

**MINUTES OF THE STUDY SESSION
OF THE TOWN COUNCIL OF THE TOWN OF CHINO VALLEY**

**TUESDAY, APRIL 12, 2022
5:00 P.M.**

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

Present: Vice-Mayor Annie Perkins; Councilmember Tom Armstrong; Councilmember Eric Granillo;
Councilmember Cloyce Kelly; Councilmember John McCafferty; Councilmember Lon Turner

Absent: Mayor Jack Miller

Staff Town Manager Cindy Blackmore (remotely); Assistant to the Town Manager Terri Denemy;

Present: Community Services Manager Cyndi Thomas; Development Services Director Laurie Lineberry;
Human Resources Director Laura Kyriakakis; Public Works Director/Town Engineer Frank
Marbury; Senior Planner Will Dingee; Water Consultant Mark Holmes (remotely); Audio Visual
Technician Lawrence Digges; Deputy Town Clerk Sara Burchill; Town Clerk Erin N. Deskins

1) CALL TO ORDER; ROLL CALL

Vice-Mayor Perkins called the meeting to order at 5:01 p.m.

2) Presentation and discussion by Mark Holmes, Water Consultant, regarding the Town of Chino Valley Water Service Area Physical Availability Determination (Frank Marbury, Public Works Director).

Water Consultant Holmes presented the following:

- He would be providing an update on the 100-year water physical availability determination (PAD) for the groundwater modeling work for the Town.
- The project would provide the PAD for water supplies that would be reserved for Old Home Manor (OHM). It was referred to as an analysis of assured water supply permit application. The application had been completed and was waiting for the PAD.
- The second permit application was for the Town's recovery well permit. It was for wells that could be used and were required for the recovery of Town's reclaimed water supplies for developments that required reclaimed water for certificates of assured water supply or other water uses that required reclaimed water.
- Since the PAD was being completed for the Town's entire water service area, there could be additional water available for landowners within 660-feet of the Town's water service area that could also take advantage of the physical water that the Town determined was available. They could lock and reserve the water for future land developments.
- The Town's groundwater model looked at the Prescott Active Management Area as a whole and determined its 100-year groundwater availability. The Prescott Active Management Area was 450-square miles. There were over 13,000 wells that were predominately exempt wells. There was a lot of competition for water.

- The Town's study had to prove it would not impact other assured water supply lands, wells that included lands with certificates of assured water supply, or designated water providers wells or lands, including the City of Prescott. It also included dry lot subdivisions where a 100-year water supply was required.
- It was becoming extremely challenging to find available water looking out 100 years in the future.
- The Town had a very limited water service area. If it was expanded in the future, it could open up other lands that could be assessed for additional future PAD's. Because of the small size of the current service area, there was limited water they could look at locking up for the PAD.
- The Arizona Department of Water Resources (ADWR) was critically evaluating the model and imposing criteria that ensured the Town took a very conservative approach, so water was not over allocated.
- A brief history of the project was overviewed.
 - The project began 2019 with a budget of \$50,000. ADWR supported the proposed model approach.
 - There was a budget increase of approximately \$16,000 in March 2020. ADWR requested significant modeling adjustments which were incorporated.
 - The final hydrologic report and the PAD application were submitted to ADWR.
 - ADWR issued a Notice of Deficiency (NOD) April 2021 and wanted further significant modeling changes. Those were discussed with ADWR in March. There was an additional \$14,000 budget increase to accommodate the required changes. A response to ADWR's first NOD was submitted in April 2021.
 - In July 2021, a second NOD was issued to the Town. Those were discussed with ADWR in July 2021, which resulted in another \$23,000 budget increase.
 - Between September and December 2021, ADWR correspondence was requiring additional requirements outside of NOD 2 for the Town to include in their model.
- Based on the additional requirements for the model as of April 2022 and the understanding that there was a critical amount of water in the aquifer and that certain areas within the model were going dry, they needed to get the approval from certain landowners with wells to move some of the demand locations. This was allowed by ADWR. The Town had been working with Prescott Valley and had obtained some of those demand movements.
- They also had to include excess groundwater pumping, which looked at the amount pumped in 2019 and that amount going forward for 100 years. 2019 was one of the hottest and driest years on record and there was a lot of excess pumping.
- The model needed to be adjusted with the new information, rewritten, calibrated, and verified that all NOD 2 deficiencies and additional requirements were addressed. They would be submitting what was hoped to be the final memorandum to ADWR with all the required updates.
- The update would require additional funding of \$19,000 for the required work with an additional \$10,000 contingency fund for any possible additional requirement requests.
- The total budget spent to date was \$103,999. The new proposed amount would be \$29,000.
- The next step would be to update the model data and technical memo to ADWR to address NOD 2 and additional requirements outside the second NOD.
- Once it was approved and the PAD was issued, the Town would be awarded an analysis of assured water supply for OHM that would reserve all the water needed for build-out. They would also issue the recovery well permit for the Town to recover reclaimed water credits for any current or future water supply. Any remaining water could be offered to landowners within 660-feet of the Town's service area, to be locked up through their own permit application.

- The amount of 4,600-acre feet of water per year for 100-years would be closer to 3,000 acre feet per year for 100-years for the Town's current water service area.

Council, staff, and Mr. Holmes discussed the following:

- It was unusual for the continual budget increases in these types of studies, but it was anticipated that any models going forward would have extreme scrutiny at how the model was being constructed, taking conservative approaches, and using excess pumping in the aquifer. Budgets for modeling in the future would need to be significant so that ADWR's concerns and requirements for not impacting other assured water supplies were addressed. The model was the only tool ADWR authorized for an entity to physically model how much water molecules were under land, whether it was through ownership or water service areas. It was becoming challenging, and the aquifer was getting allocated. ADWR did not want a situation in which the aquifer was over allocated, which could lead to significant issues. This had happened in Pinal County.
- A local developer had just received their certificate of assured water supply and had a very similar experience to the Town's, with three or four kickbacks from ADWR and a similar budget. He had used a different consultant than the Town, so the issues and budget were not due to the consultants.
- The previous Town Manager had signed the original contract, and Town Manager Blackmore wanted to bring it to Council and be transparent about the process.
- The people within 660-feet of the Town's service area (OHM) would not need to go through the same two-year long modeling process the Town was currently experiencing. They would use the Town's study for that component of their assured water supply. It was not a sale of water, but a determination of water under the Town's jurisdiction that a developer could have access to. It was also a first come, first serve process. The Town was first in line, but there were many other agencies and developers behind the Town. If they stopped the process and had to start it over, they would lose their place in line and their monetary investment.
- The City of Prescott was in the process of getting re-designated, and had been told by ADWR that, since the Town's analysis of assured water supply was basically complete and correct, they had to incorporate the entire volume of OHM and not impact it. It was a very valuable analysis and work.
- Mr. Holmes gave a summary of his water experience within the area and the Town.

3) Discussion regarding proposed staff policy to clarify Town road classifications and cross sections (Frank Marbury, Public Works Director).

Public Works Director Marbury presented the following:

- Rural arterial roads were brought into the subdivision regulations as part of the 2020 subdivision rewrites. The intent was to include roadways outside the urban areas with zoning greater than one-acre.
- The subdivision regulations did not declare the areas the Town wanted as rural roads and urban road. Staff was hoping the proposed classification would help.
- The roads in Town designated to be four or more lanes was the future Great Western Connector on the east side of Town.
- The proposed urban roads (curb and gutter) would include three lane roads. On higher traveled roads, there would be ten-foot multi-use sidewalk on one side to get bicycles off the road. This would include roads such Perkinsville and Road 2 North. Lower traveled urban roads would have five-foot bike lanes and five-foot sidewalks.
- Rural roads would be two lanes (approximately 12-foot lanes) with a five-foot paved

- shoulder to protect the edge of the road and provide a walking area, and ditches.
- There was a recommendation for ten-foot unpaved trails off to one side on certain roads for walkers, bikes, and horses.
- Staff overviewed a map of the proposed road areas. The urban roads mostly followed along State Route 89 or the General Plan's commercial corridor, with a few exceptions in high density neighborhoods. There were roads labeled special sections that were unique and had not been designated. They would be determined on an individual basis.
- Staff requested Council review the proposed information and get back to them with questions or comments.
- The Roads and Streets Committee had discussed what standards should be used when the Town repaved a road. It was difficult to answer because of the current cost of construction. Strategies included building the roads as they were, but design and build the road (the middle of the road) so that lanes, curbs, and gutters could be added in the future.
- New developments that would increase traffic and would be held to the new proposed standards.

Council and staff discussed the following:

- Subdivision areas that were already built out without curb and gutter and were in AR-5 zoning areas were rural areas, and regardless of the higher density, it would be unlikely for the area to become urbanized. These roads would be a low priority.
- It was okay to want more urbanized roads but paying for it was difficult.
- This policy would be incorporated into the General Plan and tweaked and modified through the Committee process.

4) Discussion regarding the possible upcoming 2022 Fourth of July celebration. (Cyndi Thomas, Community Services Manager)

Community Services Manager Thomas presented the following:

- This year the Fourth of July and Territorial Days could go hand in hand.
- There were some challenges to the Fourth of July. The fireworks vendor that the Town had used for many years informed staff that he could not provide the fireworks because of supply issues. He was focusing on providing product to his area in Phoenix.
- They were still in drought conditions, and they were on track for a dry spring and summer.
- Staff was proposing the following:
 - Offer free swimming and hot dogs at the aquatic center from 10:30 a.m. to 5:30 p.m. on July 4th.
 - Offer regional support to City of Prescott and possibly Prescott Valley, with several ideas being considered.
 - No special event on July 4th, but instead move the funding to Territorial Days.
 - Focusing on Territorial Days would allow the Town to make it their signature event.
 - Territorial Days would be a two-day event.
 - Possibly renting a portable stage from the City of Prescott for Friday and Saturday night. There would be live and recorded music on Friday for a dance and beer garden.
 - Saturday would be the normal Territorial Day celebration but ramped up.
 - Saturday would start with a pancake breakfast, 5K run, parade, park vendors, and then move into the regular activities.

- Staff proposed to make it a more fair-like atmosphere.
- They wanted to include a Ferris wheel, community groups offering food rather than food trucks, pie eating, chili cook-off, cotton candy, etc.
- Saturday stage entertainment would include homegrown talent with features such as open mike, amateur hour, comedy hour, and a time slot open for the schools.
- The days events would end by 3:00 p.m. and the day would end with the annual corn dinner.

Council and staff discussed the following:

- They could consider fireworks as an option, but staff wanted further direction.
- They could seek an ADOT permit to have the parade down the center of the highway. Half the road could be used for the parade and the other two lanes would keep traffic moving.

5) ADJOURNMENT

Vice-Mayor Perkins adjourned the meeting at 5:42 p.m.



Jack W. Miller, Mayor

ATTEST:

Erin 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 12th day of April, 2022. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 10th day of May, 2022.

Erin Deskins

Erin N. Deskins, Town Clerk