

**MINUTES
SPECIAL SESSION
MAYOR and COMMON COUNCIL
TOWN OF CAMP VERDE
COUNCIL CHAMBERS
WEDNESDAY, APRIL 8, 2009
5:00 P.M.**

**Minutes are a summary of the actions taken. They are not verbatim.
Public input is placed after Council motions to facilitate future research.
Public input, where appropriate, is heard prior to the motion**

1. Call to Order

The meeting was called to order at 5:00 p.m.

2. Roll Call

Mayor Gioia, Vice Mayor Hauser, Councilors Garrison, Smith, Kovacovich and German were present; there is one seat currently vacant.

Also Present: Town Manager Mike Scannell, Mayoral Candidate Bob Burnside, Councilors-Elect Pete Roulette, Robin Whatley and Jackie Baker, Town Clerk Debbie Barber, and Recording Secretary Margaret Harper.

Following the roll call, Mayor Gioia requested recital of the Pledge of Allegiance, which Councilor Kovacovich then led.

3. Discussion, consideration, and possible approval of Ordinance 2009-A364, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending Town Code Sections 2-1-4, Vacancies in Council, and 15-2-5, Assuming Office, and declaring an emergency. (Staff Resource: Debbie Barber)

On a motion by Smith, seconded by Kovacovich, the Council unanimously approved Ordinance 2009-A364, an ordinance of the Mayor and Common Council of the Town of Camp Verde, Yavapai County, Arizona, amending Town Code Sections 2-1-4, Vacancies in Council, and 15-2-5, Assuming Office, and declaring an emergency.

Town Clerk Barber stated that the subject Ordinance had been prepared pursuant to direction from the Council at the last meeting to amend the Town Code to bring it more in line with State law that allows for offices to be filled after an election and the vote has been canvassed; action was then taken to approve the amendment.

There was no public input.

4. Possible administration of the Oath of Office and seating of Council Member-Elect Pete Roulette. (Staff Resource: Debbie Barber)

There was no action taken.

Following adoption of the preceding amendment to the Town Code, the Oath of Office was administered to Pete Roulette by Barber and he then assumed his seat of office, filling the last remaining vacancy on the Council.

5. Discussion, consideration, and possible appointment of a Council member to serve on the Non-Profit Funding Committee. (Staff Resource: Debbie Barber)

There was no action taken.

Barber explained that the subject Committee meets on an as-needed basis to review applications and recommend approvals. Several applications are pending, there is funding left in the budget for this Fiscal Year, and there will be one more meeting for this year to determine how to allocate those remaining funds. Former Councilor Charlie German has agreed to continue to serve on the Committee, but will now be the citizen representative instead of a Council representative; a Council representative is now required, and the last meeting is scheduled for Friday, April 10. After a brief discussion, Councilor Garrison volunteered to serve as the Council representative for that one more meeting, which met with agreement of the Council.

6. Discussion, consideration, and possible authorization for the Mayor to sign a multi-governing body letter to Representative Andy Tobin urging opposition to a statewide suspension, rollback or moratorium on development impact fees as part of the FY 2010 budget or any proposed economic stimulus plan. (Staff Resource: Mayor Gioia)

On a motion by Hauser, seconded by Kovacovich, the Council unanimously voted to authorize the Mayor to sign on to the letter as it is written.

Mayor Gioia said that at the last Regional Quarterly meeting of State and County leaders, it was agreed that the letter should be submitted, and the League of Cities and Towns also requested participation in keeping the legislators informed on how the municipalities are relying on some of the impact fees, and the public had voted to have development pay for itself through the development impact fees.

There was no public input.

7. Presentation and discussion relative to water rights and water rights acquisition for the Town of Camp Verde. Speakers on this item include Payson Mayor Kenny Evans, Camp Verde Water Company Representative Stan Bullard, and representatives from Eureka Ditch and SRP. (Staff Resource: Mayor Gioia)

There was no action taken.

Gioia said that Council had requested that he continue working on some water rights issues and in discussions with SRP regarding understanding and requesting excess water rights from subdividers, and Steve Ayers, other possibilities for water rights came to light. It may be possible to reacquire close to 600 acre feet of historic water rights, and it appears that the wise approach at this time is to work with SRP to plan things out and come to some agreement before the litigation of appropriation reaches the Valley, for the betterment and future of Camp Verde water rights., Gioia explained that the subject speakers have been invited to share their input in order for everyone to better understand the issues involved.

Kenny Evans, Mayor of Payson, reviewed his personal battles over water rights, and his efforts as Mayor in developing "paper" water resources which affect the movement and application of "wet" water for the benefit of a community, as well as the conservation measures adopted by the town and related help from SRP. Payson now has a portfolio of water rights sufficient to provide for future development. Evans described the complex issues and steps taken regarding surface water that is a Federally administered issue, and groundwater that is regulated by the State, resulting in legislation that created the 1980 groundwater code. Evans pointed out that there are still some conflicting and compounding issues that remain. Based on his personal experience and significant legal costs in battling over water rights, Evans said he would counsel the Town to look to the interests of the community and choose to fix a problem instead of choosing a fight involving attorneys.

Stan Bullard, Camp Verde Water Company, commented that water rights will always be contentious. Bullard said he is on a study group from the Bureau of Reclamation to basically identify projected water needs in the year 2050 for Central Yavapai County, the study is being funded through a partnership between Yavapai County Water Advisory Committee, the Arizona Department of Water Resources and the Bureau of Reclamation. Participation of the regional stakeholders is key to the study, which is why all of the water utilities in the area through Prescott over to the Verde Valley had been contacted for the massive effort to determine current and future water needs. The study, which began in 2006 and is halfway completed, centers on the demand and availability of the water in the area; Bullard reviewed the issues that need to be addressed during the study and efforts to protect the water rights for Camp Verde.

Garrison questioned the difference between "surface water" and water farther down; Evans said that depth is no issue, and described in technical terms how a groundwater well influences the surface water; the current fight is basically over definition and how surface water is influenced.

Steve Ayers, Eureka Ditch representative, shared more details on the creation of the Groundwater Management Act that had been referred to by Mayor Evans. Ayers said that the entire water issue is a complete "gray" area, especially the interconnection between ground water and surface water, and he outlined the complexities of the geology. As for the Town perfecting its right to the water beneath the roads that were constructed as part of development activities, Ayers pointed out that it is a marketable commodity and the Town could possibly receive millions of dollars in exchange for transferring water rights to future developers. The Eureka Ditch group has chosen to cooperate with SRP to demarcate the lands which the Ditch waters and to reach an agreement between the maps of the two entities, which should be recognized by the Adjudication Court. Ayers said his advice is for the Town to work with SRP; SRP is cooperative. The final decision will be made by the Adjudication Court, and the water rights established for the Eureka Ditch will essentially be the Town's. **Garrison** posed an example of her understanding of the relationship between surface and ground water; Ayers invited her to visit his office where he will provide her with a simplified drawing of essentially what the argument is in some of the particular cases in the Verde Valley.

John McReynolds, also with the Eureka Ditch, said they are beginning to work with SRP consultants, and have agreed it will be easier to get along with them than to fight them.

Dave Roberts, SRP Manager, Water Rights & Contracts, said that his department, established in 1903, is involved in undertaking activities that quantify and resolve water and water rights, and resolve conflicts. Roberts described how SRP has worked with Indian Tribes to help them establish water rights and the ability to put that water to use. Roberts said it is critical for the Town to resolve wet water and paper water rights; the Town will probably never have a problem with the wet water, the issue is the paper water and the legal right to use that water. SRP wants to help the Town in determining those rights, including 2600 acres of lands within the Town that have historic water rights that SRP recognizes. Roberts said that SRP wants to assist the Town, share the information that SRP has collected over the years, and discuss how the Town can go about moving water rights around and planning for its future water supply. SRP would like to work with the Town to determine a way to move the water rights to a place where the Town can start beneficially using them, which SRP would support; otherwise those rights could be lost due to forfeiture from non-use. Roberts referred to the confidentiality agreement recently entered into between SRP and the Town; he said they feel comfortable in sharing data with the Town to use in confidence for the future, and will put together a proposal for the Town to consider. It will take time to put together, concepts will be outlined, but the immediate need is the lands under the roadways. Roberts suggested ways in which the Town could help resolve the litigation over water rights between SRP and the River Ranch development; SRP would rather negotiate than litigate. Roberts said that he is here to assure the Town that SRP is interested in working with the Town, to help in planning for the Town's future, since the Town will probably be in the water business in the future.

Gioia expressed appreciation for the input from Roberts and the willingness of SRP to negotiate to resolve issues; Gioia commented that after earlier consultation with the Town Attorney it has been decided best not to go into Executive Session, as indicated in the next item, to further discuss the Adjudication matter.

The members also expressed appreciation for Roberts' input, and further discussed with him some of the issues, including reconciling the maps and aerial photos used; the use and return of water to the aquifer; the benefit of an unfined ditch and the influence of ditches on surface water; the value of the water, which varies; and the potential for the river significantly contributing to economic development.

PUBLIC INPUT

(During the presentations, the public was invited to ask and discuss questions with the speakers; the questions and responses are summarized.)

Jackie Baker had a question for Mayor Evans regarding banking of water that can be obtained as well as funding for conservation measures, since the Town does not own a water company. *Mayor Evans described ways to take advantage of funding available from WIFA (Water Infrastructure Finance Authority); as for the entitlements, those can be created, held and used without the Town being the supplier of the water in order to negotiate with SRP for those water rights, and Evans suggested some innovative ways to identify those rights.*

Howard Parrish commented on the river vegetation clean-up conducted by SRP a few years ago, and asked what would it take to have it cleared again. *Roberts said that it would probably not be done again, and explained that the main factor now depends on a balance between the riparian land in the area, the river itself, and the other consumptive uses in the area. SRP is interested in coming up with a sustainable way of managing the river so all needs can be met.*

Bob Burnside asked about Yuma pumping water to keep the level down, and what happens to the water. *Roberts said that the water being pumped by Yuma goes back into the river or into Mexico under an agreement with the U.S.* Burnside then questioned whether it would be advantageous for the Town to purchase meander lands for water rights. *Roberts said he would wager that there is not a lot of water rights under the meander lands, although there may be some that may be some that need to be transferred so they don't get lost. Roberts confirmed that an individual could transfer water rights to another individual.* Burnside asked if SRP could help the Town to force developers to allow the Water Company to bring in water rather than create their own wells. *Roberts said that issue has been on the agenda of SWAG (Statewide Advisor Group) for a number of year and as yet unresolved; it has never been a big concern of SRP. SRP would encourage using a water system for development rather than individual wells, but only because it is more manageable.* Burnside asked about the water pumped from the Big Chino past the overflow and how the SRP inventory is affected. *Roberts explained that the flood flows also are taken into account; the base flow of the Verde River amounts to about 15 to 20 percent and as much as 40 to 50 percent. Roberts confirmed that the conservation effort that needs to be looked at to preserve the Verde is from Point A all the way down.* Burnside then asked if SRP

has a grant to help communities process the water used by a sanitary district to Grade A effluent water. Roberts suggested using funds from WIFA. Roberts also stated that effluent can be used as a water source for exchanging one water source for another, and cited some examples used by SRP, as well as restrictions.

Bob Johnson questioned his understanding that Prescott can use its water how it wishes, and has almost pumped the Little Chino dry. Roberts explained the agreement for moving and recharging cross-cut water; the agreement was created with Chino Valley Irrigation District when the City of Prescott bought those water rights; there is no direct connection between the Big Chino and Little Chino, they both make their way down to the Verde River.

Robin Whatley, Councilor-elect, commented on her reading of the General Plan that consistently refers to protecting the Verde River as being in the top two priorities and concerns for the Town, which indicates that the community is very concerned about water.

There was no further public input.

- 8. Discussion or consultation with the Town Attorney and designated SRP representatives relative to settlement discussions in connection with the Gila River General Stream Adjudication, now pending in the Maricopa County Superior Court.** Council may vote to go into Executive Session pursuant to ARS §38-431.03(A)(3) for discussion or consultation with the attorney for legal advice and §38-431.03(A)(4) for discussion or consultation with the attorney in order to consider Council's position regarding contracts that are the subject of negotiation, in pending or contemplated litigation, or in settlement discussions in order to avoid or resolve litigation. (Staff Resource: Mayor Gioia) **On a motion by Gioia, seconded by Hauser, the Council unanimously voted to table this Item 8.**

9. Adjournment

On a motion by Hauser, seconded by Smith, the meeting was adjourned at 7:09 p.m.



Margaret Harper, Recording Secretary

CERTIFICATION

I hereby certify that the foregoing Minutes are a true and accurate accounting of the actions of the Mayor and Common Council of the Town of Camp Verde during the Special Session of the Town Council of Camp Verde, Arizona, held on the 8th day of April 2009. I further certify that the meeting was duly called and held, and that a quorum was present.

Dated this 8 day of May, 2009.



Debbie Barber, Town Clerk