

RESOLUTION 2749

A RESOLUTION OF THE TOWN COUNCIL SUPPORTING THE SUBMISSION OF AN ADDENDUM TO THE TOWN'S RURAL WATER SUPPLY PROGRAM GRANT APPLICATION; THANKING THE TONTO APACHE TRIBE FOR ITS SUPPORT OF SUCH APPLICATION; AND DIRECTING TOWN STAFF TO CONTINUE WORKING COLLABORATIVELY WITH THE TRIBE TO ENHANCE THE TOWN'S AND THE TRIBE'S WATER RESOURCES.

WHEREAS, the Town of Payson has obtained a permanent water supply and water right in the C.C. Cragin Reservoir ("C.C. Cragin"); and

WHEREAS, the Town has submitted an application for funding through the Rural Water Supply Program to assist with capital costs associated with making water from C.C. Cragin available to the citizens of Payson ("the RWSP Application"); and

WHEREAS, the Tonto Apache Tribe ("the Tribe") is currently working toward settling its water rights claims, obtaining a water right in C.C. Cragin, and contracting with the Town to use the Town's pipeline, filtration plant, and other infrastructure to utilize C.C. Cragin water on Tribal lands; and

WHEREAS, the Tribe is actively working with the Town on water issues, including supporting the Town's RWSP Application; and

WHEREAS, on November 12, 2013, the Tribe's governing body approved Tribal Resolution 41-13 (attached as Exhibit A). Tribal Resolution 41-13 (1) confirmed the Tribe's participation in the Town's RWSP Application, (2) supported the submission of Addendum No. 1 to the Town's RWSP Application (attached as Exhibit B), and (3) Authorized the Tribe's Chairperson and Legal Counsel to take other actions to support the Town's RWSP Application; and

WHEREAS, the Town desires to recognize the Tribe's support for the Town's RWSP Application and direct Town Staff to continue working collaboratively with the Tribe, when feasible and appropriate, on water issues,

NOW, THEREFORE, THE MAYOR AND COUNCIL DO RESOLVE AS FOLLOWS:

Section 1. The Mayor and Town Council concur with the intent of Tonto Apache Tribe Resolution No. 41-13 and thank the Tribe for its support of the Town's RWSP Application and continued cooperation.

DEC 12 2013 *A. 2*

Section 2. The Mayor and Town Council support and approve Addendum No. 1 to the RWSP Application and the Mayor and/or Town Staff is authorized and directed to take any steps necessary to submit such Addendum.

Section 3. Town Staff is directed to continue working collaboratively with the Tribe toward solutions that enhance both the Town's and the Tribe's water resources.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of December, 2013, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk



Timothy M. Wright, Town Attorney

Exhibit A
to
Resolution 2749



Tonto Apache Tribe

Tonto Apache Reservation #30
Payson, Arizona 85541
Telephone: (928) 474-5000
Fax: (928) 474-9125

**RESOLUTION NO. 4/13
OF THE GOVERNING BODY OF THE
TONTO APACHE TRIBE
(A Federally Recognized Indian Tribe)
PAYSON, ARIZONA**

- WHEREAS,** the Tonto Apache Tribe (the "Tribe") is a federally-recognized Indian Tribe organized pursuant to Section 16 of the Indian Reorganization Act of 1934; (48 Stat. 984); and
- WHEREAS,** the Tribe is entitled to an annual allocation of 128 acre-feet of Central Arizona Project water ("CAP Water") pursuant to the Central Arizona Project Indian Water Delivery Contract Between the United States and the Tonto Apache Tribe dated December 11, 1980 ("Tribe's CAP Water Contract"); and
- WHEREAS,** the Tribe presently lacks the requisite delivery treatment and distribution system to make use of its CAP Water entitlement; and
- WHEREAS,** the Tribe wishes to begin receiving delivery of its CAP Water as soon as possible; and
- WHEREAS,** the Town of Payson ("Payson") is currently working toward the construction of a pipeline ("Pipeline") and water treatment facilities for domestic water ("Treatment Facilities") which will deliver water from the C. C. Cragin Reservoir to Payson; and
- WHEREAS,** Payson has offered to increase the size of its planned Pipeline to accommodate delivery of the Tribe's CAP Water to the Tonto Apache Reservation; and
- WHEREAS,** the Tribe finds that the transport of the Tribe's CAP Water via the Pipeline, by exchange, would be the most practical means for the Tribe to take delivery of its CAP Water; and
- WHEREAS,** the Tribal Council finds it to be in the best interest of the Tribe to work with Payson and participate in the planning and construction of the Pipeline; and
- WHEREAS,** the Tribe understands that the Tribe will be expected to pay, or cause to be paid on its behalf, a share of the construction costs of the Pipeline and related Treatment Facilities, proportionate to the percentage of capacity constructed to deliver water through the Pipeline to the Tribe; and

WHEREAS, Payson has applied for funding under the Rural Water Supply Program, which was authorized by the Rural Water Supply Act of 2006, Pub. L. No. 109-451, to assist in the capital costs required for the construction of the Pipeline and Treatment Facilities; and

WHEREAS, Payson would like to include the Tribe as a co-applicant in its application for Rural Water Supply Program funding in order to increase the likelihood that funding will be secured for the costs of the construction of the Pipeline and Treatment Facilities; and

WHEREAS, the Tribal Council deems it in the best interest of the Tribe to participate with Payson in the Rural Water Supply Program funding application;

WHEREAS, The Sparks Law Firm, P.C., as general counsel for the Tribe has worked with representatives of Payson to draft an addendum (attached here as Exhibit A) to Payson's original funding application, which will add the Tribe as an applicant and provide information about the Tribe and its resources, as required by the Rural Water Supply Program;

WHEREAS, The draft provides general information concerning the Tribe's present intentions concerning its future water needs and plans, which may be subject to future revisions as its formal water budget implementation plans are developed.

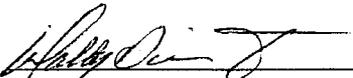
NOW, THEREFORE, be it resolved as follows:

1. The Tribal Council approves of participating with the Town of Payson in an application for funding through the Rural Water Supply Program.
2. The Tribal Council approves of submitting the attached funding application addendum to the Bureau of Reclamation as part of the Town of Payson's application for funding under the Rural Water Supply Program.
3. The Sparks Law Firm, P.C., as General Counsel to the Tribe, is authorized to take any action necessary to submit the attached addendum to the Bureau of Reclamation or to approve any necessary revisions which do not materially change content of the attached addendum.
4. The Chairwoman and Vice Chairman are authorized and directed to take any action necessary to effect the intent of this Resolution.

BE IT FURTHER RESOLVED, that the tribal Chairperson, or in her absence the Vice Chairman has authority to sign and execute this tribal council action.

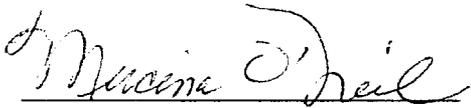
CERTIFICATION

I, the undersigned, as Chairwoman of the Tonto Apache Tribal Council, hereby certify that the Tribal Council is composed of five (5) members of whom, four (4) were present at a Regular Council Meeting held on the 12th day of November, 2013; and that the foregoing resolution was duly adopted by an affirmative vote of four (4) Council Members.



Wally Davis, Jr., Vice Chairman

ATTEST:



Mercina O'Neil, Tribal Secretary

Exhibit B
to
Resolution 2749

Addendum No. 1

TO THE FEASIBILITY STUDY OF THE
C.C. CRAGIN RESERVOIR
WATER SUPPLY PROJECT

11.5.13 Draft
Subject to Approval by the Tonto Apache Tribal Council

EXECUTIVE SUMMARY

Background

The Tonto Apache Tribe (Tribe) is a federally recognized Indian Tribe pursuant to Section 16 of the Indian Reorganization Act of 1934, Pub. Law 92-47, October 6, 1972, 86 Stat. 783, and the Apache Treaty, July 1, 1852, 10 Stat. 979. The Tonto Apache Reservation (Reservation) is contiguous to the corporate limits of the Town of Payson (Town) on two sides.

The Tribe currently receives its public water supply from the Town pursuant to a water service agreement between the Tribe and the Town executed on or about April 29, 1994, and as amended thereafter. The agreement in effect at this time was enacted in 2005 and remains in effect due to an automatic renewal period of one year from year to year unless either party provides six months written notice to the other party stating its intent not to renew the agreement upon the expiration of the applicable term.

Potable water supply from the Town of Payson public water system to the Reservation currently consists wholly of groundwater pumped by the Town from wells located within and outside of the Payson corporate limits. The Tribe receives 100% of its potable water supply from the Town of Payson.

The Tribe wishes to establish a surface water right within C.C. Cragin Reservoir, and further wishes to contract with the Town for treatment and delivery of that water to the Reservation in the amount of 500 acre-feet per year. The Tribe has indicated its willingness to settle its existing water claims in the W1-4 General Stream Adjudication for the confirmation of the right to the delivery and the consumptive use of this 500 acre-feet. The process by which this can occur is threefold:

First, the Tribe must enter into a water exchange agreement with the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District (collectively SRP) and the Bureau of Reclamation. This agreement would provide for the annual exchange of the Tribe's 128 acre-feet of CAP water to which it is entitled under the Tribe's CAP contract dated December 11, 1980, for 128 acre-feet of water from the C.C. Cragin Reservoir to which SRP has a right.

Second, the Tribe must reach an agreement with SRP for severance of a portion of SRP's Water Right No. 3696.0001 in C.C. Cragin Reservoir. Additionally, the Tribe may seek other approved surface water sources outside of C.C. Cragin Reservoir, including the delivery of groundwater by the Town as may be reasonably necessary from time to time.

Third, the Tribe must reach an agreement with the Town for the Tribe's water from C.C. Cragin Reservoir to be transported, treated, and delivered to the Reservation.

The Tribe may also seek funding for water system improvements necessary to utilize this water within the Reservation.

Financial and Economic Analysis

The funding mechanism required to satisfy the completion of the three agreements necessary to acquire and deliver a treated surface water supply to the Reservation has not been identified at this time. The Tribe has the financial ability to pay for the operation, maintenance and repairs of the Reservation water system, and its proportionate share of the OM&R for the delivery and treatment of Tribal water through proposed Town treatment and delivery system. The Tribe has the authority to set water rates within the Reservation, and to pledge certain revenues necessary to meet the SRP and Town agreements, and to operate and maintain the Reservation public water system.

1.0 INTRODUCTION

The purpose of this addendum is to provide information pursuant to the Tonto Apache Tribe's need for a water supply to satisfy existing and future Reservation requirements. Information provided includes the Tribe's future water budget, the economic status of the Tribe, the Tribe's ability to pay capital and operation, maintenance and repair (OM&R) costs associated with the Tribe's agreements with the Bureau of Reclamation (BOR), SRP, and the Town and to operate and maintain the Reservation public water system.

2.0 DESCRIPTION OF TONTO APACHE RESERVATION WATER SYSTEM

The Tonto Apache Tribe achieved federal recognition in 1972. The Tribe's approximately 383 acres of land consist of the Tribe's original 85 acres of Reservation land and an additional and adjacent 297.77 acres recently placed into Federal trust, and awaiting proclamation of Reservation status by the United States government. (The Tribe's approximately 383 acres of land are cumulatively referred to here as its "Reservation"). The Reservation water system consists of small diameter (6" and smaller) water lines, fire hydrants and a 275,000 gallon water storage tank.

Previous groundwater exploration and development efforts within the Reservation were unsuccessful due to limited groundwater availability. One offsite well owned and operated by the Tribe was discontinued due to the threat of contamination from a nearby chemically contaminated aquifer, making it unfeasible to attempt further development of the well.

Current water supply to the 85-acre Reservation is derived from a pump station owned and operated by the Town of Payson, and water supply from the Payson public water system.

11.5.13 Draft
Subject to Approval by the Tonto Apache Tribal Council

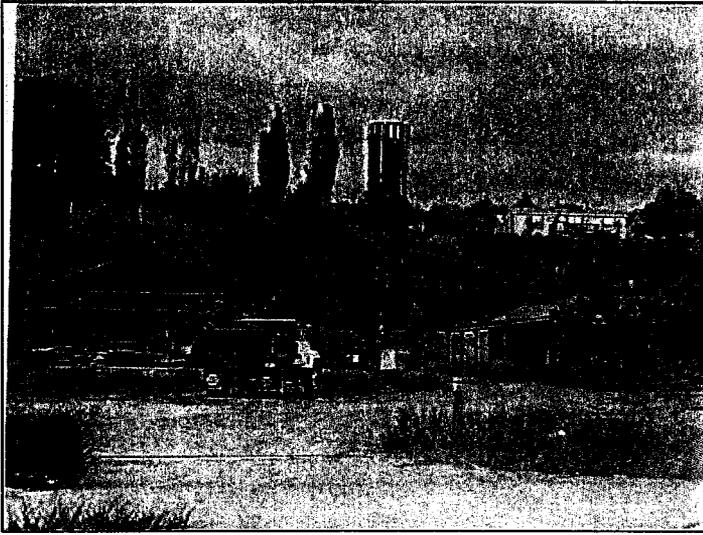
3.0 PRESENT CONDITIONS OF WATER SERVICE

The Tribe receives bulk water service from the Town under the terms of a 1994 water service agreement, as updated in 2005. The agreement allows for up to 65,847 gallons per day for use on the Reservation. The current water service agreement is a year to year agreement and can be cancelled by either the Town or the Tribe with written notice provided by either party.

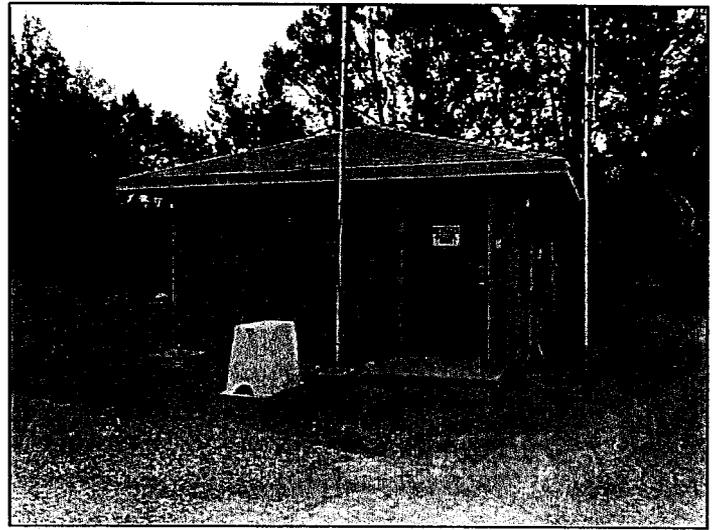
Potable water supply to the existing Reservation consists of water purchased by the Tribe from the Town and delivered by the Town to the Tribe's water system and storage tank via a pump station located on Town property west of the Reservation. The pump station consists of a modern frame building which houses two five-horsepower, single-stage centrifugal pumps with a combined output rated at 75 gallons per minute (gpm). The water passes through a two-inch turbine meter located in the building, then through a two-inch backflow preventer owned and maintained by the Tribe and located adjacent to the pump house. Water is conveyed from the backflow preventer through an underground pipeline owned by the Tribe.

The pipeline passes underneath State Route 87 in an easterly direction and connects to the Tribe's public water system and into the Tribe's 275,000 gallon water storage tank. The storage tank water level is maintained by the Town's pump station via a pressure transducer located at the tank and radio control for the pump station to maintain a water level of 70 feet in the tank. The tank's water level is automatically and remotely monitored by the Town's Water Department to detect any unusual fill and empty trends and to alarm Town water system operators of any alarm conditions. The Tribe is notified of any unusual alarm conditions relevant to the Tribe's water system. The Town has provided the Tribe with a real-time, digital readout display of the Tribe's water storage tank level.

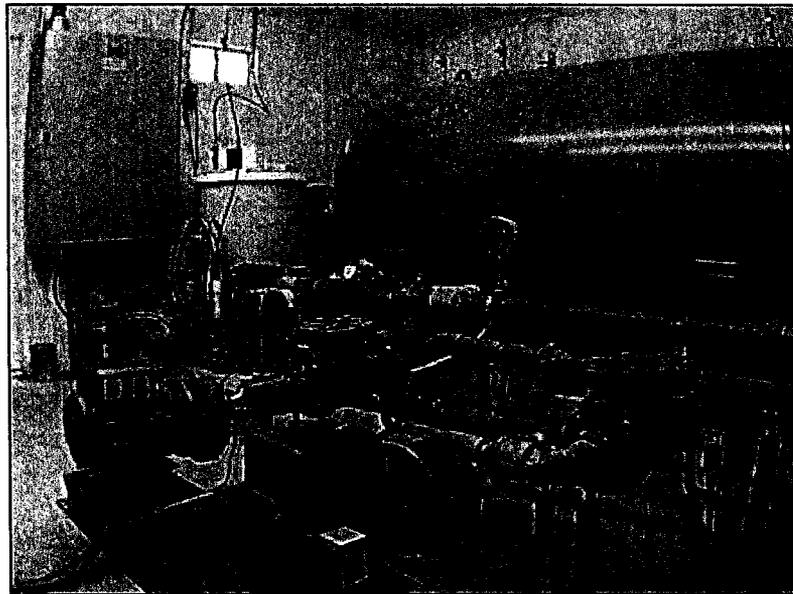
The Town generates a monthly water bill to the Tribe. Water is billed to the Tribe at Payson's published water rates. The Tribe was billed and paid \$68,721.90 in calendar year 2012 for the water it used.



Tonto Apache Tribe Water Tank



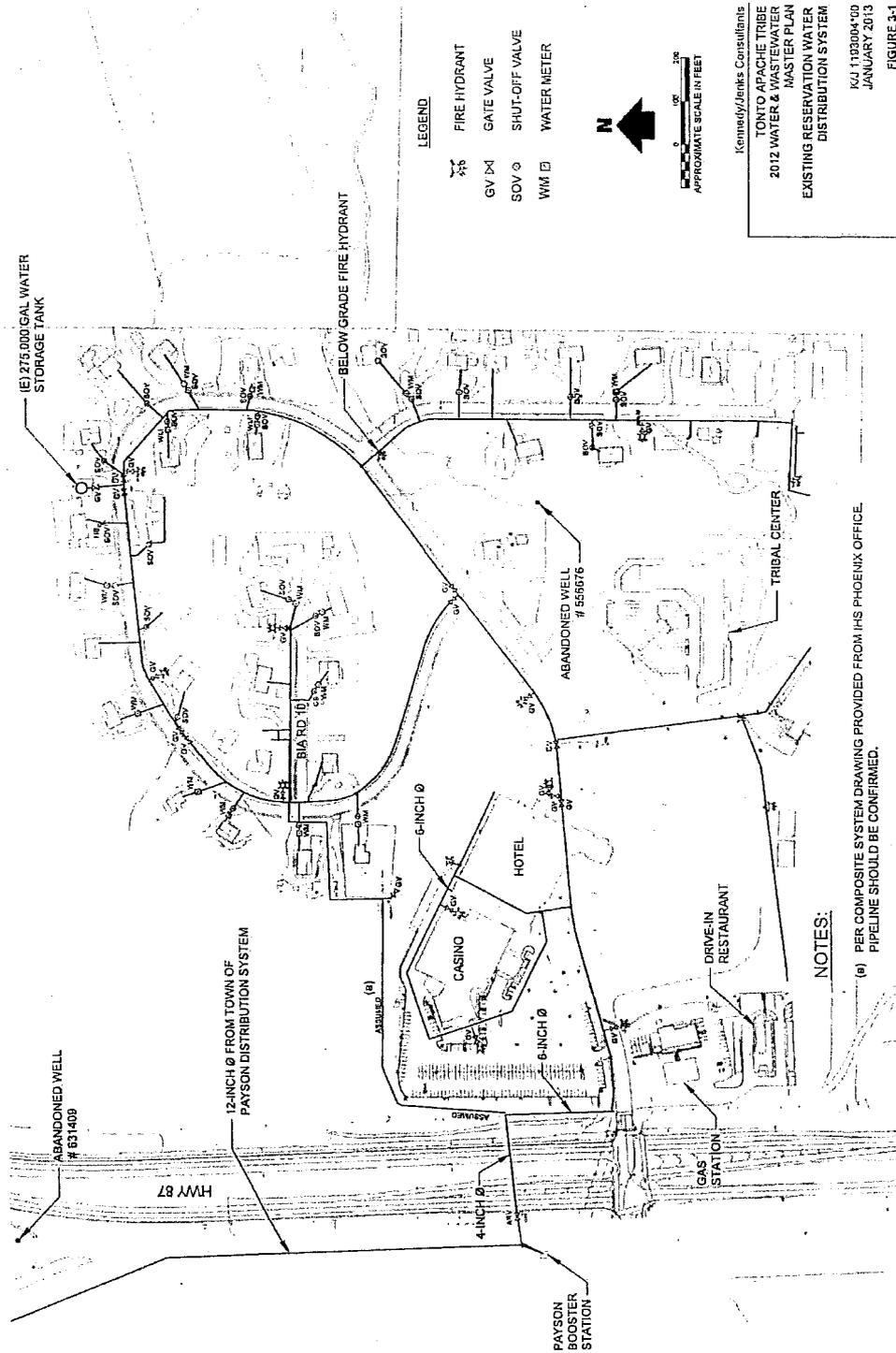
Town of Payson Booster Station to
Reservation (exterior)



Town of Payson Booster Station to Reservation
(interior)

11.5.13 Draft
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NOTES:
 (b) PER COMPOSITE SYSTEM DRAWING PROVIDED FROM IHS PHOENIX OFFICE. PIPELINE SHOULD BE CONFIRMED.

- LEGEND
- FIRE HYDRANT
 - GATE VALVE
 - SHUT-OFF VALVE
 - WATER METER

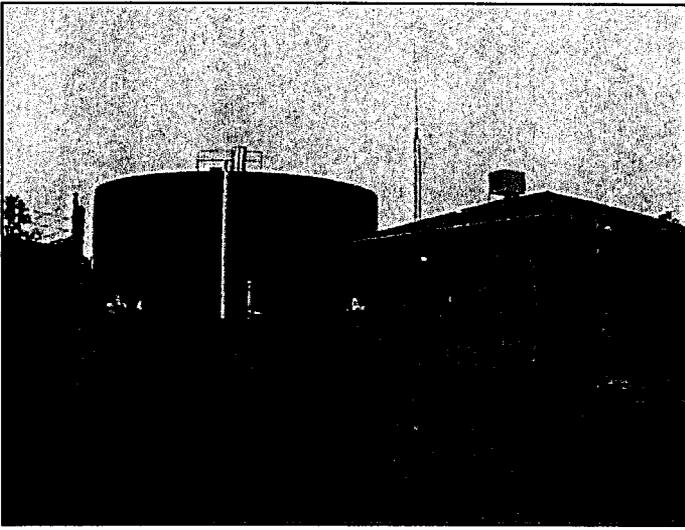
Kentucky/Jenks Consultants
 TONTO APACHE TRIBE
 2012 WATER & WASTEWATER
 MASTER PLAN
 EXISTING RESERVATION WATER
 DISTRIBUTION SYSTEM
 KJA 1103004100
 JANUARY 2013
 FIGURE 3-1

4.0 FUTURE CONDITIONS OF WATER SERVICE

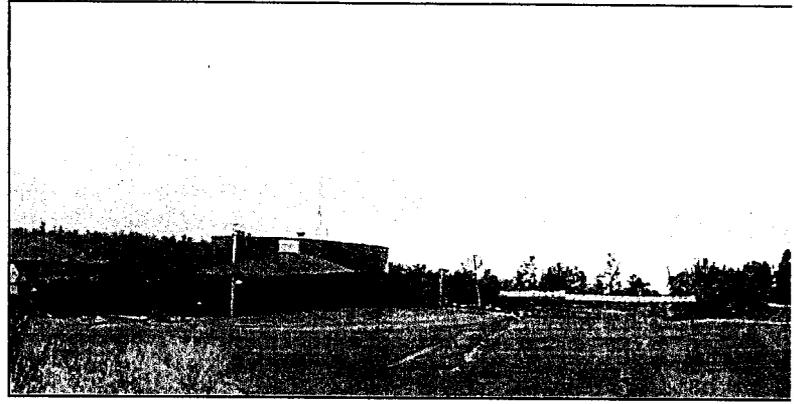
Water service from the Town to the 383-acre Reservation can be accomplished by transportation, treatment and delivery of water from C.C. Cragin Reservoir to a Town water treatment plant to be constructed in the near future. The water treatment plant will be located two miles northeast of Payson and approximately five miles from the Reservation. Delivery by the Town of this treated water to the Reservation will be accomplished utilizing existing Town water system infrastructure. A large regional water pressure booster station (Rim View Heights booster station) located adjacent to and north of the Reservation is designed to service the surrounding area with sufficient domestic water pressure and fire flow. The pump station is currently rated at 2,450 gallons per minute. Site facilities consist of a masonry building which houses pump station domestic and fire flow pumps, a 10,000 gallon hydro pneumatic tank, and a 500,000 gallon ground level water storage tank. Minor modifications to the booster station may be necessary for actual service to the Reservation depending on the Tribe's anticipated land uses. Use of this water supply location in addition to the existing pump station located just west of the Reservation allows for redundancy in the Town's delivery of the Tribe's water supply.

Alternately, the future construction of a new 500,000 gallon water storage tank located on a hilltop approximately one half mile east of the Reservation would negate the need for use of the Rim View Heights booster station for full time service to the Reservation.

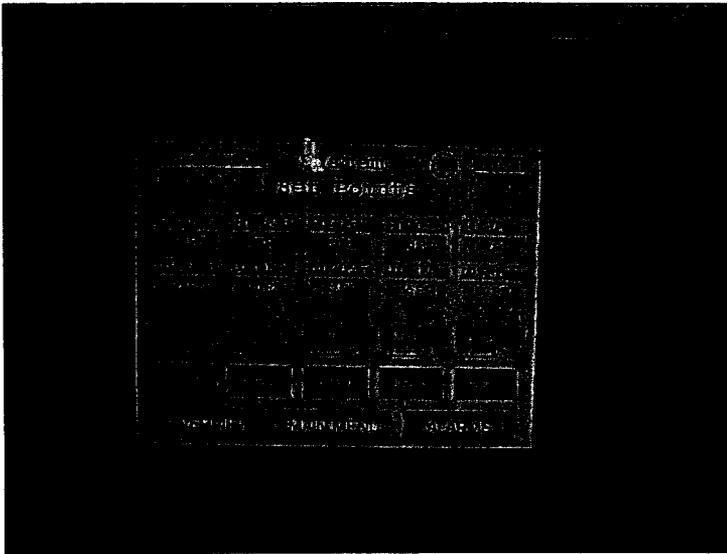
It is anticipated that the Tribe will achieve a substantial reduction in monthly water costs as a result of any agreement with the Town for future water service, as the Tribe will be utilizing their own water supply, and not local groundwater sources developed and maintained by the Town.



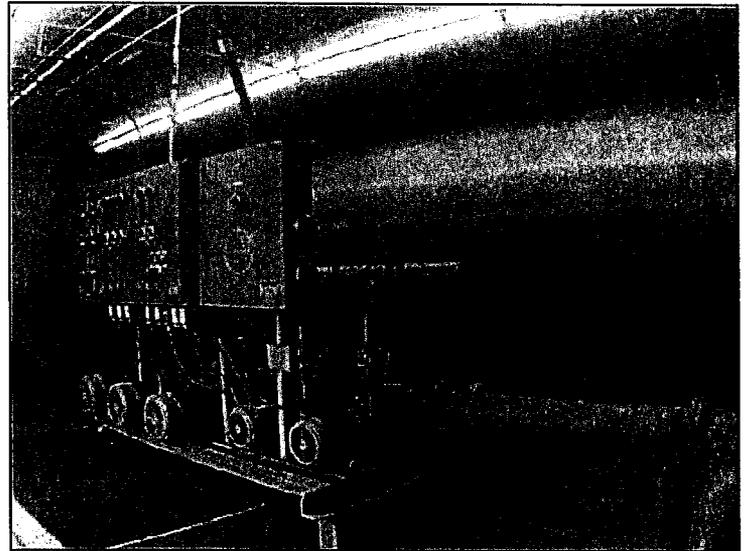
Rim View Heights Booster Station
Site and 500,000 Gallon Tank



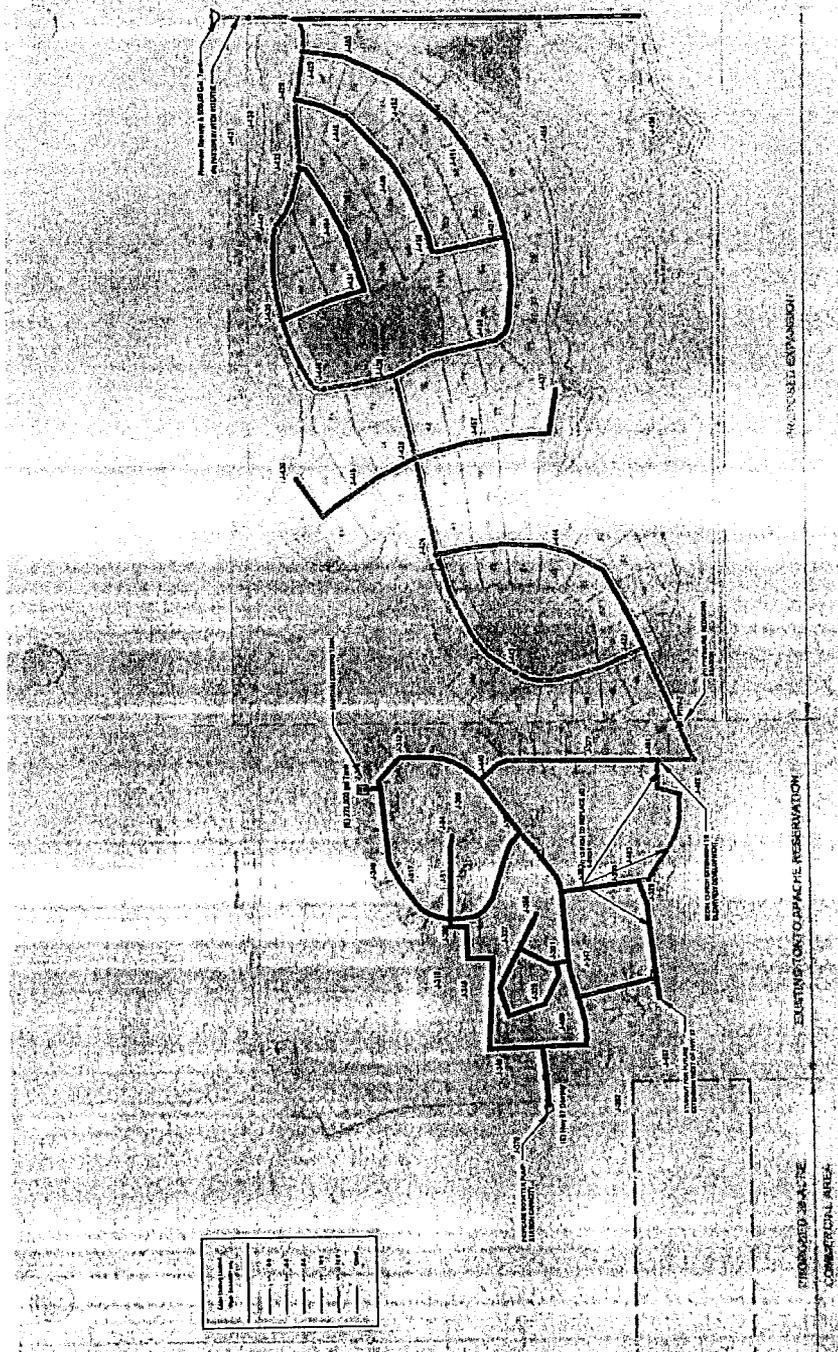
Rim View Heights Street View located at
Reservation Boundary (striped barricade)



Rim View Heights Booster Station
SCADA Monitoring



Rim View Heights Booster Pump



Kennedy/Jenks Consultants
 TONTO APACHE RESERVATION
 2012 WATER & WASTEWATER
 MASTER PLAN
 PAYSON CONNECTION ALTERNATIVE 2
 LONG TERM BUILDOUT
 KJJ1103004100
 JANUARY 2013
 FIGURE 4-2

KJ201110304.00 - IIS Apache Water Plan 11/2011 Payson Alternative
 RYAN YOUNG 1/14/2013 10:08 AM

11.5.13 Draft
 Subject to Approval by the Tonto Apache Tribal Council

5.0 ECONOMIC STATUS OF THE TRIBE

Currently, the Tonto Apache Tribe has 157 enrolled Tribal Members. According to the 2010 census, the Tribe had a population of 120 members living on the Reservation at that time. The actual population with spouses and mates of Tribal Members, and their children was much larger. Lack of adequate housing limits the Reservation population.

5.1 Age –The majority of Tribal Members are age 18 years or older. According to statistics gathered by the Arizona Rural Policy Institute, Center for Business Outreach, with regard to the Tribe’s on-Reservation population of Tribal Members as reported in the 2010 census, “[t]he under-18 population accounts for 34.2 percent of all tribal members, representing a far larger portion of tribal members than the same age group does for the State (25.5%) and Gila County (21.4%). The fact that more than one-third of the Tribe is younger than 18 years of age carries with it some fairly important policy implications. The large portion of younger tribal members influences the provision of health and educational services as well as poverty and workforce issues as well.”¹ The percentage of Tribal Members under the age of 18 is also an indication that the population of the Tribe and the need for housing will increase greatly as these children reach adulthood, take spouses and have children of their own.

5.2 Tribal Enrollment and Reservation Housing Needs -- Tribal Members who are age 18 or older are eligible for Reservation homesites. There are only 37 permanent homesites on the Reservation. At this time, of the Tribe’s 157 enrolled Members, over 90 Members are eligible to qualify as heads of household, age 18 years or older. The Tribe currently needs at least 61 Reservation homesites to meet the requirements for Members who are eligible to qualify as heads of household, age 18 years or older. In addition, of the 55 Members under age 18 years as of 2012, nine would be 18 in three years, 14 would be 18 in five years, and 24 would be 18 in ten years. Just to meet the present need through the next three years, the Tribe needs 70 Reservation homesites.

5.3 Growth of Reservation Population Will Exceed the Growth of Tribal Membership- The Tribe is small, and its Members are primarily descendants of four (4) Northern Tonto and Southern Tonto clans. Due to the close kinship, Tribal Members seek mates from outside the Tribal membership. Reservation housing needs of the Tribe must take into account the fact that the Reservation population will increase as each Tribal Member finds a mate or is married. Family size ranges

from three to five children, and frequently include additional children by formal and informal adoption by Apache law and custom.

5.4 Median Household Income – As of the 2010 census, according to the Arizona Rural Policy Institute report, the median income for households on the Tonto Apache Reservation was \$16,667, far less than both the County (\$37,580) and the State (\$50,488) median household incomes. Tribal households were about three times more likely to have incomes less than \$20,000 (71.0%) than were State (17.0%) and the County (24.0%) households. No Reservation households had incomes between \$20,000 and \$40,000, versus 22.0% of State households. Correspondingly, tribal households were much less likely to have incomes over \$60,000 than State (42.0%) and County (27.0%) households.¹

5.5 Per Capita Income – Per capita income of tribal members living on the Reservation (\$9,997) was about half of the County (\$19,600) and the State (\$25,680) as of the 2010 census, according to the Arizona Rural Policy Institute report.¹

5.6 Poverty Rate – According to the Arizona Rural Policy Institute report, as of the 2010 census, 52% of the people living on the Reservation were living below the poverty rate, compared to 15% of the people living in Arizona, and 19% of people living in Gila County.¹

6.0 WATER BUDGET

The Tribe has recently received funding from the Bureau of Reclamation to have a tribal water budget prepared. The Tribe will be contracting with an engineering firm to have the water budget completed this calendar year. While development of the Tribe's water budget is pending, other studies and Tribal estimates may be used to provide a basic estimate of the future water needs of the Tribe for the purposes of this application addendum. It is important to note that the water budget to be completed this year will be the water budget on which the Tribe intends to rely in the W1-4 Water Adjudication. As discussed below, while figures cited in other reports may give a general minimum estimate, they may also conflict with the Tribe's water budget, and may not accurately reflect the Tribe's plans, projected growth and land use.

The Mogollon Rim Water Resources Management Study, and Blue Ridge (C.C. Cragin) Reservoir Drinking Water Source Financial Feasibility Study, each use 120 gallons per capita per day as a planning and source water development amount. This figure is used here to estimate Tribe's future water needs for residential purposes.

6.1 Domestic, Municipal and Commercial Uses

Spouses of Tribal Members and their children are entitled to Tribal housing. The draft land use plan of the Tribe is being revised to show approximately 284 residential lots. Those lots together with the 39 lots on the original Reservation bring the total number of currently planned future residential lots to 323.

This number of residential lots is not expected to meet the future housing needs of the Tribe. The average household must provide for two adults and three to five children. With two people per household the 323 lots would accommodate 646 people. With seven people per household, the 323 lots would accommodate 2,261 people. The minimum Reservation population is estimated to be not less than 1,600 people in fifty years. Accordingly, at 120 gallons per day per capita, the future domestic water requirements are as follows:

Residents	Gallons per Day	Days per Year	Gallons per year	Acre-Feet per year
1600 x	120 x	365 =	70,080,000	215
2261 x	120 x	365 =	99,032,000	304

The Tribe has approximately 100 acres of commercial highway frontage. The Tribe plans for a mix of retail space, hotel and hospitality (restaurant), and municipal use ("Commercial Mixed Use"). For example, a mixed use of retail space, a 100 room hotel, and two restaurants or the equivalent would instead require 65,000 gallons of water per day, or 73 acre-feet per year.

Based on these calculations, a reasonable initial water demand calculation for domestic and Commercial Mixed Use would range from 288 to 304 acre-feet per year. Water use could grow to 451 acre-feet per year if water for a small golf course is factored in.

Existing and Future Residential	215 to 304 acre-feet
Commercial	73 acre-feet
<u>Landscape Irrigation (small golf course)</u>	<u>74 acre-feet</u>
Total:	362 to 451 acre-feet/year

6.2 Agricultural Uses

The current standard for agricultural water use in this region is from 3 to 5.5 acre-feet per acre per year (with higher usage for desert lands and lower usage at some elevations and with certain crop mixes). Assuming that 100 acres of the 383 gross acres (26.1%) of Tribal lands are placed in agriculture usage, either directly as segregated agricultural land or as gardens and groves at individual home sites, this would require 300-550 acre-feet per year for the Tribe's agricultural uses. Even if the Tribe's 74 acre-feet of municipal (landscape) irrigation usage listed above is reduced as a result of this agricultural component, the Tribe will still need a minimum of 300 acre-feet per year for agricultural uses in the future.

This would translate into annual water needs of 662 to 1,001 acre-feet per year for the Reservation.

Residential, commercial and municipal	=	362 to 451 acre-feet per year
<u>Agricultural</u>	=	<u>300 to 550 acre-feet per year</u>
Total Tribal Water Requirements	=	662 to 1,001 acre-feet per year

The Tribe plans to develop up to 200 acres of deciduous tree orchards, green houses, and family and community projects. As housing needs replace some of the orchards, the building envelope for each residential lot would be approximately 6,000 to 10,000 square feet for each lot. Water to be used for domestic purposes would be treated with the Tribe's state of the art treatment plant and would be reused for agriculture. Trees would be removed as needed for the house sites, while remaining orchards would be preserved.

7.0 INDIAN WATER SETTLEMENT JUSTIFICATION

The Tonto Apache Tribe's water needs must reflect not only the above identified current and projected needs for residential, commercial and municipal water usage, but the needs based on the ethno-historical needs as determined by the Tribe's archaeologically documented past. Copious amounts of anecdotal evidence of an agrarian past are ever present. Stories from Tribal leaders and matriarchs of their ancestors diverting stream flows and terracing alluvial plains along Rim Country's many ephemeral streams are plentiful. Only in the past quarter century have scientific archaeological studies confirmed the agrarian nature of the Native American populations in the Payson and Star Valley sub-area of Rim Country as early as 1000-1100A.D. Diversion dams and terracing evidence has been discovered throughout Rim Country, including Payson and Star Valley. Tools of Hohokam design and the nature of the ancient agriculture strongly suggest techniques migrated from Native American cultures to the south. The local tribes seemed to have supplemented their hunter-gatherer cultures with the adaptive cultivation

of crops like corn and by the enhancement of local food sources with supplemental irrigation. Prior to European settlement, the modified agricultural practices adopted by local tribes appear to have been instrumental in their ability to survive in this region. Earlier anthropological studies by Kent Lightfoot, John Hohmann, Charles Redman, and others indicate that the success of the pre-historic inhabitants of Payson was facilitated by their innovative adaption of irrigation techniques from southern tribes like the Hohokam. By designing and building terraces and diversion structures in alluvial flats to supplement natural rainfall, they were able to grow non-indigenous crops and enhance production from naturally occurring herbs, foods and medicinal trees and plants on which they had learned to rely through the centuries.

Fairness would seem to dictate that any comprehensive settlement of Indian water rights must recognize not only conditions of other Southwest Indian Water Settlements, but the ethno-historically documented uses of the specific tribe. The ancestors of the Tonto Apache Tribe clearly had access to and utilized the streams and rivers that dot Rim Country for agricultural purposes. Forced relocation to reservations or residential settings has limited access to traditional food and herbal sources forcing dramatic changes in tribal members' historic diet and anthropological sources of nutrition. This has in part resulted in the catastrophic increase in disease and decline in overall health over the past century. Therefore, any water settlement should recognize not only the Tribe's current and projected residential, commercial, municipal needs, but its agricultural water needs as well.

8.0 CAPACITY OF TOWN OF PAYSON'S C.C. CRAGIN PROJECT FACILITIES

The Tribe has indicated its agreement to settle its pending water claims for the right to the annual consumptive use of 500 acre-feet of water delivered to the Reservation. These 500 acre-feet would include its existing 128 acre-feet of CAP water under its 1980 CAP Contract with BOR. The Tribe intends to meet its water needs in excess of the 500 acre-feet per year delivered to the Reservation by the treatment, storage and reuse of this annual supply. Transportation and treatment of the Tribe's surface water supply of 500 acre-feet per year would utilize 13.78% of Payson's 3,628 acre-feet per year of C.C. Cragin Project water delivery and water treatment plant capacity.

REFERENCES:

1. DEMOGRAPHIC ANALYSIS FOR THE TONTO APACHE TRIBE USING 2010 CENSUS AND 2010 AMERICAN COMMUNITY SURVEY ESTIMATES, Arizona Rural Policy Institute, Center for Business Outreach, W.A. Franke College of Business, Northern Arizona University, completed for Tonto Apache Tribe, July 25, 2012
2. MOGOLLON RIM WATER RESOURCES MANAGEMENT STUDY REPORT OF FINDINGS, U.S. Department of the Interior, Bureau of Reclamation, Phoenix Area Office, 2008
3. TONTO APACHE TRIBE RESERVATION WATER AND WASTEWATER MASTER PLAN, Kennedy/Jencks Consultants, prepared for Indian Health Services, Western Arizona District Office, 2013, Section 2.2.3
4. BLUE RIDGE (C.C. CRAGIN) RESERVOIR DRINKING WATER SOURCE FINANCIAL FEASIBILITY STUDY, Tetra Tech Inc., prepared for Gila County, Arizona, January, 2008
5. THE ARCHAEOLOGY OF STAR VALLEY, ARIZONA: VARIATIONS IN SMALL COMMUNITIES, Owen Lindauer, Ronna J. Bradley, Charles Redman
6. ANTHROPOLOGICAL FIELD STUDIES NUMBER 24, Office of Cultural Resource Management, Department of Anthropology, Arizona State University, 1991

ADDENDUM TO BOR RWSA COST SHARE REQUEST

Town of Payson Cost Share Justification

- 1- Tonto Apache Water Settlement will benefit the state and region by resolving a long standing and contentious legal battle with the State and Federal Government over appropriate water rights for an impoverished tribe. Inclusion of the Tribe and Reservation will also reduce the Median Household Income and increase the percent of minority populations served by the C.C. Cragin Project.
- 2- The average costs of water per Household per month as a percentage of Median Household Income is lower than previously calculated.
Current costs/ household calculations omitted Payson's very high development fees assessed on each home based on an Equivalent Residential Unit
The present Water Development Fee of \$7570.00 / home when converted to a monthly equivalent calculated water costs equals =
 - @4.5% interest over thirty year mortgage = \$50.56 per month
 - @6.0% interest over thirty year mortgage = \$60.24 per month
 - @ a level payment amortized over thirty years - \$45.39 per monthThis fixed prepayment cost (development fee) added to the Average Monthly cost of \$53.59/ household equals an average household monthly cost for water of between \$ 98.98 and \$113.84 per month or between **\$1187.76 and \$1366.08** per household per year which exceeds the 2% of MHI threshold.
- 3- Payson is required to build enough capacity to serve much of Northern Gila County – this is one of the primary reasons that the Rural Water Supply Act was passed in the first place -- to provide regional solutions as opposed to each individual community and in-holding trying to build their own systems with the unnecessary redundancies and inefficiencies such solutions have spawned in the past. Although not contributing directly, each community will benefit from the C.C. Cragin Project. Some are participants directly; others benefit because the project will take the pressure off of the various over-drafted aquifers and thereby help restore groundwater levels to the entire region, even those not receiving C.C. Cragin water directly. Additionally, the ecology of the riparian streams and natural springs in the region will benefit from the reduced pressure on the groundwater resources and the concurrent improvements in the various aquifers in multiple watersheds.
- 4- Since virtually all of Northern Gila County will benefit, the average household income should be based on Northern Gila County's numbers, not just the Town of Payson. (Northern Gila County Household Median Income which is being served by this project

11.5.13 Draft
Subject to Approval by the Tonto Apache Tribal Council

is much lower than the Town of Payson's) – Mesa Del Caballo, Whispering Pines, Beaver Valley, Star Valley, Tonto Apache Tribe, OxBow Estates, Round Valley, East Verde Estates, etc. are all benefited by the C.C. Cragin Project. These communities around the Town, but outside the Town corporate limits, have historically higher poverty rates and lower incomes than those inside the Town limits.