CITY OF PRESCOTT ARIZONA
Everybody's Hometown

COUNCIL SUBCOMMITEE FOR WATER ISSUES MEETING

SUBCOMMITTEE MEETING MINUTES

TUESDAY, FEBRUARY 4, 2020, 9:30 AM

Council Chambers, 201 South Cortez Street
Prescott AZ 86303
(928) 777-1272

Steve Blair, Councilman
Steve Sischka, Councilman Billie Orr, Mayor Pro Tem

Minutes of the Prescott **Council Subcommittee for Water Issues Meeting** held on February 4, 2020 in the Council Chambers located at 201 South Cortes Street, Prescott, Arizona.

1. Call to Order

Chairman Blair called the meeting to order at 9:30 a.m.

2. Roll Call

SUBCOMMITTEE MEMBERS:
Chairman Steve Blair
Member Billie Orr
Member Steve Sischka

3. Public Comment

Public comment will be accepted following each agenda item and limited to three (3) minutes. Please complete a comment card and return it to the City staff, speakers will be called in the order received.

4. Approval of January 7, 2020 Meeting Minutes

MEMBER SISCHKA MOVED TO APPROVE THE MINUTES OF THE JANUARY 7, 2020 MEETING; SECONDED BY MEMBER ORR: PASSED [3-0].

5. Water Requests (more than 2 AF/year) – Ocean Blue Willow Creek, LLC

Leslie Graser presented the Water Service Agreement Application, Water Report and Demand Analysis for Ocean Blue, an express car wash. The Water Report determined projected demand using monthly demands from another Ocean Blue Express Carwash in Prescott with average daily use of 15800 gallons per day or roughly 17 acre feet per day.

Member Sischka asked if the carwash is a closed system for internal water reuse or into our sewer system. Leslie Graser stated that water will be captured in the City wastewater system for treatment and recharge but will have to research the internal water reuse.

Member Orr stated that the Ocean Blue location on Iron Springs seems efficient.

Citizen Leslie Hoy addressed the Subcommittee, with several questions, What criteria will

you be using to assess business like this when 17 acre feet can be used for 104 houses or used with other types of businesses? What in general is the thinking or process of approval, what if another car wash comes up? How will these things be assessed under the new policy? Member Sischka addressed the question stating the market will determine if another car wash comes in, the Subcommittee is not in a place to pick what businesses get water, we are here to make a recommendation to Council for a Council decision.

Citizen Howard Mechanic addressed the Subcommittee, stating Staff assumed that there is recycling on site, how can we just assume? In his research of the industry, it is common to have on-site recycling of the wash water and use fresh water for rinsing. Do we have a requirement in Code for recycling the wash water?

Clyde Halstead state that because of open meeting laws, we can accept public comments, we generally cannot address them unless they deal with something specific to the agenda item, the broader question of what is in Code regarding the recycling of wash water is not something we can address today. Chairman Blair asked that the recycling of wash water question be answered if this item is moved to Council

Citizen Tom Rusing addressed the Subcommittee, to reiterate Mr. Mechanic, it is unacceptable not to know if the wash water will be recycled. With the large amount of water being used for this business, will the City be keeping track of the impact on our portfolio and how will water use be monitored in the new policy.

MEMBER SISCHKA MADE A MOTION TO MOVE THE WATER SERVICE AGREEMENT APPLICATION NO. 20-001 TO COUNCIL; SECONDED BY MEMBER ORR; PASSED [3-0]

6. Forecasted 2020 Topics, Part 2 of 2

Leslie Graser asked the members if they had additional feedback for the Forecasted 2020 Topics list that was reviewed at the January 7, 2020 meeting. No additional comments from the members.

Citizen Howard Mechanic addressed the Subcommittee, the list of Forecasted Topics is missing a discussion item to get the AMA to safe yield. Mr. Mechanic would like the City to provide leadership to the other members of PrAMA to reach safe yield. Recharge should not be a unilateral expenditure and the cost should be shared by everybody in the AMA.

Citizen Tom Rusing addressed the Subcommittee, echoing Mr. Mechanic's comments, it is unacceptable to say that because we are doing a good job, that is enough. Leadership and the citizens need to reach out to the AMA members to reach the goal of safe yield.

7. City Memberships Updates

Leslie Graser presented

A. Northern Arizona Municipal Water Users Association (NAMWUA)
NAMWUA filed a letter to ADWR for Non-Indian Agriculture proposal, looking to extend the timeframe for when those waters, 17,333 acre feet, will be reallocated to 2050.
2021 Dues are $4,541.18

B. Upper Verde River Watershed Protection Coalition (Coalition)
Dues increasing from $52,000 to $60,000
Looking at rainwater harvesting for aquifer recharge
Now available is the final report on public outreach in the PrAMA brochure

Citizen Gary Beverly addressed the Subcommittee, he has concerns about the Coalition and their projects and feels the projects are not adequately and technically reviewed for their benefit to the aquifer. Mr. Beverly askes that the City exercise more scrutiny over their support for the Coalition.

8. Focus Topic – Review of Proposed Water Service Outside of City Limits

Clyde Halstead presented a review of the proposal to serve water outside of City limits stating that the City is already serving water to many areas including Chino Valley and Highland Pines which fall outside City limits.

Chairman Blair asked what the number of gallons is that we do serve outside the City limits currently. Clyde will get this for Council.

Clyde continued, we adopted a provision to prevent serving water outside of the City in 2005 thinking we were out of new water that we could allocate for. As Gary Woodard presented in an update to Council last week, we are in a different situation now water wise, we can use the water we know we have and the water we know we have for the future to help the AMA, help the environment and the aquifer. Currently there are more than 13,000 exempt wells in the AMA, all houses that develop in the County will have a well and septic tank without regulation.

Member Orr asked, are exempt wells using water from the same aquifer that we draw from? Clyde answered yes and the well water is generally being discharged into septic tanks which 90% of that evaporates and does not return to the aquifer. City water users on sewer are returning up to 95% of water used back into the system for treatment and recharge.

Clyde continued, we cannot annex everybody. To annex you have to be a contiguous parcel and with already developed lots within some subdivisions, we do not always have contiguous parcels. The goal is to get the individual homes off of individual wells and individual septic tanks in the infill areas on to our regulated system that returns treated wastewater to the aquifer. Speaking to the process, a parcel will come in to ask for City water service, if they fall within the zone, using the expansion area from the General Plan, they may be eligible for water service. If it is for less than 5 units they will go to the Water Issues Subcommittee, then go to Council where it will be determined if this is an appropriate use and granted City water service. If it is for more than 5 units need a cost benefit analysis to determine the cost and benefit of supplying service to the City, if deemed a benefit to the City, an up-front water rights fee is charged and these customers like all customers outside the City limits are subject to a 30% upcharge on our existing water rates. All applicants, one home or more will have to bring a feasibility study for review to ensure that the infrastructure is possible and all applicants will have to go before the Water Issues Subcommittee and Council before a project is put on City water.

City Manager, Michael Lamar stated with regards to Prop 400, lots of 250 acres or more follow all of our annexation rules including the supermajority? Clyde added that yes, those provisions are in the proposal including public comment period, presentation for the public comments to Council, supermajority vote of the Council for approval and permanent recharge of all wastewater generated. The goal is to get individual homes onto our water and sewer system.

Clyde continued, when we do decide to allow for connection to the City water and sewer services, the property then will have to follow many of our City rules, first they will have to pay for the extension of infrastructure, they have to abide by our landscaping codes, they will pay the 30% surcharge on all water and they will have to use our low use fixture requirement. This allows us to control the look of the development with our landscaping code and ensure the infrastructure is completed to our standards.

Chairman Blair stated we have several County islands within our City limits and getting these homes on our system gives us more control of how and when homes hook up to our system and getting the recharge to our aquifer is economically the right thing, ecologically and conservation wise, this is the right thing to do.

Member Orr remarked that it seems like we have a misunderstanding in the community that this will lead to more water use from the aquifer, exempt wells already pull from the aquifer and homeowners may use less water because they will be monitored, metered and they will be paying for the water they use. Our tiered water billing structure promotes conservation.

Member Sischka asked how projects that bring their own water will be handled. Clyde stated those situations are rare and would be individually looked at s each case is different.

Chairman Blair asked, if we supply water outside the City, how do we keep property owners in the County from annexing into other municipalities? Clyde stated that serving water will be handled as a business through contracts with property owners, the contract can have wording about breaking the contract if a property owner annexes elsewhere.

Citizen Doug McMillan addressed the Subcommittee, the policy changes will result in more effluent being recharged and should be measured in physical recovery not on paper. We need solutions, how do we get the recharge from the upper aquifer down into the lower aqufer that City wells draw from? One outside the box answer may be a recharge basin paralleling Granit Creek to take advantage of the sands there allowing connection between the upper and lower aquifer. Chairman Blair recommended a meeting with Craig Dotseth to discuss these ideas.

Citizen Gary Beverly addressed the Subcommittee, CWAG agrees municipal services are less harmful to the aquifer than wells and septic and we support the effort to extend services to areas outside the City limits to the individual lots and little enclaves. Every new home represents a net loss of water from the aquifer, new connections within or out of the City, CWAG is concerned with the overdraft. City should look at proactive new future solutions – recharge bad info in 2018 report – groundwater 33% diverted to recharge pond, recover 61% to treatment plant and a fraction to golf courses as effluent. Mr. Beverly made additional comments, policy number 2 water outside City limits does not specify that wastewater recovery will go to permanent recharge. Policy does not specify how to handle requests for service for areas less than 250 acres. If you have to pay for water if you do not annex and you don't have to pay if you do annex, that is an incentive for annexation, is it true that you don't have to pay for water if you are annexed?

Citizen Leslie Hoy addressed the Subcommittee, process questions, when following the provisions of prop 400, the 60 day comment period starts once the proposal is done at Planning & Zoning, if the planning and zoning process is cut out, how will that be taken care of? Will you be able to write the provisions of Prop 400 into the water service agreement? This needs to be clarified before the policy goes forward.

Citizen Howard Mechanic addressed the Subcommittee, Prop 400 requirement is not for 250 acre property when it applies for water, it has to have been 250 acres when Prop 400 was adopted. Irrigation meters should not be allowed, the City should not allow non-native plants. Mr. Mechanic agrees water to infill areas will improve the aquifer on a small scale. Implementation guidelines need to be added.

Clyde briefly replied to the public comments. Mr. McMillan's comments are more technical than can be addressed here. Mr. Beverly suggested that we adopt new policies in the future to minimize the damage to the aquifer, this is the first statement of the new policy that Staff will be actively looking for those measures. Mr. Beverly is correct that if a property annexes in they do not pay upfront fees but do pay for water use like all other users in the City as once they annex, they are part of the City. Ms. Hoy, Planning &

Zoning is already not a part of developments outside City limits, a Council study session is required to kick off public comment period. Mr. Mechanic, yes some projects will be more detrimental to the aquifer and that is why we will look at each project. The more properties that are within the City's regulated withdrawal pool will decrease the overall amount of water removed from the aquifer by eliminating unregulated wells.

Blair stated that drought tolerant plants are already in the water plan/policy, Clyde agreed yes, that requirement is in the water policy.

MEMBER SISCHKA MADE A MOTION TO MOVE THE PROPOSAL FOR WATER SERVICE OUTSIDE OF CITY LIMITS TO COUNCIL; CHAIRMAN BLAIR SECONDED THE MOTION, PASSED [2-0].

9. Future Agenda Items

A Groundwater User's Advisory Council (GUAC) update will be on the March 3, 2020 agenda.

10. Adjournment

There being no further business to discuss, Chairman Blair adjourned the meeting at 10:42 a.m.

Respectfully Submitted by:

Carey Oberheim

Carey Oberheim, Business Manager

Councilman Steve Blair, Chairman

Date: 3/3/20