

PRESCOTT CITY COUNCIL
JOINT MEETING WITH PRESCOTT
VALLEY TOWN COUNCIL
WEDNESDAY, SEPTEMBER 19, 2012
PRESCOTT, ARIZONA

MINUTES OF THE JOINT MEETING OF THE PRESCOTT CITY COUNCIL WITH THE PRESCOTT VALLEY TOWN COUNCIL held on WEDNESDAY, SEPTEMBER 19, 2012, in the Centennial Center, 1989 Clubhouse Dr., Prescott, Arizona.

◆ **CALL TO ORDER**

Mayor Kuykendall called the Joint Meeting to order at 1:31 p.m.

◆ **INTRODUCTIONS**

Mayor Kuykendall recognized John Sullivan, SRP's Chief Resources Executive and Dave Roberts, Senior Director, Water Resource Management.

◆ **PLEDGE OF ALLEGIANCE** by Councilman Arnold

◆ **ROLL CALL** – Prescott City Council

PRESENT

ABSENT

Mayor Kuykendall
Councilman Arnold
Councilman Blair
Councilman Carlow
Councilman Kuknyo
Councilman Lamerson
Councilman Scamardo

None

STAFF: Craig McConnell, City Manager; Gene Neil, Interim City Attorney; Lynn Mulhall, City Clerk.

◆ **ROLL CALL** – Town of Prescott Valley

PRESENT

ABSENT

Mayor Skoog
Vice Mayor Tjiema
Council Member Mallory
Council Member Nye
Council Member Anderson
Council Member Lasker

Council Member Whiting

STAFF: Larry Tarkowski, Town Manager; Ivan Leger, Town Attorney; Diane Russell, Town Clerk.

I. REGULAR AGENDA

A. Adoption of Resolution No. 4146-1306 authorizing the City of Prescott to enter into Comprehensive Agreement No. 1 with the Town of Prescott Valley, Salt River Valley Waste Users' Association, and the Salt River Project Agricultural Improvement and Power District, for monitoring and modeling of surface and ground waters in the Big Chino Sub-basin and Upper Verde River.

Prescott City Manager Craig McConnell presented. He provided a brief history of the project and stated that the vote today will finalize an agreement that will provide a basis for addressing water management within the Big Chino Sub-Basin and potential effects on flows in the Upper Verde River. Specifically, the agreement sets up a program for the enhanced monitoring and modeling of groundwater flows, confirmation of the parties' rights to water arising from within the Prescott Active Management Area (AMA), and a mutual agreement by all parties not to challenge those rights. This agreement will refine the nested model, and address the changes such as population growth.

It is important to note, Mr. McConnell said, that Senate Bill 1445, approved by the Legislature and signed by Governor Brewer in April of 2010, amended Section 45-555 of Arizona Revised Statutes, the Groundwater Transportation Act, clarifying conditions for the importation of groundwater from the Big Chino Sub-Basin, and rights of the City of Prescott under Title 45. In subsection E, a city or town in the Prescott Active Management Area may withdraw and transport 8,068 acre-feet per year of groundwater from the Big Chino Sub-basin.

Mr. McConnell reported that in June of 2010 we entered into a Supplemental IGA clarifying and memorializing the authority, procedures and responsibilities of Prescott and Prescott Valley for administration of the requirements and costs of the Big Chino Water Ranch Project.

In conclusion, Mr. McConnell said the Big Chino Project will not be built until the water is needed and the market will support the production and transport costs. We are in a down economic cycle right now, which gives us time to do the monitoring and modeling today without pressure. We are not taking the route alone, Mr. McConnell said. We are lucky to have the participation from Salt River Project (SRP). This is a valuable partnership.

Mayor Kuykendall gave both Councils an opportunity to speak. Comments included:

- Need to recognize that a great amount of work has been done by both cities
- We should all feel good about working cooperatively
- We have enough water to sustain us and plan for the future
- This is a historical moment
- This is a good agreement for both communities and SRP
- Yavapai Indian Tribe is also a partner
- Pleased that the City of Prescott had the foresight to purchase the water ranch

Mr. McConnell said there will be a modeling committee. This will be a collaborative effort to define the scenarios and see where they lead. All stakeholders will have a voice.

Mr. McConnell pointed out that the minor revisions, which were distributed today, will be reflected in the final agreement to be signed. There has been a substantial amount of work of respective staffs, most importantly Leslie Graser of the City of Prescott and John Munderloh from the Town of Prescott Valley. Mr. McConnell assured Council that he will not be bringing on additional staff to work on this. We will manage and we do not anticipate hiring additional staff or consultants. For the time being the people here today are in fact the people involved in the implementation. It means that the City and Town will need to look at a second supplemental agreement to share costs appropriately. We have a different role moving into this.

Members of the audience recognized for their role in this project:

1. Yavapai County Supervisor Carol Springer
2. State Representative (District 1) Karen Fann
3. Yavapai County Supervisor Chip Davis
4. Former City of Prescott Councilman Bob Roecker

Comments from the public:

Howard Mechanic said he appreciates the fact that Prescott and Prescott Valley worked with SRP. He addressed the safe yield issue as it relates to the project. It is important to clarify to the public, what exactly is going to safe yield. It is important to augment our supplies, Mr. Mechanic said. We should not confuse people by saying we are using the water from the Big Chino. We need sources of importation for safe yield. Regarding

Proposition 401, it is reasonable to say that these are feasibility studies and therefore it would fit into the \$5 million limitation and would not need a vote to authorize the project. The voters have spoken on this issue. If the project goes over the \$5 million it should go to the voters.

Thomas Slaback, Prescott Sierra Club, said they feel the Councils have the cart before the horse. Before you engage in monitoring you need to write a mitigation plan that includes a habitat conservation plan. Then you can tell when, for environmental reasons, you can take action. He reminded the Councilmen that \$5 million is cumulative for all studies. He is concerned that creative bookkeeping is taking place to stay under the \$5 million. The voters should vote on how they are being taxed.

City of Prescott Council vote:

COUNCILMAN LAMERSON MOVED TO ADOPT RESOLUTION 4146-1306; SECONDED BY COUNCILMAN BLAIR; PASSED UNANIMOUSLY.

Prescott Town Council vote:

VICE MAYOR TJIEMA MADE THE MOTION, SECONDED BY COUNCIL MEMBER LASKER, TO AUTHORIZE THE MAYOR TO SIGN RESOLUTION NO. 1811 APPROVING AND ADOPTING THE COMPREHENSIVE AGREEMENT NO. 1 WITH THE STATED CHANGES, BETWEEN THE CITY OF PRESCOTT, TOWN OF PRESCOTT VALLEY, AND SALT RIVER PROJECT REGARDING THE BIG CHINO WATER RANCH PROJECT. MOTION CARRIED WITH 6 AYES AND 0 NAYS.

Mayor Kuykendall thanked the Prescott Town Council for the opportunity to meet with them. All voiced appreciation for the opportunity to sit down and have good dialogue.

II. ADJOURNMENT

There being no further business to be discussed, the Joint Meeting of the Prescott City Council and Prescott Valley Town Council held September 19, 2012, adjourned at 2:28 p.m.

MARLIN D. KUYKENDALL, Mayor

LYNN J. MULHALL, City Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Special Joint Meeting of the City Council of the City of Prescott and the Town Council of the Town of Prescott Valley, Arizona held on the 19th day of September, 2012. I further certify the meeting was duly called and held and that a quorum was present.

Dated this ____ day of _____, 2012.

AFFIX
CITY SEAL

LYNN MULHALL, City Clerk