MINUTES OF THE JOINT STUDY SESSION OF THE TOWN COUNCIL AND PLANNING & ZONING COMMISION OF THE TOWN OF CHINO VALLEY

WEDNESDAY, MARCH 15, 2023 3:00 PM

CHINO VALLEY COUNCIL CHAMBERS 202 N. STATE ROUTE 89, CHINO VALLEY, AZ

Council Present: Mayor Jack Miller, Vice-Mayor Eric Granillo (remote), Councilmember Annie Perkins,

Councilmember John McCafferty, Councilmember Sherri Phillips, Councilmember Robert Schacherer

Absent: Councilmember Tom Armstrong

Commissioners Chair Chuck Merritt, Vice-Chair Gary Pasciak, Commissioner Teena Meadors, Commissioner Ronald

Present: Penn, Commissioner Robert Switzer

Absent: Commissioner William Welker, Commissioner Richard Zamudio

Staff Present: Town Manager Cindy Blackmore; Development Services Director Laurie Lineberry; Human Resources

Director Laura Kyriakakis; Economic Development Project Manager Maggie Tidaback; IT Manager

Spencer Guest; Deputy Town Clerk Sara Burchill

1. CALL TO ORDER; ROLL CALL

Mayor Miller called the meeting to order at 3:07 p.m.

2. DISCUSSION ITEMS

a. "Water 101 and 201 for Elected and Appointed Officials" presentation and discussion led by Mark Holmes, Town's Water Resource Consultant.

Mark Holmes, Water Consultant, presented the following:

- Mr. Holmes gave an overview of the materials he provided to the Council and Commission.
- Part 1 of the presentation would cover the state water management, Prescott Active
 Management Area, 2014 Town of Chino Valley General Plan and what was laid out for
 water resources, 2018 strategic plan with regard to water resources, water types and
 rights, integrated and future water master plan, and regional planning organizations the
 Town was currently involved with.

State Water Management

- All water was a public resource in Arizona and not privately owned. Individuals could acquire a right to use water, but they did not own it directly.
- Surface water was subject to the doctrine of prior appropriation first in time, first in right.
- Groundwater was subject to the doctrine of reasonable use and the Groundwater Code.
- The uncertain boundary between surface water and groundwater was called the subflow zone and was currently in adjudication processes.

- Effluent was neither surface water nor groundwater and was owned by the producer of the water supply. Chino Valley had a reclamation facility producing effluent water.
- Mr. Holmes shared a state map showing all 56 basins and sub-basins.
 - Active Management Areas (AMA) had restrictive provisions via the Groundwater Code.
 - Outside AMAs, "percolating" groundwater was subject to the "Doctrine of Reasonable Use." Landowners could drill a well and pump to any volume they were inclined to such as for a vineyard, or other crops outside the AMA.
- There were five AMAs within Arizona, they included the Prescott AMA, Phoenix AMA, Pinal AMA, Pima AMA, and Tucson AMA.
- Arizona also had Irrigation Non-expansion Areas (INA) including Joseph City and Douglas. These areas were no longer able to expand irrigation for growing crops.
- The Prescott AMA was approximately 450 square miles with two sub-basins: Little Chino and the Upper Agua Fria.
- There were three primary goals to the 1980 Groundwater Management Code including:
 - o Control severe overdraft occurring in many parts of the state.
 - o Provide a means to allocate the state's limited groundwater resources to effectively meet the changing needs of the state.
 - The State of Arizona was currently using the same volume of water as in 1959.
 - o Augment Arizona's groundwater through water supply development.
- The Code established three levels of water management to respond to different groundwater conditions including:
 - The lowest level was a state-wide provision that applied to everyone throughout Arizona.
 - o The next level applied to INAs.
 - The highest level of management applied to AMAs where groundwater overdraft was most severe. The goal was to get the AMAs into safe yield.
- The Code contained six provisions for the Prescott AMA and was established as a program of groundwater rights and permits.
 - When the AMA was established in 1989 no new acreage could be irrigated for crops.
 - The Prescott AMA was on its fifth management plan to set policies and guidance documents to help various water users in the Prescott AMA with their efficiencies, ordinances, and conservation.
 - Develop a program requiring developers to demonstrate a 100-year assured water supply for new growth.
 - This was classified as subdivisions and established consumer confidence that when they bought a home with a certificate that they would have a 100-year water supply.
 - Requirements to meter and measure water pumped from all large, non-exempt wells.
 - This was done through an annual usage report to the State of Arizona.
 - o A program for annual water withdrawal and use reporting.
 - These reports were audited to ensure water use compliance. If violated there could be assessed penalties.

Prescott Active Management Area

- On average 450,000-acre feet (AF) of water was delivered to the area via natural weather patterns every year, but less than 2% of that would be recharged to the aquifer system. This was due to:
 - o Evaporation due to the arid climate

- o Transpiration by plants, shrubs, trees, and grasses
- o Runoff of roadways, rooftops, parking lots, etc.
- o Interception collection methods keeping the water from reaching the ground.
- o 20+ year drought conditions/climate change
 - These lead to less precipitation per year, or the precipitation came all at once and it was not enough time for the water to soak into the ground and reach the aquifer.
- Mr. Holmes shared the 2019 Water Budget for the Prescott AMA.
 - Exempt wells were the third largest, by aggregate, water user in the Prescott AMA at 2.744 AF/year.
 - o The total water demands were 29,357 AF/year.
 - The water supplies available included natural recharge, artificial recharge, incidental recharge, and surface water were 9,321 AF/year meaning the Prescott AMA was over drafting 20,036 AF/year.
 - On average the water table was dropping two and a half feet per year.
 - o The consequences of not solving the over drafting could include:
 - Reduction of groundwater storage. Once depleted the aquifer could crush and no longer be able to hold the amount of water it once held.
 - Less certainty of future water supplies.
 - Decline in water levels.
 - Wells could require deepening.
 - Wells or land could go dry and be required to haul water. This was occurring on the west side of Chino.
 - Increase in pumping and drilling costs.
 - Reduction in discharge to springs and streams. Over the last 20 years the Del Rio Springs into Sullivan Lake were almost non-existent.
 - Land subsidence and earth fissures could occur. This was occurring in Phoenix, Scottsdale, and Tucson. This could lead to deteriorating value of property and could prevent future building. This had not happened in Chino yet.
 - Water quality problems could increase. As the water continued to drop
 the origin of water going to wells could change direction and possibly
 introduce new levels of arsenic, fluoride or other contaminants that
 would need to be dealt with.

Chino Valley 2014 General Plan

- Questions had been posed during previous Council meetings regarding Chino Valley's
 plans regarding water. The 2014 General Plan vision for Water Resources was to
 "encourage sustainable water resource management and protect water quality as the
 Town grows."
- Defining sustainable water resource management required three things:
 - Support of social programs.
 - o Economic programs.
 - And environmental programs. Without one the Town could not truly integrate sustainable water resource management or planning.
 - This was true for both water quantity and quality.
- Sustainable planning required looking at potable water (groundwater), wastewater that was being treated and recharged to the aquifer, and stormwater that reached the aquifer.
- Goal 2 of the 2014 General Plan was to expand indoor/outdoor water conservation and rain catchment through education to existing home and business owners and regulation methods for all new construction.

- Goal 3 was to promote the expansion of the Town's municipal water distribution system and sewer collection system, and expansion of the reclamation facility.
- Goal 4 was to increase future water resource augmentation for Chino Valley including:
 - o Water imported from the Big Chino
 - o Expansion of the sewer system and recycled water supplies
 - o Stormwater management
- Goal 5 was to encourage new residential development to install paved roads that were
 designed with proper construction materials and drainage features to control dust and
 erosion.
- Goal 6 was to update regulations for paving driveways, parking areas, and stormwater requirements for business uses.
- Goal 7 was to assess new developments for potential air and water impacts.
 - Mr. Holmes participated with Development Services in assessing every new development that went through the pre-application process in helping guide the development toward the General Plan goals.

Chino Valley 2018 Strategic Plan

- Mr. Holmes highlighted some major points from the strategic plan:
 - The Town recognized that conservation was costly and stated, "While the conservation of water, clean air, and other natural resources is noble, it is also costly. To encourage conservation, Council determined that assisting with funding such efforts was necessary." This was ongoing and staff was trying to find the right projects to partner with for enhanced water management.
 - Plans for bond election to finance infrastructure acquisition went forward but failed in the vote.
 - The Brightstar Development Agreement and water rights had been completed and adopted.
 - Municipal sewer and water service had been extended to Old Home Manor which was important for development and project approval in that area. The Town was now working on extending water to the east side of the property.

Types of Water Rights

- Wet Water Rights
 - o Irrigation Grandfathered Groundwater Rights
 - This was used for agricultural lands prior to the creation of the Prescott AMA in 1999.
 - Agriculture was defined as groundwater applied to lands for the growing of plants or parts of plants for consumption or for sales.
 - Once the AMA was established the creation of new agricultural lands was frozen and the existing rights became grandfathered.
 - Type 1 Non-irrigation Water Rights
 - The Town had this water right tied to two ball fields at Old Home Manor (OHM).
 - Water usage had to meet AMA requirements and the water must be withdrawn from the lands.
 - Type 2 Non-irrigation Water Right
 - This was a mobile water right and very versatile. Unrestricted uses could apply to dairies, mobile home parks, commercial enterprises, industrial complexes, mining or sand and gravel operations, etc.
 - If a business came into Town and did not have access to Town infrastructure, the Town could move one of its Type 2 water rights to

- that property providing them with water until Town infrastructure could reach them.
- It could not be used for anything that required an assured water supply (subdivisions).
- o Service Area Water Rights
 - The Town had this right.
 - This was designed for municipal water service areas or private water companies.
 - This was the only increasing water right and serviced non-100-year assured water supply developments.
 - When Walgreens came to Chino Valley the Town used its Service Area Right to serve Walgreens. It could service any and all non-subdivision developments.
 - Use of the water had to meet all AMA management plans.
- Paper Water Rights
 - o Extinguishment Credits
 - These were prior water rights that were converted into extinguishment credits that may be pledged towards a 100-year assured water supply.
 - Developers coming to Chino Valley could approach the Town to acquire these rights or use a water brokage to purchase those rights.
 - It was paper water that provided a legal volume of water to go towards the certificate of assured water supply.
 - The town had an Ordinance drafted in 2007 that required the sale of Town owned credits to be sold for \$25,000 per AF. An assured water supply required a block of 100 AF.
 - The Town currently owned 8,427 AF of extinguishment credits. When converted to assured water supply credits it would 84.27 AF of assured water supply credits. With eight homes to 1 AF, it didn't allow for a lot of homes.
- Chino Valley's Water Portfolio included all these rights at the following amounts:
 - o Extinguishment credits: 8,427.64 AF
 - o Type 1 and Type 2 Water Rights: 48.62 AF/yr
 - o Service Area Rights: Unlimited
 - o Historically Irrigated Acre Water Supplies: 648.42 AF/yr
 - Reclaimed: 238.17 AF/yr (this number would grow with increased sewer connections).

Groundwater

- Groundwater existed underground, was a finite volume, and considered a non-renewable water supply. It took hundreds of thousands to millions of years to get there, and humans were pumping it out faster than it could be naturally recharged and replaced.
- Groundwater was primarily recharged in winter months via precipitation. Summertime provided no to very little recharge.
- It could only be accessed by authorization of the Arizona Department of Water Resources (ADWR) and required a legal withdrawal authority.

Surface Water

- Surface water existed within a defined water channel and was considered a renewable water resource. Chino Valley did not have access to this type of water.
- It could be created by storm events, melt water, and/or groundwater discharging into a water channel.

This was an appropriated water right.

Stormwater

- This water existed as sheet flow or overland flow not within a channel. This was also a renewable water resource, although intermittent, but was underutilized.
- These flows were created by storm events that exceeded the infiltration rate of soils and would flow overland or on impervious surfaces.
- Stormwater collection could be active or passive depending on the collection method.

Reclaimed Water

- The Town was reclaiming and treating wastewater and was considered a renewable water supply as it could be used repeatedly.
- This resource could be used towards an assured water supply certificate.
- It could be stored underground or used to recharge the aquifer.

Integrated Water Master Plan

- This was a series of Master Plans and were the most critical documents for the Town. It included:
 - Water Resource Master Plan
 - o Water System Master Plan
 - o Sewer Master Plan
 - o Reclaimed Water Master Plan
 - o Capital Improvement Plan (CIP)
- This was first completed for OHM. Once finished the CIP was completed looking at what kind of system improvements the Town needed. These plans were critical to understand what size infrastructure, pressure, fire flows, etc. were needed.
- This project was out for bid and staff hoped to have it in front of Council by June and get it started by July.

Regional Water Organizations

- The Town participated in several Regional Water Organizations including:
 - o Northern Arizona Municipal Water Users Association (NAMWUA)
 - o Upper Verde River Watershed Protection Coalition (UVRWPC)
 - o Groundwater Users Advisory Council (GUAC)

Mark Holmes, Council, and Commissioners discussed the following:

- One Councilmember expressed that he didn't want the Town to give up on the private water companies as outlined in the 2018 Strategic Plan even though it failed at election. Staff stated that it was still being worked on.
- It was asked if Mr. Holmes felt that the estimate of .5 AF of water usage per home per year was accurate. Mr. Holmes stated that it could be a conservative number, but 1 acre foot was too large.
- A study was referenced that stated Chino Valley went from 92 gallons per day per person to 72 gallons per day per person. Council asked if that was a realistic number. Mr. Holmes stated that it was when considering the use of newer appliances and fixtures that use less water to meet the plumbing code. Mr. Holmes estimated that it was probably closer to 68 gallons per person per day. In 2005 Prescott had higher water demand than they could deliver. They hired a conservation specialist and cut their water demands by 20% in five years.
- One Commissioner expressed that it was difficult to know what the actual water usage
 was per person with the number of exempt wells the Town had. Mr. Holmes stated that
 those numbers were an estimate.

- It was asked if the Town was planning to do any giveaways or incentives for low water use. Mr. Holmes stated that the Town was awarded a Bureau Reclamation Grant and incentives were being looked at. While expensive, turf replacement was the biggest return as outdoor water uses were 60% of the total water demands and that water was single use and then gone, whereas what was used inside the home was sent to a plant and treated and used again.
- One Commissioner asked if there was any reclamation from septic systems. Mr. Holmes stated that septic systems were not designed to recharge the aquifer and when they did they violated the clean water act by introducing contaminants into the groundwater system. This happened in the Chino Meadows subdivision which was platted in the 1970's with six to eight septic systems per acre. That density and volume of use was enough to contaminate the aquifer. The Town had to take action to remedy the situation and put the homes on sewer.
- A Councilmember inquired about stormwater drainage and whether the Town had plans
 to store stormwater. Mr. Holmes stated that subdivisions had to meet drainage engineer
 requirements so that the water went into a community open space or drainage accessory
 that allowed them to retain a volume of water to meet stormwater requirements. The
 Town was 90% there. Total state water demands equated to what was being used in
 1959.
- One Commissioner wondered how many people were served by exempt wells compared to how many were served by Town water. Mr. Holmes speculated that within Chino Valley and three miles of the corporate boundary there were 8,000 exempt wells give or take a few hundred. The Department of Water Resources would have the numbers on how many were served through Chino Valley's seven water service providers. The commissioner was hoping to understand the ratio of water usage between wells and water providers. Mr. Holmes stated that the State had attempted to find volunteers to have a meter put on their well and there had not been any takers.

Mark Holmes presented the following:

Certificates of Assured Water Supply

- Required for residential, commercial, or industrial subdivisions on parcels less than 36 acres to instill consumer confidence that there would be water for 100 years. This only applied within AMAs.
 - o To get this certificate a landowner must:
 - Prove that water existed under or near the property for 100 years via groundwater modeling which could take a year or longer to complete.
 - Have legal water rights.
 - Prove continuous water availability every year for 100 years with no interruptions.
 - Prove financial capabilities to build all appurtenances needed to deliver water to each customer.
 - Prove water met safe drinking water standards.
 - Meet management goals of safe yield.
 - Meet management plans.
- One Commissioner expressed that the State was issuing these 100-year certificates, but that wasn't necessarily the case. One of the newest subdivisions in a specific area obtained the certificate and drilled wells that were not providing water for 100 years. Mr. Holmes stated that underground was a dynamic environment and what may have been current and correct information then, may not be the case now. Best case scenario was to get with a service provider serving certificated lands.

Designation of Assured Water Supply (DAWS)

- Prescott was the only DAWS provider within the Prescott AMA as they had proven that they met all the following goals throughout their entire water service area:
 - o Physical water availability
 - o Legal water availability
 - o Continuous water availability
 - o Financial capabilities
 - Water quality
 - Management plans and goals
- Prescott issued a notice of intent to developers to serve the developments and the State no longer had to be involved.
- The designation was good for 15 years and would then have to be reapproved with new conditions being recognized such as overdraft.

Analysis of Assured Water Supply (AAWS)

- Landowners could apply for this to protect their water for 10 years by meeting one or more of the following:
 - o Proving physical availability.
 - o Having legal water availability.
 - o Having continuous water availability.
 - Meeting management plans and goals.
- Once the State signed off on it, anyone coming in could not impact that 100-year volume of water.
- Could be extended for up to two 5-year terms if money had been spent on development.

Physical Availability Determination (PAD)

- This was an ADWR application to determine how much water was available for 100 years for an applicant.
- The groundwater model had to be approved by ADWR.
- Water pumped for 100 years could not impact existing CAWS, DAWS, or AAWS lands.
- The water table could not drop below 1,000 feet below land surface at the 100-year mark.

Indirect Potable Reuse (IPR)

- This was the most common approach in Arizona for recycling and reusing reclaimed water supplies.
- Wastewater was treated to the highest standards, recharged into the ground for storage, recovered at another location in the future and served to the public as potable drinking water through their distribution systems. This closed the loop on reclaimed water.
- Required an aquifer protection permit issued by ADEQ, as well as a recharge permit, underground storage facility permit, and recovery well permit all issued by ADWR.

Permitted Recovery Well (RW)

- These were allowed by an ADWR permit process that showed the placement of the recovery was either within the area of impact (AOI) or outside an AOI.
- RW within the AOI did not need to perform a PAD.
- RW outside the AOI would have to prove water was available for 100 years.
- The Town had four wells within the AOI.

Dry Lot Subdivisions

- A dry lot subdivision with 6-20 lots had to complete the following:
 - o No less than 1 acre of land per lot, and 100 feet between the well and septic.

- O Complete a PAD whereby the water could not drop below 400 feet below land surface at the 100-year mark. This was becoming more and more challenging as Chino Valley's water table was dropping 2.5 feet per year.
- Ensure safe drinking water for water customers whether from the aquifer or home treatment system.
- A dry lot subdivision with 21-49 lots had the same requirements as well as:
 - o Meet Prescott AMA safe-yield goal. This was done via paper water rights.
- A dry lot subdivision with 50 lots or more must meet the same requirements as above as well as:
 - Meet the Prescott AMA Management Plans (plumbing code requirements, conservation, efficiency, gallons per capita, etc.).

Wild Cat Subdivisions

- These subdivisions were the result of splitting a parcel and the splitting of subsequent split parcels that get split further.
- These lot splits circumvent the assured water supply laws of the Prescott AMA.
- Each lot would most likely have a private well and septic system.

Town Water Resource Activities for the Last 20 Years

- OHM was purchased in the late 90s for its water rights and town needs. The Town had been looking at partnering with Council approved subdivisions.
- The Town had spent a lot of money on Wine Glass Ranch purchasing 216 acres totaling 648 AF/yr that could be imported to Chino for 100 years.
 - The Town had signed an Ordinance requiring the sale of that water at \$45,000/AF providing a \$29 million asset in the Big Chino.
 - Those water sales would allow for the capital investment in the water transportation infrastructure needed to import and mitigate Big Chino pumping.
 - Being three to four miles from the Verde River headwaters the Town would plan to mitigate any impact to the river.
 - The Town had the only two issued water transportation permits issued in the State of Arizona to transport all the water needed from Wine Glass Ranch and 2,788 AF/yr for 100 years from CV/CF Ranch. The housing market collapse in 2008-2009 made the CV/CF Ranch agreement impossible to fulfill, but the permit still existed so that a future owner of CV/CF Ranch could partner with the Town if they chose.
- Town Purchased Extinguishment Credits
 - The Town had purchased extinguishment credits totaling 890 AF in the past few years that could be used for Council approved projects at Old Home Manor or other Council supported projects.
- The Town completed a PAD for the Town's water service area and was awarded a permit in 2022 for the amount of 4,605 AF/yr for 100 years.
 - The Town was currently looking at landowners within the 660 feet of water service area lines and offering that water to protect that water for the service area.
- An AAWS permit application was approved for Old Home Manor and the town was able to protect 1,677 AF of water for 100 years. CAWS, DAWS, or AAWS would not be able to impact that assured water supply. That includes Prescott. If they had had some historical volume that they were legally able to pump under their designation, they may have to lower their pump rates from certain wells so that it did not impact OHM lands. This was accomplished through the PAD work completed for the Town's water service area.

- The Town was also awarded IPR permits for the Town's three production wells and could make reclaimed water available for Council approved developments that meet the subdivision requirements needing a certificate of assured water. This made an additional 248 AF of reclaimed water available to partner with Council approved projects.
 - Future phases of Bright Star would be using this water and Highlands Ranch was already being served water in this manner.
- The Town was finishing up a PAD for Wine Glass Ranch as the 2008 AAWS was denied
 for extension because ADWR was requiring a new groundwater model. Once complete
 the Town was hopeful to receive a PAD permit for 1,835 AF/yr. The project was a 50/50
 cost share with The Nature Conservancy as both agencies needed the model for various
 projects.
- The Town's goal was to not impact the Verde River and hopefully sustain the Verde River. To that end the Town was finishing up a mitigation model that would show where and how much reclaimed water would be required to mitigate any and all pumping at Wine Glass Ranch.
 - Ocuncil and Commission inquired how far Wine Glass Ranch was from the Chino Valley water service area and how much it would cost to get the water there. Mr. Holmes stated that it was about eight miles and based on a design concept report completed in 2006 the cost was between \$10 and \$15 Million depending on the alignment of pipelines. Those costs would be higher now.

Water Conservation Plans

• The Town was moving forward with a Drought Response Plan and would include another IGA with the City of Prescott emergency interconnect facility to allow the City to provide water should Chino Valley have a water emergency.

Water Education Information

- The Town and the Upper Verde River Watershed Protection Coalition offer lots of water education information at the public library, post office, or public works. Resources were also available at www.yavapaiwatersmart.org/water-conservation
- The Town UDO also included guidelines and requirements for outdoor landscaping and plumbing fixtures in accordance with the Prescott AMA Management Plans.
- The AMA also had the Fifth Management Plan which included water compliance issues such as:
 - Lost and unaccounted for water.
 - o Gallons per capita per day.
 - o Best management practices.
 - o Conservation requirements.
 - o Water strategies.

Mark Holmes, Council, and Commissioners discussed the following:

- One Commissioner asked how to recapture more of natural occurring water and if they
 could be paid for with grants.
 - The quick answer was yes, and yes. Mr. Holmes hoped that the General Plan would at least make a statement about looking at stormwater capture as a renewable supply of water. A new strategic plan could also look at stormwater capture. Since stormwater was intermittent the projects would have to be significant in size in order to get an amount of water that could be recharged to the aquifer. There was probably not a lot of big money in terms of grants to help with a project of that magnitude.
- Commissioners wanted to know who would be liable in the event that the ADWR issued a 100-year water assurance for a subdivision that went dry before the 100 years. Did anyone ensure the certificate?

- Water was a state resource managed by the State and towns and cities relied on the State to manage it. It would be a question for an attorney to know who would be liable. As of now that hadn't happened so there had been no court battles to determine liability.
- Commissioners questioned if it was the Town's fiduciary responsibility to deny developments if they saw the water certificates not giving people the 100 years of water promised. Mr. Holmes stated that expanding sewer would ensure that any well that went dry could get water through Town water service.
- One Councilmember mentioned that even if the Town had a moratorium on growth, importation of water would be needed. What was the plan for the citizens that were on wells to get them onto Town services?
 - o Mr. Holmes stated that lands would go dry and they would then be on hauled water. But this was just a band aid until water infrastructure could reach farther out. The councilmember mentioned that he thought it would be unpopular for those on wells to get on Town services. Mr. Holmes stated that the Town was going through "growing pains" and would need to build ahead of development and loop the systems.
- A Commissioner asked if the Rio Verde subdivision in Scottsdale would be setting precedence for Towns providing water.
 - Mr. Holmes stated it was being watched and he believed there would be a solution. He stated that while the Town had its corporate boundary, those outside of it, but still in the area, were our community.
 - The Commissioner asked who was required to provide the water when the state issued the 100-year assured water certificate. The certificate did not dictate who would supply.
- Another Commissioner asked if the state was not doing a good job of evaluating the water supply, should the Town step in to protect buyers? Did Planning & Zoning even have that authority?
 - A Councilmember stated that they made decisions based on code and regulations and water was not one of them. And some of the wells that were currently going dry were only 100 feet deep.
 - O Mr. Holmes stated that he had seen where two wells were across the street from each other with vastly different water quality, and water pumping rates, and one went dry and the other didn't. Wells were a small window into the aquifer which was a very dynamic environment and even with all the studies and models it was still just a best guess situation.
- One Commissioner asked if the Town could impose heavier restrictions on dry lot subdivisions.
 - o Mr. Holmes stated that would be a question for an attorney.
- One Councilmember stated that with Chino Valley having 13,000 residents in an area of over 100,000 residents, even if the Town did everything perfectly it wouldn't make a dent in the water usage.
 - o Mr. Holmes stated that it had to be a collective effort from the entire region and the region was in a good position now making partnerships that were innovative and allowed the municipalities to finance and solve those big issues.
 - One Commissioner mentioned that it was unfair that private well owners often got blamed when there wasn't nearly as many people as were living in Prescott and Prescott Valley using just as much water if not more.
- A Commissioner asked if the Ordinances that set the price of credits and HIA had been updated to current prices.
 - Mr. Holmes stated that staff had talked about doing a valuation study. But after those prices were established, the market crashed, and they left the prices alone.

The Town bought for \$240 and sold for \$250 to cover prices of fees and attorneys, etc.

- Members discussed the Town creating an Ordinance similar to Prescott Valley that stated when infrastructure came by someone's property, they would be required to tap in to services.
 - Mr. Holmes stated that sewer would get the Town back a percentage of the water used and was part of the solution. It wasn't a matter of pointing the finger, but as a community to figure out the bigger solutions. Low density was another issue with getting infrastructure to when the lots were five acres or more and a mile of pipe would only reach a few customers.
- One Commissioner asked for Mr. Holmes's professional opinion on when Chino would need to have the infrastructure in place to import the water from Wine Glass Ranch back to Chino.
 - Mr. Holmes stated that the Town's portfolio was very small and he wished the Town had the infrastructure already. He stated it needed to happen as soon as possible. He estimated that in five to ten years the Town would be out of water. Staff would be exploring different ways to get money for the project.

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3.	ADJOURNMEN	
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The meeting adjourned at 5:14 p.m.

Jack W. Miller, Mayor

ATTEST:



Erin N. Deskins

Erin N. Deskins, Town Clerk CERTIFICATION:

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Regular Meeting of the Town Council of the Town of Chino Valley, Arizona held on the <u>15th</u> day of <u>March</u>, 2023. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 9th day of May, 2023.

Erin N. Deskins

Erin N. Deskins, Town Clerk