



COUNCIL SUBCOMMITTEE ON WATER ISSUES MEETING

REGULAR SUBCOMMITTEE MEETING MINUTES

TUESDAY, MARCH 7, 2023, 9:30 a.m.

201 S Cortez Street

Prescott, AZ 86303

Council Chambers

Cathey Rusing, Councilmember - Chairperson

Brandon Montoya, Mayor Pro Tem – Member Steve Sischka, Councilman - Member

MINUTES OF THE REGULAR SUBCOMMITTEE MEETING OF THE PRESCOTT COUNCIL SUBCOMMITTEE ON WATER ISSUES HELD ON MARCH 7, 2023 IN THE 201 S CORTEZ STREET PRESCOTT, AZ 86303 COUNCIL CHAMBERS.

1. CALL TO ORDER

Member Montoya called the meeting to order at 9:30 a.m.

2. ROLL CALL

Cathey Rusing	Chairperson - Excused
Brandon Montoya	Member
Steve Sischka	Member

3. PUBLIC COMMENT

Public comment will be accepted following each agenda item and are limited to three (3) minutes. Please complete a comment card and return it to the City Clerk, speakers will be called in the order received.

4. DISCUSSION AND ACTION ITEMS

A. Approval of the February 7, 2023 Meeting Minutes.

MOTION BY MEMBER SISCHKA TO APPROVE THE FEBRUARY 7, 2023, MEETING MINUTES; SECONDED BY MEMBER MONTOYA: PASSED [2 – 0].

- B. WSA22-048, a Water Service Application Submitted by Kelley/Wise Engineering, on Behalf of Distinctive Homes and Architecture. Location: APNs 111-11-139 through 111-11-143, Comprising 1.90 Acres, in T14N, R02W, Section 32, NE ¼.

Water Resource and Environmental Services Manager Brian Ruiz provided a presentation to the Subcommittee regarding WSA22-048. This 32-unit apartment complex is adjacent to Sunset Avenue, south of Whipple St. The site comprises five individual parcels combined into one apartment complex. Utilizing the Water Resource Management Model (WRMM) multiplier of .12 acre-feet (AF) per apartment unit, the total demand for the complex is 3.84 AF. Utilizing the Arizona Department of Water Resources (ADWR) multiplier of 1.5 AF per acre, the landscaping usage is 0.65 AF. The total estimated usage for this project is 4.49 AF, an increase from the current use of 0.17 AF for a net usage of 4.35 AF. Planning and Zoning will review this application on Thursday, March 9, 2023.

Member Montoya asked if all the units would be the same size and if some of the trees would remain.

Mr. Ruiz confirmed that all the units would be the same size.

Community Development Planner Tammy Dewitt replied that it is her understanding that some trees will remain for parking lot landscaping.

MOTION BY MEMBER SISCHKA TO FORWARD WSA22-048 TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER MONTOYA: PASSED [2 – 0].

- C. WSA23-006, a Water Service Application Submitted by Stroh Architecture Inc.
Location: APNs 109-01-068, 070, 072, and 075B ("Old City Hall"). Located in T13N, R02W, Section 4, NE ¼.

Mr. Ruiz provided a presentation to the Subcommittee regarding WSA23-006. The intended use of this project is a multi-use building that will incorporate 50 apartment units, 97 hotel room units, 16,700 square feet (sf) of restaurant and retail space, and associated patio and lobby areas. Utilizing the Water Resource Management Model (WRMM) multiplier of .12 acre-feet (AF), the total demand for the 50 dwelling units is 6.28 AF per year (AFY). Utilizing THE ADWR multiplier of 1.5 AF per acre, the total demand for the 3,206 sf pool is 0.28 AFY. The non-residential demand estimate is as follows:

Hotel Rooms - 97 rooms at 29,990 gallons per room per year = 8.64 AFY

Retail/Restaurant - 16,777 sf at 41.24 gallons/sf = 2.37 AFY

Bank - 4.91 gallons/sf = 0.07 AFY

Landscaping - 1.5 AFY/acre = 0.06 AFY

The total net demand for this project is 10.92 AFY.

Member Montoya noted that this is one application with two components of demand and asked if staff would pull from both budgets and if an appeal process would be necessary.

Mr. Ruiz confirmed that both budgets would be used and that an appeal process would not be necessary since the demand of 10.92 AF is under 50% of the remaining annual budget.

Member Montoya asked about the 114,000-gallon underground rainwater storage vaults noted on the site plan.

Mr. Ruiz said he did not have any information on the rainwater storage vaults but stated that staff would look into it.

MOTION BY MEMBER SISCHKA TO FORWARD WSA23-006 TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER MONTOKA: PASSED [2 – 0].

D. Presentation and Update Regarding PFAS.

Utilities Manager Steve Olfers provided a presentation to the Subcommittee regarding perfluorooctanoic acid (PFAS) updates. Mr. Olfers stated that the Environmental Protection Agency (EPA) had not determined the maximum contaminant level (MCL) for the city's PFAS rule and provided an update on the city's latest testing and current PFAS levels. In addition, staff is struggling to keep the Entry Point to the Distribution (EPDS) levels at the Chino Valley blending wells below non-detect levels. This issue is due to infrastructure recently put back online; running certain wells in certain configurations is difficult.

Member Montoya asked if there is any indication as to when the MCL will be released and if there are any concerns about not receiving the ruling before the city's water consumption increases.

Mr. Olfers responded that he heard the MCL was to be out last Friday, so he does not know at this point and that Chino Well #3 should be up by summer, giving more flexibility to the blending process.

This item was for discussion only, no formal action was taken.

E. Discussion Regarding Proposed Water Legislation Impacting the City of Prescott & Surrounding Areas.

Mr. Ruiz provided a presentation to the Subcommittee regarding proposed water legislation impacting the City of Prescott and surrounding areas. The Northern Arizona Municipal Water Users Association (NAMWUA) has been tracking State legislation for water and has reviewed

approximately 80 water-related bills. NAMWUA supports 18 of those and opposes four (4). Mr. Ruiz reviewed those bills that have an impact on the local area:

HB2765 - water resources and treatment. This bill appropriates \$5,000,000 from the General Fund in fiscal year 2023-2024 for the Arizona Department of Environmental Quality (ADEQ) to identify, contain and treat water resources for PFAS and perfluorooctane sulfonate (PFOS).

SB1432 - assured water; small residential developments. This bill will require anyone seeking building permits for more than six residential units within an active management area (AMA) in an unincorporated county area to obtain a certificate of assured water supply from ADWR before presenting the permit application for approval to the county. This requirement will not apply to an applicant who has obtained a written commitment of water services from a city, town, or private water company designated as having an assured water supply.

HB2793 - water-efficient plumbing fixtures. This bill requires all fixtures in the state to meet or exceed the EPA's Water Sense Program standards and will require all state buildings to make every effort to install waterless urinals by August 25, 2024.

SB1660 - water effluent credit. NAMWUA remains neutral; however, the Arizona Municipal Water Users Association (AMWUA) opposes this bill. This bill stems from a specific problem in the valley with beverage manufacturers using too much water and creating discharge issues. This bill would allow industrial users to treat and store their water and obtain long-term storage credits. Supporters of this bill state this is a needed fix as it incentivizes this industry to remain in the state. Those opposed claim this allows industrial users to treat water and claim long-term storage credits while not requiring them to conform to assured water supplier regulations.

HB2731 - local groundwater stewardship areas. NAMWUA remains neutral on this bill establishing the local groundwater stewardship fund and authorizing ADWR to oversee the fund. This bill would transfer \$50,000,000 of state lottery funds to the ADWR's groundwater stewardship fund to create local groundwater stewardship areas. In addition, this bill would allow county supervisors to create a council and management plan for the groundwater areas and provide a best management practice for groundwater conservation. Supporters of the bill state they have worked long and hard to support rural communities and their water needs. Those opposed state that as this bill is structured, giving this power to a local council with no experience running a sophisticated water program is not the best way to proceed.

HB2561 - city water provider requirements and service. NAMWUA opposes this bill that was generated to create a remedy for water issues between Scottsdale and Rio Verde Foothills and would require Scottsdale to provide water.

SB1392 - appropriation to the AZ State Parks Board for the Upper Verde River. This bill appropriates an amount from the general fund to the AZ state parks board to create a state park at the headwaters of the Verde River. The Town of Chino Valley has requested NAMWUA's support for this bill, and there have been no objections.

Member Sischka asked what the ramifications are for a state park at the headwaters of the Verde River and how far the headwaters extend.

Mr. Ruiz replied that he was unsure what the ramifications would be.

Ms. Graser stated that the implications could be the use of fertilizers and the possibility of a regional wastewater recharge facility. The headwaters extend up to Sullivan Dam, but the park would be approximately five miles south of the headwaters at Del Rio Springs.

This item was for discussion only, no formal action was taken.

F. Discussion Regarding an Update from Staff on the Residential, Non-Residential Water Budget and Projects Under Contract for the Period from February 1, 2023 through March 1, 2023.

Mr. Ruiz provided a presentation to the Subcommittee regarding water budget updates from February 1, 2023, to March 1, 2023.

Residential:

Zero(0) residential projects approved
Total Remaining 24.83 AF

Non-Residential:

Three (3) non-residential projects were approved administratively
Total Budgeted - 25 AF
Total Approved - 1.27 AF
Total Remaining - 23.73 AF

Approved Projects – Under Existing Contracts

Three (3) additional residential projects approved
Total Approved - 0.59 AF

Member Montoya noted that the additional 10.63 AF from the residential budget leaves approximately 4.42 AF in the remaining residential budget to get through June. He asked if this is an adequate supply, if any additional projects are in the queue, and if there has been any input from the Mayor's Commission on Water Policy Review & Monitoring regarding the water budget.

Ms. Graser replied that the Commission would have recommendations regarding policies 1-22 and other items by the end of the week, and will provide those to Council in April.

Member Sischka commented that the water budget might not be realistic at certain times. Since there are approximately four (4) AF left, and it is only the beginning of March, this is one of those times.

Member Montoya clarified that there is 14.42 AF left in the water budget.

Mr. Ruiz said that Member Sischka's point is understood. Projects can take up a considerable amount of the water budget. Staff works with Community Development to foresee what is coming through the permitting system and will keep the Subcommittee updated.

Ms. Graser commented that if a budget becomes depleted, staff must decide how to use water. Community Development plays a significant role in helping staff understand the mixture of residential, commercial, job force opportunities and workforce opportunities.

Member Montoya stated that in the short time this budget has been in place, it seems like much of the commercial water is left over. He would like the Mayor's Commission on Water Policy Review & Monitoring to examine the policy's effectiveness.

This item was for discussion only, no formal action was taken.

5. GENERAL ANNOUNCEMENTS FROM STAFF

Water Resource Project Manager Kay Sydow provided a presentation to the Subcommittee regarding the Water Utility leadership forum sponsored by NAMWUA to be held at the High Country Conference Center in Flagstaff, AZ. The Save the Date is Friday, May 19, 2023.

Ms. Graser provided a presentation to the Subcommittee on the Water Resources Management Model (WRMM) update. City Staff and the City's Consultant are working on updating the WRMM; however, numbers have not changed significantly. She noted that the phrase "rolling five-year average" within the policy is inaccurate and will be corrected, explaining that the WRMM averages across the entire known data set.

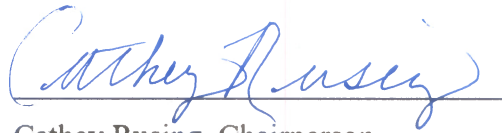
Member Sischka commented that the city had come a long way from the .35 per residential unit and asked if .17 is reasonable.

Ms. Graser replied that the .36, developed by the ADWR, was important as it allowed support services. Having the actuals and margins of safety is essential, and the .17 and .12 don't give the city the protection or margin of safety it needs to ride out unforeseen changes.

This item was for discussion only, no formal action was taken.

6. ADJOURNMENT

There being no further business to discuss, Member Montoya adjourned the meeting at 10:27 a.m.



Cathey Rusing, Chairperson

ATTEST:


Jennifer Wiita, Deputy City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Subcommittee Meeting of the Council Subcommittee on Water Issues of the City of Prescott, Arizona, held on March 7, 2023. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 4th day of April, 2023.

AFFIX
CITY
SEAL


Jennifer Wiita, Deputy City Clerk