



COUNCIL SUBCOMMITTEE FOR WATER ISSUES MEETING

SUBCOMMITTEE MEETING AGENDA

TUESDAY, FEBRUARY 4, 2020, 9:30 AM

Council Chambers, 201 South Cortez Street
Prescott AZ 86303
(928) 777-1272

Steve Blair, Councilman
Steve Sischka, Councilman Billie Orr, Mayor Pro Tem

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

1. Call to Order
2. Roll Call
SUBCOMMITTEE MEMBERS:
Chairman Steve Blair
Member Billie Orr
Member Steve Sischka

3. Public Comment

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

4. Approval of January 7, 2020 Meeting Minutes
5. Water Requests (more than 2 AF/year) – Ocean Blue Willow Creek, LLC
6. Forecasted 2020 Topics, Part 2 of 2
7. City Memberships Updates
 - A. Northern Arizona Municipal Water Users Association (NAMWUA)
 - B. Upper Verde River Watershed Protection Coalition (Coalition)
8. Focus Topic – Review of Proposed Water Service Outside of City Limits
9. Future Agenda Items
10. Adjournment

EXECUTIVE SESSION

Upon a public majority vote of a quorum of the Council Subcommittee for Water Issues, the Council Subcommittee 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:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));

- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) 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));
- (5) 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));
- (6) 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));
- (7) 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)).

THE CITY OF PRESCOTT ENDEAVORS TO MAKE ALL PUBLIC MEETINGS ACCESSIBLE TO PERSONS WITH DISABILITIES. With 72 hours advanced notice, special assistance can be provided for sight and/or hearing-impaired persons at this meeting. Reasonable accommodations will be made upon request for persons with disabilities or non-English speaking residents. Please call the City Clerk (928) 777-1272 to request an accommodation to participate in this public meeting. Prescott TDD number is (928) 445-6811. Additionally, free public relay service is available from Arizona Relay Service at 1-800-367-8939 and more information at www.azrelay.org

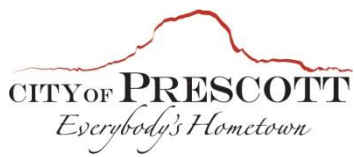
Confidentiality

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 Council Subcommittee for Water Issues 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 Council Subcommittee for Water Issues with the City Clerk

Sarah M. Siep, City Clerk



COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **2-4-20**

DEPARTMENT: **Council Subcommittee for Water Issues**

AGENDA ITEM: Approval of Minutes of the January 7, 2020 Meeting.

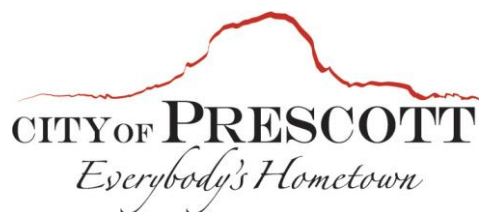
Item Summary

Approval of January 7, 2020, Council Subcommittee for Water Issues Minutes.

Attachments

1. Minutes of January 7, 2020

Recommended Action: **MOVE** to approve Subcommittee Minutes of January 7, 2020.



MINUTES

CITY COUNCIL SUBCOMMITTEE FOR WATER ISSUES

Tuesday, January 7, 2020
9:30 a.m.

Prescott City Hall
 Downstairs Conference Room
 201 South Cortez St., Prescott, AZ
 (928) 777-1130

Minutes of the City Council Subcommittee for Water Issues held on **Tuesday, January 7, 2020, at 9:30 a.m.** in the City Hall Downstairs Conference Room, 201 South Cortez Street, Prescott, Arizona.

A. Call to Order

Member Blair called the meeting to order at 9:27 a.m.

B. Roll Call

SUBCOMMITTEE MEMBERS PRESENT:

Member Steve Blair

Member Billie Orr

Member Steve Sischka

CITY STAFF PRESENT:

Craig Dotseth, Public Works Director

Clyde Halstead, Senior Assistant City Attorney

Gwen Rowitsch, Administration Support Services Manager

Leslie Graser, Water Resource Administrator

Carey Oberheim, Business Manager

C. Nomination and Vote to Appoint a Chairperson

MEMBER SISCHKA MOVED TO APPOINT MEMBER BLAIR AS CHAIRPERSON OF THE SUBCOMMITTEE; MEMBER ORR 2ND MOTION. PASSED 3-0

D. Approval of Minutes of November 5, 2019, and December 3, 2019

CHAIRMAN BLAIR MOVED TO APPROVE THE MEETING MINUTES OF NOVEMBER 5, 2019; MEMBER SISCHKA 2ND MOTION. PASSED 3-0

MEMBER ORR MOVED TO APPROVE THE MEETING MINUTES OF DECEMBER 3, 2019; CHAIRMAN BLAIR 2ND MOTION. PASSED 3-0

Attachment: Minutes of January 7, 2020 (2841 : ITEM C: Minutes)

E. Forecasted 2020 Topics, Part 1

Leslie Graser presented an overview of the duties of the Council Subcommittee for Water Issues as described in Resolution No. 4413-1622. Graser also reviewed a handout of upcoming discussion topics for the Subcommittee to consider for future agendas.

Memberships were discussed. Chairman Blair stated that updates on these groups twice a year would be helpful especially when the City is engaged in preparing financial budgets. Graser ask if those updates would be to the Subcommittee and then at their recommendation to the full Council at a Study Session? Member Sischa contributed that it should be in Chambers (a Study Session). Dotseth further clarified that more frequent updates can be given to the Subcommittee and then the twice/year updates at a Study Session would occur approximately two weeks before the Council approves the FY21 Budget. All members agreed to Dotseth's proposal.

During this item the Subcommittee also requested to move the future meetings to the Council Chambers. Carey Oberheim confirmed the request was underway with Michelle Rush.

Graser reviewed the Governor's workgroups, Member Sischa asked the difference between the Groundwater User's Advisory Council (GUAC) and the Governor's Groundwater, Augmentation, Innovation, and Conservation Council (GWAICC). Clyde Halstead responded GUAC created by a statute and is specific to the Prescott AMA, and GWAICC is created by the Governor to come up with ideas that they can recommend to the Governor to propose new legislation in the future. Chairman Blair asked that the Council receive updates on these two workgroups twice per year a study session. Chairman Blair and Member Sischa both mentioned that they will be applying for GUAC appointments.

Annual Water Withdrawal and Use Report is due March 31st each year. Graser asked if the subcommittee would like a presentation on the annual numbers prior to a presentation to Council. The members agreed that bringing the presentation to the Subcommittee first is appropriate.

Drought Management Plan is due in 2022. Chairman Blair asked what the Plan looks like and do we make changes to it? Graser stated it is based on population tiers and the City has not changed tiers. Restrictions have not been enforced since the bark beetle which created a need for conservation measures. Chairman Blair asked if our increased infrastructure capacity puts us in a better position and how many additional gallons of storage have we added since 2007. Dotseth stated that we have added 10 – 15 million in storage. Through conservation, the City has decreased production volume since 2006 up to the last 2 years when we have started a marginal climb due to increased population.

Graser discussed the Water Resource Management Model as a possible Subcommittee topic. The uses of the model were for 1) long term planning

scenarios, 2) tracking, and 3) a repository for data for D&O modifications. Member Orr asked if it could be made available for other communities to use. Graser mentioned it was built specifically for Prescott conditions, but the neighboring communities could work with Herb Dishlip to build something similar.

Discussion topics that the Members would like to focus on:

- Chairman Blair – Chino Valley Irrigation District, what is our obligation and what are we giving them now.
- Member Sischka – recommends that the Chairman meet with Public Works prior to agenda finalization to guide agenda topics. Chairman Blair would like to schedule meetings to review the agenda.
- Chairman Blair – long range water plans, and serving water outside the City. What are the effects of that service, positives and negatives? Halstead will work on a draft proposal for February.
- Member Sischka – presentation on how our surrounding communities, Prescott Valley, Chino Valley look at and manage water, similarities and differences. How each community's systems work.
- Member Orr – Drop by Drop schedule and topics for the year. Graser stated that the 2019 program has completed and no future plans have been made for the program. Dotseth commented that with current staffing we will be looking into how to reach more and new people. Development of education and conservation are currently on hold until we hire a replacement for the Water Resources Specialist vacancy.

Chairman Blair stated that water is a big deal and feels that the Water Resources Division is understaffed, would like to talk to the City Manager about staffing up this division with an additional employee. Member Orr recommended that the Water and Wastewater funds become a combined fund to allow for greater resources to focus on water resources.

F. Big Chino Water Ranch Overview and Closed Loop Pumped Storage Update

Halstead presented highlights of the Big Chino Valley Pump Storage Project, two reservoirs with hydroelectric turbines for electricity. Closed loop, not part of a surface water system. No updates as the website is down, no correspondence, no substantive filing with the Federal Energy Regulatory Commission (FERC) in more than 6 months. Last progress update with FERC was November 29, with a statement of “since the 3rd 6 month progress report, ITC has continued its internal evaluation of the projects potential impact to regional resources including the Big Chino Aquifer.”

G. Public Comment

Leslie Hoy made several comments;
ITC pump storage – Several CWAG science committee members were involved in the science of the project, the science appears to have stopped and CWAG has a concern that if ITC sells the project, the new owner may not be as environmentally sensitive.

WRMM – Wanted to clarify that she wondered if a WRMM could be created for the entire AMA. If the City intends to serve water outside City limits, does the model extend to those areas? Graser remarked that the WRMM is 2 models, one within City limits and one for the approved General Plan area.

CWAG will miss the Drop by Drop program and Ms. Hoy wonders if a panel presentation might be given at a future CWAG meeting.

CWAG member Kate Curren was appointed to the post 2025 AMA committee and is interested in the exempt wells.

G. Adjournment

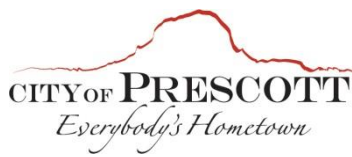
There being no further business to discuss, the meeting was adjourned at 10:33 a.m.

Respectfully Submitted by:

Carey Oberheim, Business Manager

Councilman Steve Blair, Chairman

Date: _____



COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **2-4-20**

DEPARTMENT: **Council Subcommittee for Water Issues**

AGENDA ITEM: Water Service Agreement Application No. WSA20-001 by Alexander Lazar, Representing Ocean Blue Willow Creek LLC, for Commercial Water Supplies on APNs 106-20-497 and 106-20-498.

Item Summary

Water Service Agreement Application No. WSA20-001 was filed on January 21, 2020. The applicant is seeking water supplies for an express carwash.

Background

City of Prescott Water Management Policy (WMP) adopted on November 19, 2019, includes a Water Connection Policy, which states,

The City may require a water demand analysis for projects with an estimated water demand greater than 2 acre-feet annually. This analysis will be performed by a civil engineer at the applicant's expense.

On January 21, 2020 the applicant filed a water demand analysis (Attachment 1) resulting in an Average Daily Usage of 15,800 gallons (17.7 acre-feet/year).

Further, the WMP sets forth a Water Application Procedure for Projects within City Limits requiring more than 2 AF/year. The applicant has completed the following:

Contact Community Development for instructions on how to proceed	√
Attend Pre-Application Conference (PAC)	11/8/2018
Submit all required applications	√
Complete the platting process, if required	√
Present the project to the Water Issues Subcommittee	2/4/2020
City Council will vote on the proposed project and water use	To be scheduled

Attachments

1. Ocean Blue Water Report and Demand Analysis - January 7, 2020

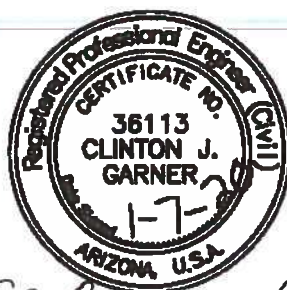
AGENDA ITEM: Water Service Agreement Application No. WSA20-001 by Alexander Lazar, Representing Ocean Blue Willow Creek LLC, for Commercial Water Supplies on APNs 106-20-497 and 106-20-498.

Recommended Action: RECOMMEND Water Service Agreement Application No. 20-001 be forwarded to Council for approval.



GarnerGroup
engineering

Water Report for
Ocean Blue Express Carwash
3163 Willow Creek Road
B1906-028
(GGE Job # 19-069)



January 7, 2020

Prepared by: Garner Group Engineering, LLC
Clinton J. Garner, P.E.

2064 E. Norcroft St., Mesa, Arizona 85213
Phone: 480-292-2673 Fax: 480-287-9019
Email: clint@garnergrouppaz.com

Attachment: Ocean Blue Water Report and Demand Analysis - January 7, 2020 (2842 : ITEM D: Water Request)

WATER DESIGN REPORT
OCEAN BLUE EXPRESS CARWASH
GGE JOB # 19-069
January 2020

Summary

Ocean Blue Express Carwash is a proposed automated carwash located near the southwest corner of Willow Creek Road and Willow Lake Road in Prescott, Arizona (APN 106-20-497 & 498). The project is located in a portion of the north half of Section 15, Township 14 North, Range 2 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona. The site is zoned PAD.

Introduction

Ocean Blue Express Carwash is a proposed automated carwash located on Lots 1 and 2 of Replat of Lakeview Plaza as recorded in Document 2014-0003538. Project owner is Ocean Blue Willow Creek, LLC.

Purpose of Report

Purpose of report is to provide water design criteria for new carwash.

Existing Water System Conditions

There is an existing 8" water line located in the existing paved road to the south of the site. An existing stub 6" is provided to this site near the southwest corner for fire protection. Domestic water will connect to the existing 8" line via an existing service line stubbed to the site.

Proposed Water System Conditions

New fire line will connect to the existing stub. New domestic will connect to the existing water on the south side of the project.

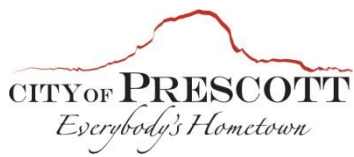
Design Criteria

Demands have been determined from another Ocean Blue Express Carwash in Prescott. The carwash is located at 1310 Iron Springs Road, APN 115-05-068P. A summary of the monthly demands for that carwash is included with the report. Based upon that summary, the average daily use is 15800 gallons per day. The following peaking factors will be used:

Maximum Daily Demand Peaking Factor = 1.65
Peak Hour Demand Peaking Factor = 3.17

Based upon those values, Ocean Blue Express Carwash will have the following water demand:

Maximum Daily Demand = $15800 \text{ GPD} \times 1.65 = 26070 \text{ GPD}$
Peak Hour Demand = $15800 \text{ GPD} \times 3.17 = 50086 \text{ GPD}$

**COMMITTEE AGENDA MEMO**

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **2-4-20**

DEPARTMENT: **Council Subcommittee for Water Issues**

AGENDA ITEM: Forecasted 2020 Topics, Part 2 of 2

Item Summary

On January 7, 2020, the Subcommittee reviewed and discussed a summary of Forecasted 2020 Topics. The summary was updated with requested items and general guidance for when a topic should be considered for placement onto a Subcommittee or Council agenda. Additional updates can be made by the Subcommittee as needed.

Attachments

1. Forecasted 2020 Topics

Recommended Action: This item is for discussion only. No formal action will be taken.

City Council Subcommittee for Water Issues - Topics Forecasted for 2020

The City's Subcommittee:

Formation was through Resolution No. 4413-1622. The Subcommittee will assist the City Council with,

- Policy development
- Tracking the condition of water supplies allocated
- Recommending WSA applications
- Recommending positions on water management topics
- Addressing other issues directed to it by the majority vote of the City Council

Subcommittee Recommendation (1/7/20) – Move the meeting location to the Council Chambers. Meet with the Chairman two/three Tuesday's before the meeting to set the agenda.

Forecasted Topics:

The City is involved in many activities related to water and those extend to intra and interdepartmental efforts. Updates can be provided on the items listed below. Please let City staff know if there are other topics of interest.

City Water Policy – Resolution No. 2019-1722

- 1) *Subcommittee Recommendation (1/7/20) – Pros and Cons of serving water outside of City Limits. Halstead will present this topic.*
- 2) TBD

Memberships – The City contributes monies to two (2) water groups.

- 1) Northern Arizona Municipal Water Users Association (NAMWUA)
 - a. Formation: By-Laws passed and approved October 15, 2004
 - b. Purpose: to work together to develop a sustainable regional water supply
 - c. Structure: Executive Board and Technical Advisory Committee (TAC)
 - d. Meetings: Board convenes quarterly and TAC convenes monthly
 - e. City representatives: Councilman Blair with Councilman Sischka as alternate
 - f. City's monetary contribution: FY20 = \$5,066.12; proposed FY21 = \$4,541.18

Subcommittee Recommendation (1/7/20) – Provide an update of activities to Council Study Session in February and August.

- 2) Upper Verde River Watershed Protection Coalition (Coalition)
 - a. Formation: Intergovernmental Agreement executed June 8, 2006
 - b. Purpose: committed to protect the Upper Verde River base flow while balancing the reasonable water needs of residents who live and business that operate within the watershed boundaries
 - c. Structure: Executive Board and Technical Advisory Committee (TAC)
 - d. Meetings: Board convenes quarterly and TAC convenes monthly
 - e. City representatives: Councilman Blair with Councilman Sischka as alternate
 - f. City's monetary contribution: FY20 = \$52,000; proposed FY21 = \$52,000

Subcommittee Recommendation (1/7/20) – Provide an update of activities to Council Study Session in February and August.

Attachment: Forecasted 2020 Topics (2843 : ITEM E: 2020 Topics)

Governor's and ADWR's workgroups

- 1) Prescott AMA Groundwater User's Advisory Council (GUAC)
 - a. Formation: 1980 Groundwater Management Act
 - b. Purpose: provides advice and recommendations to the AMA Director on the groundwater management programs and policies within the AMA
 - c. Structure: Six Governor-appointed members serving six year terms
 - d. Meetings: Scheduled as needed

Subcommittee Recommendation (1/7/20) – Provide updates as deemed necessary. March will be the first update.

- 2) Governor's Groundwater Augmentation, Innovation, and Conservation Council (GWAICC)
 - a. Formation: Executive Order 2019-02 in January 2019
 - b. Purpose: shall continue the work of the Governor's Water Initiatives to investigate long-term water augmentation strategies for the state, including innovation and conservation
 - c. Structure: A Council of 38 Governor appointed members and four legislators. The ADWR Director chairs the Council. The Council has formed four committees: Desalination, Long Term Water Augmentation, Non-AMA Groundwater, and Post 2025 AMAs.
 - d. Meetings: The GWAICC meets quarterly for all upcoming meetings see, <https://new.azwater.gov/meetings>

Subcommittee Recommendation (1/7/20) – Provide updates as deemed necessary

- 3) ADWR's Management Plans Workgroups (MPWG)
 - a. Formation: ADWR internal action, kickoff July 2019
 - b. Purpose: Complete outstanding fourth management plans (Phoenix, Pinal, and Santa Cruz) and formulation fifth and final management plans for all AMAs. The goal is to assess existing conservation programs and to develop new management strategies.
 - c. Structure: The meetings are open to everyone. The workgroup has been divided into four subgroups (Agriculture, Industrial, Municipal, and Safe-Yield Technical Group)
 - d. Meetings: For upcoming meetings go to <https://new.azwater.gov/5MP/meetings>

Subcommittee Recommendation (1/7/20) – Provide updates as deemed necessary

Selected City Contracts

	Contract No.	Description
1	1998-040	Chino Valley Irrigation District Intergovernmental Agreement <i>Subcommittee Recommendation (1/7/20) – Overview of the IGA with how much has been allocated and how much is being served.</i>
2	2004-206	City of Prescott Agreement for the Sale of Real Property (purchase of BCWR)
3	2004-255	Prescott Valley Intergovernmental Agreement for the Sale of Water and Cost Participation (BCWR supplies)
4	2010-086	Procedural Pre-Annexation Agreement with James Deep Well Ranches #1 (volume = 1,850 AF)
5	2010-128	Withdrawal and Use of Water from the Big Chino Sub-Basin and the Protection of Stream Flow in the Upper Verde River (Agreement in Principle)
6	2013-058	Comprehensive Agreement No. 1

Regulatory Requirements (ADWR focused)

- 1) Annual Water Withdrawal and Use Report (due each year on March 31st)

Committee Recommendation (1/7/20) – Provide AR Summary to Council on March 24th

- 2) Modification to Decision and Order of Assured Water Supply (December 31, 2021, see IV. 4.)
- 3) Drought Management Plan (due 2022)

Water Conservation and Education

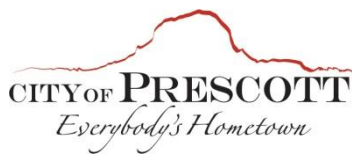
- 1) Water Education
- 2) Water Conservation Rebate Program

Infrastructure Topics

- 1) Recharge and Recovery
- 2) TBD

Other

- 1) *Committee Recommendation (1/7/20) - Matrix of how neighboring communities manage water, and how their systems work.*
- 2) Water Resource Management Model



COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **2-4-20**

DEPARTMENT: **Council Subcommittee for Water Issues**

AGENDA ITEM: City Memberships Update

Item Summary

On January 7, 2020, the Subcommittee requested updates on groups for which they have membership and dues. Those two groups are Northern Arizona Municipal Water Users Association (NAMWUA) and Upper Verde River Watershed Protection Coalition (Coalition). Refer to Subcommittee documentation, "City Council Subcommittee for Water Issues – Topic Forecasted for 2020" updated 1/24/2020 for details on each group.

Updates

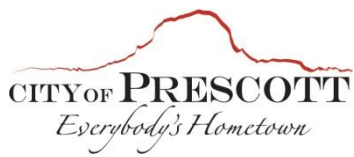
NAMWUA

- Board meeting was held on January 17, 2020 – City was represented by Councilman Blair and staff member Gwen Rowitsch
- Board approved a letter to ADWR Requesting to Extend the Rural NIA (Non-Indian Agricultural) Water Reallocation Timeframe to 2050.
- Proposed City of Prescott membership dues for Fiscal Year 2021 = \$4,541.18
- Approved Program Manager Agreement for Calendar Year 2020 with Ron Doba Management Services LLC.
- Next Board Meeting will be April 17, 2020 in Prescott Valley

Coalition

- Board meeting was held on January 22, 2020 – City was represented by Councilmen Blair and Sischka, and staff members Leslie Graser and Clyde Halstead
- Proposed City of Prescott membership dues for Fiscal Year 2021 = \$60,000.00
- Next Board Meeting will be April 22, 2020 in Prescott Council Chambers

Recommended Action: This item is for discussion only. No formal action will be taken.



COMMITTEE AGENDA MEMO

MEETING DATE/TYPE: **SUBCOMMITTEE MEETING** **2-4-20**

DEPARTMENT: **Council Subcommittee for Water Issues**

AGENDA ITEM: Focus Topic – Review of Proposed Water Service Outside of City Limits

Item Summary

During the January 7, 2020, Subcommittee meeting Chairman Blair requested Clyde Halstead, Senior Assistant City Attorney, provide a review of proposed water service outside of City Limits.

Attachments

1. Citizen's Water Advocacy Group Position Paper - AzEco Land-for-Water Trade
2. Citizen's Water Advocacy Group Position Paper- Water Without Annexation

Recommended Action: This item is discussion only. No formal action will be taken.



CWAG Position: AzEco Land-for-Water Trade

Approved by CWAG Board 1/16/2020

The Mission of CWAG is to protect the Verde River and to achieve a sustainable water supply in the Prescott Active Management Area (PrAMA). Current population growth trends increase the difficulty of achieving our goal. Despite Prescott's recently improved water conservation and landscape policies, new development is not yet sustainable.

The residential and commercial developments proposed by Arizona Eco Development (AED) will consume groundwater, thus increasing groundwater pumping and moving the Prescott AMA further from Safe Yield. Additionally, AED's proposed South Annexation would degrade the Peavine Trail and destroy the Granite Dells, private property that is essential for expansion of public open space near Watson Lake. Save The Dells, a local Political Action Committee, has organized substantial public concern and opposition to development in the Dells. The Granite Dells are unique and should be preserved for future generations.

The Save The Dells proposal to protect the southern 500 acres of the South Annexation from development requires the transfer of private property to public open space. As of December 12, 2019, the draft negotiation proposes that the City of Prescott would provide water for development of AED property as compensation for receiving approximately 500 acres in the Dells. CWAG supports a reasonable land-for-water trade with the conditions stated below:

- * Transparency: A written contract fully describing the trade must be available for public inspection and comment before approval.
- * The water trade quantity must be tied to specific population densities for specific parcels.
- * All effluent must be captured for permanent recharge.
- * The developments must comply with current COP codes on water conservation and landscaping.
- * AED must offset its net groundwater consumption by, for example: capturing stormwater runoff for permanent recharge; by using harvested rainwater, not groundwater, for landscapes; or by implementing other water conservation offset programs.

By adopting the above policies, these improved controls on groundwater use will minimize the increase in the overdraft owing to these developments. This will extend the useful life of our groundwater resource.



CWAG Position: Water Without Annexation

Approved by CWAG Board 1/16/2020

The Mission of CWAG is to protect the Verde River and to achieve a sustainable water supply in the Prescott Active Management Area (PrAMA). To achieve our mission and stabilize our groundwater resource, the PrAMA must transition from overdraft to safe yield. The average overdraft between 2000 and 2016 is very large - about 13,000 acre-feet per year (afy). Therefore the primary criterion for CWAG's review of Prescott water policy is the effect on the overdraft. Additional criteria are whether the proposed policy is consistent with existing City policies, including the Reasonable Growth Initiative (Proposition 400), the 2015 General Plan, and the Airport Specific Area Plan (ASAP).

In 2005, Prescott citizens overwhelmingly voted to approve the Reasonable Growth Initiative (Proposition 400) as an expression of concerns that unregulated growth would harm the community and threaten our water supply. For annexations exceeding 250 acres, Prop 400 requires public comment, a 3/4 council vote to approve, and that all wastewater is to be collected and dedicated to permanent recharge. That is, all wastewater recovered from the annexed service area would be recharged and could not be recovered to support additional development. This requirement tends to reduce the future overdraft on the aquifer.

CWAG insists that the provisions of the Proposition 400 Reasonable Growth Initiative be followed, and we strongly oppose any new policy that would bypass or weaken the express will of voters.

Currently, Prescott water policy prohibits supplying water outside the City limits. Prescott is now considering modifying that policy, apparently to accommodate two exceptional cases:

1. The City desires to supply water and sewer services to small unincorporated parcels within or near the current city boundary where annexation is difficult. This exception has the

potential to improve water quality in the creeks of the Prescott basin. CWAG agrees that this exception is reasonable and desirable.

2. To accomplish a transfer of private property owned by Arizona Eco Development (AED) to public open space, the City of Prescott and AED are negotiating a plan to trade land for water. As compensation for receiving approximately 500 acres in the Dells, Prescott proposes to supply water for development of approximately 1,200 acres in two parcels east of the airport. These two parcels would remain unincorporated; annexation into the City is allegedly not feasible because they are not contiguous with the current city limits. CWAG supports a reasonable land for water trade, but we oppose any plan that violates the Prop 400 provisions requiring a 3/4 Council vote, public comment, permanent recharge, and an economic impact analysis required by City policy.

We don't know exactly what the City is apparently considering because it has not released a proposed policy, a justification, or an analysis. Public transparency has been replaced by an irrational and chaotic process of floating trial balloons using Op-Ed columns in the newspaper.

CWAG opposes a repeal of the current policy prohibiting water service outside the city because:

- Repeal would continue to increase the overdraft.
- Repeal would provide a way to bypass Prop 400, as included in the City Charter:
"Section 4. A. Boundaries a. Declaration of Policy: The people of the City of Prescott believe it is in the best interest of the city to establish additional local requirements for annexation to ensure that any future expansion of the city's boundary does not undermine the city's efforts to attain safe-yield or otherwise threaten the water supply of city residents."
- Repeal denies citizens an opportunity to comment on population and water issues. The 2015 General Plan states:
"Citizen involvement and participation as an essential element for achieving Prescott's vision and facilitating community-based decision making for the choices and trade-offs which must be made to accommodate and manage growth. Community and stakeholder collaboration is fostered in all City plans and decisions." (page 6)

"The underlying theme of the Prescott Vision is similar to the words of Lewis Mumford in his essay, The Essence of the City: "...the greatest function of the city is to... encourage the greatest possible number of meetings, encounters, challenges, between varied persons and groups....to bring people together...till in the end all men will take part in the conversation."" (page 4)

- Repeal subsidizes private developers by awarding valuable city resources without compensation.
- Repeal reduces the City's ability to manage growth.
- Repeal reduces planning options for roads, open space, wildlife corridors.
- Repeal would create a developer "water rush."
- Repeal creates urban sprawl. The 2015 General Plan sets out Prescott's housing priorities as infill, affordable housing and multifamily housing and gives multiple reasons why sprawl is undesirable.
- Repeal would violate multiple provisions of the voter-approved 2015 General Plan that require Specific Area Plans for undeveloped areas:

"This General Plan anticipates that a specific area plan will be developed for any future large undeveloped tracts as they are annexed into the City, and must be initiated by the city as a responsible method for balanced community planning." (page 16).

*The General Plan states that **Growth Management Strategy 1.1** is to "Periodically review, revise or create Specific Area Plans, Neighborhood Plans, Overlay Districts and Redevelopment Districts as needed" (page 46, emphasis added).*

***Growth Management Strategy 3.1** is to "Encourage the creation of Specific Area Plans for all large undeveloped parcels, including newly annexed areas, which are currently under development pressures or anticipated to be under development pressures in the near future." (page 46)*

"The General Plan supports the creation of additional specific area plans for any remaining large undeveloped/unplanned areas, any large tracts coming under re-development pressures, and any newly annexed undeveloped lands." (page 28, emphasis added)

- Similarly, the process and substance of a repeal contradicts the existing Airport Specific Area Plan which states:

"ASAP Goals and Objectives (page 5)

"E.1 Utilize City of Prescott water and sewer services, or those of another central services provider, to the extent appropriate to influence desired land uses and their location.

“E.1.1 Determine if there is interest by the property owners in city-provided water and sewer service for future residential and/or commercial development of lands now under County jurisdiction, and if that interest extends to annexation of these lands at the time of development.”

“Ultimately, residential development within ASAP should be on central water and sewer so the region’s water resources can be better managed.” (page 18).

At first reading, these portions of the ASAP may be construed to mean that city water and sewer may be extended to un-annexed lands within the ASAP, however further elaboration of the ASAP Goals and Objectives reveals that these statements are prefaced by the statement that:

“Densities necessary to build neighborhoods and a balanced community need central water and sewer, which generally means annexation into a servicing municipality.” (page 17)

“ASAP property owners under County jurisdiction will therefore need to request annexation by a neighboring municipality to acquire rezonings, central water and sewer service, and city services sufficient to support urban/suburban development intensities.” (page 20)

Therefore, CWAG does not support a repeal of the current policy.

However, CWAG agrees that municipal water and sewer service will reduce net groundwater use per housing unit compared to individual wells and septic systems, **IF** Prescott development, conservation, and landscape codes apply, and **IF** all wastewater is dedicated to permanent recharge. Further, we agree that small parcels in or near the city limits should be provided water and wastewater services, and we support a reasonable land-for-water trade to protect the Granite Dells. These goals are all achievable without surrendering City control and without silencing citizen voices on development and water use.

To protect citizens’ voice in growth and water use as expressed in Prop 400, CWAG suggests that the current policy prohibiting water supply outside the city should be retained but be modified to permit limited exceptions carefully crafted to address the above two cases and other similar future situations. The exceptions should be defined using this framework:

1. Parcels receiving City water must be annexed consistent with the City Charter and City Policy except:

- a) For existing small parcels, but not a subdivision, within or near the current city boundary, the Water Issues Subcommittee may consider recommending to the Council

that the City supply water and sewer services for the purpose of improving water quality or public health.

b) For existing and new subdivisions on parcels not contiguous to the City boundaries that cannot be economically annexed, water and sewer service without annexation is permitted only if the city gains an extraordinary, valuable, and desirable benefit to public welfare or public open space, as determined by the Water Issues Subcommittee and approved by the Council. If the parcel(s) is 250 acres or more, an economic analysis and the approval provisions described in Proposition 400 must apply.

2. In all cases:

- a) The city development, water conservation, and landscape codes must apply and wastewater must be collected for permanent recharge.
- b) Transparency: A written contract fully describing the terms of the service agreement must be available for public inspection and comment before approval.
- c) The developer must offset their net groundwater consumption by, for example: capturing stormwater runoff for permanent recharge; by using harvested rainwater, not groundwater, for landscapes; or by other water conservation offset programs.

CWAG recommends that the Council begin an orderly, rational, and transparent public process to modify the policy on water use outside the city limits using the above framework.