



City of Prescott

Council Subcommittee on Water Issues

June 2, 2026 | 9:30 AM
201 N Montezuma Street
Council Chambers, 1st Floor
Prescott, AZ 86301

MINUTES

1. CALL TO ORDER

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

2. ROLL CALL

Chair Rusing
Member Fruhwirth
Member Garing

3. DISCUSSION & ACTION ITEMS

- A. Approval of the April 7, 2026 Council Subcommittee on Water Issues Meeting Minutes.
**MOTION BY MEMBER FRUHWIRTH TO APPROVE THE APRIL 7, 2026 MINUTES;
SECONDED BY CHAIR RUSING: PASSED (3 - 0)**
- B. Presentation & Discussion Regarding the Amended 2022 Water Management Policy — Current Residential & Non-Residential Water Budget Overview for January 1, 2026, through May 15, 2026.

Water Resources Manager Brian Ruiz presented the current residential and non-residential water budget updates from January 1, 2026 through May 15, 2026. He explained that the policy establishes semiannual water budgets. For the first budget period, both residential and non-residential projects were allocated 25 acre feet. For residential projects, two were approved: Lake View Plaza (82-unit multifamily) and Embry-Riddle modular dorm development, totaling 11.08 acre feet. This left a remaining residential budget of 13.92 acre feet. A question was raised regarding the Lake View Plaza development and its connection to Woda Cooper, which was confirmed. Information on state funding for workforce housing grants was being sought. For non-residential projects, nine were approved administratively, and the Prescott Plaza Hotel was approved by Council, totaling 7.56 acre feet. This left a remaining non-residential budget of 17.44 acre feet. The Deep Well commercial development, approved for 27.9 acre feet, was noted as not being removed from the budget, per water policy. Existing contracts saw nine projects approved, primarily single-family homes, with the 80 unit South Ranch phase 1B subdivision and its associated amenity buildings being a larger use.

Member Garing inquired about the potential for xeriscaping at Lake View Plaza.

Mr. Ruiz clarified that while recommendations can be made, the city's landscaping code, which mandates drought-tolerant plants, is the governing factor.

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

C. Presentation & Discussion Regarding the July 2026 through December 2026 Residential & Non-Residential Water Budgets, in Accordance with the Amended 2022 Water Management Policy, Guideline No. 11.

Mr. Ruiz reviewed historical water budget usage and projected development activity anticipated during the remainder of calendar year 2026. The current budget of 25 acre feet for both categories was reviewed, with usage at 44% for residential and 30% for non-residential in the first period. Projections for the upcoming period were presented, based on pending applications, with anticipated water use ranging from 12 to 23 acre feet for residential and an estimated range of 5-10 acre feet for non-residential.

Member Fruhwirth asked for clarification on the location of the potential residential project Timber Heights.

Community Development Operations Manager Will West responded that the Timber Heights location is south of Timber Ridge near Sheriff's Posse Trail.

Chair Rusing commented that most of the projects on the potential project list will be administratively approved and not go before Planning and Zoning or City Council, it's all going to be Water Issues Subcommittee.

Community Development Director Chelsea Walton explained that some of the identified projects may require additional approval processes. She noted that the Timber Heights project may include annexation, which would require completion of the city's annexation process. She further explained that any required rezonings would proceed through the Planning and Zoning Commission and City Council review process, and that any associated master plans or master plan amendments would require City Council consideration. Ms. Walton noted that several projects may require one or more of these processes.

Subcommittee consensus to maintain the 25 acre feet budget for both categories for the next six-month period.

MOTION BY MEMBER FRUHWIRTH TO FORWARD A RECOMMENDATION TO COUNCIL FOR 25 ACRE FEET FOR BOTH RESIDENTIAL & NON-RESIDENTIAL WATER BUDGETS FOR JULY THROUGH DECEMBER 2026; SECONDED BY CHAIR RUSING. (PASSED 3-0)

D. Presentation & Discussion Regarding a Progress Report for the Long-Term Water Management Plan.

Water Resource Project Manager Leslie Graser provided a progress report on the long-term water management plan (LTWMP). The project involves three consultants: Dishlip Consulting (supply demand projections), Carollo Engineering (infrastructure, stormwater, report compilation), and Matrix New World (hydrology, groundwater modeling). The city is compiling data for Carollo Engineering, with technical memos being a key focus. The project is partially funded by a US Bureau of Reclamation grant, with the city matching funds. Outreach efforts include information sheets and public engagement. Technical memos discussed included supply and demand projections, infrastructure and stormwater, groundwater modeling, water demand management practices (conservation), and an option for outreach. The distinction between the city's water resource management model (WRMM) and the Comprehensive Agreement No. 1

groundwater flow model for the Big Chino subbasin was clarified. The LTWMP project is being phased, with Phase 1 focusing on meeting demands without additional future water resources, primarily investigating the Little Chino Subbasin aquifer and water conservation. Phase 2 will explore advanced water purification and other future water supply options. Discussions also touched upon the potential impact of overdraft, the role of exempt wells, and the need for a comprehensive understanding of the city's water needs and projections. The budget for the LTWMP was discussed, with clarification that while a grant was secured, the project's scope has expanded, requiring additional city funding.

Member Garing asked whether sufficient geologic and hydrogeologic data exists within the Active Management Area to accurately define aquifer characteristics and support groundwater modeling efforts.

Ms. Graser explained that the ADWR Active Management Area groundwater model is characterized by a two layer-aquifer system consisting of upper alluvial and lower volcanic units. She stated that sufficient geologic information exists to support groundwater modeling, including aquifer boundaries, thicknesses, and bedrock locations, and noted that city wells primarily draw from the lower volcanic aquifer.

Chair Rusing asked whether the LTWMP would evaluate groundwater overdraft and incorporate it into the analysis of future water resources and management strategies.

Ms. Graser explained that the groundwater model will evaluate aquifer overdraft based on projected city pumping and will incorporate regional data, including Certificates of Assured Water Supply from other communities. She noted the analysis is intended to support decisions about long-term growth under current water supplies and whether alternative strategies should be considered over different time horizons. She also acknowledged concerns about impacts to the Verde River, stating that while a fuller response would come after additional data is integrated, the Prescott AMA model does account for groundwater outflows toward the river in its calculations.

Member Fruhwirth emphasized the importance of proactive public communication regarding the city's water planning efforts and requested additional information regarding project budgeting and implementation schedules.

Mr. Ruiz explained that the study is intended to evaluate the city's long-term (50-year) water supply and demand and guide future water planning decisions. It originally began with a \$40,000 grant and a \$40,000 match (\$80,000 total), but that funding level was not sufficient once the scope expanded. As additional components were added to make the study more comprehensive, the budget increased accordingly, and the project now reflects that expanded scope and funding level.

Member Fruhwirth urged staff to communicate more clearly and proactively with the public about its water planning efforts. She cautioned that relying only on technical updates is not enough and emphasized the need to explain what the city is doing and why, to ensure accurate information is reaching residents.

Deputy City Attorney Alane Moore proposed adding a new agenda item for the next meeting to discuss the city's long-term water planning context, including project development, budget concerns, and a proposed framework for future communication and progress updates.

Staff acknowledged the need for enhanced public communication and agreed to provide additional budget information and consider future agenda items addressing project communications and outreach.

Chair Rusing stated that, in summary, her view is that water should guide and manage growth, and that sustainable development depends on careful water management. She expressed concern that the study should not reverse that relationship by allowing growth to drive water planning decisions, cautioning that this is the direction she fears the process may be heading.

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

E. Presentation & Discussion Regarding a Proposed Supermajority Voting Requirement for Changes to Portions of City Code 2-1-8 and Water Management Policy.

Mr. Ruiz introduced the topic of a potential supermajority voting requirement for amendments to specific provisions of City Code Section 2-1-8 and portions of the City's Water Management Policy.

Chair Rusing explained her interest in evaluating whether certain water policy provisions, including restrictions on water service outside city limits and modifications to water budget requirements, should require a supermajority vote of the City Council. She expressed concerns regarding long-term protection of water management policies and preservation of local control.

Member Garing asked what legislative process would be required to hypothetically require six votes to amend water management policy decisions.

Ms. Moore explained that while the Council could choose to adopt a water policy requiring a supermajority vote, it would still take the form of an ordinance. As such, a future Council could amend or change that ordinance through a standard majority vote. She emphasized that any supermajority requirement would not be permanently binding, but rather a policy choice of the current Council that could be revised by a future governing body.

Member Fruhwirth commented that with an ordinance it can be changed with the next council, maybe a Charter amendment would be a better option.

Ms. Moore responded that is an option but brings the water policy into the city charter.

Chair Rusing added that adding a charter amendment would be a second component to completing a change in the voting requirement.

Member Fruhwirth commented that they need to work through also closing any possible loopholes that could be exploited.

Chair Rusing agreed.

Member of the public Phil Goode addressed the Subcommittee and cautioned against using just the wording of "supermajority", should indicate a number of votes.

Chair Rusing reviewed some options from past supermajority votes, need public input and protect the taxpayers from unmanaged growth.

Member Garing questioned if it is a good time to ask Legal to start preparing a draft.

Member Fruhwirth stated that, after reviewing current code section 2-1-8, she found it confusing and inconsistent with what the city should be trying to achieve.

Chair Rusing reiterated the need for a more stable water policy and suggested pursuing potential charter amendments for voter consideration. She also recommended beginning work on water policy development and scheduling a study session to explore possible charter amendment options.

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

F. Presentation & Discussion Regarding the 2025 Annual Water Withdrawal & Use Report.

The 2025 annual water withdrawal and use report has been submitted to the Arizona Department of Water Resources. This report detailed water supplies from production wells, treated effluent, and surface water. It highlighted total water pumped, deliveries, and the breakdown of usage by category (single-family, commercial, multifamily, turf). The report also addressed non-recoverable recharge, offset of groundwater pumping, and lost and unaccounted-for water, with a noted decrease in the latter from the previous year. Comparisons were made between 2024 and 2025 data, indicating consistent pumping levels but increased deliveries.

Member Fruhwirth asked for clarification regarding stormwater recharge, noting that there is significant interest in capturing storm runoff and directing it into recharge facilities. She questioned whether the city would receive any water credits for such efforts, even though they could provide measurable yield (e.g., 21 acre-feet), and asked if the activity would instead be considered beneficial but not creditable under current rules.

Mr. Ruiz explained that directing stormwater into lakes or recharge areas could be one potential approach, and noted there is ongoing legislative interest at the state level in allowing communities to receive credit for stormwater recharge. He indicated that positioning the city in advance of potential regulatory changes could offer future benefits if those policies are adopted. However, he cautioned that under current rules and regulations, the city cannot simply redirect stormwater into recharge basins and receive credit for it, as such actions are not presently permitted.

Member Garing commented that in 2023 there was a lot of water coming out of the dam, what was the impact of that.

Mr. Ruiz responded that approximately 3,800 acre-feet was the maximum amount of surface water that could be directed to recharge facilities. Due to high inflows from Watson and Willow, that threshold was reached which resulted in the recharge season ending about two and a half months early.

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

4. UPDATES & ANNOUNCEMENTS FROM STAFF

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

Mr. Ruiz provided an update on proposed water legislation impacting the city and surrounding areas. It was noted that most water bills tracked by the Northern Arizona Municipal Water Users Association (NAMWUA) had stalled or were dead. Two bills vetoed by the governor related to domestic water improvement districts for hauling. Two bills remained in play: Senate Bill 1202 concerning supply and demand assessment for groundwater, and House Bill 2100 regarding small land subdivision requirements. NAMWUA opposed both, citing concerns about increased mandates without corresponding funding and the principle of not creating further exemptions. A third bill, concerning McMullen Valley groundwater transportation, was also discussed as a potential precedent for transferring water from rural to urban areas, which warrants close monitoring.

5. ADJOURNMENT

There being no further business to discuss, Chair Rusing adjourned the meeting at 11:36 a.m.

Cathey Rusing

CATHEY RUSING, Mayor

ATTEST:

Torey Dawson

Torey Dawson, Deputy City Clerk