

**TOWN OF PRESCOTT VALLEY  
REQUEST FOR COUNCIL ACTION  
Date: November 17, 2016**

**SUBJECT:** Amendment to Grant Agreement between Town of Prescott Valley (on behalf of the Upper Verde River Protection Coalition) and Arizona Department of Forestry and Fire Management.

**SUBMITTING DEPARTMENT:** Management

**PREPARED BY:** John Munderloh, Water Resources Manager

**AGENDA LOCATION:** Comments/Communications , Consent , Work/Study ,  
New Business , Public Hearing , Second Reading

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**ATTACHMENTS:** Grant Amendment No. 2, Grant Amendment No. 1, Grant Agreement ABG 14-904

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**SUMMARY BACKGROUND:** On March 10, 2016, the Town Council, acting as fiscal agent for the Upper Verde River Watershed Protection Coalition (Coalition) approved a grant agreement ABG 14-904 (Agreement) with Arizona State Forestry. On May 26, 2016, the Town Council approved Grant Amendment No. 1 to correct clerical errors to the Agreement. During the Second Regular Session of the Fifty-Second Legislature in 2016, the Legislature passed SB 1530 to rename the Arizona State Forestry Division to the Arizona Department of Forestry and Fire Management (ADFFM).

Approval of Grant Agreement No. 2 proposed by this action would finance a feasibility test using wood products along with coal at the Drake Cement Plant to produce cement. Drake Cement, located 10 miles north of Paulden, consumes coal to heat limestone and other minerals in a rotary kiln as part of its cement production process. Using locally sourced wood products as a supplement to coal (“co-firing”) could provide a local market for the overstocked woody biomass on area watersheds and help offset the cost of watershed restoration efforts by the Coalition and others. Amendment No. 2 to the Agreement would provide additional compensation from ADFFM to support the project activities related to the Drake Cement Co-fire Tests in an additional amount of \$12,464.00. Additional costs incurred by the Coalition will be derived from the Coalition budget.

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**PREVIOUS ACTIONS:** On December 17, 2015, Council approved the application for the Arizona State Forestry Biomass Enterprise Grant for up to \$30,000. On several occasions the Town Council has previously approved the Coalition moving forward on grant applications. The Intergovernmental Agreement with Yavapai County, the City of Prescott, the Town of Chino Valley and the Town of Dewey-Humboldt to create the Upper Verde River Watershed Protection Coalition was approved on June 8, 2006. And, on February 22, 2007, the Council approved membership contributions for the Coalition of \$55,000 per year.

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**OPTION ANALYSIS:** The Council may vote to:

- 1.) approve this proposal, **OR**
- 2.) not approve this proposal, **AND/OR**
- 3.) direct staff to pursue other options.

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**ACTION OPTION:** Motion to approve Grant Amendment No. 2 to the Grant Agreement ABG 14-904.  
**VOTE.**

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**RECOMMENDATION:** Town staff recommends approval of this Grant Amendment.

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**FISCAL ANALYSIS:** No additional impacts

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**REVIEWED BY:**

Management Services Director \_\_\_\_\_

Town Clerk \_\_\_\_\_

Town Attorney \_\_\_\_\_

Town Manager \_\_\_\_\_

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**COUNCIL ACTION:**

Approved    Denied    Tabled/Deferred    Assigned to \_\_\_\_\_