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PROPOSED MANAGEMENT PLAN  
FOR THE  
PRESCOTT ACTIVE MANAGEMENT AREA  
FOR THE FOURTH MANAGEMENT PERIOD, 2010 to 2020

ARIZONA DEPARTMENT OF WATER RESOURCES  
PUBLIC HEARING  
June 26, 2014

Reporter's Transcript of Proceedings

Prescott Valley Library Auditorium  
7401 East Civic Circle  
Prescott Valley, Arizona  
10:00 a.m.

## P R O C E E D I N G S

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4 MR. DUNHAM: Good morning. For the  
5 record, today is Friday, June 27th, 2014, and the time  
6 is 10:05 a.m. We are in the Prescott Valley Library  
7 auditorium in Prescott Valley, Arizona. This is the  
8 time and place for the public hearing on the proposed  
9 Management Plan for the Prescott Active Management Area  
10 for the Fourth Management Period, from 2010 to 2020.

11 My name is Doug Dunham. I am the legislative  
12 liaison, ombudsman, and special assistant to the  
13 Director of the Arizona Department of Water Resources,  
14 and I will be the hearing officer today for today's  
15 hearing.

16 With me is Pam Muse, Active Management Area  
17 Planning and Data Management Supervisor at the  
18 Department of Water Resources. Pam has been involved  
19 in the development of the proposed management plan and  
20 will give us a brief description of the proposed  
21 management plan, including a summary of comments  
22 provided by the Prescott Active Management Area  
23 Groundwater Users Advisory Council on the draft  
24 management plan, data in support of the proposed  
25 management plan, and changes from the Third Management

1 Plan.

2 Also with me today from the Department are  
3 Jeff Tannler, our statewide Active Management Area  
4 Director; Michelle Moreno, our Public Information  
5 Officer; Andrew Craddock, Manager of our Recharge,  
6 Assured and Adequate Water Supply Program; and Ayesha  
7 Vohra -- I'm sorry, Ayesha; butchered your name --  
8 Deputy Counsel for the Department; and Sharon  
9 Scantlebury, our Docket Supervisor.

10 We have a court reporter here with us today  
11 to take down what is being said, so it's important for  
12 speakers to please speak up and speak slowly so the  
13 court reporter can accurately record your comments.

14 If anyone has difficulty hearing me or a  
15 speaker, please let me know. If you haven't already  
16 done so, please sign in at the sign-in sheet on the  
17 table at the entrance. There are also speaker cards on  
18 the table. If you would like to speak today, please  
19 fill out a speakers card if you haven't already done  
20 so.

21 The purpose of this hearing is to provide  
22 members of the public the opportunity to make oral or  
23 written comments on the proposed management plan for  
24 the Prescott Active Management Area for the Fourth  
25 Management Period. The proposed plan is available on

1 the department's website, [www.azwater.gov](http://www.azwater.gov).

2 We will not be responding to questions or  
3 comments today at this hearing. However, we will do so  
4 in writing as part of the formal management plan  
5 adoption process. If anyone has any questions or  
6 comments on issues or programs that are outside the  
7 scope of this hearing, you may contact me or our staff  
8 after the hearing.

9 This hearing will be conducted in an informal  
10 manner. As I mentioned previously, a court reporter is  
11 here to record everything that is being said. A copy  
12 of the transcript of the hearing will be available for  
13 review at the department's offices and will also be  
14 available for review on our website. At the conclusion  
15 of the hearing, I will be accepting any written  
16 comments or documentary evidence that anyone may wish  
17 to submit to the Department regarding the proposed  
18 management plan. The Department will also accept  
19 written comments until 5:00 o'clock p.m. today.  
20 Written comments submitted after the hearing should be  
21 submitted to the Department's docket supervisor, Sharon  
22 Scantlebury, via email to [sscantlebury@azwater.gov](mailto:sscantlebury@azwater.gov). Or  
23 you may fax it to the Department at area code  
24 602-771-8686. A copy of the public notice with  
25 Sharon's contact information is posted on the

1 Department's website, as well. Please ask Sharon for  
2 her business card with her contact information if you  
3 would like one.

4           Within 30 days from today, the Director will  
5 make and file in the Department a written summary of  
6 the finding with respect to the comments and evidence  
7 received at this hearing prior to 5:30 p.m. today. If  
8 in the findings the Director decides to adopt the  
9 management plan, the Director will make and file with  
10 the Department an order adopting the plan pursuant to  
11 the findings. Notice of the order will be sent to all  
12 persons who signed the attendance sheet today and to  
13 all persons who submit comments or evidence prior to  
14 the close of the record. Please make sure you provide  
15 your physical or email address to receive a copy of  
16 this notice. The Director will also publish a summary  
17 of the plan, findings and order of adoption once a week  
18 for two consecutive weeks in the Prescott Daily  
19 Courier.

20           Pursuant to Arizona Revised Statutes Section  
21 45-571 and 45-114, section (C), any person may file a  
22 request for a rehearing or review of the order of  
23 adoption within 30 days after the second publication of  
24 the notice. The last day for filing requests for  
25 rehearing or review will be identified in both the

1 mailed and published notices of the order of adoption.  
2 If no one files a timely request for a rehearing or  
3 review, the plan will become final.

4           If a timely request for rehearing or review  
5 is filed, the Director will have 60 days after  
6 receiving the request to issue a decision on the  
7 request. The Director may grant a rehearing, grant  
8 review without a rehearing, or deny the request. Any  
9 person may seek judicial review of the Director's  
10 decision to adopt the management plan as provided in  
11 Arizona Revised Statutes Section 45-114, subsection  
12 (C).

13           Within 30 days after the plan becomes final,  
14 the Department will mail notice of the conservation  
15 requirements contained in the plan to all persons who  
16 are required to comply with those requirements. Any  
17 aggrieved person may request an administrative review  
18 of a conservation requirement within 90 days after  
19 receiving notice of the requirement as provided by  
20 Arizona Revised Statutes, 45-575, subsection (A).

21           A person who requires additional time to  
22 comply with a new conservation requirement may request  
23 a variance within 90 days after receiving notice of the  
24 requirement pursuant to Arizona Revised Statutes  
25 Section, 45-574, subsection (A).

1           I'll now turn the hearing over to Miss Pam  
2 Muse, who will describe the proposed plan in greater  
3 detail. Pam.

4           PAM MUSE: Good morning. As Doug said,  
5 my name is Pam Muse from the Department of Water  
6 Resources. I have a few slides here. I'll try to go  
7 through them fairly quickly.

8           First of all, I'll describe the development  
9 of the Prescott Fourth Management Plan.

10           In January 2011, the Department issued the  
11 assessment of the Prescott AMA. The assessment was a  
12 compilation of historical data from 1985 through 2006,  
13 and it had projections to the year 2025. It described  
14 the water uses in the AMA by sector and by source of  
15 supply.

16           On July 31st, 2013, DWR presented a draft  
17 working copy of the Fourth Management Plan to the  
18 Prescott AMA Groundwater Users Advisory Council and  
19 those present, and we requested written comments be  
20 received on that draft plan by September 2013. On  
21 December 18th, 2013, DWR presented a final draft of the  
22 Fourth Management Plan to the GUAC, Groundwater Users  
23 Advisory Council, and we talked about changes that we  
24 made to that draft based on the comments that we  
25 received in September.

1           On January 29th, 2014, DWR requested any  
2 final comments from the GUAC. At that time, the  
3 Prescott GUAC made and passed a motion to promulgate  
4 the Fourth Management Plan. On February 28th of this  
5 year, the Prescott AMA GUAC submitted a letter to the  
6 Department recommending that the Department promulgate  
7 the plan with some suggested changes. Those changes or  
8 recommendations included these things.

9           There was some text in chapter 12 of the plan  
10 that was incorrect regarding the timeframe that the  
11 City of Prescott may store water from Watson and Willow  
12 Lake. In chapter two of the plan, there was a number  
13 that was not appearing in the text. It was just blank.  
14 And, so, we corrected the text so that that number did  
15 appear.

16           In chapters three and five of the plan, we  
17 had a request to show exempt well usage separately from  
18 the municipal water provider usage, so we pulled the  
19 exempt well uses out from -- before, we had included  
20 them in a sum of municipal water uses. So we show them  
21 separately now in chapters three and five.

22           In chapters 11 and 12, we changed how we  
23 referred to the City of Prescott's other surface water  
24 supplies to refer to them as surface water in the  
25 southern portion of the AMA as opposed to water from

1 Watson and Willow Lakes.

2           In chapter 11, we added some text. At the  
3 time that we prepared the management plan, the state  
4 Department of Administration, ADOA, had not yet  
5 released new population projections for the state for  
6 all counties. So DWR developed our own projected  
7 population figures to put in the draft plan for  
8 Prescott. So we added to Chapter 11 some discussion  
9 comparing the projections that we have in the plan with  
10 the new projections that ADOA released and projections  
11 that were used in some other projects that the  
12 Department worked on, including the Water Resource  
13 Development Commission.

14           In chapter three, we corrected the volume of  
15 current extinguishment credits that exist in the  
16 Prescott AMA to the correct figure, which is 139,273  
17 acre feet. There were also some minor typographical  
18 corrections that we made to the chapters and the  
19 appendices.

20           I'm here today to present data in support of  
21 the Fourth Management Plan for the Prescott AMA, and  
22 that data comes from multiple sources. We used  
23 information from the annual water withdrawal and use  
24 reports that all groundwater right holders are required  
25 to submit annually to the Department of Water

1 Resources. We looked at those figures for the Prescott  
2 AMA. We also looked at the Prescott AMA hydrologic  
3 model that the Department prepared. We looked at  
4 physical water level measurements in wells throughout  
5 the AMA. We looked at population projections and water  
6 demand. And we looked at other studies that have been  
7 done on water resources in the Prescott AMA.

8 This slide is a map showing just the general  
9 location of the Prescott AMA with townships and ranges,  
10 the sub-basins, the major water courses, and a dot  
11 showing the location of each incorporated area.

12 Let's look at water demand by water using  
13 sector.

14 On this chart, the bar at the bottom with the  
15 sort of slow ramp up, the skinny line at the bottom is  
16 our estimated exempt well demand. Exempt wells are not  
17 required to be metered or to report their water use to  
18 the Department, so we estimated exempt well demand.

19 The next area in the chart is the water  
20 demand for the large and small municipal water  
21 providers in the AMA. You can see it going up  
22 over time. It kind of flattens out around the year  
23 2008, '9 and '10. Even through 2012, it's lower than  
24 it had been in 2007. That corresponds with the  
25 timeframe of the economic downturn.

1           There's a narrow band in the middle of light  
2 blue. That's the industrial demand. And when we talk  
3 about industrial demand in the Prescott AMA, what we're  
4 talking about is we're talking about non-irrigation  
5 uses of water not supplied by a city, town or private  
6 water company. So this would be a sand and gravel  
7 operation, or a golf course, or some other industrial  
8 user that has its own groundwater right.

9           On top of that, we're showing the  
10 agricultural demand in the AMA. And you can see how it  
11 goes up and down over time. That's pretty typical in  
12 the agricultural sector depending on what crops are  
13 grown and what the market is for agricultural products.  
14 But you can also see agricultural demand decreasing  
15 over time. It's a much smaller component of the total  
16 AMA use now than it was back in the early '80s, mid  
17 '80s.

18           This chart shows the supplies that were used  
19 to meet the demand in the previous slide. And you can  
20 see it's primarily groundwater. That's the biggest  
21 chunk, area chunk in this graph from the bottom. Then  
22 there's also surface water supplies and, in more recent  
23 years, reclaimed water.

24           This figure shows municipal water demand and  
25 municipal water provider population. So the area in

1 this chart is the actual water demand for the municipal  
2 sector, which you see going up over time. And the  
3 population also goes up.

4 I'd like to note on this slide the red boxes  
5 on the line are the census years. The U.S. Census  
6 occurs every ten years within the country, and that's  
7 an actual population count. The years in between, the  
8 boxes on the line in between are all estimates of  
9 population. So you can see how, when there's a census  
10 year, we sort of readjust the AMA population to what it  
11 really is. So it looks like it's going up, and then it  
12 appears to be a little dip. What that actually is is  
13 we're just correcting to what the real population is.

14 Now we're looking at a slide of population  
15 and gallons per capita per day, GPCD. And this chart  
16 shows the population as an area, and it shows the  
17 gallons per capita per day as a line. And you can see  
18 how the water use per person in recent years,  
19 particularly since the year 2003, has actually been  
20 decreasing in the Prescott AMA. We're seeing this in  
21 all the active management areas.

22 And, actually, this is occurring nationwide  
23 as there's lower flow fixtures available; people don't  
24 tend to put in as much landscaping or pools as they  
25 used to. So this is a pretty typical pattern of the

1 gallons per capita per day going down. Also, it's a  
2 tribute to the water conservation programs that the  
3 municipal providers are implementing.

4 Now we get to overdraft. Overdraft is when  
5 we are withdrawing more groundwater than is going back  
6 into the aquifer, either naturally or artificially. So  
7 it's a net draw on the aquifer over time. We're using  
8 more than is going back in. And this chart shows the  
9 annual overdraft as bars. So the red bars are years  
10 when we're in the negative. We used more than what  
11 went into the ground. The blue bars are surplus years.  
12 If there was a lot of snow pack that melted and soaked  
13 into the aquifer, we had a plus that year.

14 Then the line on this chart shows the  
15 cumulative overdraft. If I add the previous years'  
16 overdraft to this year, and then next year add on next  
17 year's overdraft and keep going over time, cumulatively  
18 over time, what was that total overdraft? And you see  
19 it's just becoming more and more and more over time.

20 This table is the information that was shown  
21 in the previous chart.

22 I would like to note that in the management  
23 plan currently, the version that's posted on our  
24 website, there are a couple of numbers that are  
25 different in this table than this version. This

1 version is more up-to-date. We found a few typos, and  
2 we will be correcting those in the final version that  
3 we move forward to adopt. And we'll also be making  
4 note of those in our summary findings.

5 This is a map of the AMA showing water level  
6 changes from 1994 to 2010. It's too small for you to  
7 probably read the numbers. Each one of the dots  
8 represents a well. But you can see the ones that are  
9 red, the water level went down in the well. The ones  
10 that are blue, the water level went up. So most of the  
11 dots on this map are red.

12 I'd like to talk a little bit about the  
13 revamped population projections. We still have, in  
14 this version of the plan, the population projections  
15 that we developed in-house on this chart, or in this  
16 table. That appears in the bottom row where it says  
17 draft 4MP. So those are the numbers that we came up  
18 with for the projected population.

19 The AMA assessment up at the top of this  
20 table, we had three scenarios in the assessment;  
21 scenario one, two and three. So you can see that the  
22 numbers that I have in the draft 4MP in the year 2025  
23 are lower than any of the three scenarios we had in the  
24 assessment, but they are higher than any of the three  
25 scenarios that ADOA recently came out with.

1           So, for example, if you look in 2025, the  
2 Department of Administration's high estimate for the  
3 Prescott AMA is that the population will be 156,361  
4 people. That's the highest of the current population  
5 projections for this AMA. My number that I have in the  
6 draft 4MP is 169,186. So the projections have come  
7 down from what they used to be.

8           I'd also like to note that this is very  
9 typical with projections. During building booms, the  
10 projections tend to be very optimistic and they're  
11 higher. And, then, we're coming off of a recent  
12 economic downturn, so the projections that the state  
13 just came out with are lower. So they kind of go up  
14 and down over time, and reality is usually somewhere in  
15 the middle.

16           This is a fairly complicated chart, but I'll  
17 try and walk you through it. This chart stacks the  
18 water supplies used to meet the demand. For the years  
19 1985 through 2012 on this chart, that's actual  
20 historical supplies that were used to meet the demand.  
21 Groundwater is on the bottom, and that's the largest  
22 chunk. That's the big blue chunk on the bottom. So  
23 you can see that the Prescott AMA is really dependent  
24 on groundwater.

25           Other sources of supplies. Surface water was

1 used in the agricultural sector in the early years and  
2 currently is being used by the city of Prescott, who  
3 stores the water underground and then pumps it out.  
4 They recover that water.

5           We're also using reclaimed water directly.  
6 It goes from a water treatment plant, and that treated  
7 water is used for irrigation on golf courses and for  
8 turf. And then we have recovered reclaimed water. So  
9 reclaimed water that's stored underground and then is  
10 pumped out.

11           And in this -- and then from 2013 through  
12 2024, we are showing supplies that we project that will  
13 be used. We do have Big Chino groundwater importation  
14 in this projection beginning in the year 2020. The red  
15 line that goes across towards the bottom of this chart,  
16 that represents the annual average amount of water that  
17 goes back into the aquifer. So that net natural  
18 recharge. It's around four or five thousand acre feet  
19 per year. Now, some years there's more if there's more  
20 snow and rain; some years it's less if it's dry. But  
21 if you look over time on an annual basis of how 5,000  
22 acre feet is going back into the aquifer, and the blue  
23 line that just appeared on the chart separates the  
24 historical data from the projections. So this takes  
25 you through 2024, just before this APO.

1           We decided to look in the management plan at  
2 years after 2025 because the statute for AMAs that have  
3 to achieve safe-yields says that the AMA should achieve  
4 it by 2025 and thereafter maintain it. So the question  
5 becomes, how long can the AMA maintain safe-yield once  
6 the AMA gets there?

7           So this chart shows the years 2025 through  
8 2109. Now, once you get that far out into the future,  
9 who knows what the future is going to hold. That's why  
10 we do projections, to try to bracket what could happen  
11 given certain assumptions. So you see between 2025 and  
12 about 2037, 2038, the groundwater use in the AMA is  
13 right on that red line. That's safe-yield.

14           So in this scenario that we have in the  
15 Fourth Management Plan, the AMA can make choices. The  
16 water users in the AMA can make choices. They can  
17 increase the amount of water that's stored and  
18 recovered, thereby reducing the groundwater. They can  
19 increase use of reclaimed water; they can bring in Big  
20 Chino water; they can recover long-term storage  
21 credits, water that was stored that hasn't been  
22 recovered this year. And, so, by doing those things  
23 can get to safe-yield and maintain it for a couple of  
24 decades in this scenario. Once those long-term  
25 recharge credits are exhausted, the AMA has to go back

1 to groundwater.

2 So you see around the year 2038, the blue  
3 area in the bottom bumps up above that red line and  
4 stays above that red line. So the AMA goes back to  
5 overdrafting in this scenario that we developed.

6 The amount of time that the AMA can stay at  
7 safe-yield depends on choices that the water users  
8 make. More people can be attached to a central sewer  
9 system, therefore collecting more reclaimed water which  
10 could be stored and recovered. There are other choices  
11 that could be made to use more renewable supplies and  
12 less groundwater.

13 Scenario C, which is in the Fourth Management  
14 Plan, talks about additional conservation, additional  
15 supplies that are renewable supplies that could be put  
16 to use to extend the amount of time that the AMA can  
17 stay at safe-yield. So scenario C is our most  
18 optimistic projection. And in this scenario, the AMA  
19 can essentially stay at safe-yield until around the  
20 year 2075 if they make certain choices. But even then,  
21 there's two periods where the long-term storage credits  
22 are exhausted and the AMA has to go to other supplies  
23 or increase the groundwater pumping.

24 So that's the data, if you're a data person.  
25 Those were the numbers.

1           And then what information sources did we look  
2 at besides our own information from the annual reports  
3 and from the hydrologic models and water levels that we  
4 had in house?

5           In 2006, the Prescott AMA GUAC published a  
6 report on safe-yield impediments. We reviewed that  
7 report in the development of the Fourth Management  
8 Plan. We also looked at the Central Yavapai Highland  
9 Water Resources Management Study, phase three, the  
10 water supply alternatives section. One of the things  
11 that that report talks about is potentially increasing  
12 the number of people who are in central sewer, which  
13 then allows the collection of additional reclaimed  
14 water which could be stored to help the AMA get to and  
15 stay at safe-yield.

16           We looked at the EPA's website where it has  
17 information on WaterSense fixtures: Washing machines,  
18 shower heads, all of the plumbing fixtures that are the  
19 highest efficiency fixtures you can put into a home.  
20 So we looked at that information.

21           In addition, the City of Prescott has a water  
22 management policy that's published that's on its  
23 website. We reviewed the City of Prescott's  
24 designation of assured water supply, and we had  
25 discussions with the Town of Prescott Valley, with

1 their planners, in terms of their water supplies and  
2 their projected population and demands.

3 We also had some discussions with the Town of  
4 Chino Valley on their plans for the future; what they  
5 hope to do, what they would like to do; and we talked  
6 with Gary Woodard, who used to be with the University  
7 of Arizona and now works for Montgomery and Associates,  
8 on the potential for additional water conservation in  
9 new homes and existing homes. He's doing some studies  
10 on that right now.

11 So, what does the management plan look like?  
12 It will have 12 chapters, and there will be an  
13 introduction. There will be a hydrology chapter.  
14 There is water demands and supplies, which looks at the  
15 historical demands and supplies from 1985 through 2012.

16 Then are our core programs, where the water  
17 requirements are that the statute says we have to have  
18 water conservation programs in the management plan. So  
19 we have a municipal conservation program in chapter  
20 five. Industrial conservation is chapter six. The  
21 statute says the Director may conduct a groundwater  
22 quality assessment, so that's chapter seven. We have  
23 an augmentation and recharge program discussion in  
24 chapter eight.

25 Chapter nine is our water management

1 assistance program. Everyone in the AMA who has a  
2 groundwater right pays a groundwater withdrawal fee  
3 when they file their annual reports with us every year.  
4 A portion of that fee goes into the water management  
5 assistance program which then can be used to develop  
6 projects to help the AMA achieve its goal.

7 Chapter ten discusses how we intend to  
8 implement the plan. It's sort of the nuts and bolts  
9 business end of how we make the plan operate in AMA,  
10 including compliance. And Chapter 11 is our water  
11 budgets and projections chapter. Finally, in chapter  
12 12, we have a discussion of water management strategies  
13 and opportunities in the AMA to help the AMA achieve  
14 and maintain safe-yield.

15 So, what's different in the Fourth Management  
16 Plan than what we had in the Third Management Plan?

17 Well, for one thing, we had a very  
18 complicated calculation method for the municipal  
19 gallons per capita per day, GPCD, program in the Third  
20 Management Plan. It made it very difficult for water  
21 providers to understand what their target actually was.  
22 In the Fourth Management Plan, it's a simple  
23 statistical calculation. They get one number that's  
24 their gallons per capita per day target, and it's done  
25 based on their 2000 through 2009 median GPCD minus two

1 standard deviations.

2 We also added a large-scale electric power  
3 plant conservation program in the industrial chapter of  
4 the plan. There currently are no large-scale power  
5 plants in the Prescott AMA, but we decided to put that  
6 program in all five Active Management Area management  
7 plans just in case a power plant should locate here in  
8 the future.

9 We have new water budgets and new population  
10 projections in this management plan. And then we  
11 have -- we used to call it our future directions  
12 chapter. Now, we are calling it our water management  
13 strategy chapter, that last chapter, chapter 12. So  
14 that chapter, chapter 12, water management strategy,  
15 discusses several things that the AMA could do to help  
16 achieve and maintain safe-yield.

17 One is to do additional storage, underground  
18 storage. So collect as much reclaimed water as  
19 possible and store it underground for current and  
20 future uses. Along Granite Creek is a good place, but  
21 there may be other places in the AMA that are good  
22 places to store water, so we should look at this.

23 Also, putting more wells closer to where the  
24 water is stored. So if you store water in one  
25 location, it's a good idea to try to recover as much of

1 it as you can in the place where it's stored, because  
2 that's where you're physically putting it into the  
3 ground, as opposed to pumping it out someplace else,  
4 perhaps where water levels are declining. You want to  
5 put it in and take it out in the same place.

6 The other thing that could help with managing  
7 the water supplies in the AMA is to adopt pumping  
8 regimes where, if there's a place where water levels  
9 are rising, pump from that location and let areas where  
10 water levels are declining recover. And then, once  
11 they recover, you can shift back and pump over there.  
12 So you can do kind of a seasonal shifting of the  
13 pumping.

14 Increasing the proportion of the population  
15 on central sewer is also helpful because that increases  
16 the volume of reclaimed water that you can control,  
17 that you can store, as opposed to it going into a  
18 septic tank. It's sort of lost to you. It may be  
19 recharging an area where the septic tank is, but if you  
20 collect it in central sewer, you can control storing it  
21 and recovering it as another water supply.

22 This plan includes the importation of Big  
23 Chino or other water supplies if the AMA can locate  
24 other water supplies. And it talks about possibly  
25 adopting more stringent water conservation requirements

1 such as the EPA WaterSense fixtures.

2           There are a lot of people who helped develop  
3 this management plan. This is a list of the ones that  
4 I could think of. There may be others. If you helped  
5 out and your name is not on this list, I apologize.  
6 I'm not going to read all the names on this list. This  
7 is, this presentation is published and is on our  
8 website. But this is just to show there was a great  
9 number of people who we had discussions with and who  
10 offered assistance on the development of the plan.

11           And that's the end of my presentation.

12           MR. DUNHAM: Thank you, Pam.

13           All right. I have three speaker cards here.  
14 I will now begin calling the names of the persons who  
15 filled out speaker cards. If you wish to speak and  
16 have not filled out a speaker card, please fill out one  
17 of the cards at the table near the entrance by Sharon.

18           When I call your name, please come up to the  
19 podium, state your name, identify any person or entity  
20 that you are representing, and then please give your  
21 comment. In no particular order, the first card I have  
22 is Mr. Tom Atkins.

23           MR. ATKINS: My name is Tom Atkins. I  
24 do not belong to any entity other than being a citizen  
25 of Prescott. I have several little notes that I've

1 taken as we have progressed through this morning's  
2 meeting.

3           It seems to me that we have basically  
4 overbuilt, and with no consideration to the amount of  
5 water that is sustainable to our, to both PV and  
6 Prescott. We've overbuilt compared to our water.

7           We saw a graph up here a moment ago that  
8 showed this huge overdraft compared to a little red  
9 line down there where it should be as far as our GPCD.  
10 All of our production wells are dropping rapidly.

11           And as you said in your report, conservation  
12 is necessary. Big time. That includes large-scale  
13 billing. In other words, we are giving our water away  
14 right now. If you have a small, stable amount of  
15 water, it should be very cheap, but rapidly increase if  
16 there is -- any time you're in overdraft. And the  
17 farther into overdraft, the more expensive it should  
18 be. We have sort of a scale like this right now, but  
19 it's not anywhere near as rapid growth as it should be.

20           There is definitely an individual  
21 responsibility for water consumption. The problem is  
22 most of our units are in acre feet. Things that people  
23 don't really understand. And what we need to do, I  
24 believe, is get away from that and start helping people  
25 understand what their consumption is in relation to

1 units they understand, which are gallons, or maybe even  
2 cubic feet. But in a small amount.

3 And, therefore, I would suggest that our  
4 consumption should be reported on our bills monthly as  
5 a GPCD value. In other words, how much water are you  
6 using. Gallons per capita per day. And it could be on  
7 a little graph or a table or something depending on how  
8 many people are in your household.

9 Also on the bill should be the sustainable  
10 safe-yield goal, which would represent our usage in  
11 2025. That would tell us how close to the goal are we?  
12 Also on the bill should be the average usage of other  
13 citizens in GPCD. How are we doing compared to our  
14 neighbors?

15 All those ways will help us understand  
16 individually what we need to do to solve the problem.  
17 Right now, it's very ephemeral. We don't really get it  
18 because of the large-scale usage of the units that we  
19 don't really get. Then, each month, we can compare  
20 individually where we are compared to where we need to  
21 be and where we are compared to our neighbors.

22 I've asked a number of knowledgeable people,  
23 how close to safe-yield are we at the present time?  
24 And, in fact, the last time I was here I asked several  
25 people that might know. And the answer is "we don't

1 know."

2           How do we run a race, and want to reach the  
3 end, and not know where we are on the track? Again,  
4 its hard to understand. I've asked a number of  
5 knowledgeable people, what will be the individual water  
6 consumption necessary in 2025 to have reached a  
7 sustainable safe-yield? And nobody really knows.

8           Finally, going to a different subject, the  
9 Big Chino pumping will dry up the Verde. No doubt  
10 about that. How in the world can we use this source,  
11 sucking the Big Chino down, drying up the Verde, and  
12 not consider it part of the Prescott AMA? If we're  
13 going to be using it, it has to be part of our AMA and,  
14 therefore, under the same rules as the sustainable  
15 safe-yield in our AMA. And it should be included in  
16 the sustainable safe-yield regulations. We can't just  
17 suck out of another aquifer, drawing it down, and say  
18 we're in safe-yield. That doesn't make any sense to me  
19 at all.

20           And, again, as I first stated, the major  
21 problem seems to be population, but nobody is talking  
22 about that at all. Prescott Valley is springing up a  
23 unit -- 3,500 new houses, they are planning. That's a  
24 lot of water. Where are they going to get that water?  
25 Their well's going down. Prescott's wells are going

1 down. Prescott's wells are going down three feet a  
2 year. That's a lot of water into the hole. It's going  
3 to be a problem eventually. We're going to hear a  
4 giant sucking sound.

5 So I'd like to have some of these things  
6 considered, all of them considered, as you rewrite your  
7 plans. Thank you.

8 MR. DUNHAM: Thank you, Mr. Atkins.

9 The next card I have is Doug McMillan.

10 MR. McMILLAN: My name is Doug  
11 McMillan. I'm a retired civil environmental engineer,  
12 and I live in Prescott. I'd like to read my comments.  
13 This relates to subjects that were in the Fourth  
14 Management Plan.

15 Renewable water supplies in the Prescott AMA  
16 are limited with the result of dependence on  
17 groundwater mining. This is the case even though  
18 reclaimed wastewater is recharged back into the  
19 aquifers. To achieve a long-term water supply in the  
20 Prescott AMA, renewable water supplies must be  
21 obtained.

22 The local hydrologic cycle of the Prescott  
23 AMA offers great potential for increased recharge of  
24 sustainable water through improved management of  
25 evaporation prevention and recharge processes. This

1 potential exists because, number one, approximately 98  
2 percent of the precipitation evapotranspires; and, two,  
3 as shown in ADWR's recent Prescott AMA modeling update,  
4 the majority of natural recharge occurs at ephemeral  
5 streams such as Granite and Lynx Creeks. However, in  
6 the case of Granite Creek, the operation of local dams  
7 as dictated by water rights agreements has limited the  
8 natural process of linear ephemeral stream recharge.

9 I've been an ardent promoter to reestablish  
10 the natural recharge process without jeopardizing  
11 downstream surface water rights. I have identified  
12 various methods for harvesting rainwater that otherwise  
13 would have been lost to evaporation and various  
14 alternatives for transport of this harvested water for  
15 recharge in ephemeral streams such as Granite Creek.

16 HB-2363 was passed by the Arizona legislature  
17 and signed by the governor in 2012 to study this  
18 concept by designated committee, but the committee  
19 never met because of concerns of downstream surface  
20 water right holders such as SRP. I believe these  
21 concerns are unwarranted and not based on logical  
22 thought or scientific analysis. Rather, I believe  
23 there is little for downstream surface water right  
24 holders to fear in the case of the Prescott AMA, and  
25 making use of the particular characteristics of our

1 local hydrologic cycle could be of great benefit to  
2 them.

3 The key general concept, which, if  
4 implemented, is to try to improve the water mass  
5 balance in our local aquifers. This would result in  
6 helping to maintain stored water in our aquifers, and  
7 consequently the energy gradient that allows  
8 groundwater to keep flowing towards local springs and  
9 perennial streams such as the Verde River.

10 In other words, it keeps the underground  
11 river flowing to the benefit of all downstream surface  
12 water right holders, the environment, and Prescott AMA  
13 water users.

14 As in the movie Groundhog Day, with the same  
15 day continually repeated, we cannot afford to accept  
16 the future negative economic, environmental, and social  
17 consequences of year after year of continual  
18 groundwater depletion. We must wake up to a new day  
19 with a new perspective of realizing the need for  
20 renewable water supplies. The restoration and  
21 enhancement of our natural recharge processes is a step  
22 leading towards that new day. Thank you.

23 MR. DUNHAM: Thank you. Would you like  
24 to submit that in writing, as well?

25 MR. McMILLAN: I have.

1 MR. DUNHAM: Okay. Thank you very  
2 much.

3 The next card I have is Mr. Tom Steele.

4 MR. STEELE: My name is Tom Steele, and  
5 I'm representing myself as a citizen of Prescott Valley  
6 for the last 11 years.

7 I recall shortly after coming here, I  
8 realized that there was a water problem. And I recall  
9 a study that came out of the Arizona Department of  
10 Water Resources that said the Prescott AMA was mining  
11 approximately, as I recall, 11,000 acre feet a year.  
12 This is to say using 11,000 more acre feet than Mother  
13 Nature is providing. And the last I heard, Mother  
14 Nature is the only one that does provide water for us.

15 The issue of conservation is good, but if we  
16 don't weigh that with the fact that there are political  
17 pressures in the area to increase production of  
18 subdivisions and additional users, this is all for  
19 naught for conservation purposes.

20 The use of Big Chino water is another issue.  
21 And if you look into it deeply, you'll see that unless  
22 there's strong mitigation prior to that pumping being  
23 allowed, what will happen is the Verde will dry up.  
24 Because there is a direct relationship between surface  
25 and groundwater, and the pumping from that well field

1 will gradually reduce. And it will be the people of  
2 that area that will lose their wells first before it  
3 gets over to the Verde. But it will just be a matter  
4 of time before that happens.

5           So we cannot continue to keep using more  
6 water than Mother Nature is providing. And the only  
7 way I see us stopping that would be, one, very much  
8 limiting the production of new homes and adding new  
9 users. Because in the neighborhood of three to four  
10 new homes requires another acre feet of water -- new  
11 water -- forever. And that would be a primary reason  
12 for maintaining the draw that will dry up the Verde  
13 River.

14           And I know there's strong political  
15 pressures, regardless of what's said here tonight or  
16 what the staff has done in the previous reports. The  
17 bottom line, it will become a political decision.  
18 Because, as I mentioned, we're supposed to be reaching  
19 safe-yield by 2025, but there are no penalties for not  
20 reaching safe-yield in 2025. And I think that was a  
21 political issue that's been addressed and ignored by  
22 our representatives in the legislature.

23           So, I maintain that something is going to  
24 have to be done about getting more water here. Perhaps  
25 we could pipe it in from the Mississippi basin, because

1 they certainly have more than they ever need. And  
2 quite often more than they need. That might be an  
3 alternative. I don't know the cost values of that, but  
4 there's only so much water, and we need new water. We  
5 can't continue to mine water, because that will limit  
6 the point when we will have to be -- virtually abandon  
7 this, just like the Anasazi Indians, the native  
8 Americans did back in the 1400s, and earlier, because  
9 there was not adequate water supply.

10 So my comments, I hope, are received well and  
11 that we can make an effort to do something about  
12 putting penalties in there for a population increase  
13 that's voted on by people who are ignoring the factors  
14 that control our water supply. Thank you.

15 MR. DUNHAM: Thank you Mr. Steele.

16 The next speaker card I have is Mr. John  
17 Zambrano? Did I say that correctly?

18 MR. ZAMBRANO: Zambrano. Thank you.  
19 I'm John Zambrano, and I represent the Citizens Water  
20 Advocacy Group, or CWAG for short.

21 I'd like to thank the Department for all the  
22 work they have done in developing the Fourth Management  
23 Plan. I also appreciate the fact that our AMA had gone  
24 first. I look at it as a bit of a trial, but it was  
25 just valuable for us to get it done. I thank Jeff and

1 Pam Muse for their responsiveness to all the questions  
2 that I've asked over the past couple of years. They  
3 have been very responsive.

4 CWAG has submitted prior comments on the  
5 Fourth Management Plan, the draft. I would like those  
6 comments to be part of the record. I don't know what  
7 it takes to do that. If I have to resubmit them, I  
8 would. Or -- I just hope that they're not lost.

9 Do I need to resubmit them?

10 MR. DUNHAM: Please resubmit them, and  
11 that way we know they're officially in the record.

12 MR. ZAMBRANO: Some of them are going  
13 to be outdated. Many of them you have not addressed,  
14 probably because maybe you don't have the legal  
15 authority to address them. But we would like them to  
16 be part of the record. So we'll resubmit those email  
17 submissions to the person you mentioned before.

18 It's nice that the Fourth Management Plan has  
19 some ideas for meeting safe-yield. Some of them strike  
20 me as reasonable, others strike me as not so  
21 reasonable. The key thing is that the communities have  
22 to decide what they're going to do to meet safe-yield.  
23 It's all well and good for the Department to put some  
24 ideas forth, but unless the communities decide what  
25 they want to do, the plan doesn't mean much. They need

1 to do it in a collective fashion, and they need to do  
2 it openly. In short, we need a community-developed,  
3 AMA-wide plan to achieve safe-yield.

4 One of the -- a couple other details. It  
5 would be nice if the Fourth Management Plan showed what  
6 the overdraft would be over time if the communities do  
7 basically nothing.

8 And, lastly, when it comes to the Big Chino,  
9 because the communities have said that they would  
10 mitigate if it shows that water levels are declining,  
11 and because the Department of Water Resources has,  
12 itself, concluded that pumping from the Big Chino would  
13 affect the Verde River, it would seem to me that the  
14 Fourth Management Plan should address the question of  
15 mitigation of what needs to be done and what would  
16 happen if there is no mitigation.

17 That concludes my comments. Again, thank you  
18 very much for your responsiveness.

19 MR. DUNHAM: Thank you. Sharon  
20 Scantlebury is the contact. She's got cards back there  
21 for email destination. Thank you for your comments.

22 The next speaker card I have is Mr. Bruce  
23 Penn.

24 MR. PENN: First, I'd like to thank the  
25 Town of Prescott Valley for all the work they've done

1 on the sewer system. I don't know if -- everybody here  
2 probably knows the history. But they put in all the  
3 sewer, and laid out septic, and has a great reclamation  
4 plan out there. And they do do the recharge, of  
5 course. As you know, it's included in the plan, I  
6 think. I tried to read through it all.

7 Thank you for coming up from Phoenix, all of  
8 you folks. I've been a resident here since about 2003.  
9 And when I purchased here, I knew they were on well  
10 water. About 28 wells. And then we had a split system  
11 at the time here in Prescott Valley. And, so, I was  
12 hoping that things would kind of get better over time.  
13 You know, you try to think positively.

14 And they also had the assured water supply  
15 for a hundred years. I think that's what the builder  
16 told us. And it's in your paperwork there. I don't  
17 know who is going to back that if things dry up. I  
18 question that now.

19 But, nevertheless, I've gone to meetings.  
20 I've been here since about 2003, 2004. I've gone to  
21 various meetings, tried to collect information and get  
22 a clear perspective of what's really occurring,  
23 including the political issues and the desire for more  
24 jobs, et cetera, et cetera.

25 But in the end, without water, I've realized

1 your home is worth nothing. Because you're not going  
2 to haul 3,000 gallons a month. I'm at about a thousand  
3 gallons a month. But, nevertheless, the questions I  
4 come up with are -- the national average usage -- I've  
5 checked on the Internet, did some research. I've  
6 learned from other people. The national average per  
7 person usage, excluding industry -- because industry  
8 can use a lot -- is about 3,000, 3,500 gallons a month.

9 I don't understand, if that's our usage  
10 here -- which is, our graph showed is about 115 gallons  
11 per person, if I'm correct. I don't have it in front  
12 of me. That's -- times 30, that's a little over 3,000  
13 gallons per person. I don't know. That's the national  
14 average.

15 It doesn't seem like that's conservation to  
16 me. I think we should cut that by half. But if you  
17 don't make it mandatory, as they did in Las Vegas,  
18 Nevada, and other places -- California, right now,  
19 they've raised rates so high, my mom reduced hers from  
20 4,000 down to about 1,800. She's a single lady. And  
21 she's paying \$110 a month for water at 2,000 gallons.  
22 And if that price went up, she'd use less. She called  
23 me to find out how to use less.

24 So, you know, I don't think 3,000 or 3,500  
25 gallons a month per person is conservation. And unless

1 you mandate it or raise the prices much, much higher,  
2 it's not going to happen. You know that, I know that.  
3 It needs to be active, it needs to be mandated, as they  
4 have done in other cities. You might look at Las  
5 Vegas. It's amazing what they have done there.

6           So I think we need a conservation plan that's  
7 a little more aggressive, modeled after other cities  
8 that are existing. And you'll find that you'll  
9 probably feel better about it when you're not wasting a  
10 resource that is limited.

11           Also, it could be -- ADWR, I know they've  
12 been monitoring wells since 1995. I have an article at  
13 home that I got out of a paper -- did a lot of  
14 research -- that indicates that you even had hired some  
15 drillers to see how deep and where bedrock was. And  
16 I -- it was, I guess, assumed that it was at about 600  
17 feet.

18           It would be interesting to know what the well  
19 levels are right now, on average. Why it wasn't  
20 included in the report, I don't know, because I know  
21 you monitor them. And, also, that would indicate the  
22 well drop and the rate of drop, which is important.  
23 And I'm not saying, you know, one where you get an  
24 impression. I mean the average. You know, over time  
25 you have that information, and it should be in that

1 report. That would be nice to have from 1995 to  
2 current. Just one line. One average. You don't have  
3 to show every well. That could get confusing.

4 Does the ADWR plan to approve the 3,300  
5 additional homes -- which is beyond the year 2000  
6 cutoff for plot submission, which was done by most of  
7 the developments that are still ongoing out here. A  
8 lot of people don't know that those were capped as of  
9 the year 2000.

10 The town wants to present a new plot to ADWR.  
11 ADWR has the right to say no, there's no assured water  
12 supply. And, of course, as your report shows, we'll  
13 still be overdrafting way off into the future. I'd  
14 like to know -- so that I can get out of here before  
15 you do approve that, or shortly thereafter when the  
16 home prices are right -- if you plan to sign off on  
17 that.

18 Now, I know that everybody is hanging their  
19 hat on the Big Chino. Initially, as I heard -- I  
20 didn't go to the council meeting when it occurred in  
21 Prescott Valley, but they didn't believe that the Big  
22 Chino fed the Verde. And, of course, USGS and other  
23 experts, hydrologists -- which is a pretty exact  
24 science. It's not a rocket science. It's not a gray  
25 area of science. That they went out there and did some

1 dives and checking and things they could put in the  
2 water and, lo and behold, yeah, it did feed the "Big  
3 Verde". Now, if I'm wrong, tell me. But my  
4 understanding is it does primarily feed the big -- the  
5 Verde River. The Big Chino does.

6           And, so, we are limited on our pumping to  
7 9,000 acre feet. We get half of that maybe, roughly,  
8 near Prescott Valley. I think those numbers are right.  
9 I might be off on that. But that's fine that we have  
10 that. You included it in the plan, but you're missing  
11 one thing: The big pipe that brings it here. Which I  
12 looked at the cost of a pipeline, a thousand-mile  
13 pipeline -- I think it was a thousand. I don't know.  
14 I got the numbers at home -- that they just built in  
15 New Mexico to feed water to Guadalupe, I think it was.  
16 And then I looked at some other water pipelines, and I  
17 did the math and divided it out based on their costs  
18 after it was built. And, you know, I see three hundred  
19 to four hundred million dollars for the pipeline and  
20 the pumping stations. We don't have that unless the  
21 town has a bank account somewhere.

22           But you included it in that survey. That's  
23 blue sky. Until we get it here, we don't have it. So,  
24 you know, I'd like to know where we're going to get the  
25 money. Thank you.

1 MR. DUNHAM: Thank you, Mr. Penn.

2 I have one more card here. Leslie Graser.

3 MS. GRASER: Good morning, Mr. Dunham  
4 and Mr. Tannler. It's good to see you again. I was  
5 going to ask if I might be able to back the slides up a  
6 couple?

7 MR. DUNHAM: Yes.

8 MS. GRASER: My name is Leslie Graser.  
9 I'm the water resource specialist for the City of  
10 Prescott. And I think it's important to stop and thank  
11 the Department of Water Resources for continuing to get  
12 through management plans in difficult times.  
13 Obviously, I worked with the Department at one time in  
14 a much different capacity than management plans when I  
15 saw the amount of people that it took to get the job  
16 done, and I know that that is not what you had. And,  
17 so -- of course Pam Muse, as well. I think you did a  
18 really nice job.

19 In particular -- you know, the City's been  
20 through the document, and we have provided comments  
21 already. Really, I think where our focus goes now is  
22 basically the chapter 12.3. And this is what you have  
23 up on your slide on number 20 here.

24 For the city, I'd like to just briefly go  
25 through each one of those fairly quickly and provide

1 some of what you're seeking today as either comments or  
2 questions that still linger.

3 So, what we have is what we have in front of  
4 us, and this management plan basically says we're going  
5 to be doing roughly the same things. And in this  
6 management plan, we need to be thinking about these  
7 potential future solutions.

8 Just so I don't have to read every one, I  
9 will start with bullet one. For the City of  
10 Prescott -- Regional USF and associated recovery wells.  
11 For the City of Prescott, the USF went in in the 1980s,  
12 the late 1980s, for -- there's a lot of history behind  
13 that. Won't go into it. All the water that is  
14 recharged except direct delivery goes into that  
15 facility. So we're doing it. The city has three  
16 recovery wells that exist. One is for direct delivery,  
17 of course; and then the other two are newly coming on  
18 line, and those are part of the steps the city has gone  
19 through over the years with the Department through  
20 management plans to be recovered within the area of  
21 impact.

22 Following that, the city's permits are  
23 currently in the Department's house right now, where  
24 they're being modified to increase volumes out there  
25 and to incorporate one recovery well.

1           The next bullet item is pumping regimes. How  
2 we -- do I have that right -- add more wells within the  
3 area of impact. I think, actually, I covered probably  
4 the first two. Oh, I'm sorry. Let me just lump bullet  
5 one and bullet two.

6           So the city's already right by Granite Creek.  
7 We're already putting in recovery wells, we're already  
8 putting down all the supplies we have, less direct  
9 delivery contracts that we have. We're walking the  
10 walk that the Department of Water Resources has asked  
11 us to do based on the rules they are given by the  
12 state. I think there's actually been further steps  
13 beyond that, but not for today, of course.

14           Moving on to bullet three, adopting new  
15 pumping regimes and shift the pumpage around. The city  
16 has started, and will continue to do this through the  
17 management plan. And, once again, the city has a well  
18 field out in Chino Valley, and we have wells near the  
19 airport now. For the wells out in the Chino Valley  
20 area, those wells are separated out a little bit so we  
21 can move from well to well the best we can. Bringing  
22 in -- using supplies from the airport area will also  
23 allow us to do that.

24           It would be very challenging for the city,  
25 and costly for the community, to be thinking that they

1 can just drop wells where there seems to be a high at  
2 the time in the aquifer. So I hope that is taken into  
3 consideration. Some things seem straightforward, and  
4 others, there's some real things that have to happen  
5 behind it.

6 The next bullet point is a centralized sewer.  
7 Both city plants are either being expanded or upgraded  
8 at this time. All new development will be sewerred, of  
9 course. Now where our challenges lie is with the  
10 quantity of historic waters that are delivered inside  
11 and outside the city limits that are on sewer.

12 You may not be aware the city has gone  
13 through planning with consultants to try to determine  
14 costs related to sewerred areas that are not. And I  
15 can be a fine example myself. My property is outside  
16 the city limit, so I'm on a septic tank. I receive  
17 city water. The county came through and just recently  
18 widened our road so we don't have to pull over, or try  
19 to pull into our parking space, or garage or whatever,  
20 to let somebody else through.

21 So the challenges in sewerred areas that have  
22 not been sewerred in the past is high. Not only for the  
23 level of work it takes -- I'm not saying it shouldn't  
24 be done -- but also for the cost. I think the  
25 community has spoken at one time to us already that

1 you've got to be nuts. You know.

2 So, what I'm listing is where we're at and  
3 challenges that we have and challenges we're going to  
4 continue to have. But that doesn't mean that we're not  
5 seeking all opportunities in terms of capturing more of  
6 that return flow.

7 The next bullet point you have -- let me make  
8 sure I'm on the right bullet point. Okay.

9 Import Big Chino water or other additional  
10 supplies. The Water Ranch, as you know, has been  
11 purchased, and there's been significant engineering  
12 that has been completed. You know, the next step was  
13 the concerns, of course, about the Verde River. I  
14 think those concerns date back, if you look at history,  
15 way back. I had a 1946 document about development of  
16 water supplies, a 1982 document about the development  
17 of water supplies, and this challenge for the community  
18 has been going on since basically the birth of this  
19 city.

20 So, the city, I think about -- I'm not an  
21 historian, but about 1875, the townsite was almost set  
22 up, and then almost immediately there was notes about  
23 how the city -- actually, it was the village council at  
24 the time -- had their first water meeting, but they  
25 couldn't find the notes.

1           To me, it was pretty straightforward.  
2   Everybody sat around and said, wow, we have a community  
3   now; we have fire needs; we need safe water; we need  
4   all these kind of things. So we're not in a different  
5   position other than it's a new group of people. It's a  
6   bigger group of people. We are going to have these  
7   challenges.

8           In this bullet point it talks about  
9   additional supplies, or other additional supplies. And  
10   I think that's where my first question would be to the  
11   Department: What is being suggested? And I know  
12   you're not answering questions today. But that would  
13   be helpful to hear a little bit more about that.

14           And although I have this in another spot, I  
15   think it's important to say this. So, as we know, the  
16   other additional supplies, the area it's talking about  
17   is through the CYHWRMS study. Once again, that level  
18   of work, and the cost related to bringing that kind of  
19   water supply, is not bearable by a community or an AMA  
20   of this size. And we know that. We know that CAP  
21   supplies, when it came into the Phoenix area, the  
22   Tucson area, that took federal assistance.

23           So we hope that, one, you'll let us know a  
24   little bit more about what these other supplies you  
25   think might be worth discussing, and how that might be

1 accomplished.

2 I'm almost done. I seem to be out of order.  
3 I think the bullet point is different than my copy.  
4 That's why I'm struggling here a little bit.

5 So, my next bullet point written in the  
6 latest copy I printed relates to Watson and Willow  
7 Lakes. So, the city acquired those lakes in 1998, as  
8 you know. It was actually back in 1946 in city  
9 documents related to water supplies where that was  
10 their first go-to for water supplies. And they said if  
11 that doesn't happen and we can't work out an  
12 arrangement with the Chino Valley Irrigation District,  
13 then we're going to have to look at either the artesian  
14 supply -- what is now known as the Chino Valley area --  
15 or Del Rio Springs. And they were discussing their  
16 options at that time in '46. We're doing the same  
17 thing today.

18 The recharge of that supply has occurred  
19 since the time -- basically since the time the city  
20 purchased those lakes. The recharge facility was  
21 already in, so it was just a matter of course of  
22 updating permits and being able to send a quantity of  
23 water.

24 Issues surround both quantity of supply and  
25 the quality in terms of Arizona Department of

1 Environmental Quality. The city, and of course the  
2 state in terms of the Department of Water Resources,  
3 has no issue in terms of the water quality of that lake  
4 and the recharge going to that facility. Nor have we  
5 had any permit issues related to that.

6           What the Fourth Management Plan recommends is  
7 increased water taken from the lakes. And, of course,  
8 this has community issues because those lakes were  
9 purchased for water supply. They were also purchased  
10 for recreation and open space. And, of course,  
11 everybody has a different expectation of what  
12 recreation means to them. Willow Lake at one time, of  
13 course, was completely fenced off, and people were not  
14 allowed into it. It said no trespassing. When the  
15 city acquired that water volume, it was opened up and  
16 there have been improvements made.

17           So we, once again, have to step very  
18 carefully related to the expectations of the community  
19 as well as the implications to the current decision and  
20 order that the city has through the Department of Water  
21 Resources. And sometimes this does get confused  
22 between the City of Prescott and the Town of Prescott  
23 Valley.

24           So the city, of course, as you know, is a  
25 designated water provider, took in their supplies to

1 show a hundred years of physically, continually  
2 available -- and which one am I missing? Physically,  
3 continually, and? Which -- you're not even --

4 MR. DUNHAM: It's physically, legally  
5 and continuously available.

6 MS. GRASER: Thank you. Legally.

7 The other portion of the Fourth Management  
8 Plan then speaks to looking at Goldwater. And, of  
9 course, that was a water supply at one time for the  
10 city. And if we really look at things, you can see  
11 where that line is broken the entire way. We have a  
12 subdivision basically on top of that line now. Moving  
13 that water again from Goldwater into the city system --  
14 once again, it's all cost-benefit again. I mean, what  
15 can our community withstand in term of costs to do  
16 these kind of things?

17 So, I think the question that comes out of  
18 this piece is ADWR's possible solutions related to  
19 existing regulatory and other requirements. How do we  
20 get through these ideas, these possible solutions, and  
21 really grind through what's necessary in terms of  
22 the -- what, legally, we can do now or what we think we  
23 need to change in order to legally do in the future?  
24 Quite a few challenges.

25 Okay. I'm down to the last two. And I

1 apologize. As I said, I thought I was following this,  
2 but it's not quite.

3           There is a discussion of pursuing CAP  
4 supplies here. It's item six in the document. And, of  
5 course, I already brought up CYHWRMS. And, really, the  
6 question here is, how will the Department of Water  
7 Resources be able to assist and pursue this solution  
8 with the communities?

9           Of course, this study has many layers to it.  
10 It's challenging to the public; it's challenging to the  
11 people who have sat through the entire thing so far.  
12 We all know there's not one solution. We all know it's  
13 going to take several things to get this done. So it  
14 would be helpful to know, when the Department speaks of  
15 pursuing CAP supplies, how they might be able to assist  
16 the communities in this effort. Or, another way of  
17 putting that question is, what pathway or process would  
18 the Department of Water Resources assist in this topic?

19           Okay. I'm at the last item. Whew.

20           This is in regards to more conservation. So  
21 we are lining up again between the document and the  
22 slides. The City of Prescott applies more than the  
23 five best management practices that are required in our  
24 annual reporting. I think -- we're pleased to do it.  
25 I think the community is pleased to do it. Of course,

1 we had a big push in 2006 regarding conservation. And,  
2 we have to remember that even though we had that big  
3 push and, you know, big things happening, including a  
4 tiered rate structure at that time, we always need to  
5 be bringing our community along and seeing how we can  
6 reinvigorate those programs or what has changed in the  
7 landscape that needs to be addressed so we can improve  
8 in our conservation practices.

9 The city is a WaterSense partner. And, as I  
10 mentioned, we do have a tiered rate structure. Once  
11 again, we have to be very careful, as the gentleman  
12 before me mentioned. We need to have a base value that  
13 is reasonable to basically any income level. We can't  
14 be pricing water so far out of reach that we start  
15 having health and safety issues because people aren't  
16 using the amount of water they need to do what they may  
17 need to do.

18 And with that, I'll just try to wrap up here.  
19 So I threw in my questions along the way. And I think  
20 my last two questions I would be seeking from the  
21 Department would be, you know, among the adoption of  
22 the Prescott Fourth Management Plan, rolling out all  
23 the other AMAs' Fourth Management Plans, and then  
24 you're going to be on the heels of the development of  
25 the Fifth Management Plan. I'm guessing, if I put this

1 into perspective for myself, the Fourth Management Plan  
2 is supposed to carry us through 2020. The Fifth  
3 Management Plan should start roughly 2020.

4 So that puts you at about 2018 starting to  
5 pull things together and, ultimately, a timetable of  
6 issuing it out in 2020. The fifth. So, you know, how  
7 will ADWR approach each of these possible solutions in  
8 light of your staffing requirements -- which,  
9 obviously, you need staffing -- funding requirements,  
10 which helps in the staffing, and -- well, legal  
11 challenges. There's a lot of legal discussion.

12 And if I step back to a few speakers back,  
13 getting interest in rainwater harvesting, it didn't get  
14 legs. The areas thought it might be a potential to  
15 help with situations around here, but it just didn't  
16 get legs. Or maybe they just didn't start walking  
17 forward. Maybe it got legs because it went through and  
18 was a house bill.

19 And the other piece is the stakeholder and  
20 the other appropriate agencies' participation. How  
21 will the Department of Water Resources see their role  
22 in that aspect? And why I think that's really  
23 important is that no matter what issue I see at the  
24 city -- and I say this a lot, so there's probably  
25 people that are rolling their eyes behind me. But it's

1 really a lot of gears, and you got to mesh them and  
2 they have to turn. If we make one turn here and then  
3 DEQ says, oh, you put yourself out of whack, that's a  
4 problem. So it would be very helpful to have a lot of  
5 these things be able to mesh and turn. And I know that  
6 takes time.

7           In terms of looking at the future, thinking  
8 in terms of not only by jurisdiction but also the  
9 regional aspect, as you know, we are currently facing  
10 challenges with our water groups in the area. They  
11 came on strong in -- I don't know -- '97'ish across the  
12 state. And things have dwindled -- you know, there was  
13 great movement, and then we've seen them kind of  
14 dwindle. And some of that is, you know, once again,  
15 not the fault of anyone working at the Department, but  
16 you just don't have the people to be in the places at  
17 the right time sometimes.

18           My closing comments -- I don't think they're  
19 actually questions. But this area really needs to see  
20 some kind of groundwater -- well, basin protections  
21 related to the Big Chino. Whether it's the city  
22 pumping there, or private landowners, you know, this  
23 needs to be looked at again. The city -- it's not the  
24 city. It's the community. It's the communities,  
25 because Prescott Valley is involved with this Big Chino

1 Water Ranch, as well, to say we have it on paper and  
2 then have physical challenges or other challenges  
3 related to the supply.

4           We need solid plans for the use of the  
5 augmentation dollars. It's not much but, of course,  
6 either we pay \$2 per acre foot, or a dollar per acre  
7 foot of monies each year, I know there were challenges  
8 and those funds were swept at one time. Not this  
9 AMA's, but all the others, I think were swept. I just  
10 haven't seen solid outcomes from that money which would  
11 be -- once again, everything takes time. You got to  
12 sit down and meet and talk about it.

13           And the last piece would be reinvigorating  
14 the focus and dollars for rural Arizona. Once again --  
15 I brought this up already. There was a high for a  
16 while where there was money and interest and all sorts  
17 of things happening, and it seems like that's kind of  
18 faded away a little bit. And these water supply  
19 challenges aren't going to fade away.

20           Once again, I might get some rolling eyes,  
21 but I have said in the past to our community that Noah  
22 had water problems, the Romans had water problems, the  
23 Anasazis had water problems, and now here we're sitting  
24 as a group challenged with our decade, or our  
25 generation of water problems. And we're going to have

1 to look at those closely and do the best we can with  
2 the situation and leave options open for the next.

3 So with that, I appreciate your time, and I  
4 hope I didn't take up too much time. Have a good  
5 afternoon.

6 MR. DUNHAM: Thank you, Leslie.

7 Do we have any other speaker cards?

8 SPEAKER: I have one.

9 MR. DUNHAM: Please.

10 MR. LUCIOUS: Robert Lucious.

11 MR. DUNHAM: Mr. Lucious, would you  
12 please state your name.

13 MR. LUCIOUS: My name is Robert  
14 Lucious. Bob Lucious. I live in Prescott. I'm a  
15 long-time resident of Prescott. And some of the things  
16 I'm hearing today are encouraging; some are very  
17 disturbing.

18 We definitely have a water situation. We  
19 have a water problem. Leslie, in her presentation,  
20 mentioned that in 1946, when they established the Chino  
21 wells for the city of Prescott, and she mentioned the  
22 word artesian. Well, that was in 1946. Now, there  
23 are -- you'd be hard-pressed to find any artesian wells  
24 in the Chino Valley area. In the Big or Little Chino  
25 aquifer. So that tells you that the water table is

1 definitely going down. I'm assuming you know what an  
2 artesian well is.

3 MR. DUNHAM: Yes, sir.

4 MR. LUCIOUS: Okay. You'd be  
5 hard-pressed to find any artesian wells in this  
6 corridor.

7 My opinion is that the state legislation has  
8 to do more about establishing water districts. Maybe  
9 making the whole state an AMA. Even in this area,  
10 there are developers that are bragging about having  
11 pumps and wells that will pump 80 gallons a minute when  
12 you're restricting the people that have the exempt  
13 wells to 35 gallons a minute. And if you look at a  
14 35-gallon-a-minute well, conceivably, you could pump  
15 over a million gallons a year of water in a year's  
16 time.

17 So I think there needs to be some restriction  
18 on the exempt wells. It's a very serious problem. CAP  
19 just put out a report that Lake Mead is at the lowest  
20 level it's ever been since the dam was opened. And  
21 it's disturbing, because Las Vegas is building a new  
22 pipeline right to the bottom of that lake, and they  
23 could actually drain the whole tub. And there needs to  
24 be more restriction on who uses water and how much  
25 water is used. Because all that water in Lake Mead and

1 Lake Powell does not belong to the state of Nevada or  
2 the city of Las Vegas.

3 But there needs to be more control. I've  
4 seen it happen. I've been here in 1946. When they  
5 drilled the wells, they had a party here and they ran  
6 water all over the streets of Prescott. It was called  
7 the Big Splash. And I don't think anyone in this room  
8 can say that they witnessed that Big Splash but me.  
9 But that was 1946. Population of Prescott was 5,000  
10 people. Now, it's 39,000 people. So think about it.  
11 Thank you for your time.

12 MR. DUNHAM: Thank you, Mr. Lucious.

13 Anyone else that would have a speaker card?  
14 Is there anyone else who wishes to submit any written  
15 comments or evidence that they have brought with them  
16 today?

17 Seeing none, as I mentioned earlier, written  
18 comments on the proposed management plan may be  
19 submitted until 5:00 p.m. today. If you would like to  
20 submit written comments after the hearing, please fax  
21 or email them to Sharon Scantlebury, the Department's  
22 docket supervisor. Again, her fax number is  
23 602-771-8686. And her email is  
24 sscantlebury@azwater.gov. Please see Sharon right at  
25 the back there for her business card for contact

1 information if you would like.

2 In addition, my cards are back there if you  
3 would like to contact me.

4 Any other speaker comments? Seeing none,  
5 this public hearing is now adjourned. Thank you for  
6 all those attending, and thank you for those providing  
7 comments.

8 (The proceedings concluded at 11:27 a.m.,  
9 June 27, 2014.)

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CERTIFIED REPORTER'S CERTIFICATE

I, Annette Satterlee, RPR, CRR, do hereby  
certify that I am an Arizona Certified Reporter,  
Certificate No. 50179.

I further certify that these proceedings were  
taken in shorthand by me at the time and place herein  
set forth and were thereafter reduced to typewritten  
form, and that the foregoing 58 pages constitutes a  
true and correct transcript, to the best of my ability.

I further certify that I am not related to,  
employed by, nor of counsel for any of the parties or  
attorneys herein, nor otherwise interested in the  
result of the within action.

DATED this 3rd day of July 2014, at  
Flagstaff, Arizona.

\_\_\_\_\_  
Annette Satterlee, RPR, CRR  
Arizona Certified Reporter #50179