

Approved

Commission Members In attendance: Bill Schock, Mike Macauley, Roy Pierpoint, Chuck Paradzick, Pat Jacobs, Paul Brick, Michael Lacey, Kate Brophy-McGee.

Staff in Attendance: WPF Executive Director, Stefanie Smallhouse, Kelly Brown.

Public in Attendance: See attached sign in sheets.

Agenda Item: Call to Order

Commission meeting was called to order by Chairman Paradzick at 10:05 a.m.

Chairmain Paradzick asked for introductions from the Commissioners and staff in attendance.

Agenda Item: Call to the Public

Michael Byrd- Prescott Creeks Preservation was present from the public and made a statement about attending the Commission meeting as a grant applicant and being considered for funding.

Agenda Item: Administrative Business – Requests for Contract Amendments:

11-180, Pakoon Wash –

Contract extension to August, 2016, adjustment to deliverables, budget adjustment:

Stefanie Smallhouse gave the background of the project, and explained the request for time extension and reasoning. This contract is between the BLM and the WPF having to do with riparian restoration and invasive species management. The grantee is significantly behind schedule, and has had issues with a subcontractor contracted to do much of the ground work, monitoring, and invasive removal. The subcontractor has been removed and all work will be handled in house at this point. All changes are having to do with extensions and moving money around among Tasks- no new funding increase.

There is an addition to Task 1 for obtaining a pesticide use permit. There is no additional money requested to cover this.

Commissioner Macauley: Is there a water right associated with this project?

Smallhouse: Yes, they have secured this right from the previous owner.

Commissioner Pierpoint: Mr. Chairman, what was the reason for the Pesticide Use Permit?

Smallhouse: This could be for either plant removal or pest removal, I am unclear on this. It could be for the bullfrog or mosquito fish.

Chairman Paradzick: The BLM permit would capture both herbicide and pesticide use.

Commissioner Schock: The grantee did not mention what the chemical use would be specifically. Would the chemical be rotenone?

Smallhouse: This was not specified.

Approved

There was a brief discussion about the use of rotenone if this is in fact the chemical for use. Due to the concern over the permit and the details of use, Chairman Paradzick recommended getting more information from the grantee and considering this in Executive Committee at a later date, but in time to grant the request prior to the termination date for the grant award.

Commissioner Macauley: Motioned to defer this request to the Executive Committee with further information requested from the grantee pertaining to the pesticide use,

Commissioner Pierpoint: Seconded the motion

Passed Unanimously.

Commissioner Brophy- McGee requested clarification on what was passed and Chairman Paradzick clarified that only a decision to defer further discussion to the Executive Committee was passed, and an approval or disapproval would happen during this meeting after further clarification of the chemical use.

11-174, Filleman Crossing-

Contract extension to June, 2015: Stefanie Smallhouse gave the background of the project, and explained the request for time extension and reasoning. The extension has been requested due to a delay in permitting. There has been no activity to date on this project due to delays. Also, recently one of the main contractors had to undergo health procedures, further delaying the project. Those issues have been resolved and the contractor is ready to go back to work. However, the work can only be carried out at certain times of the year due to FWS permitting and so there is a need for a full year extension.

Commissioner Macauley -Motion to approve the extension of one year for grantee;

Commissioner Jacobs seconded this motion;

Passed Unanimously.

09-162, Middle Fossil Creek-

Budget adjustment within task (\$9,120.00): Stefanie Smallhouse gave the background of the project, and explained the request for a shift of monies within a Task in the budget. Since this request is over \$3000.00 then it needs to be approved by the Commission or Executive Committee rather than myself.

Commissioner Macauley: When is the termination date of the contract?

Smallhouse: September 30, 2014. They have also asked whether members of the Commission would like to go on a field trip out to see the site and work completed to date; perhaps in June or July. This can be discussed later.

Approved

Commissioner Pierpoint - Motion to approve the re-assignment of funds within the budget.

Commissioner Brick seconded the motion;

Passed Unanimously.

Agenda Item: Financial Reporting

Stefanie Smallhouse reported that she and John Stevens from the finance department have forecasted the necessary budget for administration into the next three years of the current contracts and those funded today. This was at the request of the Commission at the last meeting. This estimate was based upon expenditures to date. The projection goes into 2017. In consideration that the only revenue into the fund is from the CAP in lieu fees and these funds are anticipated to continually decrease and likely zero out in 2016, our budget estimate is conservative. We anticipate that with what is in the fund now, and what we estimate to be deposited into the fund in the future, we recommend awarding no more than \$1,000,000.00 in the FY 2014 grant cycle.

Chairman Paradzick: As we work through the applicant discussions we will keep a running tally of the amount awarded based upon this recommendation.

Commissioner Macauley: Is there a real time accounting of where each of the grants stand now in terms of funds available?

Smallhouse: Yes, this is on the monthly report.

Commissioner Brophy-McGee: As a member of the Commission, moving forward, I would like to be kept informed of the budgetary and funding issues so that I can be helpful in this area. Stefanie proceeded to explain the background of why the CAP funds are diminishing and there has been no money from the general fund for several years.

Agenda Item: Consent Agenda – FY 2014 Grant Cycle Awards:

Action to approve the following FY 2014 grant applications: This list was established based upon a majority opinion of Commissioners that these applications receive a high priority for funding.

0407 – Date Creek Ranch

0408 - Horseshoe Ranch Adaptive Restoration

0413- Arundo Eradication and Riparian Restoration of Sabino and Bear Creek

0417 - Horseshoe Draw Flood Control, Restoration and Erosion Mitigation Study

0419 – Menges Ranch Water System Maintenance Project

Commissioner Schock motioned to approve the Consent Agenda as presented;

Commissioner Brick seconded the motion;

A call for discussion and a call for any of the items to be removed was made by Chairman Paradzick.

Approved

Commissioner Macauley requested that 408- Horseshoe Ranch Restoration be removed and be discussed individually. Commissioner Jacobs asked that 417- Horseshoe Draw Flood Control be removed from the consent agenda.

A call for a vote to approve the consent agenda with applications 407, 413, and 419 was made.

Approved unanimously.

Chariman Paradzick called for a ten minute break.

Agenda Item: Approval of the Minutes (March 24-25, 2014)

Mr. Paradzick called for a motion to approve the minutes with one correction request from Commissioner Peirpoint; the first day, the minutes should reflect that conservation projects have a spending cap of 5% of those monies spent or awarded for the fiscal year and not those deposited.

Commissioner Pierpoint motioned for approval with correction;

Seconded by Commissioner Schock

Approved Unanimously.

Agenda Item: FY 2014 Grant Cycle Awards - Consideration of action to approve FY 2014 grant applications - To be considered individually.

Commissioner Brick motioned to approve funding for Horseshoe Ranch Restoration- 0408, seconded by Commissioner Jacobs for discussion.

Discussion followed pertaining to the grant application: This application received several high and medium priority marks for funding among Commissioners. The Chairman felt it met the requirements of the fund in terms of habitat restoration. The project is feasible and there is additional benefit in having an education site to study. Macauley: I ranked this low, because there was a lack of historical information in the application showing the presence of cottonwood. Historical records show ash in this general area. The planting of cottonwoods can result in the stream narrowing and deepening - changing habitat dynamics for aquatic species. I am also concerned about the Tamarisk burning which would stimulate the seeds. Brick: I believe that the project is well thought out and meets the objectives of the fund. Schock: My concerns are related to the costs per acre. With the total amount of money spent for 32 acres is \$8,668.00/acre. That is a lot of money for this project. Our funding would only account to a little over half of this. That means it would cost 1 million dollars to treat about 100 acres. I am also concerned that they are only going to plant trees on about 3 acres. They plan to plant 2000 cottonwood trees on 1.5 acres. I don't see how this is possible. A total of 6000 trees on 4.5 acres. There are other parts of the proposal which are good, but I am staggered by the amount of money required for the amount of work accomplished. This is taxpayer money for only 32 acres of work. Pierpoint: I agree with most of the project, but I disagree with using groundwater to plant cottonwood trees in an area where they do not naturally occur and there are issues with water supply.

Approved

Paradzick: The cottonwood comments relate to the Upper Verde, this is the Agua Fria area. At lower elevations you get more cottonwood willow in the system. This would be appropriate. Given the other vegetation present it would make sense that the cottonwood could be there. Overtime the trees would thin out naturally. Macauley: I am concerned that they will be watering with a well, they should be self-sustaining. Schock: I have been looking into cottonwoods for about 6 years in my area; most were planted by homesteaders and were not there at the time of settlement. Paradzick: I have done research on riparian systems and lower elevation riparian areas were dominated by Fremont cottonwood and willow.

There was some confusion as to the intent of planting the cottonwoods. Some thought it was for purposes of a nursery on the farmland vs. those planted along the riparian area for restoration.

After further discussion about the number of trees being planted, Commissioner Jacobs called the question.

Vote: Yea– Brick, Jacobs. Nay – Macauley, Pierpoint, Schock

By a 3-2 vote, motion failed.

Commissioner Brick motioned to approve funding for Horseshoe Draw Flood Control-0417, seconded by Commissioner Pierpoint.

Discussion followed pertaining to the grant application: This application received several high and medium priority marks for funding among Commissioners, but was removed from the Consent Agenda due to a need for further discussion. Chairman Paradzick had some concerns with the project being an engineering study to decrease head cutting, which has value. What I did not see was a focus on riparian vegetation and wildlife habitat. This is an ephemeral system. Overall it did not seem to apply to the mission of the Fund. Jacobs: This is a design project, are there engineering technologies which will accomplish what this says? Brick: In the past we have had several projects where the first step is the design project, such as Watson Woods. Then they come back and apply for funds to do the work. Jacobs: Are there similar projects like this one? Macauley: Other applications have a three part package. I ranked this as medium in priority because it is a two part project. I appreciate the planning aspect in laying the ground work to find out how it should be addressed. There are other sources of funding they can go to for construction- such as for the crossing. There are expenses being identified which I feel are premature, such as permitting. Lacey: Would this project be deemed a success if they went through the exercise of feasibility and concluded it was not feasible. Would that be a successful application of this fund? Macauley: This would be successful either way, because you are learning about the issue. Lacey: They would have other sources, as well as us, to further construct the berm. Brick: It would also be helpful to have this information for others wishing to do the same type of work, even if it turns out not to be feasible. Why its not feasible? Schock: These arroyos are occurring in such a way that is effectively dewatering

Approved

the areas around it. Why don't we know what we can do already, but these are real issues around the state. This project covers a huge land area. Putting it in to keep a road in place is not a wise use of money, but to be able to do something about this for the area as a whole is important and to decrease sedimentation going into the San Pedro due to these floods is very substantial. We need answers to these issues. Jacobs: I feel we need an answer to this issue especially for its impact on the San Pedro River. Whether the answer is it can be done or cannot.

Pierpoint: Call for the question.

Vote: Yea – Unanimously approved

Motion Passes.

Commissioner Brick motioned to approve funding for Watson Woods Riparian Preserve-0420, seconded by Commissioner Jacobs for discussion.

Discussion followed pertaining to the grant application: Brick: This is a good project and we have already done a lot of good things in this area, but it's a lot of money. We have awarded them a lot of money in the past. Perhaps we should spread this money around the state a little bit more. Paradzick: I ranked this a medium priority and feel it meets the objectives of the Fund, but I have it slightly lower in terms of funding just because the funds are diminishing and other project areas need to be funded as well. Macauley: I ranked this low because of the previous channel work which was done and the fact that the pools did not generate as thought. It is not clear why they had to move the channels originally. Schock: They want to put in a lot of pools artificially and I am not sure that system originally would have had these, it's nice for a city destination, but is that really our purpose here? The amount of money on the 25 riparian acres works out to be \$23,000.00/acre. We can get more bang for our buck somewhere else.

Commissioner Jacobs: Call for the question.

Vote: Yea – 0, Nay- 5 (Unanimously)

Motion fails.

Chairman Paradzick gave the cumulative total for funding to this point on those four projects approved at \$426,311.00. The Chairman called for a 15 minute break to get lunch and then the group will proceed through with a working lunch.

Commissioner Brick motioned to approve funding for Cocopah Co. River Restoration Proj.-0406, seconded by Commissioner Jacobs for discussion.

Discussion followed pertaining to the grant application: Chairman Paradzick: My overall thoughts are that they need to coordinate more with the current projects going on along the

Approved

Lower Colorado River. The Lower Colorado River MSCP is nationally recognized as one of the largest riparian restoration projects going on to grow cottonwood/willow habitat. They have learned the most efficient ways in which to do this with active recovery and restoration projects. Jacobs: I ranked this high conditionally because of the nature of the project. Will this supplement the current projects and move them ahead? If they were to work with the Yuma folks and conjoin efforts then this would be more valuable of an effort. Paradzick: I had some overall concerns about the monitoring and ongoing maintenance. I did not see much in the application to address this.

Vote : Yea – 0, Nay – 5 (Unanimous)

Motion fails.

Commissioner Brick motioned to approve funding for Hidden Cove Riparian Restoration-0409, seconded by Commissioner Jacobs for discussion.

Discussion followed pertaining to the grant application: Chairman Paradzick: I ranked this as a medium priority because of its distance from the active channel; Separated from the river, more of a habitat creation project. This is along an important cultural site and has a significant educational component. The municipality is involved with many partnerships which can be valuable. Brick: I see this as more of a park creation project rather than a restoration project. Schock: The artist rendition of the future site is great, but it will be watered by effluent and so more like a park creation site. Not a traditional riparian site. This is a nice looking project. Macauley: I ranked this as a lower priority; the main benefit for this project is the work to control the tamarisk issue. Paradzick: This is off of an ephemeral wash, but there is quite a bit of distance between this and the Little Co. River. Lacey: There can be a lot of education associated with these projects and attract wildlife. Paradzick: There are many indirect benefits given the location. Schock: This works out to be about \$11,000.00/acre.

Vote: Yea - Jacobs, Schock, Nay – Brick, Macauley, Peirpoint

Motion fails 3-2

Commissioner Brick motioned to approve funding for Yuma East Wetlands Marsh Creation-0410, seconded by Commissioner Jacobs for discussion.

Discussion followed pertaining to the grant application: Jacobs: I had this ranked high for the same reason as the Cocopah Project if they were to work more closely together. Since we are not going to fund the Cocopah, then it becomes a lower priority for me. Paradzick: I have been to this area. This group is working with the Lower Co. MSCP. This area gets a lot of use from the community. Macauley: I ranked this as a lower priority because of the unknown malady for the mesquite die-off. They have had funding from us multiple times, and some of those efforts were unsuccessful. I would feel better if this project were to

Approved

research the “unknown malady” so future efforts were more successful. Are we going to fund the same thing over again and expect the same result? Brick: They will be planting a different species of mesquite in this project. Macauley: I did not see that in the application specifically. Schock: This is a pretty extensive project, which is quite expensive. It does interest me. Paradzick: They are going to receive long term maintenance funding from the MSCP, which I think is beneficial.

Vote: Yea – Schock, Nay – Jacobs, Brick, Macauley, Pierpoint

Motion fails 4-1

Commissioner Macauley motioned to approve funding for San Francisco River Restroom-0418, seconded by Commissioner Brick.

Discussion followed pertaining to the grant application: Chairman Paradzick: Did we have additional information come in from the local NRCD? Schock: That information included some concerns about the total expense of the project for the benefit. Paradzick: There were some high ranking priorities for this project. Macauley: I ranked this high because of the Ecoli problem. I have some concerns with the well they want to drill; how many restrooms could this support, as I am sure they need several. I think this project along with the Menges Ranch project would supplement each other well. Lacey: How far apart are these projects? Paradzick: the Menges Ranch is pretty far off the actual river channel. Part of the response from the NRCD was questioning whether the cattle were actually contributing to the E coli issue. Also would this be sustainable given the floodplain issues. Macauley: I agree this would be an issue. The septic tank and the well would all have to be constructed to avoid flooding. Pierpoint: I believe they said during the presentation that they would carefully consider this. I ranked this high because of what it is addressing and I don't know of a better solution. Schock: I agree there is a serious problem, but the BLM uses outdoor restrooms which do not require permanent plumbing. These are also used on Forest land. I think this would be another solution which would not require water. They have to clean them out for maintenance. In the application, Task 5 talks of implementing a well drilling plan. This has about \$51,000.00 associated with it. This seems high to me. Macauley: This has to do with the depth of the well. Paradzick: I would think this well would not need to be very deep given its location. Pierpoint: I recently refurbished a well and it is very expensive, I don't think those costs are very unrealistic. Paradzick: I agree with Bill that there are other infrastructure options available.

Vote: Yea – Pierpoint, Nay – Macauley, Brick, Schock, Jacobs

Motion fails 4-1

Commissioner Brick motioned to approve funding for Colorado River Corridor Native Plant Restoration-0411, seconded by Commissioner Pierpoint.

Discussion followed pertaining to the grant application: Chairman Paradzick: I believe this had high full time employee costs and equipment purchases. The restoration is a strip of

Approved

riparian habitat along the river. I ranked this as lower. Pierpoint: I ranked this high because I have worked with the native tribes many times in the past and believe they would maintain it into the future, and the work on invasive species. It looks like a good project, but I do have problem with the costs. Paradzick: The cost is high, but I agree working with the tribe would be beneficial. Macauley: 83% of the cost is not going on the ground but to employees and administrative type stuff. A larger concern is a statement in the application that they are not sure who to go to for some of the permits; if they have done work on the river before this should be clear. Schock: I ranked this as a medium priority. I can actually see why this would cost the high amount of money because of the number of sites.

Vote: Yea – 0, Nay – 5

Motion fails unanimously

Commissioner Jacobs motioned to approve funding for Josephine Canyon Riparian Restoration-0412, seconded by Commissioner Schock.

Discussion followed pertaining to the grant application: Jacobs: I thought this project was intriguing and I think the applicant is making a grand effort. Paradzick: This is an out of the box concept, which needs more research. The permitting issues concern me and should be further researched. Macauley: I think the underground dam is very interesting, but needs more research before funded. I am not sure of the benefit here and whether this action would actually address the issue of the road and erosion. Jacobs: Again, I appreciate his passion for wanting to solve the problem. Brick: I think his water estimates were too liberal. Paradzick: This is working with an ephemeral channel, likely not much water to work with. These types of projects can be a massive undertaking. When the BOR puts in the fish barriers there is quite a bit of effort to make sure the structure does not move. I don't think this has been considered here to the extent it should have been. Schock: According to reports in Korea, where this has been done, you need an impermeable substrate and I don't think this exists in this location. Those areas were getting up to 12" of precipitation a month. The applicant is not going to get this much water in this location. I do agree that it is nice to see someone thinking outside of the box, but I just don't think it would be successful here. There are many other ways to fix a head-cut along a road.

Vote: Yea – 0, Nay-5

Motion fails unanimously.

Chairman Paradzick called for a ten minute recess.

Chairman Paradzick: There are three more applicants to consider. Two are research related and one is conservation/education. We have approved 407, 413, 419, and 417 applications. The cumulative total is \$426,311.00. The Upper Verde River (414) project would only be qualified for \$21,316.00 of funding according to the statutory limitations for a conservation/education project. Are there any Commissioners which would like to reconsider any of the previous applicant

Approved

discussions and votes? (There were none). Since we do not have enough funding for grant WPF 414 it would not make sense to consider this applicant.

Paradzick: I ranked this high. Macauley: I ranked this low. Schock: I ranked this high because of the importance of getting people to use less water. Macauley: I agree with that, but the Upper Verde Watershed is split between two counties and so I don't think the numbers for what water is being used is accurate. Much of this water is being hauled within the same watershed, but different counties. The project does not include folks on private wells.

Commissioner Brick motioned to approve funding for Ecosystem Services Urban Riparian-0415, seconded by Commissioner Pierpoint.

Discussion followed pertaining to the grant application: Chairman Paradzick: This project would be limited to about \$6,500.00 of the requested amount due to statutory requirements. They would be able to use this amount of funding to hire summer help to accomplish monitoring for the project – avian surveys. Brick: Can we change the scope of the project after they turn in their application? Do we have to take it as a whole? Smallhouse: I have discussed this with the legal department. As long as they can apply the available funding to a portion of what was presented originally and not new – was originally included in the grant- this could be funded at what is available. This would not change the scope of the work proposed, just what we actually pay for. Jacobs: They have said they could use the money for summer monitoring? Paradzick: Yes, this money could fund one component of the overall project. I had this application ranked high because of the research needs associated with these areas. They are very useful for educational purposes in urban areas. This works into a larger effort being done nationally. Macauley: My concern with this project is that it needs a condition. There needs to be something done with the information. There does not seem to be a dissemination of the results. What are they going to do with the information ultimately? Paradzick: I had assumed that the results would be published or folded into another study. Macauley: There was no mention of this in the application. Schock: My concerns were similar to Mike's. I could not see what the follow up action would be. To what benefit would this be to the State of Arizona other than interesting information to have. This was not explained in the application. Paradzick: Where this ends up being utilized is in projects like the Rio Salado project. Macauley: How would others get this information?

Vote: Yea – 0, Nay- 5

Motion fails unanimously.

Approved

Commissioner Jacobs motioned to approve funding for Capacity Building AZ Spring Restoration-0416, seconded by Commissioner Brick.

Discussion followed pertaining to the grant application: Jacobs: The premise is there are many springs, but we don't use them to their potential? Macauley: The issue I have with this application is there has been a great deal of studies on springs by Dr. Stevenson. He is mentioned in the application. This is a three phase project. There is an erosion concern which might affect the current project they are working on. There are publication expenses which are for information which is already available. This is a duplication of effort.

Paradzick: This was originally a capital project, but it was re-categorized as a research project due to the breakdown of funding. Schock: The Forest Service has already done a lot of mapping and work on springs in this area. Basically a spring is a leak in the aquifer, which creates a riparian area in a very dry area such as Arizona. I think most of this is pretty well known. I believe this might lead to further regulation.

Vote: Yea – 0, Nay 5

Motion Fails Unanimously.

Chairman Paradzick: The final approval for funding is for WPF applicants: 0417, 0413, 0419, 0407. Application 0414 we were unable to act upon because there was not enough funding available according to statute.

Agenda Item: Call to the Public

Chairman Paradzick proceeded with a call to the public and there were no responses.

Future Meeting Dates: Smallhouse: We have a meeting date set for the 24th of June. Would any of the Commissioners be interested in doing a field trip to Middle Fossil Creek in June or July? Can you ask her to provide more specific dates for options – perhaps during the week of the 14-18th of July?

Due to scheduling conflicts, the meeting for June will be moved to June 23rd.

General Discussion:

For future contracts it will be included that a project close out presentation will be made to the Commission about the results of the project.

Chairman Paradzick: When will the next grant cycle begin? Smallhouse: I have not thought about it because I was not sure what monies would be available after this funding cycle. There is somewhat of a time schedule in place based upon past cycles, but I will have to review this. There will also need to be workshops around the state for the upcoming grant cycle. Brick: What we have found, is that those who attended a workshop were not guaranteed approval,

Approved

but most certainly if you did not attend a workshop it was most certain that you would not be approved because of errors in the application.

Smallhouse: There is nothing statutory about the time line of the grant cycle. The Commission is sort of on a new cycle now, because we are behind in general. The Commission may want to consider the application process and how it can be improved. There is a three year review process for the manual, so it needs to be determined the last year of review. This process includes a public review.

Group Discussion: Should we be addressing the mission of the Fund through watershed work on a larger level rather than specific riparian areas. These areas are ultimately dependent upon the natural resource work and management on the uplands. It might be difficult to measure this type of work.

The Commission may also want to look at the tamarisk beetle and defoliated areas, what is the potential to have the Fund involved in dealing with this issue.

Chairman Paradzick: I would like this topic to be on the agenda for the June meeting – the manual and funding priorities.

The next Executive Committee Conference Call to take action on the Pakoon Spring Contract Amendment Request will be May 16th, 2014 at 1 p.m.

Motion to Adjourn: 2:30 p.m. made by Commissioner Jacobs and seconded by Commissioner Schock

Submitted for Approval to the AWPf Commission by:

Stefanie Smallhouse