

UPPER VERDE RIVER WATERSHED PROTECTION COALITION  
PRESCOTT, ARIZONA  
SEPTEMBER 26, 2007

MINUTES

A MEETING OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION WAS HELD ON SEPTEMBER 26, 2007 in the Prescott Municipal Building, 201 S. Cortez Street, Prescott, Arizona.

Chairman Fann called the meeting to order at 2:04 p.m.

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

**Members present:**

Mayor Karen Fann, Town of Chino Valley, Chairman  
Councilman Mike Flannery, Town of Prescott Valley, Vice Chairman  
County Supervisor Carol Springer, Yavapai County  
Jim Lamerson, for Mayor Rowle P. Simmons, City of Prescott  
Ernie Jones, Sr., Prescott-Yavapai Indian Tribe

**Members absent:**

Dewey-Humboldt Representative

**Staff present:**

John Rasmussen, Yavapai County  
Jim Holt, City of Prescott  
John Munderloh, Town of Prescott Valley  
Mark Holmes, Town of Chino Valley  
Chris Moss, Prescott-Yavapai Indian Tribe

**Guests present:**

Prescott City Councilman Bob Bell  
Prescott City Councilman Bob Luzius  
Prescott City Councilman Jim Lamerson  
Tom Atkins  
George Seaman  
Rick Shroads  
Ed Muccillo  
John Zambrano  
Linda Campbell  
Georgene Lockwood

James Lawrence  
John Nystedt  
Steve Kling  
Dan Campbell  
Ed Wolfe  
Thomas Slaback  
Joanne Oellers  
Candace McNulty

**Presentation – Mr. Dan Campbell (Development and Conservation Easements and Purchasing Development Rights)**

Mr. Campbell gave a PowerPoint presentation on conservation easements and purchasing development rights, attached hereto as Exhibit A.

Member Lamerson said that he liked the idea a lot, and asked Mr. Holt to report on the status of easements with regard to the Big Chino project.

Mr. Holt said that the City of Prescott intends to place a conservation easement on the Big Chino Water Ranch, but they have not yet done so. The City acquired that property so that they could sell it back to the Keikefer Foundation. They want to be sure that they will be able to go forward with the project before doing that.

Member Lamerson said that the historically irrigated acres (HIAs) on that range have been committed to safe yield or to the safe yield equation and it was his understanding that it would not impede the City's ability to turn this into conservation easements. Mr. Holt said that he believed that was correct. The intent was to reserve those HIA's, approximately 1100 acres, for either mitigation for off-site pumping or for safe yield.

Vice Chairman Flannery said that if the primary owner signs over an easement they'll get the bulk of the benefit from that. If in the future they sell that property to someone else, that property owner then has to abide by the agreement made, but if they don't abide by that, he asked what would happen. Mr. Campbell said he was correct that it would go with the title of the property and the second property owner would be forewarned. Most of the time the older (property owner) will immediately introduce themselves to the newer owner for them to understand what is entailed. If they continued to not abide by those regulations, legal action would ensue.

Mr. Campbell said that there is a firm paper trail and if it is perceived during the annual monitoring that the second owner has broken any of the prohibitions, the holder is obliged to seek a Cease and Desist order.

Chairman Fann said that a lot of times when they're talking about open space and purchase of open space, there is the question of maintaining the open space and liability. She asked how that relates to conservation easements. Mr. Campbell said that conservation easements take very little management. Every land trust will try to keep an endowment to be able to do their annual monitoring responsibilities, but that is really it. To purchase that as open space, then it becomes an obligation of the City or State, or whoever bought it. The other thing that is interesting is that it doesn't take the land off of the tax rolls.

Mr. Campbell said that Federal income taxes can be reduced because there is a gift involved and state taxes can be reduced because it is encumbering the property in a way that reduces the value of the property, but the local property taxes continue to be paid by the landowner. Chairman Fann asked what would happen if that rancher gave the property to another group, such as the Nature Conservancy. Mr. Campbell said that each county deals with that in a different way. With the Nature Conservancy they have adopted the same procedure that the Federal government does, which is they pay a voluntary tax.

Mr. Campbell invited everyone to a Wildlife Symposium Friday and Saturday night at the Sharlotte Hall Museum and this and other issues will be discussed.

**ITEM NO 2. 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 Chair.*

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

[Committee]

None.

**ITEM NO 3. Approval of Minutes – Aug 22, 2007 Meeting**

[Committee]

**VICE CHAIRMAN FLANNERY MOVED TO APPROVE THE MINUTES OF THE AUGUST 22, 2007 MEETING; SECONDED BY MEMBER SPRINGER; PASSED UNANIMOUSLY.**

**ITEM NO 4. Proposal to amend the Upper Verde River Watershed Protection Coalition Mission Statement to address safe-yield**  
[Committee & Staff]

Mr. Holmes said that the Coalition directed staff to look at proposing that he mission statement in the IGA to include safe yield. He then reviewed the suggested wording as amended and included on the handout provided.

Vice Chairman Flannery said that one of the reasons he made the change was the first proposal had the concept that safe yield is a byproduct of the Groundwater Management Plan and it is limited to the AMA's. Even though this tries to limit it to the Prescott AMA, it goes on further to suggest that it be the Upper Verde River Watershed area and he didn't want them to presume that they were going to apply safe yield in an area where they don't have control.

Member Springer said that he agreed with Vice Chairman Flannery that there could be some confusion and she asked if they could provide the suggested wording in legislative form.

Member Lamerson said that he appreciated the Prescott AMA and their jurisdictional authority within the AMA; however, not all of the Coalition represented is in the AMA and some of it affects the water resources. He hasn't had an opportunity to review all of this. He was asking if they were including those areas outside of the AMA over which they do have some jurisdictional authority. Member Springer said that the only thing they added is the AMA.

Chairman Fann said that she appreciated what Vice Chairman Flannery brought up because they all want to protect the Prescott AMA and reach safe yield, protecting county area in the Big Chino. The obvious thing is they don't want to step on the supervisors' toes because it is their jurisdiction. She asked that when Member Springer goes back to the Board of Supervisors, they will take her lead on how best to word it, dealing with their area, but being behind her 100%. Member Springer said that each of them at the table has an interest, and she doesn't see it as being territorial.

Tom Atkins said that it seems like it would be a good idea to impose safe yield on the Big Chino Aquifer as well as the Prescott AMA equally. The whole goal is to keep the Verde River flowing as it is and the second they start to decrease the level of water the River will disappear.

Mr. Holmes said that the Big Chino Subbasin has not been declared to be out of safe yield by the State. He doesn't know if there is enough information to even ascertain what that number or safe yield quantity is.

Chairman Fann said that she realizes that they have not mandated like they have in the AMA, but without a mandate, she asked if there is a legality issue. Member Springer said that it is her opinion that they simply do not have that authority. All groundwater in the State is governed by the Department of Water Resources. Chairman Fann said that although it is within their "neighborhood" they have a lot of people further down the Verde that have a lot to do with that water.

Vice Chairman Flannery said that there is comfort in the terminology of safe yield and they are skirting the issue of legality, but from where they sit, they share the concern but they do cover it by saying that they will use science-based planned, utilization and conservation of all water resources under the best management practices. Mr. Holmes said that he believes they have addressed the issue in Item No. 1.

Howard Mechanic said that he appreciated the Coalition considering this change in their goal. He thanked Member Springer for suggesting that it be put on the agenda; it is a major step for the organization. It is an easy step, but it is a major step. Developing a plan to reach safe yield is not going to be as easy.

With regard to the previous comments, safe yield will not protect the Upper Verde River. Sustainability goes further than safe yield. Safe yield in the Big Chino means the death of the Verde River. Safe yield means that they are using all of the water coming in naturally and if people use all of the water coming in naturally, that leaves nothing for the River. That is why they need to continue their flow from the Little Chino to the Upper Verde River, in addition to reach safe yield. This is a good first step; they need to continue further to reach safe yield, plus contribute about 3,000 acre feet to the Upper Verde.

Jack Wilson said that one of the comments he heard was that there are "other people playing in the ball park" with regard to who controls the water. He thought the presentation from Dan Campbell was good. He suggested that in the future they consider a presentation on Section 48, Water Districts, as a potential to look at.

Jim Lawrence said he had the opportunity to hear the talk on safe yield at two of the City Council meetings and one of the things mentioned on reaching safe yield is that as the water table continues to drop, that would stop the natural discharge in other areas. Hopefully in achieving safe yield

they will strive to go to the next step to make certain that they don't damage the flow of water from here, part of what is called sustainability.

Chairman Fann said that staff will tweak the wording with a red-line version and each entity will take it to their respective organizations and bring back to the Coalition meeting next month.

**ITEM NO 5. Proposal to Create a Technical Advisory Committee (TAC)**  
[Committee & Staff]

Mr. Munderloh said that this came from Mr. Mechanic's presentation at an earlier meeting for the Coalition to create a working group. He then reviewed staff's proposal, attached hereto as Exhibit B. A lengthy discussion ensued regarding the qualifications of the TAC members.

Chairman Fann noted that she had envisioned the TAC as being one representative from each entity, possibly the staff members, and then there may be several working groups, with each working group working on a specific issue. Mr. Munderloh said that is what staff had envisioned as well. Each working group would work on their respective issue and then bring back options to the Coalition Board for decisions. He said that they anticipate that once the contract is signed with Burgess & Niple, they'll have a planning retreat to get into some of the ideas. He added that the TAC meetings would be open to the public.

Mr. Mechanic said that if it turns out that way, he thinks there would be a lot of support for it.

Mr. Munderloh said that the TAC works for the Coalition and would take direction from the Board.

**MEMBER SPRINGER MOVED TO HAVE THE BOARD CREATE A TECHNICAL ADVISORY COMMITTEE (TAC) ACCORDING TO THE PRESENTATION, AS AMENDED (outlined below); SECONDED BY VICE CHAIRMAN FLANNERY; PASSED UNANIMOUSLY.**

**PROCESS:** Each member of the Coalition will appoint a representative to the TAC based on their respective appointment process, based on meeting one or more of the following qualifications:

- ◆ A staff member or a qualified consultant working for a Coalition agency
- ◆ 10 years or more of water resource-related experience
- ◆ A bachelor's or higher degree in a field of study related to water resources (e.g. hydrology, geology, agriculture, law)

- ◆ **Knowledge of Upper Verde River area water issues**
- ◆ **Knowledge of Federal, State and local water law and policies**

It was noted that a formal motion should have been made for Item No. 4.

**MEMBER SPRINGER MOVED TO AMEND THE MISSION STATEMENT OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION TO INCLUDE SAFE YIELD IN THE PRESCOTT AMA, WITH WORDING TO BE DRAFTED BASED ON PREVIOUS DISCUSSIONS, AND EACH ENTITY TAKING SAID AMENDMENT TO THEIR RESPECTIVE BOARD/COUNCIL FOR ACTION AND BROUGHT BACK TO NEXT MONTH'S COALITION MEETING; SECONDED BY VICE CHAIRMAN FLANNERY; PASSED UNANIMOUSLY.**

**ITEM NO 6. Update Regarding Negotiations with Burgess & Niple**  
[Committee & Staff]

Mr. Holt reported that staff has held several meetings negotiating a final contract and believe that a final contract will be available for action at the Coalition's October meeting.

Chairman Fann asked if the Coalition members will get the proposed contract in time to read it. Mr. Holt said that they will receive it at least two weeks in advance.

**ITEM NO 7. Next Meeting Time / Location / Agenda Items**  
[Committee]

(The next regularly scheduled meeting date is October 24, 2007)

The next meeting was scheduled for October 24, 2007 at 2:00 p.m.

Chairman Fann reviewed items to be included on next month's agenda:

- 1) Appointment of TAC representatives from each entity
- 2) Formal approval of the Mission Statement
- 3) Contract with Burgess & Niple
- 4) District Presentation

Chairman Fann noted that it may be best to wait until the Project Manager is on board and have them a part of the district discussion. Member Springer said that she has some real issues with forming a district. She assumes the purpose of a district would be to manage the groundwater in the Big Chino Basin and she finds it difficult to say that the Coalition should do that as it has no governing body on its own. For the property owners who have land in that area it will be a very sensitive area and people will rightfully object to people coming in from outside the area.

Mr. Wilson said that it was just for an educational session; it doesn't need to be at the next meeting.

Chairman Fann questioned the wording of the IGA with regard to "staff." Mr. Munderloh said that he had the same question, but in that particular case, it is referring to staff hired by Burgess & Niple.

The meeting of the Upper Verde River Watershed Protection Coalition held on September 26, 2007 adjourned at 4:00 p.m.

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KAREN FANN, Chairman

ATTEST:

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ELIZABETH A. BURKE, Clerk