

**OFFICE OF BOARD OF SUPERVISORS
YAVAPAI COUNTY, ARIZONA**

Prescott, Arizona

February 25, 1998

The Board of Supervisors met in special session on February 25, 1998.

Present: Bill Feldmeier, Chairman; Chip Davis, Vice Chairman (late); Gheral Brownlow, Member; Bev Staddon, Clerk.

Also present: Jim Holst, County Administrator.

The Board met in study session for discussion only regarding legislation related to the Prescott Active Management Area.

The following individuals participated in discussion: Paul Daly, Prescott City Mayor; Tom Reilly and Lucy Mason, Prescott City Councilmembers; Mark Stevens, Prescott City Manager; Kate Nelson, Chino Valley Mayor and Dan Main, Chino Valley Councilman; Ken Rittmer, Prescott Valley Town Manager; Mike Baker, Cottonwood City Councilman; Phil Foster, Arizona Department of Water Resources; and Prescott area residents Leonard Roth, Juanita Hall, Royce Carlson, Grace Schlosser, Jim Antonio, Mike Rubenstein, Mike Dallagee, Jerome Cox, Harold Fink, Christine Cantwell, Steve Morgan, Beth Boyd, Jen Scott, and Mara Berry. Chairman Feldmeier stated that this meeting was not just a Board of Supervisors' meeting but also included representatives from the City of Prescott, Towns of Prescott Valley and Chino Valley, and the Yavapai Prescott Tribe. He said there had also been concerns about how the Verde Valley might be affected by the proposed legislation. He stressed that the meeting on this day was not a public hearing but was a public meeting. Mr. Holst reviewed the events of the previous day, saying that staff had been asked to look at possible alternatives to the water augmentation and replenishment district proposed in the legislation, as well as issues related to delaying the declaration of groundwater mining, and issues surrounding a proposed per-lot replenishment fee for new subdivisions. He said that staff had reviewed new proposals with DWR by telephone on this day and had been told that the proposed changes did not go far enough. He said staff had been told that fees would be a problem, as would a moratorium on lot splits. He said there appeared to be three choices at this point: (1) Move forward with the district legislation; (2) change the legislation to have water mining declared at this time; or (3) scrap legislative efforts and just allow DWR to work on the declaration of mining. Mr. Stevens said that DWR had indicated that the main issue was that development not occur on lots after July 1, 1998, without water replenishment and that the current proposed legislation addresses that issue. He said that the City of Prescott had no problem with water mining being declared at this point. Mr. Daly agreed, saying he did not believe Council would support a bill which would create a water district or hurt the City of Prescott's existing water rights, or impose a fee on current water users. Ms. Nelson said the Town of Chino Valley's preference was that the rules of mining be implemented immediately and that current committed demand be defined for all areas. She said Chino Valley did not support the water district concept. Mr. Holst said the County was concerned about lot splitting in the unincorporated areas if water mining is declared. He said he believed there were also concerns on the County's part about a water district. Chairman Feldmeier said the Board had not developed any policy statement regarding this issue, but that for his part, he was opposed to it because it excludes lot splits. He said lot splits are the County's biggest challenge in trying to manage its future. He said the focus had always been on subdividers and developers, but that lot splitters were developing under cover of darkness. He said if water mining was declared and legitimate developers were prevented from doing business, then lot splitting, along with more exempt wells and septic tanks, would continue. He said much of the groundwater use was coming from exempt wells and that the proposed legislation did not control that. Supervisor Brownlow agreed, saying that if restrictions are placed on subdividing inside of the AMA, then development would occur in areas outside the AMA. Mr. Rittmer said the problem was not just the proposed legislation, but the absence of any legislation to deal with this issue. He said that a declaration of water mining would only push development into the outlying areas where there is no control, and that he wished people would look at the facts instead of operating on emotion. Supervisor Davis said the Verde Valley had a great deal at stake in this matter. He said the Verde Valley was built on the Verde River, and that he found it hard to believe that a proposal that could affect the Verde River could be pushed through without the cities or towns in the Verde Valley being notified. He said there were 5,300 acre feet of water from the Big Chino basin designated for the Verde Valley and that the

people involved with this legislation had not had the decency to invite representatives of the Verde Valley to the table to discuss the bill. He said he did not like it and that there is nothing good about it. Chairman Feldmeier said the reason for asking for a delay is that there are six different entities that have concerns for six different reasons, and time is needed to work things out. He said that simply allowing the state to move forward with declaring water mining would not stop growth, but would allow growth to take place without anyone having the opportunity to comment on it. He said there were two bills involved, one in the Senate and one in the House, and that he did not know why one of those bills could not be amended to reflect what the entities present on this day could agree on, but that without DWR's support the likelihood of an amended bill passing was probably slim to none. Mr. Holst said he believed that of the three options he had outlined earlier, DWR had indicated it would be possible to enact the assured water supply provisions now and allow time for a study group to search for a solution prior to a formal declaration of water mining taking place. Mr. Foster said that DWR's position had been and still is that water supplies to developments after July 1, 1998, be based on real water and not on groundwater that might constitute mining. He said that was what had led to the proposed legislation and that DWR supports the legislation. He said another option DWR could support would be writing the assured water supply rules into the legislation and clarifying that current committed demand would be part of the groundwater allocation. He said if the declaration were postponed for two years under that concept, there would be an entity in place to assure that there is an offset to what is being pumped. Mr. Holst said that staff had looked at having fees in place and having accounts set up through the County Treasurer's Office, but that DWR had been unable to say whether it would support that concept. Supervisor Davis said he wanted to clarify a misconception that the representatives of the entities present on this day would not be capable of working together to reach a solution. He said that everyone could have worked things out and that he was not happy with the process. He said he did not believe in knee jerk reactions, that the Board spends hours reviewing information before it makes a decision, and that people in the Agua Fria basin had not looked into the availability of water in that basin. He said he was also concerned that the bill was introduced on January 28 and within 15 days had made it through both houses of the legislature without an opportunity for local officials to comment on it. Supervisor Davis said that people in the Verde Valley were not going to allow people in the Prescott area to solve their water problems at the expense of Verde Valley residents. He encouraged those present to take action to see that the proposed legislation is killed by contacting Senator Carol Springer, Representative Sue Lynch, and Governor Jane Dee Hull to tell them that they do not want this bill. Mr. Main said the Chino Valley Town Council was not in favor of the bill. Mr. Rittmer said he did not usually take issue with elected officials, but that he would do so now. He said that Senator Springer had worked very hard on this bill and that the bill was an attempt at a solution to address concerns about water. He said that no one present on this day wanted to see water mining or to see the Verde River dried up. Mr. Rittmer said his responsibility to his community was to see that there is water for his community both now and in the future. Mr. Baker said that Senator Springer had also worked hard to keep the public from commenting on the bill, and that with the proposed bill the Verde Valley's 5,300 acre feet would be split among the entities in the Prescott AMA. Comments from the public with regard to this issue included questions regarding whether there would be enough water for existing residents and whether those existing users would be taxed, comments regarding exempt wells and the impact they have on groundwater as opposed to the impact created by water delivery systems, suggestions that a moratorium be declared on further development until water issues are resolved, and concerns that levels in existing exempt wells have been dropping rapidly over the past few years. In response to a question from Ms. Cantwell regarding whether any member of the Board had a financial interest in the proposed Del Webb development, Supervisor Brownlow said unequivocally that no one on the Board had anything to gain from the proposed Del Webb development or any other development. He briefly outlined the boundaries of the AMA, saying that no lot splits are allowed within cities or towns, but that such splits could occur in the unincorporated areas. Ms. Boyd, who said she was a geologist, expressed concern about water usage being greater in subdivisions because densities are higher in subdivisions than they are in cases where lots are split. Chairman Feldmeier said that one of the problems with lot splits is that such activity reduces the amount of open space. Mr. Reilly said there was also the issue of affordability associated with subdivision development, and that not everyone could afford to purchase a two-acre parcel and sink a well. Supervisor Davis said he was wearing two hats on this day, one of which was that of County Supervisor. He said that the Board stands together on this issue that members were not out doing things individually. He said the second hat was his responsibility to people in the Verde Valley, and that his push for the next week would be to kill

the bill. He urged those present to contact their representatives to ask for the same. Chairman Feldmeier said it would be possible to ask Representative Lynch to amend her bill to reflect whatever consensus might be reached by local authorities. He said he had no problem with killing the bill as it currently reads, but that he was not comfortable with simply walking away from the whole thing. He suggested asking Representative Lynch to amend her bill to reflect what has been discussed at the local level and what staff had been working on since the previous day. Mr. Daly said that anything including creation of a district, loss of the City of Prescott's water rights, or assessing existing water users would not be acceptable to the City. Ms. Nelson said the Chino Valley Town Council was on record as not supporting the bill as it is currently written. She said that local authorities had worked very hard to reach consensus and that if this was not going to work, then Chino Valley would support an immediate declaration of water mining. Mr. Rittmer said that the Town of Prescott Valley was caught in the middle because of water mining that has occurred in the Little Chino basin and affects the Town's ability to develop. He said the proposed legislation was designed to be a solution to stop water mining, but that he did not believe the Prescott Valley Town Council would support the district concept. Supervisor Davis said he did not want to have the negative appearance of saying "do anything to kill the bill", but that there is a real problem and it is up to local authorities to provide a solution. He said he was not in favor of modifying the bill, and asked those present to not beat on Representative Lynch because she has been helpful to local authorities. Mr. Baker reiterated his belief that passage of the bill would take water out of the Verde Valley. Ms. Mason said the public was important to the process and that the jurisdictional representatives present on this day had worked hard to include the public.

There being no further business to discuss the meeting was adjourned.

ATTEST:

Clerk _____ Chairman