



AGENDA

**PRESCOTT CITY COUNCIL
WORKSHOP**
Tuesday, April 7, 2015
3:00 PM

Council Chambers
201 South Cortez Street
Prescott, Arizona 86303
(928) 777-1100

The following Agenda will be considered by the Prescott City Council at its **Workshop Meeting** pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending this meeting through the use of a technological device.

◆ **CALL TO ORDER**

◆ **INTRODUCTIONS**

◆ **INVOCATION**

Pastor Erich Sokoloski
American Lutheran Church

◆ **PLEDGE OF ALLEGIANCE**

Councilman Lamerson

◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall

Mayor Pro Tem Kuknyo

Councilman Arnold

Councilman Blair

Councilman Lamerson

Councilman Lazzell

Councilwoman Wilcox

◆ **ANNOUNCEMENTS**

◆ **PROCLAMATIONS**

- A. Proclaiming April 12-18, 2015 as National Telecommunications Week
- B. Proclaiming April 2015 Parkinson's Disease Awareness Month
- C. Proclaiming April 2015 Fair Housing Month
- D. Proclaiming April 2015 Water Awareness Month

◆ **PRESENTATIONS**

- A. Presentation of Prescott WaterSmart Landscaping, a web-based interface for outdoor water conservation
- B. Introduction of New Businesses - Chamber of Commerce

I. DISCUSSION ITEMS

- A. Discussion of the Watson Lake Total Maximum Daily Load (TMDL) issued by the Arizona Department of Environmental Quality (ADEQ) and possible appeal
- B. Library Advisory Board and Friends of the Prescott Public Library Presentation
- C. Discussion of revenues, expenses, and possible actions to address City finances and obligations in Fiscal Year 2016 and subsequent fiscal years
- D. Legislative Update

II. ADJOURNMENT

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (i) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (ii) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (iii) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (iv) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. §38-431.03(A)(4));
- (v) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));
- (vi) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6));
- (vii) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

Confidentiality

Arizona statute precludes any person receiving executive session information from disclosing that information except as allowed by law. A.R.S. §38-431.03(F). Each violation of this statute is subject to a civil penalty not to exceed \$500, plus court costs and attorneys' fees. This penalty is assessed against the person who violates this statute or who knowingly aids, agrees to aid or attempts to aid another person in violating this article. The city is precluded from expending any public monies to employ or retain legal counsel to provide legal services or representation to the public body or any of its officers in any legal action commenced for violation of the statute unless City Council takes a legal action at a properly noticed open meeting to approve of such expenditures prior to incurring any such obligation or indebtedness. A.R.S. §38-431.07(A)(B).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Dana R. DeLong, CMC, City Clerk

MEETING DATE/TYPES: WORKSHOP 4-7-15

DEPARTMENT: City Manager

AGENDA ITEM: Presentation of Prescott WaterSmart Landscaping, a web-based interface for outdoor water conservation

Approved By:		Date:
Water Resources Manager:	Graser, Leslie	03/30/2015
City Manager:	McConnell, Craig	03/31/2015

Item Summary

April is Arizona Water Awareness Month, a time to focus attention to water supplies and conservation through celebration and engagement. The City supports public events, partnerships, and seeks to continuously improve its public information outreach. This April, and forward, the City's Water Conservation program will focus on outdoor water conservation. A major component of this effort is Prescott WaterSmart Landscaping, a web-based interface for community members to access outdoor conservation information and share ideas. The Water Resource Coordinator will present this web-based tool.

Recommended Action: For information and discussion only - no formal action by Council required

MEETING DATE/TYPES: WORKSHOP 4-7-15

DEPARTMENT: Public Works

AGENDA ITEM: Discussion of the Watson Lake Total Maximum Daily Load (TMDL) issued by the Arizona Department of Environmental Quality (ADEQ) and possible appeal

Approved By:

Date:

Director:	Hash, Henry	04/01/2015
City Manager:	McConnell, Craig	04/02/2015

Item Summary

In 2004, Watson Lake was listed on the State's 303(d) Impaired Waters List as impaired for Total Nitrogen (TN), Dissolved Oxygen (DO), and pH, based on sample results from 2002 and 2003. The listing has been confirmed in subsequent assessments, and Total Phosphorus (TP) has been added to the impairment list.

During the subsequent years, data collection was performed by ADEQ, University of Arizona, Northern Arizona University, and Prescott Creeks. The data collection culminated in the release of the Watson Lake TMDL Draft study on April 1, 2014. To prepare for anticipated regulatory action, the City retained Amec Foster Wheeler (AMEC) through City Contract No. 2013-147, and responded to the draft TMDL on April 30, 2014, by submitting an AMEC technical assessment. On March 6, 2015, through the Arizona Administrative Register, ADEQ provided formal notice of a final TMDL.

Notice of Appeal

The City has until April 20, 2015, to choose whether to file a Notice of Appeal, or take no further action. The attached presentation is an update on the TMDL process. If direction is received to proceed with an appeal, an item will be placed on the April 14, 2015, agenda for Council action.

Grounds for Appeal

The studies for the TMDL set forth in Arizona Administrative Register M15-32 (Watson Lake TMDL: Total Nitrogen, DO, pH, and Total Phosphorus Targets) were conducted on a man-made reservoir that historically impounded water for agricultural uses (1930s to late 1990s). In 1998, to augment City water resources, Watson Lake and Willow Lake

Agenda Item: Discussion of the Watson Lake Total Maximum Daily Load (TMDL) issued by the Arizona Department of Environmental Quality (ADEQ) and possible appeal

reservoirs were acquired when the Prescott AMA was declared to be out of safe-yield per A.R.S. § 45. These water supplies are regulated by the Arizona Department of Water Resources through Decision and Orders of Assured Water Supply. Quantities of water in the lakes have been permanently committed to existing residential uses (through recharge and recovery). Any changes and/or limitations now or in the future pertaining to operation of the reservoirs could jeopardize the supply of water to existing residential users and the City's Designation of Assured Water Supply.

Findings from an in-depth review of the Watson Lake TMDL indicated that the studies and model used to develop the TMDL require significantly more refinement in order to provide a competent and complete technical basis from which to draw technically defensible results. Further, the standard at which the water body is proposed to be set by the TMDL is currently in question by the State of Arizona itself, which has submitted to EPA revised water quality standards recognizing the influences of climate and geography in Arizona known to be substantially different than in other areas of the nation. Finally, ADEQ has not succinctly stated how the TMDL being proposed as final will be used in relation to permits held by the City.

Financial Impact

City Contract No. 2013-147 remains in effect and funding is available to continue the work of AMEC through the TMDL appeal process, if selected.

Attachments

1. Watson Lake TMDL Presentation

Recommended Action: For Council discussion/direction; no formal action to be taken at this meeting.

Watson Lake TMDL



Presented by: Henry Hash - Public Works Director
Ed Latimer, PhD, PE – Principal Engineer
Amec Foster Wheeler E&I, Inc.



Federal Clean Water Act

Section 303

- Under Section 303(d) of the Clean Water Act (CWA), Arizona is required (biennially) to develop and have the U.S. EPA approve lists of impaired waters (i.e., those not meeting water quality standards) in the state.
- The law mandates that the Arizona Department of Environmental Quality (ADEQ) establish priority rankings for waters on the lists and develop a **TMDL** for these waters.



What is a TMDL?

- TMDL = Total Maximum Daily Load
- A TMDL is a regulatory term in the CWA describing a value of the maximum amount of a pollutant that a water body can receive while still meeting a water quality standard.
- In essence, the TMDL defines the **reduction** of the target pollutant in the discharges from the regulated government necessary for the water body to meet the water quality standard.



Impaired Water Bodies in the Granite Creek Watershed

Active regulatory efforts include:



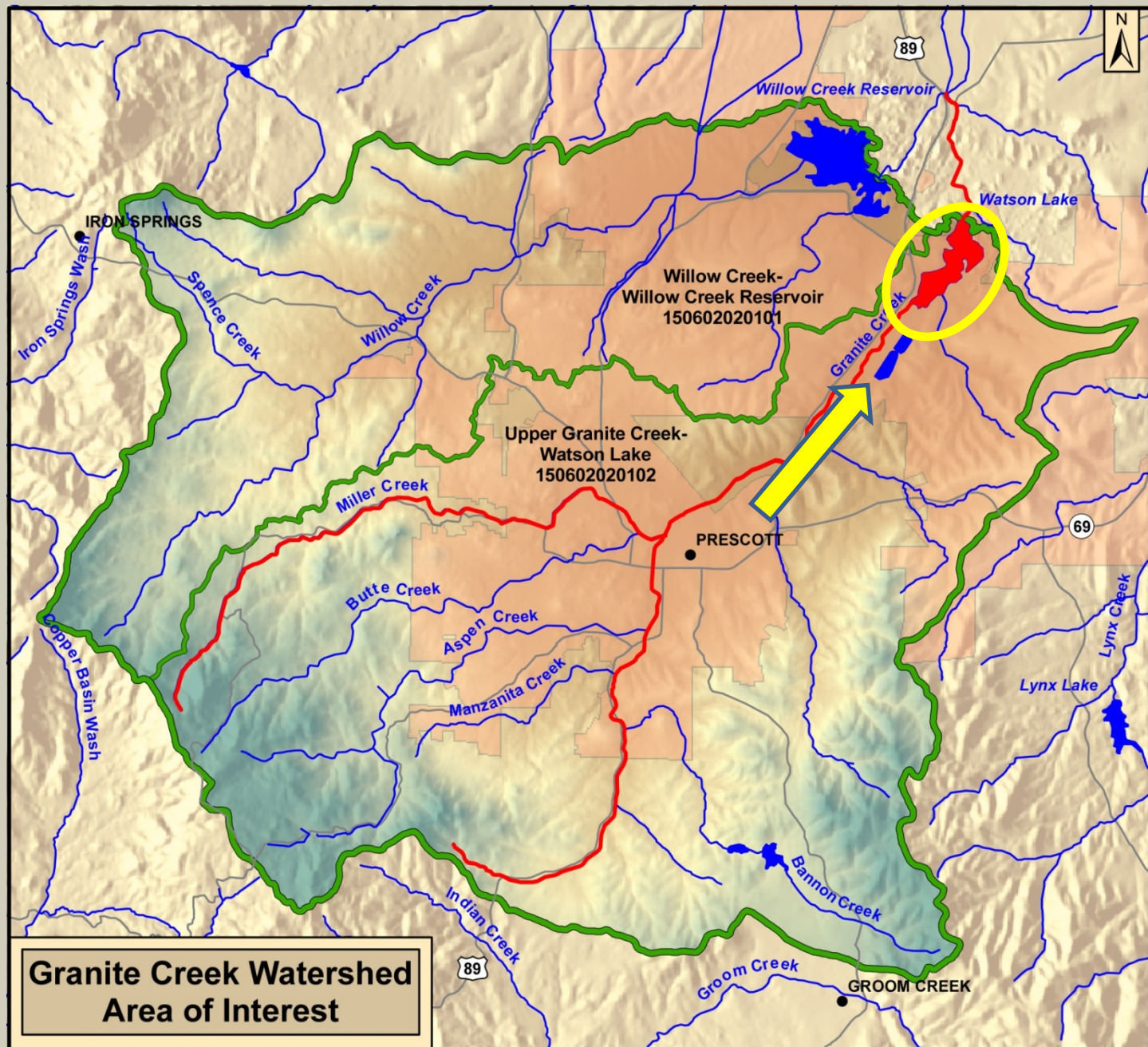
Watson Lake - listed for Total Nitrogen, pH, Dissolved Oxygen, and Total Phosphorus impairments

Upper Granite Creek (headwaters to Willow Creek) - listed for Dissolved Oxygen and *E.coli* impairments

- Miller Creek
- Butte Creek
- Manzanita Creek



= our focus today



Watson Lake TMDL



Watson Lake TMDL:
Total Nitrogen, DO, pH
& Total Phosphorus Targets

Arizona Department of Environmental Quality
Supported by NAU, UofA, and Tetra Tech, Inc.

Final - February 2014
Open File Report OFR-14-03



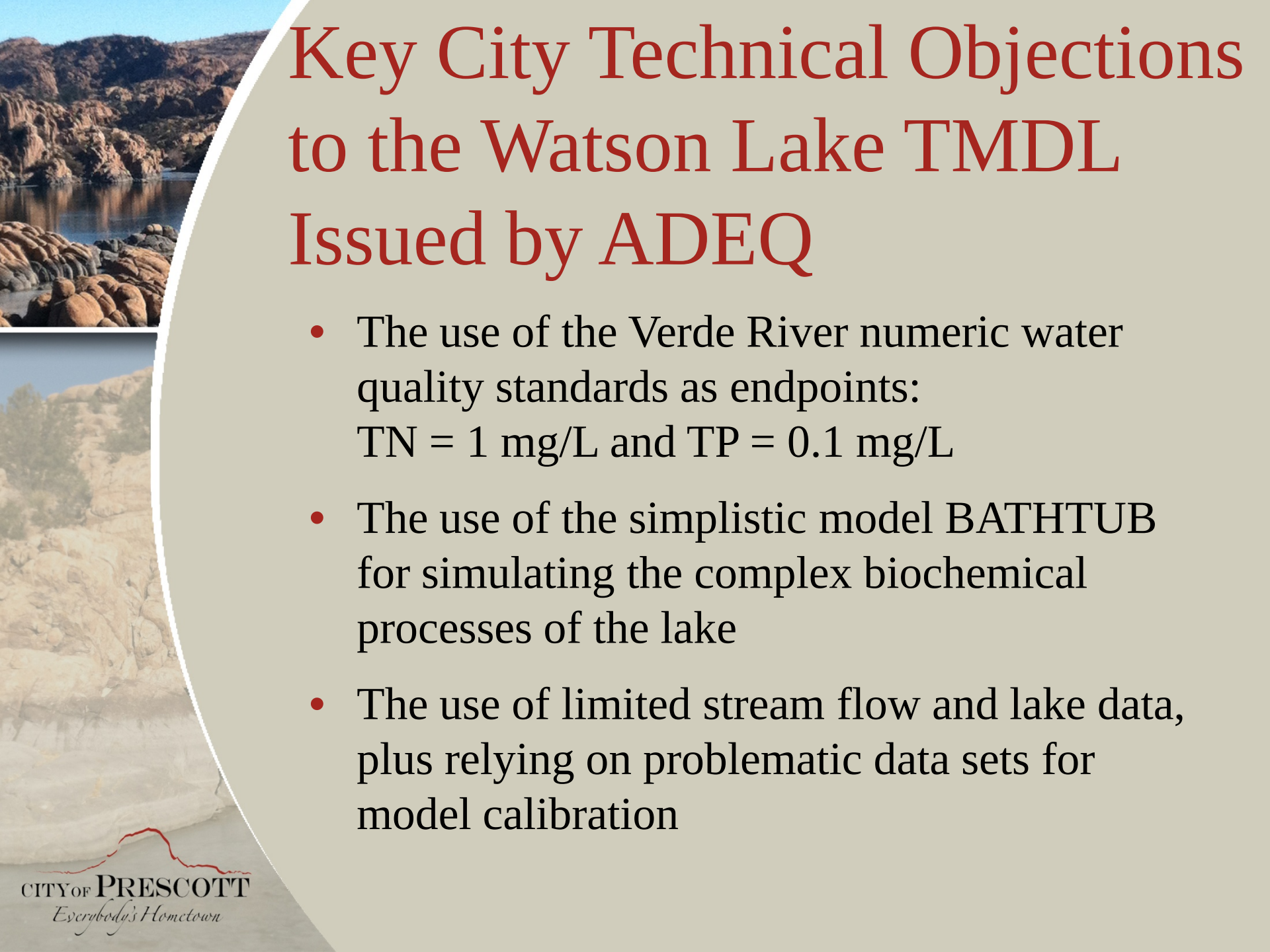
TMDL Development Timeline

2004 - EPA lists both Watson Lake and Granite Creek as impaired waters

2010-2012 - ADEQ holds public meetings related to Watson Lake (06/2010, 06/2011, 12/2011, and 10/2012)

2013 - the City engaged AMEC, a scientific consultant with TMDL expertise, to perform a technical evaluation of ADEQ studies, and meet with ADEQ to present concerns

April 2014 - 30-day comment period of the Draft Watson Lake TMDL; the City, assisted by the consultant, submitted comments



Key City Technical Objections to the Watson Lake TMDL Issued by ADEQ

- The use of the Verde River numeric water quality standards as endpoints:
TN = 1 mg/L and TP = 0.1 mg/L
- The use of the simplistic model BATHTUB for simulating the complex biochemical processes of the lake
- The use of limited stream flow and lake data, plus relying on problematic data sets for model calibration



Recent Action Regarding the TMDL

March 6, 2015 – ADEQ’s responses to comments are published in the Arizona Administrative Register (AAR), starting a 45-day “appeals” period.

The Final TMDL is made public shortly thereafter.

Key comments made by the City were not addressed.

The TMDL remained essentially unchanged.

The City objects to the scientific approach, as well as the quantity and quality of the data used to develop the TMDL. This is the last opportunity for the City to formally go on record with its technical concerns before the TMDL is approved by EPA.

Appeal of the Watson Lake TMDL on scientific grounds is recommended.



Future Efforts for Improving Surface Water Quality

Next steps to support future water quality improvements and regulatory compliance include:

- Development of a comprehensive watershed hydrologic model to assist in defining and evaluating actions taken in the watershed (upstream of Watson Lake).
- Water quality monitoring of City outfalls and key locations in the watershed.
- Detailed analysis of the lake to establish baseline conditions for an effective lake management plan.
- On-going and increased public education related to watershed health.
- The Aquifer Protection Fee established by the City Council on December 2, 2014, effective January 1, 2015, provides a source of initial funding for these efforts.



Summary

It is recommended that the City appeal the Watson Lake TMDL before it is formally approved by EPA, giving it the status of law.

Upon Council direction today, an item will be placed on the April 14, 2015, agenda for formal approval of the appeal.

MEETING DATE/TYPES: WORKSHOP 4-7-15

DEPARTMENT: Library

AGENDA ITEM: Library Advisory Board and Friends of the Prescott Public Library Presentation
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Approved By:		Date:
Director:	Saft, Roger	03/02/2015
City Manager:	McConnell, Craig	03/31/2015

The Library Advisory Board will present a summary of the roles the library plays in Prescott. The Friends of the Prescott Public Library will summarize recent and upcoming projects they have funded that benefit the library and community.

Recommended Action: Presentation for Council information and discussion - no formal action to be taken.
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MEETING DATE/TYPES: WORKSHOP 4-7-15

DEPARTMENT: City Manager

AGENDA ITEM: Discussion of revenues, expenses, and possible actions to address City finances and obligations in Fiscal Year 2016 and subsequent fiscal years

Approved By:		Date:
Finance Director:	Woodfill, Mark	03/31/2015
City Manager:	McConnell, Craig	04/01/2015

Item Summary

At the Council meeting of March 24, 2015, adoption of Ordinance No. 4927-1465, to call a special election to be held August 25, 2015, to vote on a transaction privilege tax dedicated to streets and roads, was tabled and deferred to the meeting of April 14, 2015.

This workshop item will provide an opportunity to more fully define and discuss alternatives for addressing current and future operating and capital financial obligations of the City, including the use of debt. The alternatives may include one or more ballot issues addressing streets, open space, and General Fund needs.

As previously mentioned, timeframes for special elections (involving ballot measures) are as follows:

August 25, 2015, Election (A Candidate Primary Election)

April 14, 2015	Call for Special Election for Ballot Measure(s)
May 27	Ballot Language Due
August 25	Special Election

November 3, 2015, Election (A Candidate General Election, if required)

June 23, 2015	Call for Special Election for Ballot Measure (s)
August 5	Ballot Language Due
November 3	Special Election

Agenda Item: Discussion of revenues, expenses, and possible actions to address City finances and obligations in Fiscal Year 2016 and subsequent fiscal years

Depending upon the discussion/direction given at this April 7th workshop meeting, one or more items in addition to Ordinance No. 4927-1465 may be placed on the April 14, 2015, voting meeting agenda for action.

Recommended Action: Council discussion/direction; no formal action to be taken at this workshop meeting.