



COUNCIL SUBCOMMITTEE ON WATER ISSUES MEETING

REGULAR SUBCOMMITTEE MEETING MINUTES

TUESDAY, MARCH 1, 2022, 9:30 a.m.

201 S Cortez Street

Prescott, AZ 86303

Council Chambers

Cathey Rusing, Mayor Pro Tem - Chairperson

Brandon Montoya, Councilman – Member

Steve Sischka, Councilman - Member

MINUTES OF THE REGULAR SUBCOMMITTEE MEETING OF THE PRESCOTT COUNCIL SUBCOMMITTEE ON WATER ISSUES HELD ON MARCH 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 9:32 a.m.

2. ROLL CALL

Cathey Rusing	Chairperson
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 & ACTION ITEMS

A. Approval of the February 1, 2022, Subcommittee on Water Issues Meeting Minutes

MOTION BY MEMBER SISCHKA TO APPROVE THE FEBRUARY 1, 2022 MEETING MINUTES; SECONDED BY MEMBER MONTOYA: PASSED [3 – 0].

- B. Water Service Application No. WSA21-017, Submitted by Chamberlain Development Prescott LLC on Behalf of Property Owner JCI Investments LLC. Location: APN 106-04-001N, South Half and APN 106-04-001L, North Half, Together Comprising Approximately 322 Acres; Property is in the North ½ of Section 4, Township 14N, R02W, GSRB&M.

Deputy Public Works Director Gwen Rowitsch provided a presentation to the Subcommittee regarding WSA21-017, an application for the Hidden Hills Subdivision that came before the Subcommittee in August of 2021. This application went to the Planning & Zoning Commission on February 24, 2022, with a recommendation of approval. Under the procedural pre-annexation agreement for Deep Well Ranch (DWR), the developer can build up to 10,500 dwelling units. With the additional twenty (20) requested, they will be at 738 dwelling units. The original water demand was 25.67 acre-feet (AF) per year; the addition of twenty (20) lots will add 3.40 AF per year for a total water estimated use of 29.07 AF per year.

Chair Rusing asked for the reason for the amendment.

Applicant Vic Chapman explained that approximately 200,000 yards of excessive dirt were used to fill that area and create a new cul-de-sac with some additional lots rather than export the dirt.

Chair Rusing asked for confirmation of a wash in that area and added that stormwater runoff is a big issue when building a new subdivision. She asked if there were any plans for engineering the runoff.

Mr. Chapman responded yes; it has been completely engineered.

Chair Rusing asked Ms. Rowitsch about the easement going through the proposed development area.

Planning Manager George Worley responded that it is a high-tension power line easement.

Member Montoya asked for confirmation that this is an increase of 3.4 AF of water.

Member Sischka asked if the additional water allocation comes from the total for Deep Well Ranch and if it has already been contracted.

Ms. Rowitsch confirmed that it is under the pre-annexation agreement for Deep Well Ranch.

Chair Rusing inquired about the installation of rainwater harvesting systems.

Ms. Rowitsch responded not to her knowledge and that there is no code requirement for rainwater harvesting systems.

MOTION BY MEMBER SISCHKA TO FORWARD ITEM 4.B. TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER MONTOKA: PASSED [3 – 0].

- C. Focus Topic – 2022 Draft Water Management Policy: Policy 11-14 “Water Budget”

Water Resource Project Manager Leslie Graser provided an overview of policies 11-14 of the 2022 Draft Water Management Policy and a review of the past policy to allow the Subcommittee to see how it has changed over time.

Member Montoya asked if this discussion is regarding residential, commercial, or both.

Ms. Graser responded both.

Water Policy History:

- 1999 Prescott Active Management Area (AMA) is out of safe yield
- 1999 city's first Decision and Order (D&O)
- City adopts its first water policy for 1999-2004
 - Of the 1,085 AF of renewable supplies, the city makes 1,000 AF available for new residential growth.
 - The volume of supply budgeted each year was as follows:
 - 1999, total allocation of 420; SFR 380, MFR 40
 - 2000, total allocation of 540; SFR 80, MFR 40
 - 2001, total allocation of 660; SFR 80, MFR 40
 - 2002, total allocation of 780; SFR 80, MFR 40
 - 2003, total allocation of 900; SFR 80, MFR 40
 - 2004, total allocation of 1000; SFR 80, MFR 40
 - Allocation was 0.36 AF/year/unit and included "support services." Revised to 0.35, then again to 0.35 for single-family residential (SFR) and 0.25 for multi-family residential (MFR).
 - The city worked under the assumption that only residential subdivisions needed to have an assured water supply. Commercial subdivisions were not considered.
- 2005 city's second D&O
 - The city starts bringing in its surface water supply from the Chino Valley Irrigation District (CVID) IGA
 - Still not using Prescott AMA groundwater
- City adopts second water policy for 2005-2010
 - The city determines from its contract accounting that 1,775 AF is available for budgeting (carry over, unused and new supplies).
 - The volume of supply budgeted each year was as follows:
 - 2005, total allocation of 131; Market 105 and Workforce/Affordable 26
 - 2006, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2007, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2008, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2009, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2010, total allocation of 200; Market 160 and Workforce/Affordable 40
 - Total for all years, 1,131; Market 905, and Workforce/Affordable 226
 - Allocation was 0.35 for SFR, 0.25 for MFR, both including a factor for support services.
 - CVID was allocated at 0.25 AF/acre.

Member Montoya asked if the numbers represent water that was allocated or used each year.

Ms. Graser responded the amounts represent what was available to allocate.

Member Sischka commented that it needs to be understood that at that time it was being allocated at 0.35, twice the amount of what is allocated now.

Public Works Director Craig Dotseth added that the chart shown depicts that not all water allocated was used.

- 2009 city's third D&O
 - The city is working to bring the Big Chino water supply into the water portfolio
 - The city is still watching the Alternative Water Supply
 - Long term storage account growing
 - City working to recharge and recover water supplies
 - Realized there was a significant imbalance between water sent out and water returned
- The city maintains the 2005-2010 water policy with amendments for 2011-2015
 - The city is budgeting year to year
 - The volume of supply budgeted each year as follows
 - 2011, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2012, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2013, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2014, total allocation of 200; Market 160 and Workforce/Affordable 40
 - 2015, total allocation of 100; Market 80 and Workforce/Affordable 20
 - Total for all years, 900; Market 720, and Workforce/Affordable 180
 - Allocation was 0.35 for SFR, 0.25 for MFR, both including a factor for support services
 - CVID was allocated at 0.25 AF/acre

Member Montoya asked if the home building was slow during this period due to the water budget being constrictive and if the water budget was applied to commercial.

Ms. Graser responded it helped to determine ratios necessary for a healthy community, and she is not sure that the budget applied to commercial at that time.

Member Sischka stated that the city was under an allocation situation during the first three years of his appointment to Council. When people ran up against an allocation, they were the first in line for the next allocation; he felt the city was picking winners and losers. While development was not necessarily discouraged, it was managed. The city got away from allocation because it did not seem effective; 0.1 per each 0.35 allocated was unnecessary for commercial because there was not enough commercial business coming in.

- City adopts 2016 water policy
 - City begins development of the long-term water management model (WRMM) with GIS interface

- City identifies all Council actions from past years with their supplies, has account balances
- General pool balance was 479 AF, set-asides were made for Bullwhacker and ERAU (Embry Riddle), leaving a balance of 324 AF
- Water was set aside in 2016 as follows
 - Market, 125 AF
 - Workforce/MF/ Duplex/Apartments, 100 AF
 - Commercial, 99 AF
- Reservation balances in AF
 - CVID, 5,019
 - Vacant residential in city limits, 431.7
 - Pre-existing/historic, 45.2
 - Deep Well Ranch, 1,821 with 900 tied to the Big Chino Water Ranch importation
- Allocation was 0.35 for SFR, 0.25 for MFR, both including a factor for support services
- CVID was allocated at 0.25 AF/acre

Chair Rusing asked if water was used from the workforce allocation.

Ms. Graser responded very little, and she is not sure of the actual amount.

Member Sischka commented that workforce housing was a moot point since it was not limited to those in the workforce.

- Tracking of the Big Chino supplies
 - In the 2009 D&O, a total allocation of 8,067.4 AF was approved
 - Council decided to budget 0
 - IGA with the Town of Prescott Valley formed for 3,702.9 AF of the water
 - 900 AF reserved for the Deep Well third increment
 - 200 AF reserved for vacant residential (Touchmark is an example)
 - The remaining volume less total committed and contracted of 4,802.9 AF was 3,264.5 AF

Current Water Policy:

- City adopts 2019 water policy
 - The city combines groundwater and alternative water volumes (in 2018, then formally in the 2019 policy)
 - The city determines that it has 9,807 AF available for budgeting
 - No set volumes are made available for each year
 - Water requests within city limits under 2 AF are administratively approved
 - Water requests within city limits for more than 2 AF are required to contact the city Community Development Department for instructions on how to proceed
 - Any water requests outside city limits are directed to contact city Water Resources staff. If there is an existing contract, follow city limits policy

- Water will be provided, but no specific amount will be allocated to any project through a separate contract.
- 2020-2021 Administrative approvals and Water Service Agreements based on the 2019 policy based on data from Central Square and independent spreadsheets
 - 2020 total Administrative Approvals – 8.22 AF/year
 - 2021 total Administrative Approvals – 23.20
 - 2020 Council approved water service agreements – 136.01 AF/year
 - 2021 Council approved water service agreements – 217 AF/year
 - ❖ does not include AED, DWR, Stringfield Ranch, and other contracts

Member Montoya stated that it is a little muddy to say Council approved 136 AF/year because some contracts were already approved. He asked if the development of Deep Well Ranch was approved based on reserves from the Big Chino.

Ms. Graser responded that the reserve was kept separate and that the development of Deep Well Ranch was not based on Big Chino reserves.

Chair Rusing commented that the 900 AF Member Montoya addressed was reserved for future growth per the original Deep Well Ranch agreement. She added that the decision went from Executive Session to Voting Session quickly and raised many questions.

Member Sischka asked if all of the water for Deep Well is in the WRMM.

Ms. Graser responded that staff did their best to load the 10,500 homes approved for Deep Well Ranch into the WRMM and that a commitment made in a contract needs to be honored; that is why 10,500 was moved into the WRMM even though it doesn't fit on the landmass.

Chair Rusing asked what the acronym PSI means.

Ms. Graser responded pounds per square inch. Deep Well Ranch wanted four (4) turnouts and made the units per PSI.

Mr. Dotseth commented that three limitations go with the water for Deep Well Ranch; the rooftops, the acre-feet, and the maps that include the land associated with the development. All of this is tracked, and then staff will identify how many rooftops and how much water will be used.

Member Sischka stated that his water usage is probably closer to 0.10 and asked if, as time goes on and staff averages current use, the average use of 0.17 will decrease.

Mr. Dotseth responded yes, as time goes by and older homes update to modern standards, the city-wide average use can reduce.

Ms. Rusing asked if Deep Well Ranch could transfer unused water to undeveloped adjacent land.

Ms. Graser responded that she hasn't read anything that states that unused water can be transferred. However, she feels this is a legal question.

Interim City Attorney Matt Podracky said he is unaware of that requirement, but he will look into it.

Proposed Draft Policy & Future Water Availability:

- 2022 draft volume estimate for proposed allocation
 - Still working with groundwater and alternative water for a total of 16,507 AF/year
 - The unapproved 2021 D&O modification is being used as a total demand estimate (14, 529 AF/year) for a certain land area
 - Leaves approximately 1,978 AF for budgeting
- WRMM – D&O version
 - Was built to look into the future
 - Need to know different components
 - Staff built it out to the general plan area

Chair Rusing asked if the WRMM only calculates usage in city limits.

Ms. Graser responded that it covers the water service area.

Member Montoya asked if an IGA was recently approved to allow the WRMM for Chino Valley.

Ms. Graser responded yes; it was an asset sharing agreement.

- What needs to be considered into the future
 - Areas within the General Plan, but not yet identified in the WRMM for supplies (current, committed, or projected)
 - Areas within the city that don't have water supplies assigned to them in the WRMM
 - Areas within the city that are upsizing or infilling to meet added community needs
 - Areas within the city serviced by private water companies or where water is hauled
 - Areas within the city's service area but outside of the General Plan or current city limits
 - Wells outside of city limits, who does the city plan to serve in the future

Chair Rusing asked about Glassford Hill and how much water will be saved by using it as open space and not building homes.

Ms. Graser responded that it depends on what type of park goes in, for example, natural vs. a park with turf.

Member Sischka asked for confirmation that each colored dot on the map shown is in the WRMM.

Ms. Graser confirmed.

Member Montoya asked if Granite Dells Estates are already allocated water for expansion through their development agreement.

Ms. Graser answered that amendments have moved the water volume to the west.

Member Montoya asked Ms. Graser to identify the more populated well areas on the map shown.

Ms. Graser pointed out the Williamson Valley corridor and Paquito Valley.

Ms. Rusing stated that due to the potential of wildfires the Bradshaw and National Forest well areas should be prioritized for city fire hydrants.

Member Montoya asked if there is any information available regarding the state of the exempt wells.

Ms. Graser responded that the State keeps track and that South Chino has started having some difficulties.

Ms. Rusing commented that she is a member of the Citizen's Water Advocacy Group (CWAG), which supports the water budget for both residential and commercial. CWAG believes a budget allows for planning and lets future businesses know that the city has planned for and manages water. She asked members Montoya and Sischka for their thoughts on establishing a water budget for residential and commercial.

Member Montoya responded that there is a valuable capacity for planning, and his concern is the sorting water service applications with commitments from the others. He has heard comments that there should not be a water budget due to so many outstanding commitments. Encourages sending today's presentation on to Council.

Member Sischka stated he has no problem with a water budget, but it needs to be done correctly. When there was a low water budget in the past, the public thought the city was running out of water; public communication needs to be improved. He added that the budget should be based on rationality rather than emotions.

Member Montoya added that meetings and postings are not enough to inform the public; social media, town halls, and public presentations are important as well.

Member Rusing stated that the elected public officials also need to be educated. She asked how many administratively approved projects to expect in the future, adding that she is surprised that 25 were administratively approved during COVID. She stated that the Yavapai Indian Tribe will have water needs for industrial use and that COVID includes industrial use.

Member of the public Howard Mechanic addressed the Subcommittee stating that workforce housing was never a result of water allocation. Property values are high, so there needs to be a discussion if the city is interested in workforce housing. He requested that the city discuss the Big Chino project, which has not been one in ten years, and asked if the city assumes the water rights when it takes over private water companies.

This item was for discussion only. No formal action was taken.

5. General Announcements from Staff

Ms. Graser announced the following:

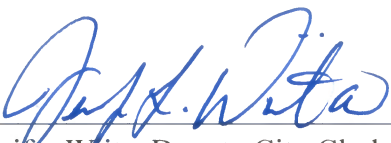
- Upcoming SciTech Fest occurring this year will be held virtually. The city has provided water and wastewater videos for this and a video tour of facilities hosted by former Mayor Mengarelli and Craig Dotseth. In addition, the city has provided kits with water bottles, filters, and dye tablets to check for toilet leaks.
- Water Awareness month is April and the city will have a display at the library with a focus is on rainwater harvesting projects.

6. ADJOURNMENT

There being no further business to discuss, Chairperson Rusing adjourned the meeting at 11:32 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 1, 2022. I further certify the meeting was duly called and held and that a quorum was present.

Dated this 6th day of April, 2022.

AFFIX
CITY
SEAL




Jennifer Wiita, Deputy City Clerk