

**UPPER VERDE RIVER WATERSHED PROTECTION COALITION  
PRESCOTT, ARIZONA  
AUGUST 27, 2008**

**MINUTES**

A MEETING OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION WAS HELD ON AUGUST 27, 2008 in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Chairman Fann called the meeting to order at 2:01 p.m.

**ITEM NO 1. Introductions, Awards, or Presentations**

**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  
Councilman Floyd Wright, Town of Dewey-Humboldt

**Staff Present:**

Ed Muccillo, Program Manager  
Rick Shroads, Assistant Program Manager  
Mark Holmes, Town of Chino Valley  
Jim Holt, City of Prescott  
John Rasmussen, Yavapai County

**Guests Present:**

Keith Larson, Water Conservation Consultant  
Councilman Bob Luzius, City of Prescott  
Councilman Bob Bell, City of Prescott  
Shaun Rydell, City of Prescott Water Conservation Coordinator  
Linda Campbell  
Charlie Hildebrant  
Candace McNulty  
Thomas Slaback  
Tammy Linn  
Ken Lain  
Charlie Ester  
Joanne Oellers  
George Seaman  
Sam Frank  
Edessa Coss

**ITEM NO 2. Call to Public**

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

Vice-Chairman Flannery indicated a correction to Page 11, third paragraph changing John Munderloh to John Rasmussen.

**MEMBER WILSON MOVED TO APPROVE THE JUNE 25, 2008 MINUTES;  
SECONDED BY VICE-CHAIRMAN FLANNERY WITH THE CORRECTION; PASSED  
UNANIMOUSLY.**

**ITEM NO 4. Discussion – Program Manager’s Report**

Ed Muccillo said Task 1 is typical Program Management tasks with monthly TAC and Safe Yield Workgroup meetings. He said they have a recharge and some other meetings planned for September. He said he under Task 2 he did a little more website management and updating posting minutes, attachments and memos. Mr. Muccillo said the Water Conservation Programs was basically working to prepare for today’s presentation and discussion through the TAC meeting and other preparation. He said the Hydrologic Monitoring Task is somewhat on hold due to some regional efforts. He said the Recharge Mapping is just about complete and they are ready to move forward on some recharge tasks. He said the packet includes the monthly Financial Report.

**ITEM NO 5. Discussion – TAC Meeting Summaries – August 13, 2008**

Mr. Muccillo said basically every month they are having two meetings on the same day, the regular TAC meeting and the Safe Yield Workgroup meeting. He said the packets include the summaries on Pages 17 – 19. He said there is no need to go into detail about the TAC meeting because that is the content of today’s meeting. Mr. Muccillo said they had two presentations at the Safe Yield Workgroup meeting with the first by Gerry Wildeman from ADWR about the history of the AMA, current AMA statistic and policies. He said the second presentation was given by Daniel Timmons regarding the Prescott AMA water model. Mr. Muccillo said it was a good baseline of information that needed to move forward. He said the next meeting will be a brainstorming session to map out all the future Workgroup meetings.

Member Wilson asked which agency will be issuing the Federal Grant. Mr. Muccillo said the Bureau of Reclamation.

**ITEM NO 6. Discussion – Coalition Budget Update**

Mr. Muccillo said considering today’s discussion it seemed like a good time to do a quick budget review and a thumb nail sketch of a budget projection. He said he tried to paint a picture of now to the end of Fiscal Year July 2009. He said the total funds contributed or to be contributed by all the entities would total \$403,000 between what was contributed last year with carryovers and then what is being contributed right now. He said he took the five existing tasks and where they have been through July and where they are projected to be through next July. He said the two pending tasks include the water conservation grant application pending today’s discussion and going forward with some type of recharge pilot project development. He said approximately \$149,000 would be available between now and July 2009 for tasks, projects, and initiatives as directed by the Board.

Member Springer asked about the \$39,515 under Task 3 on the Water Conservation Program has been spent on. She also asked what amount have already been spent and which ones they are contemplating spending.

Mr. Muccillo said for Tasks 1 – 5 the first line is what has actually been spent through July 2008 and the second line is what is projected through the remainder of the year. He said that includes this month and there has been quite a bit of activity during August for the Water Conservation.

Member Wilson said his general feeling on water conservation is that it is the cheapest way to buy water.

Councilman Bob Bell, City of Prescott, joined the meeting at this time.

Mayor Fann asked if the original bylaws of the Coalition required a certain percentage to carry over to give them working capital to start out the new fiscal year.

Mr. Muccillo said in the Program Manager's Report there was \$89,000 left after the Fiscal Year 2008 including the July costs.

Chairman Fann asked if that carryover was an intended carryover of just money they had not expended.

Mr. Muccillo said when they talked in January of February where they projected what the first tasks would be and program management he mentioned at that time that he thought that would be the whole Fiscal Year 2007 – 2008 budget but that it would not be spent by July 2008. He said it is money they have not spent yet and money they planned to carry over. Mr. Muccillo said the main point is there is roughly \$150,000 that is not committed specifically to anything through July 2009. He said he wanted the Board to be aware of this.

Member Wilson said he prefers when looking at expenditure of funds to do a value analysis, i.e. they look at the pay back for the dollars expended and base their expenditures on the value analysis where they get the highest value for dollars spent. He said he would be interested in the TAC coming back to the Board with a recommendation of the value analysis of the various programs.

Member Springer said the question is premature pending discussion later today.

Mr. Muccillo said he agrees and that the reason he put the agenda in this order is so they would know the budget situation as they listen to the following presentation.

Sam Frank asked why there is no number for hydrologic monitoring through July 2009.

Mr. Muccillo said they are not projecting any more expenditures through the end of the year because there are some regional efforts under way separate from the Coalition.

Chairman Fann added the Prescott AMA communities are looking at potentially building a pipeline to import water under A.R.S §45-555. She said the communities have been working with ADWR and SRP over the last few months to determine the best approach without impacting the Verde River. She said the discussions include monitoring wells that the communities would put in to ensure that there is no damage. Chairman Fann said in an effort not to duplicate things that are being worked on by the communities with the pipeline project hydrologic monitoring has been put on hold. She said there will be monitoring but they are still trying to figure out who is going to do it and how.

Joanne Oellers, Center for Biological Diversity, asked how monitoring can ensure there is no damage to the Verde.

Chairman Fann said that will be discussed in the future but is not part of today's discussion.

**ITEM NO 7. Presentation, Discussion, & Possible Action – Water Conservation Program Recommendations**

Chairman Fann asked the Board if they would prefer the entire presentation first followed by comment or if they would rather ask questions throughout the presentation. The consensus was to save questions for after.

Mr. Muccillo said following numerous meetings of discussion and deliberation and study by Keith Larson, Larson & Associates, they have had a lot of agreement and disagreement and are looking forward to the discussion following this presentation.

Mr. Larson thanked the Chairman and Members of the Board and explained the reason they felt they needed to go into a bit of detail today is because they did not give the Board much detail last time. He said they are going to try to address some of the comments they heard last month. Mr. Larson gave the presentation, Exhibit A attached hereto and made a part hereof.

Member Wright said it was a good presentation and he did not have any questions.

Member Wilson asked if the monitorization of the acre feet savings at \$4800 is based on the \$382,000 or the actual cost input from the Coalition.

Mr. Larson said the cost per acre foot for each of the financial incentive programs is based on the cost that the Coalition would pay as an incentive versus the amount of water saved per home.

Member Wilson said it is not a true cost because they have a 50% grant.

Mr. Larson said that is correct and the figures are based on the total cost of the incentive provided.

Member Wilson said one of the things they did not recommend is ET controllers and there is actually a middle ground, which is a device that detects rainwater and then turns off the drip irrigation.

Mr. Larson said they did look at those and rainwater shutoffs are very effective. He said they did not include that because of the complexity of installation and not everybody is capable of it. He said they can offer various incentives and they tried to hit ones they thought would result in a lot of participation without spreading the administration too thin.

Member Wilson said regarding turf restrictions he is concerned about commercial and industrial and the biggest user is parks. He said if they are going to get into turf restrictions they need to go for the heart of the issue.

Mr. Larson said the responses to the Regional Water Conservation Survey indicated people are in favor of restrictions on commercial and industrial but they did think it was appropriate to have turf in certain applications in ball fields. He said it is something they can discuss further as they get into ordinance development.

Member Wilson said regarding educational literature and making people aware of water restrictions he suggested there be added restaurant cards that say water provided if requested. He said there should be posters on the back of doors on all public restrooms. He said for rainwater harvesting and the exorbitant cost per acre foot for savings he would like them to look at what has been done in Tucson with their ordinance for commercial specifically because there is a large opportunity for savings with big box stores. Member Wilson said there is one other alternative for program administration and that is CYMPO, which is all transit right now but does not have to be.

Chairman Fann said first, she will not be making any votes on this today because this needs to go back to her municipal council for their input. She said Chino Valley does not have any money anyway so if it comes down to money they are broke. Regarding Phase 1, the Program Summary on Page 3, incentives to new construction Chairman Fann suggested considering refunding a portion of the water resource fee for implementation of water conservation measures. She commented that regardless of money or not she

personally feels that less government is better and therefore does not support a new administrative staff person. She said she thinks they have adequate water people such as Mark Holmes, Shaun Rydell and others. She said City of Prescott already has a program and conservation administrator so why would Prescott want to pay into another program.

Member Wilson said the City of Prescott does not want to double dip. He said from the standpoint of regional cooperation they think they can maximize the benefits and strongly favors a regional program. He said he would like to move forward and take this to his Council.

Chairman Fann said she would not recommend asking the City of Prescott to duplicate a program they already have going. She referred to Page 5, Public Outreach Audits, and asked what is an audit and who does the audit.

Keith Larson said an audit is performed by a certified auditor who goes to somebody's home or business to evaluate how people are using water indoors and out, makes recommendations to the owner on how to specifically avoid water waste, such as changing irrigation schedules or identifying and repair leaks. He said this is not a water police person rather this is completely voluntary. Mr. Larson explained that audit programs done by utilities typically identify high water use customers and send them a letter indicating they offer water use audits.

Member Wilson asked if it would be feasible to use volunteers to do the audits.

Mr. Larson said that could be considered but there are some administrative challenges with that.

Chairman Fann said she is a true conservation person and she really wants to see a lot of this get enacted but is questioning the approach of how to get there with out coming across as too heavy government handed. She said she wants to make sure any taxpayer dollars used are used in the wisest and most efficient way possible.

Mr. Muccillo said he really appreciates the feedback and that is what they need.

Member Fann referred to Page 6 and asked if they do not have the \$213,000 maybe they can phase in certain incentives such as low water toilets through ordinances that prohibit the sale and installation of high water flow toilets.

Member Wilson and Mr. Larson clarified that current building codes require 1.6 gallon toilets and what is currently being proposed are 1.3 gallon toilets.

Chairman Fann asked why there are incentives to take turf out while allowing people to put turf in.

Member Wilson said that is the will of the Council currently.

Chairman Fann asked how the savings are quantified.

Mr. Larson said he made a broad assumption on the education program of 10% reduction in outdoor water use among all Coalition area single family homes. He said that would be a very effective program if they could achieve that. He said the projected savings with the incentive programs are well documented in studies that have been done by the industry, which is why he said incentives are hard savings while the others are soft savings.

Chairman Fann asked if they are going strictly by assumptions.

Mr. Larson said not with the incentives because they are well documented so they are confident about projecting those savings. He said regarding the education program they think that is a reasonable assumption based on the data they received from the regional survey. He said the regional survey showed that many people, 20 – 30%, are significantly over irrigating by 50 – 100%. He said if they can get to those people with specific information about how much water they need to be applying, how many minutes and how many days per week as guidelines, then achieving 10% is a reasonable goal.

Chairman Fann asked what is the cost associated with the recommended ordinance for requirement of new multi family units to be individually metered on Page 9. She said multi family units are generally supporting the lowest income and affordable housing. She said if this substantially raises the cost of building which impacts the cost to the residents they need to take that into consideration.

Mr. Larson said they did not look at that but certainly can and bring that back with any recommendations for that ordinance.

Chairman Fann suggested looking at all of their municipalities and that they should step up with their own buildings for rain harvesting because their buildings are the biggest ones in the area. She said she does not want to dump 100% on the homeowners and look at their policies in their own municipality facilities. She suggested that the City of Prescott install rain harvesting on the houses at Antelope Hills to be used for watering the golf course.

Member Wilson said they have already engaged the professional landscapers out at Antelope Hills to remove some turf and install xeriscape at no cost to the City of Prescott.

Chairman Fann said she wanted everyone to be aware that HB 2103 allows for the State to give a \$1000 rebate to anyone who installs a qualified rain harvesting system and she thinks that should be part of the education program. She said that is exactly right, that the higher the charge for water the less water most people will use but they need to remember that only works with water systems and does not work on exempt wells.

Vice-Chairman Flannery asked if the proposed savings on audits included personnel

Mr. Larson said yes, it does include the cost of personnel.

Vice-Chairman Flannery said the number one incentive is the cost of the product and the reverse rate structure has been very successful. He asked what was the baseline used and how did they arrive at it.

Mr. Larson said they did not calculate a savings for water rate structure changes. He said to achieve really significant reductions in water use water rate structure changes should be part of the effort. He explained that the projected savings is based on the amount of water people are using today in their homes and what they can expect in savings from the education program. He said that is about 5% from the overall water use rate today Coalition area wide is what Phase 1 projected to save. Mr. Larson said he looked at all of the water use by all of the water providers, by exempt well owners and by water company customers. He said they totaled up that amount for 2007 and then he took the total savings of 962 acre feet and as a percentage of that total water use figure that is 5%.

Chairman Fann asked if he used the number of gallons per person per day.

Mr. Larson said that varies for each water provider so they did not use that figure. He said they used a broader approach to calculate a 5% savings and this is just a broad figure.

Mr. Muccillo said in his opinion when they ask how they are going to measure, the per gallon per household per day number is the one to look at.

Chairman Fann said the average for each municipality varies so that if they implement this then some may save 5 – 10% while others that have a lot of water incentives in place already then they will see very little savings.

Vice-Chairman Flannery said if they look at the chart they can see that the three local municipalities are quite a bit off in terms of rate structure from those that have significant savings in other areas such as Santa Fe.

Mr. Larson said they have discussed the savings that Santa Fe and Monterey have achieved on the order of 30 - 40% reductions. He said they achieved those kinds of reductions through water rates and significant incentive programs.

Member Springer said she thinks that all of them are in the same financial situation and so additional funding is not the answer for them in short term. She said she personally objects to the incentive type of thinking and she recommends they look to the bottom line, as with any commodity, which is cost. She said for the average family using an average amount of water should be reasonably priced. Member Springer said for anybody who uses more than that, about 10,000 gallons per month, and to begin breaking the rates beyond that. She said it is not uncommon to use 20,000 per month and if they are they should be paying a lot more for the water.

Member Springer said she agrees with Member Wilson that the reason they have this organization is to show the public there is regional cooperation on water issues. She said she thinks it is important to brand the projects they do and they talked last month about using Prescott's Water Smart logo; however she is not willing to pay a dime of taxpayer money for a logo. She said they should come up with their own and suggested Water 1 as their own brand because water is the number one priority to everyone. She said Water 1 could be used in a variety of ways such as indicating their united efforts and to indicate the priority of water to their community. She suggested they copyright it or trademark it and they send back to the TAC coming up with a graphics design for the trademark. Member Springer said she thinks it is important to do because everything they need to do needs to be focused on marketing their projects.

Member Wilson asked what the cost of doing all of that would be and that a trademark search will need to be done, graphics design and other things so there is a cost associated with that.

Member Springer said she does not know and that is what she is asking TAC to do is to research that and she is saying they should use it anyway unless someone else has already registered it.

Member Wilson said there are major corporations that have lost millions of dollars because they started using terms that were copyrighted so they have to be very careful and they need to go through legal when they do trademarks.

Member Springer said she is familiar with that but it does not cost very much to do a search. She said to research that and see if that is available and to come back with a cost on that. She said on the conservation issues since they do not have much money and based on comments she hears from the public she thinks the entities should set the example. Member Springer said they should start first with government and recommends

doing an inventory of all government properties within the watershed and asked the TAC to define what constitutes a government property. She said they should then assess those properties to see what government can do in their own backyard first. She said she thinks this can be done at very little cost.

Mr. Larson said some of those efforts are underway. He said City of Prescott is doing an inventory and has plans to retrofit and Prescott Valley has done an inventory of their turf facilities and have recommendations for their irrigation systems. He said they could do an inventory of what has already been done.

Member Springer said she thinks they need to show the public first what government is doing before they get to the public requirement. She said regarding the water rates issue within the municipal systems there needs to be a much higher rate at the higher tiers. She asked the TAC to talk about exempt wells. Member Springer asked how they address the issue of conservation with exempt wells. She said it is her personal observation they she does not find homeowners abusing their right to use well water. She said just the opposite in that she does not see a lot of extensive landscaping on most of the homes. She said because of the high cost of pumping the water she does not think homeowners are abusing the privilege of having well water.

Mr. Larson said on the issue of exempt wells the incentive programs would also apply to exempt well owners. He said in general exempt well owners pay less per gallon for their water than somebody who pays a city water rate.

Member Springer said she does not have too much of a problem with requirements for new construction. She said most cities have already adopted the new 2006 building codes as has the County, such as the recirculating hot water on most homes.

Member Wilson said they adopted IBC 2006 code but not all of it and specifically not the provision mentioned by Member Springer.

Member Springer said those are things that could be discussed. She said rather than an incentive rebate she would rather abate some fees. She said for new construction and all the fees that have to be paid it seems kind of dumb to then give back the rebates. She said it should be an abatement of the initial fees if they do certain things.

Mr. Muccillo said they are only talking about retrofit.

Mr. Larson they would not be proposing providing an incentive to replace a 1.6 gallon toilet with a 1.3 gallon toilet. He said the older toilets use anywhere from 5 - 6 gallons depending on the age.

Member Springer asked what the time frame for the grant application is.

Mr. Larson said they are due in November so need to get started very soon. He said working on the application and talking with the people at Bureau of Reclamation in Phoenix leads to the urgency to make a decision on whether or not they could go forward with perhaps just the education component and the defer the others for later since the Board has been clear that the money is not there. He said the money is available in the existing program budget to move forward with the education component.

Member Springer said regarding the education component it seems they have more discussion on what is the goal and they need to get their landscaping people involved with the discussion.

Mr. Larson said that is getting into program implementation. He said they can make the decision that they are going to move forward with an education program focused on outdoor water use and then work the details out as they move through implementation.

Member Springer said she agrees with Chairman Fann that they do not need any more bureaucracy.

Mr. Muccillo said he wants to make sure to not get too presumptive about a grant.

Member Springer said that is one of the reasons she is suggesting they get their marketing approach together and get the governments together to start there.

Mr. Muccillo said as Member Wilson mentioned at the League of Arizona Cities and Towns regarding grants the one thing they have going for them is the regionalization. He said in communities across the country let alone Arizona money is tight and grants are getting much more competitive but things like regionalization and creativity are huge in qualifying for grants. He said with the fact that they have six entities working together is an advantage although he still does not want to put the cart before the horse.

Member Jones said it was a very good presentation with a wealth of information that he will take back to their Board of Directors. He said the Tribe is a sovereign nation and they are their own municipality and then through IGA's and MOU's with the City of Prescott they do adhere by their regulations with the water and sewer systems. He said things work out for the good that way.

Member Wilson said he will have to take this back to council. He said if they do not apply for this grant they will not get it so he thinks they should make the assumption they are going to apply for it. He agreed there is some quick decision making required.

Mr. Muccillo said if they do want it they have to have a concise plan.

Mark Holmes said the presentation included recommendations indicating items the TAC members were not recommending and he preferred the statements to be the TAC reached consensus on what was recommended and they had no consensus on what was not recommended. He said he was a proponent for a number of items that were not recommended. He said regarding the analysis of particular types of interior or exterior water saving quantities he understands Mr. Larson's analysis looking at a five year, a per year per item cost in relation to the quantification per acre foot. Mr. Holmes said what was left out is that every subdivision in AMA it is a 100 year water budget requirement per unit. He said if they look at that analysis, which is the common, a rain water harvesting system had \$7,500. Mr. Holmes said if that is a 2,000 gallon system that is filled three times per year for an exterior use for landscaping it will produce an acre foot of water in 54 years or two acre feet in over 100 years. He said in the 100 year supply on that per unit as part of that subdivision calculation for the ADWR to acknowledge that rain water harvesting system that analysis is more conducive to what their current paradigm is with the ADWR.

Mr. Holmes said two acre feet of water costs that unit \$7,500. He said if the legislation intent for HB 2103 was for rural Arizona to have some sort of tax credit for a renewable water conservation system and this region does not implement such an ordinance he feels that is a detriment to their region. He said if they look at the other devices that are interior to the home very similar analysis can be done. Mr. Holmes said for example the hot water recirculating device there is going to be a net return of a significant amount of water over the 100 year period of time and looking at a small initial cost. He said he believes that is the analysis they should be looking at. He said he understands Mr. Larson's analysis because he has to identify looking for the Coalition and what will be gained over the course of five years.

Chairman Fann asked how much a hot water recirculating pump costs. It was indicated they cost about \$450 installed.

Mr. Holmes said at just 10 gallons per day savings results in the creation of an acre foot of water after 89 years. He said to consider that \$450 or even \$1,000 can produce an acre foot of water within the 100 year time frame.

Member Wilson said one of the problems they can get into when they do financial analysis is that they can be done on variety of basis. He said 'are they using the proper technique' is the first question he asks. He said when they start looking at 100 years he wants to know what the water is going to be worth then. Member Wilson said they have to pick some sort of analysis and go forward with it even if it is simplistic and as they go forward it may get more sophisticated. He said he appreciates the comments but with financial analysis they cannot drop a rock and get an answer.

Mr. Holmes said he understands Member Wilson's position, however from the dilemma from Chino Valley's prospective with a limited water supply to enable developers to eliminate that from his certificate of assured water they can go from four homes per acre foot he may be able to get eight homes per acre foot, affecting his bottom line. He said what he thinks is being left out in reference to what Member Wilson is saying is the cost to look for new water resources.

Member Wilson said he started off his comments with the cheapest water is to conserve water.

Mr. Larson said he thinks they could do additional financial analysis on rain water harvesting systems with a 100 year assured water basis. He said there are many ways to look at it and a lot of assumptions to be made about the cost of alternative resources. He said they can do that as part of developing the model ordinance.

Mr. Holmes said the ET harvesting systems are too complex. He compared this to air conditioning units, which are too complex for most people to know how to repair them but they are not too complex for people to use them. He said an ET is a relative inexpensive system if it can save that additional exterior water, which is the single biggest loss in their region of water. He said he thinks they could be implemented and it is one more enhancement that says they have to be certified annually by someone who knows how to look at those systems and educate the homeowners. There was discussion about how much an ET system cost.

Mr. Larson said rain shut offs are relative cheap and that it is the installation that is more costly. He said most homeowners are not capable of installing the rain shut offs properly themselves. He said when they talked about this and the administrative costs that is why they were recommending fewer rebates while saving more water. He said they can include that as he mentioned earlier.

Member Springer said she agrees on the rain water harvesting and that it depends a lot on where people live and how much rain they get annually. She said she thinks harvesting water is a good idea but maybe they are not ready for that one yet. She said she did not hear anything about requiring gutters and channeling that water to a detention pond.

Mr. Muccillo asked if her comments were mostly single family residential and not commercial, parking lots or a big box roof.

Member Springer said she is talking about homes generally and maybe on commercial as well.

Mr. Holmes said when rain harvesting systems are purchased for a residential property and the tanks are full most of those landscape areas are designed to be a passive system. He said they do go hand in hand depending on the terrain and slope and so forth.

Jim Holt thanked Mr. Larson for doing an outstanding job and working effectively with the TAC trying to develop a comprehensive program for water conservation strategy for the region. He said he is a little concerned about the time frame. He said based on the discussion it sounds like the Board is going to send the TAC back to the drawing board to explore some other ideas. He said with respect to the deadline on the grant application they will work as quickly as possible to bring something back to the Board at the next meeting. Mr. Holt said if they have hit the mark and it is something the Board can support then they take that back to their councils and get back to the TAC so they can prepare an application in a timely manner.

Chairman Fann asked if they know for a fact that the grant applications will be matching funds.

Mr. Holt said his understanding is that the Bureau of Reclamation grants are 50/50 cost share. He said the evaluation of the application will certainly benefit with the more specificity that they have. He said supplying an application of a grant of this size in a very general fashion would be a problem for them.

Mr. Muccillo asked if they can get some general guidance from their respective councils and boards as to what is clearly in bounds and what is clearly out of bounds. He said they may restructure some things and come back next month asking for a specific decision and the Board may have to go back for that unless they can do it between now and the next meeting.

Chairman Fann said Chino Valley does not have any money and because this grant is not guaranteed she does not think her council will be comfortable to go with X amount and not know whether they will have to come up with half of that or all of it.

Mr. Muccillo asked if they stay within what the Board agrees is the Coalition budget then would that have to go back to the respective councils.

Chairman Fann said she does believe so and that they have the jurisdiction to spend the money the way they see fit, however if more money is being asked for then yes the respective boards and councils will need to vote on that.

Member Wilson asked if they were talking about Alternative 3.

Mr. Muccillo said yes, if it is something along the lines of education and under the \$90,000.

Member Springer said she has mixed feelings because everybody does have the money issue in mind. She asked regarding the funds available if it takes into account internal operating expenses already having been taken out. Mr. Muccillo said yes.

Member Springer said on the education budget she objects to specifically identifying types of paid advertising. She said she thinks they all mail to one thing or another to all of their residents so there is no reason they cannot distribute information along with those mailings. She said word of mouth can cut some of the costs and that some of them are

highly exaggerated in terms of value for the dollar. She said she would like them to reexamine how they are going to market this in terms of paid advertising. Member Springer said she would still like to come back to spending their money first at home and she is not at all convinced that incentives should be on the table.

Member Wilson said he thinks he has heard from most people that the only one they can bite off is Alternative 3 due to the financial constraints that most of municipalities are going through. He said he wanted to bring up one concern that even with that they have a problem that Member Springer because she does not want to use the Water Smart logo so they have another task on the project planning timeline even if they go with Alternative 3.

Chairman Fann said instead of spending money on mailing costs, Shaun Rydell gave her a really great sponge and it's the best tool ever.

Shaun Rydell, Water Conservation Coordinator with the City of Prescott said Prescott received a grant from the Bureau of Reclamation in 2007. She said writing and processing that grant was every bit of three to four months so it is not something to be taken lightly. She said it is a 40 page document and it does require a well thought out program and a budget. Ms. Rydell said she encourages the Board to critically think through that funding resource. She said they are developing a 44 page regional workbook or guideline to do water education that includes information about watersheds, aquifers, and landscape and irrigation standards.

Ms. Rydell cautioned the Board to not duplicate information. She said from her experience they do need to support and work with the landscape industry; they need to bring the certification programs up into Yavapai County because they are currently only available in Maricopa County; they need to bring smart landscape education programs as well as the irrigation audit training. She recommended supporting the landscape industry creating an economic community of conservationists so that the people who make a living in that industry can go out an charge for the audits as group of auditors and not just one city auditor.

Ms. Rydell said the City of Prescott continues to advocate for rain water harvesting and like many communities they have quick links to rain water harvesting books on the city website as well as water smart boards throughout the community. She said they want the Board to advocate from a regional standpoint rain water as a water resource to get that paradigm shift to move people off of potable water. She said their Water Conservation Committee is looking at capacity, preferably 5,000 gallons or more but they are looking at incentives that may even consider 500 gallons.

Ms. Rydell said regarding turf management they align with that but they know the landscape industry has difficulty setting limits on turf. She said they tend to agree that fewer people are installing turf. She said there is the conflict that in 2006 they adopt incentives that give clients \$.50 a square foot and in 2007 a client moves into the City of Prescott and installs 2,000 square feet and then in 2008 asks her to give them an \$800 credit. Ms. Rydell said she has the same conflict managing that turf program so setting some standards would be vital. She said Mr. Larson has worked hard. She said regional program management is challenging so maybe focusing on just one incentive product would be beneficial.

Ms. Rydell said Amy Vickers is one of the leading water engineers and she has a water conservation book, Water Conservation. She encouraged the Board to own a copy and that Ms. Vickers is nationally recognized to quantify the value of water. She said regarding the Water Smart logo that she asked the Bureau of Reclamation if they would consider supporting the Coalition's buy in to the logo trademark and they said yes they would. She said she would basically transfer some of her grant money that she currently

has and the cost to the whole Coalition including the WAC would be about \$3500. She said that value includes reprinting the cards at about \$600 per card to redesign cards.

Charlie Hildebrandt, Co-Chairman of the Yavapai County Nursery and Landscape Association, said Shaun Rydell has been doing an awesome job and that her partnership with their industry has been unsurpassed in what they have been able to accomplish together. He said when stopped being adversaries and started being partners they gained a lot of ground. He said there were questions about the water auditor program. Mr. Hildebrandt explained this is a direct firsthand encounter with high water users. He said the one that does most of the water audits for Ms. Rydell and what typically happens is that she will target someone using a significant amount of water or they may actually call her with questions. He said she will then offer to them that someone come out and look at the outside use of their water use. He said Ms. Rydell typically provides him with three years of water use history of that property. He said there is no hiding from the facts and that these people they are able to target are the problem. Mr. Hildebrandt said when they look at what a potential 10% savings might be across an entire community with a program such has been suggested certainly many of the homes are already efficient, usually the new ones and they will never find that 10%. He said as indicated in the study some will be in the 20%-50% target savings area and that is who they are finding with the audits.

Mr. Hildebrandt encouraged the Board to embrace the water audit program and does not agree that it can be retired homeowners. He said when they go out to a sight they are approaching as horticulturist, as licensed irrigation installer, somebody who has 20 – 30 years in the field. He said some money is required for these programs. He said right now they are doing them for free and have agreed to do that for one year for the City of Prescott. Mr. Hildebrandt said the audits work and there does need to be some reimbursement, not to profit rather to educate the residents. He said regarding the talk of the turf removal incentive, they expect the turf removal incentive to go away. Mr. Hildebrandt explained why it came about. He said the City of Prescott had the classic front lawn for over the last 30 years always installed at the front of the home. He said the incentive was geared towards going to these homes where lawns not being used and encouraging them to go. He said the reason they argued last year in the City Council to still allow turf to exist is because in certain situations turf is reasonably used.

Mr. Hildebrandt said since the incentive was hatched the water rates have actually been more effective in getting people to remove turf. He said as a Nursery Landscape Association they would not fight to keep that incentive in place. He said regarding the information in the presentation turf restrictions as potentially saving 103 acre feet per year he does not think that takes into account how few lawns are actually going in. He said their intense studies last year suggest 1 in 30 homes were putting in 600 square feet on average, while some were putting in up to excess of 3,000 square feet but they were extremely rare. He asked if the 103 acre feet savings assumes every home is putting in lawn.

Mr. Larson said that assumed that 1 out of 5 homes have an average 1000 square feet.

Mr. Hildebrandt said possibly when they take into account Prescott Valley because of young families but in terms of Prescott, Chino Valley and other areas in the County he said that figure is way off. He said if there is going to be a region wide restriction on daylight sprinklers make sure that is only May 1 – October 1 because they run into freezing issues. He said the last topic is rain water harvesting and their organization definitely supports it. Mr. Hildebrandt said they think that it works and that in time it will become more normal. He said they do not support ordinances that mandate this because some of the tanks sizes required are excessive; 2,000 – 5,000 gallon tanks are very large. He said when they look at active rain water harvesting where a pump is involved there is a very large expenditure to the homeowner. He said commercial is probably reasonable to look at for an ordinance because there is roof space. Mr.

Hildebrandt said the maintenance fees for rain water harvesting are significant expenditures over time. He said passive rain water harvesting is ok but again they do not support ordinances for that rather education. He said in terms of the evaporative transportation timers complication breeds failure. He said they are neat systems, they are for the James Bond type, but when they complicated and expensive. Mr. Hildebrandt said with good education the homeowner can accurately set the existing timers that are not ET based and come darn close to the efficiency and ET system has. He said they expect to see rain sensors in ordinances sooner or later and that is a reasonable item to put in that is not very complicated.

Ken Lain, owner of Watters Garden Center and an active member in the Yavapai County Nursery and Landscape Association, said everyone is out of money and he sees an opportunity to partnership more than ever. He said he sees garden tours and he is sure he could get a manufacturer to donate an ET clock and installed system. He said they can get the backing nationally if they say as a community this is what a landscape should look like, it is beautiful and it uses less water. Mr. Lain said he would be willing to spearhead that as long as they have government agencies to help with that. He said a free makeover where they can promote rain barrels and build education around that. He said the city can promote rain barrels available at various retail outlets at a subsidized rate, which allows the retailer to promote rain harvesting and allows the cities to talk about it as an action point. He said they can take those advertising dollars and use word of mouth instead.

Mr. Lain said he will personally be teaching classes this fall on proper water techniques, xeriscape, low water use plants, landscape design, and they can be taught as a group. He said to avoid thinking government has to do it by itself because the private sector is ready to step up and help with that. He asked what the definition of turf is. The answer was given that turf in this reference is 'high water use grass'. Mr. Lain clarified that it is not 'any plant that uses water' because he has heard that definition used. He said regarding total turf bands that there is a stage of life aspect and that it would be wrong to ban all turf. He said there has to be a balance. Mr. Lain said regarding water rates to watch out for large families who use a lot of water. He said in the rate structures they may be thinking of a retired couple who uses very little water. He said do not price families out of the market so that they can no longer afford to live here. Mr. Lain said it is not all landscape use and that families need to be able to live in the area because he needs to be able to employ them. He suggested Yavapai Friendly or Arizona Friendly or Water Friendly for the logo.

Chairman Fann asked about artificial turf and if it is something landscapers recommend in lieu of natural turf.

Mr. Lain said all of this is coming about quickly as the industry changes at light speed. He said they do not get the positives with cooling down the environment with turf. He said there are a lot of plusses with natural turf. He said with the irrigation clocks there will some fancy stuff happening, including satellites controlling clocks. He said they are getting more sophisticated but they are a pain to program. Mr. Lain said it should get easier over time. He said rain harvesting is changing very quickly. He said he would hate to see ordinances that limit these things when technology is advancing so quickly.

Member Wilson said the only ordinance he is in favor of in Prescott is commercial because he wants to go after the big box.

Mr. Lain suggested unless it is an education rain barrel.

Howard Mechanic. 309 Bloom Place, said it was discussed the Board was going to go back to their councils for approval. He said it has ended up that there is no money available and the only thing they can do is to go with Alternative 3. He said it was

mentioned they do not have to go to councils to get approval for number 3 and asked what the point is of spending time in their councils when they are just talking about spending money out of their existing budget.

Member Wilson said he has an obligation when he attends as a representative to any outside body to inform his council. He said his intention is to have Shaun Rydell bring this back to council for a presentation. He said even though he does not have to ask for authority to spend additional money he wants them to know what the discussion was.

Mr. Mechanic said it does not make sense for somebody to go back with all these Alternatives and suggested the Board reach a consensus on what they want to do.

Vice-Chairman Flannery said **he** would like to start with number 3 but this is important enough that they have to look forward from number 3. He said from his perspective the only reason they are going with number 3 is because of the financial situation. He said because of finances and the deadline of the grant in November he would like to see them go forward with something right now. He said they should go with Alternative 3 and then plan something beyond 3.

Member Wilson said he concurs with Vice-Chairman Flannery on this. He said it is not just the 5%, he likes the 20%. He said as soon as they start educating their councils the better and he is not going to just cut this presentation to 1/10, rather he is going to bring whole thing and maybe augment it.

Mr. Mechanic said he is trying to make sure they come back next month with some kind of progress. He said in reference to Member Springer's suggestion to deal with their own facilities, he said he is the Vice-Chairman for the City of Prescott's Water Conservation and Safe Yield Committee. He said this year is the first year they were able to get \$50,000 budgeted to deal with City facilities. Mr. Mechanic said there has been a lot of talk how they do not have money to things and asked whether they want to talk about retrofitting city facilities at this time. He said that \$50,000 will probably do three moderately sized turf removals. He said if their jurisdictions have money to do that then it should be discussed. He said it will cost money to retrofit existing facilities.

Mr. Mechanic said Alternative 3 is to start for the first year with certain programs, the second year they add other programs and by the third year they have the full program. He said 3 is a complete program by the third year. Mr. Mechanic said the communities here are spending 100's of millions of dollars to obtain new water sources and asked how many millions are being spent for conservation. He said they should have a goal of spending 2-3% of water budgets on water conservation programs because it is money well spent. He said this cannot be done without money and without staff. He said they need somebody to do it and staff cannot do it because they do not have the time.

Mr. Mechanic said the full program that was recommended was \$191,000 of the Board's contribution for a regional program. He said the City of Prescott is spending \$179,000 on water conservation, almost exactly the amount the whole region needs to spend. He said he is not trying to promote Prescott just that there are resources in the community and the program is effective. He said as mentioned by Member Wilson the City of Prescott will not be double dipping if there is going to be a regional education program. Mr. Mechanic said at the last meeting they were discussing that they do not need a specific goal for water conservation instead they just need to start conserving water but that is not good enough. He said they need a goal because they are there for two purposes: to protect the Upper Verde River and to reach safe yield. He said in order to reach both goals a major component must be water conservation. Mr. Mechanic said this needs to be major component, therefore they need to have regional goals and 5% is not too high. He said on top of the 5% is the conservation that will be achieved through water rates.

Member Wilson said they will be getting close to Dishlip's 22% that they need.

Mr. Mechanic said the only way to deal with the large families as mentioned by Mr. Lain is to find out how many people are living in each home for rate structure. He said someone with four people in the home should not be penalized versus somebody who has a home for two people. He said the total ban on turf was not a recommendation; rather the recommendation by consensus of the TAC was a limit of 600 square feet. Mr. Mechanic said people should pay for the audits and the Board or municipalities should not pay for the audits. He said under the program there are 200 audits offered each year. This is a privilege whereby they will get savings because of the audits. He said they should pay the cost because the money they pay for the audit they will get back in savings. He said he would like to see an audit program go forward but the only way is if they have people pay the cost of the audit program.

Member Wilson said when he was inaugurated he restructured and renamed the committee from Mayor's Water Conservation Committee to Mayor's Water Conservation and Safe Yield Committee. He said the reason he mentions that is because of Member Springer's comment about the citizens' comments and government going first and that is why they renamed that committee is to put the emphasis on what they are trying to do.

Tom Slaback said looking at the preferred plan bar he thinks the bar has been set way to low. He said 1% per year is too little over five years is definitely too late. He said this is pretty much of a joke for any type of conservation. He asked where the commercial and municipal elements are. Mr. Slaback said it is obvious that the biggest savings are to be made from outdoor watering. He said they should get that down to zero and they should be looking **at** commercial for water harvesting. He said it does not make sense to him that retro fit was disqualified as being too expensive because that is the place that all the older homes should be brought up to date.

Mr. Muccillo asked the Board where they are at.

Rick Shroads said they all agree on one thing - they need money. He said they need to get a grant application started ASAP. He said when they do a grant application they have to have some direction as to why they should be awarded that money. Mr. Shroads said he is hoping that they can get some direction from the Board so they can actually start talking to these people about a grant application. He asked for clarification that education is an acceptable element of the conservation plan; he has also heard that public facility audits could be included and relatively cheap; possibly a model ordinance because that is free; and they need to do a logo with the plan of phasing in other Alternatives in the future. He asked if that acceptable for taking into a grant process.

Chairman Fann said everything he said up to phasing in 2 & 1 and she would have to check with her council to weigh in on it.

Member Wilson said they have the authority to approve Alternative 3. He said anything beyond that they do not have the power to approve.

Member Springer said Mr. Shroads is right in what he outlined that they got from the discussion today, such as the marketing aspect and the value of marketing a regional cooperation.

Mr. Muccillo confirmed what he is hearing is that they are going to proceed with the grant application with everything Mr. Shroads said except phasing in the other Alternatives.

Member Wilson said the City of Prescott has some resources for grants.

Chairman Fann said she want to make sure they have monies to roll over to keep this thing going next year. She asked the Board if there is an amount they would like to use within a guideline for an initial program.

Member Springer said it will take them a couple of months to do the grant application and suggested starting with \$100,000.

Mr. Muccillo asked if they would like to have a contingency with two options, one program if they get the grant and one program if they do not.

Chairman Fann asked if they were all good with the \$100,000 for option 1 for \$200,000 total with the grant and option 2 for \$100,000 without a grant and that leaves \$50,000 for emergencies and for rolling into the next year.

Mr. Muccillo clarified the budget regarding the amounts not yet spent and if they spend everything he has projected they will still have \$149,000.

**MEMBER SPRINGER MOVED TO DIRECT MR. MUCCILLO TO RETURN WITH TWO SCENARIOS BASED ON A NET EXPENDITURE OF \$100,000 AND/OR A \$200,000 GROSS EXPENDITURE WITH A GRANT; SECONDED BY MEMBER WILSON; PASSED UNANIMOUSLY.**

**ITEM NO 8. Discussion – Next Meeting Time / Location / Agenda Items**

Mr. Muccillo said the next UVRWPC meeting will be Wednesday, September 24, 2008, 2:00 p.m. at Prescott City Hall.

**Meeting adjourned 4:58 p.m.**

---

KAREN FANN, Chairman

ATTEST:

---

LORRI CARLSON, Deputy City Clerk