



City of Prescott

Council Subcommittee on Water Issues

October 1, 2024 | 9:30 AM
201 N Montezuma Street
Council Chambers, 3rd Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

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

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of the September 3, 2024 Water Issues Subcommittee Meeting Minutes.

Chairperson Rusing requested a change in the first sentence of the last page, change "auto meters" to "water meters".

MOTION BY COUNCILMAN GAMBOGI TO APPROVE SEPTEMBER 3, 2024 MINUTES; SECONDED BY CHAIRPERSON RUSING: PASSED (2 - 0) MEMBER FRUHWIRTH ABSTAINED

- B. Presentation & Discussion Regarding the Amended 2022 Water Management Policy - Current Residential & Nonresidential Water Budget Overview for July 1, 2024 through September 23, 2024.

Mr. Ruiz presented the topic for discussion and reviewed the amount of residential and non-residential projects.

Chairperson Rusing asked if water use for horses was included in the calculations.

Member Fruhwirth asked if there was any additional information available regarding the steel building project listed under the non-residential approved projects. She suggested including an address so they can understand what the project is.

Mr. Ruiz responded that he will get the information to the Subcommittee members.

Chairperson Rusing suggested adding the water service applications to the agenda packet for the review of the Subcommittee and asked if Mr. Ruiz was aware of any big projects that might be coming forward soon.

Mr. Ruiz responded that the new dorm rooms at Embry-Riddle are in progress, and it may come before the Subcommittee in November. The project is large enough that it may be approximately fifty percent of the water budget.

Member Fruhwirth questioned the category the Embry-Riddle project is being placed in and noted that in June, the water budget included Embry-Riddle in the residential category, leading to an increased residential allocation. This approach was intended to stay below the 50% threshold to avoid appeals for future residential projects.

Mr. Ruiz responded that while pulling from the residential water budget is possible, an appeal process will likely be required. The applicant has already been informed and is preparing the necessary documentation and letter for the appeal, aiming for a presentation at the November meeting.

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

- C. **WSA24-035:** A Water Service Application Submitted by Kelley/Wise Engineering, on Behalf of Owner Michael Lafferty. Location: APN 103-20-008D, Comprising 5.63 Acres, in T14N, R01W, Section 31, SE 1/4.

Mr. Ruiz presented the water service application for an 82 unit apartment complex on the north side of state route 69 located near Costco and Walker Rd. Water demand analysis came out at 9.84 acre feet per year for the indoor water usage estimate. The outdoor water use estimate came to 0.9 AFY for a total estimate of 10.74 AFY for the entire project.

Chairperson Rusing asked if there was a plan for open space.

Mr. Ruiz responded that since they are early in the process, they do not have an official landscape plan at this time, however, estimates for the landscape were based on the site plan and discussions with the project engineer.

Owner and developer Michael Lafferty provided a presentation on his project. He resides in the same location as the project. Less than 10 percent of the property will be used for the apartments. There is a planned walking path around the property and he plans to leave the natural drainage intact.

Gary Kelley from Kelley/Wise Engineering presented on the new water line going in to provide water for the apartment project. This new line will also benefit homes on Butterfly Drive with a secondary feed and better water pressure. He pointed out where fire hydrants would be located as requested by the fire department.

Chairperson Rusing asked if there is a future possibility for additional units or expansion available with the water system setup.

Mr. Kelley and Mr. Lafferty stated that there is not.

Chairperson Rusing asked about the mention of this project being workforce housing.

Mr. Lafferty explained the comparison of rental costs and area median income for the Prescott area. He said he would establish the rental cost at less than thirty percent of the Prescott area median income, which is currently \$85,300 a year per Mr. Lafferty's presentation.

Chairperson Rusing asked Mr. Lafferty if he was aware of the City's Workforce Housing Committee.

Mr. Lafferty stated that he is.

Chairperson Rusing said she considers the apartments as market rate.

Mr. Lafferty concurred.

Member Gambogi advised that the project was mentioned as workforce housing also at Planning and Zoning meeting.

MOTION BY MEMBER GAMBOGI TO FORWARD WSA24-035 TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER FRUHWIRTH: PASSED (3 - 0)

D. Presentation & Discussion Regarding an Update on the Automatic Meter-Reading Infrastructure (AMI) Program.

Utilities Manager, Steve Olfers, presented the topic for discussion. The water meter change out was approved in September 2023 by City Council.

- Replace all water meters with Badger Meters, approx. 25,800 total meters
- Replace drive-by read endpoints with Orion Cellular endpoints, using cellular system to communicate and read meters
- Develop front-facing application for customers, to view and adjust their usage, set up alarms in case of a leak or other unexpected usage; 310 customers registered

Funding- \$12.5 Million from capital improvement funds, \$3 Million Water Infrastructure finance authority grant with a 25% match.

Progression of Installation-

- Official project kickoff: March 15, 2024
- Started in Chino Valley device area, approx. 782 meters changed, all communicating with the central data collection program
- Currently in Route 4 Thumb Butte area, 4,498 meter to be replaced, approximately at 50% complete

Potential Challenges/Issues-

- Procuring meters/endpoints, no issues
- Installation: some push back from customers about making the change, fear of the cellular effect on health
- Cellular coverage: 3500 new meters installed, 2 not communicating, working with vendors to rectify
- Increase in bills: Rate increase combined with accurate meters

Planning Ahead-

- Route 4, Thumb Butte area expected to be finished early in CY 2025
- Route 1 will be the next, 8 months of installation
- Route 2: 8 months of installation beginning Early CY 2026
- Route 5/Route 3: 10,227 meters, will Start in CY 2027 and plan to complete in CY 2028

Chairperson Rusing commented that the new Badger meters are made in the USA and can withstand extreme weather.

Mr. Olfers confirmed the city did their research to find the best product available.

Chairperson Rusing asked if the new constructed homes get the new meters.

Mr. Olfers confirmed that yes, new homes get the new meters as it is in the City's general engineering standards.

Member Gambogi asked about the increase in water bills and if the goal is to reduce water usage.

Mr. Olfers responded that our WIFA (water infrastructure finance authority) is a conservation grant and yes, the goal is to reduce water usage.

Chairperson Rusing commented it is all about conservation.

Member Fruhwirth asked about the details of the WIFA loan/grant.

Mr. Olfers responded that the \$3 million conservation grant, awarded through ARPA funds, must be used by December 2026. The grant will cover part of the project's \$12.5 million total cost, freeing up \$3 million in the Capital Improvement Plan (CIP) budget for other projects.

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

E. Presentation & Discussion Regarding ADEQ Storm Water Quality Requirements.

Matt Killeen, Environmental Program Manager, provided an update on the Arizona Department of Environmental Quality (ADEQ) stormwater quality requirements. The update covered the Municipal Separate Storm Sewer System (MS4) program, recently submitted in an annual report. Key topics included a regulatory overview, the multi-sector general permit within city limits, MS4's minimum control measures, and an outline of annual reporting, all stemming from the Clean Water Act of 1972. Mr. Killeen explained that the Environmental Protection Agency (EPA) delegated stormwater regulation authority to Arizona's Department of Environmental Quality (ADEQ) in 2002, creating the Arizona Pollution Discharge Elimination System (AZPDES). Larger cities in Arizona, those with populations over 100,000, have individual permits, while smaller municipalities, including Prescott Valley, Yavapai County, and others, operate under a general permit, guiding pollution prevention efforts for surface waters. ADEQ regulates both the city's own operations and other entities within city limits, such as the Sundog transfer station, which has specific pollution guidelines. The city's focus is primarily on

the MS4 (Municipal Separate Storm Sewer System), aiming to reduce pollutants entering local creeks and lakes through streets, storm drains, gutters, and channels to the "maximum extent practicable."

Chairperson Rusing asked how often pollutants are tested for.

Mr. Killeen responded that pollutants are tested for regularly on an ongoing basis and explained that pollutants include anything besides rainwater or snowmelt, with limited exceptions that still require testing. The city monitors stormwater quality seasonally, currently working to meet E. coli testing requirements for the warm season before reporting to ADEQ. He continued his presentation and clarified that the regulated MS4 area is based on census-defined urban zones, not the entire municipality, but the city treats its boundaries as regulated for future growth. Core responsibilities include public outreach, pollution detection, and cleanup efforts. Outreach involves education for schools, social media, and events like Earth Day. Public participation includes posting reports online, having a pollution hotline, and organizing cleanups like the Granite Creek event. Pollution detection includes monitoring outfalls for E. coli and investigating reports from residents. A recent case of pollution led to a successful cleanup and improved practices by the responsible company.

Member Gambogi asked about the details of the illicit discharge situation.

Mr. Killeen responded that the green colored liquid was a dye used for leak testing and was reported by a nearby resident. The city responded within hours, containing the situation with assistance from Clean Harbor Environmental Systems. The company's corporate parent initiated the permitting process with ADEQ for a multi-sector general permit, ensuring ongoing oversight. Since then, the company has maintained clean practices.

Mr. Killeen continued his presentation and reported on stormwater management, covering 377 construction permit reviews and inspections by city staff to meet ADEQ standards. Post-construction, 147 sites are inspected annually, with well-maintained ones self-reporting. Municipal facilities are regularly inspected, with higher-risk areas like Fleet Services checked quarterly. Good housekeeping includes staff training and green infrastructure, such as a new site to capture pollutants near public areas. The annual ADEQ report process is now streamlined, and the city plans to boost contractor outreach on stormwater practices.

Chairperson Rusing asked how the aerators at Watson Lake are performing.

Mr. Killeen responded that the aerators at Watson Lake have had mixed results. One aerator is experiencing issues, so the team is coordinating with the manufacturer for maintenance. They also plan to integrate the aerators into the SCADA system, allowing remote monitoring of factors like battery levels, which could indicate maintenance needs such as cleaning bird waste off solar panels. This upgrade is currently underway.

Chairperson Rusing inquired about the use of algae eating carp.

Mr. Killeen stated the team plans to test the waters at Watson Lake but faces challenges due to conflicting regulatory requirements from agencies like Arizona Game and Fish,

which demands a fish barrier on the dam, raising concerns for the Arizona Department of Water Resources. FEMA also has issues regarding potential flood level changes. To address these challenges, the team is developing a contingency plan by considering traditional mechanical weed harvesting methods, including a remote-operated boat that could be used at Watson, Willow, and Golf Course ponds, as a temporary solution while awaiting clearer regulatory guidance.

Member Fruhwirth asked if businesses receive any recognition for being environmentally responsible.

Mr. Killeen responded that he would like to establish a public recognition program for exemplary businesses that demonstrate environmental awareness in their operations. This includes acknowledging construction sites that maintain good practices and food industry establishments that effectively manage grease recycling bins. The goal is to highlight businesses that train their staff and maintain higher standards in environmental responsibility.

Member Fruhwirth expressed support for a recognition program, suggesting it be tied to Earth Day and part of larger city press release, and noted the positive impact of a certificate as encouragement for businesses. She offered assistance to present certificates to businesses.

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

4. GENERAL ANNOUNCEMENTS FROM STAFF

Mr. Ruiz proved the general announcements.

Chairperson Rusing asked about ADEQ announcing they had funds available for water and wastewater grants.

Mr. Olfers responded they did apply for the grant funds for the Willow Creek Gravity sewer project.

5. ADJOURNMENT

Chairperson Rusing adjourned the meeting at 11:01 a.m.

Cathey Rusing, Chairperson

ATTEST:

Torey Dawson, Deputy City Clerk