



City of Prescott
Council Subcommittee on Water Issues

April 1, 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 09:31 a.m.

2. ROLL CALL

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

3. DISCUSSION & ACTION ITEMS

- A. Approval of the March 4, 2025 Council Subcommittee on Water Issues Meeting Minutes.

MOTION BY MEMBER FRUHWIRTH TO APPROVE THE MARCH 4, 2025 MINUTES; SECONDED BY CHAIRPERSON RUSING: PASSED (2 - 0 - 1) MEMBER GAMBOGI ABSTAINING.

- B. Presentation & Discussion Regarding the Long-Term Water Management Plan Progress Report.

Leslie Graser, Water Resource Project Manager, introduced Herb Dishlip, lead Water Resource Management Consultant, who provided the presentation.

Chairperson Rusing sought clarification as to whether the plan is a regional plan. Ms. Graser responded that the City's water service area can be considered regional because water is provided both inside and outside of the City limits; however, the term regional is also used to describe when other jurisdictions (e.g. Chino Valley, Prescott Valley) work cooperatively in water management and infrastructure. This long-term water management plan is first focusing on the City's planning.

Mr. Dishlip discussed the Planning Framework:

- Build on Previous Plans and Studies
 - Utilize the Water Resources Management Model (WRMM)
 - Current and Previous Assured Water Supply Designation Studies
 - Water and Wastewater Models prepared by Carollo
 - Groundwater Models Developed for Prescott AMA
 - Big Chino Sub-Basin Groundwater Model and Studies
 - Updated to the City General Plan

- Others

Chairperson Rusing commented that the General Plan map area may change.

Ms. Graser added that the water service area has been expanded, it is updated every year as a requirement from ADWR.

Member Fruhwirth asked for clarification on communication with ADWR, and asked for the topic to be added to a future agenda.

Mr. Dishlip continued the presentation:

Planning Framework:

- Planning Process Will Rely on City Staff and Consultants
 - Technical Memoranda will be Created for Detailed Studies
 - City Staff Will Organize and Conduct Public Outreach Programs
 - Upon Completion of Certain Milestones, the Results Will Be Reviewed with the City Council and the Water Issues Subcommittee
- Focus on What Makes Prescott Unique
 - History of Water Supply Development
 - Characteristics of Current Supplies
 - Groundwater
 - Surface Water
 - Effluent
 - Stormwater
 - Water Quality for Each Supply Source
- Characteristics Of Current Demands
 - Service Area Is Regional - Not Just City Limits
 - Potable Residential and Non-Residential Uses
 - Non-Potable Demands for Golf Courses and Other Uses
 - Uses Often Not Recognized
 - Recreation
 - Fire Suppression
 - System Losses

Planning Steps - Develop a Baseline - What is the Current Condition?

- Legal and Institutional Parameters
- Supply Sources
 - Volumes
 - Reliability
 - Water Quality
 - Distinguish between Natural Supplies and Infrastructure Enhance Supplies
- Demand Parameters
 - General Description of Types of Users
 - Single Family Residential
 - Multi-Family Residential
 - Range of Non-Residential

- New Users vs. Longer Time Users
- Conservation Programs in Place
- Peaking and Fire Protection Parameters
- Infrastructure
 - Wells and Pipelines
 - Reservoirs
 - Storage
 - Recharge Facility

- Planning Steps - Projections of Future Conditions If No Changes are Made from Baseline

- Supply Sources
 - Ability of Current Sources to Satisfy Future Demands
 - Will Supply Sources Diminish or Grow?
 - Effluent Supply will Grow with Increased Demand, but New Customers Must be On Sewer System
 - Reservoir Storage will Decrease Over Time Due to Sedimentation
 - Groundwater Supplies Can Be Affected by Increased Pumping from Common Aquifer or Extended Droughts
 - Demand: Focus on Demands of Current Customers and Committed New Customers, Vacant Lots in Existing Subdivisions, Approved Agreements for New Master Plans and Intergovernmental Agreements, Not Yet Established Non-residential that Inevitably Supports Residential Customers
 - Infrastructure: Currently Planned Maintenance and Expansion, Currently Planned Wastewater Treatment Expansion, Supplementary New or Replacement Wells

- Planning Steps - Identify and Analyze Benefits and Costs of Alternative Approaches
 - Supply Sources Including:
 - Affects of Climate Change – Such as More Droughts and More Floods
 - Enhanced Recharge Opportunities
 - Modification of Reservoirs and/or How They Are Utilized
 - Enhanced Wastewater Treatment
 - Importation of Groundwater
 - Watershed Management

 - Demand Management Including:
 - Estimation of Additional Demands Based on General Plan Land Uses
 - Enhanced Water Conservation Programs
 - Loss Reduction Opportunities
 - Rate Structure and Hookup Fees

 - Infrastructure Including:
 - Need for New Wells, Pipelines, Booster Pumps to Meet Additional Demands beyond Current and Committed
 - Unanticipated Expansion of Sewer and Wastewater Treatment

Plants

- Supplementary New or Replacement Wells Optimizing Locations

- Planning Steps - Recommendations and Implementation Proposals Such As:

- Enhanced Monitoring and Evaluation
- Updates to the Water and Wastewater Models
- Updates to Groundwater Models
- Possible New or Modified City Policies or Ordinances
- Adaptive Management
- Capital Improvement Program

Chairperson Rusing commented on the need to work on boundaries for planning purposes to ensure that growth does not outpace infrastructure. She emphasized the importance of avoiding a situation where the city is forced to play catch-up with water supply and infrastructure needs. She also expressed interest in including a definition of a "high water user" in the plan. Additionally, she noted the need to address "forever chemicals" and recommended including language about working with the legislature to support protective measures.

Member Fruhwirth agreed with the idea of including a definition of the high-water user. She also questioned whether the project timeline, which currently extends to December 2026, could be accelerated by six months and asked what conditions would be necessary to make that possible.

Ms. Graser reviewed the draft document of the outreach piece that will be available on the website.

Member Fruhwirth requested staff note that the General Plan is currently in draft form. In the project description, add who the decision makers are, council, or staff and will public participation be requested at some point and when that will be.

Chairperson Rusing suggested including mention of protecting the flow of the Upper Verde River and should also mention recharge.

Ms. Graser responded they are trying to keep the document short. It will be part of a series and there will be additional information available online.

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

C. Presentation, Discussion & Possible Action Regarding Potential Updates to the Water Service Applications and Water Management Policy Regarding Hazardous Materials.

Mr. Ruiz provided an update on the requested changes to the water service application regarding hazardous materials. The city is proposing updates to the Water Service Agreement (WSA) application and water policy to better address

hazardous materials and potential water contamination. These changes aim to align the application with existing pre-treatment and stormwater programs, ensuring industrial and commercial users identify any hazardous materials or activities that might affect the water or sewer systems. The revised application includes checkboxes for common use, an "other" option for clarification, and notifications that compliance with applicable water quality regulations (and related costs) is required. The water policy would also be updated to include descriptions of the pre-treatment and MS4 (stormwater) programs, with staff planning to bring these policy changes to the City Council for approval, likely at the May 13th meeting.

Chairperson Rusing thanked Mr. Ruiz for the work on updating the application.

Member Fruhwirth asked if reference to City Council review of WSA's is accurate since some are administratively approved.

Mr. Ruiz responded that he can touch up that language.

Chairperson Rusing suggested the legal department review the applications when hazardous material comes up.

Mr. Ruiz confirmed that legal is involved in the process and has reviewed the application changes.

MOTION BY CHAIRPERSON RUSING TO APPROVE CHANGES TO THE WATER SERVICE APPLICATION AND FORWARD RESOLUTION NO. 2025-1923 AS AMENDED TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER FRUHWIRTH: PASSED (3 - 0)

D. Presentation & Discussion Regarding Proposed Water Legislation Impacting the City of Prescott & Surrounding Areas.

Mr. Ruiz provided a summary of the status of water legislation bills.

- **Big Chino Subbasin Bill** (Rep. Gress): The bill was officially put on hold as of February 20th after a constructive meeting with stakeholders including Prescott and Prescott Valley. There's an agreement to revisit the topic in future sessions with new legislative proposals.
- **Most Water Legislation Stalled:** Many of the water-related bills, especially those tied to stormwater infrastructure and rural groundwater management, have not advanced this session—largely due to committee inaction.
- **Water Legislation Bottleneck:** A single committee chair is effectively blocking movement on statewide water bills, which has been a recurring challenge even with the governor's support for stronger groundwater legislation.

- **SB 1520:** A rural groundwater management bill has passed the Senate and seems poised to move forward, potentially challenging the governor's preferred approach.
- **HB 2271:** Aims to expand the reporting requirements of the Arizona Department of Water Resources (ADWR) for subbasin assessments. It seeks more transparency on static water levels, groundwater volume, stormwater metrics, and related data.
- **HB 2274:** Introduces a Water Improvement District in the Willcox Basin as an alternative to existing AMA regulation, this is also advancing.
- **SB 1448:** Originally focused on a farm irrigation efficiency fund with bipartisan support but was unexpectedly replaced (as a striker bill) with unrelated dental compact legislation. However, the \$10M fund may still be included in the state budget.
- **SB 1236:** A stormwater tracking bill is progressing but may face a veto depending on political alignment.
- **SB 1558:** Proposes a Water Technology Study Committee. While moving forward, it's controversial—critics argue subcommittees may not be the best format for evaluating new technologies.
- **SB 1523:** A water use prohibition bill related to landscaping has seen major revisions in the House and now appears more likely to pass.

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

- E. Presentation & Discussion Regarding the Amended 2022 Water Management Policy Discussion - Current Residential & Non-Residential Water Budget Overview for January 1, 2025 through March 20, 2025.

Mr. Ruiz provided updates for the January 1–June 30, 2025 water budget period, the residential allocation began at 25 acre-feet, with 5.6 acre-feet approved for the Bradshaw Senior Living Apartments and two administratively approved projects, leaving 19.6 acre-feet remaining. The non-residential budget also started at 25 acre-feet, with 11.33 acre-feet allocated to the Embry-Riddle Student Union project, leaving 13.67 acre-feet available. Additionally, 2.34 acre-feet have been allocated under existing contracts, primarily for single-family homes and one low-usage self-storage facility, though these do not impact the current budget totals.

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

- F. Presentation & Discussion Regarding Proposed Updates to City Code 3-10-8 (Incentive Program).

Item 3.F. was discussed prior to Item 3.C.

Tracie Beasley, Water Resources Project Manager, provided a presentation on proposed updates. The program needs added clarity to assist residents to take

advantage of the incentive program offerings.

Member Gambogi asked to consider including benchmarks for residential water usage. Education and communication is key, especially for residents new to the area.

Ms. Beasley agreed that education is critical. Her goal is to get out into the community to reach more residents. The suggested updates to the code are clarifications such as establishing deadlines for reimbursement. The intention is to align program benefits with current work and funding. A rolling one-year timeline is suggested for most rebates, allowing sufficient time for customers to complete projects. For turf-related applications, a shorter six-month window may be proposed. Establishing timelines would support fair and consistent program administration, as seen in other municipalities.

Member Fruhwirth requested to include a grace period before implementation of the timeline feature to take advantage of further community education.

Ms. Beasley continued with a proposal of an increase in the lifetime incentive cap from \$2,500 to \$5,000 was suggested for commercial, multifamily, and HOA applicants to support larger-scale water-saving projects. Updates to the turf rebate program include shifting language from "removal" to "replacement," clarifying eligibility for actively irrigated areas, requiring smart irrigation systems, and limiting hardscape to 25% of the converted area to encourage permeable, water-efficient landscaping. Expanded educational resources will support clearer communication and better program implementation.

Member Fruhwirth asked for clarification on what hardscape means in the rebate policy.

Ms. Beasley responded that the intention is to encourage residents to use permeable materials in their landscaping so water can soak or flow through to the soil below. The hardscape was referring to concrete, solid type materials that are not permeable, and can update the wording for clarity.

Chairperson Rusing asked if they plan to work with professional landscapers.

Ms. Beasley confirmed they will work through YCCA (Yavapai County Contractors Association) and do outreach. The final major proposal includes clarifying language and correcting a minor error in the rain barrel rebate. A key addition is the inclusion of specific language to promote commercial toilet rebates, particularly for automated flushometer models common in large public restrooms. These toilets, which often flush more than necessary, can result in significant water use, but also offer substantial savings when replaced. To encourage participation, a rebate of \$225 is proposed for these higher-cost commercial toilets, which typically range from \$300 to \$500. This change aims to attract more commercial applicants—who have been underrepresented—and achieve greater water savings compared to standard residential replacements.

Member Fruhwirth agreed with increasing the incentive amount for commercial

toilets and suggested education through the Chamber of Commerce and others to reach more businesses.

Ms. Beasley provided clarification regarding washer rebate eligibility. While the CE guidelines currently listed on the website determine qualifying models, the list is difficult for customers to navigate. Although Energy Star certification is used as a reference for about 90% of the time, it's not fully reliable due to some specialty models that don't meet water efficiency standards. To help customers, links and guidance have been added to the website, and staff recommend using the EPA's product page, which clearly displays the necessary water factor (3.2 or lower) to simplify the selection process.

Member Fruhwirth asked whether the current budget is sufficient to handle a potential surge in participation due to increased outreach, education, and expanded program offerings.

Ms. Beasley acknowledged the possibility of higher demand and emphasized the importance of monitoring participation and spending closely. If the program proves highly successful, adjustments may be needed, but the intent is to manage growth responsibly within existing resources while maximizing water savings.

MOTION BY CHAIRPERSON RUSING TO FORWARD PROPOSED UPDATES TO CITY CODE 3-10-8 (INCENTIVE PROGRAM) TO COUNCIL FOR APPROVAL; SECONDED BY CHAIRPERSON FRUHWIRTH: PASSED (3 - 0)

4. GENERAL ANNOUNCEMENTS FROM STAFF

Mr. Ruiz added that the ADWR annual report, detailing the city's water usage and groundwater data for the year, was submitted on March 31st in compliance with the deadline. A focused discussion on the report's contents and water usage trends will be presented at the next meeting for informational purposes.

5. ADJOURNMENT

There being no further business to discuss, Chairperson Rusing adjourned the meeting at 11:29 a.m.



PHILIP R. GOODE, Chair

ATTEST:

 for

Torey Dawson, Deputy City Clerk