



City of Prescott

Council Subcommittee on Water Issues

July 2, 2024 | 9:30 AM
201 N Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

Chair Rusing called the meeting to order at 9:30 a.m.

2. ROLL CALL

Cathey Rusing, Chair
Lois Fruhwirth, Member
Ted Gambogi, Member

3. DISCUSSION & ACTION ITEMS

- A. Approval of the June 4, 2024 Water Issues Subcommittee Meeting Minutes.
Member Fruhwirth requested the minutes be amended to include the following statement at the end of item 4.F, Presentation & Discussion Regarding the 2023 Annual Water Withdrawal & Use Report:

"Member Fruhwirth requested information from Public Works staff regarding the Annual Water Withdrawal and Use Report, providing additional context and insight."

MOTION BY CHAIR RUSING TO APPROVE JUNE 4, 2024 MINUTES WITH THE REQUESTED AMENDMENT; SECONDED BY MEMBER FRUHWIRTH: PASSED (2 - 0)

- B. Presentation & Discussion Regarding the Amended 2022 Water Management Policy Discussion - Current Residential & Nonresidential Water Budget Overview for January 1, 2024 through June 20, 2024.

Water Resource and Environmental Services Manager, Brian Ruiz, provided background data for the current residential and non-residential water budget overview. The Amended 2022 Water Policy, Policies 11-13, established a semi-annual water budget for residential and non-residential projects. The budget set for January 1, 2024, through June 30, 2024, for residential projects was 25 acre feet per year, as well as 25 acre feet per year for non-residential projects. He also reviewed the current totals for each budget.

Between January 1, 2024, and June 20, 2024, a total of ten residential projects were approved. Each of the projects requested less than 1 acre foot per year (AFY) and were administratively approved, equating to 1.70 AFY. The total remaining residential budget is 23.30 AFY. Mr. Ruiz noted that since the publishing of this meeting agenda packet, the Senator Cottages residential

project, Water Service Application (WSA) 23-054, was approved by Council on June 25, 2024. This reduces the remaining budget amount by 8.61 AFY, bringing the total remaining budget to 14.69 AFY.

Between January 1, 2024, and June 20, 2024, a total of eleven non-residential projects were approved. Each of the projects requested less than 1 AFY and were administratively approved, equating to 4.25 AFY. The total remaining non-residential budget is 20.75 AFY.

Chair Rusing asked if the Embry Riddle complex project, listed in the report, was near the airport.

Mr. Ruiz stated that he did not have additional details as the project was administratively approved. He continued with an overview of the totals for the projects approved under existing contracts, between January 1, 2024, and June 20, 2024. A total of 22 projects were approved, of which 21 were new single-family homes located primarily within groundwater subdivisions. Additionally, there was one non-residential project, Garage City, approved under existing contracts. The total volume approved under existing contract was 10.15 AFY. Projects under existing contracts are not included in the water budget (Policy 9).

Mr. Ruiz noted a formula error within the report and clarified that the total residential figure should reflect 3.57 AFY, and not 4.25 AFY.

Member Fruhwirth commented that it appears that the recently approved RV park project off Iron Springs Road was not shown in the report; Mr. Ruiz made note of the comment.

Chair Rusing requested clarification regarding the reason for the two reports.

Mr. Ruiz described the second report, approved under existing contracts, and how it reflects which projects are approved administratively versus approved by Council.

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

C. Presentation & Discussion Regarding a PFAS Update.

Water Division Superintendent, Nathan Graham, provided a presentation and update regarding polyfluoroalkyl substances (PFAS).

PFAS are a class of contaminants that can be found in any medium, including water, air, and consumer products. The city's water does contain levels of these contaminants. On April 10, 2024, the Environmental Protection Agency (EPA) issued the final PFAS rule including Maximum Contaminant Levels (MCL) that can be delivered to water customers. Mr. Graham referred to the report shared with the Subcommittee.

Chair Rusing asked if the Hazard Index section within the report was new.

Mr. Graham responded that it is a fairly new calculation added to the final PFAS rule. Implementation under the final PFAS rule requires public water systems to

conduct initial and ongoing compliance monitoring, implement solutions to reduce regulated PFAS if levels exceed the maximum contaminant level (MCL), and inform the public of such MCL exceedance.

Chair Rusing asked for clarification on EPDS.

Mr. Graham clarified that EPDS is the entry point to the distribution system. For the Chino Valley Water Production Facility the two 5 million gallon tanks is the EPDS and blending takes place there.

Chair Rusing commented that the city does blend anyway for arsenic, so those efforts may have helped with PFAS as well. She added that City staff are doing the best they can to mitigate, however, PFAS overall does require a lot of research.

Mr. Graham referred back to the presentation and discussed timeframes for implementing the new rules.

Within three years of rule promulgation (2024 – 2027)

- Initial monitoring must be complete

Starting three years following rule promulgation (2027 – 2029)

- Results of initial monitoring must be included in Consumer Confidence Reports (i.e., Annual Water Quality Report)
- Regular monitoring for compliance must begin, and results of compliance monitoring must be included in Consumer Confidence Reports
- Public notification for monitoring and testing violations

Starting five years following rule promulgation (starting 2029)

- Comply with all MCLs
- Public notification for MCL violation

Chair Rusing asked if there is enough data and information for a filtration system.

A Request for Statement of Qualifications (RSOQ) for consultant opinion has been drafted, according to Mr. Graham.

Chair Rusing commented on Well No. 4 being the only well with all zeros in the PFAS report and asked if there is the possibility to drill deeper or have pumping capacity improved.

Mr. Graham responded and agreed that all zeros are great, and that the well could potentially be drilled down more. He added that specific materials were utilized which could have benefited the zero totals.

Member Gambogi requested clarification on Well No. 5, as the prior chart was 8.16 PFAS. The report now reflects zero. After discussion, it was determined that Chino Well No. 5 cannot be compared to Airport Well No. 5.

Mr. Graham shared that various parameters for mandatory Health-Related levels

are available within the 2023 Prescott Water Quality Report. Copies are available in the front lobbies of City Hall and Public Works.

Chair Rusing suggested that discussion on annual testing reports be added to a future Subcommittee agenda.

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

D. Educational Series No. 2: Presentation & Discussion Regarding Water Resource Management - Regulatory Requirements.

Water Resource Project Manager, Leslie Graser provided an educational series presentation with a focus on the Arizona Department of Water Resources (ADWR) regulatory requirements. ADWR regulates water, along with the Arizona Department of Environmental Quality (ADEQ). ADWR has 24 programs, and Ms. Graser's presentation highlighted the following 12 programs:

- Active Management Area (AMA)
- Adjudications
- Assured and Adequate Water Supply
- Colorado River Management
- Community Water Systems
- Conservation
- Dam Safety
- Drought
- Groundwater Permitting and Wells
- Laws, Rules, and Policies
- Statewide Planning
- Underground Water Storage, Savings, and Replenishment

Ms. Graser shared a map of the City of Prescott Service Area Right 56-003017.0000. The prefix, 003017, is the city's tracking number. The city's service area was the dark blue shading on the map, with the lighter blue covering areas served but outside the City limits.

Chair Rusing commented that many citizens don't realize how extensive the water area is.

Ms. Graser shared a map outlining wells and explained that the purple shading covered incorporated areas. To the right of the map, a key outlined the 2023 Well Registry in age by years installed.

Member Gambogi asked what the total added up to.

Ms. Graser responded that inside the AMA, the total is close to 11,000 to 12,000, and added that it increases every year.

The Chino Wellfield was discussed next, which is covered under Service Area Wells 55-606021, 606022, 606023, 606024, and 606025. There are five production wells in the portion of Little Chino Sub-Basin, well depths range from 535 to 690 feet, and pumping capacity ranges from 850 to 3,100 gallons per minute (GPM). Ms. Graser explained that static water levels don't fluctuate very

much. The 2020 range was from 170 to 250 feet below land surface (BLS).

The Airport Wellfield is covered under Service Area Wells 55-212087, 219158, 229228. There are three production wells, five in total, in the portion of the Little Chino Sub-Basin, well depths range from 895 to 950 feet, and pumping capacity ranges from 640 to 1,600 GPM. The 2020 range for static water levels was 430 to 480 feet BLS.

The City has 110 wells registered, which are a combination of Non-Exempt, Exempt, and Monitor. Non-Exempt are any well that does not qualify as an exempt well or a replacement well. An Exempt well has a pump with a maximum capacity of no more than 35 GPM, which is used to withdraw groundwater. Exempt wells are small non-irrigation wells, typically used to provide water for domestic purposes. In AMAs, withdrawals of groundwater from exempt wells for non-irrigation uses other than domestic purposes and stock watering shall not exceed 10 AFY. A Monitor well is designed and drilled for the purpose of monitoring water quality within a specific depth interval.

Member Fruhwirth commented that she was surprised by the total of 110 wells, and asked if some were non-operational.

Ms. Graser responded that examples include property purchased with a well on site, or even historic items like Del Rio Springs that have a well on the property.

Member Fruhwirth requested a breakdown of the 110 wells into the three categories.

Ms. Graser confirmed that a report could be sent out and continued with discussion regarding surface water rights and dams, and underground storage facilities. The source, amount, and referencing documents were discussed. Recharge facilities store both surface water and reclaimed supplies, with a maximum of 12,000 AFY. There are four monitor wells on site, and nine recovery wells.

Ms. Graser reviewed the following summary and highlights related to the City's responsibilities for permits and programs administered by ADWR:

- City Decision and Order of Assured Water Supply
 - o 86-401501.0001 (under modification)
 - o References eleven other City permits or rights
- Community Water System
 - o 91-000634.0000
 - o The City is only required to submit a Drought Preparedness Plan every five years
- Surface Water
 - o ST-98-001 (33 prefix)
 - o Over 42 claims (3R, 4A, 33, 36, and 38 prefixes)
 - o State Dams (4 - 13.13, 13.14, 13.17 and 13.18)
- Underground Storage Facility
 - o Six permits (with prefixes 70, 71, 73, and 74)

Ms. Graser also provided the regulatory prefixes for reference, part of the City's required Annual Water Withdrawal and Use Reporting:

- City's Water Service Area and Wells
 - o 56-003017.0000
 - o 55-606020, 55-212087, 55-606021, 55-219158, 55-606022, 55-229228, 55-606023, 55-562286, 55-606024, 55-577507, 55-606025, 55-606691
 - o Over 100 wells, with eight specifically for water production within the service area
- Turf-Related Facilities
 - o 25-100002, 25-100003, 25-100004
- Underground Storage Facility
 - o 71-519567.0002
 - o 70-421123.0000, 70-421123.0001, 73-519567.0003, 73-528737.0002, 74-561500.0000, 74-569302.0003

Ms. Graser commented that the team works with the Water Division, relying on daily work reports for valuable data. They also work with the Community Development Department for data on housing units and population, customer types, and service area line updates.

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

E. Presentation & Discussion Regarding Long-Term Water Management Plan - Draft Outline.

Ms. Graser presented the draft outline of the Long-Term Water Management Plan. Providing history on the topic, Ms. Graser explained that a long-term water management model was prepared in 2015. The effort included an analysis feature, so various scenarios could be run to simulate changes in supply and demand. Moving to the next step of running scenarios in 2017, however, did not commence.

In 2019, the city adopted a resolution intending to be a long-term policy utilized to direct staff with managing water supplies. The policy was revised and adopted in 2022, under the "2022 Water Management Policy".

In May 2022, the Mayor's Commission for Water Policy Review and Monitoring was established.

The Commission reviewed the policy, provided recommendations for additions or changes, and also produced an additional list of recommendations. The recommendations were adopted in March 2024, along with the "Amended 2022 Water Management Policy". One of the recommendations stated the following:

It is recommended the City begin the process to develop a long-term water management plan, incorporating the water resource management model and appropriate legal documents. With the Commission identifying disconnects in the 2022 policy, i.e. recommendations for or concerns with 16 of 22 policies, within the documents text (pages 1-15 and attachments), as well as other comments. It

is evident the City is lacking a long-range water management plan to carry the City's water health and safety when there are changes from one elected and leadership bodies to another. The 2022 policy may bridge the City while a long-term plan is developed and aligns with its pending Decision and Order of Assured Water Supply (DAWS) which is currently under review with ADWR. Alignment with the City's 2025 General Plan will also be important. Note that the city's service area extends outside of its General Plan area. Commission requested a date for this recommendation. Staff assessed related work items and proposed a plan outline by July 31, 2024.

Ms. Graser shared the proposed components of the Long-Term Water Management Plan:

- Current supply types
 - Groundwater, surface water, reclaimed water
- Water and wastewater operations
- Possible future supply types
 - Imported groundwater, stormwater capture, rainwater harvesting
- ADWR management plans
- ADWR regulatory requirements
- City Council
 - City code, water policy
- City Finance Department
- City Community Development Department
- Plan outline and completion time
- Water Resources Management Model (WRMM)
- City's water history
- Regional partnerships/infrastructure (beyond AMA requirements)
- Record keeping
- Ongoing education and outreach
 - Eye on Water, social media, print, radio

Chair Rusing asked how the plan could be immune to Council changes and politics and whether the plan would be codified in the charter.

Ms. Graser responded that there are several factors. Overall, there are some guidelines as far as what the best course is for health, safety, and economics. There are also adjustments regarding state legislature.

Mr. Ruiz added that a quality document is based on actual, factual information with the proposed components Ms. Graser referred to. While it may be easy to end up off course, a document like the plan can be used to fall back on as it provides for direction when other options come up. The goal is for the plan to be strong enough to stand on its own.

Member Fruhwirth asked how water being used outside city limits would fit within the plan. She referred to water being used recently from Lower Goldwater Lake to aid in fire efforts in a nearby community.

Ms. Graser explained that there are extensions for certain situations, which provide guidance on decision making in a moment's notice.

Chair Rusing asked how progress on this plan will proceed, and whether it would be through this Subcommittee, or the new Water Policy Committee being formed.

Ms. Graser responded that details are being determined and staff are awaiting further direction.

Member Fruhwirth commented that the new Committee will write the policy and the Subcommittee will eventually administer it.

Ms. Graser clarified that this would be a plan rather than a policy. Once the plan is established, that determines the policies need to be in place to support the plan.

The policy is then supported by procedures. A long-term water management plan may include the following slimmed down outline:

- Introduction
 - o Description of Selected Planning Philosophy
 - o Regulatory environment
 - o Description of the City Water Service Area and Management
- Water Supplies
 - o Use existing data repository and update as needed
- Water Demands
 - o Use existing data repository and update as needed
- Supply and Demand Management Strategies
- Community Engagement
- Implementation

Ms. Graser stated that a Bureau of Reclamation grant was applied for, which would provide funding to assist with the plan establishment process.

The decision on acceptance should be announced in August or September.

Member Fruhwirth asked if any other communities' plans were reviewed as benchmarks.

Ms. Graser stated that staff reviewed the City of Tucson's outline, particularly the stakeholder process. There are southwest areas as well that have plans. Canada's plans were reviewed as well from a philosophical standpoint. The Bureau of Reclamation also has a document available that guides water management.

Mr. Ruiz added that a consultant will likely be sought to guide and lend support.

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

4. GENERAL ANNOUNCEMENTS FROM STAFF

Mr. Ruiz announced the 2024 Water Legislature Recap. A record was reached at nearly 100 water bills. Water was a huge challenge this year for legislature, according to Mr.

Ruiz. Three water bills passed, including SB 1181, SB 1081, SB 1242, and SB 1172.

Mr. Ruiz explained that none of the bills have a huge impact on the city's AMA. The bills primarily involve helping Queen Creek, Buckeye and other areas with 100-year assured water supply issues. The bills also involve open access to groundwater in the Harquahala Irrigation Non-Expansion Area to private entities, and give La Paz County the right to transfer, sell or lease the water.

Two major bills died, including groundwater for development in metro Phoenix, and creating rural groundwater regulation.

No additional grant funding is available for the Water Infrastructure Finance Authority (WIFA)

Member Fruhwirth asked how that affects the grant funding applied for, regarding Smart Meters.

Mr. Ruiz responded that staff would check on the conservation program and follow up with an email. He added that the majority of the grant literature involved the transportation aspect.

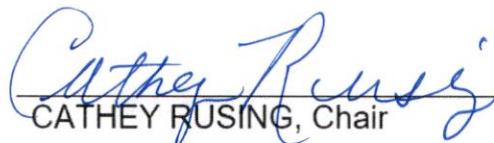
Mr. Ruiz shared some small takeaways which included farmers willing to support some form of rural groundwater regulation, and the potential for creation of middle-ground regulation for rural basins. He added that the Governor is open to doing a special Study Session on water as well.

Chair Rusing thanked Mr. Ruiz for all the valuable information. She commented that Council had a meeting with three legislators at a Study Session in October 2023. The legislators have been meeting twice a year with Yavapai County and the Town of Prescott Valley. The City of Prescott is going to start initiating meetings twice per year as well.

5. **ADJOURNMENT**

There being no further business to discuss, Chair Rusing adjourned the meeting at 10:41 a.m.

ATTEST:


CATHEY RUSING, Chair


City Clerk Staff