

Agenda

Coconino Plateau Water Advisory Council

Friday, April 27, 2012

10:00 a.m. – 12:00 p.m.

USGS Building #3

2255 N Gemini Drive, Flagstaff, Arizona 86001

Flagstaff, Arizona

1. **Welcome and Introductions** Brenda Smith, CPWAC Co-Chair
2. **Approval of Minutes** - Meeting of March 30, 2012
3. **Action Items**
 - A. Election of CPWAC Co-Chair
 - B. Consideration of CPWAC application to become a non-profit tax exempt corporation
4. **Non-Action Items**
 - A. Update on Little Colorado River Basin Settlement Agreement – Stanley Pollack, Navajo Nation water rights attorney
 - B. Presentation on Conserve to Enhance Program – Candice Rupprecht, Water Resources Research Center
5. **Committee Reports**

A. Technical Advisory Committee	Leslie Meyers, Chair
B. Public Outreach Committee	Amanda Acheson, Chair
C. Government Affairs Committee	Joanne Keene, Chair
5. **CPWAC Member Roundtable**
6. **Adjourn**

MINUTES

Coconino Plateau Water Advisory Council

Friday, March 30, 2012

10:00 a.m. – 12:00 p.m.

USGS Building #3

2255 N Gemini Drive, Flagstaff, Arizona 86001

Flagstaff, Arizona

Members Present

Brenda Smith, U.S. Fish and Wildlife Service, CPWAC Co-Chair

Celia Barotz, City of Flagstaff

Joanne Keene, Coconino County

Ron Sieg, Arizona game and Fish

Carl Taylor, Coconino County

Leslie Meyers, Bureau of Reclamation

Leo Manheimer, Navajo Nation

Pete Shearer, Town of Tusayan

Mandy Metzger, Coconino County

Sybil Smith, ADEQ

John Davison, Coconino NRCD

Patricia Cox, Bureau of Reclamation

Don Bills, USGS

Mike Foley, Navajo Nation

Ray Benally, Navajo nation

Diane Chung, National Park Service

Malcolm Alter, City of Flagstaff

Amanda Acheson, Coconino County

Ron Doba, CPWAC

1. Welcome and Introductions

Brenda Smith opened the meeting and introductions were made by those present.

2. Action Items

A. Election of CPWAC Co-Chair

Brenda announced the CPWAC is seeking nominations for the co-chair position that was vacated when Art Babbott left. Anyone interested in the position or knows of someone in their organization that would be interested should contact Ron Doba. The item will be on the April agenda for nomination and election by the members.

3. Government Affairs Committee Report

Joanne Keene, Chair

The Government Affairs Committee report was moved up on the agenda due to Joanne needing to leave early. Joanne indicated the Government Affairs Committee is restarting and is looking for new members. The Committee typically meets prior to the WAC meetings at 9:00 A.M. The group talks about state and federal legislative items. It is currently hoping to hold a Legislative

Day in August of this year. If anyone is interested in serving on the Committee they should notify Joanne or Ron. Celia Barotz indicated she was interested in serving on the Government Affairs Committee.

4. Non-Action Items

A. Presentation on City of Flagstaff Rio de Flag Restoration Project – Malcolm Alter

Malcolm Alter, City of Flagstaff Stormwater Manager, introduced himself. Malcolm is also the manager of the Rio de Flag Restoration Project. The reaches of the Rio were channelized into a ditch during the 1970's which resulted in changes to the natural ecosystem and eventual use as a dumping ground. Malcolm described the reaches of the Rio de Flag that are being restored with an Arizona Water Protection Fund grant (approximately \$300,000). The regulatory requirements were discussed for the project which consisted of restoring the alignment of the Rio to its original meanders. The City has agreed to maintain a minimum flow in Picture Canyon and keep Francis Short Pond full. The City also pays State Land \$100 per year for weed control. In exchange, the City has received ownership of Bow & Arrow Park which was previously owned by Game & Fish. Three acres have been set aside for a watchable wildlife area. Ron Doba indicated there will be a presentation to the CPWAC next month on the *Conserve to Enhance Program* that ties in well with this project.

B. Presentation on Formation of a Non-Profit Tax Exempt Entity – Ron Doba

Ron Doba discussed the current status of the CPWAC and some of the pros and cons of becoming a non-profit tax exempt corporation. Ron reviewed his experience taking the Northern Arizona Municipal Water Users Association through the process along with the costs and timing. Carl Taylor indicated an additional "pro" to becoming a non-profit tax exempt corporation was a perspective that an organization managed by a group of elected officials could be viewed as negative due to a concern that the commitment may not be as strong for funding the organization. Handouts were provided that compares all the tax exempt organizations authorized by the I.R.S. Celia Barotz indicated the most important differences between a 501 (c) (3) and 501 (c) (4) are the tax deductability of donations to the organization and the allowed political activity. Carl Taylor shared some of his experiences with non-profits that participated in educating legislators on the impact of specific legislation but did not go as far as lobbying in support or opposition. Brenda Smith expressed interest in finding out what types of organizations some of the other water planning groups in the state have formed and asked Ron to see what he could find out. Celia indicated her concern that water issues may become more legal than legislative in the future so it may wish to consider this when determining what type of organization to form. Leslie Meyers indicated in the past the WAC has sent groups to DC to advocate support for legislation and this should be considered as well. John Davison indicated that one of the values of incorporation he viewed as important is indemnification of the members. He is also concerned about how decisions made by the board are perceived as decisions by the member's organizations. Don Bills asked if the CPWAC would eventually be the entity that would operate a major water project. Leslie did not believe the WAC would be the operating agency. The organizational structure for this is unknown at this time. Carl indicated he believed incorporation would also indemnify the member organizations. Celia asked about the cost to form and operate a non-profit and Ron indicated he was working on a budget that included this for next month's meeting. Brenda suggested the discussion be continued at the next meeting and Ron should provide the additional information that has been requested. Carl indicated he believes we should go ahead and form a non-profit when we have the information and determine whether a 501(c)(3) or (4) should be formed. Brenda asked that the item be placed on the agenda for next month with additional information on the differences between a 501 (c) (3) and (4). Pete Shearer asked for information whether an annual audit is required or

not. Ron will check into this. The current bylaws and information regarding IGAs that were executed by the WAC members was also requested.

5. Committee Reports

Technical Advisory Committee

Leslie Meyers, Chair

Leslie Meyers reported the TAC did not meet this month. Rural Water funding was limited this year and the amount for the study was appealed by the Commissioner. Leslie's understanding is the feasibility study has been awarded \$1.4 million for this year and next year. This is more than was anticipated. Carl asked that clarification be provided on the matching funds that will be required. The TAC is working on the scope of work for the study that should be ready to bring back to the WAC at the next meeting. They are also trying to meet with the USGS on the groundwater flow model. Leslie also has more information on the WaterSmart Program funding available to fund the watershed coordinator position (up to \$50,000). The anticipated due date for the application is May. It was suggested that the CPWAC apply for something less than the \$50,000 to improve our opportunity. Carl asked for the name of the grant so it could be placed on the Board agenda as a placeholder.

Public Outreach Committee

Amanda Acheson, Chair

The Committee met today. The brochures have been updated and are available. Don also printed the poster for the water ethics contest. Amanda indicated we will be having a booth for Earth Day on Saturday April 21st at City Hall from 10:30 till 4:00 pm. The committee needs help staffing the table and a sign-up sheet was passed around. Amanda will send Ron an email requesting volunteers and Ron will forward it to the full member distribution list.

The Flagstaff Festival of Science theme this year is "Making Waves." There is an opportunity to sponsor at several levels and the Executive Committee recommends a \$1,000 scholarship. Carl indicated there may be funding available as a community initiative grant (Coconino County) in lieu of tapping the CPWAC funding. If funding is available we will set up an email vote by the Executive Committee. The Festival of Science in the Park is Saturday, September 22nd. If we are a sponsor it is free, if not it is \$25.

John Davison addressed his proposal for the Youth Council. He indicated he needed to make a correction and would be sending the corrected copy to Ron for distribution to the WAC. It is possible that the Youth Council could be in place by this Fall.

Carl asked where we stand with the water contest. Forty schools received the packets. The only response came from Knoles School.

10. Roundtable Discussion

Those in attendance provided updates on events that have been taking place in their respective organizations.

11. Adjournment

The meeting adjourned approximately 12:15 P.M. The next meeting will be April 27th.



ACTION ITEM SUMMARY REPORT

TO: CPWAC Members
FROM: Ron Doba, CPWAC Coordinator
DATE: 4/4/2012
MEETING DATE: 4/27/2012

TITLE:

ELECTION OF REPLACEMENT CPWAC CO-CHAIR FOR ART BABBOTT

RECOMMENDED ACTION:

NOMINATE AND ELECT A REPLACEMENT CPWAC CO-CHAIR FOR ART BABBOTT

Action Summary:

This action will provide a replacement CPWAC Co-Chair for Art Babbott. The person elected will co-chair with Brenda Smith.

Discussion:

Art Babbott notified the WAC at the January 2012 meeting that he would be leaving the Flagstaff City Council and as a result would be vacating his position on the CPWAC. CPWAC bylaws (12/07) provide the following:

“ORGANIZATION AND MEETINGS: The CPWAC will elect a Chairperson to conduct its meetings, a Vice-Chairman to act as Chairman in their absence, and may establish and elect such other officers as may be necessary to conduct its business. The Chairperson shall serve a term of two years, with unlimited terms. If the Chairman steps down for any reason during their term an election of the CPWAC shall be held to replace the Chairman for the duration of that term.”

Key Considerations:

Brenda Smith announced at the 3/30/2012 CPWAC meeting that anyone interested in serving as co-chair should submit their name to her or Ron Doba so a slate can be assembled for the April meeting. The following individuals have expressed interest in the position:

- Mark Woodson, representing the City of Flagstaff

There may be additional persons interested that are not identified yet.

Financial Implications:

None

Options and Alternatives:

Nominate and elect the Co-Chair. The WAC may choose to ask if other individuals have interest in the position and/or nominate a replacement at their pleasure.



ACTION ITEM SUMMARY REPORT

TO: CPWAC Members
FROM: Ron Doba, CPWAC Coordinator
DATE: 4/4/2012
MEETING DATE: 4/27/2012

TITLE:

CONSIDERATION OF CPWAC APPLICATION TO BECOME A NON-PROFIT TAX EXEMPT CORPORATION

RECOMMENDED ACTION:

AUTHORIZE THE CPWAC COORDINATOR TO INITIATE THE PROCESS TO BECOME AN ARIZONA NON-PROFIT CORPORATION AND APPLY TO THE IRS FOR A TAX EXEMPT STATUS. THE WAC NEEDS TO DETERMINE ITS PREFERENCE, TO APPLY FOR A 501(c)(3) OR 501 (c)(4)

Action Summary:

This action will authorize the CPWAC coordinator to initiate the process to become a non-profit tax exempt corporation. Steps in the process are as follows:

- Update CPWAC Bylaws and bring to the CPWAC for approval
- Craft Articles of Incorporation and bring to the CPWAC for approval
- CPWAC determines the statutory agent
- Apply to form a non-profit corporation with the Arizona Corporation Commission
- Publish Articles of Incorporation
- Apply for an EIN (tax number) from Federal Govt.
- Apply for tax exempt status from IRS

Discussion:

A presentation was given to the CPWAC on forming a non-profit at the March meeting. The coordinator was asked to provide additional information for the April meeting that included current bylaws (included), information in IGAs that were executed for membership (not included), what are the differences between a 501(c)(3) and a 510(c)(4) tax exempt status, is there an audit requirement and what type of organization have the other water planning groups formed.

Information in IGAs that were executed for membership

The CPWAC Coordinator has not been able to come up with the IGAs yet. Sue Pratt indicates the current bylaws are more recent than the IGAs that have been referred to.

Differences between a 501(c)(3) and 501(c)(4)

501(c)(3) and 501(c)(4) organizations are similar in many respects. In fact, any organization that qualifies for a 501(c)(3) tax-exemption would also qualify for a 501(c)(4). There are, however, important differences.

Non-profit status:

- Both 501(c)(3)s and 501(c)(4)s must be run as not for profits.
- Neither 501(c)(3)s nor 501(c)(4) earnings may benefit a private shareholder or individual.

Tax-exemption:

- Both 501(c)(3) and 501(c)(4) organizations are exempt from paying federal income tax. State tax-exemption status varies by state.

Lobbying (trying to affect legislation):

- 501(c)(3)s are limited in the amount of time and/or money they can put into lobbying. They must file Form 5768 with the IRS if they plan to lobby. Expenses for lobbying are subject to an excise tax and the organization must meet specific requirements to qualify to lobby.
- 501(c)(4)s can do an unlimited amount of lobbying (federal monies cannot be used for lobbying). The amount of dues paid by a member organization that is used for lobbying is not tax deductible by the member organization. Lobbying expenses that exceed \$2,000 in one year are subject to a proxy tax of 35%.

Political campaign activity:

- 501(c)(3)s cannot in any way support or oppose anyone running for public office, though they may be involved in political campaigns by way of non-partisan public forums, voter registration drives, etc.
- 501(c)(4)s can engage in political campaign activity, so long as this is consistent with the organization's purpose and is not the organization's primary activity.

Charitable Donations:

- Donations to 501(c)(3)s are deductible to the full extent of the law.
- Donations to 501(c)(4)s that are public entities (i.e., state, local governments, volunteer fire stations) are deductible if they are used for public services. Donations to other 501(c)(4)s are not deductible.

Audit requirement

The State of Arizona has no audit requirements for non-profit corporations. The federal government requires an audit if the non-profit corporation receives \$500,000 or more in one year in federal monies. An audit can be expected to cost \$6,000 to \$10,000.

What type of organization have the other water planning groups formed?

Gila Watershed Partners (Safford Valley) – 501(c)(3), the director indicates they were not aware of the (c)(4) option and are sorry they did not form a (c)(4).

Community Watershed Alliance (Benson) – 501(c)(3).

Upper San Pedro Partnership – Currently pursuing a (c)(3) or (c)(4), they have not made up their mind yet. They are reconsidering their original decision to pursue a (c)(3) because of the lobbying restrictions.

Key Considerations:

The main differences between the two types of organizations is that contributions to a 501(c)(3) are tax deductible. Contributions to the CPWAC come from organizations that do not pay taxes anyway so currently this makes no difference. A 501 (c)(4) can lobby as it wishes to support or oppose legislation, a 501(c)(3) cannot.

It does take time and money to administer a non-profit. Annual reports must be filed with the ACC and informational tax returns are required by the IRS.

Financial Implications:

Fees required to file applications (name reservation and AOI filing fee) and for publishing articles of incorporation are estimated at \$250 - \$300 not including legal review.

Annual report filing fees run \$10 - \$45 depending on whether an expedited fee is paid.

Costs for time to apply for and maintain the organization depend on who does the work and how they are compensated. Assuming the coordinator does the work on a salary basis; his time would cost no more to be a non-profit than the current contract salary.

Options and Alternatives:

Stay as is, administered by Coconino County

Authorize pursuit of a 501(c)(3) non-profit corporation

Authorize pursuit of a 501(c)(4) non-profit corporation

Attachments /Exhibits:

Current CPWAC Bylaws

COCONINO PLATEAU PARTNERSHIP

It is proposed that the Coconino Plateau Partnership be formed to create a partnership to facilitate and implement sound water resource management and conservation strategies on the Coconino Plateau.

The Goal of the Partnership is “*to ensure an adequate long-term supply of water is available to meet the current and future reasonable needs while preserving the health of the environment on the Coconino Plateau.*”

The purpose of the Partnership is “*to coordinate and cooperate in the identification, prioritization and implementation of comprehensive policies, projects and programs to assist in meeting the water needs of the Coconino Plateau.*”

A Coconino Plateau Water Advisory Council (CPWAC) will be established to lead the Partnership toward reaching its goals. Operational committees may also be formed to carry out the purposes of the Partnership under the direction of the CPWAC.

CPWAC MEMBERSHIP REQUIREMENTS: It is the intent of the Partnership to encourage participation by a broad range of agencies, tribes, and organizations that will provide significant resources to help the Partnership accomplish its purpose without becoming so large as to inhibit its ability to function. Members are defined as: “agencies, tribes, and organizations that (1) own land, and/or (2) control land or water, and/or (3) make policy with regard to land or water use on the Coconino Plateau, and will provide significant resources to help the Partnership accomplish its purpose; or agencies, tribes, and organizations that will provide significant technical or financial resources to help the Partnership accomplish its purpose”.

COCONINO PLATEAU ADVISORY COUNCIL MEMBERSHIP

LOCAL AGENCIES

*Coconino County (2)
*City of Page
*City of Sedona

*City of Flagstaff
*City Williams
Town of Tusayan

TRIBES

*Navajo Nation
*Hopi Tribe
*Hualapai Tribe

*Havasupai Tribe
*San Juan Southern Paiute Tribe

STATE AGENCIES

*Dept. of Water Resources
Dept. of Environmental Quality.

State Land Department
AZ Game & Fish

FEDERAL AGENCIES

*Bureau of Reclamation
*Coconino Nat. Forest
*Kaibab Nat. Forest
*U.S. Fish & Wildlife
Glen Canyon National Recreation Area

*US Geological Survey
Grand Canyon National Park
National Park Service
Natural Resource Cons. Service

OTHER AGENCIES/ORGANIZATIONS

*Grand Canyon Trust
*Natural Resource Conservation Dist.
*The Nature Conservancy

*Private Water Co. Representative
Northern Arizona University

*** Denotes Voting Members**

Membership Changes

The Nature Conservancy became a voting member per action of the WAC on 8-26-05
BLM requested they be removed as a member 8-07
The City of Sedona became a voting member per action of the WAC on 9-26-08

CCPWAC Bylaws
Adopted 2005, revised 12/07

COCONINO PLATEAU WATER ADVISORY COUNCIL

PURPOSE: The CPWAC is established to provide leadership and direction to the Partnership's committees, to ensure the public, legislative leaders and Partnership members are well informed on the activities of the Partnership, and to assist the Partnership with legislative issues.

DUTIES: The CPWAC will be responsible for providing leadership and direction, informing the public and their legislative leaders, and providing feedback from them to the Partnership's member agencies and other committees, by performing the following:

1. Adopt and approve any changes to a Partnership organizational structure. Meet at least semi-annually to review, discuss and understand the activities being performed by each of the Partnership committees.
2. Assist the Partnership, and its members, in ensuring local, state, and federal legislators are well informed on the activities of the Partnership and understand what resources and/or legislative action is needed to develop and implement an effective Coconino Plateau Water Resource Plan. (It is understood that the state and federal agency members of the Partnership may be prohibited from taking an active role in this duty.)
3. Meet at least semi-annually, together with member agency leaders and Partnership committee members, to review the planning and implementation process and progress and offer advice and guidance on program improvements to enhance public involvement and acceptance.
4. Review, and endorse when appropriate, water and land conservation activities undertaken by member agencies within the Coconino Plateau water management area.
5. Review programs developed by the Partnership committees and offer advice and direction on how the programs might be improved.
6. Assist the Partnership, and its members, in educating the public on water related issues and ensuring the public is informed on all activities of the Partnership

ORGANIZATION AND MEETINGS: The CPWAC will elect a Chairperson to conduct its meetings, a Vice-Chairman to act as Chairman in their absence, and may establish and elect such other officers as may be necessary to conduct its business. The Chairperson shall serve a term of two years, with unlimited terms. If the Chairman steps down for any reason during their term an election of the CPWAC shall be held to replace the Chairman for the duration of that term.

Any ten Members will constitute a quorum for the purpose of conducting business. The CPWAC will seek to achieve a consensus in conducting official actions, including adopting a water resource plan. In the event that a consensus cannot be achieved, a two-thirds vote of the entire voting membership shall be required. The CPWAC recognizes that a water resource plan provides recommendations only and that no such recommendations are to be construed as mandatory actions by member agencies or organizations.

CCPWAC Bylaws

Adopted 2005, revised 12/07

All meetings will be open to the public in accordance with the open meeting laws of the state of Arizona for public agencies. Frequency of meetings will be determined by the Chairperson and confirmed by a majority of the Council, but in any event will be held no less than semi-annually.

MEMBERSHIP AND APPOINTMENT: The Partnership Advisory Council (CPWAC) members should be selected to represent a broad spectrum of public opinion. The local government representatives are recommended to be elected officials or other community leaders. The Council may include other non-voting ex-officio participants with the approval of Council. The Council may appoint other Committees/Subcommittees as the Council may determine necessary to facilitate the performance of its duties.

To become a voting member of the CPWAC, or to change status from non-voting to voting, a letter of request outlining how the entity meets the membership requirements shall be submitted to the CPWAC Chairman, and a vote of the CPWAC shall be required to affirm membership.

If a non-voting member chooses to resign the partnership a letter to the CPWAC Chairman shall be submitted and forwarded to the CPWAC for action.

If any member agency/organization fails to have representation in attendance for four (4) consecutive regular meetings without communication with the CPWAC Chairman it shall be interpreted as a resignation from the Coconino Plateau Partnership, including the Water Advisory Council and any of its subcommittees, and shall be referred to the CPWAC for action.

The CPWAC will initially include voting and non-voting ex-officio members, and their alternates, that will be appointed as follows:

Voting Members

1. County Representative - Board of Supervisor or his/her designee
2. County Representative - Board of Supervisor or his/her designee
3. City of Flagstaff Representative – Mayor/City Councilperson or his/her designee
4. City of Williams Representative – Mayor/City Councilperson or his/her designee
5. City of Page Representative – Mayor/City Councilperson or his/her designee
6. Navajo Nation Representative – Tribal President or his/her designee
7. Hopi Tribe Representative – Tribal Chairperson or his or her designee
8. Havasupai Tribe Representative – Tribal Chairperson or his or her designee
9. Hualapai Tribe Representative – Tribal Chairperson or his or her designee
10. San Juan Southern Paiute Representative – Tribal Chairperson or his or her designee
11. Arizona Department of Water Resources Representative - Director or his/her designee
12. Bureau of Reclamation Representative – Area Manager or his/her designee
13. U.S. Geological Survey Representative – Area Manager or his/her designee
14. Kaibab National Forest Service Representative – Forest Supervisor or his/her designee

CCPWAC Bylaws

Adopted 2005, revised 12/07

15. Coconino Forest Service Representative – Forest Supervisor or his/her designee
16. Fish & Wildlife Service Representative – Area Manager or his/her designee
17. Grand Canyon Trust – Executive Director or his/her designee
18. NRCD Representative – Appointed by the Chairman of the Coconino NRCD or his/her designee
19. Private Water Companies Representative – Company manager or his/her designee selected by the private water companies on the Plateau
20. The Nature Conservancy¹
21. City of Sedona Representative - Mayor/City Councilperson or his/her designee³

Ex-Officio Non-Voting Members

1. Arizona Department of Environmental Quality Representative - Director or his/her designee
2. Arizona Game and Fish Representative – Commissioner or his/her designee
3. Arizona State Land Department Representative - Commissioner or his/her designee
4. ~~Bureau of Land Management – Area Manager or his/her designee²~~
5. Glen Canyon National Park Service Representative – Superintendent or his/her designee
6. Northern Arizona University Representative – University President or his/her designee
7. NRCS Representative – Area Manager or his/her designee
8. Tusayan Representative –
9. Grand Canyon National Park Service Representative – Park Superintendent or his/her designee
10. National Park Service – Flagstaff Area Parks Superintendent or his/her designee

Ten Voting Members shall constitute a quorum!

Membership Changes

¹The Nature Conservancy became a voting member per action of the WAC on 8-26-05

²BLM requested they be removed as a member 8-07

³The City of Sedona became a voting member per action of the WAC on 9-26-08

CCPWAC Bylaws

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