

UPPER VERDE RIVER WATERSHED PROTECTION COALITION
PRESCOTT, ARIZONA
JANUARY 24, 2007

MINUTES

A MEETING OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION WAS HELD ON JANUARY 24, 2007 in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Chairman Fann called the meeting to order at 2:00 p.m.

Item 1. Introductions

Members present:

Mayor Karen Fann, Town of Chino Valley, Chairman
Vice-Mayor Mike Flannery, Town of Prescott Valley, Vice Chairman
County Supervisor Carol Springer, Yavapai County
Mayor Rowle Simmons, City of Prescott
Bob Greene, Town of Dewey-Humboldt

Members absent:

None

Staff present:

Jim Holt, City of Prescott
John Munderloh, Town of Prescott Valley
Mark Holmes, Town of Chino Valley
John Rasmussen, Yavapai County

Guests present:

Sequoia Shannon
John Zambiano
Ashley Fine
Robert Luzius, Prescott Councilman
James Oellen
Thoma Slaback
Joanna Dodder
Al Bradshaw
J.G. Brady
Donald Roth
Myron Robison

Ken Janecek
Leslie Hoy
Chris Hoy
Louis Bellisi

Item 2. Approval of Minutes – November 22, 2006 Meeting
(Committee)

VICE CHAIRMAN FLANNERY MOVED TO APPROVE THE MINUTES OF THE NOVEMBER 22, 2006 MEETING; SECONDED BY MEMBER SPRINGER; PASSED UNANIMOUSLY.

Item 3. Presentation, Discussion and Possible Action – Project Plan Outline
(Staff)

John Munderloh gave a presentation on a possible Project Plan for the Coalition, attached hereto and made a part hereof as Exhibit A. During the presentation discussion was held on the suggestion to restore the area to more natural conditions—less shrubs and more grasslands. Member Springer said that although changes have occurred, those are still considered native. She asked if there were any non-native species creating problems. Mr. Munderloh replied that he didn't think they had a big problem. Chairman Fann asked if the Cottonwood trees were native and Mr. Munderloh replied that they were. He continued, stating that this was the most far-reaching and most expensive item on the list, but it also may yield large benefits. Some rough numbers, based on the USGS, show approximately 2.1 million acre feet of precipitation in an average year will fall in the Big Chino and Prescott AMA watershed. Less than two percent gets recharged, which is essentially the water budget they are working with right now. By doing some watershed restoration there are other benefits beside water production, increased wildlife forage and riparian habitat, even improved water quality, and reduced fire hazard and erosion.

He said that these were some general projects and they were looking for some buy-in that this is the direction the Coalition would like to head, as well as input on any other projects they may want. He said that the next item will discuss how to make those happen.

Ashley Fine – She said that she would urge the members to look at the findings of the ecologists. She would agree with the history of fire suppression and its impact, but the riparian vegetation is in a different category. When they start eradicating cottonwoods, it would allow tamaracks and they are a much more aggressive user of water. She said that she hoped they don't include the riparian areas. Mr. Munderloh said that these strategies would be in areas away from the riparian areas; they don't intend to

do that. He said that they have learned from mistakes in the past with cutting down cottonwoods which resulted in flooding and a dropped water table.

Thomas Slaback – Referring back to a photograph in the presentation, he said that they need to be careful; the picture was on a slope, a very unstable slope and the 21 foot roots were holding those soils in place.

Chairman Fann said that her assumption is that they would continue to research these ideas; they would not do anything in the way of changing vegetation without seeking advice from the experts, the USDA and USFS. Mr. Munderloh said that would be the case. He said that they don't own much of the property in that area so they would have to work with the landowners, the federal government, the USFS, and their experts, and on private land where there are opportunities, with the USDA Natural Resource Department and at that point perhaps start with some pilot areas.

Howard Mechanic – He said there needs to be a good study of the costs and results. They can't tell how much water would be produced. He said that there are other projects not mentioned such as purchase of conservation easements. He said that these projects are trying to increase the supply of water, but the other part is the demand of water. He said that if they have ranches develop, he thinks it would use up any water saved from these other things. They need a balanced approach. With regard to the recharge near Paulden, he asked how far that would be from the headwaters; he believed it could hurt if it was too close.

Mr. Munderloh explained that these are things to just start looking at; he doesn't know at this point what the water quality issues would be at this time.

Jack Wilson – He said that he would like to know what procedures were used to select, locate and validate them as Best Management Practices. Mr. Munderloh said that the validation of any of these would come when they have moved forward on them. These are initial phased projects, to allow them to focus on some things that will give them that information. To locate and select them, they were based on his knowledge of the area.

Katy Nelson – She said that it seems like there are concerns coming up about the watershed and it would be good to do an Environmental Impact Statement on this area. With regard to water conservation, she asked how much water they were planning to conserve.

Mr. Munderloh replied that he didn't know yet; they need to conduct the study before they know how much water would be available.

Ms. Nelson said that in the beginning of the presentation Mr. Munderloh said that the purpose was to save the maximum extent possible of water. She

asked what amount they were looking at. Mr. Munderloh said that they need to collect the information before they can do that, but the Upper Verde flows at the same rate as it did when gauging began so the target would probably be to preserve those flows.

Louis Bellisi – He said that he appreciated what John did. He did note that the Forest Service found that when they just did the upland areas, and not the riparian areas, most of the water came down through the riparian areas just made more vegetation. They found that when they worked on the ridge tops they had very little success in increasing any water flow. He's a little nervous about the flood control projects as to how deep the water would be, because they do get five feet of evaporation off of Willow and Watson Lakes in the summer.

Mr. Munderloh said that he knew which study he was referring to and perhaps there needs to be a definition of what upland area and riparian area means in their examinations, and they'll get to that as they move forward and scope the projects out. As far as flood detention structure, it would not have water in it for more than a few weeks. The evaporation would be a small aspect of the total water budget of a flood control reservoir. He said that this allows them to retain it for a short period of time so they can protect the communities and perhaps enhance the recharge.

Chairman Fann said that before she heard comments from the Board, she wanted to see some "can do" attitudes from both sides. She said that they're all on the same side; they all know that they're not in safe yield—they are mandated to get in safe yield. They know they live in a wonderful place that has a water issue, and they need to solve that problem. She said that they have some wonderful people, wonderful organizations, that bring expertise and their job is to work together to solve the problem. What they're doing right now is looking at what they can do to be proactive to conserve water, to preserve the aquifer, preserve the Verde River, to be sure they don't do anything to hurt the riparian areas. Staff has come up with good ideas, and they had the suggestion from the audience to do an Environmental Impact Study.

Myron Robison – Some of you probably know Buzz Walker from Payson and they have been dealing with safe yield for a number of years. He might have some ideas to help as well.

Abraham Duncan – We're mandated to meet safe yield, but what if the projects that they're looking at prevent safe yield. Chairman Fann said that is what they're trying to figure out and work on.

Ken Janecek – He said there's been talk of the population tripling in the next thirty years—they're 13,000 ac. ft. short of safe yield in the AMA today. To

him, trying to figure out ways to balance groundwater pumping seems to be a very difficult concept. He thinks they need to look beyond safe yield at 2025 and start thinking about what the long term alternative water supplies are. He said that Prescott needs to put their oar in the water now for the Colorado River, to work with NAMWUA and the CAP people to figure out how Prescott can get a piece. He said they gave up a piece and it was a good decision to do that at the time, but now is the time to start thinking 30-40 years ahead of time when there's 400,000 people living between Cordes Junction and Paulden, because it's not going to be done with groundwater. They need to at least do a study and figure out other alternatives. He said that everybody says that they could lose 1.5 million ac. ft. in Arizona's allocation of the 2.8 million because they're now the junior right, etc. but if it gets bad enough then Phoenix is going to say maybe it's time to do salinization. It makes sense to him to be on the coattail of Phoenix.

Chairman Fann said that was an excellent suggestion and she said that should be added to the group's goals and objectives to work with state officials and ADWR, looking into those types of things. Mr. Munderloh said that NAMWUA, as a coalition group, has been working on that issue for a number of years.

Jack Wilson – When he asked his former question about Best Management Practices, he asked it because he used to actually do that in his job and there's a procedure for doing that. Best Practices means that you look worldwide, not related to an industry, to use the best idea that you can clone. One of the problems with just one person's ideas is they're limited in their viewpoint. You do a search worldwide. Would suggest that a Best Practices study be done if they want to use Best Practices and if they want any ideas on how to do that, he'd be happy to tell them.

Donald Roth – What percentage of Big Chino new water is dedicated for development and what percentage for safe yield. Chairman Fann said that they have not gotten that far yet and that's why they're trying to get these answers. When the studies are done and they can all get to some consensus and conclusion, then they'll have those answers.

Mr. Roth said the biggest water usage is from outside irrigation every year. They also know that SRP basically owns all of the water once it hits the ground so what they need to do is start rainwater harvesting. Every time a new big box is built, roofs should be made to harvest all of the rainwater and then have ordinances that if they have landscaping, they have to supply the water from harvesting. They could then also go down and implement this on individual houses.

Member Springer said that is a very interesting idea and in the Rio Solado area they have started doing that so they should check with their partnership

down there and get the details because they tell her that they have generated an astonishing amount of water by doing that.

Jerry Brady – He'd like to note on the record the name of Anna Jaralillo Scarborough, telephone 505.842.3254. She's a water resources coordinator for the U.S. Department of Agriculture and in this regard the City of Prescott and Yavapai County had a large number of water resources reserved for their use and the conversion of property from national military reserves to the US Public Lands Registry. There is no one locally that can assist, but she may be able to assist.

Chairman Fann asked for clarification. Mr. Brady continued stating that the City of Prescott has a large amount of water resources that they're not exercising at this time in what's called the south water resource. In 1898 through 1906 the City had authority to operate with Yavapai County something called a metropolitan water district to operate with Salt River Project. They were assigned the south water resource in Yavapai County and the primary jurisdiction over the north water resource went to Maricopa County, in what they now know as SRP. Prescott lost their bonding authority in October 1929.

Mr. Brady suggested that the Coalition communicate with Anna Jaralillo Scarborough to find out how to get a hold of the water resources that they presently own—they're three times as large as anything in the north water resource.

Member Springer said that it sounds like it was surface water. Mr. Brady said under state law, Arizona does not recognize any nexus or physical connection between surface and subsurface water rights. This is not the case under federal law. This right was vested under the federal law. Member Springer asked if it was then part of the adjudication process. Mr. Brady said that was correct; if they did not exercise the right they abandon it. He said that Prescott has received a permanent right under federal law, but it is at the point of abandonment because they don't exercise it as a beneficial use.

Joanne Oellers – She said that she does appreciate the efforts today. She asked if it would make sense to look for examples in North America of models for what's being proposed for the healthy watersheds instead of trying something here before knowing the outcome. Chairman Fann said that she was sure that would be part of that process. Ms. Oellers asked about the studies going along with these plans, how they would fit with the studies being performed by the Partnership. Chairman Fann said the Coalition would certainly communicate their plans so they are not doubling their efforts and wasting taxpayer dollars. Member Springer noted that the Partnership's area of focus is the Middle Verde and the Coalition's is more in the Upper Verde.

Ms. Oellers said that she encouraged the Coalition to develop a habitat conservation plan in conjunction with the US Fish and Wildlife folks to protect the imperiled, endangered and our species of special concern. There are species in places along the Verde that are not listed as endangered but are listed as of special concern because of their rarity in the state now because of the low water low.

Katy Nelson – She knows they're all trying to work together, and she's concerned about how much it is going to be costing the taxpayers. She had heard that it was going to cost an additional \$80 million to put the pipes underneath the creeks and since they are going to be looking at the impacts of taking this water will be, then they could save the \$80 million by doing the EIS and if it is indeed safe, then they wouldn't have to go underneath the creeks.

Jack Wilson – To clarify, the Verde River Basin Partnership has published a hydrology studies report that is available on the website.

Member Greene said that he has some paperwork regarding water rights that he has been reviewing. He has read that there is a right to take that water under federal and state laws, but SRP states that they own all of the water. He said that the papers indicate that there are some water areas within Yavapai County that are untapped. He said that he would fax some of that information to staff.

Member Simmons commended the work Mr. Munderloh has done.

Vice Chairman Flannery said that they have quite a list and he would like to see some priority and costs associated with them, and he'd like to hear from staff on getting started.

Member Springer thanked the Chairman on her comments regarding the "can do" attitude. She thinks it is an excellent list and commended staff. She said that the first item to protect areas for natural recharge areas is an excellent one and it is very cost-effective. She recalled that the Wirt USGS Study actually designated naturally-recharged areas, and they should review those studies. To acquire property for natural recharge areas may not be valuable properties because they would normally be located in washes, etc. and not developable.

Member Springer referred to the Water Conservation Plans and Programs – she would like to see staff prepare a matrix that indicates what each of the communities are doing and see if there are some areas where they could all decide that they are going to do the same thing. Recharge projects in the Big Chino would be very worthwhile and Mr. Munderloh already identified areas to

be reviewed. She said that the Flood Detention program would be good to help with the floods in the Paulden area.

Member Springer said that the only one she sees that would be very costly would be to develop and implement a Healthy Watershed Program. She believes that is a program they could work on, but she'd like to see them work on a program that would create some incentives for property owners, possibly through a pilot program.

Member Simmons asked if the flood detention wouldn't involve the federal government. Mr. Munderloh said that they would have to have an Army Corp of Engineers' permit, but it does happen all the time.

Member Greene said that in those areas identified by Mr. Munderloh that included BLM or state lands, it would be very easy for them as the County, or the Coalition, to lease those lands. They could possibly put in some trails and make it into a recreational area. Mr. Munderloh said that there is no BLM land in that area; there is state, federal and private.

Chairman Fann said that the list can be amended at any time should new ideas come forward.

Chairman Fann asked if staff was looking for a formal motion. Mr. Munderloh said that telling staff to go forward is great, but the next item will address costs involved.

Item 4. Presentation, Discussion and Possible Action – Program Plan Outline
(Staff)

Mr. Holt then reviewed some preliminary numbers for moving forward with the six projects previously discussed. They were looking at a preliminary number of roughly \$300,000 for the first phase of the six projects, giving them an opportunity to do some feasibility studies, some data acquisition and if the projects were appropriate they could do some scoping of what pilot projects could look like with respect to each one of the activities. Also, it is important to talk about the possibility of moving forward with some sort of project administration. They've suggested that if they considered a staff resource to oversee these activities as well as other activities of the Coalition, they'd likely be looking at as much as \$100,000 for salary and other employee-related expenses. A staff position could either be housed in one of the member organizations of the Coalition, it could be someone working independently, or it could be a consultant service.

Mr. Holt said that if they were to consider the six projects, and extending those six projects over as much as a three-year period of time, they'd be looking at a financial requirement of about \$200,000 a year for the feasibility

and acquisition, as well as program administration. If they were to use the Yavapai County Water Advisory funding model, based on population, for the activities of the Coalition, they're estimating that each of the participants would consider funding as follows:

City of Prescott	\$65,000
Town of Prescott Valley	\$55,000
Town of Chino Valley	\$20,000
Town of Dewey-Humboldt	\$ 6,000
Yavapai County*	\$55,000

(*Unincorporated areas just within the AMA and Big Chino Subbasin)

The \$300,000 for the feasibility study and data acquisition does not include the possibility of them acquiring additional funds through partnerships, so they could easily envision the cost of some of those projects being less. As an example, the sixth project on the list, the healthy watershed strategies, a huge partner with them could be the US Forest Service.

Mr. Holt clarified that the \$300,000 would be spread over a three-year period, so it would be \$100,000 per year to support the projects, plus the cost of a resource administrator, for a total of \$200,000 a year.

Member Greene asked if they were exploring the possibility of federal or private grants to do these. Mr. Holt said that the numbers do not include the possibility of acquiring, but they would certainly want to explore that before they committed themselves. Their intent was to provide a scenario that would be a maximum cost, with the expectation that there could be some grant money or partnership money available.

Member Simmons said that he had a little heartburn over another level of bureaucracy. He asked why the four partners couldn't work this out among the staff. Mr. Holt said that up to this point in time the Coalition has been supported with staff from the partners. If they were going to embark on significant data acquisition and feasibility studies, they would need some project management. If it was the desire of the Coalition to have this worked out among the partners, they will attempt to do that, but it could be problematic.

Member Greene suggested that they consider using a consultant on an as-needed basis.

Chairman Fann said that she understands the concern with creating another level of bureaucracy, but she also understands that the staff already puts in a lot of hours. They may look at the possibility of not creating a whole other department, etc., but just hire another person that would be hired for three

years, like with the CYMPO board and their director, that could be directed by staff.

Vice Chairman Flannery said that he knows that NAMWUA has a consultant working for them that is billed at an hourly rate.

Mr. Munderloh said that based on their experience, it is a full time job to see these projects move forward. The person doing this work would be doing a lot of the technical work as well.

Vice Chairman Flannery said that he would be concerned to bring on a staff member, even though they have a laundry list right now, they may not have it forever. Chairman Fann said that they could hire someone just for the project time period.

Chairman Fann said that from a taxpayer viewpoint, each of their municipalities contributes to WAC and NAMWUA and she asked if this is something that would be over and above their contributions to WAC and NAMWUA. She asked if they are doing things that perhaps WAC should have been doing or could have been doing, and the Coalition is taking over those responsibilities, so they want to reevaluate our totality of funding.

Mr. Holt said that the Coalition's current members' contributions to WAC are: Prescott - \$45,000; Prescott Valley - \$30,000; Chino Valley - \$10,000; Dewey-Humboldt - \$2,500; Yavapai County - \$107,000 (that population within the unincorporated areas of the AMA and the Big Chino Basin). They also need to consider that the balance of budget of the WAC is \$278,000. He said that the WAC has a strong budget so if the municipalities were to consider redirecting some of their contribution, or perhaps all of it from WAC to Coalition activities for some period of time to get them moving, it may not be an inappropriate way to get going.

Mr. Rasmussen said that the annual revenue for WAC is \$226,000 (the County's portion is actually \$104,000). The balance comes from the Verde Valley and the Tribes.

Member Simmons said that he understood that the intent today was not to make a final commitment, but rather to go back to their respective Councils to get a feel for their support. Mr. Holt said that was correct; their intent was to present to the Coalition a number of projects that staff believes could be valuable, costs associated with moving forward with those; enough information for them to go back to their bodies to see the level of support, and be able to give staff a firm direction at the next meeting.

Chairman Fann said that the Title II monies for the Verde, she believed were specifically for studies in the Middle and Lower Verde. Member Springer said

that the studies needed are in the Middle and Lower Verde. She said that the Partnership has accepted a grant originally from the Nature Conservancy that would study the whole River area, which would include the Upper Verde River, but she believes that is outside the scope of the Title II legislation.

Chairman Fann said that she read in the paper that McCain had requested from the President around \$600,000 to help get Title II going. She wanted to make sure they coordinate with the Partnership so they aren't duplicating and wasting taxpayers' dollars and if, in fact, Title II is going to have studies going on in that area, she asked if the Coalition should coordinate those studies and have the Partnership coordinate those in the Middle and Lower Verde.

Member Springer said that according to Title II, the verbiage says that according to other studies, that past studies and ongoing studies was material that could be used, but the new studies would be in the Middle Verde.

Mr. Wilson said that his understanding was there were four deliverables: (1) A plan which they have completed; (2) A water budget for the Verde Valley (Middle); the last two (3) and (4) cover the entire watershed so it is encompassing. In terms of coordinating, he would support that and he thinks one vehicle for doing that is getting John Rasmussen involved because he has the technical knowledge to understand these issues.

Mr. Wilson said that they would need to talk to the scientists, but he believes that they will start at the existing reports and build upon that. One thing they'll find in looking at the prior studies is that they lack good data on diversions, where a farmer takes the river and pushes it across his property, and on water storage. Prior studies will be used, but they are looking at augmenting those prior studies to come up with better data to be used by municipal officials.

Chairman Fann said that after everyone comes back, and if they're on board, they should then communicate with the Partnership so they're not duplicating. She asked if they should contact McCain's office to let them know that the Coalition is going to start the studies on the Upper Verde and would like to request some of that \$600,000. Member Springer said that on their list of projects, none of them are contemplated by the Partnership and included in Title II.

Mr. Rasmussen said that he would suggest that he and the partners' staff get together and make a comparison of the Science Plan. There is probably some overlap with the WAC, such as conservation ideas as well as others.

Mr. Munderloh noted a very big paradigm difference between the studies presented and those that the WAC or Partnership is doing. He said that those are very much research oriented studies to support some form of

management plan. The projects presented today are studies to form a basis for an action plan, to put some activity into play. They just need to make sure that what they are going to do is the correct thing.

Chairman Fann said that he would like to see the projects broken out with dollar amounts and as they associate those dollar amounts, as a subset it would be this much, but this much could come from other areas because they're already doing it.

Howard Mechanic – Regarding conservation program of the WAC, he serves on that committee for WAC and it is expected within the next few months some recommendations for conservation for the County. The whole county needs conservation. If the WAC makes recommendations to the Board of Supervisors, and they agree that the County needs a good conservation program all over, they don't want to duplicate their efforts. That is an ongoing effort to make some suggestions for countywide conservation efforts. They might want to see where that goes and whether it needs to be extended into other areas.

Chairman Fann said that once all of the members take this to their respective Councils and come back, then they'll start prioritizing and that is a valid issue that will come up at that point.

Member Springer at this point she believed staff was asking them to go back to their local jurisdictions and ask for this specific amount of money for one year, total of \$200,000. At this point they don't have any real consensus about any further action.

Chairman Fann suggested a motion to authorize the staff members present to go back to respective municipalities and put it on an agenda and outline what it is to get a consensus from their elected bodies to move forward in this direction and the possibility of authorizing an amount not to exceed the amounts indicated.

Member Simmons said that he is a little hesitant to just do the one year. They need to have a consensus from the committee for a three-year commitment.

MEMBER SIMMONS MOVED TO AUTHORIZE STAFF TO GO BACK AND PRESENT THIS TO THE RESPECTIVE BODIES WITH THE IDEA THAT IT BE PRESENTED AS A THREE-YEAR COMMITMENT, NOT TO EXCEED THE AMOUNT OF \$201,000 PER YEAR (DIVIDED AMONG THE PARTNERS AS INDICATED PREVIOUSLY); SECONDED BY VICE CHAIRMAN FLANNERY; PASSED UNANIMOUSLY.

Item 5. Call to Public

Consideration and discussion of general unscheduled comments from the public: Those wishing to address the Coalition need not request permission in advance. Any such remarks shall be addressed to the Coalition as a whole and not to any member thereof. Such remarks shall be limited to three (3) minutes unless additional time is granted by the Chairman.

At the conclusion of the unscheduled comments, individual members of the Coalition may respond to the item addressed at the discretion of the Chairman, or they may ask Staff to review the matter or ask that the matter be placed on a future agenda.

[Committee]

Ashley Fine – She thinks it is very important that they are having this conversation and they are putting an effort into creating such a list in an effort to protect the Verde River. She definitely wants to state that she is not trying to be critical of any of the suggestions and she thinks they all have questions. She would like to offer that if their objective is to protect the Verde River, then they go a step deeper and look at creating a formal mitigation plan and habitat conservation plan. She's been referring to the Fish and Wildlife Manual which states that a formal mitigation plan is measurable and it is enforceable. So as they look at this, Section 2-15, *Responsibility for Implementing the Mitigation Plan*, it states that that the mitigation recommendations have to continue for the duration of the project as well as required for the adverse effects of any abandoned project when that project ceases to occur. They're looking at a long term commitment that is enforceable.

Ms. Fine said that another thing about a mitigation plan is that it is proceeded by studies that will determine the impact of the proposed project and the Partnership is starting to catch on to that a little, looking at the impacts, but in looking specifically at the habitat, they have four categories. The Verde River is a river of high value because there are species of concern and because they are rapidly losing riparian habitat in the southwest. Under that they're given criteria to minimize the losses that would result from a specific project and should there be some losses, they're held accountable for compensating for those losses.

She said there needs to be consultation with the US Fish and Wildlife services and there needs to be that formal Environmental Study and then the mitigation plan developed from that. She then read a few sections from the manual.

Item 6. Next Meeting Time / Location / Agenda Items
(Committee)

No discussion.

**MEMBER GREENE MOVED TO ADJOURN; SECONDED BY MEMBER SIMMONS;
PASSED UNANIMOUSLY.** The meeting was adjourned at 3:50 P.M.

KAREN FANN, Chairman

ATTEST:

ELIZABETH A. BURKE, Clerk