



COUNCIL SUBCOMMITTEE ON WATER ISSUES MEETING

REGULAR SUBCOMMITTEE MEETING MINUTES

TUESDAY, NOVEMBER 1, 2022, 9:30 AM

201 S Cortez Street

Prescott, AZ 86303

Council Chambers

Mayor Pro Tem Rusing - Chairperson

Councilman Montoya – Member

Councilman Sischka - Member

MINUTES OF THE REGULAR SUBCOMMITTEE MEETING OF THE PRESCOTT COUNCIL SUBCOMMITTEE ON WATER ISSUES HELD ON NOVEMBER 1, 2022, IN THE 201 S CORTEZ STREET PRESCOTT, AZ 86303 COUNCIL CHAMBERS.

1. CALL TO ORDER

Chairperson Rusing called the meeting to order at 9:31 a.m.

2. ROLL CALL

Cathey Rusing Chairperson

Brandon Montoya Member

Steve Sischka Member - Absent

3. PUBLIC COMMENT

Public Comment will be accepted following each agenda item and is limited to three (3) minutes. Please complete a comment card and submit it to the City Clerk. Speakers will be called in the order received.

4. DISCUSSION & ACTION ITEMS

A. Approval of the September 6, 2022 Meeting Minutes.

Motion by Member Montoya to approve the September 6, 2022 Meeting Minutes; seconded by Chairperson Rusing: Passed [2-0]

B. Focus Topic: Introduction to Big Chino Water Ranch.

Water Resource Project Manager Leslie Graser provided a presentation to the Subcommittee regarding the Big Chino Water Ranch, beginning with an overview of the Big Chino Sub-basin:

- The Big Chino Sub-basin is 1,848 square miles
- Its elevation varies from 4,400' to 7,160'
- Precipitation averages 16" per year
- The groundwater depth varies from 14' to 510' below land surface
- There are approximately 15-million-acre feet (AF) in storage

1991 Groundwater Transportation Act

- The Transportation Act generally prohibited the transportation of groundwater across groundwater basin boundaries
- The act authorized the transportation of groundwater from five basins to the initial Active Management Area (AMA):
 - Big Chino Sub-basin
 - Butler Valley
 - Harquahala INA
 - McMullen Valley
 - Yuma Basin

1999 Declaration of Groundwater mining in the Prescott AMA

- Assured water supply rules implemented by the Arizona Department of Water Resources (ADWR) in 1994
- ADWR declared that the Prescott AMA was no longer in a state of "safe yield" (1999)
- Full implementation of assured water supply program requirements on municipal water providers within Prescott Active Management Area (PrAMA)
- Imposed additional conservation practices and required renewable, extinguished or imported water supplies for new subdivision growth throughout the AMA after 1999
 - Severely restricted additional use of groundwater from within the AMA

2010 Big Chino Sub-basin

Senate Bill 1445

- Approved by the 49th legislature, second regular session, and signed by Governor Brewer in April 2010
 - Amends Section 45-555 of ARS, the Groundwater Transportation Act
 - Clarifies conditions for the importation of groundwater from the Big Chino Sub-basin and rights of the City of Prescott under Title 45
- Subsection E states that a city or town in the PrAMA may withdraw and transport 8,068 AF/year of groundwater from the Big Chino Sub-basin
- Subsection F states that a city or town may withdraw additional groundwater for use by and Yavapai Prescott Indian Tribe (YPIT) on its reservation pursuant to a federally approved water rights settlement

Project Elements

The Big Chino Water Ranch (BCWR) would require:

- Nine wells and two one-million-gallon reservoirs
- 23 miles of 36" gravity pipeline from BCWR to the new Highway 89 pump station
- Seven pump stations along Highway 89

- Seven miles of 30" pipeline through the Chino Valley Water Protection Facility (CVWPF)
- Activity along the CVWPF, including an additional five-million-gallon reservoir (already done)
- 15 miles of 24" pressurized pipeline from the city's water protection facility (WPF) to Prescott Valley
- Need for an intermediate pump station and three one-million-gallon reservoirs

Ms. Graser presented the overall system schematic which shows the lift that must happen to get water from the water ranch to the intermediate pump station to the north reservoirs.

Timeline

- 1970 - Little Chino sub-basin identified as a critical groundwater basin
- 1980 - Groundwater Management Act and AMAs
- 1983 - A CAP allotment was authorized for the city and YPIT
- 1994 - YPIT water rights settlement and COP relinquished Central Arizona Project (CAP) allotment for replacement with water supplies from the Big Chino Sub-basin
- 1998 - ADWR declares PrAMA groundwater Mining status and institutes Arizona Assured Water Supplies (AAWS) rules
- 2004 - Prescott & Prescott Valley purchase a portion of JWK ranch through IGA and renames the BCWR
- 2005 - Prescott initiates additional Upper Big Chino hydrological investigations
- 2009 - ADWR issues the city's Designated Assured Water Supply (DAWS) recognizing 8,067.4 AF of Big Chino groundwater (litigation ensues)
- 2010 - ARS Title 45 amended, strengthening Prescott's rights to Big Chino groundwater
 - Agreement in Principle
- 2012 - Comprehensive Agreement No 1 (CA#1)
- 2013 - City executes numerous contracts and partnerships to execute CA#1 monitoring
- 2017 - City executes the CA#1 modeling contract

Big Chino Property

Consists of:

- 4,582.1 acres of deeded land
- 1,808.6 acres of AZ State land leases

Environmental Site Assessment in 2004

The city needed to do a lot of environmental work on the Big Chino Water Ranch. SouthWest Groundwater, now Matrix New World, was the consultant.

Property Maintenance in 2010/11

The property was used for agricultural purposes, and the AZ Community Foundation used it for a Boys Camp so there was a lot of trash, structures, and asbestos to remove. The city has put in a lot of work and there is still more work to be done.

Land Management Plan (draft) - 2012

Section 1 - Introduction and Content – one of the key elements to the purchase of the ranch was having

a historical agriculture site because it potentially allowed for additional three-acre feet per acre.

Section 2 - Baseline assessment – was strong as everything was mapped; however, one challenge was that items were named differently i.e., well numbering was flipped.

Section 3 - Management process and alternatives to land management – talks of how this land will be managed is due soon.

Fencing and Gates – per the purchase agreement, the city cannot allow leasing of the land until fully fenced, and the decision to fence the property lines purchased has not been decided.

Agricultural lands – historically irrigated agriculture needs to be determined. When the city purchased the property put forth a resolution stating that they would put aside the historically irrigated lands to be potentially used as mitigation for pumping.

Securing Wells - 2019/2021

Due to the dismantling of the property in 2010, Ms. Graser encouraged the city to secure wells and acquired a consultant who helped catalog what needed to be done. City employees cleaned up, cut grass, secured wells with lids, and added signage. Additionally, the gate to the main entrance was locked, signed, and the lock combination was sent to the ADWR..

Comprehensive Agreement No. 1 - Ninth Annual Report

Comprehensive Agreement no. 1 requires that an annual report is produced, and the ninth annual report was recently completed. Ms. Graser reviewed the table of contents with the Subcommittee and commented that the document will be placed on the city website today.

Chairperson Rusing asked why the city did not purchase water rights rather than ranch, adding that it seems expensive to maintain.

Ms. Graser responded that city had looked at pumping near the Verde headwaters, which was problematic. In the early 2000s, there was an aeromagnetic study that, for the first time, showed the deepest parts of the basin, which led to the purchase. Also, this gave the city the potential opportunity to use the historically irrigated acres.

Chairperson Rusing commented that a section is a square mile and asked if the city purchased three extra square miles from the State Land Department. She asked how the monitoring wells are doing and if they are tested for water quality.

Ms. Graser responded that the land is leased and that water quality testing was done in 2004 however, there has not been regular water testing because they are not a source of drinking water.

Chairperson Rusing commented that considering recent PFAS/PFOS levels, a discussion and testing is appropriate and asked if the wells are dropping.

Ms. Graser responded that she did not bring hydrographs, adding that ADWR and the USGS have taken water level measurements over the years. She will pull the water quality data and levels and send that information via email to the Subcommittee.

Chairperson Rusing commented that the public needs to realize the Big Chino Water Ranch is outside

of the PrAMA and there is nothing the city can do to stop activities such as farming and fracking. The city needs to start working with other entities to protect the Big Chino basin.

Member Montoya asked for a cost estimate of the pipeline placement, adding that the City of Prescott as Well as Prescott Valley taxpayers will need to approve this.

Ms. Graser replied that the estimate was \$140 million in the past, but there has been no effort to reassess at today's cost, adding that any major purchase has historically required bonding and public input.

Member Montoya asked what Prescott Valley's interest and responsibility is with the Big Chino Water Ranch is.

Ms. Graser responded that the IGA speaks to water and cost-sharing based on a percentage, for example they are sharing in the cost of environmental assessments, cleanup costs, and comprehensive agreement number one.

Member Montoya asked if the perimeter fencing needs to be completed in order to move forward with this project

Ms. Graser replied that she feels the answer is twofold – identify the perimeter of the property and clearly mark it with signage and fence the perimeter of the infrastructure works, i.e., wells and production facilities.

Chairperson Rusing commented that she would like to see the lease and asked how much the Kieckhefer family pays to lease the land for grazing.

Ms. Graser replied that the Kieckhefers pay \$10,000/year to the city.

Member Montoya stated that he would like a copy of the annual report.

Chairperson Rusing requested that staff bring the Big Chino Water Ranch back to the Subcommittee in January or February of 2023 for an update.

Member of the public Howard Mechanic addressed the Subcommittee, stating that the water from the Big Chino Ranch is no longer needed. The public must vote on any project over \$40 million, and he feels

that the public won't support this pipeline project. A decision needs to be made, and he suggests bailing on this project.

Member of the public Leslie Hoy addressed the Subcommittee and asked if any thought has been given to a shared direct potable reuse plant. It is expensive but does not have as many issues as a pipeline.

Member of the public Ralph Hess addressed the Subcommittee and asked about liability at the Big Chino Water Ranch, given that it is remote and unfenced and how often it is supervised. He asked what was being done to address any concerns.

Deputy City Attorney Matt Podracky replied that the city has insurance and is unaware of any claims since the city took ownership.

Ms. Graser stated that land protection and maintenance are very important and were scheduled frequently until the city had everything operating to its standards; then the maintenance and safety checks became quarterly.

Chairperson Rusing asked if the city has a water lawyer.

Ms. Graser responded that the city does have someone on retainer and when the time comes to discuss the water ranch in more detail, it will be discussed in an executive session.

5. GENERAL ANNOUNCEMENTS FROM STAFF

Ms. Graser provided the general announcements to the Subcommittee.

Water levels at the City of Prescott Chino wellfield

- Last updated in August 2021
- Well #1 has had limited measurements
- Well #3 has had big swings, and will have a conversation with Water Operations to determine why

Water levels at the Airport area wellfield

- The general trendline is downward
- Well #5 is moving along reasonably flat

Northern Arizona Municipal Water Users Association (NAMWUA)

- Mayor Good was nominated and approved as the new Chair
- Jeff Linwood of the AZ Water Co. provided a presentation on the Colorado River water shortage issues
- Water Utility Leadership forum planning continues

Upper Verde River Watershed Protection Coalition (Coalition)

- Board met on 10/26/2022 and a Special Work Session
 - John Richardson from the AZ Department of Forestry and Fire Management provided a discussion on the Department of Forest Fire Management and grant opportunities
 - Approved contracts with Biozone, Inc and Munderloh Consulting to execute the Coalition's Stormwater Planning grant
 - The coalition budget was discussed
 - Grant projects were reviewed
 - United States Department of Agriculture Natural Resources Conservation Services (USDA NRCS) Grant
 - ADWR Water Management Assistance Program (WMAAP) Grant
 - Funding opportunities with The Nature Conservancy (TNC) in 2023
 - Special Work Session to set priorities and direction for 2023 was rescheduled to December due to a lack of quorum and time

Public Works Deputy Director Gwen Rowitsch introduced Ben Easley, the new water center supervisor, who provided a presentation on the water budget and approved projects from July 1st to October 18th, 2022, to the Subcommittee.

- Residential
 - Total budgeted is 25 AF per year (AFY)
 - Total of three projects approved that equal 11.78 AFY
 - Total remaining is 13.22 AFY
 - 50% of the remaining total is 6.61 AFY
- Non-residential projects
 - Total budgeted is 25 AFY
 - Total of 13 approved projects approved that equal 14.67 AFY
 - Total remaining is 10.33 AFY
 - 50% of the remaining total is 5.17 AFY
- Projects approved under existing contracts – not included in the water budget
 - Total of 25 approved
 - 22 are new single-family homes located primarily within groundwater subdivision
 - Two subdivision plats and one multifamily complex were approved under existing contracts
 - Total number of 472 residential units were approved, totaling 83.7 AFY

Member Montoya commented that he gets feedback from the construction community that the water policy constricts construction; however, with existing contracts like this that allow for 83 AF that doesn't seem to be the case.

Chairperson Rusing asked what happens at the end of the year with the leftover water.

Ms. Rowitsch responded that Council decided not to roll that remaining amount into the next budget cycle, but staff will bring that forward again in December.

Member Montoya asked if the Mayor's Ad Hoc Committee is making progress.

Ms. Rowitsch replied that there is an internal meeting scheduled that will allow everyone to provide their input on how the policy has been working or issues that may have arisen, including information from the Mayor's Ad Hoc Committee. The information from that meeting will be brought to the attention of this Subcommittee in December.

Utility Manager Steve Olfers presented a presentation on PFOS/PFOA to the Subcommittee stating that staff continues to work towards a blending plan.

- Sundog Wells
 - Influent equals a concentration of 24 ppt of PFOA and 26 ppt PFOS
 - Effluent equals a concentration of 39 ppt of PFOA and 30 ppt PFOS
 - Six other PFAS components were detected at various levels
- Airport Wells
 - Influent equals a concentration of 21 ppt PFOA and 13 ppt of PFOS
 - Effluent equals a concentration of 21 ppt PFOA and 9.6 ppt PFOS

- Airport 5 continues to be the outlier, with an average PFOA concentration of 12.1 and PFOS of 8.7
- Six other PFAS components were detected at various levels
- Chino Wells
 - All wells are showing Non-Detect (ND) for PFOS and staying within their standard deviation and the expected average for PFOA

Member Montoya asked if the EPA would change the recommendation levels and if the city would continue with the blending process.

Mr. Olfers responded that all utility managers are awaiting news from the EPA regarding regulation and expectations. He will attend an upcoming seminar with the EPA and ADEQ regarding the maximum contamination level (MCL); he hopes to have an answer by the end of the year. He stated that the city would continue to use the blending process.

Chairperson Rusing stated that she is concerned about Airport Well # 5.

6. ADJOURNMENT

There being no further business to discuss, Chairperson Rusing adjourned the meeting at 11:11 a.m.


Cathy 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 November 1, 2022. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 16th day of December, 2022.

AFFIX
CITY
SEAL



Jennifer Wiita, Deputy City Clerk