

**UPPER VERDE RIVER WATERSHED PROTECTION COALITION
PRESCOTT, ARIZONA
JUNE 25, 2008**

MINUTES

A MEETING OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION WAS HELD ON JUNE 25, 2008 in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Chairman Fann called the meeting to order at 2:03 p.m.

ITEM NO 1. Introductions, Awards, or Presentations Call to Order 2:03

Members Present:

Mayor Karen Fann, Town of Chino Valley, Chairman
Councilman Mike Flannery, Town of Prescott Valley, Vice Chairman
Chairman Ernie Jones Sr., Prescott-Yavapai Indian Tribe
County Supervisor Carol Springer, Yavapai County
Mayor Jack Wilson, City of Prescott

Members Absent:

Councilman Len Marinaccio, Town of Dewey-Humboldt

Staff Present:

Ed Muccillo, Program Manager
Jim Holt, City of Prescott
John Munderloh, Town of Prescott Valley

Guests Present:

Bill Kendig
George Seaman
Joanne Oellers
John Zambrano
Candace McNulty
Charlie Ester
Dan Campbell
Georgene Lockwood
Gary Worob
Louis Bellesi
Howard Mechanic
Daniel Timmons
Linda Campbell

ITEM NO 2. Call to Public

Chairman Fann

Jerry Brady, Dewey, said he endorses Mayor Wilson's proposal to integrate policy and planning and referred to the 1979 adjudication of water resources for the City of Prescott before the Yavapai County Superior Court. He said he understands that these records only exist in electronic format at this time and are difficult to access. Mr. Brady

suggested the Board refer to the overview available at the Sharlot Hall Museum in the newspaper index file for the confession made by James Addison Reavis to the United States Court of Claims. He said this was the adjudication of water resources in Yavapai County under military and marshall law during the primary period of military jurisdiction of the U. S. Military Frontier prior to 1900. He said it is substantive, it is still in effect, it has not been altered and this was the specific case presented by the City of Prescott to the Yavapai County Superior Court in 1979 and accepted by the Arizona State Supreme Court.

Member Wilson asked the City of Prescott Attorney, Gary Kidd to approach the microphone.

Gary Kidd said Mr. Brady had sent a lot of materials. He said he has looked at the issues raised by Mr. Brady and then forwarded them to his peers. Mr. Kidd said he has not received an analysis from them at this time.

Member Wilson said the City of Prescott's water attorney is Mike Curtis and once the City receives his analysis they will have better information to proceed from.

ITEM NO 3. Action – Approval of Minutes for Previous Board Meeting

MEMBER WILSON MOVED TO APPROVE; SECOND BY MEMBER SPRINGER; APPROVED UNANIMOUSLY.

ITEM NO 4. Discussion – Program Manager's Report

Ed Muccillo reviewed the Program Manager's Report. He said it was fairly typical for program management with Board Meeting and TAC Meeting facilitation and preparation; website management with typical posting and a little more website maintenance this month. Mr. Muccillo said as far as the more active tasks such as the Water Conservation Program they had a water conservation workshop on June 11 that he will update during the TAC Meeting Summary. He said there has been some initial grant research for water conservation programs. He said as far as Tasks 4 & 5, basically as a result of the Board Meeting last month they had some redirection discussions at the June TAC Meeting and then there is the monthly financial report.

Chairman Fann asked if they received payment for the invoice submitted.

Mr. Muccillo said yes, that everything has been getting paid promptly.

ITEM NO 5. Discussion – TAC Meeting Summary – June 11, 2008

Mr. Muccillo said the TAC Meeting in June 2008 was a pretty busy day with a Workshop in the morning and a meeting in the afternoon. He said as far as the recharge and hydrologic monitoring task redirection they had a good discussion and it was the meat of the TAC meeting. He said they also did some safe-yield workgroup agenda planning. Mr. Muccillo said the next TAC Meeting will be on July 17, 2008 due to a number of scheduling issues. He said that will also be the first Safe-Yield Workgroup Meeting and the structure they chose is they will keep the TAC meetings at 1:00 p.m. and then they will do the Safe-Yield Workgroup Meeting at 2:30 p.m. Mr. Muccillo said their first meeting includes the following agenda items:

- Monthly meeting logistics
- Review the assignment of the workgroup; output/deliverables
- Workgroup structure
- Discuss strategies and approaches

He said they discussed assimilation and coordination of the three groups and it was very brief. He said they were going to do a program management review but decided to table that until the next month due to time constraints.

Member Wilson asked about the second paragraph under Recharge & Hydrologic Monitoring Task Redirection on Page 12 of 16 when they are talking of holding a meeting with SRP what do they mean by that.

Mr. Muccillo said there was a lot of discussion that there will be some involvement with SRP if there is any type of recharge project in particular and questions as to when would be the appropriate time to engage them with a meeting. He said it was generally thought that if they approached SRP now with a really vague idea they would get a really vague answer. Mr. Muccillo said they thought it would be better to get some ideas down as they talked about at the last Board meeting with details and develop some potential options and then approach SRP at that time.

Member Wilson asked is that basically based on SRP's surface water rights and if they do recharge they will get some contention from SRP.

Mr. Muccillo confirmed that was the general feeling in the room.

Mr. Brady said with regard to recharge credits the reason they will receive contention from SRP is published in the Wall Street Journal and number of other cognizant sources including the Global Water Intelligence magazine published in London. He said they have a problem with water called emerging contaminants and the cost of removing them from recharge is exorbitant, it is not currently regulated under state law or federal law; however the standards are established as U.S. Military Specifications and Standards. He said in view of the perspective legislation before the next Congress, SRP will probably object stringently to the partially treated effluent for recharge.

Chairman Fann repeated that the July TAC Meeting will be on July 17, 2008 at 1:00 p.m.

ITEM NO 6. Discussion & Possible Action – Authorization to Apply for Water Conservation Grant

Mr. Muccillo said they had a really good workshop on June 11, 2008 and went beyond what they had booked and may be heading for a second workshop. He said basically at this time the TAC is requesting at least initial authorization to pursue and start preparing a grant application for a Bureau of Reclamation grant. He said the application window opens in August and closes in November and there goal is to make the application as general as possible.

Member Wilson said he has no opposition to applying for a grant but any general grant will not be approved by U.S. Bureau of Reclamation so they will have to be very specific because all of these grants are very competitive in nature. He said he supports going forward but they need to see a lot more before this thing actually hits the bricks.

MEMBER WILSON MOVED TO AUTHORIZE APPLYING FOR A U.S. BUREAU OF RECLAMATION GRANT; SECOND BY MEMBER FLANNERY; APPROVED UNANIMOUSLY.

ITEM NO 7. Discussion – Update on Recharge and Hydrologic Monitoring Tasks

Mr. Muccillo said after the last month's Board meeting they had a pretty good discussion on their approach going forward. He said the general consensus is that TAC felt strongly that they want to stay the course with the initial scope of work; they will review what is out

there; prepare the mapping and do the planning that they talked about. He said it may feel like there is some redundancy but one of the most important things is that ultimately if they end up recommending or pursuing certain projects they want to be able to defend that. He said there will be a lot of questions why other ideas were not pursued and they want to have the technical background and mapping and the research done will be really beneficial.

Councilman Roecker, City of Prescott, joined the meeting.

Mr. Muccillo said they do want to accelerate things so they talked about getting a workshop that was initially planned for a future phase but they probably want to do that next month in order to develop some specific recharge project ideas and feasibility. He said that will probably be more of a brainstorming session and then as August and September come around they will get into more details with one to five projects that might be feasible in moving forward.

Member Wilson suggested they also coordinate with ADWR in addition to SRP.

Howard Mechanic, 309 Bloom Place, said there was a consideration that SRP has surface water rights in the area and asked if it would be worth talking to them about either trading or obtaining some of those surface water rights. He said he thought that was part of the discussion in addition to Mr. Muccillo's answer regarding SRP's claims if surface water is diverted.

Mr. Muccillo said his general take on it was there was a lot of great ideas thrown out there and a lot of opinions about SRP's rights and speculation about how they will react. He said they think it would be better to have some details and more specific ideas before they meet with SRP.

ITEM NO 8. Discussion – Assimilation between Verde River Basin Partnership, Yavapai County Water Advisory Committee, and Upper Verde River Watershed Protection Coalition

Chairman Fann welcomed Councilman Roecker, City of Prescott to the meeting.

Mr. Muccillo said the two general outcomes that came out of the TAC Meeting were:

1. They felt this was a discussion for the board to have.
2. The TAC members did not feel there was an undue demand on their time.

Chairman Fann asked if the TAC members felt that doing Coalition tasks and attending Coalition meetings in addition to the WAC, TAC and related meetings was not an undue burden on their schedules. Mr. Muccillo said that is correct and they did not bring it up rather he asked the question.

Chairman Fann explained why this is on the agenda for the record. She said the Verde River Basin Partnership, which has been trying very hard to get organized and incorporated, is frustrated that they have not been able to get things accomplished and get funding from Senator John McCain. She said there will be a full meeting of the Verde Partnership on July 9, 2008 where the coordinating committee will be taking this to the Partnership. Chairman Fann said all of this is under the assumption that the rest of the Partnership will be in agreement to this and if the rest of the Partnership members are not in agreement then the whole thing will be moot. She said the proposal is that the Partnership would dissolve and that the existing WAC would take up any studies that may be required under Title 2 if they are able to get the funding under Title 2. She said the devil is in the details and the discussions about how this would all happen. She said the WAC appointed two people from the Water Advisory Committee, Councilman Bob Roecker and Supervisor Chip Davis; the Partnership Coordinating Committee appointed

Dan Campbell from the Nature Conservancy and Mayor of Clarkdale, Doug Von Gausig. Chairman Fann said they also asked if the Coalition would consider nominating two people from their Board.

Member Wilson said since he place this item on the agenda he felt it proper to comment on the background. He said Chairman Fann's portrayal of what has occurred so far is almost on the money and the only clarification he would make is that any studies that was actually defined quite precisely as acceptance of the science plan as developed by the Verde River Basin Partnership's Technical Advisory Committee, which is posted on their website and can be viewed by anybody. He said during the WAC discussion and other subsequent discussions the one thing he would like to ensure is the technical people that support various elected officials take a very close look at that science plan and see if they have any objections to what it is purporting or asking for as far as deliverables, approaches, etc. Member Wilson said the technical people will be asked by their elected officials if this really represents something they should be doing on not doing. He said that is the only clarification he had on what Mayor Fann said.

Member Wilson said what is at stake here in his mind is a focus on the future with the most pressing problem or concern is available water. He said it is not just an issue of water today; it is an issue of water 50 years from now and 100 years from now and water forever, a sustainable water supply. He said they do not have a sustainable water supply now and he does not believe they will have a sustainable water supply importing water from the Big Chino. Member Wilson said that calls for more advanced planning than they are currently doing and that is going to cost money to do. He said when they start talking about some of the hydrological monitoring that will be required to provide sustainable water they are talking about very complex models beyond what has already been developed by ADWR. He said they are talking about nested monitoring wells, stratified well with casings at three different levels, nested wells with three wells set side by side and that costs multi-millions of dollars.

Member Wilson said it is in all of their best interests to work collaboratively as they move forward. He said this whole issue is how they work collaboratively to focus on the future and it is really a simple proposal that this body appoint two representatives to work with the four representatives that have already been appointed to see if there is a way they can work together in the future.

Member Flannery said the word "assimilate" is a misnomer and he does not think that is what they are talking about there. He said working collaboratively is always a good idea and has been a concern of this organization from the beginning. He said he would not have any issue with them communicating with each other. Member Flannery said in terms of this organization being absorbed into one of the other organizations he does not see the similarity.

Member Springer said she agrees with Member Flannery that there really is no overlap in her view of the Coalition and WAC or the Partnership because this group is very project oriented. She said the mission of other two has been data collecting, science based information gathering to come up with management strategies. She said both organizations have those similar goals and can see overlap between those two but not with this organization. Her preference is to not integrate this organization. Member Springer said although she is pretty pessimistic about the possibility of getting Federal funding because no one in our Congressional delegation has stepped forward to do it and is skeptical they will do it in the future; however, some people are optimistic so she is willing to appoint two members from this organization to work with other the four that have been appointed to continue discussions. She just wants everyone to be perfectly clear about what the goals are in furthering this. She said what she does not want to happen is to end up with fruitless discussions as they have over the last two and a half years.

MEMBER SPRINGER MOVED TO APPOINT CHAIRMAN FANN AND MEMBER FLANNERY FROM THE COALITION TO THE AD HOC DISCUSSION GROUP; SECOND BY MEMBER WILSON; MOTION PASSES UNANIMOUSLY.

Member Jones concurred with the discussion.

Mr. Brady, Chairman of the Research Committee of the South Yavapai Water-users Group, an Arizona corporation established to conduct research on water resources issues. He said in communication with the Archivist with SRP they stated they have no particular interest in entering into a contract with Yavapai County or the political subdivisions thereof. In Summary, he said SRP recommends the thesis Mayor Wilson has advanced and that is the only way to get access to the water resources that were reserved for you and they are 300% of what SRP has in this county.

Member Flannery asked Councilman Roecker if they have a date in mind for this meeting.

Councilman Roecker said Mayor Von Gausig will decide a meeting date and time.

ITEM NO 9. Discussion – 2008/2009 Coalition Invoicing Reminder

Mr. Muccillo said John Munderloh reminded them that with Prescott Valley as the fiscal agent for the Coalition, invoices for the next Fiscal Year will be issued sometime next month to each of the contributing entities.

ITEM NO 10. Discussion – Next Meeting Time / Location / Agenda Items


Mr. Muccillo said the next meeting, much of it depends on scheduling of another Water Conservation Workshop and a Monitoring & Recharge Workshop, has the potential for updates. He said the July meeting may be somewhat light as the TAC is doing a lot of the workshops and the work they need to do to bring some ideas to the Board.

Member Wilson asked to include an update on the Ad Hoc Committee if they have met by the Board's next meeting.

Mr. Muccillo said the next TAC Meeting will be July 17, 2008 at 1:00 p.m., which includes program management review, the water conservation grants, and potential workshops. He said the initial meeting of the Safe-Yield Workgroup will be on July 17, 2008 at 2:30 p.m.

Chairman Fann said next month's meeting of the Upper Verde River Watershed Protection Coalition will be on Wednesday, July 23, 2008 at 2:00 p.m. at Prescott City Hall in the Council Chambers.

Meeting adjourned at 2:40 p.m.


KAREN FANN, Chairman

ATTEST:

LORRI CARLSON, Deputy City Clerk