

City of Prescott

Long-Term Water Management Plan

2024 Baseline - Obligations



September 2026

What are obligated supplies?

This information sheet will discuss and answer the question, "How much water has the City agreed to serve beyond what it was serving in 2024?" The City has agreed or obligated itself in various types of contracts such as development agreements, water service agreements, intergovernmental agreements, settlements etc. to provide potable and/or non-potable water supplies. City obligations beyond December 2024 were evaluated. Those obligations were grouped into 8 categories.



This information sheet builds on, *2024 Baseline - Demands* and Water Resources Management Model (WRMM) info sheets. See prescott-az.gov/water-resource-mgmt/long-term-water-management-plan/

The Summary section (pgs. 11 & 12) compiles the current & obligated water supplies and compares them to the city's 2009 Decision and Order of Assured Water Supplies (AWS).

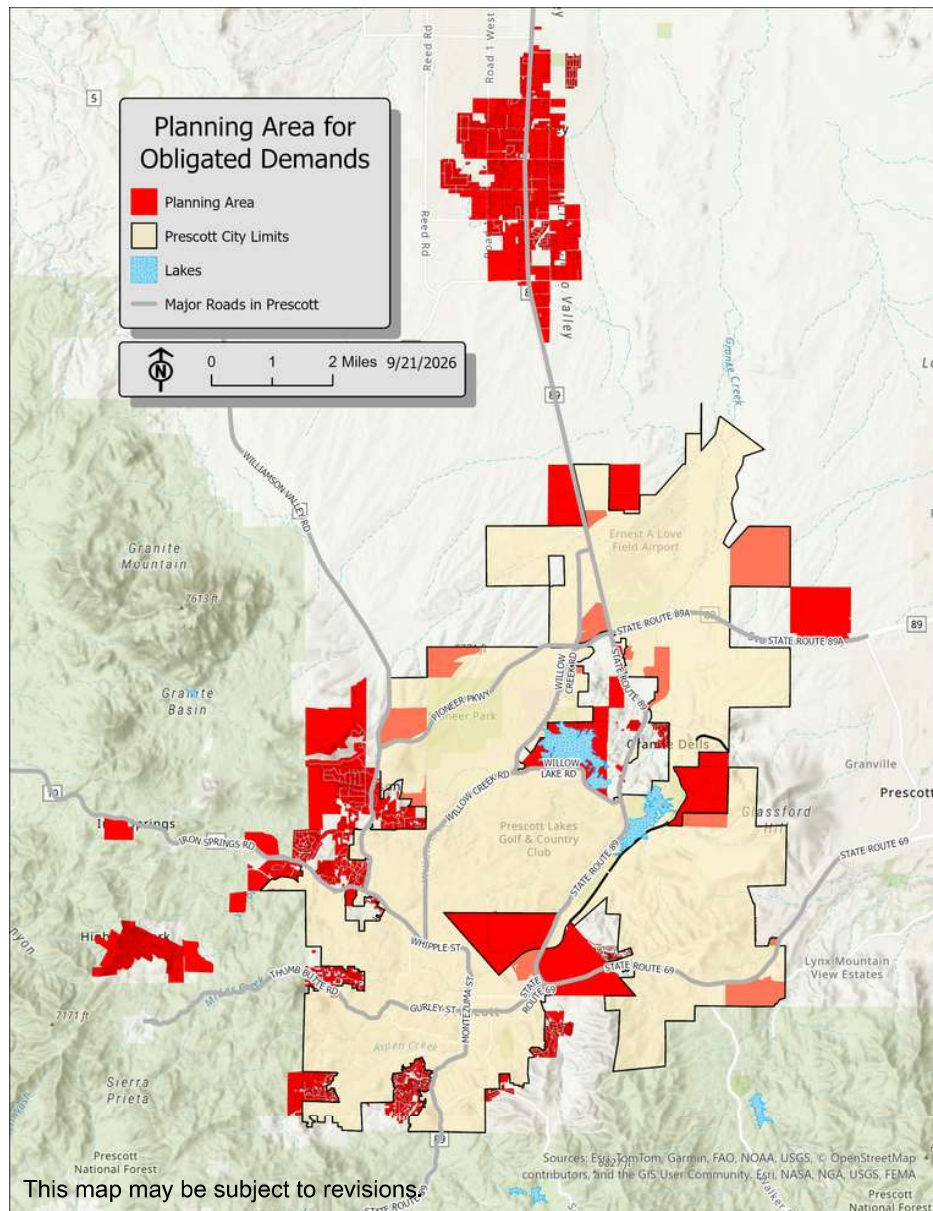
Guide to the obligations beyond the existing 2024 demands

In the table below, there are 8 obligated demand categories with their associated committed volume. In the subsequent pages, each category has a brief description and corresponding map. In most cases, the referenced contracts stated a demand volume, if not, WRMM estimates were used.

Obligated Demand Category	Basis of the Obligation	Volume (AF/yr)
1. Obligation to guarantee a full year's water supply to new customers who created a water utility account in 2024, but only used water for a portion of the year	New customer	106
2. Obligation to vacant lots within a final platted subdivision	Existing approved subdivision	1,052
3. Obligations through several contractual agreements with parties who own property within the Town of Chino Valley	Intergovernmental agreements and reimbursement district contract	772
4. Obligations to certain master plan developments	Contract, resolution, and ordinance	2,510
5. Obligations to certain developments identified as Pre-1998 preliminary plats	If the Final Plat is in conformance with ADWR groundwater allowance rules	276
6. Obligations to certain areas by annexation agreement, contract, resolution or ordinance	Annexation, contract, resolution or ordinance	387
7. Obligations based on Yavapai-Prescott Indian Tribe Settlement	Federal settlement and water service agreement	422
8. Obligations by contract to non-potable water supply delivered through the non-potable distribution system.	Contract	616
Total		6,141

Obligation Demands - Planning Area

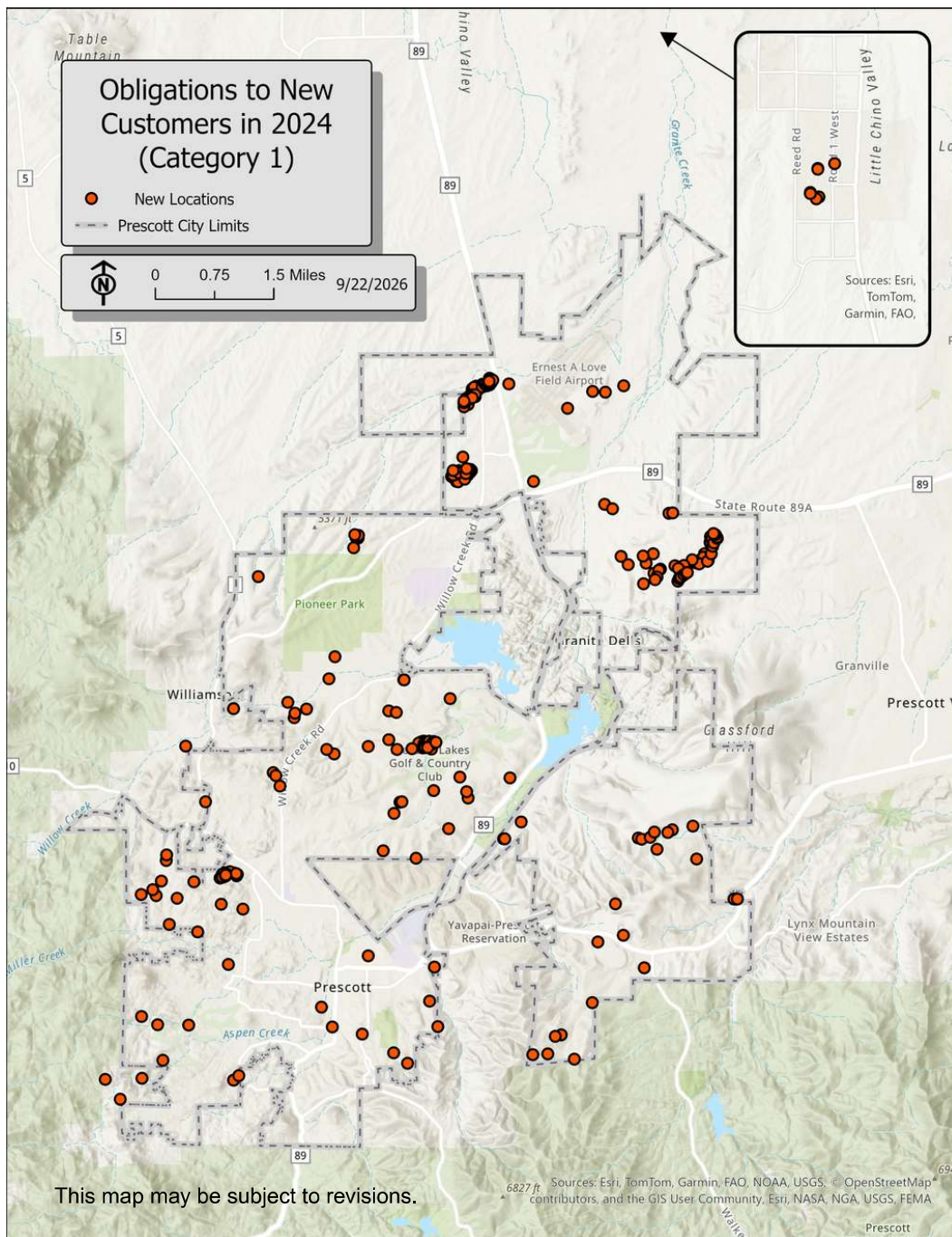
The planning area to confirm where the city has additional obligations beyond the volumes of water delivered currently (2024 deliveries = 9,319 AF), is shown below. To estimate future water demand, it is important to limit variables related to growth and development. One major variable is annexation. City limits have changed many times. Additional annexation requests are likely, but their timing and location are uncertain. To reduce speculation, this baseline planning area includes only locations where information is currently available about proposed future water service.



For this baseline evaluation, the Planning Area includes the following geographic areas: 2024 Prescott city limits, Outside 2024 city limits (if city service and meter exist, recorded subdivision where city water service is available but an account has not been established, parcels that have a contract for future service), Yavapai-Prescott Indian Tribe's future needs per contract, parcels associated with a contract for future supplies to a Domestic Water Improvement District, and all city owned properties outside of 2024 city limits that are near the 2024 boundary.

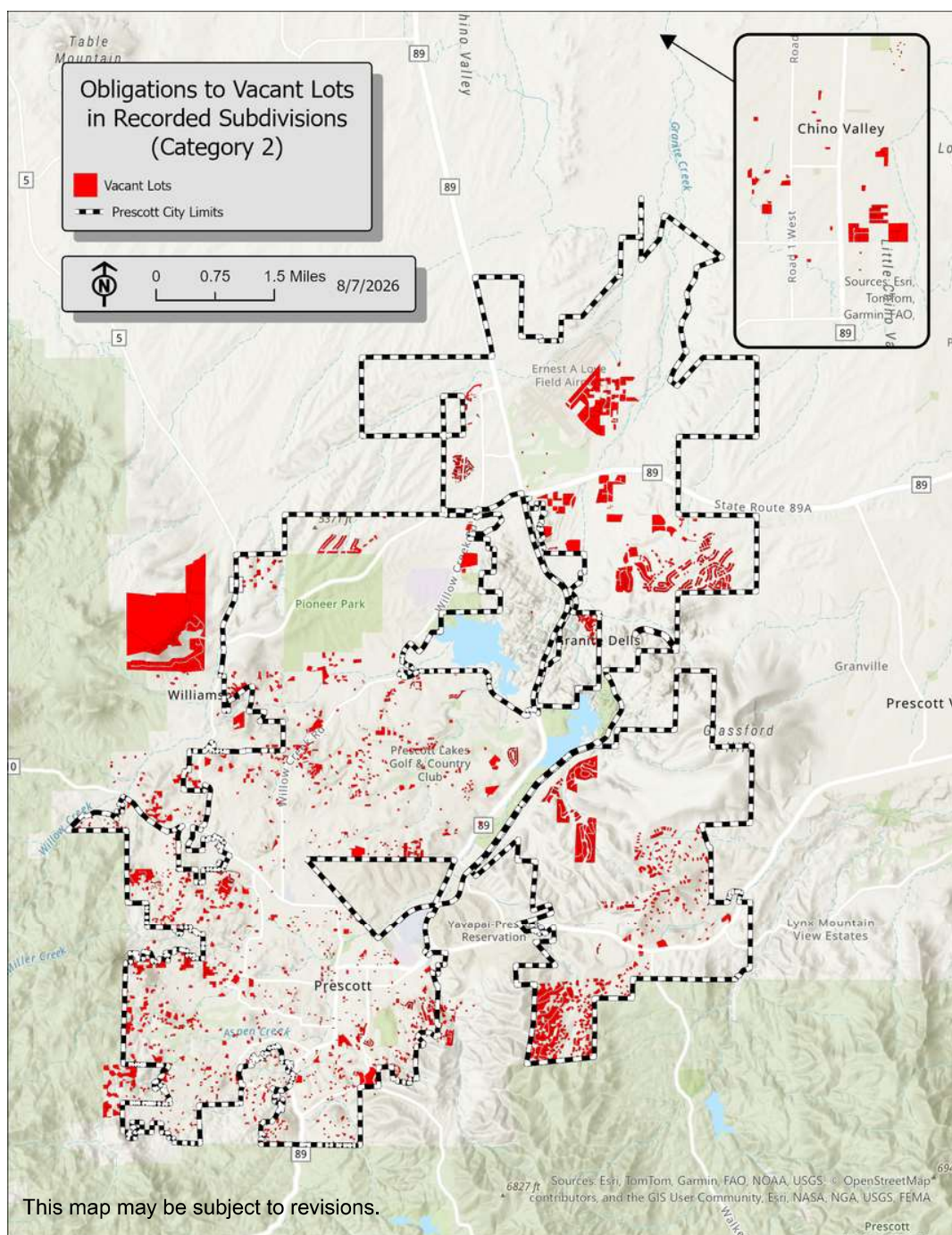
Category 1. Obligation to guarantee a full year's water supply to new customers who created a water utility account in 2024 but only used water for a portion of the year.

In 2024, the city created 282 new water utility accounts (255 single family, 3 multi-family, and 25 non-residential). The WRMM tracks annual water consumption for all water accounts from 2011 through 2024. Using this database, the city analyzed water-use patterns for newly established accounts to determine additional water demands until the accounts stabilized, typically 1 to 2 years. To ensure that obligations to existing customers are reflected in future water demand projections, this resulted in a demand volume of 106 AF/yr.



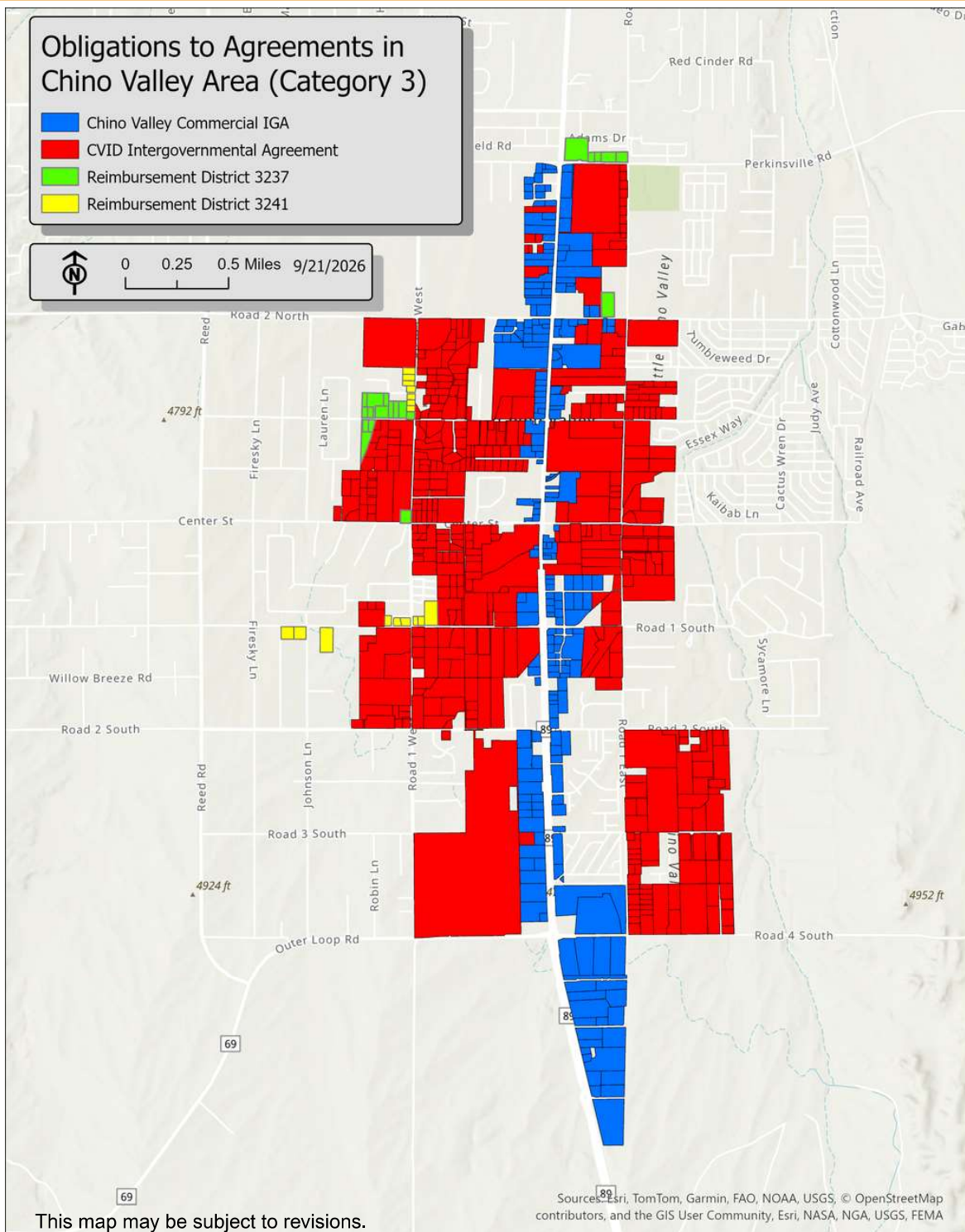
Category 2. Obligation to vacant lots within final plat (recorded) subdivisions

Under state law, as an Assured Water Supply provider, the city must reserve sufficient potable water for lots in approved final plat subdivisions before it can approve additional subdivisions. Although many subdivisions are fully built-out, many others still contain vacant lots that have remained undeveloped. As of the end of calendar year 2024, the city's service area included 730 recorded subdivisions, of which 425 still contained undeveloped or vacant lots. In total, there were 28,659 recorded subdivision parcels, including 4,122 that were undeveloped or vacant. Using the WRMM data, the estimated potable water demand associated with those vacant lots is 1,052 AF/yr.



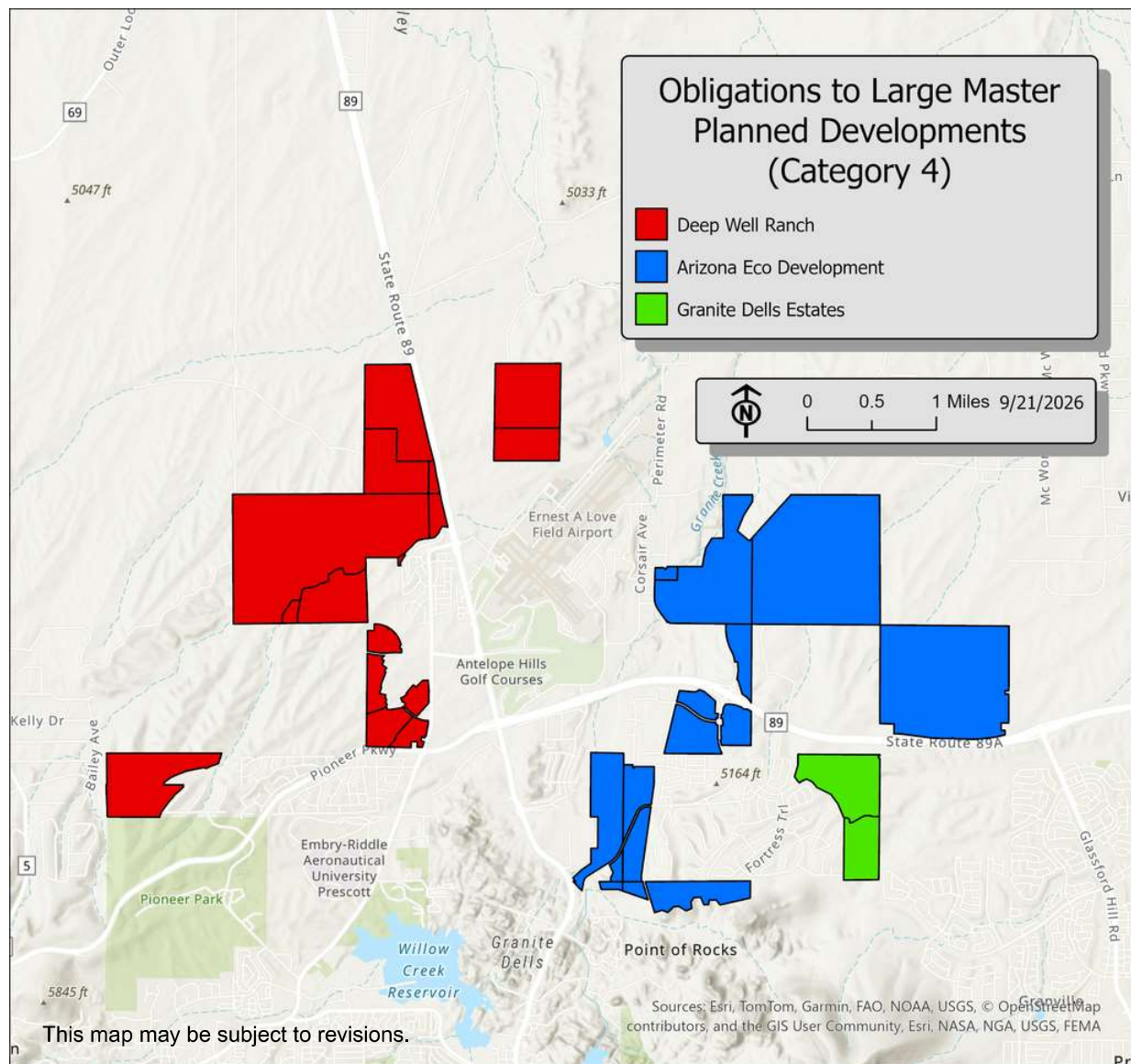
Category 3. Obligations through several contractual agreements with parties who own property within the Town of Chino Valley

The city's water system has provided potable water service to customers in the Town of Chino Valley for decades. Through contracts, the city has expanded the range of potential customers in the area. This category groups four separate obligations together because, although they involve different parties, each relates to establishing the opportunity for future water service within the same geographic area outside of the city limits. The combined estimated volume is 772 AF/yr.



Category 4. Obligations to certain master plan developments

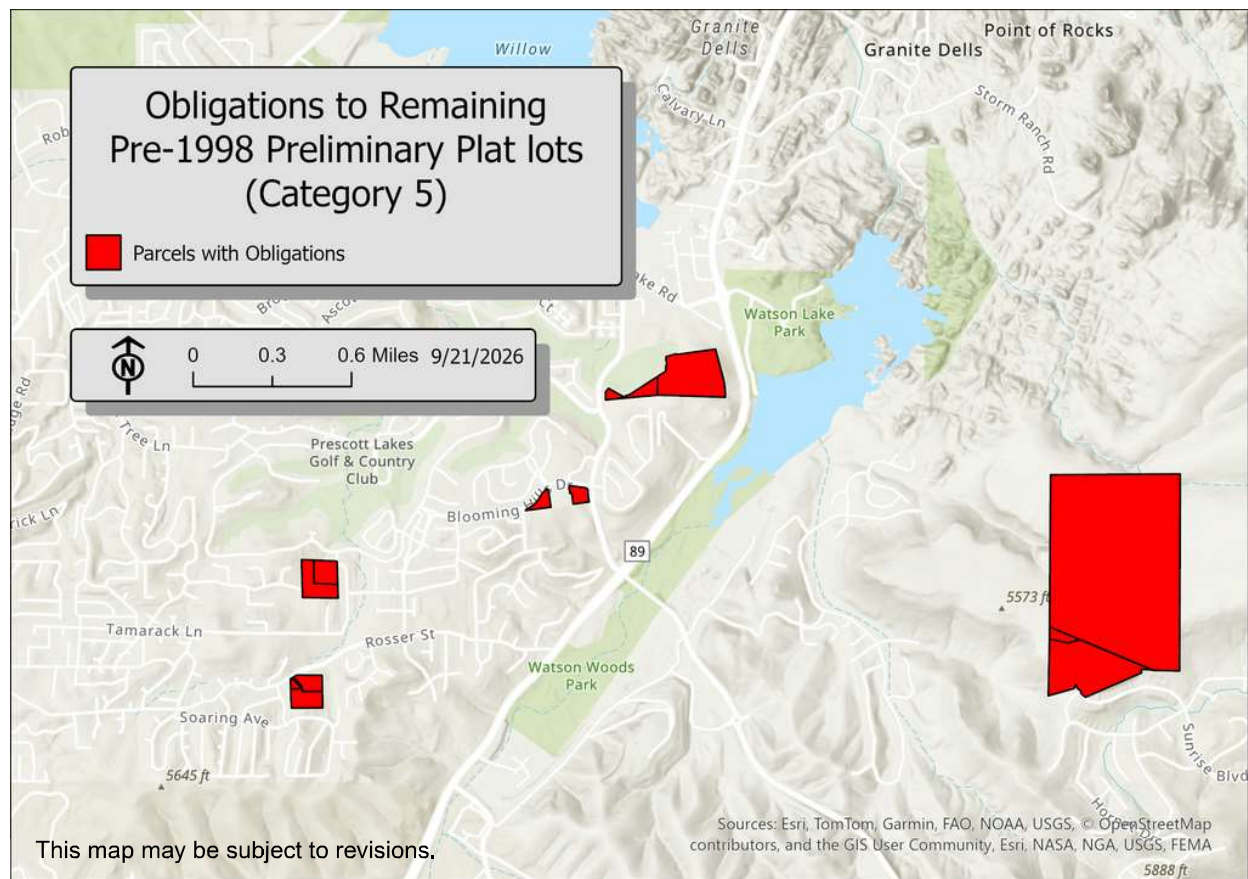
Recently, there has been three new or amended large master planned community developments within the city's airport portion of its service area: Deep Well Ranch (City Contract Nos. 2010-086, 2010-086A2, 2010-0A3, and 2018-115), Arizona Eco Development (City Contract No. 2022-011), and Granite Dells Estates (City Contract Nos. 2008-164 and 2008-164A1). Water service for these master planned developments has been established through various agreements, some of which have been amended over time. The total estimated additional future demand for this category is 2,510 AF/yr.



Two contracts have clauses for water service to "Additional Lands." One has been included in the obligations. It is the approximately 50 acres (green) that has its water supplies in the GDE contract yet the land is now owned by AED (blue). Other contracts (e.g. AED and Stringfield) that also have additional land clauses, that have no water assigned, have not been accounted for as obligated.

Category 5. Obligations to certain developments identified as Pre-1998 preliminary plats

In 1998, while the Arizona Department of Water Resources (ADWR) was revising the assured water supply rules for the Prescott AMA, the city entered into contracts with a number of developers based on approved preliminary plats. ADWR recognized the water demands associated with those contracts as possible committed demands (see below for additional information). The remaining potential accounts identified in the WRMM are estimated to have a future demand of 276 AF/yr. Note that when the development meets the ADWR requirement; the groundwater supply volume in the city's Decision and Order of Assured Water Supply is increased.



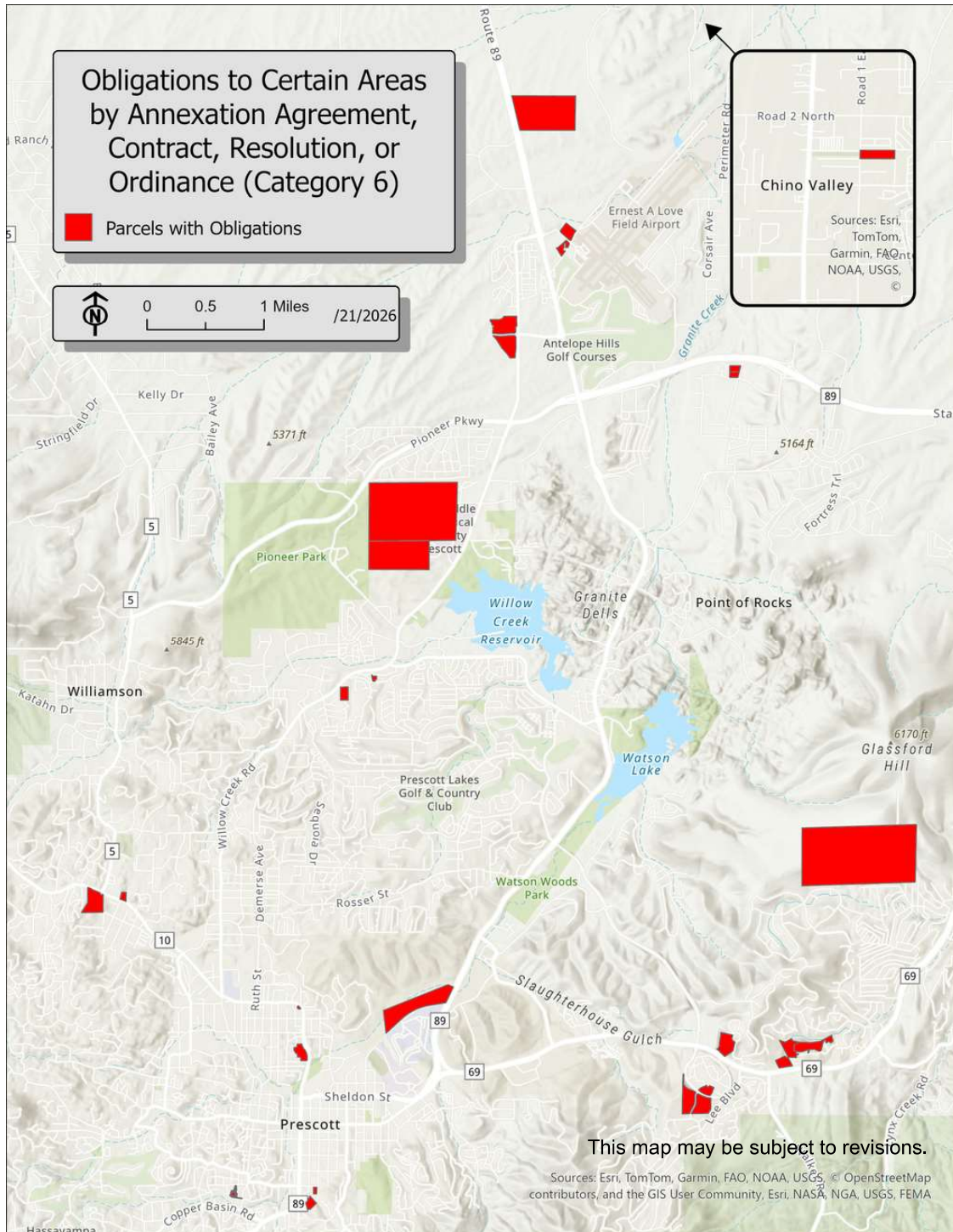
City Decision and Order of Assured Water Supply No. 86- 401501.0001,IV. 8. b.

“The Director shall increase Prescott’s groundwater allowance in accordance with Formula 1 on Attachment E if the Director finds that all of the following apply:

- i. Prescott has found that the final plat for the subdivision is in substantial conformance with the preliminary plat approved by Prescott on or before August 21, 1998
- ii. The total projected water use, including groundwater use, for the subdivision, based on the final plat, is equal to or less than the projected water use based on the approved preliminary plat
- iii. The total number of residential lots of the final plat is equal to or less than the total number of residential lots of the approved preliminary plat, or if the plat is part of a “master planned community,” as defined by A.R.S 32-2101, the total number of residential lots of the final plats within the master planned community is equal to or less than the total number of residential lots of the approved preliminary plats within the master planned community.”

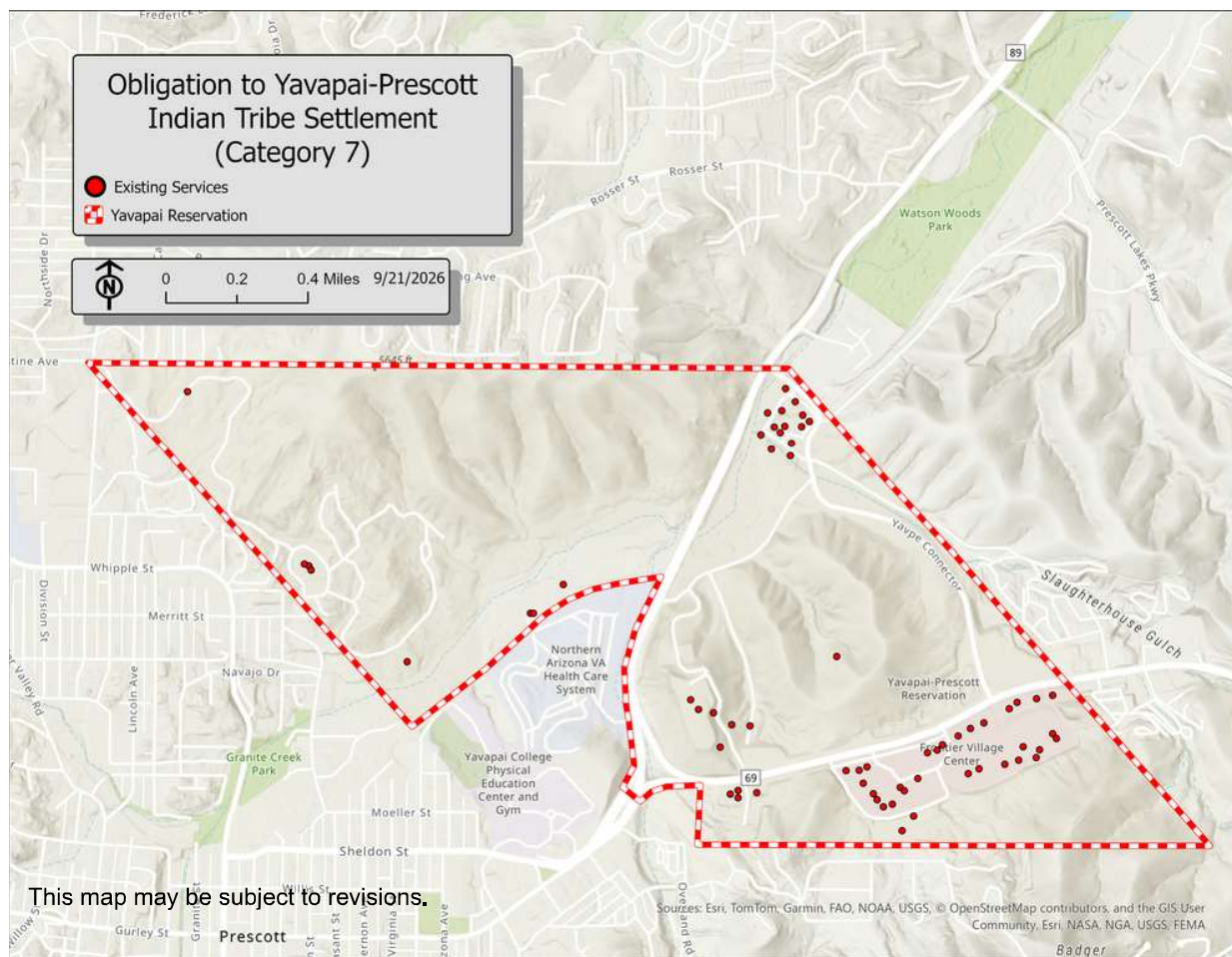
Category 6. Obligations to certain areas by annexation agreement, contract, resolution, or ordinance

This category of committed demand includes a variety of proposed developments, individual single-family house lots, and vacant land that were included the legal description of a pre-annexation agreement. The category also includes certain requests for water service that were approved pursuant to the 2nd Amendment to the 2022 Water Management Policy. *To avoid duplication, this category is limited to parcels that are not associated with subdivisions or other categories.* The category totals 387 AF/yr.



Category 7. Obligations based on Yavapai-Prescott Indian Tribe Settlement

In 1994, the city executed a Water Service Agreement with the Yavapai-Prescott Indian Tribe. The Water Service Agreement/WSA (City Contract No. 1994-050) was incorporated into the Yavapai-Prescott Indian Tribe Water Rights Settlement Agreement (City Contract No. 1994-049) which was ratified by the United States Congress and became federal law. The city is obligated to provide potable water to the Tribe's reservation. Since it is unknown when and to what extent additional development will occur, for the purpose of estimating the City's commitment, the remaining water held in reserve is 422 AF/yr.



Yavapai-Prescott Indian Tribe Water Rights Settlement Act of 1994 Public Law 103-434 and City Contract No. 1994-049

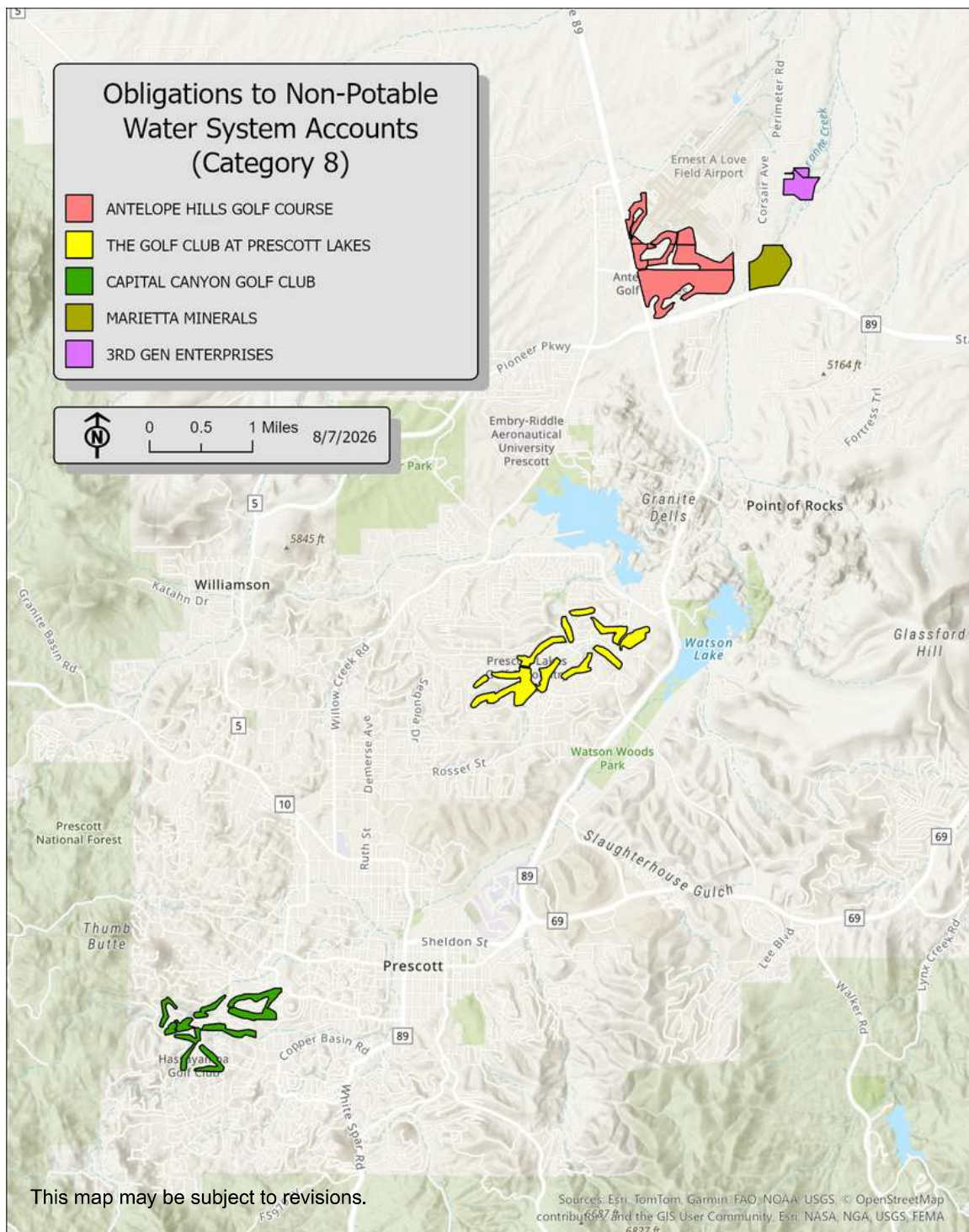
Recital 1.1 - The representatives of the United States of America, the State of Arizona, the Yavapai-Prescott Indian Tribe, the City of Prescott, and the Chino Valley Irrigation District have agreed to permanently settle the water rights of the Yavapai-Prescott Indian Tribe and its members, to finally resolve certain pending litigation on water rights.

Water Service Agreement, City Contract No. 1994-050

Recital 1.5 - The Tribe and the City desire to enter into this Agreement to provide for water, sewer and effluent service to the Reservation.

Category 8. Obligations by contract to non-potable water supply delivered through the non-potable distribution system

The City of Prescott operates a non-potable water distribution system which delivers reclaimed water for non-residential uses. This supply is a product of the return flows from the potable water deliveries. The non-potable water demand is a component of the city's assured water supply designation and must be given equal consideration to its potable water supply demands. The difference between the maximum contracted volume and the 2024 delivery volume equal to 616 AF/yr represents the obligated demand which the city must hold in reserve.



Summary

This table summarizes current and obligated water demands and compares it to the city's 2009 Decision and Order of Assured Water Supply (AWS). The volume of water served in Calendar Year 2024 was 9,319 AF/yr. The determined obligated volume of water beyond 2024 is 6,141 AF/yr. Together, the demands total 15,460 AF/yr. The difference between the 2009 AWS and the current and obligated demands is 1,047 AF/yr.

Obligated Demand Category	Basis of the Obligation	Volume (AF/yr)
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Current Demand	Basis of the Current Demand	Volume (AF/yr)
Calendar Year 2024 Potable Water Demand	Property's water meter	6,645
Calendar Year 2024 Non-Potable Water Demand	Property's water meter	1,529
Average System Loss Volume (Lost and Unaccounted)	ADWR Annual Report Determination	1,145
Total		9,319

Obligation Demand and Current Demand Total		15,460
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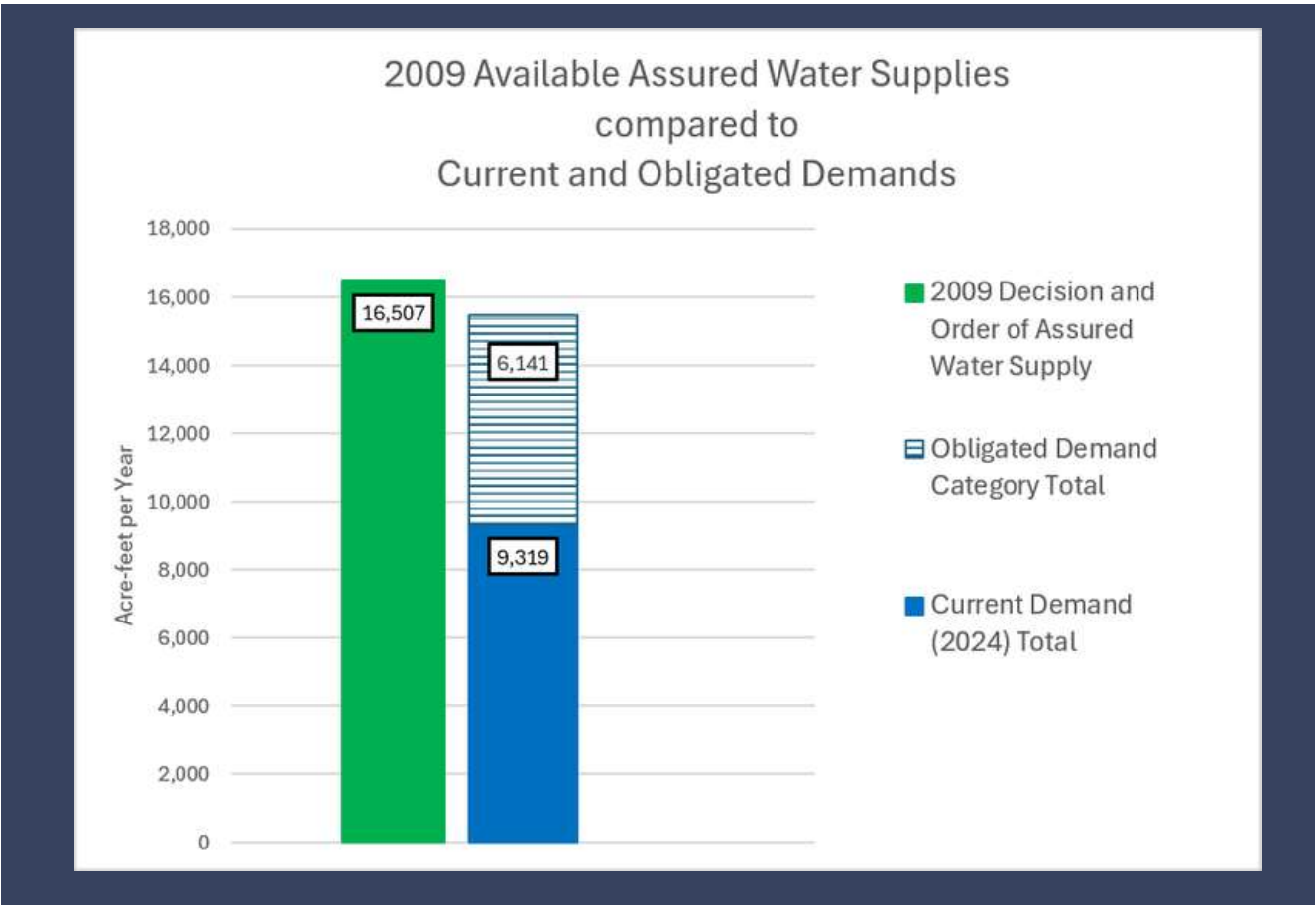
	Volume (AF/yr)
2009 Decision and Order of Assured Water Supply	16,507

The 2009 Decision and Order of Assured Water Supplies (AWS) is an important regulatory document that is issued by the Arizona Department of Water Resources (ADWR). This ADWR document memorializes the city's demands and supplies in accordance with state statutes using a baseline year followed by typically a 15-year projection. After those 15-years the 15th year is projected out another 85 years to determine if a "100-year" water supply exists for the demand.

The city is actively updating its 2009 AWS document.

For information on the city's 2009 Decision and Order of Assured Water Supply, please go to the city website: prescott-az.gov/water-resource-mgmt/current-supplies/

Summary continued



The work shown in this information sheet was prepared with careful evaluation of the city’s billing data bases. It resulted in the 9,319 AF/yr current demand volume. The 2024 billing data was added to the city’s Water Resource Management Model (WRMM). The WRMM was reviewed along with contacts that define additional obligations for water that resulted in 6,141 AF/yr of demands for water beyond the 2024. Stacking the Current Demand (2024) Total and the Obligated Demand Category Total gives a complete picture of how much water is in use now and what additional supplies from the city’s AWS have been committed to additional development. Although, this work shows that 1,047 AF/yr appears to be available for additional use. This possible future volume could be influenced by several future conditions which may or may not come to fruition.

It should also be noted that the time needed for development of the committed 6,141 AF/yr is uncertain but projections for demands being completed with this study show several decades for build-out of these obligations. As development for obligated demand is built-out, more effluent return flow will be available, in some cases for the city to support future Assured Water Supply modifications. Determination of when demands exceed supplies is a complex analyses that requires understanding of future development type, timing, and aquifer response to additional pumping. The Long-term Water Management Plan is taking the first steps in completing the analyses needed to understand if and when supplies will need to be supplemented to meet the demands of the future.

For Additional Information:

City of Prescott webpage: prescott-az.gov
Participate Prescott: participateprescott.com