The Mission of CWAG is to protect the Verde River and to achieve a sustainable water supply in the Prescott Active Management Area (PrAMA). To achieve our mission and stabilize our groundwater resource, the PrAMA must transition from overdraft to safe yield. The average overdraft between 2000 and 2016 is very large - about 13,000 acre-feet per year (afy). Therefore the primary criterion for CWAG’s review of Prescott water policy is the effect on the overdraft. Additional criteria are whether the proposed policy is consistent with existing City policies, including the Reasonable Growth Initiative (Proposition 400), the 2015 General Plan, and the Airport Specific Area Plan (ASAP).

In 2005, Prescott citizens overwhelmingly voted to approve the Reasonable Growth Initiative (Proposition 400) as an expression of concerns that unregulated growth would harm the community and threaten our water supply. For annexations exceeding 250 acres, Prop 400 requires public comment, a 3/4 council vote to approve, and that all wastewater is to be collected and dedicated to permanent recharge. That is, all wastewater recovered from the annexed service area would be recharged and could not be recovered to support additional development. This requirement tends to reduce the future overdraft on the aquifer.

**CWAG insists that the provisions of the Proposition 400 Reasonable Growth Initiative be followed, and we strongly oppose any new policy that would bypass or weaken the express will of voters.**

Currently, Prescott water policy prohibits supplying water outside the City limits. Prescott is now considering modifying that policy, apparently to accommodate two exceptional cases:

1. The City desires to supply water and sewer services to small unincorporated parcels within or near the current city boundary where annexation is difficult. This exception has the
potential to improve water quality in the creeks of the Prescott basin. CWAG agrees that this exception is reasonable and desirable.

2. To accomplish a transfer of private property owned by Arizona Eco Development (AED) to public open space, the City of Prescott and AED are negotiating a plan to trade land for water. As compensation for receiving approximately 500 acres in the Dells, Prescott proposes to supply water for development of approximately 1,200 acres in two parcels east of the airport. These two parcels would remain unincorporated; annexation into the City is allegedly not feasible because they are not contiguous with the current city limits. CWAG supports a reasonable land for water trade, but we oppose any plan that violates the Prop 400 provisions requiring a 3/4 Council vote, public comment, permanent recharge, and an economic impact analysis required by City policy.

We don’t know exactly what the City is apparently considering because it has not released a proposed policy, a justification, or an analysis. Public transparency has been replaced by an irrational and chaotic process of floating trial balloons using Op-Ed columns in the newspaper.

**CWAG opposes a repeal of the current policy prohibiting water service outside the city because:**

- Repeal would continue to increase the overdraft.

- Repeal would provide a way to bypass Prop 400, as included in the City Charter:
  
  “Section 4. A. Boundaries a. Declaration of Policy: The people of the City of Prescott believe it is in the best interest of the city to establish additional local requirements for annexation to ensure that any future expansion of the city’s boundary does not undermine the city’s efforts to attain safe-yield or otherwise threaten the water supply of city residents.”

- Repeal denies citizens an opportunity to comment on population and water issues. The 2015 General Plan states:

  “Citizen involvement and participation as an essential element for achieving Prescott’s vision and facilitating community-based decision making for the choices and trade-offs which must be made to accommodate and manage growth. Community and stakeholder collaboration is fostered in all City plans and decisions.” (page 6)

  “The underlying theme of the Prescott Vision is similar to the words of Lewis Mumford in his essay, The Essence of the City: “…the greatest function of the city is to…encourage the greatest possible number of meetings, encounters, challenges, between varied persons and groups….to bring people together…till in the end all men will take part in the conversation.”” (page 4)
• Repeal subsidizes private developers by awarding valuable city resources without compensation.

• Repeal reduces the City’s ability to manage growth.

• Repeal reduces planning options for roads, open space, wildlife corridors.

• Repeal would create a developer “water rush.”

• Repeal creates urban sprawl. The 2015 General Plan sets out Prescott’s housing priorities as infill, affordable housing and multifamily housing and gives multiple reasons why sprawl is undesirable.

• Repeal would violate multiple provisions of the voter-approved 2015 General Plan that require Specific Area Plans for undeveloped areas:
  “This General Plan anticipates that a specific area plan will be developed for any future large undeveloped tracts as they are annexed into the City, and must be initiated by the city as a responsible method for balanced community planning.” (page 16).
  The General Plan states that **Growth Management Strategy 1.1** is to “Periodically review, revise or create Specific Area Plans, Neighborhood Plans, Overlay Districts and Redevelopment Districts as needed” (page 46, emphasis added).

  **Growth Management Strategy 3.1** is to “Encourage the creation of Specific Area Plans for all large undeveloped parcels, including newly annexed areas, which are currently under development pressures or anticipated to be under development pressures in the near future.” (page 46)

  “The General Plan supports the creation of additional specific area plans for any remaining large undeveloped/unplanned areas, any large tracts coming under redevelopment pressures, and any newly annexed undeveloped lands.” (page 28, emphasis added)

• Similarly, the process and substance of a repeal contradicts the existing Airport Specific Area Plan which states:
  “ASAP Goals and Objectives (page 5)
  “E.1 Utilize City of Prescott water and sewer services, or those of another central services provider, to the extent appropriate to influence desired land uses and their location.
“E.1.1 Determine if there is interest by the property owners in city-provided water and sewer service for future residential and/or commercial development of lands now under County jurisdiction, and if that interest extends to annexation of these lands at the time of development.”

“Ultimately, residential development within ASAP should be on central water and sewer so the region’s water resources can be better managed.” (page 18).

At first reading, these portions of the ASAP may be construed to mean that city water and sewer may be extended to un-annexed lands within the ASAP, however further elaboration of the ASAP Goals and Objectives reveals that these statements are prefaced by the statement that:

“Densities necessary to build neighborhoods and a balanced community need central water and sewer, which generally means annexation into a servicing municipality.” (page 17)

“ASAP property owners under County jurisdiction will therefore need to request annexation by a neighboring municipality to acquire rezonings, central water and sewer service, and city services sufficient to support urban/suburban development intensities.” (page 20)

**Therefore, CWAG does not support a repeal of the current policy.**

However, CWAG agrees that municipal water and sewer service will reduce net groundwater use per housing unit compared to individual wells and septic systems, IF Prescott development, conservation, and landscape codes apply, and IF all wastewater is dedicated to permanent recharge. Further, we agree that small parcels in or near the city limits should be provided water and wastewater services, and we support a reasonable land-for-water trade to protect the Granite Dells. These goals are all achievable without surrendering City control and without silencing citizen voices on development and water use.

To protect citizens’ voice in growth and water use as expressed in Prop 400, CWAG suggests that the current policy prohibiting water supply outside the city should be retained but be modified to permit limited exceptions carefully crafted to address the above two cases and other similar future situations. The exceptions should be defined using this framework:

1. Parcels receiving City water must be annexed consistent with the City Charter and City Policy except:
   a) For existing small parcels, but not a subdivision, within or near the current city boundary, the Water Issues Subcommittee may consider recommending to the Council
that the City supply water and sewer services for the purpose of improving water quality or public health.

b) For existing and new subdivisions on parcels not contiguous to the City boundaries that cannot be economically annexed, water and sewer service without annexation is permitted only if the city gains an extraordinary, valuable, and desirable benefit to public welfare or public open space, as determined by the Water Issues Subcommittee and approved by the Council. If the parcel(s) is 250 acres or more, an economic analysis and the approval provisions described in Proposition 400 must apply.

2. In all cases:
   a) The city development, water conservation, and landscape codes must apply and wastewater must be collected for permanent recharge.

   b) Transparency: A written contract fully describing the terms of the service agreement must be available for public inspection and comment before approval.

   c) The developer must offset their net groundwater consumption by, for example: capturing stormwater runoff for permanent recharge; by using harvested rainwater, not groundwater, for landscapes; or by other water conservation offset programs.

CWAG recommends that the Council begin an orderly, rational, and transparent public process to modify the policy on water use outside the city limits using the above framework.