



City of Prescott
Council Subcommittee on Water Issues

February 4, 2025 | 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 9:31 a.m.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of the January 7, 2025 Council Subcommittee on Water Issues Meeting Minutes.

MOTION BY CHAIRPERSON RUSING TO APPROVE THE JANUARY 7, 2025 MINUTES; SECONDED BY MEMBER GAMBOGI: PASSED (2 - 0 - 1) MEMBER FRUHWIRTH ABSTAINING

- B. **WSA24-013:** A Water Service Application for 11.66 Acre-feet Per Year Submitted by Michael Taylor Architects, on Behalf of Owner YH Development Properties, LLC. Location: APN 109-13-001D, 500 S Marina St., 8 Parcels Comprising 3.5 Acres, in T13N, R02W, Section 04, SE 1/4.

Brian Ruiz, Water Resources & Environmental Services Manager, presented the application for review. The project is requesting 11.66 acre-feet of water for the 90 unit multifamily apartment complex, estimated usage per unit is .12 AFY with 10.8 AFY total indoor use, estimated landscape of .57 acres at 1.5 AFY/acre for a total of .86 AFY, estimated total demand of 11.66 AFY.

Chairperson Rusing commented that the current condition of the property is an eyesore, she is glad that a nice apartment complex will replace the eyesore that is also located close to downtown. The water estimate for 90 units is well within the water budget. She is concerned about storm water runoff. She asked the applicant what their next steps would be after the water approval process.

Project Developer Marc VanWormer responded they are still developing the next steps.

MOTION BY MEMBER FRUHWIRTH TO FORWARD WSA24-013 TO COUNCIL FOR APPROVAL; SECONDED BY CHAIRPERSON RUSING: PASSED (3 - 0)

- C. Presentation & Discussion Regarding a Potential Memorandum of Understanding (MOU) with The Nature Conservancy.

Leslie Graser, Water Resource Project Manager, introduced Kim Schonek, Arizona Water Program Director, and Selena Pao Verde River Project Manager, both with The Nature Conservancy (TNC).

Ms. Schonek began the presentation on the proposal for a MOU for Big Chino Restoration and Partnership and introduced herself as a long-time conservationist with 16 years of experience, particularly in the Chino Valley area. She highlighted TNC's mission to work locally and regionally with partners to address conservation issues rather than following a centralized global approach. She emphasized that TNC operates in all 50 states and internationally. Additionally, she noted that TNC is a non-litigious organization, meaning they do not pursue lawsuits related to environmental issues.

Member Fruhwirth asked for clarification on what type of entity The Nature Conservancy is.

Ms. Schonek responded they are a private non-profit, a 501(c)(3). She continued her presentation and outlined TNC's long-term efforts in the Verde Valley, with a focus since 2018 on the Upper Verde. A stakeholder group identified four key priorities: (1) Recreation & Outreach—improving public access and awareness of the river, (2) Aquifer Recharge—enhancing recharge opportunities, including stormwater management, (3) Pumping Reduction—promoting water efficiency and minimizing unnecessary groundwater use, and (4) Watershed Condition Improvement—supporting healthy landscapes for better water retention. She highlighted partnerships with Del Rio State Park and Abra Water Company, as well as a Big Chino assessment. Additionally, she introduced the Upper Verde Regional Conservation Partnership Program, which secures voluntary conservation easements to protect large farms and ranches from future development. With \$22 million in federal and private funding, the program ensures these lands remain undeveloped while prioritizing large, intact landscapes over urban areas.

Member Gambogi asked for clarification on what farmers are compensated for.

Ms. Schonek responded that they are compensated for the loss of development value with private and federal funds.

Chairperson Rusing asked if they are looking at the whole Big Chino aquifer area and how long the project will continue.

Ms. Schonek responded that the Big Chino is identified as a major part of TNC's strategy, they have five years to get the first round completed and will continue if they are successful.

Chairperson Rusing asked if TNC has any MOU's with the ranchers and do they plan on establishing MOU's with other government entities.

Ms. Schonek clarified that TNC does not have specific agreements with ranchers but has engaged interested landowners. Recently, they collaborated with the Central Arizona Land Trust on a conservation easement for a portion of the Yavapai Ranch and completed the easement last summer. TNC typically secures conservation easements through the purchase of development rights rather than pre-arranged agreements. She explained that TNC is seeking an agreement to establish clear expectations for land-

related projects. The Big Chino assessment involves working directly with landowners, and any requested land-use changes follow a structured process similar to their other landowner collaborations.

Ms. Pao reviewed the Big Chino Assessment that was paid for by a private foundation. They gathered a lot of data, reached out to stakeholders such as federal, state and private landowners. Held a stakeholder meeting to gather the priorities of the landowners and conducted individual outreach to private ranchers to engage and meet on their concerns. The engagement process highlighted grassland restoration as a key priority for landowners, particularly ranchers who depend on healthy grasslands. Erosion was identified as a significant issue, as degraded land impacts grazing areas and contributes to land loss.

Chairperson Rusing asked if they would work on a large burn area.

Ms. Pao responded that their goal is to work with landowners to identify and develop specific restoration projects, so they can look at the burn area if that is an area of concern of the owner of that property.

Chairperson Rusing asked about erosion due to overgrazing.

Ms. Pao responded that one technique is virtual fencing. If a rancher is interested in protecting certain areas, it can be used to rotate areas to rest from grazing.

Member Fruhwirth asked what is in it for the City of Prescott, the positive and negative effects for the city.

Mr. Ruiz stated that it has been a six-to-eight-month process to this point. The city has 4,000 to 5,000 acres in the Big Chino area that is currently leased to a rancher for grazing and wants to maintain health of the property and area. Through this program the City can protect its property through efforts that will slow down water runoff and encourage recharge. TNC has a lot of experience in this area and provides a huge opportunity to help maintain the ranch and collaborate with experienced industry personnel.

Chairperson Rusing commented about water runoff and the need for rainwater capture for recharge.

Ms. Graser added that the MOU could help address those issues. The city believes in land stewardship, aquifer recharge and protection, and is the reasoning behind the staff recommendation to forward it to the Council for approval.

Member Fruhwirth commented that when this comes to Council, please add an internal assessment and clarify if there would actually be no financial impact to the city. Make sure everyone is fully aligned and for the public benefit as well.

Member Gambogi asked for further details regarding costs and funding.

Ms. Schonek responded that due to the parcel's large size, specific areas will be identified for assessment, estimated at \$75,000. The assessment will outline necessary projects, with funding sought rather than relying on city funds. She cited past

successes, including a \$350,000 Granite Creek project and a \$900,000 Clarkdale grant. Potential funding sources include WIFA grants. The goal is to prioritize projects and secure funding, not leave the city responsible for costs.

Chairperson Rusing asked what the city would be on the hook for if they sign the MOU.

Ms. Schonek clarified that the city's main obligation is to grant access for consultants and provide input. The assessment will identify projects but completing it does not obligate the city to proceed. If a project is too costly, they may prioritize smaller, more feasible projects. The process aims to provide clarity on restoration costs through initial engineering design, leading to a rough budget and funding strategy for implementation.

Member Fruhwirth said this has been a good conversation, would like to know the scope of this MOU.

Matt Podracky, Deputy City Attorney, provided his review of the MOU noting details of a 30 day out if needed during the first 30 days, a five-year term, and basic indemnity for negligent acts by either party.

Chairperson Rusing asked the Conservancy what would happen if the city did nothing.

Ms. Schonek responded that if nothing is done the ranch land will continue with erosion and loss of grass lands. With the MOU a number of improvements can be made and benefit everyone, landowners and ranchers, etc.

Chairperson Rusing asked if they have talked to the city's tenant yet.

Ms. Schonek responded that they have not talked to the city's tenant without working with the city first.

Mr. Ruiz added that there is also a budget for management of the 5,000 acres in the water ranch.

MOTION BY MEMBER GAMBOGI TO FORWARD THE NATURE CONSERVANCY MOU TO COUNCIL FOR APPROVAL; SECONDED BY CHAIRPERSON RUSING: PASSED (3 - 0)

- D. Presentation & Discussion Regarding Northern Arizona Municipal Water Users Association (NAMWUA).

Mr. Ruiz began a presentation on the city's relationship with NAMWUA.

Chairperson Rusing asked if the city paid \$300,000 for the membership.

Mr. Ruiz responded no, the city pays a membership fee according to population and pays between five and six thousand dollars annually.

Mr. Ruiz provided an overview of NAMWUA, an organization comprising municipalities and water companies from Northern and Central Arizona. Current members include the cities and towns of Prescott, Prescott Valley, Chino Valley, Cottonwood, Clarkdale, Camp Verde, Flagstaff, and Sedona. NAMWUA operates with a board of directors primarily consisting of mayors and council members from member communities. The

board chair is currently Mayor Goode of Prescott. A Technical Advisory Committee (TAC) supports the organization, including representatives from various municipalities and water professionals. The organization's mission is to unite expertise and resources to secure regional and local water resources. Originally formed to explore securing water from the Colorado River, NAMWUA has since evolved into a collaborative body addressing regional water planning, conservation, funding opportunities, and legislative advocacy. NAMWUA plays a critical role in monitoring and influencing water-related legislation, providing recommendations on bills, and lobbying at the state level through its executive director, Ron Doba. The organization works to ensure that the needs of Northern and Central Arizona communities are represented in state-level water policies, fostering regional cooperation in water management and conservation efforts. While NAMWA collaborates with entities like the Arizona Department of Water Resources, it does not have direct partnerships with organizations like the Salt River Project (SRP). However, they maintain communication with SRP and invite them to relevant discussions when needed.

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

E. Presentation & Discussion Regarding Water Service Applications and Potential Water Policy Updates.

Mr. Ruiz provided a discussion on amending the Water Service application to include information on hazardous materials filtering and discharge into sewer systems. He provided an overview of the city's pre-treatment program, which requires industrial users to complete an application detailing their industry, potential chemical discharge, and pre-treatment processes. While the full pre-treatment program document was too large to include, he provided key details, general objectives, and the relevant application. He also referenced City Code 2-1-44, which outlines the city's authority to enforce the program and chemical limitations.

Chairperson Rusing said that she would like to update the application and ask if any hazardous materials would be discharged into the ground or water and add that they will be responsible for mitigation of that discharge, not the city and taxpayers. She suggested defining "high water users" and incorporating these policies into both city and regional water policies.

Member Fruhwirth added that the city is not looking for high water users and a definition of that is important. The Council wants to promote economic development with as much information as possible to attract responsible businesses.

Mr. Podracky noted that the city already has a permitting process for industrial wastewater and questioned whether the proposed application changes would apply only to commercial users, not residential ones. He asked if it made sense to include a question about hazardous material discharge on the general water application or if it should only apply to commercial users requesting water.

Mr. Ruiz supported adding a question about hazardous material discharge to the Water Service Application, as it would provide early insight into potential issues. He explained that industrial users would still need to complete a pre-treatment application as part of the permitting process. He also reassured that the city's water treatment specialist acts as a safeguard, overseeing both pre-treatment permits and backflow preventers, ensuring that any industrial chemical use is identified and properly managed.

Member Fruhwirth added that she supports adding additional questions to the Water Service Application. She asked if the form can be updated now to start the information gathering and then work with the Council to update the water policy.

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

- F. 2022 Water Management Policy Discussion - Current Residential & Non-Residential Water Budget Overview for January 1, 2025 through January 24, 2025.

Mr. Ruiz presented the water policy tracking table activity between January 1, 2025 and January 24, 2025. No new residential projects were approved during the timeframe, the total remaining residential budget is 25 acre-ft. Also, no new non-residential projects were approved leaving the total remaining non-residential budget at 25 acre-ft. During the timeframe, a total of 4 projects were approved under existing contracts. All 4 were new single-family homes located primarily within groundwater subdivisions, totaling 0.68 acre-ft/year. Projects under the existing contract are not included in the water budget.

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

4. GENERAL ANNOUNCEMENTS FROM STAFF

Mr. Ruiz commented NAMWUA is reviewing legislative bills, He will bring applicable bills to the Committee for discussion.

5. ADJOURNMENT

Chairperson Rusing adjourned the meeting at 11:29 a.m.


Cathey Rusing, Chairperson

ATTEST:


Torey Dawson, Deputy City Clerk