



P.O. Box 576, Mammoth, AZ 85618
lowersanpedro@gmail.com
www.lowersanpedro.org
[520-487-1903](tel:520-487-1903)

Minutes of LSPWA email meetings – May – December, 2018

Minutes of May 10, 2018

On May 7, 2018, Secretary Cathy Gorman emailed the draft minutes of the meeting held on April 30, 2018 to the directors for their approval. She also sent for their approval the draft minutes of the meeting held on October, 30, 2017. We had postponed publicizing those minutes pending approval of the MOU between the LSPWA and BOR. Also included were the draft minutes of the meetings we had conducted via email since our last in-person meeting. By May 10, 2018 all ten directors had approved the minutes with a few minor corrections which were incorporated into the final minutes.

Minutes of May 25, 2018

On May 9, 2018, since it was time for our biennial Board of Directors election, Chair Peter Else sent an email to all our members asking them to vote for the following slate. In addition to the current directors, all of whom have agreed to continue serving, there are two new candidates.

Lon Brehmer, LSP landowner in Pinal County
Barbara Clark, LSP landowner in Cochise County
Matt Clark, supporter with conservation consulting experience
Peter Else, LSP landowner in Pinal County
Robert Evans, LSP landowner in Cochise County
Cathy Gorman, LSP landowner in Pinal County
Doris Haynes, LSP landowner in Pinal County
Anna Lands, LSP landowner in Cochise County
Diane Laush, supporter with agency experience
David Omick, LSP landowner Cochise County
Elna Otter, LSP landowner in Cochise County
Scott Wilbor, supporter with expertise in watershed-wide conservation assessment

He also included a copy of the revised Bylaws which had been approved by the Board at our last meeting. Finally he made an appeal for financial support, specifically to fund our share of the cost of neutral facilitation for the newly formed Lower San Pedro Collaborative, which consists of representatives from the various agency, corporate and non-profit stakeholders along the San Pedro River including the LSPWA.

By the deadline of May 25, 2018, 26 members had voted to approve all 12 candidates for the Board of Directors. In addition we had exceeded our fundraising goal of \$2500.

Minutes of June 24, 2018

On June 18, 2018 our Chair Peter Else sent an email to the board welcoming our two new members, Barbara Clark and Matt Clark. He also informed us that he had just submitted our annual report to the AZ Corporation Commission.

Three documents were attached to the email, the main purpose of which was to request action on the following four items:

1. Review and agree to the Conflict of Interest Policy
2. Review and either approve as is, approve with changes or reject the latest draft of the Memorandum of Agreement (MOA) with the Bureau of Reclamation (BOR) for monitoring the 3-Links Conservation Easement
3. Review the latest draft of the Request for Proposals (RFP) for a contractor to perform the field monitoring and reporting duties for the 3-Links Conservation Easement. Peter also mentioned the status of the RFP for the accounting position and the Investment Committee's responsibility regarding the management of the endowment to support these positions.
4. Volunteer to serve the next two-year term as one of the officers of the LSPWA.

There was extensive discussion of items 2 and 3, especially concerning the language in the MOA regarding the management of the endowment. Finally on June 24, 2018 Peter was able to announce the following results:

1. All twelve directors had reviewed and agreed to the Conflict of Interest Policy.
2. Despite concern about how making too many changes could delay approval by BOR, and after careful review by all, the MOA, including some clarifying changes to the Management of the Endowment section, was approved by eleven directors with one abstention by Doris Haines
3. The RFP was also approved after careful review and minor changes by eleven directors with one abstention by Doris Haines.
4. Since the current officers were the only volunteers to agree to be nominated for another two-year term, they were unanimously re-elected. They are Peter Else, Chair; David Omick, Vice-Chair and Cathy Gorman, Secretary-Treasurer. Elna Otter may agree to serve as Treasurer if a potential conflict of interest issue is resolved at a future date.

Minutes of July 6, 2018

On July 5, 2018 Chair Peter Else emailed the board asking us to comment on an attached letter that was drafted by the Grand Canyon Chapter of the Sierra Club and to vote on whether or not the LSPWA should sign on to it or alternatively to draft our own letter. The State of Arizona through their Department of Environmental Quality is rushing to assume enforcement of the federal Clean Water Act, specifically Section 404. They have been holding meetings that have been attended by the LSPWA and a number of other conservation groups who are also being asked to add their names. The letter enumerates significant problems with the State's plan and process and asks them to conduct the necessary feasibility analysis and present it to the public for comment before proceeding. On July 6,

2018 Peter informed us that the board unanimously approved authorizing him to sign the letter for the LSPWA.

Minutes of July 20, 2018

On July 15, 2018 Secretary Cathy Gorman sent two documents to the Board for approval: First, was a draft of the minutes of our email meetings that occurred since our last in-person meeting on April 30, 2018. At that meeting we decided that it would be best for the Secretary to send such minutes out for approval on a quarterly basis so the directors would have a fresher memory of what had transpired. The second document was a draft of the LSPWA Investment Policy which will guide the investment of the endowment we anticipate receiving once our MOA with the Bureau of Reclamation for the 3-Links Conservation Easement is approved. This was developed by the Investment Committee which currently consists of Cathy and Lon Brehmer and is based on a similar policy document which was generously shared with us by another local environmental organization. By July 20, 2018 all twelve directors had responded with their approval of both documents so the vote was unanimous.

Minutes of August 2, 2018

On July 30, 2018 Chair Peter Else emailed the board with 3 action items:

First, was whether or not to support the position of the Friends of the San Pedro River on the draft Resource Management Plan (RMP) for the San Pedro River National Conservation Area (SPRNCA) recently released for comment by the BLM, whose preferred alternative opens the SPRNCA to more hunting and grazing. This is opposed by the Friends who propose more emphasis on wildlife habitat protection. Peter also asked for volunteers to help draft our comments, the final version of which will be resubmitted to the board for approval.

Second, Peter related what has been occurring with the AZ Drought Contingency Plan (AZDCP) process. The AZ Department of Water Resources and the Central AZ Project have formed a committee to develop a contingency plan for cuts to water allocations from Lake Mead when water levels drop. Of the 31 committee members there is only one representative for environmental organizations and that is someone from the Walton Family Foundation (WFF). Only one of the committee members, representative Gabaldon, has supported legislation recognizing ecological water for riparian systems as a beneficial use. Decisions reached by this committee will have ripple effects on groundwater use, particularly outside of active-management areas such as in our watershed. Peter asked us to vote on how we should direct our comments to this committee. Should we ignore the instructions to use the WFF representative as our sole conduit and instead comment through other methods such as directly to the committee during calls to the public at their meetings, through various media outlets and/or through Representative Gabaldon.

Third, because Peter may be on vacation when our MOA with the Bureau of Reclamation is finally approved, he asked for volunteers to help develop a contract for the sub-contractor to monitor the 3-Links Conservation Easement, shepherd it through the board approval process and lead the interview and contracting process.

Finally, he also reported on our recent successful fundraising for our Lower San Pedro Collaborative neutral facilitation contribution, our legal efforts to compel the Army Corps of Engineers to fully study the impacts of the Vigneto development and our anticipated insurance needs.

By August 2, 2018 all twelve directors had responded in favor of supporting the position of the Friends of the San Pedro River with Diane, Peter, Scott and Anna agreeing to draft our comments on the RMP for the SPRNCA. The directors also agreed that LSPWA should use various alternative means of communicating our positions to the AZ Drought Contingency Plan committee other than the designated environmental representative, the Walton Family Foundation. Diane and Barbara agreed to be the local leads for the contractor interview process with Peter and David participating online and Peter will draft the contract before he leaves town.

Minutes of August 7, 2018

On August 6, 2018, after receiving the final version of the MOA for the 3-Links Conservation Easement from the Bureau of Reclamation, Peter sent it out to the board for approval. All of our suggested revisions had been accepted. By the next day, August 7, 2018, it was unanimously approved.

Minutes of September 5, 2018

On August 31, 2018 Secretary Cathy Gorman emailed the directors with an Action Request developed by her and Lon Brehmer as members of the Investment Committee in anticipation of receiving the 3-Links Conservation Easement endowment funds. The request consisted of three questions:

1. Should we use Vanguard to invest these funds and open an account there?
2. Do you authorize the two current members of the Investment Committee to be the authorized signatories on the account?
3. Do you authorize the Investment Committee to choose the investment funds and do you have any preferences and/or suggestions?

Also included were the committee's recommendations and an extensive explanation for those recommendations.

By September 5, 2018 eleven directors had voted yes on the first questions with Anna abstaining. All twelve directors voted yes on the second question. Ten directors voted to defer to the Investment Committee to choose the funds for the endowment, Doris abstained and Peter and Anna advocated for postponing our decision, mostly because of concerns of the effects of current political volatility on the market, including the possibility of a crash, a concern expressed to some degree by others as well. Several directors specifically supported the Investment Committee's two recommended funds and Anna and Scott supported socially responsible investing.

Minutes of September 12, 2018

On September 11, 2018 Chair Peter Else sent the directors an email reviewing the process used by the 3-Links Conservation Easement Contractor Selection Review Committee to solicit and review proposals and determine their recommendation. He asked the board to vote to either accept or reject awarding the first annual contract for both field monitoring and reporting to Alex Binford-Walsh, LLC. By September 12, 2018 the board had unanimously approved the Review Committee's recommendation.

Minutes of September 16, 2018

On September 13, 2018 Chair Peter Else attached a copy of the monitoring and reporting contract for the 3-Links Conservation Easement to an email he sent to the directors. As it had already been reviewed

and approved by the contractor, Alex- Binford-Walsh, LLC, Peter asked the board to review it and vote to approve, approve with conditions or reject it. Since Peter was on vacation he asked Vice-chair David Omick to monitor the vote. By September 16, 2018 all twelve board members had voted to approve the contract with minor grammatical corrections.

Minutes of November 9, 2018

On November 5, 2018 Secretary Cathy Gorman sent out a draft of the minutes of LSPWA board meetings conducted via email during the 3rd quarter of 2018. By November 9, 2018 all directors had responded with their approval with minor corrections requested by Anna Lands.

Minutes of December 11, 2018

Previously (see the minutes of September 5, 2018) the LSPWA Investment Committee, consisting of Cathy Gorman and Lon Brehmer, asked the Board for authority to choose the investments for the 3-Links Conservation Easement endowment. Although a super-majority of the directors voted in favor of this at the time, several directors had concerns about both market and political volatility and wanted to delay such a decision. It was then realized that our unanimously approved LSPWA Investment Policy stated that the Investment Committee was to serve as advisors to the Board of Directors, while the latter actually approved the investment choices. So the Committee undertook a process to reach a consensus compromise.

As a result of that process, on December 6, 2018, as Secretary, Cathy emailed the board with an Action Request submitted by the Investment Committee asking for a vote on the following three proposals:

1. Set a long-term average investment goal of 4.5% plus inflation.
2. Invest in the Vanguard Managed Payout Fund using dollar-cost averaging over the next several months.
3. Keep the funds invested for the long-term even in times of market turbulence.

Also included was a rather thorough discussion section on each of these proposals outlining the committee's rationale for making them as well as two attached calculators that could be used by both Windows and Mac-based systems to show how the endowment would perform under varying conditions.

By December 11, 2018 ten of the directors had voted Yes on all three proposals. Doris Haynes preferred to defer to the majority and Peter Else agreed to vote with the consensus or at least a super-majority so the final vote was unanimous in favor of all three proposals.

Respectfully submitted,

Catherine J Gorman

LSPWA Secretary-Treasurer

