



City of Prescott

Council Subcommittee on Water Issues

September 2, 2025 | 9:30 AM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

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

2. ROLL CALL

Phil Goode - Chair
Lois Fruhwirth - Member
Ted Gambogi - Member

3. DISCUSSION & ACTION ITEMS

- A. Approval of the July 1, 2025 Council Subcommittee on Water Issues Meeting Minutes.

MOTION BY MEMBER FRUHWIRTH TO APPROVE THE JULY 1, 2025 MINUTES; SECONDED BY CHAIR GOODE: PASSED (3 - 0)

- B. Presentation & Discussion Regarding the 2022 Water Management Policy - Current Residential & Non-Residential Water Budget Overview for July 1, 2025 through August 21, 2025.

Water Resource Manager Brian Ruiz provided an update on the water budget process. He noted that under the amended 2022 water policy guidelines, the water budget is set on a semiannual basis for residential and non-residential projects. For the period July 1–December 31, 2025, both categories were allocated 25 acre-feet. He reported that three single-family residential projects were administratively approved between July 1 and August 21, 2025, using a total of 0.7 acre-feet, leaving 24.3 acre-feet available for the remainder of the period. For non-residential projects, two were approved in the same period—a coffee shop and an office complex—totaling 1.26 acre-feet, leaving approximately 23.74 acre-feet available.

Mr. Ruiz also reported on projects approved under existing water contracts, which do not go through the budgetary process. During this period, several single-family residential projects were approved under contract, totaling 1.73 acre-feet. Overall, he summarized that water use to date has been modest and most of the allocated budget remains available.

This item was for discussion only, no formal action was taken.

- C. Approval of WSA25-045, a Water Service Application Submitted by Dalke Design Group, on Behalf of Owner Jim Thomas. Location: APN 103-20-598P, Comprising 6.97 Acres, in T14N, R01W, Section 31, SW 1/4.

Mr. Ruiz provided an overview of the project for 12 temporary apartment units behind the Espire Sports building near the existing outdoor courts at the mall. Based on the city's water resource model, the units are estimated to require 1.44 acre-feet per year, with an additional 0.6 acre-feet for landscaping designed to meet drought-resistant code requirements, for a total project demand of 2.04 acre-feet annually.

Jim Thomas from Espire Sports AZ provided more details about the project and clarified that the proposed units are not apartments but short-term casita style rentals, comparable to Airbnb stays of less than two weeks, intended to complement Espire Sports as a destination resort. He explained the units will be higher-end accommodations, with kitchens and patios, designed for families and visitors attending tournaments and other events. Landscaping will consist of synthetic turf with minimal planting, and access to Espire will shift to the front and side entrances.

MOTION BY MEMBER GAMBOGI TO RECOMMEND FORWARDING WSA25-045 TO COUNCIL FOR APPROVAL; SECONDED BY MEMBER FRUHWIRTH: PASSED (3 - 0)

D. Presentation & Discussion Regarding an Update on the Long-Term Water Management Plan.

Water Resource Project Manager Leslie Graser provided a presentation regarding the proposed plan. She reported on two focus areas: public outreach efforts and the draft 2024 baseline water supplies; and described the creation of a project overview and web resources, including the Water Resource Management page and the Participate Prescott site, to keep the public informed. Outreach began with a Facebook campaign linking to these resources, followed by release of the second project information sheet on 2024 Baseline Demand. She noted that additional work is underway to refine commercial and non-residential demand estimates by analyzing sectors, consulting with Community Development, and coordinating with the Economics and Tourism department. Ms. Graser moved on to 2024 Baseline Supplies, noting three supply types—groundwater, surface water, and reclaimed water—and emphasized both physical and legal perspectives. She explained that while the city primarily pumps groundwater, reclaimed and surface water offset groundwater use under Arizona Statutes. Data, prepared by consultant Herb Dishlip, shows that 2024 pumping totaled approximately 7,200 acre-feet, averaging 6,984 acre-feet over the past ten years. She described the importance of this baseline work as the “foundation of the house” for future planning.

Member Gambogi asked about the unusually high usage in 2020.

Ms. Graser responded that contributing factors may have included the 2019 policy shift and pandemic-related increases in outdoor water use. She confirmed data was verified through metering and state filings.

Member Fruhwirth asked if precipitation data could be overlaid with usage to better illustrate drought impacts.

Ms. Graser agreed, noting prior efforts to correlate precipitation with surface water supplies, and confirmed this can be reintroduced.

Ms. Graser continued that in 2024, 80% of pumping came from Chino Valley wells and 20% from the Airport area wells.

Member Gambogi commented that he expected greater declines after the shutdown of one airport well.

Ms. Graser responded that wells two and three remain reliable and stable, while well five is out of use.

Ms. Graser noted variability due to snowpack and precipitation. In 2024, limited inflows resulted in reduced recharge volumes, highlighting the challenge of managing reservoirs for storage and recharge. She explained that reclaimed water is delivered to customers such as golf courses and industrial users, with remaining volumes split between recharge/recovery and long-term storage credits.

Member Gambogi asked about the drop in 2024 reclaimed water recovery.

Ms. Graser attributed it to dry conditions and greater direct delivery to golf courses and industrial users. She noted that wetter seasons can increase infiltration into sewer systems, raising treatment volumes and costs.

Member Fruhwirth raised concerns about balancing water use for golf courses with the need for long-term recharge, suggesting future policy considerations regarding turf reduction and xeriscaping.

Ms. Graser confirmed conservation measures at City-owned courses and noted ongoing collaboration with Recreation Services on turf reduction.

Chair Goode added that irrigation improvements were implemented at City golf courses and agreed balancing turf needs with recharge efforts is a key policy issue.

Ms. Graser presented AMA-wide data showing City of Prescott pumping accounts for about 26% of groundwater use when offsets are applied, versus 37% of total pumping without offsets.

Member Gambogi asked who else in the AMA is drawing groundwater.

Ms. Graser responded that it includes Prescott Valley, Chino Valley, Dewey-Humboldt, exempt wells, irrigation, and industrial users as the other categories.

Member Gambogi questioned how exempt well pumping is calculated and accounted for if they are unmetered.

Ms. Graser explained that the Department of Water Resources models exempt wells at an estimated 0.5 acre-feet per well per year.

Member Fruhwirth commented on the importance of footnoting assumptions to avoid misleading conclusions, noting exempt wells going dry complicates estimates.

Chair Goode emphasized the need for clear documentation and separation of actual versus estimated volumes to prevent misinterpretation by the public and neighboring municipalities.

Member Fruhwirth raised the issue of comparing actual City pumping with estimated AMA pumping, stressing the need for more “apples to apples” comparisons.

Ms. Graser confirmed that exempt well numbers are estimated, but other AMA user data is reported directly to ADWR and was used for this work. She highlighted that Prescott’s investments in reclaimed, and surface water systems are unique in offsetting groundwater reliance.

Chair Goode requested clearer breakdowns of other municipalities’ groundwater pumping in charts, as well as tracking of bulk water distribution from the City’s Sixth Street facility to account for increased reliance by county residents with dry wells.

Ms. Graser confirmed water operations staff have already tracked volumes from the bulk facility and that this data can be incorporated into future reports.

This item was for discussion only, no formal action was taken.

E. Presentation & Discussion Regarding the Updated Water Conservation Rebate Program.

Water Resources Project Manager Tracie Beasley provided an update on the City’s water rebate program, noting efforts to make it more accessible, easier to use, and cost-effective. She explained that the updates aim to reduce customer questions and application errors, save staff administrative time, and improve the accuracy of program data for long-term planning. She highlighted that historical program data from 2016 onwards has been preserved and will be used to support demand management and conservation efforts. She also noted that the rebate section of the City’s website has been updated and simplified, including streamlined links to make it easier for customers to access program information.

Member Gambogi asked how a rebate applicant could get up to \$15,000 as noted on a presentation slide.

Ms. Beasley responded that the Friends of the Verde River offer grants in three cycles (August 31, October 31, and March 31), allowing homeowners to receive up to \$5,000 per cycle and businesses up to \$10,000. Applicants can combine city rebates with these grants for more savings on their larger projects.

Member Fruhwirth commented that hearing about the rebate program makes her want to take advantage of it. How does the city get more people interested in using the rebate program. She emphasized the importance of proactive outreach to residents, businesses, and HOA’s to maximize participation and suggested working more with the Chamber of Commerce with programs they manage to improve residents’ homes.

Ms. Beasley spoke to the importance of accurate data from 4,700 rebate entries over 19 years. The team is cleaning and standardizing it, linking accounts to

properties, and adjusting for commercial vs. residential fixtures. Updated data will be ready in October, helping track water savings and guide improvements as the program approaches its 20th anniversary.

Chair Goode asked about residential customers purchasing and getting rebates for commercial grade wash machines.

Ms. Beasley responded that she believes commercial units have been left out over the last few years and wants to improve the program so will look into if they can make that an option.

This item was for discussion only, no formal action was taken.

F. Presentation & Discussion Regarding Potential Revisions to City Code 2-1-8.

Mr. Ruiz provided the presentation and explained a potential revision to City Code 2.1.8, which governs water service outside city limits, focusing on the single-family exemption. This exemption was intended to allow one home per lot to connect if sewer was also available, but in practice it hasn't been usable because many areas outside city limits have water lines but no sewer access. He shared GIS analysis identifying parcels adjacent to water lines and noted complexities with historical subdivisions, intergovernmental agreements (IGA's), and designated assured water supply (DAWS) commitments. Using examples like Vista Del Cerro and Granite Gardens, he highlighted inconsistencies: some parcels have water service obligations, some are in DAWS but lack sewer, and some have water lines nearby but no formal agreements. The goal of the revision would be to clarify which parcels outside city limits could reasonably access city water.

Member Fruhwirth expressed concern about the complexity of water service outside city limits. She noted many properties lack any water or sewer service and questioned the city's level of responsibility for these areas. While sympathetic to residents' situations, she emphasized the importance of understanding the detailed history of each area before considering any changes and cautioned against extending service broadly beyond city boundaries. She is interested in further investigation into the history of the areas in question and that a code change would affect.

Chair Goode added that while some areas outside city limits were verbally promised sewer service decades ago, the cost of extending sewer lines, especially through difficult terrain, would be prohibitively expensive. He emphasized that simply extending water without sewer creates additional challenges, including treatment and aquifer recharge, and could set a precedent that the city cannot sustain. The situation is complicated by environmental concerns like PFAS contamination, but practical and financial limitations make widespread service extension difficult.

Member of the public Howard Mechanic spoke regarding the issue and argued that while the city wants to help property owners outside city limits, past efforts didn't consider a fair exchange. He explained that properties without effluent recovery of wastewater could otherwise serve multiple homes, meaning city resources are used less efficiently. He also noted that providing city water and

sewer increases property values, essentially giving owners a financial windfall. He suggested the city should consider what it receives in return to balance the benefits.

Member of the public David Shingledecker spoke as the president of the neighborhood Vista Del Cerro lot owner association and said that 40 years ago the development was built with the expectation of city water, including fire hydrants and a pumping station. The 2024 amendment unexpectedly cut off water for long-term owners, causing property values to drop and making wells and septic systems impossible. He supports Mr. Ruiz's proposal, thanks the water department for professionalism, and urges careful consideration for the impacted lots.

Member of the public Les Fournier spoke as a member of the Vista Del Cerro neighborhood, has owned a lot for 35 years he bought directly from the developer that presented the lot as having all city utilities. They intended to build on the lot, but delays and circumstances prevented development. Meanwhile, neighbors developed their lots and have city water, leaving undeveloped lots unsellable. He supports Mr. Ruiz's proposal and asks the city to consider it fairly.

Member of the public Larry Fagan spoke, his father was the developer of Vista Del Cerro, he was very active in getting city sewer to the lots over 40 years ago. The lots were always marketed as having city water and the city inspected and approved the connections. While efforts to extend sewer failed, the commitment to provide Phase 2 with water was clear. He supports the proposed solution.

Member of the public Jim Cooley spoke as a member of the Vista Del Cerro neighborhood as a lot owner for 20 years. The city utilities status is affecting the value of the property and previous policy changes have had further negative impacts.

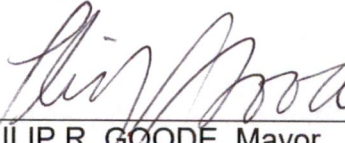
The Subcommittee provided direction for more research and available options for a solution.

4. GENERAL ANNOUNCEMENTS FROM STAFF

None.

5. ADJOURNMENT

Chair Goode adjourned the meeting at 11:25 a.m.



PHILIP R. GOODE, Mayor

ATTEST:



Torey Dawson, Deputy City Clerk