



City of Prescott

City Council - Study Session

February 17, 2026 | 1:00 PM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Prescott City Council** at its **Study Session** pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

Viewing & Participation

This meeting may be viewed on Channel 64, Facebook Live or on the City's website: [City of Prescott Live Meeting Feed](#)

Public comments for Council may be submitted through the City website: [Public Comment Form](#)

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION**

A. Presentation & Discussion Regarding Water Resources Management for the City of Prescott.

4. **ADJOURNMENT**

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));

- (6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);
- (7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 2/12/26 at 11:00 a..m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Sarah M. Thornhill

Sarah M. Thornhill, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: February 17 Special Study Session
DATE: February 17, 2026
DEPT: Community Development
ITEM #: 3.A
SUBJECT: Presentation & Discussion Regarding Water Resources Management for the City of Prescott.

ITEM SUMMARY

This item is for the Water Resources Management Division of Community Development to provide an overview of the assured water supply, water conservation program, water policy, Big Chino Water Ranch, long-term water management plan and the Gila Adjudication.

BACKGROUND

Water Resources Management has had a varied and complex history for over a century within the City. The establishment of the Prescott Active Management Area under the Arizona Groundwater Management Act in 1980, followed by the City's Designation of an Assured Water Supply in 1999, has provided the framework guiding many of the City's water-related decisions. This presentation will provide historical context and current procedures for the management of water in the City. This open discussion will allow City staff to update Council on the current status of the water conservation program, long-term water management plan, and other projects and issues facing water resources. This is also an opportunity for staff to solicit feedback on topics Council would like more information on in 2026.

FINANCIAL IMPACT

There is no fiscal impact associated with this item.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. Water 101 Presentation

Water Resources Management Overview

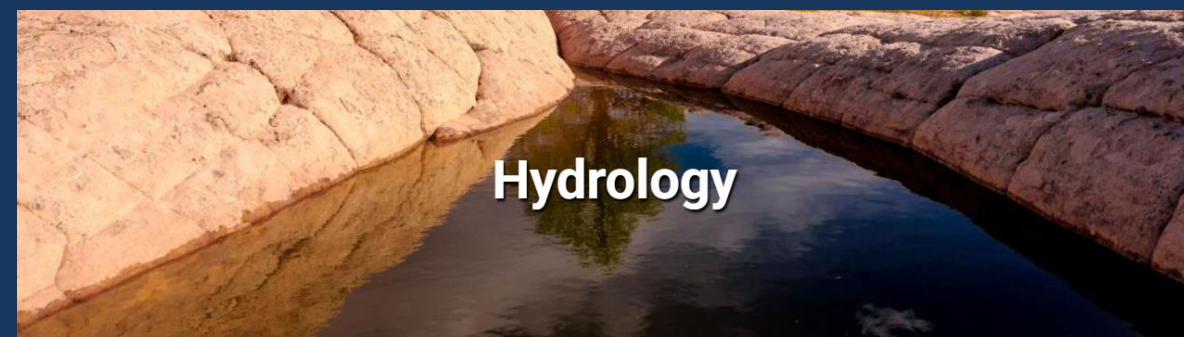
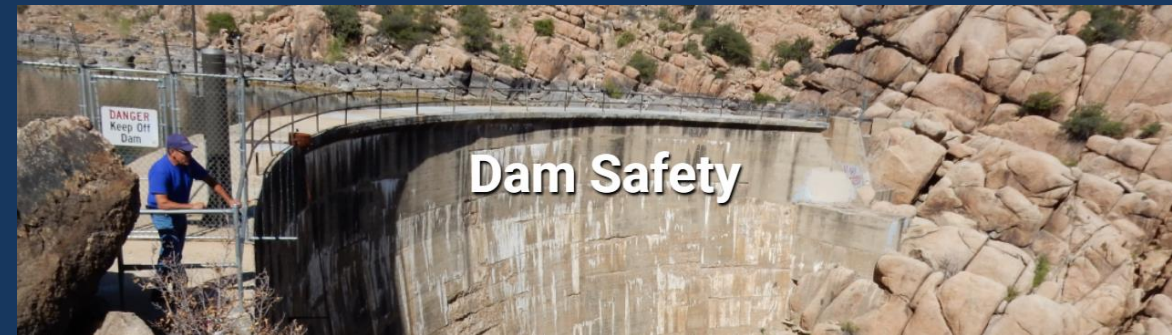
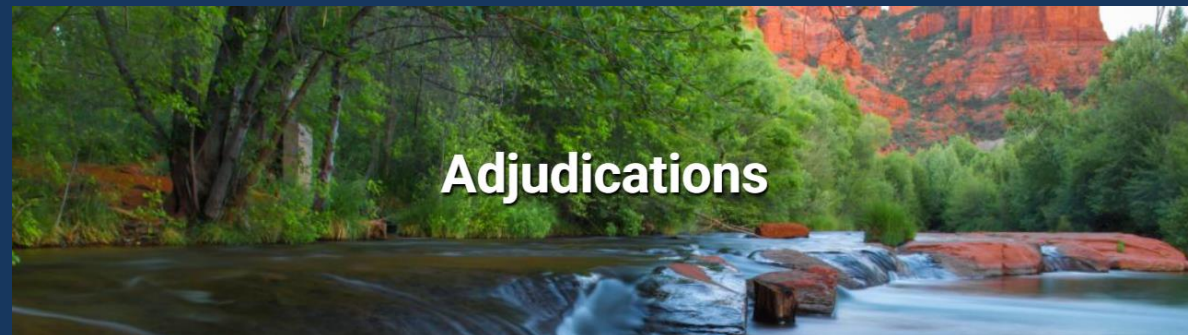
February 17, 2026

Brian Ruiz
Leslie Graser
Tracie Beasley

Agenda

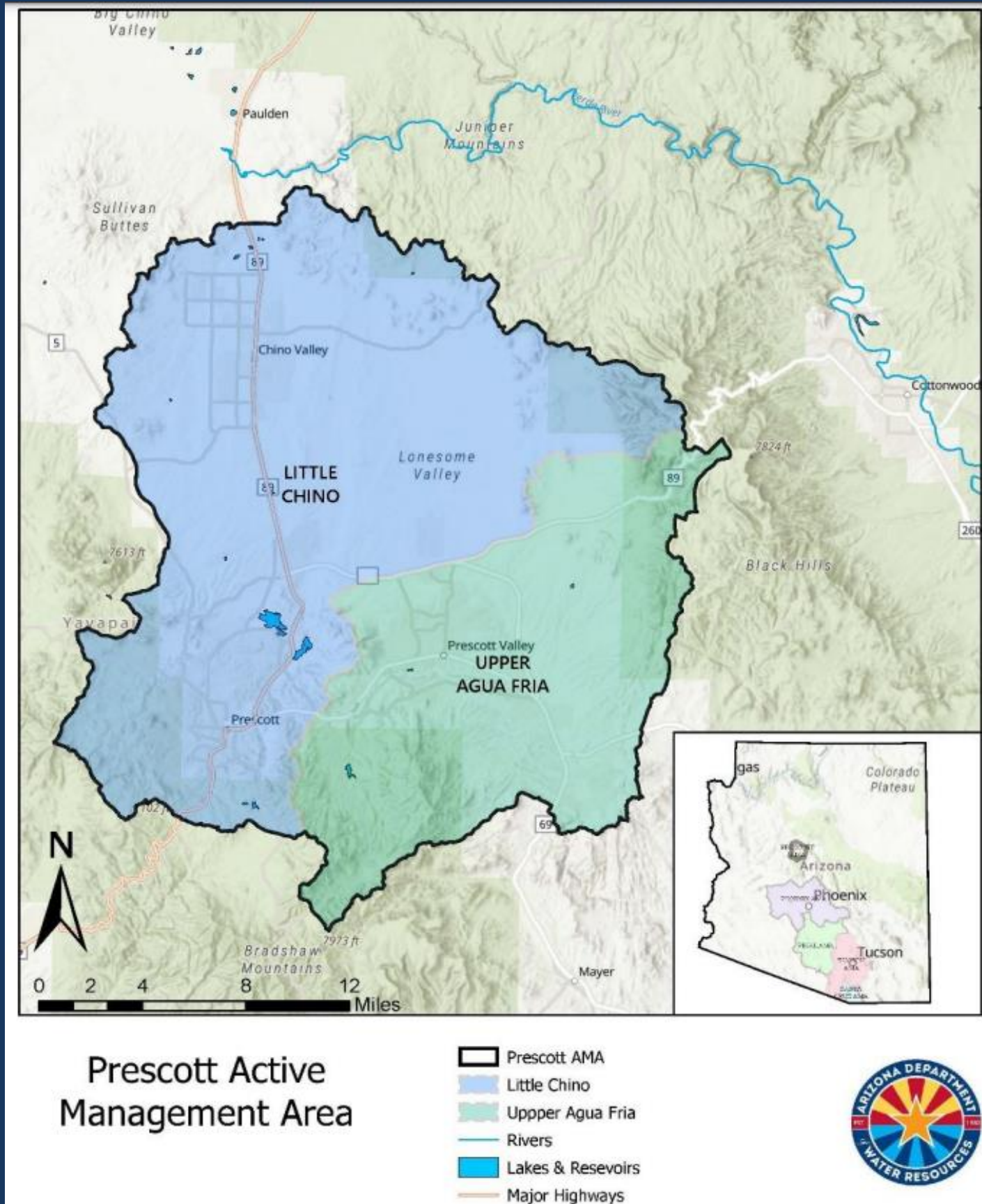
- Regulatory Framework & Assured Water Supply
- Water Conservation
- Water Policy
- Big Chino Water Ranch
- Long-term Water Management Plan
- Gila Adjudication
- Questions and Answers

Regulatory Framework



Prescott AMA

Source: PrAMA 5th Management Plan



Past: In the mid-1960s and 1970s, the aquifer in the Chino Valley area was termed a “critical groundwater basin”. In 1980, the Groundwater Management Act (Code) became state law.

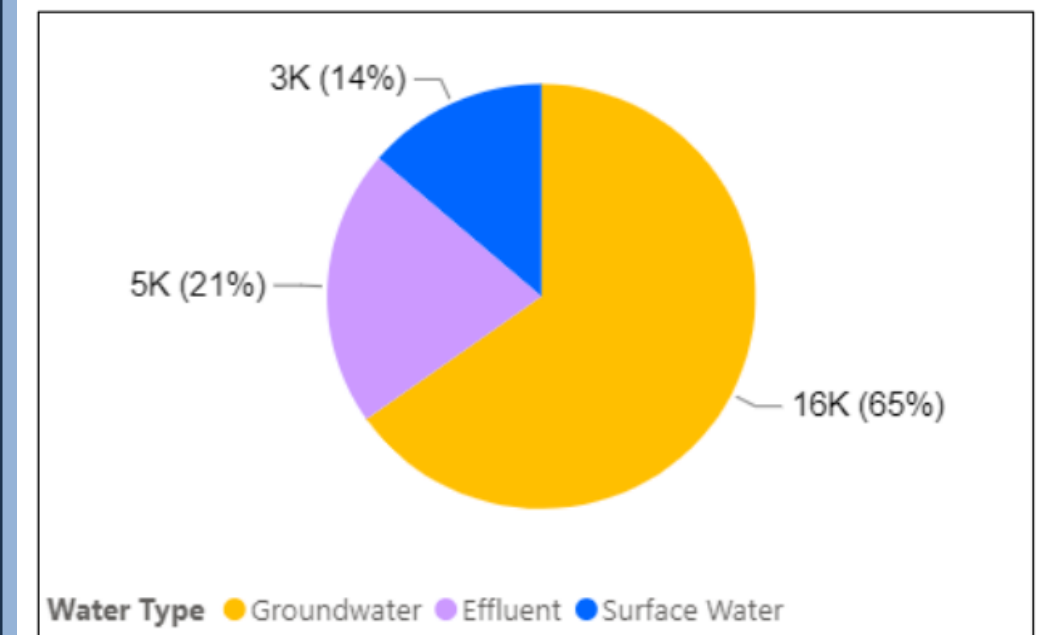
Present: The area continues to be regulated pursuant to the Prescott AMA (PrAMA) 5th Management Plan.

Future: The 5th Management Plan will remain in effect until Arizona Revised Statutes set forth another series of plans for development and adoption.

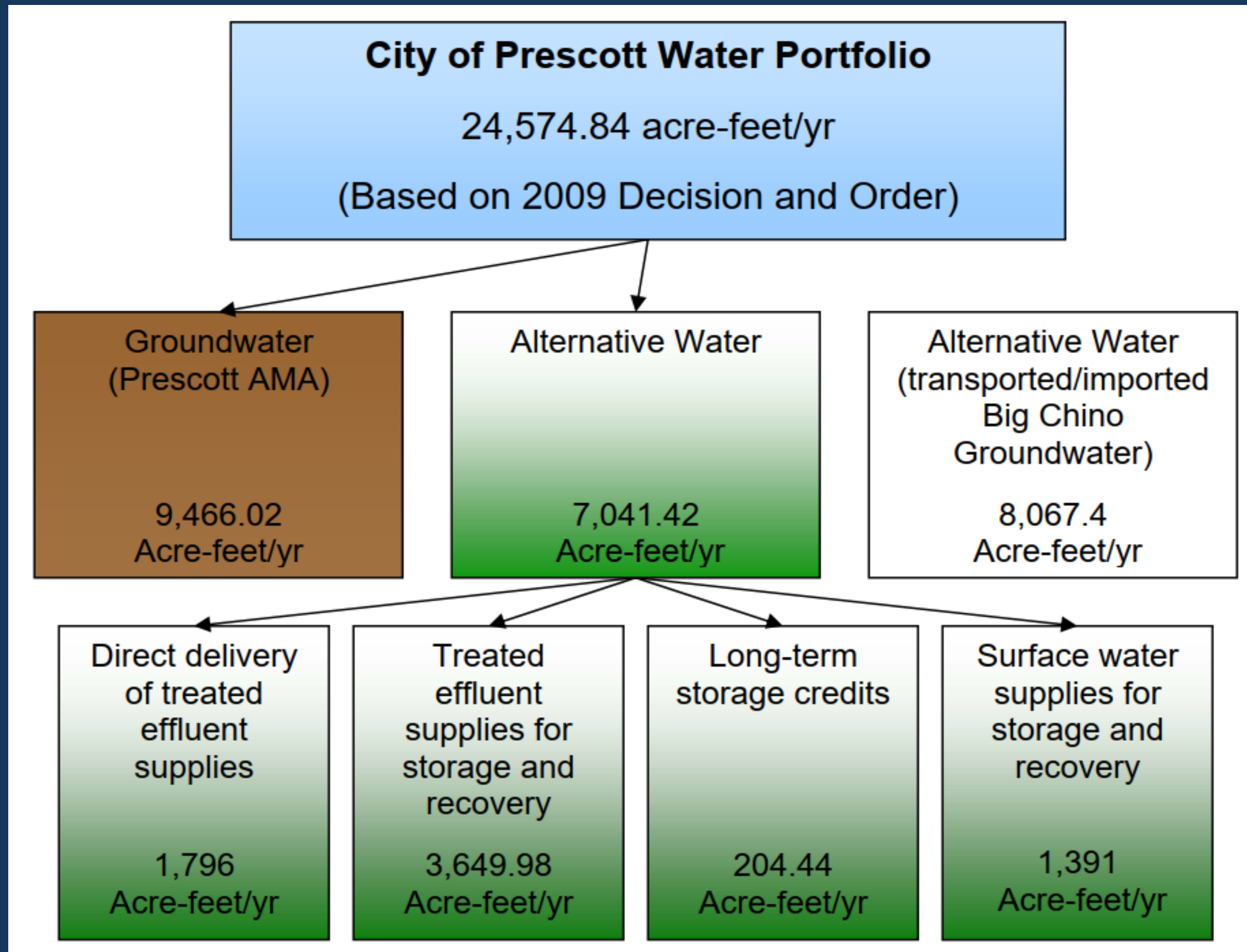
Quick Facts:

- 2 groundwater sub-basins: Little Chino and Upper Agua Fria
- Statutory management goal: Safe-yield
- AMA supply types:

Figure 2-1 Prescott AMA Water Supply Sources, 2019 (AF)



City's Assured Water Supplies (AWS)



Decision and Order of
Assured Water Supply
86-401501.0001

Groundwater block +
Alternative block =
16,507 AF

AWS Update

Key Dates and Events

2021 – City's application to modify its Designation of Assured Water Supplies (DAWS) is filed.

2022 – ADWR Deficiency Letter 1, ADWR Supplemental Deficiency Letter (Deficiency Letter 2), and City's Responses

2023 – ADWR Deficiency Letter 3

2025 – City Response to Deficiency Letter 3

ADWR Deficiency Letter 4 (related to model only) and City Response (model only)

ADWR reimburses the City's application fee (\$2000)

2026 – ADWR Deficiency Letter 5

Next Steps in 2026: TBD

The City of Prescott remains a Designated Water Provider under their current Decision and Order of Assured Water Supply (86-401501.0001) until it is superseded with a new ADWR document.

Water Resources



Water Conservation Education and Outreach



History



- 1981-1990- the launch of focused efforts on water conservation;
 - Creation of an Energy and Resource Task force,
 - A series of City codes (engineering, landscaping, rates, etc. and procedures (monthly meter reading) were adopted.
 - 1987, 1st AMA management plan elevated and added required regulations to City efforts
- 1992- 1st Prescott Water Conservation Incentive Program provided rebates to customers who achieved a series of water conservation efforts (% rebate of water buy-in rate”)
- 2000- ADWR 3rd Prescott AMA Plan makes public education and outreach, including a rebate program a requirement for Prescott
- 2005- Council rescinded incentive program and developed a new City conservation strategic plan which included a tiered rate structure, updated rebate program, extensive water conservation education and publicity, and new conservation regulation codes



History

- 2006-Recommendations were adopted and a full-time water conservation position was established; WaterSmart™ brand was trademarked as the official brand for the Prescott Water Conservation Program; WaterSmart education and outreach launched
- 2010- ADWR 4th AMA Management Plan mandated an expanded water conservation education and outreach program; Prescott took the successful practices of it's existing WaterSmart program and applied them to the requirements-including a comprehensive public advertising campaign
- 2015-prescottwatersmart.com website launched-expanded resources including extensive landscaping resources beyond content on the City's website; logo design updated in 2017
- 2022-prescottwater.com established (NAMUA grant funded)-replaced existing site



Water Conservation Rebate/Incentive Program

CITY CODE CHAPTER 3-10, SECTION 3-10-8 ("INCENTIVE PROGRAM")

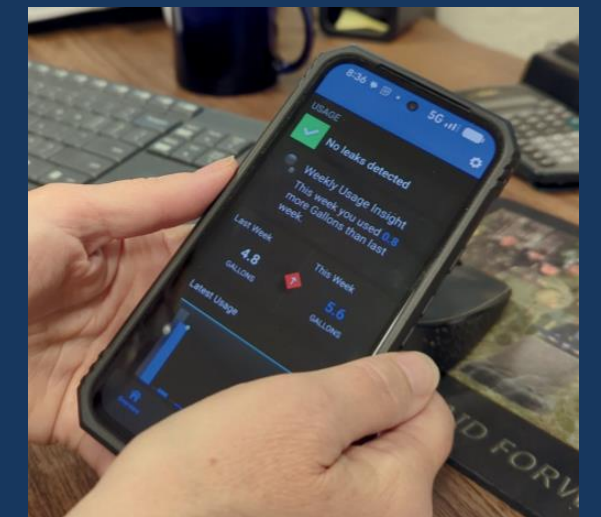
- Established 2006 via utility bill credits; beginning 2025, via checks
- Goal: Reduce per person/account water use via water efficiency choices
- Initial offerings included turf removal, drip irrigation, toilets, leak repairs and more
- Since 2006, over 4,500 approved applications; estimated 10,000+ rebates
- CY2024 Rebate Outcomes: 285 rebates, 2, 107,825 gallons (6.5 acre feet)



CY 2025 Education and Outreach Program Components



- Educational Print Materials
- WWW.Prescottwater.com
- Regular Resource and Education Social Media Posts
- Radio PSAs- 2-4 topics per quarter/Newspaper Ads
- Public Presentations (i.e. HOAs, Churches, CWAG)
- Prescott Library Viewerie Display
- Free DIY Efficiency Items
- EyeOnWater Support (social media and events)
- Partnership Events:



- AZ Project Wet
- Embry-Riddle SciTech Fest
- Earth Day
- Yavapai County Contractors Association Home Show
- Friends of the Verde River Grant/Rebate Partnership Workshops
- Highland Center for Natural History Spring Plant Sale (2025 hiatus, returning in 2026)
- Nature Center Wildflower Event
- Library 50th Anniversary Event



Water Conservation FY2026

EyeOnWater:

- Support Water Ops with Customer Outreach to increase sign ups and use of new Smart water meter leak detection app

Rebate Program:

- City Code Updates- clearer guidelines, commercial toilets added, increase in available funds for nonresidential account holders
- Shifted Customer Online Application and Program Database from low-functioning, expensive 3rd party to City Built and Managed
- New System allows for better use of data to assess water savings

Looking Forward:

- Reduce Barriers to WaterSmart™ Choices
- Target Programs (ie. Customers Already Planning to Purchase Toilets)
- Leverage Partnerships
- Support Demand Management Planning in LTWMP
- Pilot New, Proven Water Conservation Outreach Initiatives



WATER RESOURCE MANAGEMENT

Water Policy ▼

Long-Term Water Management Plan

Current Supplies

Big Chino Project

Upcoming Meetings

Contact

Water Policy

Big Chino Water Ranch

Gila Adjudication

Water Policy

- Origins of current policy from 1998 – Out of Safe Yield
- Most current Policy was approved in May of 2025
- Provides the policy and procedures used to approve water service request for development

Water Issues Subcommittee

- Comprised of three Council Members
- Mayor chooses members and chair
- Recommends water budget for residential and non-residential
- Reviews and makes recommendations on Water Service Applications (WSA)
- Relevant Water Topics

CITY OF PRESCOTT

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HUMAN RESOURCES

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STORMWATER & FLOOD CONTROL

TRASH & RECYCLING

WATER RESOURCE MANAGEMENT

Water Policy

Long-Term Water Management Plan

Current Supplies

Big Chino Project

Upcoming Meetings

Contact

Home > Departments > Water Resource Management > Water Policy

Water Policy

Amended 2022 Water Policy

On March 26, 2024, City Council approved the amendments to the 2022 Water Management Policy.
The Policy is a guiding document for new development requests seeking water resources from the City of Prescott. It is intended to support responsible growth and development, particularly infill development where feasible, in accordance with the adopted General Plan and to support ADWR's goals and management strategies to work towards safe yield.

Amended 2022 Water Management Policy

Public Meetings

View meeting schedule for both Mayor's Commission on Water Policy Review & Monitoring and Council Subcommittee on Water Issues. Both of these committees discuss water related issues and water policy.
VIEW MEETING SCHEDULE

Current Water Budget

City Council will set the Water Budget Semi-annually at its last meeting in June and December of each year. A new water budget will be set for January to June and July to December, one for Residential projects and one for Non-Residential Projects.
RESIDENTIAL
The budget for July 2024 to December 2024 for Residential Projects is 50 acre-ft/year.
NON-RESIDENTIAL
The budget for July 2024 to December 2024 for Non-Residential Projects is 25 acre-ft/year.

Water Budget Status

This table is updated the first Wednesday of each month to show the amount of water that has been approved, by City Council or Administratively, to date from each water budget.

TOTAL APPROVED, NOT UNDER EXISTING CONTRACTS

Jan 1 - Jun 30, 2028	Number of Projects	Water Amount Approved (AFY)	Water Amount Remaining (AFY)	Allowed to Request (AFY)
Residential	0	0.00	25.00	12.50
Non-Residential	2	0.22	24.78	12.39

Project Approvals

Current Water Projects outlines the projects that have been approved in this budget period.
Projects Under Existing Contract were previously approved and allocated under a previous contract; these are not deducted from the current year's available water budget.
Water Approval Tracking

15

Page 18 of 30

Water Service Application



WATER SERVICE AGREEMENT APPLICATION
Water Resource Management Division
201 S. Cortez St., Prescott, AZ 86303
(P) 928.777.1405

Water Service Agreement Applications are submitted in accordance with City Water Management Policy. Submit all documents directly to the Permit Center at 201 S. Cortez St, Prescott, AZ 86303. Please print your contact information legibly.

APPLICANT INFORMATION	
Applicant: _____	Contact Person: _____
Address: _____	City/State/Zip: _____
Phone: _____	Email: _____
PROPERTY INFORMATION	
Property Owner: _____	Contact Person: _____
Address: _____	City/State/Zip: _____
Phone: _____	Email: _____
PROJECT SITE	
Address: _____	
Current Zoning: _____	Proposed Zoning: _____
Assessor's Parcel Number(s) of Existing Property: _____	
Existing Water Service (Y/N): _____ Existing Sewer Service (Y/N): _____	
Existing Well (Y/N): _____ If Yes, Well Registry No.: _____	
PROJECT DESCRIPTION	
Is the project Residential or Commercial? _____	
Please provide brief description: _____	
# of Proposed Units: _____ # of Proposed Lots: _____	
Has a Water Demand Analysis been completed (commercial)? _____	
Has a building permit application been submitted? _____	
Has a Planning and Zoning Recommendation been made? _____	
For Commercial Applications: Please check any of the following categories that apply to this development	
☐ Food Service Facility	☐ Vehicle Service Facility
☐ Industrial/Manufacturing Facility	☐ Medical Facility
☐ Dental Facility	☐ Other Please Describe: _____

Please describe any toxic/hazardous materials utilized by this development that may be discharged into the City's stormwater or sanitary sewer collection systems.

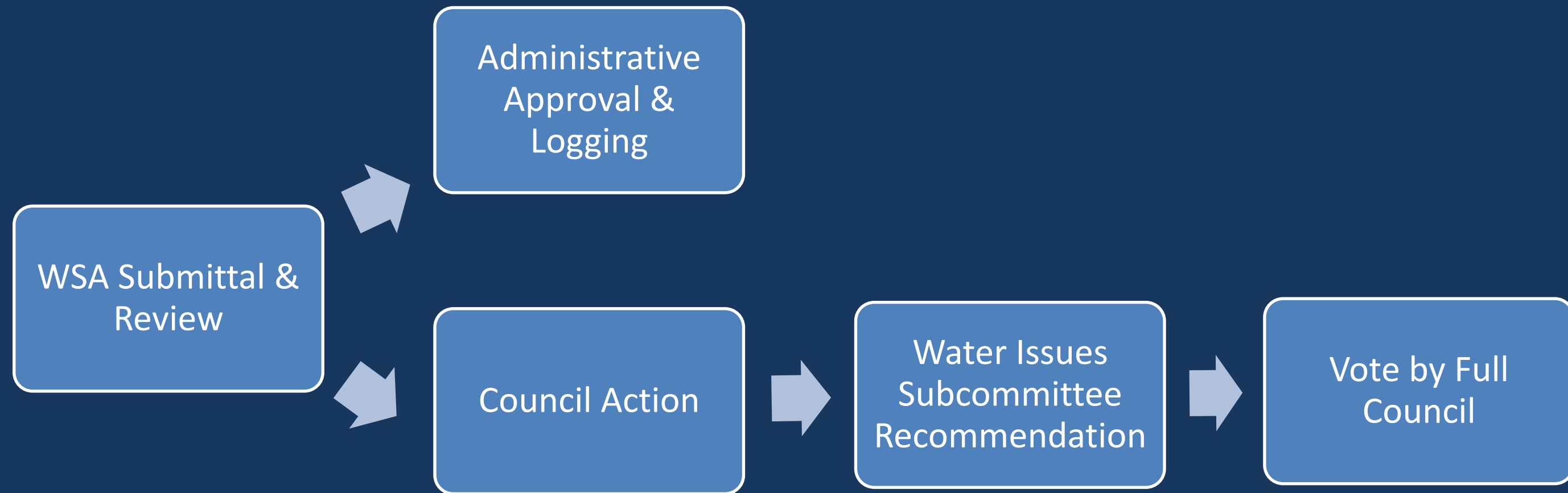
Please note that the City of Prescott operates a Municipal Separate Storm Sewer System (MS4) and a Wastewater Pretreatment Program. These programs are mandated by the Environmental Protection Agency (EPA) and overseen by the Arizona Department of Environmental Quality (ADEQ). By signing this application, the applicant acknowledges that they will be responsible for abiding by all laws and regulations required by these programs for mitigation of hazardous materials and pollutants prior to discharging into the City's storm sewer system and/or the City's sanitary sewer system and wastewater treatment facilities. The applicant further acknowledges that they will be responsible for all costs associated with meeting discharge standards required by these programs.

Applicant Signature: _____ Date: _____

OFFICE USE ONLY	
Assigned Tracking No. WSA - _____	Date entered _____

WSA Process

All Admin & Council approved water is subtracted from the current water budgets



Administrative Thresholds:

Residential: 8 Multi-Family or 4 Single Family Units

Non-Residential: 1.5 Acre-feet/year or less

Water Budget

- Set by WIS semi-annually for Jan-June & July-December
- Normally set at 25 acre-feet for residential and non-residential but can be adjusted by WIS/Council
- All WSAs either administrative approved or Council approved are tracked with the budget excluding existing obligations

January 1, 2026- June 30, 2026

WATER POLICY TRACKING TABLE
APPROVED PROJECTS

City of Prescott
Community Development Department
928-777-1405

NON-RESIDENTIAL PROJECTS							
	PROJECT TYPE	DESCRIPTION	PERMIT NUMBER	ADRESS	AFY	APPROVAL TYPE	DATE APPROVED
1	NON-RESIDENTIAL	Seventh Day Adventist School	B2404-092	2980 Willow Creek Road	0.03	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/3/2025
2	NON-RESIDENTIAL	Hair Salon	Pending	3227 Lakeside	0.19	ADMIN-COMMERCIAL UNDER 1.5 AFY	1/6/2026
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							

TOTAL APPROVED

0.22

TOTAL BUDGET

25.00

TOTAL REMAINING

24.78

Existing Obligations

- +700 Tracked Obligations in current catalog
- Water Service Agreements, Development Agreements, Groundwater Subdivisions, WSAs, Tribal Settlement
- Deep Well and AED together have obligations to over 2,600 acre-feet of water.
- Existing obligations does not come out of the water budget

AGREEMENT

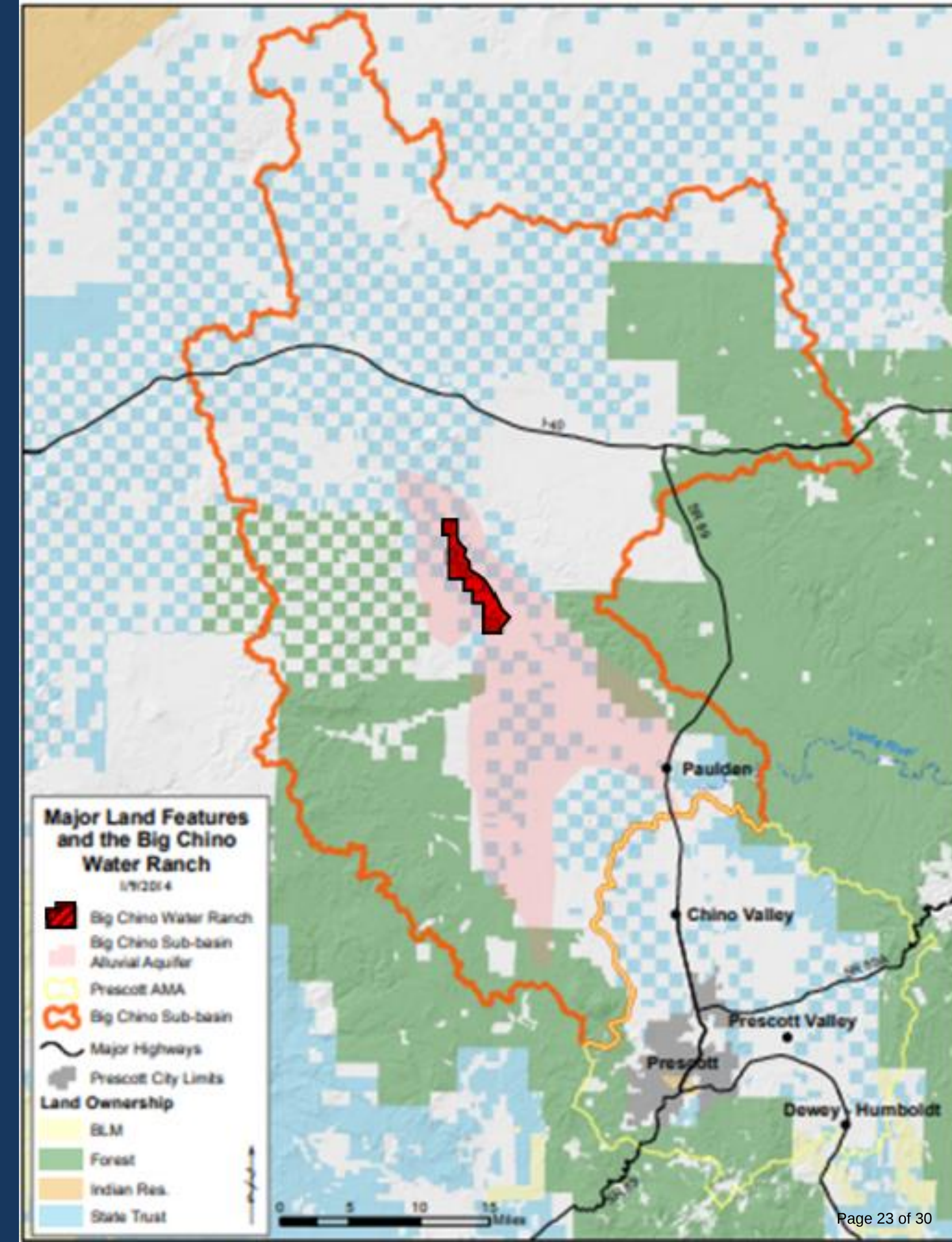
This agreement made this 15th day of September, 1948, by and between JAMES D. O'BRIEN, a single man, EDWIN N. WEBB and PHYLLIS L. WEBB, his wife, all of Prescott, Arizona, hereinafter called first parties and the CITY OF PRESCOTT, a municipal corporation, hereinafter called second party.

W I T N E S S E T H :

That, whereas, the first parties have installed a certain pipe line on Fourth Street, Dameron Park Subdivision in Yavapai County, Arizona for the purpose of conveying water from pipe belonging to second party to first parties premises, and

Big Chino Water Ranch

- Located in Big Chino Sub-basin outside of the PrAMA
- 4,582 Acres Deeded Lands, 1,807 Acres State Lease
- One of 5 Transportation Basin within the State
- ARS 45-555 allows withdraw and transport of 8,068 acre-feet per year
- Leased for ranching
- No pumping since purchase (2004)
- Erosion Control Project with TNC



BCWR Cost Estimate (2024)

Facility	Baseline	Prescott	Prescott Valley
Well Field Facilities*	\$24,000,000	\$12,984,000	\$11,016,000
Pipelines	\$172,800,000	\$93,484,800	\$79,315,200
Road Stabilization	\$7,600,000	\$4,111,600	\$3,488,400
Pump Stations	\$41,700,000	\$22,559,700	\$19,140,300
Utility Power**	\$15,000,000	\$8,115,000	\$6,885,000
Easements (Incl. staff time)***	\$460,000	\$248,860	\$211,140
Engineering (Design & Construction)	\$36,300,000	\$19,638,300	\$16,661,700
TOTAL	\$261,560,000	\$141,503,960	\$120,056,040

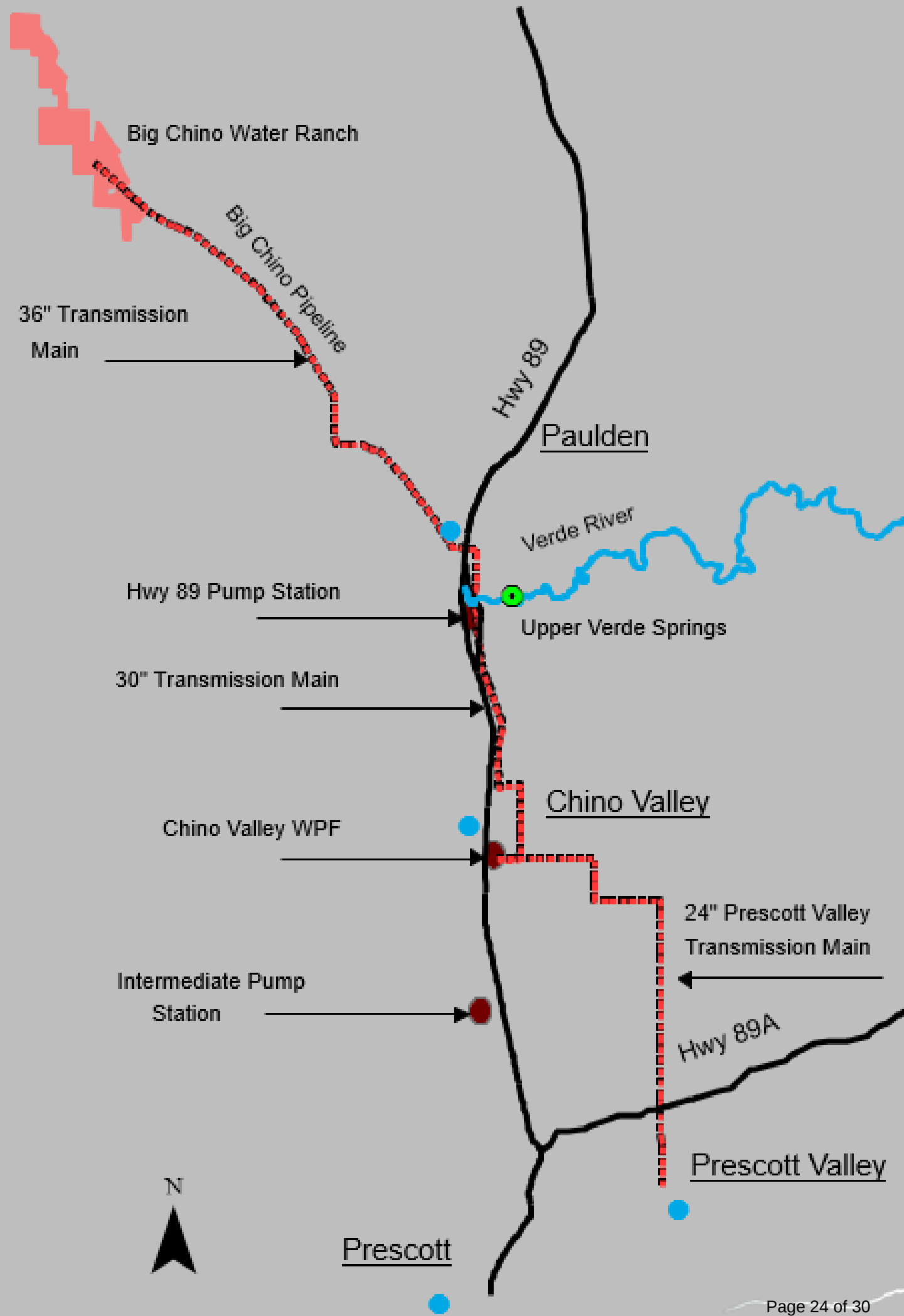
Split is 54.1 % Prescott and 45.9 % Prescott Valley

Unless noted otherwise, the costs are estimated by Black & Veatch in 2023 \$s

*Source: Civiltec update Dec 2023

** Source: APS (May 2006 and escalated to 2023\$)

*** Source COP Public Works - Feb 2024



Comprehensive Agreement 1 (CA1)

- Partnership between the City, Town, and SRP
- Monitoring and Modeling Committees
- \$5.6 million initial budget
- SRP – 1/3 Cost, COP/PV – 2/3 Cost
- Prescott serves as fiduciary

Ahead for 2026 ...

- Completion of Model
- Scenario Analysis



Long-term Water Management Plan

Components

- Supplies & Demands
- Demand Management
- Aquifer Modeling
- Alternative Supplies

Procedure

- Evaluate Options
- Develop Alternatives
- Model Scenarios

Objectives

- Better Management Tools
- Advise Water Policy & Clear Recommendations
- Lay the Foundation for Future Work

Long-term Water Management Plan





Project Description

Q: Why do we need a long-term water management plan?
A: In order to maintain our economy and quality of life for current and future generations, Prescott must have a stable water supply. Water supply planning has occurred since territorial times (circa 1864). It is critical especially in an arid climate to ensure current and future needs can be met.

Q: What will be in the plan?
A: The plan will assess the City's existing water supplies which are groundwater, surface water, and reclaimed water (processed wastewater). The City's current and future demands by single-family, multi-family, and non-residential customers will be reviewed to understand usage, and opportunities for reduction through customer conservation choices and efficiency upgrades. Similarly, infrastructure will be reviewed for upgrades and repairs to increase efficiency. Strategies for water supplies and demands will be evaluated within three planning horizons, 10-yr, 25-yr, and 50-yr.

Q: What is the timeline for completion?
A: December 2026 is anticipated for a council approved plan.

Q: How do I stay informed on the plan's progress?
A: Regular updates will be added to this page. Also visit www.participateprescott.com and select the "Follow" button.



Information Sheets

Throughout the project, information will be provided on the various planning elements.
Check back often.

- Project Overview - July 2025
- 2024 Baseline Conservation - January 2026
- 2024 Baseline Demands - August 2025
- 2024 Baseline Supplies - October 2025



City's Directives for the Plan

In 2024, three City documents sought completion of a Plan: City Council Resolution No. 2024-1875 (Additional Recommendations), Council Strategic Plan 2025-2029, and 2025 General Plan (draft). A U.S. Bureau of Reclamation grant was sought and awarded to help defray costs (Water Conservation Field Services Program Notice of Funding Opportunity No. H24AS00250).



Water Service Area

The City's water service area includes all areas within City limits, Yavapai Prescott Indian Tribe, portions of Chino Valley, and portions of unincorporated Yavapai County.

[Service Area Map](#)

Participate Prescott

The Official Community Engagement Website for the City of Prescott.



I'm looking for projects about **All categories** or

Open Projects



Last updated: 29 Jan, 2026

Prescott Water Quality Dashboard

A reference site for surface water quality testing results and other information about Prescott's lakes and creeks.

[Learn more →](#)



Last updated: 27 Jan, 2026

Long-Term Water Management Plan

The City of Prescott presents its long-term water management plan.

[Learn more →](#)



Last updated: 07 Oct, 2025

Workforce Housing

Facilitate Housing Solutions to Attract and Retain Quality Employees and Lead to Improved Service Delivery and Quality of Life for our Residents and Workforce.

[Learn more →](#)

Keep an Out for LTWMP Updates:
Water Issues Subcommittee
First Tuesday @ 9:30am

Gila Adjudication

What the Adjudication Is

- Legal process to formally define water rights
- Procedural and long-term

Why it Matters to Prescott

- Parts of water system are located in Upper Verde River Watershed
- Addresses how surface water and closely connected groundwater “subflow” are connected
- Rulings could affect future water rights claims or new wells near surface waters

Gila Adjudication

What Prescott is doing

- Reviewing Statement of Claimants
- Monitoring court activity
- Coordinate with City Legal Department and external Legal Counsel

Questions

?