

# ARIZONA WATER COMPANY

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Bruce Huelat  
Ron Minzer  
Larry Kane  
Kevin Brackin  
Mystic Hills Homeowner Association  
Design Review Board

Via email

Dear Design Review Board Members:

At your request, Arizona Water Company has reviewed the list of questions you forwarded to us about our proposed Water Storage Facility project in your community and provided our answers to each. We would now like to move ahead and set a time for a meeting between the Design Review Board and our project team.

We look forward to discussing the issues that concern the Mystic Hills community.

Sincerely,



Keith Self

Verde Valley Division Manager

## Questions and Answers for Mystic Hills Homeowners Association Design Review Board

### **Q: Why a 1.5 million gallon water tank?**

What are the future plans that would call for this much water storage? Especially when the entire city has just under 900,000 gallons of storage, and is land locked (surrounded by national forest) and is 70+% built out. Further, it is being proposed on the smaller populated, east side of town which has no remaining development space and only scattered lots available for development. AWC has stated their service ends at Back O' beyond and has no interest in the VOC. Then why a 66% greater than the total of all the 3 water storage tanks that the entire city uses today? By simple deduction AWC should only need 200,000-300,000 water storage for full service of the east side.

**A:** Arizona Water has approximately 3.4 million gallons of water storage serving our Sedona customers, including a one million gallon tank in the Jordan Park subdivision and another in the Harmony High neighborhood.

An analysis completed by the company in 2010, notes that there are 850 connections in the portion of the service area where the tank is located. These service connections have a peak demand of about 880,000 gallons per day.

In addition, we must conform to the fire code adopted by the local fire district, which calls for fire protection flows of 3,000 gallons per minute for three hours, which totals 540,000 gallons.

Virtually all of the East side of our system is supplied by a single water main. In order to maintain service and fire protection for 24 hours in the event of a main break, we need approximately 1.34 million gallons in storage, ready to be pumped into the system.

### **Q: Why would the City even consider granting a waiver for conditional use in a known extensive flooding area of residential property?**

The homes on West Mallard have had continuous flooding from year to year, and this is well documents. By AWC acknowledgement, they would clear cut nearly all of the 1 acre for construction.

This proposed site is in the drainage draw for the entire east side of Hwy 179; Mystic Hills and the Chapel area. Drainage is routed under 179 directly into this lot, then around two sides of the lot directly into the property of an existing home. The tunnel under the road has seen over 8 feet of flooding, as evidenced by the water lines in the tunnel and debris the city has had to clean out of the tunnel after heavy rains. Two (2) of the homes have had water in their homes, while two others have had significant damage to their property. Sedona continues to have significant flood prone and flood damage areas.

To approve one more project that directly impacts existing homes and property is in-excusable. Who is placing a bond for several million dollars for water and or construction/ blasting damage? Damages, from shifting could take years to manifest.

**A:** The proposed project will have minimal impact. What little runoff there is, can be captured on site by using retention basins. The equipment room will be located above the flood zone.

With regard to potential damage to homes from construction activity, Arizona Water Company's contractors are required to be fully insured. When the facility goes into operation, AWC is also fully insured for the operation of its system.

**Q: Why allow a prime residential lot surrounded by high end property and high tax revenue to be taken out of real estate tax inventory?**

The proposed water tank is enormous tank (by any standards) on existing Residential zoned property. This will diminish property as well as tax values of the adjacent lots as well as homes in the area. Would you put your \$1,500,000 home adjacent to a 1,500,000 gallon tank and pump house? Especially, when an alternate site could be with a few hundred yards.... Honestly? We bet not. Further, what is the tax rate for a water tank vs a home on the same lot? Will AWC pay the same real estate tax rate as if a \$1,500,000 home was on this property?

**A:** The project is allowed under current zoning regulations and there are examples of million dollar homes adjacent to water tanks in Sedona today. We have designed this proposed project to conceal the tank. The operating equipment will be located inside a structure resembling the surrounding residences. We see no reason to believe it will diminish property values because the water storage tank will resemble a high-end home, not a water storage tank.

Regarding tax revenue, we estimate that property taxes on the site after our project is completed would be approximately \$27,000 per year.

**Q: Why Was This Entire Project Done in Secrecy?**

Five years ago AWC purchased the proposed lot. The answer given by the AWC presenter, at the public meeting was: "We have been working with the city to develop this site". City Staff has sought review from numerous departments since the January 2017 project submittal application for waiver for conditional use. The City in April, 2017, posted on its website, that the Project was in 'final approval stage'. Yet no one in the area was even contacted until April. No one in the community was informed nor working with AWC to develop community involvement, EVER! Yet the city Staff had the project up for final approval! This City belongs to its Citizens and they should be involved long before any submittal is ever presented, for any consideration or department reviews. The City is run by its elected leaders as guided by the laws and regulation duly authorized. Yet, there is the appearance that AWC is doing all possible to circumvent reasonable procedures and keep the public in the "dark".

**A:** Our community meeting was the first step in the approval process, not the final step. The city has a well-established and detailed process for approving projects, and community input comes at the beginning and throughout the process.

**Q: Why were there no Alternatives sites submitted for review or evaluated?**

"This is the only site being considered" statement that was made by AWC. Yet several alternate sites were suggested. As residents of Sedona, we have been, blatantly misled by AWC. When asked by Homeowners, why not use one of various sites on forest service property, we were told "they won't let us". Yet, when pushed on previous failures to gain approval on other sites, AWC acknowledge community resistance, not the Forest Service was the cause of failures. Each time AWC once again offered only one choice. Further, each of these tanks were above ground tanks. We submit they failed on not one, not two, but three different times, because they refuse to get the community involved before project was developed into a proposal. When we asked AWC, why they selected a residential lot, their answer was "that's what our real estate department gave us". There are several alternative sites that are close by and would not impede on existing home or residential lots. Of course, AWC does not

own any of this alternative property, but with a little effort on AWC's part, more than one would be an ideal site that should work for AWC considering previous sites they wanted for water tanks.

**A:** Arizona Water Company has been looking at other sites for several years. This one meets our criteria very well.

## **Additional Questions**

This proposal is a tremendous undertaking in size, scope, complexity and time. Numerous questions, were offered and minimal or no detail, responses were offered by AWC. Significantly better and more detailed answers are needed.

**Q: Why a 1.5 million-gallon tank?**

**A:** The storage capacity is needed for proper fire flow, storage and to meet peak water demand in case of emergencies. The size was calculated using industry standards and Arizona Water's experience in Sedona.

**Q: Why attempt to extract hundreds of thousands of tons of bedrock?**

**A:** Arizona Water plans to build the water storage tank underground to minimize impact on the neighborhood. In order to build the tank underground, we must remove the bedrock.

**Q: How long will excavation take?**

**A:** We estimate it will take 3 to 4 months.

**Q: Could excavation take longer?**

**A:** Unlikely, since our team has completed two geotechnical surveys of the site and consulted with contractors that specialize in excavation. They have completed more than 10 projects in the area and are very familiar with the site conditions.

**Q: Your engineering report is vague on blasting to remove this rock. Will you have to blast?**

**A:** Blasting will not be required to excavate the site. However, the excavation contractors tell us that blasting can reduce the excavation time by several weeks and lower the noise level from excavation.

**Q: Why not put it under parking lots, tennis courts, or Forest Service land instead of on a residential lot?**

**A:** It is not unusual to locate these facilities such as the proposed reservoir in a residential area. AWC must control the property on which the tank sits because we must have 24/7/365 access to the tank. If we built under parking lots or tennis courts we would not have full access to the tank to ensure safe, reliable water service and fire flows. Additionally, problems with our tank or equipment would have an adverse effect on those facilities in case of an emergency. Even routine maintenance could be disruptive.

We have evaluated the Forest Service land option, as well. The Forest Service has discouraged Arizona Water from building on public lands if there were any alternatives available.

**Q: What is the noise level of the completed tank and all its support?**

**A:** The estimated noise level will be less than 37 dB at the property boundary when equipment is running. This is the equivalent of a personal computer. The following link compares decibel levels to common, household items and experiences. [www.noisehelp.com/noise-level-chart.html](http://www.noisehelp.com/noise-level-chart.html)

**Q: How much power will you need?**

**A:** The facility will use an 800 amp, three phase service, located within the building, to run four 100-horse power pumps in addition to other smaller equipment.

**Q: What are the utility requirements, including back-up generators?**

**A:** A stationary or portable generator can support the facility. The Company is willing to discuss this issue.

**Q: What kind lighting on the facilities and will the lights be on 24/7?**

**A:** External lights will be provided to meet the City ordinance and the surrounding area. The facility does not need lights to be on 24/7.

**Q: 100's of trucks will be required for extraction, and then construction and countless cement trucks? What exact route/roads will be used?**

**A:** From Highway 179, cars and trucks will reach our property by taking the following route: Cathedral Rock Trail to Castle Rock Trail to Chimney Rock Trail to Bell Rock Trail to our property.

**Q: Have all affected homeowners along the routed been notified?**

**A:** There are a handful of homeowners on or near the access route whose property is outside the 500-foot notification requirement who have not been notified as of the beginning of July. We will add them to our notification list and make sure they are brought up to speed.

**Q: Can the Residential route and HWY 179, 89A take the all the heavy loads? Where is all the extracted material being sent?**

**A:** The haul trucks used for construction will be regular trucks that meet ADOT and City of Sedona standards, so local streets and highways are fully capable of handling the loads.

We plan on reusing as much of the excavated material on the site as possible for landscaping and construction purposes. The contractor usually determines where the material will be disposed of in accordance with all local regulations; however, we are open to ideas from the community.

**Q: The tank will have some above ground footage, is there a "not exceed" height?**

**A: The support buildings are one story and the tank itself will not extend more than four feet above the surface at the downhill side of the property. Landscaping will conceal the area of the tank that extends above the surface.**

**This is not an end all of questions. However, it is a meaningful start towards developing a positive solution. They require facts and detail in the answer. Once you have answers to the above we would welcome meaningful discussions with the City and AWC.**

**Sincerely,  
Concerned Citizens of Sedona**

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