



NOTICE OF PUBLIC MEETING & AGENDA

UPPER VERDE RIVER WATERSHED PROTECTION COALITION BOARD MEETING

Wednesday, January 25th - 2:00 p.m.
Prescott City Hall – Council Chambers
201 S. Cortez - Prescott, Arizona

ITEM NO 1. *Call to Public (Chairperson Nye)*

Consideration and discussion of general unscheduled comments from the public: Those wishing to address the Coalition need not request permission in advance. Any such remarks shall be addressed to the Coalition as a whole and not to any member thereof. Such remarks shall be limited to three (3) minutes unless additional time is granted by the Chair. At the conclusion of the unscheduled comments, individual members of the Coalition may respond to the item addressed at the discretion of the Chair, or they may ask Staff to review the matter or ask that the matter be placed on a future agenda.

ITEM NO 2. Discussion & Possible Action – Approval of Board Meeting Minutes – October 26, 2016 attached (Chairman Nye)

ITEM NO 3. Discussion – TAC Meeting Summary – December 7th, 2016 and January 4th, 2017 attached (Munderloh)

ITEM NO 4. Presentation, Discussion & Possible Action - Project Updates
a. State Forester Update (Az Dept. Forestry & Fire Management)
b. Labor Market Analysis Update (Tom Hughes, GSH Educational Group)
c. November 15 Event Recap (Munderloh)
d. Drake Co-fire Test (Munderloh)

ITEM NO 5. Presentation, Discussion & Possible Action – 2016 Accomplishments (Munderloh)

ITEM NO 6. Presentation, Discussion & Possible Action – Membership Dues and Project Priorities for FY 2017/18 – attached (Munderloh)

ITEM NO 7. Discussion and Possible Action – Executive Board Resolution to support Woody Innovations Grant Application from the USDA Forest Service - attached (Munderloh)

ITEM NO 8. Next Meeting Day/Time (April 26, 2017)/ Agenda Items (Munderloh)

ITEM NO 9. Adjourn Meeting

MINUTES OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION BOARD HELD ON October 26, 2016, in PRESCOTT CITY HALL, 201 SOUTH CORTEZ STREET, Prescott, Arizona.

Chairwoman Nye called the meeting to order at 2:00 p.m.

Members Present:

Chairwoman Lora Lee Nye, Town of Prescott Valley
Member Steve Blair Prescott City Council
Member Ernie Jones, Yavapai-Prescott Tribe

Members Absent:

Member Craig Brown, Yavapai County
Member Chris Marley, Chino Valley

Staff present:

Leslie Graser, City of Prescott
John Munderloh, Town of Prescott Valley
Peter Bourgois, Yavapai-Prescott Indian Tribe
Melody Reifsnyder, Grants Administrator
Rhonda Basore, City of Prescott

ITEM NO 10. Call to the Public

Chairwoman Nye called the meeting to order and made the announcement.

ITEM NO 11. Discussion & Possible Action – Approval of Board Meeting Minutes – July 27, 2016

MEMBER BLAIR MOVED TO APPROVE THE UVRWPC BOARD MINUTES OF JULY 27, 2016; SECONDED BY MEMBER JONES; PASSED 3-2 (Jones, Marley absent)

ITEM NO 12. Discussion – TAC Meeting Summary – August 3, September 6 and October 5, 2016

John Munderloh, Town of Prescott Valley, Water Resource Manager, presented for the record the TAC Meeting Summaries for August 3, September 6 and October 5, 2016.

ITEM NO 13. Discussion – Presentation, Discussion & Possible Action – Biomass Feedstock Supply Availability Assessment for Yavapai County

Tad Mason, TSS Consultants gave an overview of the assessment:

- Overview of Assessment
- Feedstock Supply Assessment
 - Biomass Feedstock supply analysis
 - Feedstock competition analysis
 - Feedstock delivered cost analysis
- Types of Wood Waste Considered
 - Forest residuals from management operations (limbs, tops, small diameter stems)
 - Wood waste from hazardous fuels reduction activities (limbs, small stems)
 - Woodland restoration residuals (pinyon-juniper removals)
 - Urban wood waste (pallets, clean construction wood)
 - Residential tree trimmings
- Target Study Area
 - Yavapai County
 - 5,201,920 Acres
 - Includes portions of the Prescott, Coconino and Tonto National Forests
- Vegetation
 - Covers conifer forest, pinyon-juniper woodland, juniper woodland, oak woodland, shrub-covered chaparral, mesquite, desert scrub
 - Native grasslands and grassland steppe
 - Pinyon-Juniper woodlands lie mostly in the northern and eastern portions of the county
- Landownership
 - United States Forest Service (USFS), BLM, Arizona State Trust Lands and Private
 - TSA landownership is dominated by federal and state managed public lands
- Observations
 - Juniper and PJ veg cover represents 960,000 acres in Yavapai County
 - Conifer forest type was just over 111,000 acres
 - Prescott northern forest – Chino Restoration project covers about 43,000 acres and will likely treat 90,000 acres (much of this is PJ veg cover)
 - Kaibab Northern forest – South Zone Restoration project covers about 270,000 acres with small portion in Yavapai County
 - USFS is trending towards larger scale project areas
 - Drake Cement alternative fuels testing project results will be important
 - 4FRI Project wood fiber output may jump start commercial-scale landscape cover and soil amendment markets in Phoenix
- Recommendations
 - Consider collaboration with USFS to inventory PJ woodlands, density and volume per acre
 - Monitor 4FRI project progress and market development
 - Monitor biomass co-firing efforts at SRP's Coronado Generating Station and Drake Cement

- Monitor torrefied fuel trials underway in Oregon
- Monitor commercial scale advanced bio-fuels efforts such as Red Rock Biofuels, Lakeview, OR

Mr. Mason said the complete report could be viewed at <http://tssconsultants.com/wp-content/uploads/2016/09/Upper-Verde-Report-Final-20160913.pdf>. He said Drake Cement alternative fuel project appears to offer the most promising opportunity for developing a biomass fuel market in the TSA. TSS recommends that the UVRWPC monitor this project closely, as it could provide an important catalyst for initiating a local biomass energy.

Mr. Munderloh said the report would also be posted on the Coalition's web site.

Member Blair said the report looked good. He was concerned over how long it took to prepare studies.

Member Jones said good presentation.

Chairwoman Nye gave kudos to the team.

Leslie Hoy, Media Coordinator for Citizens Water Advocacy Group, asked if the 15,187 bone dry tone of Juniper and Pinyon-Juniper Woodlands Treatment was available per year. Mr. Mason said yes and most of the product came from forest service projects (chipped and scattered, dropped and lopped or piled and burned).

Ben Develon (??), Prescott National Forester, said the Pinyon-Juniper was offered up for fuel opportunities or lopped and scattered on site. He said currently there was no market for the wood chippings.

MEMBER BLAIR MOVED TO APPROVE REPORT; SECONDED BY MEMBER JONES (APPROVED 3-2; BROWN AND MARLEY ABSENT)

ITEM NO 14. Presentation, Discussion & Possible Action – Grasslands Savannah Pre-investment Watershed Analysis (GSPWA) and Woodlands Thinning Demonstration Project

Rich Vandemark, Southwest Forestry Inc. presented findings of the Ponsee demonstration project conducted in early 2016:

- Using equipment configured similarly to what was used in the pilot project, PJ woodlands watersheds could be restored within current funding levels and to required environmental standards
- If commercial biomass energy market exists, this work could be done at significantly reduced costs to the landowner (assuming reasonable prices for biomass)
- Restoring Arizona's PJ woodlands (8 million acres) over the next 25 years would
 - Significantly reduce wildfire risk in the treated watersheds

- Dramatically improve native grasslands and habitats
- Improve the quality of watershed run-off and potentially increase total water production
- Result in the creation of 900-1300 full-time direct jobs, create new investment of \$228 million in equipment and biomass treatment facilities and generate annually an estimated \$137 million in revenue to the State and affected counties
- Potential environmental benefits
 - Reduce fire risks
 - Improved distribution of grasslands and native shrubs and plants in grasslands ecosystems
 - Maintenance of historic PJ distribution levels and habitats
 - Decreased surface erosion
 - Improved quality of run-off water and increased water yields
 - GHG emissions reduction s from reduced fire risks and replacement of fossil fuels with PJ biomass

Member Blair asked how long it took a juniper to grow to six feet. He said in order to be sustainable marketers needed to know how often they would be able to harvest trees. Mr. Vandemark said a juniper would grow to six feet within 15-20 years and would be able to produce seeds at that time.

Member Blair asked about effects on the water shed. Mr. Vandemark said the wood cuttings have improved the water yield and excellent ground cover has been established.

Chairwoman Nye said what was happening with the woodlands was amazing and restoring the grasslands was amazing. She hoped other States would be contacting the State Forest Service and asked the State Forester to notify UVRWPC if that happened.

MEMBER BLAIR MOVED TO ACCEPT REPORT; SECONDED BY MEMBER JONES (APPROVED 3-2; BROWN AND MARLEY ABSENT)

ITEM NO 6. Discussion and Possible Action – Coalition and Partner Projects

a. State Forester Update

Jeff Whitney, State Forester, said the work the partnership has achieved was very important and the beginning of an important journey.

Member Blair said it has taken a long time to put together a good team and encouraged moving forward sooner rather than later.

Chairwoman Nye thanked Mr. Whitney and others for their work. Mr. Munderloh thanked others.

b. Labor Market Analysis

Mr. Munderloh said the grant agreement had been approved and GSH Education Group hired to complete the analysis. He anticipated completion would be around the end of November.

c. November 15 Event

Mr. Munderloh announced the Biomass Harvesting and Watershed Restoration Event would be held on November 15 at the Chapel Rock Conference Center. The Arizona Department of Forestry and Fire Management would be the major co-sponsor. He said significant attendance and input would be from ranchers and landowners.

Chairwoman Nye said the event was by invite only.

d. Other

No additional items were reported.

ITEM NO. 7. Discussion and Possible Action – Grant Contract Amendment with AZ Department of Forestry and Fire Management for Drake Co-fire Test

Mr. Munderloh said the Drake Cement alternative fuel project appears to offer the most promising opportunity for developing a biomass fuel market in the TSA. He said Southwest Forestry Inc. had convinced Drake Cement to potentially substitute Juniper chips for Ponderosa chips for one day. He said Drake Cement had agreed if they could receive around 100-tons of chipped material. He said Drake Cement was offsetting some of the costs, but not enough to pay for all of the costs of processing and delivering the material. He said TAC authorized \$10,000 remaining in the Ponce Demonstration project budget to help off- set the costs. He said staff was asking to modify the existing grant agreement (\$3,500) from the Arizona Department of Forestry and Fire Management to accomplish the Drake Co-fire Test.

MEMBER BLAIR MOVED TO APPROVE AMENDING THE GRANT AGREEMENT INCREASING BY \$3,500; SECONDED BY MEMBER JONES (APPROVED 3-2; BROWN AND MARLEY ABSENT)

ITEM NO. 8. Discussion and Possible Action – Executive Board Resolution to support Grant Application to Arizona Water Protection Fund

Mr. Munderloh presented. He said authorizing submittal of a grant application to the Arizona Water Protection Fund would provide funding to accomplish essential tasks associated with implementation of the Coalition Watershed Management and Restoration Plan and the proposed Juniper silt dam erosion control project.

MEMBER BLAIR MOVED TO ADOPT RESOLUTION SUPPORTING SUBMISSION OF A GRANT APPLICATION TO THE ARIZONA WATER PROTECTION FUND FOR FISCAL YEAR 2017; SECONDED BY MEMBER JONES (APPROVED 3-2; BROWN AND MARLEY ABSENT)

ITEM NO. 9. Next Meeting Day/Time (January 25, 2017/Agenda Items)

Mr. Munderloh stated the next meeting was January 25, 2017 at 2:00 pm.

Chairwoman Nye stated all the information was posted on the website.

Member Blair thanked everyone.

ITEM NO. 10. Adjourn Meeting

There being no further business to be discussed, the Upper Verde Watershed Protection Coalition meeting of October 26, 2016, was adjourned at 3:24 P.M.

Chairwoman Lora Lee Nye

**UPPER VERDE RIVER WATERSHED PROTECTION
COALITION
TECHNICAL ADVISORY COMMITTEE (TAC) MEETING**

**December 7th, 2016 – 3:00 PM
YPIT Police Department Conference Room
530 E Merrit St, Prescott AZ**

Meeting Notes

Members Present: Peter Bourgois (YPIT) Amber Tyson (YPIT), Leslie Graser (City of Prescott), John Munderloh (Town of PV)

Others Present: Russ Shumate (ADFFM), Lora Lee Nye (Coalition Board Chairman)

Public Present: Sue Tone, Daily Courier, Tom Slayback (Sierra Club), Peter Kroopnick (CWAG)

ITEM NO. 1 Discussion and Possible Action – Project Updates

i. Drake Cement Co-fire Test

- Juniper chips sourced from private property and produced during the Harvesting demonstration project were produced at Sundog Transfer Station. Two container of raw chips have been shipped to Drake Cement, they meet minimum specifications (size of chip, moisture content) and the test is expected to occur next week (week of December 12th).
- Bio coal material has been produced by Engenuity Inc and is ready for shipment to Drake for co-fire test. It should arrive at Drake Cement next week.
- Grant agreement between the Coalition (through Town of Prescott Valley) and ADFFM to share costs of the co-fire test has been completed.

ii. Rainwater Harvesting for Well Owners

- Possible collaboration on a pilot-scale test of this concept is being explored with Yavapai County.

iii. State Highway Rainwater Harvesting

- Due to news article in Daily Courier on the rainwater harvesting for well owners concept, Coalition TAC has been contacted by ADOT regarding a possible collaboration on a project using harvested rainwater from Arizona highways within the Prescott AMA to augment water supplies. Concepts are being developed with a special emphasis on water quality concerns. TAC pointed out that some testing is being conducted by Prescott Creeks at the detention basin by Taco Bell and/or the Rowle Simmons Adult Center and it may be worthwhile to check on that project for ideas.

ITEM NO. 2 Discussion and Possible Action – All Hands, All Lands Event Next Steps

- i. Reviewed outcomes of the event and event deliverables, comment made to include streamline and/or reform of the State Historic Preservation Act requirements. In effect, the same requirements for archaeological survey are in effect for any proposed activity even if that activity will have no more impact than natural acts (e.g. controlled burns)
- ii. TAC will review the event deliverables in context of available budget and prioritize the activities and budget proposals during next month's meeting.

ITEM NO. 3 Discussion and Possible Action – Projects, Activities and Budget Projection

- i. Budget projection for next 18 months was reviewed. Many activities and projects are currently on the list for the Coalition to accomplish, but the budget and staff resources available to the Coalition will not allow for all items to be resolved. A discussion about proposed projects, priorities and resources will be held at next month's TAC meeting.

ITEM NO. 4 Communication from Members

- i. Draft Newsletter is expected to be available week of December 12.
- ii. TAC should prepare an annual progress report for the Board meeting in January

ITEM NO. 5 Next Meeting Time / Location / Agenda Items (next regular meeting is scheduled for January 4, 2017)

Note: Comments from the public will be heard after each agenda item. Any such remarks shall be addressed to the TAC as a whole and not to any individual. Such remarks shall be limited to three (3) minutes unless additional time is granted by the Chair.

NOTICE OF PUBLIC MEETING AGENDA

UPPER VERDE RIVER WATERSHED PROTECTION COALITION TECHNICAL ADVISORY COMMITTEE (TAC) MEETING

January 4th, 2017 – 3:00 PM
YPIT Police Department Conference Room
530 E Merrit St, Prescott AZ

Meeting Notes

Members Present: Peter Bourgois (YPIT) Amber Tyson (YPIT), Leslie Graser (City of Prescott), John Munderloh (Town of PV)

Others Present: Lora Lee Nye (Coalition Board Chairman)

Public Present: Phil Goode (citizen), Bill Black (CWAG)

ITEM NO. 6 Discussion and Possible Action – Project Updates

i. Drake Cement Co-fire Test

Juniper chips from March, 2016 harvesting demonstration and bio-coal from Missouri was delivered to Drake Cement in early December. It was reported that both materials fed well and burned in the plant along with coal. Production of clinker was not interrupted. The results of the test regarding chemical impact to clinker, air quality impacts, etc are forthcoming.

ii. Rainwater Harvesting Projects

Two rainwater harvest pilot projects are in development. Yavapai County and the Prescott AMA Groundwater Users Advisory Committee have an interest in and possible financial commitment to developing a rainwater harvesting and aquifer recharge for well owners' pilot project. TAC will meet with County staff to develop more. Another possibility, harvesting rainwater from State Highways is in conceptual development.

iii. Outreach & Communications

Newsletter is late due to personal health issues

ITEM NO. 7 Discussion and Possible Action – Project Priorities and Budget Projection

TAC reviewed the Watershed Restoration and Management Plan (Plan) and proposed projects and priorities and budget for FY 2017/18. TAC concluded that the Coalition remains on-target with the Plan's four main elements (1: Vegetation Restoration, 2: Infiltration Enhancement, 3: Capitalize on urbanization and 4: Land use management and water conservation) and that the momentum gained in the last year on brush clearing through biomass harvesting and biomass industry development needs to continue – with the caveat that we need to remain focused on the water resource benefits of that effort. At some point, the Coalition will need to take a lesser role in biomass industry development issue and re-energize the efforts on watershed benefits. In the meantime, work continues on infiltration enhancement through the Juniper Silt Dams project, as does work on conservation

through outreach and education under the Water Smart program and work on the rainwater harvesting elements.

The TAC recommends that the Coalition Board make no increase to the dues payments from last year and that the Coalition focus for FY 17/18 remains similar to last year (e.g. vegetation management and biomass industry development, infiltration enhancement, water conservation outreach, and rainwater harvesting).

ITEM NO. 8 Discussion and Possible Action – 2016 Accomplishments

A handout of PowerPoint slides summarizing 2016 accomplishments was reviewed by the TAC. The suggested revisions will be made and the slides will be reviewed by individual members. The presentation will be made to the Board on January 25th.

ITEM NO. 9 Discussion and Possible Action – Board Agenda Items

Board agenda items include:

- Project Updates
- Review/Recap All Hands, All Lands event
- Resolution for Woody Innovations Grant Application
- 2016 Accomplishments
- Membership Dues and Project Priorities for 2017/2018

ITEM NO. 10 Communication from Members

No additional items were discussed

ITEM NO. 11 Next Meeting Time / Location / Agenda Items (next regular meeting is scheduled for February 1, 2017)

Note: Comments from the public will be heard after each agenda item. Any such remarks shall be addressed to the TAC as a whole and not to any individual. Such remarks shall be limited to three (3) minutes unless additional time is granted by the Chair.

UVRWPC Budget Projection	
for FY 17/18 (July 1, 2017 through June 30, 2018)	
Projected Account Balance	
Projected Account Balance from end FY 16/17	\$5,000
Projected Income	
City of Prescott Dues	\$52,000
Town of Prescott Valley Dues	\$52,000
Yavapai Prescott Indian Tribe Dues	\$500
Yavapai County Grant Match for USDA - RCPP Grant	\$40,000
Total Projected Income FY 17/18	\$144,500
Projected Expenses (through FY 17/18)	
Biomass and Watershed Restoration Projects - Grant Match	\$ 40,000
Other Direct Grant Expenditures (e.g. Grant Match)	\$ 2,500
Public Outreach/Communications	\$ 3,000
Grants Pursuits/Grant Management/Project Management	\$ 88,000
Conservation programs	\$ 5,000
Rainwater Harvest and Recharge Pilot Program	\$ 5,000
Miscellaneous expenses - meetings, printing etc.	\$ 2,500
Total Expenses	\$146,000
Remaining Balance	\$3,500

Upper Verde River Watershed Protection Coalition
a formal partnership between Yavapai County, City of Prescott,
Towns of Prescott Valley and Chino Valley and Yavapai-Prescott Indian Tribe

Executive Board Resolution Supporting Submission of an Application
to the U.S. Forest Service, Wood Innovations Grant Program

A resolution of the **EXECUTIVE BOARD OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION** "Coalition" authorizing submittal of a grant application to the U.S. Forest Service requesting funding to accomplish goals related to forest and watershed restoration and development of markets for utilization of by-products from forest thinning activities.

WHEREAS, **THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION**, hereinafter known as "The Coalition," is desirous of partnering with the U. S. Forest Service

WHEREAS, The Coalition is desirous of seeking outside funding sources to support its goals and planned activities;

WHEREAS, The Coalition has the professional expertise and financial ability to successfully implement the grant, including adherence to deadlines and reporting requirements;

WHEREAS, The Coalition understands its financial responsibility and has the resources, to implement the project.

NOW, THEREFORE, BE IT RESOLVED THAT the **EXECUTIVE BOARD OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION** approves application to through the U.S. Forest Service Wood Innovations Grant Program and authorizes Project Director John Munderloh, Chair of the Coalition Technical Advisory Committee, to take all necessary steps to complete and submit said application.

Passed and adopted by the **EXECUTIVE BOARD OF THE UPPER VERDE RIVER WATERSHED PROTECTION COALITION** this 25TH day January 2017.

By:

Lora Lee Nye

Executive Board Chair

Upper Verde River Watershed Protection Coalition