

**TOWN OF CHINO VALLEY
COUNCIL WATER AND UTILITIES SUBCOMMITTEE
MINUTES**

**TUESDAY, AUGUST 15, 2016
4:00 P.M.**

The Council Water and Utilities Subcommittee of the Town of Chino Valley, Arizona, convened for a public meeting in the Council Conference Room, located at 202 N. State Route 89, Chino Valley, Arizona.

Present: Councilmember (Chair) Lon Turner; Councilmember Corey Mendoza; Councilmember Jack Miller; Vice-Mayor (Alternate) Darryl Croft

Staff Michael Lopez (Staff Liaison) Town Engineer; Town Manager Robert Smith
Present:

1) CALL TO ORDER

Councilmember Turner called the meeting to order at 2:00 p.m.

2) ROLL CALL

(Councilmember Miller arrived and Vice-Mayor Croft left the meeting at 2:13 p.m.)

3) APPROVAL OF MINUTES

- a) Consideration and possible action to accept the October 23, 2012 regular meeting minutes.

MOVED by Vice-Mayor Croft, seconded by Councilmember Mendoza to approve the October 23, 2012 regular meeting minutes.

Vote: 3 - 0 PASSED - Unanimously

4) CALL TO THE PUBLIC

Call to the Public is an opportunity for the public to address the Subcommittee concerning a subject that is not on the agenda. Public comment is encouraged. Individuals are limited to speak for three (3) minutes. The total time for Call to the Public may be up to 15 minutes per meeting. Subcommittee action taken as a result of public comment will be limited to directing staff to study the matter, scheduling the matter for further consideration and decision at a later date, or responding to criticism.

No one from the public spoke.

5) OLD BUSINESS

6) NEW BUSINESS

- a) Discussion with CVID representatives regarding potential future acquisitions of facilities by the Town or future partnerships and cooperative efforts between CVID and the Town pertaining to water resources and facilities.

Councilmember Turner stated that the goal of this meeting was for the two parties to dialogue about the Town's desire to acquire infrastructure from the City of Prescott and for the subcommittee to hear CVID's thoughts.

Mr. Freeman, CVID Water Committee Chair, introduced Mr. Federwisch, a CVID Director, and stated that they were interested in solving issues and creating growth in the future. He stated that CVID, Chino Valley, and Prescott could all benefit from future economic development growth by working together. He presented an overview of the following topics:

History:

- CVID was one of the first irrigation districts in the state. Currently, it was the only method of legal irrigation on non-IGFR (irrigated grandfathered rights) irrigated parcels in the area.
- Prescott originally installed its infrastructure and provided services in the Town in response to Chino Valley citizens wanting no property tax, a rural lifestyle, low cost of living, and no big city offerings.
- Under an IGA between Prescott and CVID, CVID sold their surface water to Prescott and Prescott was to provide CVID with 1,500 acre-feet (AF) of effluent each year.
- CVID originally used surface water for irrigation; they were now taking it from the aquifer as a right through the adjudicated process. CVID had been a good steward, adopting an incentive program to encourage folks to use less water.

CVID infrastructure:

- Prior to 1998, CVID imported water into the Town through canals. Most of these were subsequently converted to pipelines for conservation purposes. CVID had pipelines and wells all over Town that could be used in an emergency.
- Water levels began dropping after 1998 due to the changes with CVID and Prescott, as well as housing increases in Chino Valley.
- CVID had a right to run easements any place within the district for ingress, egress, and water delivery; and had eminent domain rights. It had a duty to provide irrigation to CVID lands and could not allow someone to impede an easement wherein CVID could not fulfill its duty.

CVID issues with the Town:

- Town staff lacked knowledge and experience regarding agricultural history and Arizona water law. CVID had attempted to partner with the Town on various past occasions, but nothing resulted. The parties needed to rebuild trust.
- CVID had opposed the 2014 General Plan because it put agricultural uses on lands that were not irrigable. There was a difference between legal agriculture and other ag-type activities and their relation to particular types of water. Town officials needed to know these things to avoid problems in the future.

- CVID had opposed the 2014 bond measure because the proposed purchase of Prescott's water system in the Town did not address how CVID lands would get municipal water.
- It appeared that the Town had lost its understanding of agriculture, as some pending rulemaking appeared to be an assault on agricultural properties. The state's laws for agriculture were different from those for commercial and industrial. Due to the natural risks associated with agricultural uses, they could not abide by commercial regulations without risking going out of business. CVID members preferred that the Town not overregulate, make appropriate distinctions between true agriculture and other uses, keep rules consistent, provide a community that was safe to invest in, and encourage like it did in the past.
- Mr. Freeman's vision was to promote Road 1 East as an ag tourism designation from Road 4 South to the vineyard; but the Town's restrictions made it hard to compete with Mortimer Farms and the like.

The group then discussed the following topics.

Chino Valley's efforts to acquire Prescott's system:

- Town staff and councilmembers related that the Town did not propose to get between Prescott and CVID as far as water rights were concerned and Prescott would have retained their obligation to service CVID properties. The Town could not afford to buy water rights, only Prescott's pipes.
- Mr. Freeman and Mr. Federwisch stated that CVID would protect its interests, and they had not had any discussions with Prescott yet.

Other items discussed:

- The Safe Yield legislation and 2010 Young's Farm Law, which caused farmers to lose a percentage of unconverted water rights each year.
- The Town's recharge history and portfolio.
- The Town's desire to provide water along the highway.
- Working together on other long-term issues, such as flood control capture to feed recharge and trail systems.

Next steps:

- The group discussed various ways to work together that would be economically beneficial for Prescott, CVID, and the Town, possibly resulting in a conceptual plan to bring to ADWR.
- CVID desired a statement from Council that it was willing to work together, and embrace true agriculture and separate it from other uses. Long term ag could continue to be an economic engine in the Town, if the Town determined that it was important to its future.
- Have another meeting to determine a strategy for going forward.

7) **ADJOURNMENT**

MOVED by Councilmember Corey Mendoza, seconded by Councilmember (Chair) Lon Turner to adjourn the meeting at 4:03 p.m.

Vote: 3 - 0 PASSED - Unanimously

Dated this 22nd day of August, 2016.

By: *Jami C. Lewis, Town Clerk*

Approved: March 2, 2017