



AGENDA

**PRESCOTT CITY COUNCIL
SPECIAL WORKSHOP MEETING
Tuesday, March 24, 2015
9:00 AM**

**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 **Special 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**

◆ **ROLL CALL**

MAYOR AND CITY COUNCIL

Mayor Kuykendall

Mayor Pro Tem Kuknyo

Councilman Arnold

Councilman Blair

Councilman Lamerson

Councilman Lazzell

Councilwoman Wilcox

I. DISCUSSION ITEMS

- A. Workshop No. 3 for review of the 2015 Draft General Plan in preparation for adopting a final version for voter ratification

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: SPECIAL WORKSHOP MEETING 3-24-15

DEPARTMENT: Community Development

AGENDA ITEM: Workshop No. 3 for review of the 2015 Draft General Plan in preparation for adopting a final version for voter ratification

Approved By:		Date:
Director:	Guice, Tom	03/13/2015
City Manager:	McConnell, Craig	03/16/2015

Item Summary

To comply with the Arizona Growing Smarter legislation, Prescott's General Plan must be updated and ratified by the voters by the end of 2015. There are two (March 24 and April 7) remaining Council workshops scheduled to review and make edits to the plan.

Background

The City Council completed the review of Elements five through eight of the General Plan at their March 3, 2015 Workshop. Council and public comments were heard and direction was given to staff to incorporate certain changes. A comprehensive review of all changes will be presented at the fourth workshop and public hearing scheduled for April 7, 2015.

Workshop Schedule

This workshop (Workshop #3) will focus on Elements Nine through Twelve: Environmental Planning, Water Resources, Economic Development and Community Quality.

Workshop #4, and a Public Hearing, scheduled for April 7th, will give the Council and the public another formal opportunity to comment on the Plan or to offer specific changes for Council consideration prior to adoption of a final version. Any unresolved matters from the previous workshops will also be addressed at this time. Council may continue the April 7th hearing to the April 14th Voting Session when Council may adopt the final version of the General Plan to be presented to the voters for ratification. Adoption of the specific ballot language and inclusion of written arguments for and against the ratification must occur no later than April 27, 2015.

Workshop #3 Topics

Contained within each of these Elements are Goals and Strategies which are intended to provide guidance for implementation. These Goals and Strategies can provide the framework for a follow-on Strategic Plan. It may be appropriate to complete the review of all of the remaining Elements prior to further discussion of a Strategic Plan in order to allow Council to assess the complexity of the project and consider the most efficient manner to accomplish the effort.

- Environmental Planning (Element 9)
 - Protecting Air Quality
 - Protecting surface water quality
 - Update Lake Management plan for Watson and Willow Lakes
 - Recreational use of lakes
 - Promote interconnectivity of wildlife corridors
 - Protect the dark sky
- Water Resources (Element 10)
 - Numerous edits by City Manager and Water Resource Specialist
- Economic Development (Element 11)
 - Consider updating housing studies
 - Telecommuting and needed technology upgrades
 - Work with downtown businesses to enhance tourism
 - Continue to encourage the development of Workforce housing
- Community Quality (Element 12)
 - Natural Environment
 - Cultural Assets
 - Historic Preservation
 - Police/Fire services
 - Educational Assets – PUSD, Yavapai college, Prescott College, etc
 - Library/Community Center
 - Health Care Assets – YRMC

Attachment

1. Water resource edits

Recommended Action: Workshop meeting for discussion and direction; no formal action to be taken.

10.2 WATER ~~LEGALLY AND PHYSICALLY~~ AVAILABLE TO PRESCOTT

10.2.1 Legal Availability

Due to the restrictions imposed by the 1980 Groundwater Management Code and the 1998 ADWR declaration of water mining, communities within ~~the~~ AMAs must ~~develop additional water supplies to demonstrate the~~ 100 year assured water supply (AWS) in order to approve new ~~developments/subdivisions~~. Additional water rights acquired ~~for AWS~~ must meet ~~standards of legal and physical availability~~ seven criteria as recognized by ~~the state water code/law~~. Water supply is available under State Law when legal documentation exists securing the rights to a specific amount and source of water. The most current ADWR authorization identifying water available to the City Prescott is the 2009 Decision and Order (D&O).

10.2.2 Physical Availability

~~The physical availability of V~~water resources ~~is are~~ dependent upon natural conditions such as the amount of precipitation, evaporation, recharge and geology. It is also dependent on the demand placed on the resource by all water users. Since the water policies pursued by an individual jurisdiction affect all jurisdictions in the PrAMA, water policies are a topic of regional interest. Regional cooperation and coordination will be necessary to maintain an assured water supply for the City and the region.

The City of Prescott has pursued an aggressive water management policy since 1985 and has invested in numerous strategies to secure an AWS both the legal and physical availability of water for existing and projected water users within the City of Prescott water service area. These resources, as recognized in the City's D&O, include groundwater, surface water and treated effluent supplies used for recharge & recovery. Among the City's water portfolio is the legal right to import up to 8,068 acre-feet per year from the Big Chino sub basin (ARS §45-555E and F).

Figure 10-2 Current water supplies as allowed by the 2009 Decision & Order.

Groundwater	9,466 af/yr
Treated effluent (recharge and recovery and direct use) ¹	5,446 af/yr
Surface Water (recharge and recovery) Granite & Willow Creeks (net)	1,733 af/yr
Imported Groundwater ^{2*}	8,068 af/yr
Total legally and physically available water supply	24,713 af/yr

¹Treated effluent recharge volumes are not meeting 2009 D&O projections. Development using this type of resource will be subject to the actual volumes returning to the water reclamation facilities and subsequent recharge.

^{2*}Imported groundwater is subject to the initiation and completion of infrastructure. City Charter Article VI, Section 16, also requires voter approval for certain high value projects. Of this quantity of imported groundwater 45.9% is committed by intergovernmental agreement to the Town of Prescott Valley.

Note: The City holds additional groundwater rights and surface water claims recognized by that are not provided for in the 2009 D&O which are held in reserve but not available for development. ~~These rights and claims are held in reserve.~~

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Without tapping importation rights, the City's current legal and physical availability of groundwater and alternative water sources are sufficient for serving existing uses and projected allocations to all platted parcels in the water service area. This takes into consideration water demand that had been previously committed for preliminary subdivision plats approved prior to August 1998.

Since the declaration that the **PrAMA** is not in safe-yield, the City has taken a conservative approach to the allocation of water to new development through a "water budget" process specifying quantities to be made available. This budget and the policies underpinning it are reviewed and updated by the City Council each year.

10.3 FUTURE GROWTH AND WATER DEMAND

Population growth and development anywhere within the AMA will affect the aquifers and the **PrAMA** goal of reaching safe-yield. There are ~~a number of~~ specific ~~threats~~ challenges to attaining and maintaining safe-yield:

- population growth and resulting increases in aquifer draw-down
- ~~commitment of groundwater to non-residential uses~~
- drilling of new exempt wells within the AMA

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In addition, the aquifer has multiple jurisdictions drawing upon it, which complicates achieving coordinated water management policies and practices to collectively contribute to safe-yield for the entire **PrAMA**. Development patterns and policies in other jurisdictions within the **PrAMA** differ from those of the City of Prescott. The City anticipates the need to continue to work regionally to achieve and implement a successful management strategy.

Meeting the water needs of future residents will require that the City optimize existing groundwater supplies through conservation and maximize alternative water supplies such as reuse or recharge of treated effluent. To meet the demands of the growing population and contribute to the safe-yield goal for the **PrAMA**, the City of Prescott anticipates the need to develop additional water sources including importation. To this end, water rights have been secured and infrastructure has been designed for the importation of water from the Big Chino Sub-basin located north of the ~~Prescott~~ AMA.

Significant factors bearing on the importation of water include monetary, social and environmental issues. Economic factors include the costs of infrastructure, methods of financing and legal issues over water rights. Social impacts include the effects on quality of life and public services caused by population growth made possible by imported water. Environmental considerations include the possibility of affecting surface water flows and increased urbanization, which may in turn affect land, habitats, and air quality.

10.3.1 Treated Effluent Supplies

Treated wastewater effluent has ~~become been~~ an important water resource for the City of Prescott; and can be used for ~~irrigation of large turf areas and~~ reducing demand on groundwater supplies. The City ~~has~~ supplies effluent to golf courses within the municipal service area prior to and after it was required by the 1980 Groundwater Code. More importantly, treated effluent is also used to recharge the aquifer through infiltration basins, where the water percolates into the ground, to be further cleansed through natural processes. The City of Prescott has operated an effluent recharge facility near the airport since 1988. Between 2000 and 2010, the City has recharged an average of 2,500 acre feet per year of effluent. The recent expansion of the Airport Water Reclamation Facility has resulted in the production of renewable supplies that meet the A+ federal standards.

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~~Using current techniques for wastewater treatment, the effluent quality will be improved to A+ federal standards through the Airport Water Reclamation Facility Improvement Project now under construction.~~

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Work on both of the City's water reclamation plants is included in the 5-year Capital Improvement Plan with the first phase to be completed in early 2014. Class A+ water is an Arizona Department of Environmental Quality requirement for plants of 0.25 mgd (million gallons per day) capacity or greater. The Reclaimed Water Quality Standards include two "+" categories

of reclaimed water, Class A+ and Class B+. Both categories require treatment to produce reclaimed water with a total nitrogen concentration of less than 10 mg/l (milligrams per liter). These categories of reclaimed water will minimize concerns over nitrate contamination of groundwater beneath sites where reclaimed water is applied. It will allow for effluent landscape irrigation of areas open to public access. (Source: *Sundog WWTP and Airport WRF Capacity and Technology Master Plan, October 2010 and ADEQ website.*)

Additional methods employed to optimize this resource include increasing the amount of treated effluent available for recharge by limiting the amount of new turf which must be irrigated, periodic review of effluent pricing, possible financial penalties to customers who exceed their allotment, and improved collection of wastewater in areas currently on septic systems.

10.3.2 Surface Water Supplies

Watson and Willow Lake reservoirs and their associated water rights were purchased in 1998. These supplies are an important resource for the City's residents. As with treated effluent, lake water is diverted to the City recharge facility for storage and recovery purposes. This source is recognized in the 2009 Decision and Order. The water level of the lakes is contingent upon weather patterns; therefore an inherent uncertainty from year to year exists with this supply. All water supplies require careful management strategies; however, lake water supplies differ due to the need to balance their water supply with open space and recreation functions.

10.3.3 Water Conservation

The City's existing water conservation program encourages Water Smart practices. This program is currently posted on the City's website (www.prescott-az.gov~~www.cityofprescott.net~~). Other ~~conservation~~ measures presently which could yielding water savings include limiting the sale of additional quantities and direct use of effluent primarily for irrigation purposes, reducing the amount of lost and unaccounted for water by increasing the watertight integrity of the City's distribution system, maintaining financial incentives for conservation, and further public education. Proposed new policies will require careful formulation and subsequent adoption through a public process. Trends in water consumption show greater seasonal use in the summer. Continuing efforts are being made to reduce outdoor water use during the hotter months.

10.3.4 Additional Water Supplies

Serving the anticipated population growth with water has been considered and incorporated in the City's Alternative Water Budget and in ADWR Management Plans for the ~~Prescott~~ AMA. Importation could balance the overdraft and assist in meeting the goal of safe-yield, however, even with importation, a degree of uncertainty exists. The current drought and its potential duration is relevant in ongoing water resources management.

Drought could cause water sources to literally dry up or be challenged legally, placing the community and a larger future population relying upon imported resource in jeopardy of water supply shortfalls. Due to climate related factors and ongoing stream adjudication legal proceedings; our water supply cannot be completely controlled by the City of Prescott.

10.4 WATER RESOURCES LONG TERM MANAGEMENT PLAN

In 2011, litigation ended resulting in recognition of the City of Prescott 2009 Decision & Order (D&O) as the official document defining water availability from the ADWR, which enumerates the sources of water to which the City is entitled. The D&O is based on ADWR examination using seven criteria that include a determination of physical, legal and continuous water that is physically, legally, and continuously available for 100 years. Now that the City's current and future water rights have been determined, formulation of a long-term water management plan can occur to apply those resources to the City's needs. This plan will take into account all supplies recognized in the D&O, groundwater, surface water, treated effluent, and imported

supplies, as well as conservation and an appropriate contribution by Prescott toward meeting safe yield in the AMA. All supplies will need to be assessed for their best use and to secure water for future generations.

10.4.1 Water Availability For Future Development

Water currently available for the City's future growth is defined by the 2009 Decision & Order (D&O), which designates 1,472 acre-feet of water which would serve 4,205 residential lots. This additional volume of water, 1,472 acre-feet, is based on 2007 projections that were made related to population growth and the resulting return flows to treatment facilities. Actual volumes that are returning to the plants in 2014 are less, and determined to be 92 AF. Additionally, Should water from the Big Chino Sub-basin be imported, supplies are recognized but not yet being physically delivered, this number would increase. An earlier D&O from 2005 also allocated water available for future growth where an approximately 355-222 acre feet (AF) remains as of December, 2011/January 2015. This quantity would support 1014-634 new homes. Specific reservations have already been made for residential subdivisions approved and unbuilt prior to 1998 and for tracts of vacant residentially zoned property within the current City limits. The following estimate quantifies future growth, within the City, constrained by water availability; for reference, the 2010 Census found 22,159 total existing housing units in Prescott:

<u>Legally/Physically Available Water (2015)</u>	<u>Housing Units</u>
2009 Decision and Order Alternative Water (<u>1,472</u> AF)	<u>4,205</u>
Current Alternative Water Balance (2005 D&O <u>355-222</u> AF)	<u>1,014</u>
1998 Plats - Grandfathered Groundwater	
Final Plats	3,398
Preliminary Plats	3,456
<u>Reservation for Residentially Zoned Unwatered Tracts</u>	<u>1,920</u>
TOTAL FUTURE HOUSING	<u>13,993</u>

The legal, physical and economic availability of water from sources which are known or can be reasonably anticipated, including the costs of water rights and infrastructure to access and deliver water, will be a limiting factor in the future development of Prescott. Even with a strong market demand, availability of water and capital will determine the long-term growth of the City.

10.5 EMERGING CONTAMINANTS

As defined by the United States Geological Survey and the Environmental Protection Agency, "emerging contaminants" are commonly derived from municipal, agricultural, and industrial wastewater sources and pathways. These newly recognized contaminants represent a shift in traditional thinking as many are produced industrially yet are dispersed to the environment from domestic, commercial, and industrial uses. Emerging contaminants can be broadly defined as any synthetic or naturally occurring chemical or any microorganism that is not commonly monitored in the environment but has the potential to enter the environment and cause known or suspected adverse ecological and/or human health effects. In some cases, the release of emerging chemical or microbial contaminants to the environment has likely occurred for a long time, but may not be recognized until new detection methods are developed. In other cases, synthesis of new chemicals or changes in use and disposal of existing chemicals can create new types of emerging contaminants. The EPA under Unregulated Contaminant Monitoring Rule 3 (UCMR 3) is requiring the monitoring for 30 contaminants using EPA and/or consensus organization analytical methods during the 2013 - 2015 timeframe. Public water systems such as the City's will be participating in UCMR 3 and this points to stricter future federal requirements.

10.6 WATER RESOURCES GOALS AND STRATEGIES

Goal 1	Provide a reliable water supply for the City sufficient <u>for the City</u> to implement this General Plan.
Strategy 1.1	Develop a Long-Term Water Management Plan.
Strategy 1.2	Annually r Review annually the city water budget and balance new allocations with available resources in accordance with the City's water management plan.
Strategy 1.3	Reduce lost and unaccounted for water through monitoring, more accurate reporting, and system improvements.
Strategy 1.4	Continuously seek, evaluate, and implement additional measures for the City's Water Conservation Program.
Strategy 1.5	Maintain a water rate structure aligned to conservation.
Strategy 1.6	As new technology and funding become available, explore possible ways to monitor and treat drinking water supplies for Comply with Federal mandates pertaining to emerging contaminants.
Goal 2	Maintain water supply reliability by e <u>Optimizeing the</u> use of the effluent resource component.
Strategy 2.1	Maximize recharge of renewable resources, (treated effluent and surface water.)
Strategy 2.2	Encourage <u>Seek</u> extension of sanitary sewers into areas presently served by septic or other alternative disposal systems where feasible to increase return flow to water reclamation plants.
Goal 3	Augment City water supplies.
Strategy 3.1	Seek additional water resources to reduce depletion of local ground water reserves and contribute to the achievement of "safe-yield" in the AMA.
Strategy 3.2	Develop funding strategies to finance new water sources and technologies.
Strategy 3.3	Investigate <u>Track literature and – opportunities for enhancing infiltration within watercourses for groundwater replenishment and rainwater macro-harvesting technologies that have resulted in proven methods for application within the City of Prescott and the Prescott AMA to increase water supply.</u>
Strategy 3.4	Operate City-owned lakes to maximize <u>balance</u> storage for surface water recharge while maintaining a balance with recreational and habitat values.
Goal 4	Increase public information availability, awareness, and involvement in water management.

Strategy 4.1 Promote public participation in water policy and initiatives through media outreach and public informational dissemination.

Goal 5 Maintain participation in regional water resource and management efforts.

Strategy 5.1 Jointly formulate a plan to achieve safe yield within the Prescott AMA with other jurisdictions.

Strategy 5.2 Partner with other jurisdictions and contribute resources, where necessary, for development of feasible intergovernmental water management programs.

Strategy 5.3 Work with regional partners to influence and modify Arizona state water laws and regulations of significant importance to the City and AMA, when necessary.