determination for the Bright Star reclaimed water storage credit requirements with the Town.
- Mr. Holmes recommended doing a direct select with Montgomery Associates and use the Prescott AMA (PRAMA) model. The ADWR said the AMA model was acceptable (Phase One).
- Montgomery was developing a scope and fee schedule to present to Council.
- This would benefit the Town not only for the current obligations but also for Old Home Manor (OHM) and future developers that the Town could work or partner with for a certificate of assured water supply needs.
- OHM was considered dry land and most irrigation grandfathered rights had been retired so the only real water supply was long term storage credits for the reclaimed water that would be applied towards the certificate of assured water supply.
- The physical availability determination was important because the Town needed to show the availability of physical water in order to deliver it to developers.
- The model would be done for 100-years to meet the assured water supply physical availability determination requirements.

Committee Members, Staff and Mr. Holmes discussed the following:

- Strategies to get the Town's spot in line was an important aspect.
- The City of Prescott would be renewing their designation of assured water supply which was drawn from within the corporate boundaries of Chino Valley.
- If the Town locked up their water supply, Prescott would have to account for and subtract the volume of water that the Town had locked up for the Town's utility service area including any growth projections, during their renewal process.
- If a physical availability determination (PAD) for water issued to the Town by ADWR was not locked down, it would be up for grabs by anyone for a designation or a certificate but if the Town locked the physical water down in an analysis of assured water supply that was applied towards development of owned land, every molecule of water would be locked up for ten years.
- The AMA model was continually updated by various entities, so the amount of work would be minimal. The timeline worked for the Town's needs with a potential completion date of approximately one year.
- The cost of the work was in the next fiscal year's budget.
- The ADWR required NARFM model would be completely revised and updated for the analysis

for the Wineglass Acres project. Since the NARFM would be completely updated and revised, the Town would save a substantial amount of money.

- The Wineglass Acres analysis would be less expensive than the assured water supply project but the first phase was very valuable.
- To lock up water, it must be shown the water was physically there, continuous and there was a legal right to use it. The Town had no groundwater rights at OHM but did have a legal water right to Wineglass Acres.
- Discussed the difference between a PAD and an analysis. If the Town locked up water for OHM in the first phase by completing an analysis instead of a PAD, they may not have enough owned land to lock up a substantial amount of water during the Wineglass Acres analysis. Locked water could be brokered or sold to other parties.
- A permit could be revised but it was a year-long process for a permit, including any revisions.
- Discussed the challenges of becoming a designated water provider.
- The only increasing renewable water supply the Town would ever have is their reclaimed water.
- Discussed how the Town would deliver water to recovery well certificate holders without comingling the ground water and the reclaimed water, called the wheeling process. Mr. Holmes explained the wheeling 100-year agreement process and ADWR understanding of the method.
- Once the Town got the model results, depending on what the results showed, the Town could then determine the best course of action with the permitting process.
- The Committee recommended forwarding Phase one to Council seeking approval for a direct select professional service agreement with Montgomery Associates to do a generic physical availability determination.

b) Discussion regarding Potential Sewer and/or Water Extensions.

MOVED by Councilmember (arrived at 4:46 p.m.) Jack Miller, seconded by Chair Lon Turner to continue Item 5b) to the next meeting.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember (arrived at 4:46 p.m.) Jack Miller

PASSED - Unanimously

6) NEW BUSINESS

a) Discussion regarding Old Home Manor Master Integrated Master Plan and associated Request for Qualifications.

Mark Holmes discussed the following information:

- Determine the direction for Request for Qualifications (RFQ) to present to Council.
- The RFQ had a detailed scope of work for a four phased program. Phase one: Develop an integrated water masterplan; Phase two: develop an integrated plan for Town wide system; Phase three: Develop a capital improvement plan for what was to be improved at OHM; Phase four: Develop an OHM landscape plan as an overall drainage plan.
- Phase One integrated water masterplan was four master plans that included a water resources masterplan, water system masterplan, sewer system masterplan and a reclaim system plan.
- Phase Two integrated Town wide system was important because whatever was built at OHM would be integrated and expanded into the Town's existing water and sewer utilities.
- Phase three capital improvement plan would cover five years of project prioritizations that would include cost estimates. All improvements would be part of a Town wide system.
- Phase four OHM landscape and drainage plan would utilize storm water for the outdoor

landscape watering needs. The goal was to use as little water as possible for outdoor landscaping. Rain water would be retained, detained and used through passive collections. It was already being done as part of a drainage plan requirement.

- Project deliverables for all phases would include a water resources workshop that included the sub-committee. A technical memorandum would be issued followed by the final masterplan or plan. Administration deliverables included a council presentation at a work session or meeting with project construction projections and costs. An executive summary would be included that describe the full project scope that any person could understand.
- Water, sewer and reclaimed water HYDROC water models would be provided to developers that contained vital information such as pressures, volumes, and fire flows. An updated model would be returned to the Town by the developer with new information. It was a living model.
- The finance director would be fully involved in the process to determine financing sources, revenues and expenditures and that the plan was fully funded for five years.
- The suggested RFQ would have 50% of the score based on qualifications and expertise, 20% project understanding, 15% innovation, and the remaining score on project responsiveness, reputation, and references.

Committee Members, Staff and Mr. Holmes discussed the following:

- Water, sewer and reclaimed water would be in three separate pipes but the reclaimed water pipe would only be part of the water plant and would send any water from a recharge facility back into the ground. The reclaimed water should be used for certificate of assured water supply and should only be indirect reuse.
- The top three proposers would do a presentation for Council and staff which would be scored and the most qualified firm would be picked based on those scores. Price would be negotiated after firm selection.
- The importance of the project and the information it would provide the Town for current and future development that better served the community.
- The Committee agreed to continue moving forward and wanted to review the RFQ and Scope of Work for discussion at their next meeting.

b) Discussion regarding options for the Highlands Ranch Wellsite.

MOVED by Councilmember (arrived at 4:46 p.m.) Jack Miller, seconded by Councilmember Corey Mendoza to continue Item 6b) to the next meeting.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember (arrived at 4:46 p.m.) Jack Miller

PASSED - Unanimously

c) Discussion regarding future agenda Topics and next meeting date.

- Next meeting June 18th at 4:00 p.m. with Mr. Holmes skyping into the meeting.
- Request for Qualifications (RFQ) and Scope of Work for Old Home Manor Master Integrated Master Plan.
- Discussion regarding Potential Sewer and/or Water Extensions. (Continued from the 5/28/19 meeting, item 5b).
- Discussion regarding options for the Highlands Ranch Wellsite, (Continued from the 5/28/19 meeting, item 6b).

7) **ADJOURNMENT**

MOVED by Councilmember (arrived at 4:46 p.m.) Jack Miller, seconded by Councilmember Corey Mendoza to adjourn the meeting at 5:45 p.m.

AYE: Chair Lon Turner, Councilmember Corey Mendoza, Councilmember (arrived at 4:46 p.m.) Jack Miller

PASSED - Unanimously

Submitted: June 5, 2019.

By: *Vickie Nipper, Deputy Town Clerk*

Approved: June 18, 2019.