

# The Daily Courier

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## **Talk of the Town: Prescottonians on the hook for pipeline**

By HOWARD MECHANIC  
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Until now, Prescott water customers have been paying 20 percent of the city's share of the costs for the Big Chino Project (BCP), including yearly bond payments to cover the \$23 million purchase of the water ranch property. But there is a real possibility that starting next year our share will be 100 percent.

When the BCP commenced in 2004, Prescott allocated 80 percent of its costs of the project to new growth, apparently because most of the project's water would serve new growth. Ratepayers have been paying the remaining 20 percent on the assumption some of the water would be used to reduce our large overdraft and help us reach safe yield.

Prescott has been charging impact fees (fees collected when a new home is built) to try to collect growth's 80 percent share. However, with a new state law (SB 1525) going into effect next year, it appears Prescott will no longer be able to charge impact fees on new homes to cover BCP costs.

For many years, Prescott has had the policy of reserving enough of the water rights it holds to provide for all un-built lots within the city limits under existing zoning. At present, Prescott has enough water rights to provide for all these lots, plus more than 4,000 additional new homes. Thus, there are no lots within the city limits that can reasonably be said to need water from the BCP (or from anywhere else).

SB 1525 requires that in order for a jurisdiction to charge an impact fee on a property, that specific property must be served by the project being funded. Because no existing properties need BCP water, under SB1525 Prescott cannot charge BCP impact fees to any property owner within the city limits.

The new state law requires cities to retain independent outside consultants to analyze upcoming capital projects to determine what portion of the projects' costs can be allocated to growth. In addition, the consultants must determine what areas of the cities will benefit from each project. Only those specific areas can have impact fees applied for that project.

The only growth areas that can use Prescott's share of BCP water are potential annexation areas. However, potential annexation areas outside city limits cannot be assessed impact fees. While state impact fee law restricts Prescott's ability to recover BCP costs, a pre-annexation agreement can require a property owner to pay costs for desired city services. Therefore, the only real possibility for ratepayers to avoid this potentially huge financial burden is to have the owners of large annexations agree to pay their fair share of the costs of the BCP.

The issue of how BCP water could be financed is one of many long-term water management issues that the city needs to address. Prescott's Water Management Policy expired in 2010. At that time, city officials said they would develop a new plan as soon as Prescott's right to Big Chino water was settled. It has now been two years since Prescott reached an agreement with the [Salt River Project](#) and was awarded Big Chino water through action by both the Legislature and the Arizona Department of Water Resources.

A comprehensive water management plan drafted now could deal with time-sensitive and important water issues such as fair market pricing for valuable treated effluent, possible new conservation programs and, most importantly, a plan to control our huge groundwater overdraft and reach safe yield by the fast-approaching goal of 2025. And because of the changes to impact fees mandated by SB1525, it could also include information about alternate revenue sources the city might use to pay for the BCP, an issue that should be of concern to all Prescott citizens.

The Citizens Water Advocacy Group believes that now is the time for city officials to engage in a frank, open and public discussion about an updated long-term water management policy and how the Big Chino Project will be financed.

Please submit your comments and questions to [info@cwagaz.org](mailto:info@cwagaz.org).

Sandy Bahr, chapter director for the Grand Canyon Chapter of the Sierra Club, will deliver an informative presentation on the nuts and bolts of the Arizona Legislature, "Advocacy 101: How to Make Your Voice Heard," when she speaks to the Citizens Water Advocacy Group on Saturday, March 9, from 10 a.m. to noon at the Granite Peak Unitarian Universalist Congregation, 882 Sunset in Prescott (two blocks behind True Value). Guests are welcome! For more information, call 445-4218, email [info@cwagaz.org](mailto:info@cwagaz.org) or visit [www.cwagAZ.org](http://www.cwagAZ.org).

Howard Mechanic chairs the Public Policy Committee of the Citizens Water Advocacy Group.

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