

**TOWN OF PRESCOTT VALLEY/ CITY OF PRESCOTT
SPECIAL JOINT COUNCIL MEETING
MINUTES
December 19, 2012**

The Founders Room
Prescott Public Library
215 E. Goodwin St.
Prescott, AZ 86303

Meeting begins at 1:30 p.m.

1. Call to Order - Mayor Kuykendall (City of Prescott)
- Mayor Skoog (Town of Prescott Valley)
2. Roll Call - Lynn Mulhall, City Clerk
- Diane Russell, Town Clerk

The following Council members were present for roll call.

Town of Prescott Valley

Mayor Skoog
Vice Mayor Tjiema
Council member Anderson
Council member Mallory
Council member Nye
Council member Whiting

Absent: Council member Lasker

City of Prescott

Mayor Kuykendall
Councilman Blair
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

Absent: Councilman Arnold
Councilman Carlow

3. Introduction - Mayor Kuykendall

Mayor Kuykendall introduced former Board of Supervisor Carol Springer.

The Pledge of Allegiance was recited in unison.

4. Presentation and discussion regarding regional water planning and management; operation of and participation in the Yavapai County Water Advisory Committee (WAC) and Upper Verde River Watershed Protection Coalition (UVRWPC).

Introduction

City of Prescott City Manager Craig McConnell stated that in August of this year, the Yavapai County Water Advisory Committee dues notice of \$43,000 and Upper Verde River Watershed Protection Coalition dues notice of \$32,000 came payable. There was no time for each municipality to discuss what amounts would be due. With the expansion of the Board of Supervisors from three supervisors to five supervisors this seems like an opportune time for the councils to discuss these water groups and determine whether or not they should continue with these entities. McConnell turned the meeting over to John Munderloh to provide some background information about these water resource groups.

Mission & History of the Yavapai Water Advisory Committee (WAC)

Water Resources Manager for Prescott Valley John Munderloh, as a past coordinator of the WAC, gave a detailed history of the Water Advisory Committee. In 1999, the WAC was started in an effort to jump start cooperation and tone down the public discourse on water issues between the Verde Valley and Prescott area interests. There was an over-the-mountain battle at the time about the export of groundwater from the Big Chino sub basin to the City of Prescott. With the declaration of the Prescott AMA, Prescott already had the legislative authority to remove water from the Big Chino sub basin. These plans culminated in concerns about impacts to the Verde River. The WAC brought people together to reduce public discourse between the two sides of the mountain. These concerns about pumping continue today.

Ken Bennett coordinated the first few meetings bringing together elected officials, the two tribes and two districts which are now overseen by the Yavapai County Board of Supervisors. A voluntary group got together to oversee the WAC administratively and technically. Later in 1999 a state-wide rural watershed program allocated \$170,000 to study hydrologic conditions in the Verde watershed area. An IGA was created and dues approved by the members. One caveat included the creation of rural watershed groups to direct the money. A coordinator was hired and Yavapai County volunteered to be the fiscal agent and house the coordinator. John Munderloh was the first coordinator named. The early years were very contentious. Instead of continuing to argue over Prescott's right to pump water from the Big Chino they turned their attention to a management plan for the whole Verde watershed and what they could do about the bigger things. A number of scientific studies were completed providing a better understanding of the Verde system. Larry Tarkowski became one of the early WAC co-chairs in the years of 2000-2004.

Strengths & Weaknesses of the WAC Approach for Regional Water Planning

Town of Prescott Valley Town Manager Larry Tarkowski stated that they wanted to bring people together to make the best use of the water for all the communities. However, the group did not agree on one basic issue – pumping from the Big Chino sub basin. However, they did agree to disagree. They devised one mission - to develop the best management practices for the area. When you look at the flows of the Verde River if not properly managed, the result could immediately be felt in the Verde Valley. Water budgets were developed and the WAC began

identifying the challenges going forward. NAU participated to determine where we were going to go in the future. Good discourse began and the WAC was on track setting goals and objectives. Being civil was very important. “We have to get the WAC back on track. We are recommending holding a retreat in January to see if we can get back on track with the intended mission and annual goals.”

Tarkowski turned the meeting over to Leslie Graser - Prescott Water Resources Specialist for Prescott.

Recent experiences of Prescott and Prescott Valley – the Big Chino Project and Northern Arizona Groundwater Flow Model

City of Prescott Water Resource Specialist, Leslie Graser read the following prepared statement. Since the release of the NARGFM the discussions held within the Yavapai County Water Advisory Committee have been challenging at best and forward progress has been somewhat confrontational. This situation seems due to members within a regional group having different expectations, varying levels of water information needs, and other conditions (such as infrastructure, regulatory requirements to name a few). Some of the escalation at the meetings seems unwarranted and has placed USGS in the middle. The bottom line issue is not the challenges that all the communities in the area face in relation to the Big Chino, but that WAC members have deviated from their mission in a manner where some municipalities are making efforts to determine another’s path in water resources investigations and decision-making.

The standing issue: The WAC made a consensus decision in April 2008 to “move forward with the Community General Plan Scenario (baseline) and send it to the USGS, and for TAC to move forward with other possible scenarios as discussed.” The USGS regional model was released in mid-2011. After initial review of the model report, the municipalities voiced concerns about the model. In a letter to the USGS dated November 24, 2010, from Prescott Mayor Pro-Tem Lamerson, he conveyed the City’s, “grave concerns about the current state of this report and the underlying model.” Today, some members of the WAC state that a consensus decision was made and that the scenarios must be run, while other WAC members within the Prescott AMA have requested that the scenarios not be run, that the scenarios require updates, or that they can be run from the Clarkdale stream gauge to the Camp Verde gauge. The latter was a compromise so that the Verde communities could move forward with their investigation needs and allow for the City and Towns to develop better data records and a focused model for the Big Chino sub basin. This compromise did not provide for a consensus decision at the last WAC meeting in October 2012. Both the November and December WAC meetings were cancelled due to their proximity to the holidays.

Information to consider in relation of these recent experiences with the Big Chino Project and the NARGRM:

- The City of Prescott with the Town of Prescott Valley is looking at the long-term water supplies for the communities, in a state defined AMA that was declared out of safe-yield in 1998. The City has reached another juncture where decisions will need to be made. Short term decisions such as a firm decision to not run the WAC scenarios (as is) does relate to a community’s long-term water outlook.

- Recall the Administrative Hearings on the City’s modified Decision and Order that began in February 2009 and concluded in October 2009. A quote from the State’s Chief Hydrologist in those hearings, “The USGS is working on a regional groundwater flow model that will give general information about the effect on the Verde River Springs from pumping at the Big Chino Water Ranch. But Mr. Corkhill’s opinion is that the USGS model will not provide enough detail and a “nested model” with finer resolution, within the USGS model will be required to predict the impact” (Administrative Law Judge Decision No. 08A-AWS001-DWR, pg 43, lines15-19).
- When water is pumped from the ground there are effects (change in groundwater storage, and potential changes to underflow that exit the basin and stream base flow). Further science will help our communities make better decisions for how much water can be utilized within the Big Chino sub basin, how much water to transport from a scientific standpoint (legally we know how much). For future generations we are looking at how to have reliable water supplies and how to have a river that functions based on the natural fluxes it needs.
- Comprehensive Agreement No. 1 (approved by both councils on September 19, 2012 and fully executed on October 5, 2012) provides the next steps to continue efforts for water supplies within the Big Chino sub basin, transportation to the Prescott AMA, and the health of a river treasured by the region.

The undeniable benefit of the Yavapai County WAC has been the ability to pool regional monies for maintaining or to develop regional long-term data records. These records have played a part in the development of NARGFM, and the current regional appraisal that looks at unmet projected demands for water and alternatives to meet those projected needs i.e. Central Yavapai Highlands Water Resource Management Study - CYHWRMS. Maintaining long-term records will also support nested models in both the Big Chino and Middle Verde sub basins (Verde Valley).

Upper Verde Watershed Protection Coalition – an Alternate Forum for Water Issues

John Munderloh stated that both Prescott and Prescott Valley are founding members of two other water groups: the Northern Arizona Municipal Water Users Association (NAMWUA) which was formed in 2002 with municipal water providers in order to address federal and state laws. Three Verde Valley cities and Payson, Flagstaff, Williams, Chino Valley as well as Prescott Valley and Prescott are members.

The two communities are also involved with the GUAC, or Groundwater Users Advisory Council, a group created by legislation with members appointed by the Governor. Its primary role is to advise the Arizona Department of Water Resources about issues within the Prescott AMA.

Prescott and Prescott Valley are also members of the Upper Verde River Watershed Protection Coalition (UVRWPC) created in 2006 to address overdraft in the Prescott AMA and protect the base flows of the Upper Verde River. Its membership includes governmental entities in this area of Yavapai County, Yavapai-Prescott Indian Tribe, Chino Valley, Prescott and Prescott Valley. The Coalition looks at water supplies in the AMA and Big Chino sub basin; implementing plans to reach Safe Yield including a recent plan to develop a rainwater collection project in Chino Valley and recharge the collected water into the ground. The Coalition's activities are more focused on creating additional water supplies and getting water into the ground and less on scientific studies, although the work is necessarily grounded in science.

The Need for WAC Retreat – Elected Official Perspectives

Craig McConnell introduced Prescott Valley Council member Nye and Prescott Councilman Blair.

Prescott Valley Council member Nye is the current chair of the Upper Verde Coalition, and Past Chair of the WAC and current Vice Chair of NAMWUA. As an elected official she said it is her duty to wisely and honestly be a representative of the citizens at any table that she sits at. She has been very concerned at the WAC meetings and with the fact that money is not being used wisely. Things need to be addressed at a retreat, without pulling any punches. There are concerns and there is impasse at the meetings. Nye would like to see the WAC survive and like to see it work toward the goals that they set forth to begin with.

City of Prescott Councilman Blair, a member of the WAC, wants to see long-term sustainable water sources. NAMWA brings in another perspective for those outside the Prescott AMA. WAC is more about things getting done to address our immediate needs. He feels it is premature to run the incomplete USGS model as there are too many unanswered questions. It is also wrong to run the USGS model on this side of the mountain while this area is already working on water conservation that is not happening on the other side of the mountain. He suggested splitting the two groups if they cannot come to an understanding.

Carol Springer said the background has been covered well and they have arrived at a good position. It is a good idea to reevaluate our positions with the increase of the current three supervisor board to the five supervisor board to reach a consensus for the organization. Springer reminded everyone that the WAC is an advisory committee only; it has no power. The suggested retreat is a good idea.

Discussion by Prescott and Prescott Valley Councils

Councilman Scarmado questioned how much water is being put back into the ground? John Munderloh responded that approximately 450,000 acre feet of water each year are available, but only 10,000 acre feet of it (2 percent) recharges the ground water. The rest sustains soil and plants and the rest goes back up into the sky.

Councilman Lamerson stated we need regional cooperation to share the imported water. Both Council members Nye and Blair have advised the councils of what needs to be done and he has the utmost confidence in both of them. He suggested a "plenary session" instead of a retreat.

Public Comment:

Un-identified public speaker - What conservation methods are being done? What will happen if we have a drought? Australia is in a mega drought. They are desalinating water for use, recharging water systems and ground water to be utilized.

Prescott Town Manager Craig McConnell said, with respect of the agenda, the focus of today's meeting is WAC related only. Prescott has a water conservation coordinator suggested the gentleman meet with them.

Discussion by Councils (continued)

Council member Mallory said the WAC issues need to be talked about and worked out - the sooner the better.

Council member Whiting stated it is required of us to decide and answer questions that need to be answered. The members of the WAC need to meet in a forum to work this out.

Councils Action:

Prescott Councilman Blair made the motion, seconded by Councilman Lamerson, that the City, by letter from the Mayor to the Yavapai County Water Advisory Committee, request that the WAC hold a plenary session (not retreat) with its Technical Advisory Committee not later than February 2013 to review its mission, structure, governance, operation, projects, initiatives and funding in light of the past accomplishments and regional effectiveness and the recent increase in the Yavapai County Board of Supervisors to five members, in order to assist participating local governments in assessing continuation under the intergovernmental agreement of September 16, 2000. Motion carried unanimously.

Prescott Valley Council member Nye made the same motion as stated by Councilman Blair, which was seconded by Council member Mallory. Motion carried unanimously.

Carl Tenney, Vice Mayor of Chino Valley, requested that they be allowed to participate in the retreat [plenary session] too.

6. ADJOURNMENT

Mayors Kuykendall and Skoog adjourned the meeting at 2:29 p.m.

ATTEST:

APPROVED:

Diane Russell, Town Clerk

Harvey Skoog, Mayor

STATE OF ARIZONA)

COUNTY OF YAVAPAI)ss:

TOWN OF PRESCOTT VALLEY)

CERTIFICATE OF COUNCIL MINUTES

I, Diane Russell, Town Clerk of the Town of Prescott Valley, Arizona, hereby certify that the foregoing minutes are a true and correct copy of the Minutes of the Special Joint Meeting of the Town of Prescott Valley Town Council and City of Prescott City Council held on Wednesday, December 19, 2012.

I further certify that the meeting was duly called and held and that a quorum was present.

Dated this 26th day of December, 2012

Diane Russell, Town Clerk