Subject: Brott, Symantha shared the folder "22-267 American Oversight" with you
Date: Friday, September 15, 2023 at 1:22:21 PM Eastern Daylight Time
From: Brott, Symantha
To: AO Records
Attachments: AttachedImage, AttachedImage, AttachedImage, AttachedImage, AttachedImage

EXTERNAL SENDER

Brott, Symantha shared a folder with you

Good morning,

Please find the following exchange file containing the responsive documents to your records request (PRR 22-267), submitted on September 09, 2022.

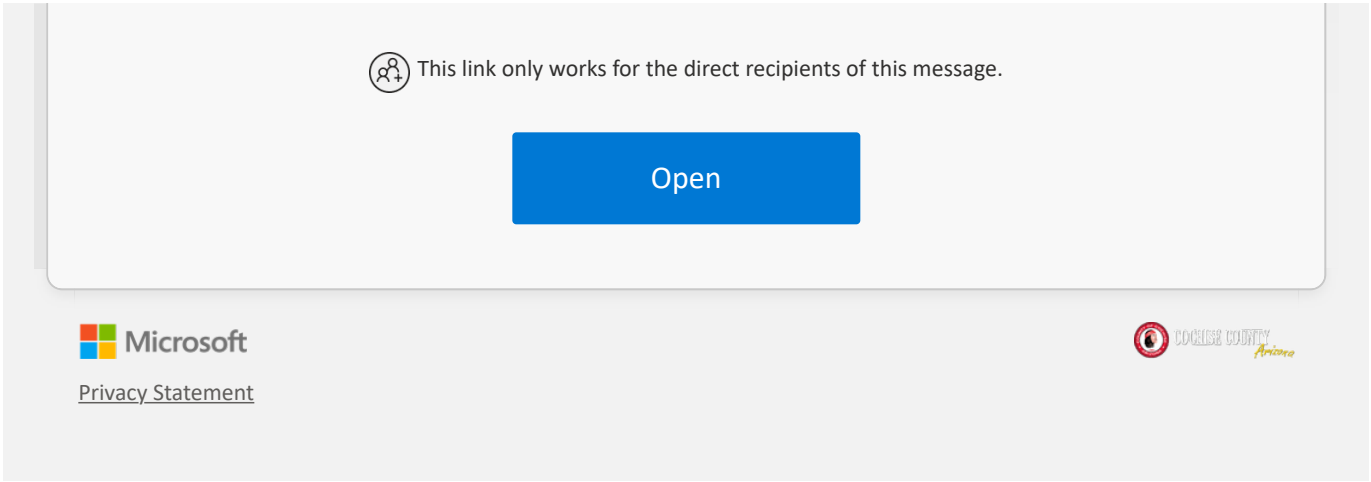
Your records request is now closed. If you require additional records, or wish to submit a new request, please do so using the online submission form on the Cochise County website.

Thank you,

Symantha Brott
Public Record Coordinator
sbrott@cochise.az.gov

22-267 American Oversight

AMERICAN OVERSIGHT



AMERICAN OVERSIGHT

House Committees

Appropriations
- Rep. Regina Cobb (Chair)
- Rep. John Kavanagh (Vice-Chair)
- Rep. César Chávez
- Rep. Charlene Fernandez
- Rep. Randy Friese
- Rep. Jake Hoffman
- Rep. Steve Kaiser
- Rep. Aaron Lieberman
- Rep. Quang Nguyen
- Rep. Becky Nutt
- Rep. Joanne Osborne
- Rep. Judy Schwiebert
- Rep. Michelle Udall

Commerce
- Rep. Jeff Weninger (Chair)
- Rep. Steve Kaiser (Vice-Chair)
- Rep. Joseph Chaplik
- Rep. David Cook
- Rep. Diego Espinoza
- Rep. Charlene Fernandez
- Rep. Robert Meza
- Rep. Becky Nutt
- Rep. Pamela Powers Hannley
- Rep. Justin Wilmeth

Criminal Justice Reform
- Rep. Walt Blackman (Chair)
- Rep. Shawnna Bolick (Vice-Chair)
- Rep. Reginald Bolding
- Rep. Alma Hernandez
- Rep. Joel John
- Rep. Bret Roberts
- Rep. Diego Rodriguez
- Rep. Raquel Terán
- Rep. Ben Toma

Education
- Rep. Michelle Udall (Chair)
- Rep. Bevely Pingerelli (Vice-Chair)
- Rep. Daniel Hernandez
- Rep. Joel John
- Rep. Quang Nguyen
- Rep. Jennifer Pawlik
- Rep. Frank Pratt
- Rep. Bret Roberts
- Rep. Athena Salman
- Rep. Judy Schweibert

Ethics
- Rep. Becky Nutt (Chair)
- Rep. Frank Pratt (Vice-Chair)
- Rep. Domingo DeGrazia
- Rep. Alma Hernandez
- Rep. Jacqueline Parker

Government & Elections
- Rep. John Kavanagh (Chair)
- Rep. Jake Hoffman (Vice-Chair)
- Rep. Judy Burges
- Rep. Kelli Butler
- Rep. Frank Carroll
- Rep. John Fillmore
- Rep. Jennifer Jermaine
- Rep. Jennifer Pawlik
- Rep. Kevin Payne
- Rep. Athena Salman
- Rep. Stephanie Stahl Hamilton
- Rep. Raquel Terán
- Rep. Jeff Weninger

Health & Human Services
- Rep. Joanne Osborne (Chair)
- Rep. Regina Cobb (Vice-Chair)
- Rep. Kelli Butler
- Rep. Joseph Chaplik
- Rep. Randy Friese
- Rep. Alma Hernandez
- Rep. Jacqueline Parker
- Rep. Amish Shah
- Rep. Justin Wilmeth

Judiciary
- Rep. Frank Pratt (Chair)
- Rep. Jacqueline Parker (Vice-Chair)
- Rep. Walt Blackman
- Rep. César Chávez
- Rep. Domingo DeGrazia
- Rep. Mark Finchem
- Rep. Melody Hernandez
- Rep. Quang Nguyen
- Rep. Beverly Pingerelli
- Rep. Diego Rodriguez

Land, Agriculture & Rural Affairs
- Rep. Tim Dunn (Chair)
- Rep. Joel John (Vice-Chair)
- Rep. Brenda Barton
- Rep. David Cook
- Rep. Andrea Dalessandro
- Rep. Mitzi Epstein
- Rep. Gail Griffin
- Rep. Frank Pratt
- Rep. Diego Rodriguez
- Rep. Arlando Teller

Military Affairs & Public Safety
- Rep. Kevin Payne (Chair)
- Rep. Quang Nguyen (Vice-Chair)
- Rep. Richard Andrade
- Rep. Walt Blackman
- Rep. Judy Burges
- Rep. John Fillmore
- Rep. Mark Finchem
- Rep. Daniel Hernandez
- Rep. Melody Hernandez
- Rep. Jennifer Jermaine
- Rep. John Kavanagh
- Rep. Jennifer Longdon
- Rep. Bret Roberts
- Rep. Myron Tsosie

Natural Resources, Energy & Water
- Rep. Gail Griffin (Chair)
- Rep. Judy Burges (Vice-Chair)
- Rep. Andrés Cano
- Rep. Frank Carroll
- Rep. Andrea Dalessandro
- Rep. Tim Dunn
- Rep. Mark Finchem
- Rep. Aaron Lieberman
- Rep. Jacqueline Parker
- Rep. Stephanie Stahl Hamilton

Rules
- Rep. Becky Nutt (Chair)
- Rep. Travis Grantham (Vice-Chair)
- Rep. Leo Biasiucci
- Rep. Rusty Bowers
- Rep. Domingo DeGrazia
- Rep. Mitzi Epstein
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- Rep. Ben Toma

Transportation
- Rep. Frank Carroll (Chair)
- Rep. Justin Wilmeth (Vice-Chair)
- Rep. Richard Andrade
- Rep. Brenda Barton
- Rep Leo Biasiucci
- Rep. David Cook
- Rep. Robert Meza
- Rep. Kevin Payne
- Rep. Frank Pratt
- Rep. Amish Shah
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- Rep. Myron Tsosie

Ways & Means
- Rep. Shawna Bolick (Chair)
- Rep. Brenda Barton (Vice-Chair)
- Rep. Andrés Cano
- Rep. Regina Cobb
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Senate Committees

Appropriations
- Sen. David Gowan (Chair)
- Sen. Vince Leach (Vice-Chair)
- Sen. Lela Alston
- Sen. Sean Bowie
- Sen. Sine Kerr
- Sen. David Livingston
- Sen. Tony Navarrete
- Sen. Lisa Otondo
- Sen. Kelly Townsend
- Sen. Michelle Ugenti-Rita

Commerce
- Sen. J.D. Mesnard (Chair)
- Sen. Michelle Ugenti-Rita (Vice-Chair)
- Sen. Sonny Borrelli
- Sen. Sean Bowie
- Sen. Rosanna Gabaldon
- Sen. David Livingston
- Sen. Tony Navarrete
- Sen. Tyler Pace
- Sen. Jamescita Peshlakai

Education
- Sen. Paul Boyer (Chair)
- Sen. T.J. Shope (Vice-Chair)
- Sen. Nancy Barto
- Sen. Sally Ann Gonzales
- Sen. Rick Gray
- Sen. Christine Marsh
- Sen. Tyler Pace
- Sen. Jamescita Peshlakai

Finance
- Sen. David Livingston (Chair)
- Sen. Vince Leach (Vice-Chair)
- Sen. Lela Alston
- Sen. Sean Bowie
- Sen. Paul Boyer
- Sen. Kirsten Engel
- Sen. Juan Mendez
- Sen. J.D. Mesnard
- Sen. Warren Petersen
- Sen. Michelle Ugenti-Rita

Government
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- Sen. Sonny Borrelli
- Sen. Juan Mendez
- Sen. J.D. Mesnard
- Sen. Jamescita Peshlakai
- Sen. Warren Petersen
- Sen. Martin Quezada

Health & Human Services
- Sen. Nancy Barto (Chair)
- Sen. Tyler Pace (Vice-Chair)
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- Sen. Vince Leach
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- Sen. Sine Kerr (Chair)
- Sen. T.J. Shope (Vice-Chair)
- Sen. Kirsten Engel
- Sen. David Gowan
- Sen. Rick Gray
- Sen. Juan Mendez
- Sen. Lisa Otondo
- Sen. Wendy Rogers
- Sen. Victoria Steele

Rules

- Sen. Karen Fann (Chair)
- Sen. Rick Gray (Vice-Chair)
- Sen. Lela Alston
- Sen. Sonny Borrelli
- Sen. Vince Leach
- Sen. Martin Quezada
- Sen. Rebecca Rios

Transportation

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- Sen. T.J. Shope (Vice-Chair)
- Sen. Paul Boyer
- Sen. Rosanna Gabaldon
- Sen. Rick Gray
- Sen. Sine Kerr
- Sen. Christine Marsh
- Sen. Lisa Otondo
- Sen. Victoria Steele

Arizona 55th Legislature, First Regular Session Membership

Arizona House of Representatives Leadership

Speaker Pro-Tem Grantham

Majority Whip Biasiucci

Majority Leader Toma

Speaker Bowers

Minority Leader Bolding

Assistant Minority Longdon

Minority Whip DeGrazia

Burges

Pratt

Kavanagh

Barton

Griffin

Meza

Dalessandro

Espinoza

Andrade

D. Hernandez

Nutt

Cook

Weninger

Finchem

Cobb

Fernandez

Friese

Salman

Epstein

Powers Hannley

Roberts

Carroll

Payne

Udall

Fillmore

Chávez

Butler

Cano

A. Hernandez

Teller

Nguyen

Blackman

Bolick

Osborne

Dunn

Tsosie

Shah

Pawlik

Jermaine

Sierra

Parker

Wilmeth

Kaiser

Hoffman

John

Rodriguez

Lieberman

Terán

Stahl Hamilton

M. Hernandez

Pingerelli

Chaplik

Schwiebert

= Legislators with more than 8 years of service
= Legislators with between 4-8 years of service
= Legislators with less than 4 years of service

AZ-COCHISE-22-0985-A-000005

Prepared by County Supervisors Association – November 2020

Arizona 55th Legislature, First Regular Session Membership

Arizona Senate Leadership

Speaker Pro Temp Leach

Majority Whip Borrelli

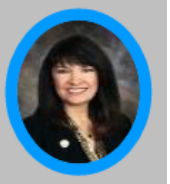
Majority Leader Gray

President Fann

Minority Leader Rios

Assistant Minority Leader Contreras

Minority Co-Whip Quezada


Minority Co-Whip Steele

Barto

Gowan

Ugenti-Rita

Mesnard

Alston

Gonzales

Peshlakai

Gabaldón

Petersen

Townsend

Livingston

Boyer

Bowie

Mendez

Otondo

Navarrette

Rogers

Pace

Kerr

Shope

Engel

Marsh

= Legislators with more than 8 years of service
= Legislators with between 4-8 years of service
= Legislators with less than 4 years of service

AZ-COCHISE-22-0985-A-000006

Prepared by County Supervisors Association – November 2020

House of Representatives Standing Committees

Rules *(Mon. @ 1:00 P.M.)*
Nutt, Chair; Grantham, Vice Chair; Biasiucci, Bowers, Toma, DeGrazia, Espinoza, Epstein

Health & Human Services *(Mon. @ 2:00 P.M.)*
Osborne, Chair; Cobb, Vice Chair; Chaplik, Wilmeth, Parker, Butler, Friese, A. Hernandez, Shah

Land, Agriculture, & Rural Affairs *(Mon. @ 2:00 P.M.)*
Dunn, Chair; John, Vice Chair; Barton, Cook, Griffin, Pratt, Sierra, Dalessandro, Epstein, Rodriguez, Teller

Military & Veterans Affairs *(Mon. @ 2:00 P.M.)*
Payne, Chair; Nguyen, Vice Chair; Blackman, Burges, Fillmore, Finchem, Kavanagh, Roberts, Jermaine, Andrade, Tsosie, D. Hernandez, M. Hernandez, Longdon

Commerce *(Tue. @ 2:00 P.M.)*
Weninger, Chair; Kaiser, Vice Chair; Chaplik, Cook, Nutt, Wilmeth, Powers Hannley, Espinoza, Meza, Fernandez

Education *(Tues. @ 2:00 P.M.)*
Udall, Chair; Pingerelli, Vice Chair; John, Nguyen, Pratt, Roberts, Pawlik, Salman, D. Hernandez, Stahl Hamilton

Natural Resources, Energy & Water *(Tue. @ 2:00 P.M.)*
Griffin, Chair; Burges, Vice Chair; Carroll, Dunn, Finchem, Parker, Cano, Lieberman, Stahl Hamilton, Dalessandro

Judiciary *(Wed. @ 9:00 A.M.)*
Pratt, Chair; Parker, Vice Chair; Blackman, Finchem, Nguyen, Pingerelli, Chavez, DeGrazia, Rodriguez, M. Hernandez

Ways & Means *(Wed. @ 9:00 A.M.)*
Bolick, Chair; Barton, Vice Chair; Cobb, Dunn, Kaiser, Grantham, Epstein, Cano, Powers Hannley, Sierra

Government & Elections *(Wed. @ 9:00 A.M.)*
Kavanagh, Chair; Hoffman, Vice Chair, Burges, Carroll, Weninger, Fillmore, Payne, Jermaine, Pawlik, Salman, Stahl Hamilton, Teran, Butler

Appropriations *(Wed. @ 2:00 P.M.)*
Cobb, Chair; Kavanagh, Vice Chair; Hoffman, Kaiser, Udall, Nguyen, Nutt, Osborne, Friese, Schwiebert, Lieberman, Chavez, Fernandez

Criminal Justice Reform *(Wed. @ 2:00 P.M.)*
Blackman, Chair; Bolick, Vice Chair; John, Roberts, Toma, Rodriguez, Bolding, Teran, A. Hernandez

Transportation *(Wed. @ 2:00 P.M.)*
Carroll, Chair; Wilmeth, Vice Chair; Barton, Biasiucci, Cook, Payne, Pratt, Andrade, Meza, Shah, Teller, Tsosie

Ethics *(As Necessary)*
Nutt, Chair; Pratt, Vice Chair; Parker, DeGrazia, A. Hernandez

Senate Standing Committees

Rules *(Mon. @ 1:00 P.M.)*
Fann, Chair; Gray, Vice Chair; Borrelli, Leach, Alston, Quezada, Rios

Government *(Mon. @ 2:00 P.M.)*
Ugenti-Rita, Chair; Townsend, Vice Chair; Borrelli, Mesnard, Petersen, Mendez, Quezada, Peshlakai

Transportation *(Mon. @ 2:00 P.M.)*
Pace, Chair; Shope, Vice Chair; Boyer, Gray, Kerr, Gabaldon, Marsh, Otondo

Appropriations *(Tue. @ 2:00 P.M.)*
Gowan, Chair; Leach, Vice Chair; Kerr, Livingston, Townsend, Ugenti-Rita, Alston, Bowie, Navarrete, Otondo

Education *(Tue. @ 2:00 P.M.)*
Boyer, Chair; Shope, Vice Chair; Barto, Gray, Pace, Gonzales, Marsh, Peshlakai

Finance *(Wed. @ 9:00 A.M.)*
Livingston, Chair; Leach, Vice Chair; Boyer, Mesnard, Petersen, Ugenti-Rita, Alston, Bowie, Engel, Mendez

Health & Human Services *(Wed. @ 9:00 A.M.)*
Barto, Chair; Pace, Vice Chair; Rogers, Shope, Townsend, Gabaldon, Gonzales, Navarrete

Commerce *(Wed. @ 2:00 P.M.)*
Mesnard, Chair; Ugenti-Rita, Vice Chair; Borrelli, Livingston, Pace, Bowie, Gabaldon, Navarrete, Peshlakai

Natural Resources, Energy, and Water *(Wed. @ 2:00 P.M.)*
Kerr, Chair; Shope, Vice Chair; Gowan, Gray, Rogers, Engel, Mendez, Otondo, Steele

Judiciary *(Thurs. @ 9:00 A.M.)*
Petersen, Chair; Rogers, Vice Chair; Barto, Borrelli, Leach, Contreras, Engel, Quezada

Prepared by County Supervisors Association – November 2020

Arizona State Legislative Districts - Counties Served		
District & Geography	**Office**	**Members**
District 1: Yavapai County, Northern part of Maricopa County (New River; Anthem; Cave Creek; Carefree)	**Senate** **House**	Karen Fann Judy Burges & Quang Nguyen
District 2: Santa Cruz County, East Pima County	**Senate** **House**	Rosanna Gabaldon Andrea Dalessandro & Daniel Hernandez Jr.
District 3: Pima County (Southwest Tucson)	**Senate** **House**	Sally Ann Gonzales Andres Cano & Alma Hernandez
District 4: South Yuma County, West Pima County, Southwest Maricopa County, Southwest Pinal County	**Senate** **House**	Lisa Otondo Charlene Fernandez & Joel John
District 5: La Paz County, most of Mohave County	**Senate** **House**	Sonny Borrelli Regina Cobb & Leo Biasiucci
District 6: Parts of Coconino County (Flagstaff), Navajo County, Gila County (Payson), and Yavapai County (Cottonwood and Camp Verde)	**Senate** **House**	Wendy Rogers Walter Blackman & Brenda Barton
District 7: Parts of Mohave County, Coconino County, Navajo County, Apache County, Gila County, Graham County and Pinal County (includes the Navajo Reservation and San Carlos Reservation)	**Senate** **House**	Jamescita Peshalakai Arlando Teller& Myron Tsosie
District 8: Most of Pinal County, part of Gila County	**Senate** **House**	T.J. Shope David Cook & Frank Pratt
District 9: Pima County (North Tucson "Catalina Foothills")	**Senate** **House**	Victoria Steele Randy Friese & Pamela Powers Hannley
District 10: Pima County (East Tucson "Tanque Verde")	**Senate** **House**	Kristen Engel Domingo DeGrazia & Stephanie Stahl Hamilton
District 11: North Pima County, Pinal County (Casa Grande; Maricopa)	**Senate** **House**	Vince Leach Mark Finchem & Bret Roberts
District 12: Southeast Maricopa County (Gilbert; Queen Creek), North Pinal County	**Senate** **House**	Warren Petersen Travis Grantham & Jake Hoffman
District 13: Northern Yuma County, Northwest Maricopa County (Litchfield Park)	**Senate** **House**	Sine Kerr Tim Dunn & Joanne Osborne
District 14: Cochise County, East Pima County, South Graham County, Greenlee County	**Senate** **House**	David Gowan Gail Griffin & Becky Nutt
District 15: Section of Maricopa County (North Phoenix; North Scottsdale)	**Senate** **House**	Nancy Barto Steve Kaiser & Justin Wilmeth
District 16: Section of Maricopa County (East Mesa; Apache Junction), Section of Pinal County (Gold Canyon)	**Senate** **House**	Kelly Townsend John Fillmore & Jacqueline Parker
District 17: Maricopa County (Chandler and Sun lakes)	**Senate** **House**	J.D. Mesnard Jennifer Pawlik & Jeff Weninger
District 18: Maricopa County (Ahwatukee; South Tempe)	**Senate** **House**	Sean Bowie Denise "Mitzi" Epstein & Jennifer Jermaine
District 19: Maricopa County (Southwest Phoenix metro; Tolleson; Avondale)	**Senate** **House**	Lupe Contreras Diego Espinoza & Lorenzo Sierra
District 20: Maricopa County (Northwest Phoenix; Glendale)	**Senate** **House**	Paul Boyer Judy Schwiebert & Shawnna Bolick
District 21: Maricopa County (Northwest Valley; Sun City; El Mirage)	**Senate** **House**	Rick Gray Beverly Pingerelli & Kevin Payne
District 22: Pima (Northwest valley; Peoria; Sun City West)	**Senate** **House**	David Livingston Ben Toma & Frank Carroll
District 23: Northeast Maricopa County (Fountain Hills; Rio Verde; Scottsdale)	**Senate** **House**	Michelle Ugenti-Rita John Kavanagh & Joseph Chaplik
District 24: Maricopa County (West Central Phoenix)	**Senate** **House**	Lela Alston Jennifer Longdon & Amish Shah
District 25: East Maricopa County (Mesa)	**Senate** **House**	Tyler Pace Russell W."Rusty" Bowers & Michelle Udall
District 26: East Maricopa County (Tempe; Mesa; Salt River Reservation)	**Senate** **House**	Juan Mendez Athena Salman & Melody Hernandez
District 27: South Maricopa County (South Phoenix; Gila River Indian Reservation)	**Senate** **House**	Rebecca Rios Reginald Bolding & Diego Rodriguez
District 28: Maricopa County (North Phoenix; Paradise Valley)	**Senate** **House**	Christine Marsh Kelli Butler & Aaron Lieberman
District 29: Maricopa County (West Glendale)	**Senate** **House**	Martin Quezada Richard Andrade & Cesar Chavez
District 30: Maricopa County (Central Phoenix)	**Senate** **House**	Tony Navarrete Robert Meza & Raquel Terán

From: Robin Hillyard
Subject: 2021 Legislative Members
Date: Tuesday, December 1, 2020 12:20:59 PM
Attachments: 2021 Leg Members Committees Members by District.pdf

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CAUTION: EXTERNAL EMAIL*

Good Afternoon Supervisors and Professional Staff,

Attached please find a PDF with the 2021 House and Senate Legislative Membership photos, committee assignments, and members by district. The Legislature has not yet updated their website with the new contact list for the 2021 Session once it is available, we will send out an update.

Please reach out if you have any questions or concerns.

Kind Regards,

Robin Hillyard
County Supervisors Association of Arizona
480-620-9238 (cell)
RobinH@countysupervisors.org

This E-mail is from an **EXTERNAL** address. DO NOT click on links or open attachments unless you trust the sender and know the content is safe. If you suspect this message to be phishing, please report it using the Phish Alert Button at the top of the email, or forward to cochise.az.gov@missedspam.com or contact IT support at 520-432-8301.

House Committees

Appropriations
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- Rep. Judy Schweibert

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- Sen. Paul Boyer
- Sen. Kirsten Engel
- Sen. Juan Mendez
- Sen. J.D. Mesnard
- Sen. Warren Petersen
- Sen. Michelle Ugenti-Rita

Government
- Sen. Michelle Ugenti-Rita (Chair)
- Sen. Kelly Townsend (Vice-Chair)
- Sen. Sonny Borrelli
- Sen. Juan Mendez
- Sen. J.D. Mesnard
- Sen. Jamescita Peshlakai
- Sen. Warren Petersen
- Sen. Martin Quezada

Health & Human Services
- Sen. Nancy Barto (Chair)
- Sen. Tyler Pace (Vice-Chair)
- Sen. Rosanna Gabaldon
- Sen. Sally Ann Gonzales
- Sen. Tony Navarrete
- Sen. T.J. Shope
- Sen. Kelly Townsend
- Sen. Wendy Rogers

Judiciary
- Sen. Warren Petersen (Chair)
- Sen. Wendy Rogers (Vice-Chair)
- Sen. Nancy Barto
- Sen. Sonny Borrelli
- Sen. Lupe Contreras
- Sen. Kirsten Engel
- Sen. Vince Leach
- Sen. Martin Quezada

Natural Resources, Energy & Water
- Sen. Sine Kerr (Chair)
- Sen. T.J. Shope (Vice-Chair)
- Sen. Kirsten Engel
- Sen. David Gowan
- Sen. Rick Gray
- Sen. Juan Mendez
- Sen. Lisa Otondo
- Sen. Wendy Rogers
- Sen. Victoria Steele

Rules

- Sen. Karen Fann (Chair)
- Sen. Rick Gray (Vice-Chair)
- Sen. Lela Alston
- Sen. Sonny Borrelli
- Sen. Vince Leach
- Sen. Martin Quezada
- Sen. Rebecca Rios

Transportation

- Sen. Tyler Pace (Chair)
- Sen. T.J. Shope (Vice-Chair)
- Sen. Paul Boyer
- Sen. Rosanna Gabaldon
- Sen. Rick Gray
- Sen. Sine Kerr
- Sen. Christine Marsh
- Sen. Lisa Otondo
- Sen. Victoria Steele

2022 Candidates | Arizona Legislature

Legislative District	Arizona Senate	Arizona House of Representatives
District 1	Ken Bennett – R Noel Campbell – R Mike Fogel – D Steve Zipperman – R	Selena Bliss – R Ryan Cadigan – R Steve Gesell – R Judy Burges** – R Quang Nguyen** – R Cathy Ransom – D Neil Sinclair – D
District 2	Jeanne Casteen – D Steve Kaiser** – R Victoria Thompson – D	Neil DeSanti – R Christian Lamar – R Reynold Ramsey – R Judy Schwiebert** – D Pierce Waychoff – R Justin Wilmeth** – R
District 3	Jan Dubauskas – R John Kavanagh** – R (Currently serving in the House) Thomas Dugger – D	Ernest Anderson – R Nicole Cantelme – R Joseph Chaplik** – R Alexander Kolodin – R Darin Mitchell – R

Legislative District	Arizona Senate	Arizona House of Representatives
District 4	Nancy Barto** – R Christine Marsh** – D	John Arnold – R Kenneth R. Bowers, Jr. – R Vera Gebran – R Matt Gress – R Jana Jackson – R Maria Syms – R Laura Terech – D
District 5	Lela Alston** – D Al Jones – D Sarah Tyree – D	Sarah Liguori** – D Jennifer Longdon** – D Aaron Márquez – D Amish Shah** – D Brianna Westbrook – D
District 6	Theresa Hatathlie** – D	Deydrek "Dey" Scott – D Mae Peshlakai – D Myron Tsosie** – D
District 7	Kyle Nitschke – D Wendy Rogers** – R Kelly Townsend** – R	Brenda Barton** – R David Cook** – R John Fillmore** – R David Marshall, Sr. – R
District 8	Roxana Holzapfel – R Todd Howard – R Juan Mendez** – D	Caden Darrow – R Melody Hernandez** – D Bill Loughridge – R Athena Salman** – D

Legislative District	Arizona Senate	Arizona House of Representatives
District 9	Eva Burch – D Tyler Pace** – R Robert Scantlebury – R	Lorena Austin – D Seth Blattman – D Mary Ann Mendoza – R Kathy Pearce – R
District 10	Rusty Bowers** – R (currently serving in the House) David Farnsworth – R Nick Fierro – Independent	Justin Heap – R Helen Hunter – D Barbara Parker – R
District 11	Maryn Brannies – R Junelle Cavero – D Catherine Miranda – D Janelle Wood – D	Shams Abdussamad – D Michael Butts – D Oscar De Los Santos – D Wes Leasy – D Shawn Pearson – D Tatiana Peña – R Marcelino Quiñonez** – D Naketa Ross – D
District 12	Mitzi Epstein** – D (currently serving in the House) David Richardson – R Suzanne Sharer – R	Jim Chaston – R Patty Contreras – D Sam Huang – D Ajlan "A.J." Kurdoglu – D Terry Roe – R Stacey Travers – D Paul Weich – D

Legislative District	Arizona Senate	Arizona House of Representatives
District 13	Cynthia "Cindy" Hans – D J.D. Mesnard** – R Michael Morris – D	Josh Askey – R Ron Hardin – R Liz Harris – R Don Maes – R Jennifer Pawlik** – D Julie Willoughby – R
District 14	Warren Petersen** – R	Natalie DiBernardo – R Travis Grantham** – R Laurin Hendrix – R Suzanne Lunt – R Brandy Reese – D
District 15	Jake Hoffman** – R (currently serving in the House)	Neal Carter** – R Jacqueline Parker** – R
District 16	Taylor Kerby – D T.J. Shope** – R Daniel Wood – R	Braden Biggs – R Rob Hudelson – R Teresa Martinez** – R Keith Seaman – D
District 17	Robert Barr – R Vince Leach** – R Mike Nickerson – D Justine Wadsack – R	Dana Allmond – D Kirk Fiehler – R Rachel Jones – R Cory McGarr – R Anna Orth – R Brian Radford – D Sherrylyn Young – R

Legislative District	Arizona Senate	Arizona House of Representatives
District 18	Morgan Abraham** – D (currently serving in the House) Stan Caine – R Priya Sundareshan – D	Nathan Davis – D Linda Evans – R Nancy Gutierrez – D Christopher Mathis** – D Kat Stratford – D Charlie Verdin – D
District 19	David Gowan** – R	Sandra Clark – D Lupe Diaz** – R Gail Griffin** – R
District 20	Sally Ann Gonzales** – D	Andrés Cano** – D Doug Harding – L Alma Hernandez** – D
District 21	Rosanna Gabaldón** – D	Consuelo Hernandez – D Akanni "Oye" Oyegbola – D Stephanie Stahl Hamilton** – D (currently serving in Senate)
District 22	Richard Andrade** – D (currently serving in the House) Diego Espinoza** – D (currently serving in the House)	Natacha Chavez – D Lupe Chavira Contreras** – D (currently serving in Senate) Lorenzo Sierra** – D Leezah Sun – D Joshua Pembleton – R
District 23	Brian Fernandez** – D (currently serving in the House) Gary Garcia Snyder – R	Jesus Lugo, Jr. – D Mariana Sandoval – D

Legislative District	Arizona Senate	Arizona House of Representatives
District 24	Anna Hernandez – D César Chávez** – D (currently serving in the House)	Anna Abeytia – D Lydia Hernandez – D Hector Jaramillo – D Pedro Lopez – D Analise Ortiz – D
District 25	Sine Kerr** – R	Michael Carbone – R Tim Dunn** – R Joel John** – R
District 26	Raquel Terán** – D	Cesar Aguilar – D Flavio Bravo – D Gil Hacohen – D Christian Solorio** – D
District 27	Jamie Kelly – R Anthony Kern – R	Jay Griffin – R Brian Morris – R Kevin Payne** – R Benjamin Toma** – R
District 28	Frank Carroll** – R David Sandoval – D Clair Van Steenwyk – R	Susan Black – R Stephanie Holbrook – D David Livingston – R Beverly Pingerelli** – R
District 29	Ryan Eldridge – R Joanne Osborne** – R Janae Shamp – R	Steve Montenegro – R Hop Nguyen – R Scott Podeyn – D Austin Smith – R Trey Terry – R

Legislative District	Arizona Senate	Arizona House of Representatives
District 30	Sonny Borrelli** – R	Leo Biasiucci** – R John Gillette – R Donna McCoy – R Nohl Rosen – R Marianne Salem – R
Governor		
Steve Gaynor – R Katie Hobbs – D Kari Lake – R Aaron Lieberman – D Marco Lopez – D Scott Neely – R Karrin Robson-Taylor – R Matt Salmon – R Paola "Z" Tulliani-Zen – R		
Secretary of State		
Reginald Bolding – D Shawnna Bolick – R Mark Finchem – R Adrian Fontes – D Beau Lane – R Michelle Ugenti-Rita – R		

Attorney General
Lacy Cooper – R
Rodney Glassman – R
Andrew Gould – R
Dawn Grove – R
Abe Hamadeh – R
Kris Mayes – D
Tiffany Shedd – R
State Treasurer
Bob Lettieri – R
Martín Quezada – D
Jeff Weninger – R
Kimberly Yee** – R
Superintendent of Public Instruction
Kathy Hoffman** – D
Tom Horne – R
Shiry Sapir – R
Michelle Udall – R
State Mine Inspector
Paul Marsh – R
Corporation Commission
Sandra Kennedy** – D
Lauren Kuby – D
Nick Myers – R
Kim Owens – R
Kevin Thompson – R

2022 Candidates | Arizona Legislature

Legislative District	Arizona Senate	Arizona House of Representatives
District 1 Prescott, Chino Valley, Sedona	Ken Bennett – R Mike Fogel – D $	Selena Bliss – R $ Quang Nguyen** – R Cathy Ransom – D $ Neil Sinclair – D $
	Republican: 49% *Independent: 31%* *Democrat: 20%*	
District 2 North Phoenix	Jeanne Casteen – D Steve Kaiser** – R	Christian Lamar – R Judy Schwiebert** – D Justin Wilmeth** – R
	Independent: 37% *Republican: 35%* *Democrat: 28%*	
District 3 Scottsdale, Phoenix, Anthem, Fountain Hills	John Kavanagh** – R (currently serving in the House) Thomas Dugger – D	Joseph Chaplik** – R Alexander Kolodin – R
	Republican: 48% *Independent: 32%* *Democrat: 21%*	
District 4 Paradise Valley, Scottsdale, Phoenix	Nancy Barto** – R Christine Marsh** – D	Matt Gress – R Maria Syms – R Laura Terech – D
	Republican: 39% *Independent: 33%* *Democrat: 28%*	
District 5 Phoenix	Lela Alston** – D	Jennifer Longdon** – D Amish Shah** – D
	Democrat: 44% *Independent: 34%* *Republican: 22%*	

Updated August 5, 2022

** Indicates incumbent who currently serves in the legislature

$ Indicates candidate running through Arizona Clean Elections

Active voter registration numbers rounded to nearest percentage; data from Arizona Secretary of State, updated August 2022

AZ-COCHISE-22-0985-A-000022

Legislative District	Arizona Senate	Arizona House of Representatives
District 6 Flagstaff, Window Rock, Page	Theresa Hatathlie** – D	Mae Peshlakai – D Myron Tsosie** – D
	Democrat: 51% *Independent: 30%* *Republican: 20%*	
District 7 Flagstaff, Payson, Show Low	Kyle Nitschke – D $ Wendy Rogers** – R	David Cook** – R David Marshall, Sr. – R
	Republican: 45% *Independent: 32%* *Democrat: 23%*	
District 8 Tempe, Mesa, Phoenix, Scottsdale	Roxana Holzapfel – R Juan Mendez** – D $	Caden Darrow – R Melody Hernandez** – D $ Bill Loughridge – R Athena Salman** – D $
	Independent: 39% *Democrat: 37%* *Republican: 25%*	
District 9 Mesa, Tempe	Eva Burch – D Robert Scantlebury – R	Lorena Austin – D Seth Blattman – D Mary Ann Mendoza – R Kathy Pearce – R
	Independent: 38% *Republican: 31%* *Democrat: 31%*	
District 10 Mesa, Apache Junction	David Farnsworth – R Nick Fierro – Independent	Justin Heap – R Helen Hunter – D Barbara Parker – R
	Republican: 43% *Independent: 34%* *Democrat: 23%*	

Updated August 5, 2022

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

AZ-COCHISE-22-0985-A-000023

Legislative District	Arizona Senate	Arizona House of Representatives
District 11 Phoenix, Guadalupe	Maryn Brannies – R $ Catherine Miranda – D	Oscar De Los Santos – D $ Tatiana Peña – R $ Marcelino Quiñonez** – D
Democrat: 49% *Independent: 38%* *Republican: 14%*		
District 12 Chandler, Tempe, Phoenix	Mitzi Epstein** – D (currently serving in the House) David Richardson – R	Jim Chaston – R Patty Contreras – D Terry Roe – R Stacey Travers – D
Independent: 35% *Democrat: 34%* *Republican: 30%*		
District 13 Chandler, Gilbert	Cynthia "Cindy" Hans – D J.D. Mesnard** – R	Liz Harris – R Jennifer Pawlik** – D Julie Willoughby – R
Republican: 36% *Independent: 35%* *Democrat: 29%*		
District 14 Gilbert, Chandler	Warren Petersen** – R	Travis Grantham** – R Laurin Hendrix – R Brandy Reese – D
Republican: 43% *Independent: 34%* *Democrat: 23%*		
District 15 Mesa, Queen Creek	Jake Hoffman** – R (currently serving in the House)	Neal Carter** – R Jacqueline Parker** – R
Republican: 45% *Independent: 35%* *Democrat: 20%*		

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 16 Casa Grande, Eloy, Coolidge	Taylor Kerby – D T.J. Shope** – R	Rob Hudelson – R Teresa Martinez** – R Keith Seaman – D
	Independent: 38% *Republican: 32%* *Democrat: 30%*	
District 17 Marana, Oro Valley, Tucson	Mike Nickerson – D $ Justine Wadsack – R	Dana Allmond – D Rachel Jones – R Cory McGarr – R Brian Radford – D
	Republican: 39% *Independent: 31%* *Democrat: 30%*	
District 18 Tucson, Catalina Foothills	Stan Caine – R $ Priya Sundareshan – D	Linda Evans – R Nancy Gutierrez – D Chris Mathis** – D
	Democrat: 41% *Independent: 31%* *Republican: 28%*	
District 19 Sierra Vista, Safford	David Gowan** – R	Sandra Clark – D $ Lupe Diaz** – R Gail Griffin** – R
	Republican: 42% *Independent: 32%* *Democrat: 25%*	
District 20 Tucson	Sally Ann Gonzales** – D	Andrés Cano** – D Alma Hernandez** – D
	Democrat: 51% *Independent: 34%* *Republican: 15%*	

Updated August 5, 2022

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 21 Tucson, Sahuarita, Nogales	Rosanna Gabaldón** – D	Consuelo Hernandez – D Stephanie Stahl Hamilton** – D (currently serving in the Senate)
	Democrat: 43% *Independent: 36%* *Republican: 21%*	
District 22 Phoenix, Avondale, Glendale	Diego Espinoza** – D (currently serving in the House)	Lupe Chavira Contreras** – D (currently serving in the Senate) Leezah Sun – D $
	Democrat: 42% *Independent: 40%* *Republican: 18%*	
District 23 Yuma, San Luis	Brian Fernandez** – D (currently serving in the House) Gary Garcia Snyder – R	Jesus Lugo, Jr. – D Mariana Sandoval – D $
	Democrat: 38% *Independent: 39%* *Republican: 24%*	
District 24 Glendale, Phoenix	Anna Hernandez – D	Lydia Hernandez – D Analise Ortiz – D
	Democrat: 41% *Independent: 40%* *Republican: 19%*	
District 25 Buckeye, Yuma	Sine Kerr** – R	Michael Carbone – R Tim Dunn** – R
	Republican: 41% *Independent: 36%* *Democrat: 23%*	
District 26 Phoenix, Glendale	Raquel Terán** – D	Cesar Aguilar – D $ Flavio Bravo – D
	Democrat: 43% *Independent: 40%* *Republican: 17%*	

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 27 Peoria, Phoenix	Anthony Kern – R	Kevin Payne** – R Benjamin Toma** – R
	Republican: 37% *Independent: 35%* *Democrat: 28%*	
District 28 Sun City, Peoria, Phoenix	Frank Carroll** – R (currently serving in the House) David Sandoval – D	Stephanie Holbrook – D David Livingston** – R (currently serving in the Senate) Beverly Pingerelli** – R
	Republican: 47% *Independent: 30%* *Democrat: 23%*	
District 29 Goodyear, El Mirage, Litchfield Park	Janae Shamp – R	Steve Montenegro – R Scott Podeyn – D Austin Smith – R
	Republican: 39% *Independent: 35%* *Democrat: 26%*	
District 30 Bullhead City, Kingman, Wickenburg	Sonny Borrelli** – R	Leo Biasiucci** – R John Gillette – R
	Republican: 52% *Independent: 33%* *Democrat: 15%*	

Governor
Katie Hobbs – D
Kari Lake – R
Secretary of State
Mark Finchem – R
Adrian Fontes – D
Attorney General
Abe Hamadeh – R
Kris Mayes – D
State Treasurer
Martín Quezada – D
Kimberly Yee** – R
Superintendent of Public Instruction
Kathy Hoffman** – D $
Tom Horne – R
State Mine Inspector
Paul Marsh** – R
Corporation Commission
Sandra Kennedy** – D $
Lauren Kuby – D $
Nick Myers – R $
Kevin Thompson – R $

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

2022 Candidates | Arizona Legislature

Legislative District	Arizona Senate	Arizona House of Representatives
District 1 Prescott, Chino Valley, Sedona	Ken Bennett – R Mike Fogel – D $	Selena Bliss – R $ Quang Nguyen** – R Cathy Ransom – D $ Neil Sinclair – D $
	Republican: 49% *Independent: 31%* *Democrat: 20%*	
District 2 North Phoenix	Jeanne Casteen – D Steve Kaiser** – R	Christian Lamar – R Judy Schwiebert** – D Justin Wilmeth** – R
	Independent: 37% *Republican: 35%* *Democrat: 28%*	
District 3 Scottsdale, Phoenix, Anthem, Fountain Hills	John Kavanagh** – R (currently serving in the House) Thomas Dugger – D	Joseph Chaplik** – R Alexander Kolodin – R
	Republican: 48% *Independent: 32%* *Democrat: 21%*	
District 4 Paradise Valley, Scottsdale, Phoenix	Nancy Barto** – R Christine Marsh** – D	Matt Gress – R Maria Syms – R Laura Terech – D
	Republican: 39% *Independent: 33%* *Democrat: 28%*	
District 5 Phoenix	Lela Alston** – D Jeff Silvey – R	Jennifer Longdon** – D Amish Shah** – D Jenn Treadwell – R
	Democrat: 44% *Independent: 34%* *Republican: 22%*	

Updated August 22, 2022

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

AZ-COCHISE-22-0985-A-000029

Legislative District	Arizona Senate	Arizona House of Representatives
District 6 Flagstaff, Window Rock, Page	Theresa Hatathlie** – D	Mae Peshlakai – D Myron Tsosie** – D
	Democrat: 51% *Independent: 30%* *Republican: 20%*	
District 7 Flagstaff, Payson, Show Low	Kyle Nitschke – D $ Wendy Rogers** – R	David Cook** – R David Marshall, Sr. – R
	Republican: 45% *Independent: 32%* *Democrat: 23%*	
District 8 Tempe, Mesa, Phoenix, Scottsdale	Roxana Holzapfel – R Juan Mendez** – D $	Caden Darrow – R Melody Hernandez** – D $ Bill Loughridge – R Athena Salman** – D $
	Independent: 39% *Democrat: 37%* *Republican: 25%*	
District 9 Mesa, Tempe	Eva Burch – D Robert Scantlebury – R	Lorena Austin – D Seth Blattman – D Mary Ann Mendoza – R Kathy Pearce – R
	Independent: 38% *Republican: 31%* *Democrat: 31%*	
District 10 Mesa, Apache Junction	David Farnsworth – R Nick Fierro – Independent	Justin Heap – R Helen Hunter – D Barbara Parker – R
	Republican: 43% *Independent: 34%* *Democrat: 23%*	

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

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ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

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Democrat: 49% *Independent: 38%* *Republican: 14%*		
District 12 Chandler, Tempe, Phoenix	Mitzi Epstein** – D (currently serving in the House) David Richardson – R	Jim Chaston – R Patty Contreras – D Terry Roe – R Stacey Travers – D
Independent: 35% *Democrat: 34%* *Republican: 30%*		
District 13 Chandler, Gilbert	Cynthia "Cindy" Hans – D J.D. Mesnard** – R	Liz Harris – R Jennifer Pawlik** – D Julie Willoughby – R
Republican: 36% *Independent: 35%* *Democrat: 29%*		
District 14 Gilbert, Chandler	Warren Petersen** – R	Travis Grantham** – R Laurin Hendrix – R Brandy Reese – D
Republican: 43% *Independent: 34%* *Democrat: 23%*		
District 15 Mesa, Queen Creek	Jake Hoffman** – R (currently serving in the House) Alan Smith – D	Neal Carter** – R Jacqueline Parker** – R
Republican: 45% *Independent: 35%* *Democrat: 20%*		

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 16 Casa Grande, Eloy, Coolidge	Taylor Kerby – D T.J. Shope** – R	Rob Hudelson – R Teresa Martinez** – R Keith Seaman – D
	Independent: 38% *Republican: 32%* *Democrat: 30%*	
District 17 Marana, Oro Valley, Tucson	Mike Nickerson – D $ Justine Wadsack – R	Dana Allmond – D Rachel Jones – R Cory McGarr – R Brian Radford – D
	Republican: 39% *Independent: 31%* *Democrat: 30%*	
District 18 Tucson, Catalina Foothills	Stan Caine – R $ Priya Sundareshan – D	Linda Evans – R Nancy Gutierrez – D Chris Mathis** – D
	Democrat: 41% *Independent: 31%* *Republican: 28%*	
District 19 Sierra Vista, Safford	David Gowan** – R	Sandra Clark – D $ Lupe Diaz** – R Gail Griffin** – R
	Republican: 42% *Independent: 32%* *Democrat: 25%*	
District 20 Tucson	Sally Ann Gonzales** – D	Andrés Cano** – D Alma Hernandez** – D
	Democrat: 51% *Independent: 34%* *Republican: 15%*	

Updated August 22, 2022

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 21 Tucson, Sahuarita, Nogales	Jim Cleveland – R Rosanna Gabaldón** – D	Consuelo Hernandez – D Stephanie Stahl Hamilton** – D (currently serving in the Senate) Damien Kennedy – R Deborah McEwen – R
	Democrat: 43% *Independent: 36%* *Republican: 21%*	
District 22 Phoenix, Avondale, Glendale	Diego Espinoza** – D (currently serving in the House)	Lupe Chavira Contreras** – D (currently serving in the Senate) Leezah Sun – D $
	Democrat: 42% *Independent: 40%* *Republican: 18%*	
District 23 Yuma, San Luis	Brian Fernandez** – D (currently serving in the House) Gary Garcia Snyder – R	Jesus Lugo, Jr. – D Michele Pena – R Mariana Sandoval – D $
	Democrat: 38% *Independent: 39%* *Republican: 24%*	
District 24 Glendale, Phoenix	Anna Hernandez – D	Lydia Hernandez – D Analise Ortiz – D
	Democrat: 41% *Independent: 40%* *Republican: 19%*	
District 25 Buckeye, Yuma	Sine Kerr** – R	Michael Carbone – R Tim Dunn** – R
	Republican: 41% *Independent: 36%* *Democrat: 23%*	
District 26 Phoenix, Glendale	Raquel Terán** – D	Cesar Aguilar – D $ Flavio Bravo – D
	Democrat: 43% *Independent: 40%* *Republican: 17%*	

Updated August 22, 2022

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Legislative District	Arizona Senate	Arizona House of Representatives
District 27 Peoria, Phoenix	Brittani Barraza – D Anthony Kern – R	Don Kissinger – D Kevin Payne** – R Benjamin Toma** – R
	Republican: 37% *Independent: 35%* *Democrat: 28%*	
District 28 Sun City, Peoria, Phoenix	Frank Carroll** – R (currently serving in the House) David Sandoval – D	Stephanie Holbrook – D David Livingston** – R (currently serving in the Senate) Beverly Pingerelli** – R
	Republican: 47% *Independent: 30%* *Democrat: 23%*	
District 29 Goodyear, El Mirage, Litchfield Park	David Raymer – D Janae Shamp – R	Steve Montenegro – R Scott Podeyn – D Austin Smith – R
	Republican: 39% *Independent: 35%* *Democrat: 26%*	
District 30 Bullhead City, Kingman, Wickenburg	Sonny Borrelli** – R	Leo Biasiucci** – R John Gillette – R
	Republican: 52% *Independent: 33%* *Democrat: 15%*	

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE
$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS
ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

Governor
Katie Hobbs – D
Kari Lake – R
Secretary of State
Mark Finchem – R
Adrian Fontes – D
Attorney General
Abe Hamadeh – R
Kris Mayes – D
State Treasurer
Martín Quezada – D
Kimberly Yee** – R
Superintendent of Public Instruction
Kathy Hoffman** – D $
Tom Horne – R
State Mine Inspector
Paul Marsh** – R
Corporation Commission
Sandra Kennedy** – D $
Lauren Kuby – D $
Nick Myers – R $
Kevin Thompson – R $

** INDICATES INCUMBENT WHO CURRENTLY SERVES IN THE LEGISLATURE

$ INDICATES CANDIDATE RUNNING THROUGH ARIZONA CLEAN ELECTIONS

ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED AUGUST 2022

2022 Candidates | Arizona Legislature

Legislative District	Arizona Senate	Arizona House of Representatives
District 1 Prescott, Chino Valley, Sedona	Ken Bennett – R Mike Fogel – D $ Steve Zipperman – R	Selena Bliss – R $ Judy Burges** – R Ryan Cadigan – R Quang Nguyen** – R Cathy Ransom – D $ Neil Sinclair – D $
Republican: 48%	*Independent: 31%*	*Democrat: 20%*
District 2 North Phoenix	Jeanne Casteen – D Steve Kaiser** – R	Christian Lamar – R Judy Schwiebert** – D Pierce Waychoff – R Justin Wilmeth** – R
Independent: 37%	*Republican: 35%*	*Democrat: 28%*
District 3 Scottsdale, Phoenix, Anthem, Fountain Hills	Jan Dubauskas – R John Kavanagh** – R (currently serving in the House) Thomas Dugger – D	Ernest Anderson – R Nicole Cantelme – R Joseph Chaplik** – R Alexander Kolodin – R Darin Mitchell – R
Republican: 47%	*Independent: 32%*	*Democrat: 21%*

Updated May 9, 2022

** Indicates incumbent who currently serves in the legislature

$ Indicates candidate running through Arizona Clean Elections

Active voter registration numbers rounded to nearest percentage; data from Arizona Secretary of State, updated April 2022

AZ-COCHISE-22-0985-A-000036

Legislative District	Arizona Senate	Arizona House of Representatives
District 4 Paradise Valley, Scottsdale, Phoenix	Nancy Barto** – R Christine Marsh** – D	John Arnold – R Kenneth R. Bowers, Jr. – R Vera Gebran – R Matt Gress – R Jana Jackson – R Maria Syms – R Laura Terech – D
Republican: 39%	*Independent: 33%*	*Democrat: 28%*
District 5 Phoenix	Lela Alston** – D Al Jones – D Sarah Tyree – D	Sarah Liguori** – D Jennifer Longdon** – D Aaron Márquez – D Amish Shah** – D Brianna Westbrook – D
Democrat: 44%	*Independent: 34%*	*Republican: 22%*
District 6 Flagstaff, Window Rock, Page	Theresa Hatathlie** – D	Deydrek "Dey" Scott – D Mae Peshlakai – D Myron Tsosie** – D
Democrat: 51%	*Independent: 30%*	*Republican: 19%*
District 7 Flagstaff, Payson, Show Low	Kyle Nitschke – D $ Wendy Rogers** – R Kelly Townsend** – R	David Cook** – R John Fillmore** – R David Marshall, Sr. – R
Republican: 45%	*Independent: 32%*	*Democrat: 24%*

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Legislative District	Arizona Senate	Arizona House of Representatives
District 8 Tempe, Mesa, Phoenix, Scottsdale	Roxana Holzapfel – R Juan Mendez** – D $	Caden Darrow – R Melody Hernandez** – D $ Bill Loughridge – R Athena Salman** – D $
Independent: 39%	*Democrat: 37%*	*Republican: 25%*
District 9 Mesa, Tempe	Eva Burch – D Tyler Pace** – R Robert Scantlebury – R	Lorena Austin – D Seth Blattman – D Mary Ann Mendoza – R Kathy Pearce – R
Independent: 38%	*Republican: 31%*	*Democrat: 31%*
District 10 Mesa, Apache Junction	Rusty Bowers** – R (currently serving in the House) David Farnsworth – R Nick Fierro – Independent	Justin Heap – R Helen Hunter – D Barbara Parker – R
Republican: 43%	*Independent: 34%*	*Democrat: 23%*
District 11 Phoenix, Guadalupe	Maryn Brannies – R $ Junelle Cavero – D Catherine Miranda – D Janelle Wood – D	Shams Abdussamad – D $ Michael Butts – D Oscar De Los Santos – D $ Wes Leasy – D Tatiana Peña – R $ Marcelino Quiñonez** – D Naketa Ross – D $
Democrat: 49%	*Independent: 37%*	*Republican: 14%*

Updated May 9, 2022

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Legislative District	Arizona Senate	Arizona House of Representatives
District 12 Chandler, Tempe, Phoenix	Mitzi Epstein** – D (currently serving in the House) David Richardson – R Suzanne Sharer – R	Jim Chaston – R Patty Contreras – D Sam Huang – D Ajlan "A.J." Kurdoglu – D Terry Roe – R Stacey Travers – D Paul Weich – D
Independent: 35%	*Democrat: 35%*	*Republican: 30%*
District 13 Chandler, Gilbert	Cynthia "Cindy" Hans – D J.D. Mesnard** – R Michael Morris – D	Josh Askey – R Ron Hardin – R Liz Harris – R Don Maes – R Jennifer Pawlik** – D Julie Willoughby – R
Republican: 36%	*Independent: 35%*	*Democrat: 29%*
District 14 Gilbert, Chandler	Warren Petersen** – R	Natalie DiBernardo – R Travis Grantham** – R Laurin Hendrix – R Suzanne Lunt – R Brandy Reese – D
Republican: 43%	*Independent: 34%*	*Democrat: 23%*

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Legislative District	Arizona Senate	Arizona House of Representatives
District 15 Mesa, Queen Creek	Jake Hoffman** – R (currently serving in the House)	Neal Carter** – R Jacqueline Parker** – R
Republican: 45% *Independent: 35%* *Democrat: 20%*		
District 16 Casa Grande, Eloy, Coolidge	Taylor Kerby – D T.J. Shope** – R	Rob Hudelson – R Teresa Martinez** – R Keith Seaman – D
Independent: 38% *Republican: 32%* *Democrat: 31%*		
District 17 Marana, Oro Valley, Tucson	Robert Barr – R Vince Leach** – R Mike Nickerson – D $ Justine Wadsack – R	Dana Allmond – D Kirk Fiehler – R Rachel Jones – R $ Cory McGarr – R Anna Orth – R $ Brian Radford – D Sherrylyn Young – R $
Republican: 39% *Independent: 31%* *Democrat: 30%*		
District 18 Tucson, Catalina Foothills	Morgan Abraham** – D (currently serving in the House) Stan Caine – R $ Priya Sundareshan – D	Nathan Davis – D Linda Evans – R Nancy Gutierrez – D Chris Mathis** – D Kat Stratford – D Charlie Verdin – D
Democrat: 41% *Independent: 31%* *Republican: 28%*		

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Legislative District	Arizona Senate	Arizona House of Representatives
District 19 Sierra Vista, Safford	David Gowan** – R	Sandra Clark – D $ Lupe Diaz** – R Gail Griffin** – R
	Republican: 42% *Independent: 33%* *Democrat: 25%*	
District 20 Tucson	Sally Ann Gonzales** – D	Andrés Cano** – D Alma Hernandez** – D
	Democrat: 52% *Independent: 33%* *Republican: 15%*	
District 21 Tucson, Sahuarita, Nogales	Dan Dellinges – R (write-in candidate) Rosanna Gabaldón** – D	Consuelo Hernandez – D Deborah McEwen – R (write-in candidate) Akanni "Oye" Oyegbola – D Stephanie Stahl Hamilton** – D (currently serving in the Senate)
	Democrat: 44% *Independent: 35%* *Republican: 21%*	
District 22 Phoenix, Avondale, Glendale	Richard Andrade** – D (currently serving in the House) Diego Espinoza** – D (currently serving in the House)	Natacha Chavez – D Lupe Chavira Contreras** – D (currently serving in the Senate) Lorenzo Sierra** – D Leezah Sun – D $
	Democrat: 42% *Independent: 40%* *Republican: 18%*	
District 23 Yuma, San Luis	Brian Fernandez** – D (currently serving in the House) Gary Garcia Snyder – R	Jesus Lugo, Jr. – D Mariana Sandoval – D $
	Democrat: 38% *Independent: 38%* *Republican: 24%*	

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Legislative District	Arizona Senate	Arizona House of Representatives
District 24 Glendale, Phoenix	Anna Hernandez – D César Chávez** – D (currently serving in the House)	Anna Abeytia – D $ Lydia Hernandez – D Hector Jaramillo – D Pedro Lopez – D Analise Ortiz – D
	Democrat: 41% *Independent: 40%* *Republican: 19%*	
District 25 Buckeye, Yuma	Sine Kerr** – R	Michael Carbone – R Tim Dunn** – R Joel John** – R
	Republican: 41% *Independent: 36%* *Democrat: 23%*	
District 26 Phoenix, Glendale	Raquel Terán** – D	Cesar Aguilar – D $ Flavio Bravo – D Gil Hacohen – D $ Christian Solorio** – D
	Democrat: 43% *Independent: 40%* *Republican: 17%*	
District 27 Peoria, Phoenix	Jamie Kelly – R Anthony Kern – R	Jay Griffin – R Brian Morris – R Kevin Payne** – R Benjamin Toma** – R
	Republican: 37% *Independent: 35%* *Democrat: 28%*	

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ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED APRIL 2022

AZ-COCHISE-22-0985-A-000042

Legislative District	Arizona Senate	Arizona House of Representatives
District 28 Sun City, Peoria, Phoenix	Frank Carroll** – R (currently serving in the House) David Sandoval – D Clair Van Steenwyk – R $	Susan Black – R Stephanie Holbrook – D David Livingston** – R (currently serving in the Senate) Beverly Pingerelli** – R
Republican: 47%	*Independent: 30%*	*Democrat: 23%*
District 29 Goodyear, El Mirage, Litchfield Park	Ryan Eldridge – R Joanne Osborne** – R Janae Shamp – R	Steve Montenegro – R Hop Nguyen – R Scott Podeyn – D Austin Smith – R Trey Terry – R
Republican: 38%	*Independent: 36%*	*Democrat: 26%*
District 30 Bullhead City, Kingman, Wickenburg	Sonny Borrelli** – R	Leo Biasiucci** – R John Gillette – R Bill Hardt – R Donna McCoy – R Nohl Rosen – R Marianne Salem – R
Republican: 52%	*Independent: 33%*	*Democrat: 15%*

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Governor
Patrick Finerd – R (write-in candidate)
Katie Hobbs – D
Kari Lake – R
Aaron Lieberman – D
Marco Lopez – D
Scott Neely – R
Karrin Taylor Robson – R
Matt Salmon – R
Paola "Z" Tulliani-Zen – R
Secretary of State
Reginald Bolding – D
Shawnna Bolick – R
Mark Finchem – R
Adrian Fontes – D
Beau Lane – R
Michelle Ugenti-Rita – R
Attorney General
Lacy Cooper – R
Rodney Glassman – R
Andrew Gould – R
Dawn Grove – R
Abe Hamadeh – R
Kris Mayes – D
Tiffany Shedd – R

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State Treasurer
Bob Lettieri – R
Martín Quezada – D
Jeff Weninger – R
Kimberly Yee** – R
Superintendent of Public Instruction
Tiffany Asch – R (write-in candidate)
Kathy Hoffman** – D $
Tom Horne – R
Shiry Sapir – R $
Michelle Udall – R
State Mine Inspector
Paul Marsh** – R
Corporation Commission
Sandra Kennedy** – D $
Lauren Kuby – D $
Nick Myers – R $
Kim Owens – R $
Kevin Thompson – R $

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ACTIVE VOTER REGISTRATION NUMBERS ROUNDED TO NEAREST PERCENTAGE; DATA FROM ARIZONA SECRETARY OF STATE, UPDATED APRIL 2022

From: Jacob Emnett
Cc: Craig Sullivan; Robin Hillyard; Vanessa Fielder; Intern
Subject: 2022 Primary Election Resource - County Supervisors Association
Date: Monday, April 11, 2022 4:42:52 PM
Attachments: image001.png

CAUTION: EXTERNAL EMAIL*

Supervisors and professional staff,

As you know, the deadline to submit signatures to qualify for Arizona's 2022 primary election passed last Monday. This critical deadline's passage has whittled down the primary election field, disqualifying those who could not submit the required number of signatures and giving interested parties a better idea of what the future primary ballot might look like (not including write-in candidates). A list of the 2022 Primary Candidates for statewide, federal, and state legislative races can be found here.

Interesting races we'd like to draw your attention to include:

- **Statewide** ~ **Secretary of State:** Arizona's primaries for the Secretary of State pit current House Minority Leader Reginald Bolding against former Maricopa County Recorder Adrian Fontes on the Democratic side and three sitting state legislators ~ Rep. Shawnna Bolick, Rep. Mark Finchem, and Sen. Michelle Ugenti-Rita – against each other on the Republican side.
- **Federal** ~ **CD 6:** The southeastern CD 6, Arizona's tightest "swing" district, lacks an incumbent.
- **State Legislature** ~ **LD 5 & LD 7:** Due to the quirks of redistricting, three sitting State Legislators will have to fight it out for two available spots in both LD 5 and LD 7.

As always, please reach out if you have questions or comments.

Sincerely,

Jacob Emnett
Legislative Liaison
County Supervisors Association of Arizona
Office #: (602) 452 – 4501
E-mail: jacobe@countysupervisors.org
Address: 1905 W. Washington St., Suite 100
Phoenix, AZ 85009

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Four Forest Restoration Initiative (4FRI)

4FRI Restoration Strategy

USDA Forest Service

November 9, 2021

AZ-COCHISE-22-0985-A-000047

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A. Overview of 4FRI Vision and Objectives

The Four Forest Restoration Initiative (4FRI) is a landscape-level effort to restore 2.4 million acres of ponderosa pine and mixed conifer forests on portions of the Apache-Sitgreaves, Coconino, Kaibab, and Tonto National Forests in Northern Arizona over the next 20 years. The vision of 4FRI remains unchanged. The 4FRI vision is to restore forest ecosystems, reduce threats of destructive wildfire to thriving forest communities, support sustainable forest industries that strengthen local economies, protect critical watersheds, conserve natural resources, and maintain aesthetic value as well as ensure the long-term success of this project and industry. These watersheds supply water uses including municipal, domestic, irrigation and industrial uses for millions of people in the Phoenix metropolitan area.

The Forest Service has made a long-term commitment to achieve healthy, resilient forests across the 4FRI landscape. We are ready and excited to continue the path forward with industry and partners. Our strategic goals include:

- Accelerate the pace and scale of restoration treatments
- Support sustainable forest restoration industries
- Apply an all-lands approach
- Collaborate and engage
- Innovate
- Improve and modernize Forest Service business practices
- Learn and adapt

Recently, Forest Service Chief Randy Moore set up a national Wildfire Risk Reduction Infrastructure Team to develop a 10-year Investment Strategy to reduce wildfire risk and improve resilience. Over the next decade, we intend to collaborate with partners to treat an additional 20 million acres on National Forest System lands and up to an additional 30 million acres on federal, state, tribal and private lands. The scope of the team is to minimize the threat of catastrophic wildfires in the West and to treat more acres in less time.

The vision and objectives of 4FRI are in alignment with the Chief's 10-year Investment Strategy. The 4FRI landscape includes 6 out of 10 of the highest priority firesheds in the Southwestern Region as shown in Figure 1. There are also 9 of the 10 Arizona high priority fire risk areas located in the 4FRI footprint. We are shifting our collective mindsets and strategy to center on a different and better approach. We are focusing our attention to specific acres and broadening the scale of treatment to more immediately reduce wildfire risk, protect communities and restore the health of forests.

Shared Stewardship and Collaboration

Critical work is ongoing by the Forest Service, key partners, 4FRI Stakeholders Group, and industry to actively restore forest ecosystems. The USDA Secretary and Governor of Arizona signed a Shared Stewardship Memorandum of Agreement in July 2020. This agreement defines the shared commitments to 4FRI and other high priority projects in Arizona.

The Forest Service convened with multiple parties including the 4FRI Stakeholders Group that includes over 40 key partners, industry, and communities to review lessons learned, define key enabling conditions and new approaches to redesign a 4FRI Restoration Strategy. These efforts included an Industry Roundtable on October 12, 2021 and 4FRI Stakeholder Meeting on October 18, 2021 to develop a collaboratively supported strategic approach to accelerate the pace and scale. Continued collaboration is crucial, as stakeholder involvement will help ensure strong public ownership in restoration treatments.

Specific highlights include:

1. 4FRI has established and maintained key partnerships to build restoration capacity through innovative Master Stewardship Agreements with The Nature Conservancy, National Forest Foundation, and National Wild Turkey Federation.
2. 4FRI is pioneering the use of Good-Neighbor-Agreements with the State of Arizona Department of Forestry and Fire Management and Salt River Project to expand capacity.
3. 4FRI created the Wood for Life Program to provide fuelwood to tribal communities.
4. Since 2010, approximately 258,000 acres have been mechanically treated or treatments are currently ongoing. In addition, prescribed fire is continually being conducted across the landscape, resulting in more acres treated to reduce fuels.
5. The Region recently signed (10/28/2021) a new 10-year Master Good Neighbor Agreement with Arizona Department of Forestry and Fire that will expand these efforts across Arizona.

Collaborative partnerships are critical to socialize support, increase shared funds, reduce joint risks, and implement projects at scale. With existing and new agreements, and continued innovations, the Forest Service can share resources and adapt this strategy with partners to attract and sustain forest industry.

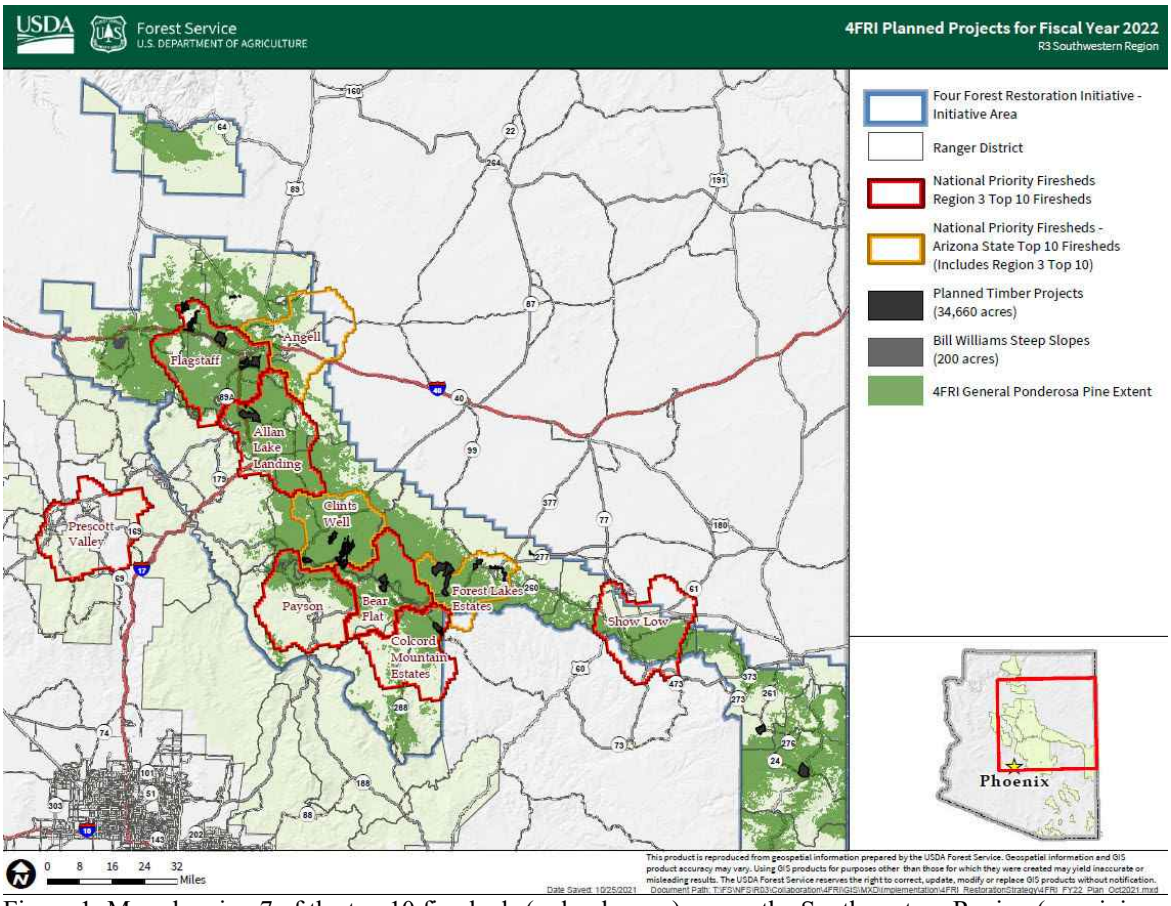

Figure 1: Map showing 7 of the top 10 firesheds (red polygons) across the Southwestern Region (remaining firesheds are located in New Mexico) in relation to the 4FRI footprint. Six of the regional top 10 firesheds in Arizona (red polygons) as well as nine of the Arizona state top 10 firesheds (6 red polygons and 3 orange polygons) are located within the 4FRI footprint. Map also shows the FY22 planned projects to be offered across 4FRI (black polygons).

B. Overview of Forest Service Restoration Strategy

The cancellation of the Phase 2 Request for Proposals (RFP) for 520,000 acres of treatment has resulted in a collaboratively developed and redesigned 4FRI Restoration Strategy. The Forest Service has actively worked with key partners and 4FRI stakeholders to redesign a new 4FRI Restoration Strategy that is broadly supported by industry and local communities. The Forest Service remains committed to treating the full 4FRI footprint and proposes this would be best achieved through a multi-pronged approach. By applying a suite of treatment options there is higher confidence that acres can be treated to achieve the 4FRI objectives.

The Forest Service acknowledges the importance of supporting existing local industry and strives to ensure a continuation of acres made available to local industry. At the same time, the Forest Service recognizes the need to bring new industry to the state. To attract new industry, there will need to be commitments to provide a steady stream of available acres over a long period of time (20 years).

The Forest Service values our partners and their efforts to expand work to implement on the ground treatments and leverage funding to meet the needs of Arizona. We recognize the need to maintain and grow partnerships to help fund and implement projects. By utilizing existing agreements and setting up new agreements, the Forest Service can leverage resources from partners to help achieve desired outcomes. These agreements would also utilize existing local industry to provide for continuity of operations.

The Forest Service is actively committed to the 4FRI vision and is working closely with industry and 4FRI Stakeholders to find an effective strategy, including more immediate action than would have occurred with a large single contract. We will continue to accelerate treatments in high priority locations, provide wood products to existing industry now and into the future, and will explore pathways for innovative approaches that attract and sustain forest products industry. We welcome and are seeking further dialogue with industry on market research and partners on these commitments to further define the details. We commit to a transparent, open process to refine the path forward. We recognize that the path forward may include another large-scale proposal or a combination of new agreements and contracts.

Accomplishments and Expected Outcomes

The restoration strategy is quicker and more diverse with opportunities for existing and new industry. It uses a variety of scales, different contracts and agreements, over multiple time frames (5,10, 20 years) to expand industry and jobs (1,400 jobs and $56.6M income in FY2021).

Based on pending and completed National Environmental Policy Act (NEPA), there is a need to treat approximately 700,000 to 880,000 acres over the next 20 years to meet desired conditions and reduce wildfire risk using a variety to approaches include mechanical thinning and prescribed burning. These acres include the high priority partner projects, providing acres to maintain existing industry and both product and non-product removal areas with implementation tools to be determined. This is in addition to 258,000 acres already completed under 4FRI over the past 10 years.

Considering the total acres treated and planned under this strategy (up to 1.2 million acres) across the 2.4 million acres landscape, the outcome is approximately treating 47% of the 2.4 million acres.

Based on new information for restoring fire-adapted ecosystems in 4FRI for fire resiliency (RMRS GTR 424), blending financial and resiliency objectives are critical to defining the overall outcomes for success. On average only 40% to 50% of a planning area's acres need to be strategically treated to reduce 80% of the exposure from wildfire. This collaborative effort will help to further understand and define tradeoffs

between financial and fire resiliency objectives, while we continue to implement this 4FRI Restoration Strategy.

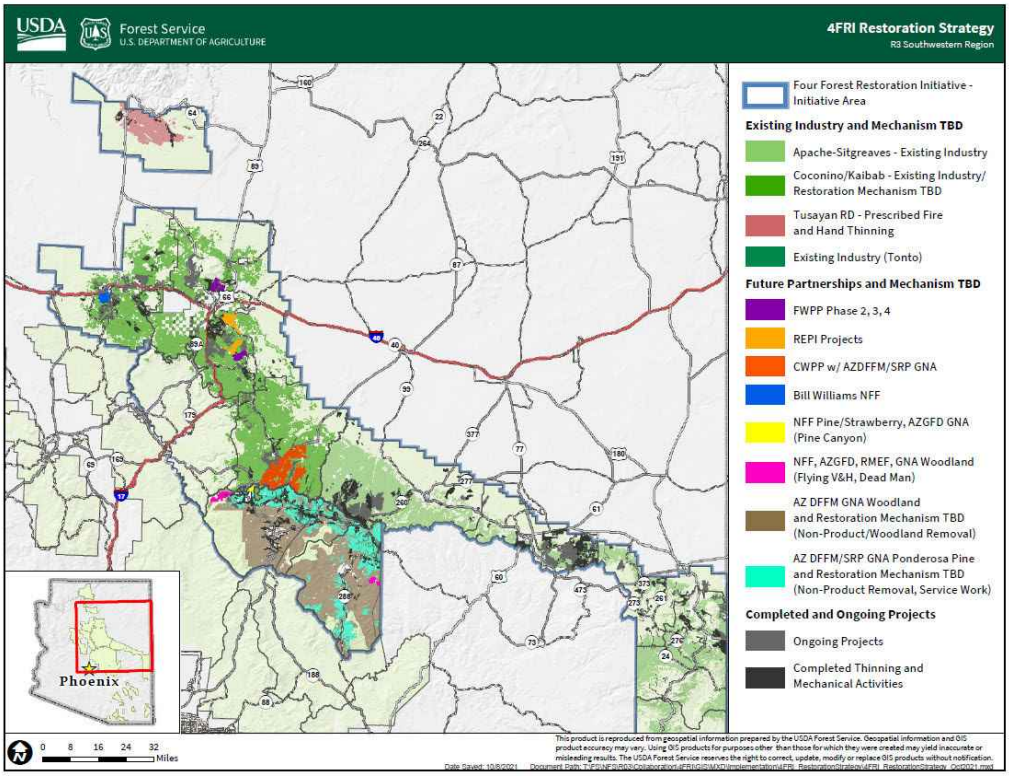

Figure 2. Map showing 4FRI high priority partnership areas and acres that have been treated over the past 10 years.

C. Restoration Strategy Proposal

There are six key decisions that comprise the proposal for the restoration strategy. Overall, the six points fit into the categories that have been identified with the Stakeholder Group: (1) resolve enabling conditions, (2) focus on high priority projects, (3) identify acres to implement to maintain local industry, (4) identify remaining acres that need further assessment regarding implementation tools.

The six key decisions are summarized here and described in detail below:

1. Immediately prioritize and expand the highest-priority partnership projects
2. Immediately implement 5-year plans which provide 295,000 acres over 20 years to maintain existing industry
3. Use prescribed fire and non-commercial thinning as the primary approach on approximately 86,000 acres (over 20 years) from Tonto and Kaibab NFs
4. Conduct a rapid assessment and optimization effort using best available science including priority firesheds on the Coconino and Kaibab NFs
5. Focus on resolving enabling conditions for industry success
6. Identify mechanisms to fund and implement road and bridge needs across the 4 forests (backlog and ongoing maintenance)

Key Decision 1:

Immediately prioritize and expand the highest-priority, partnership projects to significantly reduce the risk of catastrophic wildfire to communities on approximately 135,000 acres. These projects are critical to

partners through expanded Good Neighbor Authority (GNA) and Master Stewardship Agreements (MSA) (Bill Williams, Flagstaff Mountain, CC Cragin, Sierra/Anchas). This step recognizes that our solution must address immediate, pressing safety needs that are most threatening to communities today. We will repeat step one indefinitely (with new areas) while we work in parallel on steps four and five so that the agency continues to reduce wildfire risk. This strategy recognizes the necessity for implementing a multi-pronged approach with partners using MSA/GNAs and contracts as part of the whole solution.

High priority partner projects on the Coconino NF will include product removal. High priority partner projects on the Kaibab will not have product removal and instead focus on fuel reduction. High priority partner projects on the Tonto NF will have limited commercial timber product and work will primarily be composed of hazardous fuels mechanical mastication and non-commercial thinning work. The details of cost sharing with partners on these high priority projects still need to be resolved since the Forest Service cannot bear the full costs of these projects.

Table 1: High priority partner projects:

High Priority Projects	Partners	Acres Planned for Treatment over next 5-10 years	Cost per acre*	Total Forest Service Contributions*	Total Partnership Contributions	Full Estimated Project Cost**
Coconino NF						
Flagstaff Watershed Protection (FWPP) Phases 2, 3, 4 [1]	Coconino County, City of Flagstaff	2,500	$5,807.57	$11,615,150	$2,903,788 (based off 20% match)	$14,518,937
Readiness and Environmental Protection Initiative (REPI)[2]	Department of Defense	8,000	$2,500	$10,687,500	$10,687,500	$21,375,000
Innovations projects[3]	NFF, ERI	5,000	$2,500	$944,000	$236,000 (based off 20% match)	$1,180,000
CC Cragin Watershed[4]	DFFM, SRP, NWTF	39,300	$1,600	$31,440,000	$31,440,000	$62,880,000
Coconino NF Totals	-	**54,800**	-	**$54,686,650**	**$45,267,288**	**$99,953,937**
Kaibab NF						
Bill Williams (non-product removal and complex terrain)	DFFM, NFF, Coconino County	**3,800**	**9,130**	**27,760,000[5]**	**6,940,000**	**34,700,000**
Tonto NF						
Ponderosa pine treatments (includes both product and non-product service work)	DFFM / NFF	12,000	$700	$4,200,000	$4,200,000	$8,400,000

Woodland acres (mastication)	DFFM / NFF	62,000	$800	$24,800,000	$24,800,000	$49,600,000
Woodland acres (Flying V&H, Dead Man Mesa) (mastication)	GNA with NFF, AZGFD, RMEF	4,976	$585	$2,000,000	$910,960	$2,910,960
Pine Canyon Treatments (w/ potential helicopter logging)	Potential Agreement with partners	500	$12,000	$4,800,000	$1,200,000	$6,000,000
Tonto NF Totals	-	**79,476**	-	**$35,800,000**	**$31,110,960**	**$66,910,960**
High Priority Project Totals	-	**138,076**	-	**$118,246,650**	**$83,318,248**	**$201,564,897**

*Costs needed for the Forest Service specifically in FY22 and FY23 are provided in Table 5

**Costs provided here are general estimates conceptually representing total costs

[1]FWPP- Pending additional monitoring results and reinitiating consultation with FWS. Project costs do not include required road work (estimated to be $255,000) and the small amount of product value.

[2]REPI- This is assuming the REPI portion of the funding is $5 million plus additional funds from partners.

[3]Innovations- Costs vary by project, so costs are based on a subset of projects.

[4]CC Cragin- Assumes a 50% match from AZDFFM/SRP based on recent SRP proposal presented at Industry Roundtable Meeting 10/12/21. Both the exact match and final acreage figures are still being negotiated. Roads costs are not included, biomass removal and haul costs are high.

[5]Bill Williams – FS/Partnership contributions could vary in range from 20 and 80%.

Key Decision 2:

Immediately implement 5-year plans which provide 295,000 acres over 20 years to maintain existing industry. This plan sets aside on average 270,000 acres for eastside industry (12,000-15,000 acres/yr), 16,500 for Tonto (approximately 800-1,000 ac/yr) with some product removal, and 18,500 acres on the Coconino and Kaibab NFs for westside industry for FY 2022 only. This step shores up existing industry and removes the market uncertainty that would have been created through the Phase 2 RFP. This strategy recognizes that our solution must include an avenue for existing industry to continue to survive and thrive in this difficult market.

These acres include the portions of high priority partnership projects listed above proposed to implement specifically in FY22. See table 4 for funding requests for FY22-FY26.

Apache-Sitgreaves National Forests

Implement the full 4FRI 5-year plans for timber and fuels specifically for the ASNFs (FY2022-2026). The specific projects approved under this decision are listed in the 10/25/21 version of the 4FRI 5-yr plans for timber and hazardous fuels. The acres available on the ASNFs will not be considered for future large-scale agreements across 4FRI. This forest comprises the "east side" of the 4FRI footprint and has an established industry in place. This decision will continue and reinforce the only existing successful forest restoration program in Arizona, the "Bridge the Gap" program in the White Mountains of Eastern Arizona, led by the Eastern Arizona Counties Organization (ECO) and the Apache-Sitgreaves National Forests. It is critical to give local existing industry the opportunity to continue to perform reliably with long-term, stable wood supply predictability. This program has resulted over the last 10 years in the successful mechanical treatments of an average of 12,000 to 15,000 acres annually using the classic model of timber sales purchased periodically by local industry.

Tonto National Forest

Implement the 4FRI 5-year plans (FY 2022- FY 2026) for both Timber and Hazardous Fuels for the Tonto National Forest. Planned work during this 5-year timeframe include timber removal at an estimated 2,000 acres/year and an estimated 30,000 acres/year via hazardous fuels treatments (est. 15k acres/yr. via mechanical/thinning methods and 15k acres/yr. via prescribed fire and/or beneficial wildfires). On average, over a twenty-year timeframe (2022 – 2042) the annual timber program on the Tonto will be an estimated 1,100 acres per year.

The specific projects approved under this decision point are listed in the 10/25/21 versions of the 4FRI 5-yr plans for timber and hazardous fuels. The majority of areas needing treatment on the Tonto NF (Payson and Pleasant Valley Ranger Districts) are primarily woodlands that provide limited opportunities for timber removal and are more significantly dependent on hazardous fuels treatments. Project objectives include reducing hazard fuels, increasing forest resilience, and improving natural and cultural resource conditions. The Tonto NF will continue to implement this workload using a combination of USFS procurement systems and by working with partners, including the National Forest Foundation, AZ-Dept. of Forestry and Fire Management, AZ Game and Fish, and Salt River Project to augment USFS procurement capacities.

4FRI National Forests	Acres of timber planned to offer FY22	Acres of hazardous fuels planned FY22	Acres of prescribed fire planned FY22
Coconino NF	14,447	1,060[a]	35,000
Kaibab NF	4,025	2,100	20,000
Tonto NF	1,800	12,167	17,662
Apache-Sitgreaves NFs	14,388	10,000[b]	43,881
FY22 Totals	**34,660**	**25,327**	**116,543**

Table 2: FY22 total acres planned to offer across 4FRI for timber, hazardous fuels, and prescribed fire.
[a]Assumed to be Acres of Hazardous Fuels Reduced not through prescribed fire use or timber sales (hand thin, mastication, etc.)
[b]Represents mechanical treatment acres using whole tree logging that reduces hazardous fuels

Key Decision 3:
Use prescribed fire and non-commercial thinning as the primary approach on approximately 86,000 acres (over 20 years) from Tonto and Kaibab NFs. These acres were not viable under the Phase 2 RFP due to limited timber availability. These areas will be treated under 4FRI but will only provide marginal product removal and as such will not contribute measurably to industry.

Key Decision 4:
Conduct a rapid assessment and optimization effort using best available science including priority firesheds on the Coconino and Kaibab NFs. Approximately 300,000-350,000 acres (over 20 years) will be assessed to prioritize which acres to treat to reduce the risk of wildfire the quickest beginning with FY2023 treatments. This approach uses new science to target acres to reduce risk, and lower costs by treating fewer acres in a shorter timeframe. The outcome will inform needs for a new larger-scale agreement or contract while we also resolve enabling conditions. This step uses best available science to partners with industry to be a part of the long-term approach.

Work closely with the 4FRI Stakeholder Group to define priorities for project implementation and collaboratively conduct an optimization effort. The result of this effort will be collaboratively designed 5-year plans for timber and hazardous fuels for the Kaibab and Coconino NFs starting in FY23 (FY22 is covered under decision point #2). This assessment and optimization effort is expected to begin in January 2022 and be completed within several months.

Key Decision 5:

Focus on resolving enabling conditions for industry success (creating incentives to reduce costs, market conditions, eliminating uncertainty of biomass disposal including purchase power agreements, ensuring raw material availability by areas in advance, maintaining roads and bridges, covering losses due to wildfire, transportation plans, fire liability risks). This step recognizes the dependence that a long-term solution has on market conditions that the Forest Service can influence, but ultimately does not control. While we will press for resolution here, if we are unable to influence the enabling conditions for a long-term market solution, the agency will still meet its mission to reduce wildfire risk by continuing to prioritize projects via step one. The 4FRI Restoration Strategy is dependent on resolution of these enabling conditions that were identified jointly through the 4FRI Industry Roundtable and the 4FRI Stakeholder Group.

Scale and Timing:

- Strategically prioritize areas and timing by values at risk
- Provide existing & new industry opportunities at all scales
- Provide contracts or agreements for multiple time frames (5-year plans, 10–20-year outlook)
- Integrate timing of thinning and fuel treatments

Material Availability: Publicly review volume availability by areas in advance of contracts and/or agreements

Infrastructure and Financial Risks:

- Provide incentives for investment to reduce costs/risks (e.g. liability for wildfire losses)
- Resolve uncertainty of biomass disposal and purchase of bioelectricity prior to any next step
- Review financial information requirements and risks
- Jointly assess net costs; share costs/risks with all stakeholders/partners over the long-term.

Simplify the Process:

- Make information publicly available for review prior to contracts or agreements
- Align funding cycles with contract or agreement work
- Simplify complexity to increase implementation

Key Decision 6:
Identify mechanisms to fund and implement road and bridge needs across the 4 forests. We need a full transportation system plan and funds to support industry and recreation; critical to scale and local economies. We need to account for priority of areas, timing of entry, capacity to plan, design, advertise, contract and complete the work.

Background on road funding issues:
In general, timber sales support road maintenance and reconstruction but low value timber does not cover these costs. There has been a steady decrease in the number of timber sales over the last 30 years in the Southwest which does not cover road maintenance. Road maintenance and reconstruction needs exceed the level of Forest Service appropriated funding available for roads. The cost and timing of road repair, reconstruction and maintenance is affecting the pace and scale of restoration across 4FRI.

Road funding needs:
We need to develop a funding plan for the long-term transportation needs across 4FRI. With additional funding, work on main haul roads can be accomplished via contract, relieving the purchaser of responsibility for pre-haul maintenance. An Indefinite Delivery Indefinite Quantity road maintenance

/reconstruction contract for all forests in AZ and NM will be advertised in the coming months. This would allow Forests to quickly award task orders for road maintenance/reconstruction/surfacing. Some ideas to resolve these funding needs include developing material pits in strategic locations, reducing the overall cost to surface main haul roads and using a flat fee per ton of material removed on contracts and agreements.

The 4FRI road system consists of 73 bridges and 12,534 miles of road.

- High Clearance Roads: 10,544 miles (native surface)
- Passenger Car Roads: 1,990 miles (126 paved, 1,678 gravel, 184 native surface)
- Open roads (ML 2-5) account for 76% of the road system on the 4FRI forests and 47% in the Region
- Bridge projects take 3-5 years to complete.

Total annual 4FRI road maintenance costs range from $6-10M - (FY21 - $3M CMRD; plus additional annual costs - $3-7M). These are essential to access acres, reduce haul times, distances, and minimize annual maintenance costs. The total deferred cost (backlog) is approximately $65M (Roads $41M; and Bridges $24M).

There is more information available in a Forest Service 4FRI roads briefing paper dated 10/19/21.

Table 3: Summary of deferred costs for roads and bridges (does not include annual maintenance costs).

Years	Road Costs	Bridge Costs	Total
1-5	$10M	$3.25M	**$13.25M**
6-10	$12.5M	$9.75M	**$22.25M**
11-15	$12M	$8.5M	**$22.25M**
16-20	$6M	$3M	**$9M**
TOTAL	**$40.5M**	**$24.5M**	**$65M**

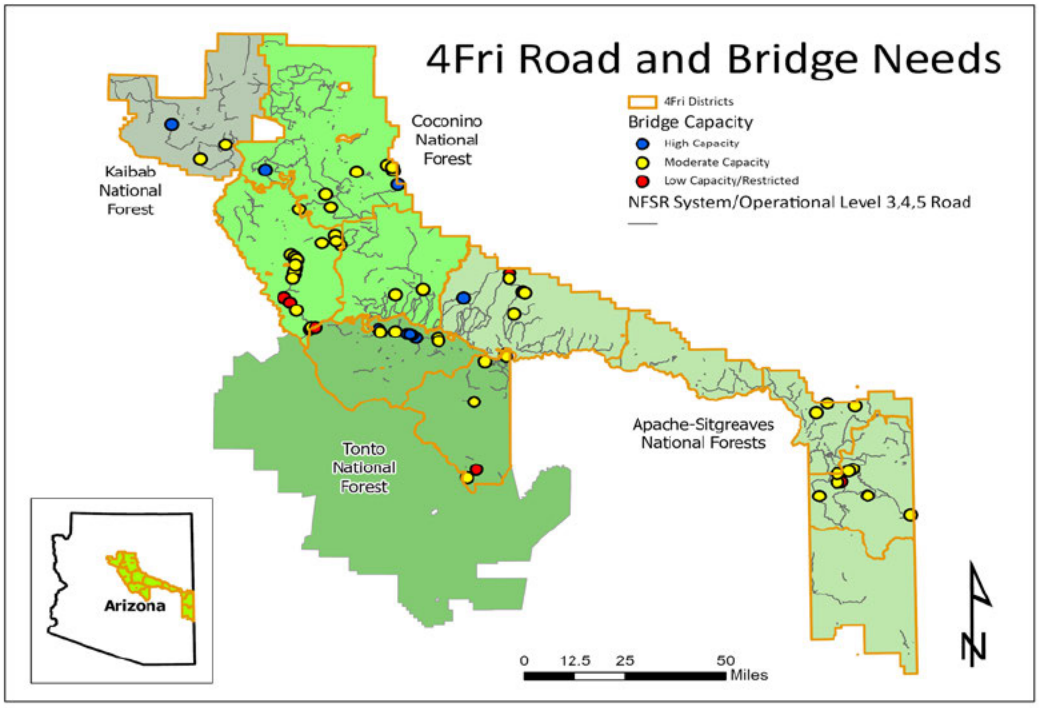

Figure 3: Map showing road and bridge needs across the 4FRI landscape.

D. Funding the Restoration Strategy

We are fully committed to working with partners to achieve the restoration needs at scale, addressing needs for more sustainable industry solutions and to further define cost-sharing strategies.

In FY 2022, the Agency is committing $54 million to accelerate the needs for implementing high priority projects, annual road maintenance, and address the backlog on deferred maintenance on roads and bridges. These funds support approximately 35,000 acres in mechanical thinning in FY 2022.

The 4FRI Forests are currently working to fully integrate this overall strategy and decision including objectives for fuels treatments into 5-year plans. Further work is underway on defining the full costs and needs and to develop cost-sharing strategies with partners for the high priority projects.

Overall summaries of costs needed to implement 4FRI program of work over the next 5 years (2022-2026) are provided here.

Table 4: 4FRI 5-yr timber and fuels program costs by forest including high priority partner projects

Forest annual needs for 4FRI projects (includes high priority projects)	FY22	FY23	FY24	FY25	FY26	Totals
Apache-Sitgreaves NFs						
*Discretionary costs- timber and hazardous fuels	$5,189,095	$5,676,408	$5,618,774	$5,883,892	$5,793,237	**$28,161,406**

**S&E - salary needs	$9,300,000	$9,765,000	$10,253,250	$10,765,912	$11,304,208	**$51,388,370[a]**
Coconino NF						
Discretionary costs- timber and hazardous fuels	$12,618,244	$12,618,244	$14,403,279	$16,516,833	$12,482,492	**$68,639,092[d]**
S&E - salary needs	$9,922,921	$10,915,213	$11,460,974	$12,034,022	$12,635,724	**$56,968,854**
Kaibab NF						
Discretionary costs- timber and hazardous fuels	10,058,000	7,656,700	8,805,205	10,125,986	11,644,884	**48,290,775**
S&E - salary needs	$5,078,957	5,455,141	5,632,468	5,810,956	5,990,620	**27,968,142**
Tonto NF						
Discretionary costs- timber and hazardous fuels	4,541,155	15,265,399[b]	7,042,635	13,818,446	11,473,434	**52,141,069**
S&E - salary needs	$4,487,916	$4,712,312	$4,947,927	$5,195,324	$5,455,090	**$24,798,569[c]**
Totals	**$61,196,288**	**$72,064,417**	**$68,164,512**	**$80,151,371**	**$76,779,689**	**$358,356,277**

*Discretionary costs include: timber and hazardous fuels (contracts, GNA, fleet, materials/supplies, surveys/prep/timber admin- outside of force account) – road maintenance costs are covered in table 6 so not included here

**Salary costs include: full salary needs including seasonals (any and all forest staff time spent on 4FRI in total)

[a] NFSE funding represents only salaries that support 4FRI activities. Adjustment of 5% per annum applied to NFSE for ASNFs to account for inflation @ 2.5% and salary COLA @ 2.5%.

[b] FY23 for the Tonto includes the high cost of Pine Canyon treatments

[c] salary needs include 5% annual adjustment

[d] FY24-26 are estimates and could be higher due to cost increases

Table 5: Summary of costs for high priority partner projects

High Priority Projects	FS Funding needed FY22	FS Funding needed FY23	Total FS Funding Needed (full project timelines 5-10 yrs)	Partner Contributions (full project timelines 5-10 yrs)	Full Estimated Project Cost (full project timelines 5-10 yrs)
Coconino NF					
FWPP	$0	$0	$11,615,150	$2,903,788 (based off 20% match)	$14,518,937
REPI	$0	$5,677,500	$10,687,500	$10,687,500	$21,375,000
Innovations projects	$410,000	$0	$944,000	$236,000 (based off 20% match)	$1,180,000
Cragin Watershed	$5,160,000	$5,112,800	$31,440,000	$31,440,000	$62,880,000
Coconino NF totals	**$5,570,000**	**$10,790,300**	**$54,686,650**	**$45,267,288**	**$99,953,937**
Kaibab NF					
Bill Williams	**5,100,000**	**1,700,000**	**27,760,000**	**6,940,000**	**34,700,000**
Tonto NF					
Ponderosa pine treatments (includes both product and non-product service work)	$417,000	$1,000,000	$4,200,000	$4,200,000	$8,400,000
Woodland acres (mastication)	$960,000	$2,310,000	$24,800,000	$24,800,000	$49,600,000

Woodland acres (Flying V&H, Dead Man Mesa) (mastication)	$623,000	$540,000	$2,000,000	$910,960	$2,910,960
Pine Canyon Treatments (w/ potential helicopter logging)	$0	$3,760,000	$4,800,000	$1,200,000	$6,000,000
Tonto NF Totals	**$2,000,000**	**$7,610,000**	**$35,800,000**	**$31,110,960**	**$66,910,960**
Totals High Priority Projects	**$12,670,000**	**$20,100,300**	**$118,246,650**	**$83,318,248**	**$201,564,897**

Table 6: Summary of annual road and bridges maintenance costs and total backlog costs across 4FRI landscape.

Roads and Bridges	Total Costs
Annual maintenance - roads	**$6-10M/yr ($200M over 20 years)**
Annual maintenance – bridges	**$3.25M/yr ($65M over 20 years)**
Road backlog	**$41,000,000**
Bridge backlog	**$24,000,000**

From:	Jacob Emnett
Cc:	Craig Sullivan; Robin Hillyard; Vanessa Fielder; Intern
Subject:	ACTION ALERT: HB 2107 & SB 1048 - emergency powers; business closure; repeal - Moving through S-COM TOMORROW
Date:	Tuesday, March 1, 2022 11:39:52 AM
Attachments:	image001.jpg

CAUTION: EXTERNAL EMAIL*

ACTION ALERT

Please urge your State Senator/State Representatives to OPPOSE HB 2107 *(Biasiucci)* and SB 1048 *(Petersen)*

Bill Summary:
Senator Petersen's SB 1048 emergency powers; business closure; repeal and Representative Biasiucci's HB 2107 emergency powers; business closure; repeal are mirror bills that **entirely repeal the ability of BOS Chairmen to order the closure of businesses after proclamation of an emergency.**

CSA's Concerns:
Senator Petersen and Representative Biasiucci's testimony on the issue indicated that this bill was targeted to prevent prolonged business closures like those that resulted from the COVID-19 pandemic. While we understand their intent, we have the following concerns with the bill as drafted:

- **The bill is too broad and removes an important public safety tool from the toolbox.**
  - First, their bill would remove the current ability of BOS Chairmen to order businesses closed in **all situations** - including fires, flooding, and civil unrest – and not just the prolonged closures they had mentioned. **Again, while we understand their intent, your ability to order the closure of businesses is a crucial one in times of emergency and imminent danger.**
  - **Our understanding is that when counties use this tool, it is ALMOST ALWAYS in response to imminent danger.**

- **The bill targets counties, who were not responsible for the referenced longstanding business closures.**
  - Second, Rep. Biasiucci and Sen. Petersen mention longstanding closures resulting from the COVID-19 pandemic as the impetus for their legislation. **It is our understanding that these closures resulted from counties' enforcement of the Executive's executive orders, and that counties (a) did not use these powers to order businesses closed, and (b) did so under direction from a higher authority.**

Bill Movement:

Both bills are moving very quickly and have already passed out of their chamber of origin.

- **HB 2107** will be heard before the **Senate Commerce TOMORROW, March 2nd, @ 2:00 P.M.**
- **SB 1048** was scheduled to be heard in **House Military Affairs and Public Safety YESTERDAY, February 28th, @ 2:00 P.M. BUT WAS HELD.** The bill could move as soon as next week.

ACTION NEEDED:
Please call and email your State Senators and State Representatives and explain how your county has historically used this power and why you OPPOSE HB 2107 and SB 1048. Please find the members of the aforementioned committees, and their contact information, below:

House Military Affairs and Public Safety (MAPS) Committee
Majority:
Rep. Kevin Payne (Chair) – Maricopa County **-** (kpayne@azleg.gov)
Rep. Quang Nguyen (Vice-chair) - Yavapai County - (qnguyen@azleg.gov)
Rep. Teresa Martinez – Pinal County & Pima County - (tmartinez@azleg.gov)
Rep. John Kavanagh – Maricopa County - (jkavanagh@azleg.gov)
Rep. Mark Finchem - Pinal County & Pima County - (mfinchem@azleg.gov)
Rep. John Fillmore – Maricopa County & Pinal County (jfillmore@azleg.gov)
Rep. Judy Burges – Yavapai County - (jburges@azleg.gov)
Rep. Walter Blackman – Coconino County, Gila County, & Navajo County - (wblackman@azleg.gov)
Minority:
Rep. Myron Tsosie – Gila County, Graham County, Apache County, Navajo County, Coconino County, Pinal County, & Mohave County – (mtsosie@azleg.gov)
Rep. Christian Solorio – Maricopa County – (csolorio@azleg.gov)
Rep. Jennifer Jermaine – Maricopa County – (jjermaine@azleg.gov)
Rep. Jennifer Longdon – Maricopa County – (jlongdon@azleg.gov)
Rep. Marcelino Quinonez – Maricopa County – (mquinonez@azleg.gov)
Rep. Daniel Hernandez – Pima County & Santa Cruz County – (dhernandez@azleg.gov)
Rep. Melody Hernandez - Maricopa County – (mhernandez@azleg.gov)

Senate Commerce (COM) Committee
Majority:
Sen. J.D. Mesnard (Chair) – Maricopa County – (jmesnard@azleg.gov)
Sen. Michelle Ugenti-Rita (Vice-chair) – Maricopa County - (mugenti-rita@azleg.gov)
Sen. Tyler Pace – Maricopa County - (tpace@azleg.gov)
Sen. David Livingston – Maricopa County – (dlivingston@azleg.gov)
Sen. Sonny Borrelli – Mohave County & La Paz County – (sborrelli@azleg.gov)
Minority:
Sen. Raquel Teran – Maricopa County – (rteran@azleg.gov)
Sen. Teresa Hatathlie – Gila County, Graham County, Apache County, Navajo County, Coconino County, Pinal County, & Mohave County – (thatathlie@azleg.gov)
Sen. Rosanna Gabaldon – Pima County & Santa Cruz County – (rgabaldon@azleg.gov)
Sen. Sean Bowie – Maricopa County – (sbowie@azleg.gov)

Please let me know if you have any questions, comments, or concerns about what I've written above.

Sincerely,

Jacob Emnett
Legislative Liaison
County Supervisors Association of Arizona
Office #: (602) 452 – 4501
E-mail: jacobe@countysupervisors.org
Address: 1905 W. Washington St., Suite 100
Phoenix, AZ 85009

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Eastern Arizona Counties Organization

Economy - Ecology

Land - People - Future

AGENDA
ECO Board of Directors Annual Planning Meeting
Wednesday May 19, 2021, 09:00 to 2:00 PM
X Diamond Ranch Springerville AZ

1. **Welcome and introductions – Jason Whiting**

2. **Legislative report – James Candland**

3. **Approval of the March 17, 2021 meeting minutes – Jason Whiting (D/A)**

4. **Financial report – Pascal Berlioux (D/A)**

5. **Brief historic, focus, and accomplishments of ECO – Jason Whiting & Pascal Berlioux (D/A)**

6. **FY 2021 Annual Plan and FY 2022 Upcoming Plan – Jason Whiting & Pascal Berlioux (D/A)**

7. **Lead Supervisors areas of interest – Jason Whiting (D/A)**
   - **Apache County – Nelson Davis**
     (former Supervisor: public lands)
   - **Cochise County – Peggy Judd**
     (currently: San Pedro, Willcox Basin, agriculture, border)
   - **Gila County – Steve Christensen**
     (former Supervisor: land management, natural resources planning, recreation, CC Cragin)
   - **Graham County – Paul David**
     (currently: energy, transportation, infrastructures, Gila River, Mt Graham)
   - **Greenlee County – Richard Lunt**
     (currently: water, ranching, Mexican Wolf & listed species, TMR, mining)
   - **Navajo County – Jason Whiting**
     (currently: forest and watershed restoration, forest industry)

8. **Post-COVID ECO Legislative Fieldtrip**

9. **Post-COVID 2022 NACo National Conference – Jason Whiting (D/A)**

10. **Funding of Mexican Wolf Range Rider Program and other grants, and year end budget decisions – Pascal Berlioux (D/A)**

11. **Executive Director Report – Pascal Berlioux (D/A)**

12. **FY 2021 dues – Jason Whiting (D/A)**

13. **WIR Report – Richard Lunt (D/A)**

14. **Supervisors' reports (D/A)**
    - **Supervisor Christensen**
    - **Supervisor David**
    - **Supervisor Davis**
    - **Supervisor Judd**
    - **Supervisor Lunt**
    - **Supervisor Whiting**

15. **Additional instructions to the Executive Director – Jason Whiting (D/A)**

16. **Future meetings schedule / resumption of face to face meetings:**

    - **June 2021 – TBD Wednesday June 16, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **July 2021 – TBD Wednesday July 21, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **August 2021 – TBD Wednesday August 18, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **Wednesday September 15, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday October 20, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday November 17, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday December 8, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

    Note: all face-to-face meetings are replaced by Zoom meetings during the COVID 19 pandemic, until the Board decides to resume face to face meetings.

17. **Call to the public.**

18. **Adjourn**

I/D: Information and possible Discussion D/A: Discussion and possible Action
The board may vote to go into executive session pursuant to Arizona Revised Statutes 38-431.03.A1 or 38-431.03.A3

Eastern Arizona Counties Organization

Economy - Ecology

Land - People - Future

AGENDA
ECO Board of Directors Meeting
Wednesday January 19, 2022, 02:00 to 4:00 PM
County Supervisors Association of Arizona
1905 W. Washington, Suite 100, Phoenix, Arizona
Conference call attendance at 1-877-820-7831 passcode 691102#

1. **Welcome and introductions – Jason Whiting**

2. **Legislative report – James Candland**

3. **Approval of the November 17, 2021, meeting minutes – Jason Whiting (D/A)**

4. **Financial report – Pascal Berlioux (D/A)**

5. **Approval of FY 2021 Report and FY 2022 Plan – Jason Whiting (D/A)**

6. **Forest Service 4FRI update – Jason Whiting/Pascal Berlioux (D/A)**

7. **ECO administrative staffing – Jason Whiting (D/A)**

8. **2022 NACo Legislative Conference February 12 - 16, 2022 in Washington DC – Jason Whiting (D/A)**

9. **Decision re. Wednesday February 16, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix** ***(potential conflict with flying back from NACo National Conference in Washington DC) – Jason Whiting (D/A)***

10. **Supervisors' reports (D/A)**
    - **Supervisor Cline – Gila County**
    - **Supervisor David – Graham County**
    - **Supervisor Davis – Apache County**
    - **Supervisor Judd – Cochise County**
    - **Supervisor Lunt – Greenlee County**
    - **Supervisor Whiting – Navajo County**

11. **Additional instructions to the Executive Director – Jason Whiting (D/A)**

12. **Future meetings schedule:**
    - **TBD - Wednesday February 16, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
      Potential conflict with flying back from NACo National Conference in Washington DC
    - **Wednesday March 16, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday April 20, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

- **Wednesday May 25, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
- **TBD - Wednesday June 15, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – location TBD**
- **TBD - Wednesday July 20, 2022 – Annual meeting – 9:00 am to 4:00 pm – location TBD**
- **TBD - August 2022 – no meeting**
- **Wednesday September 14, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
- **Wednesday October 19, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
- **Wednesday November 16, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
- **Wednesday December 14, 2022 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

13. **Call to the public.**

14. **Adjourn**

I/D: Information and possible Discussion D/A: Discussion and possible Action
The board may vote to go into executive session pursuant to Arizona Revised Statutes 38-431.03.A1 or 38-431.03.A3

Eastern Arizona Counties Organization

Economy - Ecology

Land - People - Future

AGENDA
ECO Board of Directors Meeting
Wednesday November 17, 2021, 01:00 to 3:00 PM
County Supervisors Association of Arizona
1905 W. Washington, Suite 100, Phoenix, Arizona
Conference call attendance at 1-877-820-7831 passcode 691102#

1. Welcome and introductions – Jason Whiting
2. Legislative report – James Candland
3. Approval of the September 15, 2021, meeting minutes – Jason Whiting (D/A)
4. Financial report – Pascal Berlioux (D/A)
5. Forest Service 4FRI update / Chief of USFS decisions – Pascal Berlioux (D/A)
6. Mexican Gray Wolf revised recovery plan ruling – Pascal Berlioux (D/A)
7. Potential need/options for ECO administrative staffing – Jason Whiting (D/A)
8. 2022 NACo Legislative Conference February 12 - 16, 2022 in Washington DC – Jason Whiting (D/A)
9. Supervisors' reports (D/A)
   - Supervisor Christensen – Gila County
   - Supervisor David – Graham County
   - Supervisor Davis – Apache County
   - Supervisor Judd – Cochise County
   - Supervisor Lunt – Greenlee County
   - Supervisor Whiting – Navajo County
10. Additional instructions to the Executive Director – Jason Whiting (D/A)
11. Future meetings schedule:
    - Wednesday December 8, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix
12. Call to the public.
13. Adjourn

I/D: Information and possible Discussion D/A: Discussion and possible Action

The board may vote to go into executive session pursuant to Arizona Revised Statutes 38-431.03.A1 or 38-431.03.A3

From: JJ Tenney
Subject: An update to my primary vote choices
Date: Wednesday, July 20, 2022 6:59:41 PM

CAUTION: EXTERNAL EMAIL*

I have had response from a person who was a state senator who knows & has worked with many of these candidates. they are someone who I have deep respect for so I have slightly modified my voting recommendations.

I have firmed up & will vote for Jim Lamon over Blake Masters

Attorney General: I have changed my vote to Rodney Glassman per my conversation with my friend who was senator & worked with both Glassman & "Abe" see the response to me. Do not agree with Hamadeh. He has only been a lawyer for two years. He is young with no experience. I am supporting Rodney Glassman who has tons of experience and whom I have worked with at the capitol. Rodney gives one of the best talks about the responsibility of the AG office I have ever heard. I have also heard Hamadeh speak, nice young man but not seasoned and ready for this kind of responsibility.

Superintendent of public instruction: I am going for Shiry Sapir My frend's response to me. I worked with Michele Udall and I would not support her for superintendent. She is totally in the hands of the teachers Union and ABOR. She does not support school choice and has been a hard vote to get. I again know this as Senate Education Chairman. I am voting for Shiry.

Here is my original email message.
I have looked at the candidates we will be voting for in the primary election on August 2nd. Here are my thoughts on some of he major ones.

When you see a candidate being personally attacked instead of discussing their political philosophy & ideas, it makes me believe the one being attacked personally is much closer to what the majority of the people would want. So the only way for the opposition to go after them is to attack them personally.

The governors race is between these 2 Women:

1. My choice is Kari Lake as the outsider who is willing to really fight for our individual rights, border security & will actively fight to over turn the progressive actions that have caused high inflation that is moving us into a recession. She is the one being personally attacked!
2. Karren Taylor Robsin who is part of the old guard Republican candidate. These individuals are not aggressive in your face fighters but historically tell you what they are going to do but once elected are more go along get along part of the club when it come to fighting for our rights & security.

Senate race is between these 2 men:

1. I have been supporting Jim Lamon because he has the support of Border patrol, law enforcement & sheriffs. I believe he is a real fighter as well.
2. Blake Masters has been getting more & more of my attention & I am getting much more comfortable with him. He is the one being personally attacked! An extensive of opposition research by far-left media outlet Mother Jones combs through the venture capitalist turned politician's past, interviewing over a dozen individuals who have known Masters and are willing to dish unflattering gossip on the candidate, including the best man at his wedding who disagreed with his now former-friend on COVID vaccine mandates.

I would say either of these candidates would be good but it appears that Kelly is much more worried about Blake Masters but that could be because he is in the lead in the poles.

Secretary of state:

- Mark Finchem is my pick because he has been out in front in the fight to audit the Arizona election. He has bee a real fighter in this battle to get to the truth! He has a solid plan to make AZ ballots much more tamper proof & impossible to duplicate.

Attorney General: Abraham (Abe) Hamadeh

Superintendent of public instruction:

- Tom Horn was there before & has been in some elected position for many years. He part of the old guard republican party. We need a new real fighter with new ideas.

- shirysapir.com Shiry Sapir's longshot campaign is focused on combating what she calls indoctrination: critical race theory, anti-police books and comprehensive sexuality education, according to her campaign website. I think she would be the best one to run this department.

- michelleudall.com Michelle Udall cites school closures during the pandemic and critical race theory as reasons for entering the race. The state representative has been a strong advocate for school choice at the Arizona Legislature, but has been cautious against voting for universal access to school vouchers – an issue Arizona voters rejected via referendum in 2018. She is my second

pick.

State Treasurer: Kimberly Yee has done a reasonably good job to date.

District 6 congressional house seat: Young Mayberry

J L (Jim) Tenney
Tenney's 4U Land & Real Estate LLC
[redacted]

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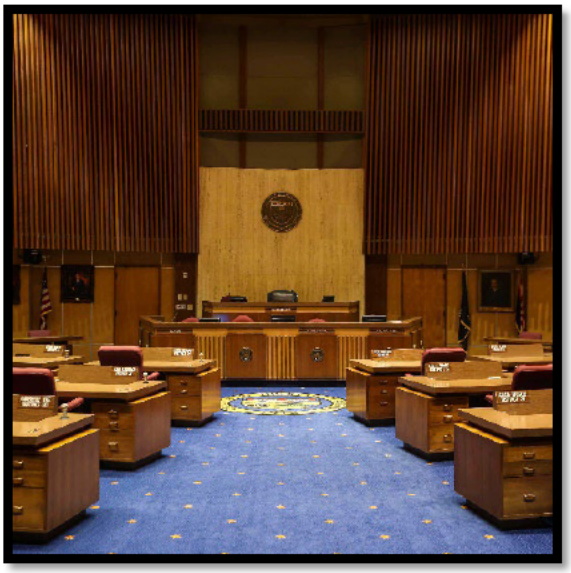
There were discussions about tax cuts, water policies, and budget priorities at the Capitol this week, but none of them happened in public. Meetings between legislative leaders happened behind closed doors and did not lead to action on top priorities.



The House and Senate spent little time in floor sessions. When they did convene, legislators' absences prevented votes on controversial bills. Both chambers adjourned early for the holiday weekend.

Some bills did advance, despite the unambitious schedules. House members gave preliminary approval to a bill that would add new paths to teacher certification and voted to study the use of hydrogen, alter safety inspection requirements for rideshare vehicles, and delay the implementation of a new law on voter citizenship requirements.

In the Senate, lawmakers agreed to create a Mormon migration monument, expand access to a National Guard tuition reimbursement program, and allow universities to engage in water rights adjudications.

Legislators failed to pass bills that would have created a new committee to study data on DUIs, and alter regulations on money transmitters and out-of-state banks doing business in Arizona.

Arizona's New Laws

Governor Ducey signed 17 bills this week – including a new requirement for schools to give students a daily moment of silence, permission for some patients to exceed opioid prescription limits, and broader authority for the State Forester. The Governor has signed a total of 135 bills into law and has not issued any vetoes.

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What's Next?

Legislators have a variety of ideas about how the rest of the legislative session should unfold. Some Republicans hope to enact just a "skinny budget" – a basic continuation of state spending without additional tax cuts or investments – and adjourn so they can go home and focus on their re-election campaigns. Others in the Republican caucus want to stay until they have completed a full budget and successfully re-enacted income tax cuts. Democrats have ideas about how the growing state budget surplus should be spent, and they remain hopeful they'll be invited into budget negotiations. A small bipartisan coalition continues to hope they will find support to enact their not-yet-published proposal to increase education funding and expand the state's Empowerment Scholarship Account program.

One thing is clear: Legislators are not getting along. House and Senate Republican leaders do not appear to be on the same page about how to continue budget negotiations, and disagreements between individual legislators have fractured relationships within and between each political party.

Tuesday marks the 100th day of the session, and House and Senate rules direct the legislature to end the work of the session by the end of next week. That seems unlikely. Apart from the budget, the House and Senate have almost 400 bills still eligible to move toward the Governor's desk.

Budget Update: Big-Ticket Proposals

Though budget negotiations remain secret, the House and Senate Appropriations Committee processes have highlighted some priorities that legislators hope to see included in the new state spending plan. These proposals have made their way through the legislative process and are expected to be included in budget talks:

- **Study and construct roads and highways.**
  A variety of proposals would direct hundreds of millions of dollars toward specific road construction projects around the state – including widening of I-10 between Casa Grande and Chandler.
- **Stabilize public safety retirement funds.**
  Several bills seek to deposit hundreds of millions of dollars to address projected shortfalls in the state's pension systems for public safety personnel and corrections officers.
- **Repair, improve, and pay off debt on state buildings.**
  One proposal would appropriate $155 million to capital improvement plans for state buildings; another would provide $366 million to pay off debt for some state buildings – including university research facilities.

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- **Build a border fence.**
  Republicans have supported a bill that would dedicate $150 million for construction and maintenance of a fence along the Arizona/Mexico border. Another proposal would direct $30 million to local immigration enforcement.
- **Provide tax credits to filmmakers.**
  A longstanding debate continues about whether Arizona should offer tax incentives to filmmakers who make movies and TV shows in the state. Some lawmakers hope to set aside up to $150 million a year for these tax credits.
- **Train more medical professionals.**
  There is bipartisan support for a bill that would direct $142.5 million over three years to fund grant programs intended to broaden Arizona's medical workforce.
- **Eliminate the budget "rollover" for small school districts.**
  Some lawmakers want to use $34 million of the budget surplus to decrease the K-12 "rollover," an accounting tactic that transfers funding from one fiscal year to the next. Last year, legislators eliminated the rollover for schools with up to 2,000 students; this year, they want to address the issue for schools with up to 3,000 students.
- **Increase kinship care payments.**
  Legislators from both sides of the aisle support proposals that would provide $24 million to increase monthly payments to families that provide kinship care. (This is included in Governor Ducey's budget proposal.)
- **Fund STEM programs.**
  Legislators have supported bills to restore and expand funding for science, technology, engineering, and math (STEM) programs.
- **Offer prosecution diversion programs.**
  There is broad support for a $10 million investment in alternative prosecution and diversion programs.

Other high-profile budget priorities did not go through the legislative process but will still be considered in negotiations – including Governor Ducey's proposed $1 billion for water supplies and $74 million for a new earned income tax credit.

Of course, not all budget priorities require such large investments. Many bills seek smaller amounts for specific goals – including expanded medical services for AHCCCS patients, tax breaks for purchases of guns and ammunition, and northern Arizona firefighter training programs.

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In the Elections

The Arizona Democratic Party asked the Attorney General to look into the Arizona Independent Redistricting Committee's process. High-profile and controversial issues activate voters on both sides of the policies. You can submit your questions to candidates for the upcoming Arizona Clean Elections debates.

In the Courts

The state and schools disagree about education funding. A federal appeals court will allow Democrats to challenge the way Arizona orders candidate names on ballots. Representative Mark Finchem (R-Oro Valley) and two Arizona Congressmen asked a court to throw out a lawsuit that claims they cannot hold public office because they participated in the January 6 events at the U.S. Capitol.

In the News

The legislature honored Arizona Water Professionals Appreciation Week. Representative Mark Finchem (R-Oro Valley) asked the federal government to audit voting machines. Arizona lost former Representative Daniel Peaches.

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AZ-COCHISE-22-0985-A-000075

It's a new month and a new phase of the pandemic at the Arizona Capitol. Legislative leaders ended their mask mandates, choosing to encourage – rather than require – face coverings while legislators are at work. They did so over objections from legislative Democrats, who said it was premature to lift the public health requirements that have governed the 2021 session.

Masks weren't the only topic of disagreement this week. Republicans and Democrats had passionate debates about abortion, early voting, guns, and whether there's a crisis on the Arizona-Mexico border.

House and Senate Republicans approved a bill to provide civil liability exemptions for a range of businesses, health care professionals, and other organizations that act in good faith during a public health pandemic. The bill was one of Governor Ducey's priorities for the year, and he is expected to sign it soon.

Not all debates were divided by political party lines, though. A bill that would have put some limits on short-term home rentals failed because of opposition from Republicans who oppose restrictions on property rights and Democrats who believe the bill didn't give local governments enough authority to regulate those rentals.

And not every bill was controversial. Legislators unanimously agreed to continue the work of the State Library, provide a tax break for guest ranches, require more time off for employees who leave their day jobs to serve with the military, and create a tax credit for environmental technology companies that invest in biomass processing. Members of the House and Senate all voted to give Arizonans more time to file their state income taxes this year, moving the tax deadline to mirror the federal government's on May 17.

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AZ-COCHISE-22-0985-A-000076

Committees Revive, Advance Controversial Bills

Appropriations Committees met this week for one last opportunity to consider bills – the committees are not expected to convene again until there are state budget bills. The hearings were hours long and featured sharp debate on a variety of topics – some that had failed to advance in other bills earlier this session.

The Senate Appropriations Committee voted to raise legislators' pay, prohibit businesses from requiring vaccinations and ban vaccine passports, outlaw any abortions after a fetal heartbeat can be detected, and limit the Arizona Corporation Commission's authority over renewable energy.

The House Appropriations Committee revived a bill to reduce prison time for some inmates, created new oversight of the Arizona State Hospital, and designated $1 million for the Arizona Attorney General's voting integrity unit.

What's Next?

It's not entirely clear what comes next in this unusual legislative session. There are no more regularly scheduled policy committee meetings, and there isn't any sign of agreement on a state budget proposal. Budget teams are still negotiating under uncertainty about whether federal COVID-19 aid will limit their ability to cut state taxes this year, though many Republicans say they will proceed with their tax cut priorities regardless of limits the federal government may try to place on state-level decisions.

Approximately 450 bills are still moving through the legislative process, and the House and Senate will focus on those during their daily floor sessions. Most of those are not controversial, though, and legislators are entering a phase of the session that will give them a lot of time to sit around and wait.

Arizona Gets More Laws

Governor Ducey signed 41 more bills into law this week – including new endorsement deal options for college athletes, immunity for first responders who give an epinephrine injection, permission for landlords to adopt out deceased tenants' pets, and authority for superior courts to temporarily reduce the size of juries.

The Governor has signed 167 new laws this year, and another 28 await his signature or veto.

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AZ-COCHISE-22-0985-A-000077

Legislators Continue Debate on Emergency Authority

In Arizona and around the country, policymakers are looking to the COVID-19 experience to identify what needs to change in case of future emergencies. There were more than 20 bills relating to emergency declarations this session; most – including proposals that would immediately end the COVID-19 emergency declaration – stalled. Others are still advancing in the House and Senate.

Primarily, Arizona lawmakers seek to change how much an Arizona Governor can act unilaterally during a state of emergency. They are considering several proposals that would ensure the legislature has a seat at the table:

- HCR 2037 would ask Arizona voters to change the Arizona Constitution to increase the likelihood of a special legislative session during a state of emergency. It would allow the legislature to declare a state of emergency and require a Governor to call a special legislative session within two weeks of declaring a state of emergency. If that emergency declaration limited any person's or entity's actions, the Governor would have to call the special session right away. The proposal would also outline a different balance of power between the legislature and the Governor during a state of emergency.

  This measure awaits final Senate action; it has advanced with Republicans supporting and Democrats opposing.

- SCR 1003 would ask Arizona voters to amend the Arizona Constitution to end any state of emergency after 30 days or earlier, if the Governor or the legislature terminates it. It would require the Governor to call a special session of the legislature within ten days after declaring a state of emergency and would limit a Governor's ability to call a new state of emergency for the same reasons as a prior state of emergency.

  This measure awaits final House action; it has advanced with Republicans supporting and Democrats opposing.

- SB 1084 would prevent a Governor from declaring a new state of emergency based on the same conditions of a prior state of emergency unless the legislature consents to the new declaration. It would end a state of emergency after 90 days unless the legislature extended it and would give any citizen authority to sue the Governor to comply with the limits.

  This bill awaits final House action; it has advanced with Republicans supporting and Democrats opposing.

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- SB 1719 would require a Governor to consult with the State Emergency Council throughout a state of emergency and would expand the current membership of the Council to include legislative Democratic leaders.

  This bill received unanimous support in the Senate and bipartisan support in a House committee but has not yet advanced for final House action.

Legislators also hope to address specific aspects of life during a state of emergency:

- HB 2570 would prevent a state or local government from permanently revoking a business license because of a violation of orders issued under a state of emergency and would cap the fines that apply to specific breaches of COVID-19 public health guidelines.

  This bill awaits final Senate action; it has advanced with Republicans supporting and Democrats opposing.

- SB 1258 would suspend time limits on permits and other governmental approvals for construction or property improvements during a state of emergency, so those projects are not set back by emergency-related delays.

  This bill awaits final House action; it has advanced with unanimous support from Republicans and Democrats.

HB 2770, which exempts a business from any government mask mandate, passed the House and Senate on party lines and awaits the Governor's action.

Legislature Advances Increase to Unemployment Benefits

This week, Appropriations Committees in both the House and Senate advanced bills that would increase unemployment insurance benefits for Arizonans. Both bills got bipartisan support, but each faces some opposition because of ongoing disagreement about whether Arizonans should continue to access unemployment benefits for 26 weeks. Republicans are divided on whether that timeline should be reduced; Democrats oppose any reduction to the duration of benefits.

Sponsors of the two bills say they're confident they can find agreement on the details in time to advance the changes to the Governor's desk.

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Governor Lifts Some COVID-19 Restrictions

Governor Ducey rescinded three executive orders this week, lifting limits that were put in place early in the COVID-19 emergency because he believes they're no longer needed. This action removed limits on elective surgeries and most restrictions on nursing and other long-term care facilities.

In the Elections

Arizona Senate Republicans connected Cyber Ninjas with Maricopa County ballots. State and Congressional candidates in Arizona can start collecting signatures to run in the 2022 election even though the U.S. Census data is delaying the state's redistricting efforts. Representative Mark Finchem (R-Oro Valley) is facing a recall and running for Secretary of State.

In the Courts

Arizona's prisons told a court that they couldn't meet health care standards for inmates because of staffing and resource limitations during the COVID-19 pandemic. Arizona Republicans want the courts to help determine whether they need another leadership election.

In the News

A majority of Arizonans say they're optimistic about the COVID-19 situation in the next 30 days. Governor Ducey wants the federal government to pay for an Arizona National Guard presence at the border. Some local governments will not repeal their mask mandates; the Governor said he would not enforce his executive order that bans them from requiring masks, but several legislators want the Attorney General to decide. Arizona's Department of Health Services is not seeing eye-to-eye with FEMA or Pima County. This Arizona woman was appointed to a federal Environmental Justice Advisory Board. This Arizona sheriff was removed from the Homeland Security Advisory Council. The Arizona National Guard increased its role in Arizona's COVID-19 vaccinations and the state increased staffing at the vaccination sites. Many state employees will continue working from home.

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Name	Will attend	Room Tuesday 18	Steak dinner Tuesday 18		Breakfast to order Wednesday 19	BBQ Lunch Wednesday 19	Room Wednesday 19
			Ribeye	New York			
Chair Whiting Navajo County	X	X	X		X	X	
Vice Chair Lunt Greenlee County	X	X	XX		XX	XX	
Supervisor Davis Apache County	X		X		X	X	
Supervisor Judd Cochise County	X	X		XX	XX	XX	X
Supervisor Christensen Gila County	X	X	X		X	X	X
Supervisor David Graham County	X	X		X	X	X	
County Manager Patterson Apache County	X		X		X	X	
County Manager Karwaczka Cochise County							
County Manager Menlove Gila County							
County Manager Welker Graham County							
County Administrator Rapier Greenlee County							
County Manager Kephart Navajo County	X					X	
James Candland Clarus	X	X	X		X	X	
Pascal Berlioux ECO	X	X	X		X	X	
	10	7	8	3	11	12	2

With few votes left to tally across the state, Arizona's Primary Election results are almost complete. (*Click here for the latest updates to election results.*)

Republican voters chose right-wing candidates to pursue statewide offices in the November election, including every candidate who had the endorsement of former President Donald Trump. Democrats selected candidates who have already held high-profile public offices, choosing those with statewide recognition in matchups that focused more on personality differences than policy disputes.

Political moderates did not succeed in most Primary Election races, and the General Election will ask Arizona voters to choose between two very different visions for the state. Right-wing Republicans celebrate what they see as a "purer" political approach to conservativism and an opportunity to defeat the political goals of opponents both within and without their political party. Democrats see the outcome as an opportunity to pursue support from those who are unwilling to vote for far-right candidates.

While the Primary Election leads to much uncertainty about how these political dynamics will play out in the November election, it did make some things clear:

- **Lots of voters didn't vote.**
  With most votes counted, the numbers show that just 31% of registered Arizona voters cast a ballot in the Primary Election. This isn't unusual, especially for a mid-term election (a year that does not involve electing a U.S. President.) In the 2018 Primary Election, turnout was 33%; in the 2014 Primary Election, just 27% of registered voters participated.

- **There will be a lot of new faces.**
  Next year, almost half of the 90 seats in the legislature will be held by someone who was not in the legislature this year. That number could climb after the General Election, where most incumbents will run against candidates from the opposing political party.

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Voters chose newcomers over current lawmakers in key districts across the state. According to the current vote count, 14 current legislators lost their race for another term in office:

- Representative Morgan Abraham (D-Tucson)
- Representative Rich Andrade (D-Glendale)
- House Speaker Rusty Bowers (R-Mesa)
- Representative Judy Burges (R-Skull Valley)
- Representative César Chávez (D-Phoenix)
- Representative John Fillmore (R-Apache Junction)
- Representative Joel John (R-Buckeye)
- Senator Vince Leach (R-Tucson)
- Representative Sarah Liguori (D-Phoenix)
- Representative Joanne Osborne (R-Goodyear)
- Senator Tyler Pace (R-Mesa)
- Representative Lorenzo Sierra (D-Avondale)
- Representative Christian Solorio Acuña (D-Phoenix)
- Senator Kelly Townsend (R-Apache Junction)

- **Familiar faces will return.**
  Eight former legislators are on track to win their Primary Election race and pursue a return to public office:

  - Ken Bennett (R-Prescott)
  - David Farnsworth (R-Mesa)
  - Laurin Hendrix (R-Gilbert)
  - Lydia Hernandez (D-Phoenix)
  - Anthony Kern (R-Glendale)
  - Catherine Miranda (D-Laveen)
  - Steve Montenegro (R-Goodyear)
  - Maria Syms (R-Paradise Valley)

- **There will be new leaders.**
  After every November election, incoming legislators elect leadership teams for each political party. This small group of legislators serves an important role: They represent the goals legislators have for the next two years and are granted the responsibility of pursuing those goals. Legislative teams negotiate the budget, oversee operations in the House and Senate, and serve as gatekeepers who determine which bills advance through the legislative process.

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Republican and Democrat leaders in the House and Senate are all leaving office, and there's tight competition between lawmakers who want to take on new leadership roles within their caucus. The winners of the General Election will determine which legislators best reflect the goals of the political caucuses, and who will get to set the priorities for the legislature in the next two years.

The Primary Election highlighted the sharp divides in Arizona politics and set the stage for a dramatic competition as candidates hit the campaign trail to earn support ahead of the November election.

What's Next?

The competition has just begun for the candidates who succeeded in the Primary Election. Expect many more advertisements and candidate outreach in the 13 weeks until the November 8 General Election.

At the Capitol, study committees will continue to meet as lawmakers lay the groundwork for policy proposals in the 2023 session. For legislators who lost their Primary Election races, and those who are retiring from the legislature, the rest of the year will be an opportunity to wrap up their work and plan for their next steps outside the House and Senate.

In the Elections

The Arizona Attorney General says dead people did not vote in the 2020 election. The election didn't go smoothly in Pinal County this week, and a new Elections Director will oversee the November election. Two legislators who lost their elections want the County to fix the mistake by holding another election. Arizona's not the only state where incumbents are losing. A grand jury indicted a man who made a bomb threat to an Arizona election official. The number of registered independents in Arizona keeps climbing. Arizona doesn't do runoff elections.

In the Courts

The Arizona Supreme Court kept fines in place for Cyber Ninjas until the company provides public records related to the Senate ballot recount. The Attorney General wants the Arizona Supreme Court to allow penalties for those who pay petition circulators by the number of signatures they gather. Pima County wants to challenge a state law that limits local gun policies. Arizona joined a lawsuit seeking to block the federal government from going after "ghost guns."

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In the News

Some legislative Republicans joined the State Freedom Caucus. The state budget has contributed to the wearable technology industry. There's growing tension (again) about a spending cap on Arizona schools. The Auditor General has some suggestions for the Department of Liquor Licenses and Control. ADOT wants you to merge real smooth.

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AZ-COCHISE-22-0985-A-000085

AMERICAN OVERSIGHT

September 9, 2022

VIA EMAIL

Cochise County Attorney
Attn: Dawn Gonzales
P.O. Drawer CA
Brisbee, AZ 85603
tjohnson@cochise.az.gov
dtownsend@cochise.az.gov

Re: Public Records Request

Dear Public Records Officer:

Pursuant to the Arizona Public Records Law, A.R.S. §§ 39-121 *et seq.*, American Oversight makes the following request for records.

Requested Records

American Oversight requests that your office promptly produce the following records:

> All email communications (including emails, email attachments, complete email chains, calendar invitations, and calendar invitation attachments) and text messages or messages on messaging platforms (such as Slack, GChat or Google Hangouts, Lync, Skype, Twitter direct messages, Facebook messages, WhatsApp, Signal, Telegram, or Parler) between (a) Supervisors Tom Crosby and Peggy Judd and (b) Arizona Representative Mark Finchem, including, but not limited to, communications from mfinchem@azleg.gov, markfinchem@me.com, or markfinchem@protonmail.com.
>
> Please provide all responsive records from November 1, 2020, through the date the search is conducted.

Statement of Noncommercial Purpose

This request is made for noncommercial purposes. American Oversight seeks records regarding communications county officials may have had with a legislator who spread the false claim that the 2020 election was stolen. Records with the potential to shed light on this matter would contribute significantly to public understanding of operations of the government, including whether and to what extent these communications have taken place and had any influence on the official's work.

Because American Oversight is a 501(c)(3) nonprofit, this request is not in American Oversight's financial interest and is not made for a commercial purpose. American

Oversight's mission is to promote transparency in government, to educate the public about government activities, and to ensure the accountability of government officials. American Oversight uses the information gathered, and its analysis of it, to educate the public through reports, press releases, or other media. American Oversight also makes materials it gathers available on its public website and promotes their availability on social media platforms, such as Facebook and Twitter.[1]

Because this request is made for noncommercial purposes, American Oversight requests that any fees charged in connection with processing this request be limited to copying and postage charges, if applicable.[2] Please notify American Oversight of any anticipated fees or costs in excess of $100 prior to incurring such costs or fees.

Guidance Regarding the Search & Processing of Requested Records

In connection with its request for records, American Oversight provides the following guidance regarding the scope of the records sought and the search and processing of records:

- Please search all locations and systems likely to have responsive records, regardless of format, medium, or physical characteristics.
- Our request for records includes any attachments to those records or other materials enclosed with those records when they were previously transmitted. To the extent that an email is responsive to our request, our request includes all prior messages sent or received in that email chain, as well as any attachments to the email.
- Please search all relevant records or systems containing records regarding agency business. Do not exclude records regarding agency business contained in files, email accounts, or devices in the personal custody of your officials, such as personal email accounts or text messages.
- If any records are withheld in full or in part, pursuant to A.R.S. § 39-121.01(D)(2), please provide an index of records or categories of records that have been withheld and the reasons the records or categories of records have been withheld.

[1] American Oversight currently has approximately 16,000 followers on Facebook and 119,000 followers on Twitter. American Oversight, Facebook, https://www.facebook.com/weareoversight/ (last visited Sept. 6, 2022); American Oversight (@weareoversight), Twitter, https://twitter.com/weareoversight (last visited Sept. 6, 2022).

[2] A.R.S. § 39-121.01(D)(1); *see also Hanania v. City of Tucson*,128 Ariz. 135, 624 P.2d 332 (Ct. App. 1980). Furthermore, because this request is for noncommercial purposes, additional fees provided for under A.R.S. § 39-121.03(A) are not applicable and should not be assessed.

- In the event some portions of the requested records are properly exempt from disclosure, please disclose any reasonably segregable non-exempt portions of the requested records. If a request is denied in whole, please state specifically why it is not reasonable to segregate portions of the record for release.

- Please take appropriate steps to ensure that records responsive to this request are not deleted by the agency before the completion of processing for this request. If records potentially responsive to this request are likely to be located on systems where they are subject to potential deletion, including on a scheduled basis, please take steps to prevent that deletion, including, as appropriate, by instituting a litigation hold on those records.

Conclusion

If you have any questions regarding how to construe this request for records or believe that further discussions regarding search and processing would facilitate a more efficient production of records of interest to American Oversight, please do not hesitate to contact American Oversight to discuss this request. American Oversight welcomes an opportunity to discuss its request with you before you undertake your search or incur search or duplication costs. By working together at the outset, American Oversight and your agency can decrease the likelihood of costly and time-consuming litigation in the future.

Where possible, please provide responsive material in an electronic format by email. Alternatively, please provide responsive material in native format or in PDF format on a USB drive. Please send any responsive material being sent by mail to American Oversight, 1030 15th Street NW, Suite B255, Washington, DC 20005. If it will accelerate release of responsive records to American Oversight, please also provide responsive material on a rolling basis.

We share a common mission to promote transparency in government. American Oversight looks forward to working with your agency on this request. If you do not understand any part of this request, please contact Khahilia Shaw at records@americanoversight.org or (202) 539-6507.

Sincerely,

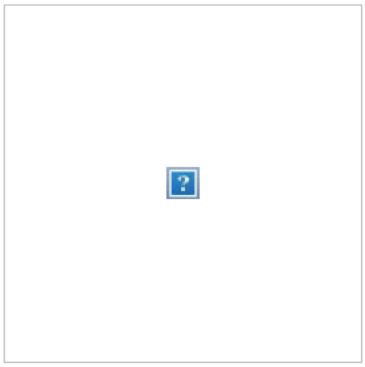
/s/ Khahilia Shaw
Khahilia Shaw
on behalf of
American Oversight

AZ-COCHISE-22-0985
AZ-COCHISE-22-0985-A-000088

From: Dan Farley on behalf of Dan Farley
To: Crosby, Tom
Subject: Beating RINO establishment, beating the federal government, & reconciliation for a better AZGOP longer term!
Date: Wednesday, July 6, 2022 3:59:39 PM

CAUTION: EXTERNAL EMAIL*

View in browser



Putting the "PARTY" in Tea Party!

Helping grassroots conservative Republicans beat Democrats, so we have a reason to celebrate.

If you don't have time, this top section is the most important to read.

This is going to be one of my longer emails sent because there is so much to address before primaries conclude. The bottom line take away of this is that there are 5 EXTREMELY important races (2 in this section, and 3 in the section just below it) that I believe we should be focused on this election, and we should seriously consider helping, as much as possible, 2 separate campaigns from now until 8/2/22 when the primaries end.

This year's primary has 2 important things at stake:

1. It's an opportunity to beat establishment from their positions to continue the transformation of our party to improve its culture to better represent constituents, inviting participation into the party and helping to strengthen self governance.

2. This is a state rights primary and general election. The global communist technocrats who direct the Democrat Party and administrative/deep state have the federal government and are largely committed to destroy election integrity

further, destroy self reliance to create more government dependence, destroy our currency, weaken local law enforcement and create lawlessness so they can create federal law enforcement/police, and take individual & state rights in the process. Every candidate we look at should be looked at through the lens of whether or not the candidate to fight for our state rights and against the global communist technocrat agenda.

I believe, having spoken to so many of you, that the 2 candidates most important to this year's primary where there is a fair amount of consensus is the Governor race for Kari Lake and the U.S. Senate race for Jim Lamon.

Governor

Of our choices for Governor, **Kari Lake** has campaigned the hardest, met with prospective voters/constituents most regularly, she has aligned herself with America and Arizona First policies and even endorsed many patriots who are running for office (I agree with many, only about 2-3 exceptions) telling you the kind of government she would like to see, I've observed her words and actions in her campaign which are largely in alignment with our grassroots conservative base, and I've seen her bring more patriots into her campaign as time has progressed, including my ability to share counsel at times which she seems to value. She has been willing to punch back against the liberal media, she has participated in a lawsuit against the Dominion voting systems, etc. and is the most credible and best positioned candidate (aligned with Trump allies) to punch back against the federal government. Most of the base seems in alignment with her campaign as well. She is up against big money and could really use the help. Phone banking on Fridays through Sunday from now to 8/2/22 has been recommended to me by a seasoned politician with a great track record. So I'm inclined to advise that as a top priority.

I know the campaign is also doing door knocking, getting out yard signs and could likely use some help funding and getting out more of those signs ASAP. Matthew Martinez is helping to coordinate these efforts for the Lake campaign. He has advised to **email your First Name, Last Name, email address, phone number, city you are in and how you would like to help volunteer. The email to send that information to volunteer@karilake.com** If you don't get a timely response, you can text me at 480-951-5959 and I'll contact the campaign directly to make a personal introduction.

U.S. Senate

Jim Lamon made substantive contributions to our state party and county party when RINO establishment tried to starve grassroots of funds (so we'd fail to Dems and the establishment hoped to regain the party). Lamon helped with funding for the audit, with funding help to increase Republican voter registration by about 20,000 new Republican registered voters over the last year, with substantive donations to America First candidates over the years, with his financial support of some grassroots activities to help grow the party.

The man has walked his talk for America First trying to hire veterans, pushing for more American made goods and more self reliance. While we actually have a good choice of candidates, no other candidate for U.S. Senate has this track record and has more credibility to helping to grow our party and help our state become more self reliant. As an accomplished civil engineer and one of the most successful businessmen in the nation, I believe he is uniquely qualified to help our state with its water crisis from a U.S. Senator position and advise on our forest management.

As to the other candidates in the race, the polling I've seen shows McGuire & Olson each around 4%-4.5%. Even though both men seem like good men in their own right, there is no statistical chance of either of them winning the primary so I see a vote for them as splitting the conservative base vote. Each seem like assets to our party and I genuinely hope each finds a productive place in our party to help the cause, even if they are displeased with the primary election results and with what I'm writing in this email. Brnovich has name recognition and talks a good game but by and large the base views him as a guy who has run out the clock without much to show for it. He was even booed at the FreedomWorks U.S. Senator candidate forum. That said, he is competitive in the polls and the more we divide our votes, the more likely he is to win the primary.

I know the base in the southeast part of the state are largely Masters fans since they view him as a local from there, even though he left to CA for many years and only recently returned. Pushing Lamon over Masters will be at odds with the base in the southeast part of the state and even the Trump endorsement of Masters that many of us disagree with. Masters is smooth, without a doubt, and he's improved remarkably over the last 14 months or so when I first saw him present in Navajo County, but you have to ask yourself who put him up to run, who has been the primary funder of his campaign, does that funder have AZ's best interests at heart and our state rights since that funder is from out of state? Masters is a young talent without a doubt but is quite young to be a Senator. As a millennial, does he have the life experience and conviction someone like Lamon does? Lamon has been a fighter for us for years behind the scenes; does Masters have that track record? Keep in mind most Americans don't get really involved into politics until around age 43, so by betting on Masters, you'd be betting on the electorate primarily voting for someone to represent them who has less like experience.

I know as a base we aren't as unified on this race but I highly encourage you to get on the Lamon bandwagon, if you aren't already, to help us in our fight for state rights and self reliance against the feds. **Click here to sign up and help Jim Lamon's campaign. Jake Burns is overseeing the state for the Lamon campaign and he said you are also welcome to contact him directly at 480-620-7757 and jake@jimlamon.com**

Additional Important State Races

State Attorney General race - I'm thrilled to see how much healthier our party is growing. We have had a number of good candidates sign up to run in the U.S. Senate race and in the Attorney General race. Keep in mind I think the best strategy is to beat the feds and I personally think we need someone who knows they law extremely well and has the ability to argue and win at the U.S. Supreme Court. I don't think there is anybody more qualified in the AG race to do that than Andrew Gould. He stepped down from a lifetime appointment at the Arizona Supreme Court to run for this race because he wanted to be in the fight and not on the sidelines. The patriotic lawyers I know and trust have told me Gould is their choice. I know the base is very fractured on this race. Please do your due diligence and vote your conscience.

State Secretary of State race - Mark Finchem is a patriot, without a doubt. Some believe Shawnna Bolick is more electable in the general election and she has a good track record too. If either of these win the primary and go on to win the general election, we'll be in much better shape. I personally know Bolick better so I'm inclined to vote Bolick but, again, do your due diligence and vote your conscience.

State Superintendent of Public Instruction race - Most of the base is in agreement on this race. **Shiry Sapir** is the most trustworthy of our choices when you consider how many times Michelle Udall has betrayed our own party in the state legislature and when you consider Tom Horne's history of scandals when in office from the past. It's time for a fresh start with a candidate who has clarity of right and wrong. A lot of new "momma bears" has joined into our party over the last year or so. It's important we keep them engaged as Republicans and whoever wins this general election will play a role in shaping the young minds and our culture tomorrow. Most of us don't want children sexualized in school (particularly at very young ages), most of us don't want "critical race theory" indoctrination, and most of us want our national history taught accurately to love America and those who struggled to provide us freedom. Sapir could use some help. If the schools are your passion and you want to help Sapir win her primary, please **email your First Name, Last Name, email address, phone number, city you are in and how you would like to help volunteer. The email to send that information to info@electshirysapir.com and/or call 480-540-1001.**

Reconciliation for RINOs & a better culture for our AZGOP

This section is to address the RINO culture, how they don't want to view themselves as having done something wrong, how they have played a role in

the mess we find ourselves in, and how they just don't want to change their ways, but they are going to have to because we have successfully limited their favorite cheating tool of proxies with 2/3+ majority votes changing our state and county bylaws this last January, and we will continue bringing more patriots into the AZGOP.

I have often compared the RINO mindset to someone on the Titanic arguing over food at the buffet while the ship sinks. There seems to be a lack of appreciation by RINO establishment that we are saving a representative government, freedom and prosperity for ALL of us, including them and their children!! Our nation is the keystone to the arch of freedom in the world. The global communist technocrats who run the Democrat Party are intent to destroy the dollar so putting currency backed by nothing but the word of liars as a priority over eternal truths is even more foolish than Mark 14:44-46 and Matthew 27:3-8. Our founders intended for Christ to be the moral compass of this nation. It's not an accident that the Constitution and many founding documents were signed In the Year of Our Lord, that a painting of Pocahontas being baptized is prominently displayed in the rotunda of our Capitol Building in DC, that it is engraved over our House of Representatives "In God We Trust", etc. Virtually every founder has quotes saying things like, "The Constitution is only made for a moral and virtuous people; it won't work otherwise."

The global communist technocrats ensure the Dems are always politically active. They have the administrative state/deep state, the ability to print money out of DC as the federal government, so much of the press and big tech, control of most professional associations now...all top down while they fund unions with our tax dollars, while short term funding through nonprofits "useful idiots" to destroy their own freedom and long term prosperity, and while doing similar things with ANTIFA and BLM for a bottom up force. The RINO plans of serving themselves at constituent expense, not growing the Republican Party (in fact actively working against patriot involvement as precinct committeemen as evidenced in the old LDs 15 & 28) and not strengthening self governance only to show up in the last months of a campaign to throw millions of dollars (which may be ill gotten gains at constituent expense) to try and convince people they are conservative outsiders and to vote for them is not the way to beat the Dems/global communist technocrats and save our republic and state! The old LD28 going entirely Democrat in the RINO stronghold of the state is a clear example of that.

The ONLY way to save our state and republic is to embrace Christ as the moral compass (not be hypocritical to treat constituents and patriots not the way they'd want to be treated themselves) and to embrace the founders intent for self governance by constantly recruiting into the party, training and collaborating together (giving the Republican Party an overdue bottom up ground game that is operating at all times to match and even exceed the Democrats' constant unrelenting top down and bottom up game). That's the

new culture that MUST be accepted by those who participate in the AZGOP. Either join in and help, move out of the way or be politically beaten! The old RINO way of doing things is OVER!!! It's for ALL of our good in the longer term!!!

No one would expect a wealthy person to approach Christ and ask how big of a check to write to get into Heaven. We all know Christ/God wants your heart, which then drives your thoughts, words and actions. That is why individually one at a time people are baptized into a new life. I see our party in the same way. Each RINO from actions in the past, in order to participate in the AZGOP future, has to be born again one at a time to embrace the mindset of constantly growing our party and empowering the electorate with self governance.

RINOs can't continue to still operate in secret as their own club. One at a time we need to see their hearts change, for them to individually contribute in time and personal finances to help grow our party and strengthen self governance working together and over a period of a couple of years the party should be healed and people within the party trust one another more to serve constituents, understanding there will always be debates and sometimes intense primaries between one another but at least our party will be honest then and constituents will be much closer to it because many will be engaged in it. This will improve our party's reputation and activity. It will generate more wins for us. It will help to protect all of our freedom and long term prosperity. I implore each of us to pursue this mindset and these terms for RINOs. The stakes for our state, republic and the freedom of mankind couldn't be higher.

Carried over from last month's email

Organizing our Conservative Grassroots Base

www.teapartyaz.com/signup

I'm doing my best to help recruit and get our party more organized. The above sign up link is applicable for all over the state and the 10 categories to choose from allows me to help Chairs of different counties and legislative districts with where to integrate new recruits or current PCs/activists, if I have overlapping subscribers. I've printed up business cards to hand out which direct people to the link, see below. Gina Swoboda is at the forefront of the poll worker effort and Julie Fisher has been leading and advising on voter registration. For those who select those options, I will be passing your contact information on to them to get you more plugged in. In the other areas, I hope to work collaboratively with your LD Chairs, grassroots groups like America Pack, EZAZ, etc. The more organized we are, the more effective we'll be. Please take the time to submit

your information and personal interest in the sign up link above if you haven't already.

Tea Party AZ Ballot Recommendation List & The Lens We Looked Through

www.teapartyaz.com/ballot

Now that the primaries are almost upon us, I've been repeatedly asked for this cycle's ballot recommendation list. There has been A LOT of input taken in from numerous trusted grassroots groups and allies throughout the state. We have done our best to give a synopsis on the results of that outreach here. The more

grassroots is divided on candidates, the more our votes get divided and the less likely we are to have an impact. When evaluating candidates, this is the lens we are looking through:

The Tea Party generally stands for:

1. The Constitution is the Supreme Law of the Land.
2. Domestic Free Markets are essentially to freedom.
3. Fiscal responsibility is essential to preserving the currency and freedom.

The keys to leadership are:

1. Honesty creates Trust
2. Knowledge earns Respect
3. Hard work endears Loyalty

The founders established freedom by pledging to one another their:

1. Lives
2. Fortunes
3. Sacred Honor

All of the founders had been students of the Bible and the vast majority of them have quotes which say the Constitution will only work with a moral and virtuous people. Numerous founding documents, including our U.S. Constitution, are intentionally dated "In the Year of Our Lord." Our own 1st Congress had Bibles printed for our schools. Those bibles were only removed from our public schools by the Supreme Court back in 1962. The founders intended for Christ to be this nation's moral compass. A prominent founder, who rightfully considered a patriot as one in service to his fellow countrymen, listed this as the priority list of those who live here:

1. God
2. County
3. Family

He made the case you can't protect your family if your country is falling apart.

Even taking religion out of it, we believe the only way to preserve freedom is to push for a culture of:

1. Truth to all (That's why a free press and open debates existed in the structure of our government.)
2. Being against hypocrisy (While that is a Christian value, it doesn't need to be pushed as exclusively Christian. Being against hypocrisy, one person to another, protects freedom. Communism and Islamic ideology are inherently hypocritical and both prey upon those who don't align with them, both destroy freedom and sustainable prosperity in their wake, both

are dishonest with one lying through propaganda and the other using taqiyya.)

3. We demand policies which strengthen self reliance. (This means the currency collapsing that the global communist to are doing will have less of an impact because then the currency is only the medium of exchange it was supposed to be to exchange goods and services within our nation. If we produce the goods and services here then a new currency is no problem because the real value is in the goods and services we provide locally. Plus it strengthens our foreign policy position.)
4. The Constitution is the Supreme Law of the Land (The Constitution was built upon Christian values and is highly dependent upon a moral society but its structure of government and rights provided is the minimum in which the general public should know to help protect all of our rights and hopefully in time understand it was written in a Biblical way. Like the 10 commandments are listed in order of priority, so is the Constitution: We the People, then the House, then the Senate which was supposed to be chosen by state legislatures to protect state rights, then the Executive Branch and then the Judicial Branch. Also, the Bill of Rights are largely listed in order of priority: 1st Amendment free speech and the morality which guided the creation of the nation, 2nd Amendment the ability/muscle to defend our rights, etc.)

This is the lens we looked through when trying to identify the best candidates of our options. We also weigh the candidate's popularity and ability to fund counter measures to the Dems attacks in the general election. The more a candidate can self fund, and not be owned or beholden to others, we feel the more likely the candidate is to do what is right by principle and constituents than by special interest who got the candidates there. Ideally the candidate would have a track record of engagement in the subject matter for the position he/she is running for and a track record of trying to recruit and strengthen self governance in our state and nation. Most candidates don't meet all of these criteria so a personal call needs to be made to weigh the pluses and minuses of each based upon the priorities above and make your best selection. Our objective is to get as many electable candidates who align with these principles elected, and who can hopefully work collaboratively together on these; united we stand, divided we fall.

As is the case in primaries, there will be disagreements on candidates and often times the local activist may have even more insight than outsider endorsements or recommendations. For example, there are a number of Trump endorsements which we disagree with and wonder if he is monetizing endorsements, making them more worthless as a result. Our nation is in trouble because too many put short term money before God/eternal truths. The currency loses value as a society becomes more immoral, less knowledgeable, less hard working, less self reliant, less fiscally responsible, less free, and should

its military weaken. Judas was a lesson in the Bible for a reason. We should be led by eternal truths, not any one man who may be monetizing endorsements. America First is not an exclusive club. Judge someone by their history of actions. Please use these guidelines above as the lens to make your own determination of the best candidates and this link as a supplemental to help guide you where you may be unsure.

Let's try and limit strife within our party through the primary, which occurs every cycle at this time, and keep our heads about us that we need to unite and work together after the primary to get our Republican primary winners through to win the general election.

Political News

As much as I'd like to permanently get off of facebook, the vast majority of people are there and that's where my base is most active. My personal facebook profile has healthy daily debates about the political future of the nation, state and party. While I don't accept everyone on my friend list, I do make my political posts public. If you'd like to follow and engage in those discussions, you are welcome to. See link: Dan Farley's facebook profile
I'm also available on twitter @realDanFarley

Share/forward this email

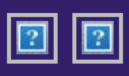
Feel free to share/forward this email to other likeminded patriots you think might want to help/contribute to the efforts. We are becoming a better state party every day!

BTW. Remove the unsubscribe link in this email if you forward it, otherwise someone may unsubscribe you unintentionally.

Thank you,

Dan Farley

President, Tea Party AZ



Tea Party AZ

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From:	James Candland
To:	Jason Whiting; Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Candidates
Date:	Friday, May 13, 2022 10:40:16 AM
Attachments:	2022 Primary Election Candidates.pdf

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Good Morning,

Here is an updated list of the statewide and LD primary election candidates for you to reference. There have been some folks that didn't make the ballot, and this new report will reflect that. Please let me know if you have any thoughts or questions. Thanks!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Cochise County Republican Committee Meeting
325 W Fry Blvd.
Sierra Vista, AZ
March 7, 2022

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Agenda

Invocation

Pledge of Allegiance

Approval of Minutes

Report of the Officers
- Treasurer
- First Vice Chair
- Second Vice Chair
- Secretary
- Chairman
  - Lincoln Day Dinner Report

Guest Speakers
- Tom Horne, Candidate for Superintendent of Public Education
- Paul Marsh Candidate for Mining Inspector

50/50 Drawing

Call to Public

Adjourn

Cochise County Republican Committee
February 7, 2022 Minutes

The February meeting was called to order at 5:30 P.M. by Chairman, Robert Montgomery.

Ron Hale gave the invocation and Jason Lindstrom led the Pledge of Allegiance. The January minutes were approved.

Treasurer Brian McKeighen provided the Treasurer's report.

First Vice-Chair Michael James reported that about 40 people demonstrated against the mask mandate outside the Sierra Vista Unified School District (SVUSD) School Board meeting. A truck rally is being planned and will be held at a date to be determined.

Secretary Yvonne Mayer reminded attendees to sign in at the front desk.

Chairman Robert advised that the Citizen's Initiative for Voter ID currently being signed has the support of about 75% Republicans and 60% Democrats. About 340,000 signatures are required to place the initiative on the ballot by mid-July.

Planning continues for the Lincoln Day Dinner of February 12. Sales for the AR-15 Rifle Raffle are going well. Featured speaker at the dinner will be State Representative Mark Finchem.

A request was made for volunteers to set-up and monitor Zoom capability for CCRC meetings.

Guest speakers were Kathleen Winn, candidate for US House of Representatives in CD-6 and Luis Polozzo, candidate for US House of Representatives in CD-7.

Nancy James won the 50/50 drawing. The meeting was adjourned at 6:30. Our next meeting is scheduled at Headquarters on March 7 at 5:30 PM.

From: James Candland
To: Jsanders@gilacountyaz.gov; Jason Whiting; Call, Pat G; Pdavid@graham.az.gov; Tommie Martin; Jacque Griffin; Melissa Buckley; Pascal Berlioux; Cheryl Sluyter; glenn.kephart@navajocountyaz.gov; menlove@gilacountyaz.gov; slgrice@gilacountyaz.gov; dwelker@graham.az.gov; Paul Watson; rpatterson@co.apache.az.us; Judd, Peggy; drapier@greenlee.az.gov; Richard Lunt; David Gomez; Ron Campbell; jmenlove@gilacountaz.gov
Subject: Committee Assignments
Date: Wednesday, November 25, 2020 9:42:23 AM
Attachments: 2021-2022 Committees (1).pdf

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Good Morning,

Attached is a list of all the committee's/member assignments. I hope you have a wonderful Thanksgiving holiday!

James

James Candland
Clarus Consulting
480-305-7013 Office
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From:	pberlioux easternarizonacounties.us
To:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen
Subject:	DOCUMENTS - ECO Board FACE to FACE meeting Wednesday November 17, 1:00 to 3:00 PM at CSAA in Phx
Date:	Saturday, November 13, 2021 7:25:22 PM
Attachments:	image001.jpg ECO FY2022 Budget & Cash Flow Tracking Sheet 11-13-21.pdf ECO Fund 280468 Income Statement 11-12-21.pdf ECO Fund 280468 Balance Sheet 11-12-21.pdf Agenda ECO meeting November 17, 2021.pdf Mexican Gray Wolf revised recovery plan ruling Oct 14, 2021.pdf 4FRI Restoration Strategy - November 9, 2021.pdf USFS Chief"s Announcement - November 9, 2021.pdf Minutes ECO meeting September 15, 2021.pdf

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Hello;

Please find attached the documents for the ECO Board meeting Wednesday November 17, 1:00 to 3:00 PM at CSAA in Phx.

Thx

P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
600 N. 9th Place
Show Low, AZ 85901
pberlioux@easternarizonacounties.us
Cell: (928) 637 3037

From: pberlioux easternarizonacounties.us
Sent: Thursday, November 11, 2021 2:50 PM
To: Cheryl Sluyter <csluyter@gilacountyaz.gov>; David Gomez <dgomez@greenlee.az.gov>; Derek Rapier <drapier@greenlee.az.gov>; Diana Morgan <dmorgan@co.apache.az.us>; Dustin Welker <dwelker@graham.az.gov>; Glenn Kephart <glenn.kephart@navajocountyaz.gov>; Jacque Sanders <jsanders@gilacountyaz.gov>; James Candland <james@claruscompanies.com>; James Menlove <jmenlove@gilacountyaz.gov>; Jason Whiting <jason.whiting@navajocountyaz.gov>; Liz Castillo <lizcastillo@co.apache.az.us>; Nelson Davis <ndavis@co.apache.az.us>; Pascal Berlioux <pberlioux@easternarizonacounties.us>; Paul David <pdavid@graham.az.gov>; Peggy Judd <pjudd@cochise.az.gov>; Rich Karwaczka <rkarwaczka@cochise.az.gov>; Richard Lunt <rlunt@greenlee.az.gov>; Rochelle Lacapa <rochelle.lacapa@navajocountyaz.gov>; Ryan Patterson <Rpatterson@co.apache.az.us>; Steve Christensen <schristensen@gilacountyaz.gov>
Cc: Yvonne Ortega <yvonneo@countysupervisors.org>; Craig Sullivan <craigs@countysupervisors.org>
Subject: CONFIRMED - ECO Board FACE to FACE meeting Wednesday November 17, 1:00 to 3:00 PM at CSAA in Phx

Hello;

This will confirm that our regularly scheduled ECO Board meeting will take place Wednesday November 17, 1:00 to 3:00 PM.

Please note that because the CSAA meeting will be held in person on Thursday Nov, 18, we will start meeting again face to face at CSAA starting November 17

Please also note that because there are some conflicts of schedule, we will meet from 1:00 PM to 3:00 PM instead of our usual 2:00 to 4:00 PM.

One key item on the agenda will be the decisions announced yesterday in Flagstaff by the US Forest Service Chief's.

The minutes of our last meeting and agenda for the meeting will follow.

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
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From:	pberlioux easternarizonacounties.us
To:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Documents for ECO January meeting - complete
Date:	Tuesday, January 18, 2022 9:21:17 AM
Attachments:	image001.jpg ECO FY2022 Budget & Cash Flow Tracking Sheet 1-18-22.pdf ECO Fund 280468 Income Statement 1-18-22.pdf ECO Fund 280468 Balance Sheet 1-18-22.pdf Minutes ECO meeting November 17, 2021.pdf Agenda ECO meeting January 19, 2022.pdf

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Hello;

Please find attached all the documents for the January meeting.

Please note that there are 2 additional items on the agenda. A Mexican Wolf 10(j) Rule and Recovery Plan update, and a logistics issue.

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
600 N. 9th Place
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From: pberlioux easternarizonacounties.us
Sent: Monday, January 17, 2022 12:25 PM
To: Cheryl Sluyter <csluyter@gilacountyaz.gov>; David Gomez <dgomez@greenlee.az.gov>; Derek Rapier <drapier@greenlee.az.gov>; Diana Morgan <dmorgan@co.apache.az.us>; Dustin Welker <dwelker@graham.az.gov>; Glenn Kephart <glenn.kephart@navajocountyaz.gov>; Jacque Sanders <jsanders@gilacountyaz.gov>; James Candland <james@claruscompanies.com>; James Menlove <jmenlove@gilacountyaz.gov>; Jason Whiting <jason.whiting@navajocountyaz.gov>; Liz Castillo <lizcastillo@co.apache.az.us>; Nelson Davis <ndavis@co.apache.az.us>; Pascal Berlioux <pberlioux@easternarizonacounties.us>; Paul David <pdavid@graham.az.gov>; Peggy Judd <pjudd@cochise.az.gov>; Rich Karwaczka <rkarwaczka@cochise.az.gov>; Richard Lunt <rlunt@greenlee.az.gov>; Rochelle Lacapa <rochelle.lacapa@navajocountyaz.gov>; Ryan Patterson <Rpatterson@co.apache.az.us>; Steve Christensen <schristensen@gilacountyaz.gov>; Woody Cline <wcline@gilacountyaz.gov>
Subject: Documents for ECO January meeting

Hello;

Please find attached the agenda for the January ECO meeting and the minutes from the last meeting in November.

Today being Martin Luther King Day I have not received the monthly financial data yet, but will forward it tomorrow.

As a reminder, the meeting will take place face-to-face on Wednesday January 19, 2022, 02:00 to 4:00 PM at the County Supervisors Association of Arizona, 1905 W. Washington, Suite 100, Phoenix, in the upstairs conference room. Conference call attendance will also be possible at 1-877-820-7831 passcode 691102#

Thx
P

Pascal Berlioux, Ph.D. MBA
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From:	pberlioux easternarizonacounties.us
To:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Liz Castillo; Nelson Davis; pberlioux easternarizonacounties.us; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Documents for ECO January meeting
Date:	Monday, January 17, 2022 12:25:02 PM
Attachments:	image001.jpg Agenda ECO meeting January 19, 2022.pdf Minutes ECO meeting November 17, 2021.pdf

CAUTION: EXTERNAL EMAIL*

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EACo

Bill Tracking List

55th Legislature - 2nd Regular Session, 2022 Friday, Feb 11 2022 9:05 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitoring					
H2038: STATE LAKE IMPROVEMENT FUND	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system.	First sponsor: Rep. Biasiucci (R - Dist 5)			1/20 from House appro do pass.
H2042: BIOMASS; FORESTRY AND FIRE MANAGEMENT	The Arizona Department of Forestry and Fire Management is required to regulate "biomass" (defined elsewhere in statute) energy providers in a manner determined by the State Forester by rule. Biomass energy providers are not public service corporations and are not subject to regulation by the Arizona Corporation Commission.	First sponsor: Rep. Blackman (R - Dist 6)			1/12 referred to House nat res-energy-water.
H2052: DEFENSIVE DRIVING SCHOOL FUND; REPORT	The State Treasurer is required to prepare an annual report that accounts for where the monies in the Defensive Driving School Fund are invested and the amount of monies that are credited to the Fund from investments. The State Treasurer is required to submit the report to the Governor and the Legislature and to post the report on the State Treasurer's website.	First sponsor: Rep. Wilmeth (R - Dist 15)	Hearing: House Transportation (Wednesday 02/16/22 at 2:00 PM, House Rm. 3)	General Comments (all lists): STRIKER: OFF-HIGHWAY RECREATION FUND; ANNUAL REPORT; DEFINITION	1/26 House trans held.
H2053: DEPARTMENT OF ENVIRONMENTAL QUALITY; CONTINUATION	The statutory life of the Department of Environmental Quality is extended eight years to July 1, 2030. Retroactive to July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 passed House 54-4; ready for Senate.

H2067: COUNTY IMPROVEMENT DISTRICTS; RECREATION; GOVERNANCE	As session law, the board of supervisors of a county with a county improvement district providing recreational improvements is authorized to provide for the district to be governed by a separately elected three-member or five-member board of directors. The initial directors are appointed by the board of supervisors, and the subsequent directors must be elected by the qualified voters of the district. The board of directors has the powers granted to a district pursuant to statute. Self-repeals January 1, 2026.	First sponsor: Rep. Blackman (R - Dist 6)			2/10 from House gov-elect with amend #4145.
H2070: OPEN MEETINGS; CAPACITY; POSTING; VIOLATION	All public bodies are required to provide for a reasonable amount of seating to accommodate the anticipated attendance of all persons desiring to attend the deliberations and proceedings. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. A head of a public body that violates these requirements is liable for a civil penalty as provided in statute for open meeting law violations.	First sponsor: Rep. Kavanagh (R - Dist 23)			2/3 retained on House COW calendar.
H2126: HAZARDOUS WASTE PROGRAM FEES	Department of Environmental Quality rules establishing various fees for the hazardous waste program are no longer required to be reviewed by the Joint Legislative Budget Committee. Deletes the prohibition on those fees increasing without specific statutory authority for the increase.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Burges (R - Dist 1)			1/19 from House nat res-energy-water do pass.
H2127: FIRE SUPPRESSION; ASSISTANCE; PRIVATE LANDOWNERS	Modifies the requirements for private landowners to qualify for financial assistance from the FY2020-21 appropriation to the Arizona Department of Forestry and Fire Management for wildfire emergency response, to allow a landowner to provide information to the Dept that the landowner does not qualify for other reimbursement. Also requires the Dept to prioritize distributions of financial assistance to private landowners.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 House COW approved. Substituted in House for identical bill 1146.
H2130: RECREATIONAL USERS; PROPERTY	A landowner, easement holder, lessee, tenant manager or occupant of private or public land does not owe a duty of care to keep the land safe for entry by others for recreational or educational purposes or to give	First sponsor: Rep. Griffin (R - Dist 14)			2/8 from House rules okay.

	any warning of a dangerous condition, use, structure or activity on that land to persons entering for those purposes. Installing a sign or other form of warning or failing to maintain a sign or warning does not create liability on the part of an owner, easement holder, lessee, tenant manager or occupant of land if there is no other basis for the liability. This legislation does not create a duty of care or basis of liability for injury to persons or property. Any person that uses the land of another for recreational or educational purposes with or without permission is liable for any damage to the land, property, livestock or crops that the person may cause while on that land.				
H2181: TECH CORRECTION; GAME; FISH; FACILITIES	Minor change in Title 17 (Game and Fish) related to game and fish facilities. Apparent striker bus.	First sponsor: Rep. Cook (R - Dist 8)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/14/22 at 2:00 PM, House Rm. 3)	General Comments (all lists): STRIKER: GAME AND FISH; TAKING WOLVES	2/3 referred to House land-agri-rural affairs.
H2182: LIVESTOCK ASSISTANCE PROGRAM; INFRASTRUCTURE PROJECTS	Establishes a Livestock and Crop Assistance Grant Program is established under the Department of Agriculture to provide grant monies to landowners, lessees and livestock operators for infrastructure projects that are required as a result of a wildfire and that are either not eligible for funding from another federal or state program or are partially funded by another federal or state program.	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/14/22 at 2:00 PM, House Rm. 3)		1/24 referred to House land-agri-rural affairs.
H2183: FIRE INSURANCE; FLOODING; WILDFIRES	A policy of fire insurance covering property located in Arizona is required to include coverage for any loss or damage resulting from a combination of perils, one of which is a landslide, mudslide, mudflow or debris flow, if the insured peril is the efficient proximate cause of the loss or damage and coverage would otherwise be provided under the same terms and conditions as would be provided for the insured peril.	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)		Single-List Comments: STRIKER: SAME SUBJECT	2/8 from House rules okay.

H2334: STATE LANDS; LEASE PROVISIONS	Leases of state lands are prohibited from tendering defense of a claim or cause of action based on an injury to a person who is on or using state lands and to whom permission to be on or use state lands has been granted by the state or any state agency, from tendering defense of a claim or cause of action arising under state or federal environmental laws, from requiring indemnification in any form from a lessee or the lessee's employees or agents, and from otherwise assigning liability to a lessee for these types of claims or causes of action.	First sponsor: Rep. Cook (R - Dist 8)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/14/22 at 2:00 PM, House Rm. 3)		1/24 referred to House land-agri-rural affairs.
H2408: ARIZONA GAME AND FISH; CONTINUATION	The statutory life of the Arizona Game and Fish Commission is extended eight years to July 1, 2030. Retroactive to July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: House Natural Resources, Energy & Water (Tuesday 02/15/22 at 2:00 PM, House Rm. 1)		1/24 referred to House nat res-energy-water.
H2410: ENVIRONMENTAL PROGRAMS; AMENDMENTS	Various changes to statutes regulating environmental programs. Repeals the article of statute regulating dry wells, including dry well registration and license to drill. Repeals the dust-free developments program. The Arizona Department of Environmental Quality (ADEQ) is allowed, instead of required, to adopt rules for air pollution emission standards for off-road vehicles. Repeals session law requiring ADEQ to establish a daily visibility index to be used in evaluating and reporting current visibility conditions and progress toward visibility improvement goals in area A. The deadline for the U.S. Environmental Protection Agency to approve proposed modifications to the gasoline fuel formulation requirements as part of the State Implementation Plan for air quality is extended two years, two July 1, 2024. Session law grants directs clear title of a specified square mile of real property to be conveyed from ADEQ to the Department of Administration.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: House Natural Resources, Energy & Water (Tuesday 02/15/22 at 2:00 PM, House Rm. 1)		1/20 referred to House nat res-energy-water.
H2411: COAL COMBUSTION RESIDUALS PROGRAM	Adds a new article to Title 49 (The Environment) allowing the Director of the Department of Environmental Quality to adopt rules to establish and operate a Coal Combustion Residuals (CCR) Program equivalent to or	First sponsor: Rep. Griffin (R - Dist 14)			2/3 House COW approved with flr amend #4076. Passed House 31-28; ready for Senate.

	at least as protective as the federal CCR Program for the purpose of obtaining approval to operate the federal CCR Program. Federal CCR regulations may be adopted by reference. The rules are required to provide requirements for issuing, denying, suspending, or modifying individual CCR permits, and must include a list of specified provisions. AS PASSED HOUSE				
H2412: OPEN MEETINGS; DIGITAL RECORDINGS	All public bodies subject to open meeting law are required to provide for written minutes and a digital recording of all of their meetings, instead of either written minutes or a digital recording. Each public body is required to post on its website the minutes and the digital recording no later than five working days after the meeting.	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Carroll (R - Dist 22), Rep. Martinez (R - Dist 11)			2/8 from House rules okay.
H2423: CITIZEN SUITS COMMITTEE; SOLID WASTE	Establishes a 9-member Solid and Hazardous Waste Citizen Suit Study Committee to consider and collect information on the need for a citizen suit provision in Arizona's solid waste and hazardous waste statutes. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2022, and self-repeals July 1, 2023.	First sponsor: Rep. Epstein (D - Dist 18) Others: Rep. Bolding (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Solorio (D - Dist 30), Sen. Stahl Hamilton (D - Dist 10)			
H2464: INCOME TAX CREDITS; REPEAL	Repeals the individual and corporate income tax credits for employment by a healthy forest enterprise and for agricultural pollution control equipment. Establishes reporting requirements for recipients of the qualified facility income tax credit and the income tax credit for agricultural water conservation systems. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.	First sponsor: Rep. Cano (D - Dist 3) Others: Rep. Butler (D - Dist 28), Rep. Dalessandro (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28)			1/24 referred to House ways-means, appro.
H2510: RURAL MANAGEMENT AREAS	A county board of supervisors in a county outside of an active management area and that contains or is bordered by the Colorado River may designate by resolution one or more groundwater basins or subbasins in the county as a rural	First sponsor: Rep. Biasiucci (R - Dist 5)			

	management area if the board finds that one or more of a list of specified conditions exist. A process for the board to adopt the resolution is established, including public notice, public meetings and a majority vote. The resolution is required to provide for the formation of a 5-member rural management area advisory council to establish management goals for the rural management area and identify best management practices to achieve the goals. The advisory council is required to submit a proposed management plan to the Department of Water Resources (DWR), and DWR is required to take action on the plan within 30 days after receipt. On approval by DWR, the plan applies in the rural management area. Of the monies remining in the State Lottery Fund each fiscal year after appropriations and other statutory deposits, $50 million is deposited in the newly established DWR Heritage Fund and spent to implement and support rural management areas.				
H2524: TAX CREDITS; REPORTING REQUIREMENTS	By May 15 each year, each "qualified investor" claiming an income tax credit for investments made in a qualified small business in Arizona is required to report to the Arizona Commerce Authority the number of jobs created by a qualified small business that received a qualified investment from the investor. By June 15 each year, the Authority is required to report this information to the Joint Legislative Budget Committee, as well as information about the allocation of qualified investments by industry. By May 15 of each year, each claimant of a tax credit for the production of electricity using renewable energy resources is required to report to the Department of Revenue (DOR) the total megawatt hours of electricity generated from the qualified energy generator and the number of persons employed at the time the tax credit is claimed by businesses in Arizona that manufacture, install, or service qualified energy generators. By June 15 of each year, DOR is required to report this information to the Joint	First sponsor: Rep. Powers Hannley (D - Dist 9) Others: Rep. Cano (D - Dist 3)			

	Legislative Budget Committee.				
H2539: NONNATIVE SPECIES ERADICATION; PROJECTS; APPROPRIATION	Establishes a 7-member Gila River Nonnative Species Eradication Project Advisory Committee to review the progress of "nonnative vegetation invasive species eradication projects" (defined). The Committee is required to submit a report of its recommendations to the Governor and the Legislature by September 1 of each year, and self-repeals October 1, 2025. The Nonnative Vegetation Species Eradication Fund is renamed the Jackie Meck Nonnative Vegetation Species Eradication Fund. Appropriates $15 million from the general fund in FY2022-23 to the Fund for nonnative vegetation invasive species eradication projects.	First sponsor: Rep. John (R - Dist 4)			2/3 from House appro do pass.
H2580: WILDFIRE MANAGEMENT; DELEGATION OF AUTHORITY	The State Forester is required to perform all management and administrative functions assigned or delegated to the state of Arizona by the United States relating to wildfire prevention, mitigation, and suppression activities.	First sponsor: Rep. Cook (R - Dist 8)			2/8 from House rules okay.
H2587: PUBLIC RECORDS; POINT OF CONTACT	Any entity that is subject to a public records request is required to provide the name and contact information of the employee who is authorized and able to provide the information requested. An employee who is authorized and able to provide public records information is required to reply within five business days acknowledging receipt of the request.	First sponsor: Rep. Grantham (R - Dist 12)			2/3 from House gov-elect do pass.
H2588: STATE FORESTER; LEGISLATIVE PRESENTATION; REPORT	The State Forester is required to present specified information to the relevant legislative committees during each regular session, instead of the first regular session of each legislature. The deadline for the Arizona Department of Forestry and Fire Management to report expenditures to the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting is moved to December 1 of each year, from September 1.	First sponsor: Rep. Grantham (R - Dist 12)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/14/22 at 2:00 PM, House Rm. 3)		1/24 referred to House land-agri-rural affairs.

H2666: CARBON CAPTURE TASK FORCE	Establishes a 10-member Carbon Capture Task Force to evaluate the potential for carbon capture, utilization and storage as a form of climate mitigating technology, and study and evaluate a list of related issues. The Task Force is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2023, and self-repeals January 1, 2024.	First sponsor: Rep. Chavez (D - Dist 29) Others: Rep. Espinoza (D - Dist 19), Rep. A. Hernandez (D - Dist 3), Rep. D. Hernandez (D - Dist 2), Rep. Longdon (D - Dist 24), Rep. Meza (D - Dist 30)			
H2677: RURAL GROUNDWATER PROJECTS; LIST	By December 31, 2022, the Arizona Commerce Authority is required to develop a list of at least 100 rural groundwater projects outside of active management areas. Requirements for the list are specified. The Authority is required to submit the list to the Governor and the Legislature by December 31, 2022.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			2/3 referred to House nat res-energy-water.
H2678: STATE BROADBAND OFFICE	Establishes the State Broadband Office in the Arizona Commerce Authority and establishes responsibilities of Office staff. The Office is required to publish and maintain a state broadband plan.	First sponsor: Rep. Cobb (R - Dist 5)	Hearing: House Commerce (Tuesday 02/15/22 at 2:00 PM, House Rm. 3)		2/3 referred to House com.
H2681: ENVIRONMENTAL JUSTICE; TASK FORCE	The Department of Administration is required to ensure that all state agencies, boards, commissions, and other public bodies that are involved in decisions that may affect environmental quality adopt and implement "environmental justice" (defined) policies. The Department of Environmental Quality is required to identify industrial and commercial facilities in communities of color and in low-income communities for which compliance, enforcement, remediation, siting, and permitting strategies will be targeted to address the disproportionate impacts from these facilities on those communities. DEQ and the Department of Health Services are required to convene a multiagency Environmental Justice Task Force to make recommendations to state agency heads regarding actions to be taken to address environmental justice issues. Contains legislative findings.	First sponsor: Rep. D. Hernandez (D - Dist 2) Others: Rep. Longdon (D - Dist 24)			2/7 referred to House nat res-energy-water.

H2682: STUDY COMMITTEE ON CLIMATE CHANGE	Establishes an 11-member Climate Change Study Committee to assess the current and potential effects of climate change trends on the citizens, natural resources, public health and economy of Arizona, and to recommend laws and regulations that may minimize the adverse impacts of climate change. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by January 1, 2024, and self-repeals July 1, 2025.	First sponsor: Rep. D. Hernandez (D - Dist 2) Others: Rep. Blackwater-Nygren (D - Dist 7), Rep. Powers Hannley (D - Dist 9), Rep. Shah (D - Dist 24), Rep. Solorio (D - Dist 30)			2/7 referred to House nat res-energy-water.
H2729: REGIONAL COUNCILS; EXPENSES; REIMBURSEMENT	Each member of a metropolitan planning organization or council of governments is required to be reimbursed for travel at the federal mileage reimbursement rate, and for lodging, meal and incidental expenses at the federal per diem reimbursement rate. All claims for reimbursement are required to be accompanied by expense receipts.	First sponsor: Rep. Dalessandro (D - Dist 2)			2/9 referred to House trans, gov-elect.
H2789: ARIZONA TRAIL; FUND; PURPOSE	The purposes for which monies in the Arizona Trail Fund may be used are expanded to include constructing the Arizona trail, and constructing, maintaining, and improving water sources, signs, gates, and public access.	First sponsor: Rep. Carroll (R - Dist 22) Others: Rep. Bowers (R - Dist 25), Rep. Toma (R - Dist 22)			2/10 withdrawn from House land-agri-rural affairs and further referred to House appro.
HCM2006: FEMA; WILDFIRES; FLOODING; COST THRESHOLD	The Legislature urges the Federal Emergency Management Agency (FEMA) to amend its system of calculating the cumulative fire cost threshold from wildfires to include the costs resulting from and directly related to flooding. The Secretary of State is directed to transmit copies of this memorial to the FEMA Administrator.	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3)			2/8 from House rules okay.
HCM2009: DEPARTMENT OF AGRICULTURE; ADDITIONAL OFFICES	The Legislature urges the Farm Service Agency of the U.S. Department of Agriculture to evaluate the current locations of its Arizona offices to determine where additional offices are needed, to evaluate how it could better support all of Arizona's farmers and ranchers by locating offices closer to farmers and ranchers, and to open additional offices where needed, including in Globe, Arizona. The Secretary of State is directed to transmit copies of this memorial to the Secretary of the U.S. Department of Agriculture and	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. John (R - Dist 4), Rep. Quiñonez (D - Dist 27), Rep. Wilmeth (R - Dist 15)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/14/22 at 2:00 PM, House Rm. 3)		2/9 referred to House land-agri-rural affairs.

	the Administrator of the Farm Service Agency.				
HCR2023: TRIBAL HOMELANDS; FEDERAL GOVERNMENT	The members of the Legislature affirm their support of initiatives led by the U.S. Department of the Interior to restore tribal homelands and to empower tribal governments to better manage Indian lands.	First sponsor: Rep. Blackwater-Nygren (D - Dist 7) Others: Rep. Bolding (D - Dist 27), Rep. Cano (D - Dist 3), Rep. Epstein (D - Dist 18), Rep. Espinoza (D - Dist 19), Sen. Hatathlie (D - Dist 7), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Rep. Pawlik (D - Dist 17), Rep. Shah (D - Dist 24), Sen. Stahl Hamilton (D - Dist 10), Rep. Tsosie (D - Dist 7)			
HCR2024: 30X30 LAND PROGRAM; OPPOSING	The members of the Legislature oppose the 30 x 30 program or any similar program that will set aside and prevent the productive use of millions of acres of Arizona's lands, oppose the designation of public lands and national forests in Arizona as wilderness, wilderness study areas, wildlife preserves, open space or other conservation land, and oppose the acquisition of private land from unwilling private landowners. The members of the Legislature support the enactment by the U.S. Congress of the 30 x 30 Termination Act or similar legislation, support the management of public lands and the national forests under principles of multiple use and sustained yield that recognize this nation's need for domestic sources of minerals, energy, timber and food, support the federal government's careful coordination with Arizona to ensure consistency with state and local land use plans and land management policies, and support the protection of private property and honoring state rights as required by law.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 passed House 31-27; ready for Senate.
HCR2038: SUPPORTING PROPER FOREST MANAGEMENT	The members of the Legislature express their support of a reasonable and prudent multiple-use forest management policy to improve our nation's forest health.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: House Natural Resources, Energy & Water (Tuesday 02/15/22 at 2:00 PM, House Rm. 1)		2/10 referred to House nat res-energy-water.
HR2004: BORDER WALL; CONSTRUCTION MATERIALS; REPURPOSE	The members of the House of Representatives support federal legislation to transfer unused federally owned materials to Arizona, New Mexico and Texas, and support using these materials to construct a wall along the southern border.	First sponsor: Rep. Blackman (R - Dist 6) Others: Rep. Payne (R - Dist 21)			2/3 House COW approved. Passed House 31-28; ready for Secretary of State.

S1035: POLITICAL SUBDIVISIONS; LOBBYING; PROHIBITION	"Political subdivisions" (defined as counties, municipalities, school districts, and special districts) and any person acting on behalf of a political subdivision are prohibited from entering into a contract with a person or entity for lobbying services and from spending monies for any person or entity to lobby on behalf of that political subdivision unless that person is directly employed by the political subdivision.	First sponsor: Sen. Rogers (R - Dist 6)			
S1100: LARGE ELECTRONICS; RECYCLING	A recycling program for "covered electronic devices" (defined as computers, computer monitors and televisions) is established within the Department of Environmental Quality (DEQ). By January 1, 2023, a manufacturer of covered electronic devices sold or offered for sale in Arizona is required to register with DEQ and submit a plan to finance and conduct a statewide program to collect covered electronic devices for recycling. Plan requirements are specified. A manufacturer cannot charge a fee to recycle covered electronic devices.	First sponsor: Sen. Mendez (D - Dist 26) Others: Rep. Salman (D - Dist 26)			1/10 referred to Senate nat res-energy-water.
S1126: LITTERING; ARSON RELATED FINES; USE	A separate violation of criminal littering occurs on each day of part of a day that the person who throws or places on public property or another person's property any litter or destructive material does not remove the littler or material. Establishes an additional fine of at least $250 for each violation of criminal littering or polluting. If a fine is assessed for a violation of reckless burning, arson, burning of wildlands, unlawful cross burning, or unlawful symbol burning, 100 percent of any assessed fine must be deposited in the general fund of the county in which the fine was assessed, and the county must use at least 50 percent of the fine for fire restoration and rehabilitation costs. If a fine is assessed for a violation of arson of an occupied jail or prison facility, 100 percent of the fine must be deposited in the Cooperative Forest Fund and used for fire restoration and rehabilitation costs in Arizona.	First sponsor: Sen. Rogers (R - Dist 6)			1/11 referred to Senate jud.

S1139: ENVIRONMENTAL QUALITY; TASK FORCE	In consultation with the Department of Environmental Quality (DEQ), the Department of Administration is required to ensure that all state agencies, boards, commissions and other public bodies that are involved in decisions that may affect environmental quality adopt and implement "environmental justice" (defined) policies that provide meaningful opportunities for involvement of all people, regardless of race, color, ethnicity, religion, income or education level. DEQ is required to identify existing and proposed industrial and commercial facilities and areas in communities of color and in low-income communities for which compliance, enforcement, remediation, siting and permitting strategies will be targeted to address the disproportionate impacts from these facilities on those communities. The Director of DEQ and the Director of the Department of Health Services are required to convene a Multiagency Environmental Justice Task Force to make recommendations to state agency heads regarding actions to be taken to address environmental justice issues that are consistent with each state agency's existing statutory and regulatory authority. Contains legislative findings.	First sponsor: Sen. Hatathlie (D - Dist 7)			1/12 referred to Senate nat res-energy-water.
S1171: UNLAWFUL FEEDING; WILDLIFE; EXCEPTION	The list of exceptions from the unlawful feeding of wildlife is expanded to include persons placing holiday-related decorations outside of their residences or on their property that are not intended to feed, attract or otherwise entice wildlife.	First sponsor: Sen. Gowan (R - Dist 14)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 02/16/22 at 2:00 PM, Senate Rm. 109)		1/13 referred to Senate nat res-energy-water.
S1185: GREENHOUSE GAS PROGRAMS; REPEAL PROHIBITION	Repeals statute prohibiting state agencies from adopting or enforcing a state or regional program to regulate the emission of greenhouse gas for the purposes of addressing changes in atmospheric temperature without express legislative authorization.	First sponsor: Sen. Gabaldon (D - Dist 2)			1/13 referred to Senate nat res-energy-water.

S1198: LOCAL GOVERNMENTS; LOBBYING; PROHIBITION	Counties, municipalities, school districts, and other political subdivisions and any person acting on behalf of a political subdivision are prohibited from entering into a contract with a person or entity for lobbying services and from spending monies for any person or entity to lobby on behalf of that political subdivision unless that person is directly employed by the political subdivision. If a county, municipality, school district or other political subdivision is a member of an organization of which the majority of the members are composed of political subdivisions or other public bodies, no portion of membership dues may be authorized for lobbying activities.	First sponsor: Sen. Petersen (R - Dist 12) Others: Rep. Cook (R - Dist 8), Sen. Leach (R - Dist 11)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/18 referred to Senate gov.
S1238: STATE LANDS; APPRAISALS; LEASES; RIGHTS-OF-WAY	The State Land Department is required to reappraise property if the Board of Appeals' approval of the lease or sale occurred more than 240 days, increased from 180 days, before an auction. Approval of a lease for commercial purposes from the Board of Appeals is required only if the lease is for a term longer than ten years.	First sponsor: Sen. Kerr (R - Dist 13)			2/10 passed Senate 28-0; ready for House.
S1241: GIFT CLAUSE; VIOLATION; STATUTE; LIMITATION	An action against a public entity or public employee that alleges a violation of the state Constitutional ban on public gifts or loans of credit is required to be brought within 30 days after the cause of action accrues.	First sponsor: Sen. Pace (R - Dist 25)	Hearing: Senate Commerce (Wednesday 02/16/22 at 2:00 PM, Senate Rm. 1)		1/20 referred to Senate com.
S1270: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2022-23 and $2 million in FY2023-24 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)			2/10 passed Senate 27-1; ready for House.

S1377: OFF-HIGHWAY VEHICLES; FUND	Various changes to statutes relating to off-highway vehicles. All off-highway vehicle operators and passengers assume all risks of personal injury or death associated with recreational use on public, state or private land. Landowners and their authorized lessees do not have a duty to keep lands safe for entry and use by recreational users or to warn of or maintain lands and trails against unsafe conditions. Eliminates the deposit of30 percent of off-highway vehicle user fees in the Highway User Revenue Fund, and 100 percent, instead of 70 percent, of off-highway vehicle user fees are deposited in the Off-Highway Vehicle Recreation Fund. Modifies the list of allowable uses of monies in the Fund.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Rogers (R - Dist 6)			2/9 from Senate appro with amend #4130.
S1396: HYDROGEN STUDY COMMITTEE	Establishes a 6-member Hydrogen Study Committee to investigate and evaluate existing laws and recommend legislation related to the production, distribution, and storage of hydrogen. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by September 1, 2023, and self-repeals October 1, 2024.	First sponsor: Sen. Shope (R - Dist 8)			2/10 from Senate nat res-energy-water do pass.
S1415: WILDFIRE RESPONSE; PRIVATE LANDOWNERS; ELIGIBILITY	Modifies the requirements for private landowners to qualify for financial assistance from the FY2020-21 appropriation to the Arizona Department of Forestry and Fire Management for wildfire emergency response, to allow the fire suppression activities to have occurred at any time.	First sponsor: Sen. Rogers (R - Dist 6)			2/10 from Senate nat res-energy-water with amend #4140.
S1429: ENVIRONMENTAL PERMITTING; BURDENED COMMUNITIES; REQUIREMENTS	By 120 days after the effective date of this legislation, the Department of Environmental Quality (DEQ) is required to adopt a list of "burdened communities" (defined as a census tract that is ranked in the bottom 33 percent of census tracts in Arizona for median annual household income). By 60 days after a burdened community is designated, the governing body of the municipality in which the community is located is required to designate a representative of the burdened community. Beginning 180 days after the effective date of this legislation, DEQ is prohibited from granting	First sponsor: Sen. Mendez (D - Dist 26) Others: Rep. Andrade (D - Dist 29), Rep. Dalessandro (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Sen. Quezada (D - Dist 29), Rep. Salman (D - Dist 26), Sen. Terán (D - Dist 30)			1/26 referred to Senate nat res-energy-water.

	a "permit" for a new "facility" (both defined) or for the expansion of an existing facility that is located in whole or in part in a burdened community unless the permit applicant first prepares an environmental impact report and holds a public hearing on the report. DEQ cannot issue a decision on the permit application until at least 60 days after the public hearing.				
S1434: ARIZONA CLIMATE RESILIENCY PLANNING GROUP	Establishes a 22-member Arizona Climate Resiliency Planning Group to review and revise the recommendations made in the Arizona Climate Change Advisory Group's 2006 climate change action plan, develop a resiliency plan to protect or improve the resiliency of Arizona's human populations and natural and economic systems against the risks of climate change, and identify measures that can be taken to meet specified greenhouse gas emissions reductions targets. The Group is required to submit a report of its findings and recommendations to the Governor and the Legislature by August 31, 2023, and self-repeals April 1, 2024.	First sponsor: Sen. Mendez (D - Dist 26) Others: Rep. Andrade (D - Dist 29), Rep. Dalessandro (D - Dist 2), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Sen. Quezada (D - Dist 29), Rep. Solorio (D - Dist 30), Sen. Terán (D - Dist 30)			1/26 referred to Senate nat res-energy-water.
S1476: PUBLIC MEETINGS; IN-PERSON ATTENDANCE	All meetings of any public body are required to accommodate in-person attendance and are prohibited from being held completely online or remotely.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)	General Comments (all lists): STRIKER: BALLOTS: IDENTIFICATION	1/27 referred to Senate gov.
S1559: STATE PARKS; HERITAGE FUND; LOTTERY	Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the $10 million deposit in the Game and Fish Commission Heritage Fund, $10 million must be deposited in the Arizona State Parks Board Heritage Fund.	First sponsor: Sen. Hatathlie (D - Dist 7) Others: Sen. Alston (D - Dist 24), Rep. Andrade (D - Dist 29), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Rep. Dalessandro (D - Dist 2), Rep. Jermaine (D - Dist 18), Sen. Marsh (D - Dist 28), Sen. Rios (D - Dist 27), Sen. Stahl Hamilton (D - Dist 10), Sen. Steele (D - Dist 9), Sen. Terán (D - Dist 30), Rep. Tsosie (D - Dist 7)			1/31 referred to Senate appro.
S1596: OFF-HIGHWAY VEHICLES	Makes various changes to statutes relating to off-highway vehicles. Increases the number of full-time employees of the Arizona Department of Transportation (ADOT) to enforce off-highway vehicle regulations to 14, from 7. Requires ADOT to reduce the fee for an off-highway vehicle user	First sponsor: Sen. Kerr (R - Dist 13)	Hearing: Senate Transportation & Technology (Monday 02/14/22 at 2:00 PM, Senate Rm. 109)	General Comments (all lists): STRIKER; OFF HIGHWAY VEHICLE STUDY COMMITTEE	2/1 referred to Senate trans-tech.

	indicia if the applicant completes an educational course in off-highway vehicle safety and environmental ethics. A person renting an off-highway vehicle to a customer is required to provide the customer with off-highway vehicle safety and environmental materials approved by the Arizona Game and Fish Department.				
S1632: APPROPRIATION; LAND DEPARTMENT; MANAGEMENT SYSTEM	Appropriates $225,000 and two FTE positions from the general fund in FY2022-23 to the State Land Department (SLD) to improve the SLD's enterprise-wide management system.	First sponsor: Sen. Kerr (R - Dist 13)			2/9 from Senate appro do pass.
S1656: WATER AND ENERGY; IMPROVEMENT DISTRICT	Adds a new article to Title 48 (Special Taxing Districts) establishing and regulating water conservation, energy efficiency, renewable energy, and resiliency improvement districts. The governing body of a local government is authorized to adopt a resolution or ordinance establishing a "program" (defined). Local program authorities are authorized to enter into special assessment agreements with property owners to secure special assessment financing for improvements that will result in improvements to energy efficiency, water conservation, or renewable energy. Establishes requirements for financing agreements and special assessments.	First sponsor: Sen. Pace (R - Dist 25) Others: Rep. Abraham (D - Dist 10), Rep. Liguori (D - Dist 28), Sen. Shope (R - Dist 8), Rep. Sierra (D - Dist 19)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 02/16/22 at 2:00 PM, Senate Rm. 109)		2/2 referred to Senate nat res-energy-water.
S1711: FIRE INCIDENT MANAGEMENT FUND; APPROPRIATION	Establishes the Fire Incident Management Fund, to be administered by the State Treasurer and used to provide hardware and software the enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies. Appropriates $6.1 million from the general fund in FY2022-23 to the Fund.	First sponsor: Sen. Gowan (R - Dist 14)			2/9 from Senate appro do pass.
S1717: NONAPPROPRIATED MONIES; REPORT; JLBC; DATE	The deadline for the Governor's Office of Strategic Planning and Budgeting (OSPB) to distribute a report on all nonappropriated monies is moved to October 15, from February 1. OSPB is required to distribute the report to the Joint Legislative Budget Committee.	First sponsor: Sen. Gowan (R - Dist 14)	Hearing: Senate Appropriations (Tuesday 02/15/22 at 2:00 PM, Senate Rm. 109)	General Comments (all lists): STRIKER: MINING INSPECTOR; APPROPRIATION	2/2 referred to Senate appro.

SCR1010: ARIZONA'S OUTDOORS; RECREATION; SUPPORTING	The members of the Legislature recognize that it is critical for the physical, mental and social well-being of Arizona's residents that the state promote healthy, active lifestyles filled with outdoor experiences of all types for Arizona residents, while respecting private property rights.	First sponsor: Sen. Shope (R - Dist 8)			2/3 passed Senate 28-0; ready for House.
SCR1034: ENVIRONMENT; CONSTITUTIONAL AMENDMENT	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to state that a person, including a person in a future generation, has the right to a clean and healthy environment, including pure water, clean air, healthy ecosystems and a stable climate, and to the preservation of the natural, cultural, scenic and healthful qualities of the environment. Declares that Arizona's public natural resources are the common property of all the people, including present and future generations. The state and political subdivisions are required to serve as trustees of these resources, and to conserve, protect and maintain these resources for the benefit of all the people.	First sponsor: Sen. Mendez (D - Dist 26) Others: Rep. Andrade (D - Dist 29), Rep. Dalessandro (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Sen. Quezada (D - Dist 29), Rep. Salman (D - Dist 26), Rep. Solorio (D - Dist 30), Sen. Terán (D - Dist 30)			1/26 referred to Senate nat res-energy-water.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Vaccines and Business Practices					
H2020: VACCINATION MANDATES; EXEMPTIONS	A person is eligible for an exemption from any vaccination requirement for COVID-19 or any variant of COVID-19 that is being enforced in the state of Arizona if the person can produce documented test results that demonstrate the person has antibodies to COVID-19 or any variant of COVID-19, a positive test for COVID-19 or any variant of COVID-19, or a positive T-cell immune response to COVID-19 or any variant of COVID-19. Also repeals statute prohibiting vaccine passports or vaccine requirements, which was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.	First sponsor: Rep. Kaiser (R - Dist 15)			

H2022: HEALTH EMERGENCIES; TREATMENT; VACCINATIONS; REPEAL	During a state of emergency in which there is an occurrence or the imminent threat of a highly contagious and highly fatal disease, the Governor no longer has the authority to mandate treatment or vaccination of persons who are diagnosed with an illness resulting from exposure or who are reasonably believed to have been exposed or who may reasonably be expected to be exposed.	First sponsor: Rep. Finchem (R - Dist 11) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Fillmore (R - Dist 16), Rep. Martinez (R - Dist 11), Rep. Payne (R - Dist 21)			
H2029: VACCINATIONS; EVIDENCE OF IMMUNITY; PROHIBITIONS	The state, its "governmental entities," and its "business affiliations" (both defined) are prohibited from requiring any person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status, and are prohibited from discriminating against any person based on not receiving a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status. The state and its governmental entities are prohibited from entering into a contract or giving a loan or grant of taxpayer monies to a business affiliation that requires a person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status. A business affiliation that violates these requirements materially breaches its contract with the state or a governmental entity, rendering the contract voidable. Does not apply to health care institutions that are treating patients with COVID-19 or any variant of COVID-19 and that determine that a "direct threat" (defined) exists that cannot be eliminated or reduced by reasonable accommodation. Factors that must be considered to determine a direct threat are listed. Requires the provisions of this legislation to be construed liberally. Severability clause. Also repeals statute prohibiting vaccine passports or vaccine requirements, which was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State	First sponsor: Rep. Blackman (R - Dist 6)			

	of Arizona.				
H2043: EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	If an employer denies a religious exemption and requires a person to receive a COVID-19 vaccination as a prerequisite to or requirement for maintaining employment, the employer is liable to the person for damages that result from a significant injury that is caused by receiving the COVID-19 vaccination. A claimant who prevails under this provision must be awarded actual damages, court costs, and reasonable attorney fees or statutory damages of $500,000, whichever is greater, and may also recover exemplary damages. These rights supplement any other rights and remedies provided by law.	First sponsor: Rep. Nguyen (R - Dist 1) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Wilmeth (R - Dist 15)			2/8 from House rules okay.
H2198: EMPLOYEE TERMINATION; COVID-19 VACCINE; COMPENSATION	An employee who is terminated for not receiving a COVID-19 vaccine as a condition of employment must receive either severance compensation paid by an employer in the amount of the employee's annual salary in one lump sum or installment payments over 12 months, or reemployment with the employer at the same or similar position held on the date the employee was terminated and a reasonable accommodation provided by the employer to the employee. Retroactive to December 1, 2021.	First sponsor: Rep. Kaiser (R - Dist 15)			2/8 from House rules okay.
H2266: WORKERS' RIGHTS; PUBLIC HEALTH EMERGENCY	Employers are prohibited from discriminating or retaliating against any worker based on the worker raising any reasonable concern about workplace violations of government health and safety rules related to a public health emergency or based on the worker voluntarily wearing at the workplace the worker's own personal protective equipment if the personal protective equipment meets a list of specified requirements. Some exceptions. Establishes civil penalties for violations and authorizes a person to seek relief for violations by filing a complaint or bringing an action in court. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the newly established Employment Support Fund to administer these requirements. Applies to conduct occurring from and after the effective date of this legislation.	First sponsor: Rep. Andrade (D - Dist 29) Others: Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. DeGrazia (D - Dist 10), Sen. Gabaldon (D - Dist 2), Rep. Powers Hannley (D - Dist 9), Rep. Solorio (D - Dist 30), Sen. Terán (D - Dist 30)			1/19 referred to House com, appro.

	Emergency clause.				
H2356: EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	A public or private employer that requires employees to receive a COVID-19 vaccine as a condition of employment is required to accept either a COVID-19 vaccination record or a COVID-19 antibody test. Any business that requires patrons to present documentation regarding COVID-19 vaccination status is required to accept either a COVID-19 vaccination record or a COVID-19 antibody test.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Finchem (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			1/20 referred to House com.
H2452: ANTIDISCRIMINATION; EMPLOYMENT; VACCINATION STATUS	he list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "vaccination status" (defined).	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			
H2453: GOVERNMENTAL ENTITIES; MASK REQUIREMENT; PROHIBITION	A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering anywhere on the governmental entity's premises, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required.	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/8 from House rules okay.
H2475: EMPLOYERS; COVID-19 VACCINE MANDATE; PROHIBITION	An employer is prohibited from requiring an employee to receive the COVID-19 vaccine as a condition or benefit of employment, promotion or any form of compensation. Does not prohibit any employer from providing a onetime financial incentive to employees who receive the COVID-19 vaccine. Any employee who has an interest that is or may be adversely affected may commence a civil action in superior court on the person's own behalf against an employer that violates this section. An employer that violates this section must pay statutory damages in the amount of	First sponsor: Rep. Carroll (R - Dist 22) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Sen. Gowan (R - Dist 14), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			1/24 referred to House jud.

	$20,000 per violation per employee, adjusted annually by the percentage change for the previous year in the average consumer price index.				
H2498: COVID-19; VACCINATION REQUIREMENTS; PROHIBITION	Any "government entity" (defined) is prohibited from requiring a resident of Arizona to receive a vaccination for COVID-19 or any variant of COVID-19.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			2/3 from House gov-elect do pass.
H2611: VACCINATIONS; MASKS; REQUIREMENTS; ENFORCEMENT PROHIBITION	The state, any political subdivision that receives and uses state tax revenues, or any person doing business in Arizona is prohibited from enforcing on a student without parental consent or on an employee any requirement that the person receive a vaccination for COVID-19 or any variant of COVID-19 or wear a mask. Violations are a class 1 (highest) misdemeanor. The county attorney is authorized to prosecute violations.	First sponsor: Rep. Burges (R - Dist 1) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Livingston (R - Dist 22), Rep. Martinez (R - Dist 11), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			1/31 referred to House jud.
H2616: MASK MANDATES; MINORS; PARENTAL CONSENT	This state, any political subdivision , any other governmental entity, any school district or any charter school, and any business in Arizona are prohibited from requiring that a mask or face covering be worn by a person under 18 years of age without the express consent of the person's parent or guardian.	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			2/10 from House gov-elect with amend #4148.

H2619: POSTVACCINE INJURIES; COVID-19; POSTING	The Department of Health Services is required to post on the DHS public website's COVID-19 dashboard a syringe icon with a link entitled "vaccine injury data report" that contains publicly available national data from the vaccine adverse event reporting system regarding injuries reported postvaccination for the COVID-19 vaccines.	First sponsor: Rep. Kaiser (R - Dist 15)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/9 House gov-elect held.
H2623: ANTIDISCRIMINATION; VACCINATION STATUS; IMMUNITY PASSPORTS	he list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "vaccination status" and possession of an "immunity passport" (both defined). Severability clause. Emergency clause.	First sponsor: Rep. Blackman (R - Dist 6)			
HCR2003: COVID-19 MANDATES; PROHIBITION	The members of the Legislature express support for H.R. 5360 or any similar legislation that preserves the right of individuals to choose to remain unvaccinated against COVID-19.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Hoffman (R - Dist 12)			
S1052: MEDICAL PROCEDURES; PROHIBITIONS	The state, any political subdivision of the state that receives and uses tax revenues, and any person doing business in Arizona are prohibited from requiring any Arizona resident to submit to a medical procedure, including a vaccination, if a potential complication from or adverse reaction to the medical procedure may cause the person's death. Also repeals statute prohibiting state and local governments from establishing a COVID-19 vaccine passport, from requiring any person to be vaccinated for COVID-19, and from requiring a business to obtain proof of the COVID-19 vaccination status of any patron entering the business establishment, which was originally signed into law as Laws 2021, chapter 409 (part of the FY2021-22 budget), but was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Blackman (R - Dist 6)			1/10 referred to Senate hel-hu ser.

S1053: RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	It is a class 2 (mid-level) misdemeanor for a person to knowingly violate statute requiring an employer to provide a reasonable accommodation to an employee whose sincerely held religious beliefs prevent the employee from taking the COVID-19 vaccination.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Blackman (R - Dist 6)	Hearing: Senate Commerce (Wednesday 02/16/22 at 2:00 PM, Senate Rm. 1)		1/10 referred to Senate com.
S1254: MEDICAL PRODUCT; PROCEDURE; MANDATES; LIABILITY	An employer that mandates or coerces its employees to receive a "medical product" or "medical procedure" (both defined), the employer is liable to an employee for any injury and all damages that are caused by the medical product or medical procedure, and is liable to an employee's dependent for the death of the employee if the death resulted from the mandated or coerced medical product or medical procedure. Establishes a presumption that the medical product or medical procedure caused an injury if the injury arises within 120 days after receiving the product or procedure.	First sponsor: Sen. Rogers (R - Dist 6) Others: Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Townsend (R - Dist 16)			1/20 referred to Senate jud, com.
S1298: GOVERNMENT MASK MANDATE; PROHIBITION	A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required.	First sponsor: Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.
S1414: VACCINE REQUIREMENTS; EMPLOYERS; PROHIBITION	The state, political subdivisions that receive and use tax revenues, and any person doing business in Arizona are prohibited from requiring an employee to receive a vaccination for COVID-19 or any variant of COVID-19.	First sponsor: Sen. Rogers (R - Dist 6)			2/7 referred to Senate com.
S1567: VACCINATIONS; PROHIBITIONS; EVIDENCE OF IMMUNITY	The state, its "governmental entities," and its "business affiliations" (both defined) are prohibited from requiring any person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status, and are prohibited from discriminating against any person based on not receiving a vaccination for COVID-19 or any variant of COVID-19 or failing to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status. The state and its	First sponsor: Sen. Barto (R - Dist 15)		Single-List Comments: STRIKER: EMPLOYERS; VACCINATIONS; RELIGIOUS EXEMPTION	2/10 from Senate hel-hu ser with amend #4154.

	governmental entities are prohibited from entering into a contract or giving a loan or grant of taxpayer monies to a business affiliation that requires a person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status. A business affiliation that violates these requirements materially breaches its contract with the state or a governmental entity, rendering the contract voidable. Does not apply to health care institutions that are treating patients with COVID-19 or any variant of COVID-19 and that determine that a "direct threat" (defined) exists that cannot be eliminated or reduced by reasonable accommodation. Factors that must be considered to determine a direct threat are listed. Requires the provisions of this legislation to be construed liberally. Severability clause. Also repeals statute prohibiting vaccine passports or vaccine requirements, which was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.				

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, Feb 12 2021 8:56 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Priority					
H2247: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/8 withdrawn from House ways-means.
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/10 House Consent		2/8 from House rules okay.

H2702: FEDERAL GOVERNMENT; LAND ACQUISITION; CONSENT	The consent of the state of Arizona to the acquisition, sale, gift or grant or any other transfer of an ownership interest in any privately owned real property within Arizona that is not in possession of any federal agency as of the effective date of this legislation, and that would remove the real property from state, county and municipal property tax rolls is prohibited from being given without the express, affirmative consent of the Legislature and the Governor through the signing of a joint resolution. On the opening of escrow for the sale of private real property to the federal government or a federal agency, the escrow agent or property owner is required to notify the Legislature and request approval of the sale. The state has the right of first refusal to purchase private real property that the federal government is contracting to acquire. Contains legislative findings.	First sponsor: Rep. Finchem (R - Dist 11)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/15/21 at 2:00 PM, House Rm. 3)		2/2 referred to House land-agri-rural affairs.
S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)			2/1 from Senate nat res-energy-water with amend #4041.
S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)	Calendar: 2/11 Senate COW		2/11 Senate COW approved with amend #4065.

	taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.				
S1602: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.	First sponsor: Sen. Gowan (R - Dist 14)			2/1 referred to Senate nat res-energy-water.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitor					
H2033: STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after,	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/11 Senate Third Reading		2/11 Substituted in Senate for identical bill 1367. Passed Senate 29-0; ready for governor.

	the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations.				
H2034: NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 substituted in Senate for identical bill 1223. Passed Senate 26-3; ready for governor.
H2035: APPROPRIATION; ARIZONA WATER PROTECTION FUND	Appropriates $1 million from the general fund in FY2021-22 to the Arizona Water Protection Fund.	First sponsor: Rep. Griffin (R - Dist 14)			1/28 passed House 55-4; ready for Senate.
H2037: GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist.	First sponsor: Rep. Griffin (R - Dist 14)			1/28 passed House 59-0; ready for Senate.
H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 passed House 58-0; ready for Senate.
H2041: GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/11 Senate Third Reading		2/11 Substituted in Senate for identical bill 1446. Passed Senate 29-0; ready for governor.
H2042: AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water	First sponsor: Rep. Griffin (R - Dist 14)			1/28 House COW approved. Passed House 41-18; ready for Senate.

	Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings.				
H2043: UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/11 Senate Third Reading		1/28 passed House 58-0; ready for Senate.
H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.	First sponsor: Rep. Weninger (R - Dist 17)			2/4 House COW approved with flr amend #4098. Passed House 34-24; ready for Senate.
H2056: WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/11 Senate Third Reading		2/11 substituted in Senate for identical bill 1368. Passed Senate 29-0; ready for governor.

	water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only.				
H2074: WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.	First sponsor: Rep. Pratt (R - Dist 8)			1/14 referred to House nat res-energy-water.
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			1/28 passed House 51-8; ready for Senate.
H2078: GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR.	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. no. awaited. message

H2079: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Rep. Dunn (R - Dist 13)			1/28 passed House 48-11; ready for Senate.
H2080: AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)	Calendar: 2/10 House Consent Calendar: 2/11 House Third Reading		2/11 passed House 48-11; ready for Senate.
H2081: ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)	Calendar: 2/10 House Consent Calendar: 2/11 House Third Reading		2/11 passed House 58-1; ready for Senate.
H2091: WATER RESOURCES ANNUAL REPORT	The deadline for the Department of Water Resources (DWR) to provide the Governor and the Legislature with an annual operations report is moved to August 15 of each year, from July 1. The report must be made available to the public on the DWR website.	First sponsor: Rep. Dunn (R - Dist 13)			1/14 referred to House nat res-energy-water.
H2093: PESTICIDES; RESTRICTED SALE AND USE	A person is prohibited from selling a "neonicotinoid pesticide" (defined) in Arizona without a license to sell a restricted use pesticide. A person is prohibited from using a neonicotinoid pesticide in Arizona unless the person is a certified applicator or a person working under the supervision of a certified applicator; a farmer, or a person working under the supervision of a farmer, that uses a neonicotinoid pesticide for agricultural purposes; or a veterinarian. Some exceptions. Violations are a class 3 (lowest) misdemeanor. The Director of the Department of Agriculture is required to incorporate pollinator habitat expansion and enhancement practices into Arizona's Managed Pollinator Protection Plan developed	First sponsor: Rep. Dalessandro (D - Dist 2)			1/14 referred to House land-agri-rural affairs.

	in coordination with the U.S. Environmental Protection Agency (EPA). The Dept is required to review Arizona pesticide laws and rules for changes necessary to protect pollinators, address the EPA recommendations from the risk assessment for neonicotinoid pesticides, and submit a report of findings and recommendations to the Governor and the Legislature by July 1, 2022. Effective January 1, 2022.				
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)	Calendar: 2/10 House Consent Calendar: 2/11 House Third Reading		2/11 passed House 47-12; ready for Senate.
H2142: AGRICULTURAL WORKFORCE PROGRAM; APPRENTICES; APPROPRIATION	Effective January 1, 2020, the Agricultural Workforce Development Program is established to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Department of Agriculture is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Dept is authorized to reimburse a participating food-producing agricultural organization up to the amount of the "actual cost" (defined) to the food-producing agricultural organization to employ an apprentice. By December 1 of each year, The Dept is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its purpose. The Program terminates on July 1, 2027. Appropriates $500,000 from the general fund in each of FY2021-22 and FY2022-23 to the Dept for the Program. Effective January 1, 2022.	First sponsor: Rep. Pratt (R - Dist 8)			2/4 passed House 42-16; ready for Senate.
H2198: INCOME TAX CREDITS; REPEAL	Repeals the individual and corporate income tax credits for employment by a healthy forest enterprise and for agricultural pollution control equipment. Establishes reporting requirements for recipients of the qualified facility income tax credit and the income tax credit for agricultural water conservation systems. Due to a potential increase	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House ways-means.

	in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.				
H2199: HYDRAULIC FRACTURING; PROHIBITIONS	A person is prohibited from engaging in "hydraulic fracturing" (defined) in Arizona and may not collect, store or treat water in Arizona if that water is used in, generated by or resulting from the process of hydraulic fracturing.	First sponsor: Rep. Cano (D - Dist 3)			1/25 referred to House nat res-energy-water.
H2201: DRINKING WATER STANDARDS; POLLUTANTS	The Department of Environmental Quality (DEQ) is required to establish drinking water aquifer water quality standards for a list of specified pollutants. Information DEQ must review when developing the standards is listed. The standards are required to be protective of public health, including vulnerable subpopulations such as pregnant women, nursing mothers, infants and children.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.
H2203: WELL DRILLING; GROUNDWATER BASINS	Beginning on the effective date of this legislation, a person is prohibited from constructing and the Department of Water Resources is prohibited from issuing a permit or drilling card for a new well in the Upper San Pedro Groundwater Basin or the Verde Valley Groundwater Subbasin. Some exceptions.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.
H2204: WELLS; PERMITS; SPACING RULES	The Department of Water Resources (DWR) is required to adopt rules governing the location of new wells and replacement wells in new locations in groundwater basins that DWR determines to be experiencing declining groundwater levels, for wells having a pump with a maximum capacity of more than 35 gallons per minute. In lieu of adopting new rules, DWR is permitted to follow the criteria for proposed withdrawals in active management areas.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.
H2205: APPROPRIATION; WQARF	Appropriates $15 million from the general fund in FY2021-22 to the Water Quality Assurance Revolving Fund.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water, appro.
H2206: SUBSEQUENT IRRIGATION NON-EXPANSION AREAS; PROCEDURES	The circumstances that must exist for the Director of the Department of Water Resources to designate an area that is not included in an active management area as a subsequent irrigation non-expansion area are modified to include that there is insufficient groundwater to	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.

	provide a "reasonably safe supply for irrigation" (defined) of the cultivated lands in the area at the reasonable projected rates of withdrawal, instead of at the current rates of withdrawal. In making the determination, the Director is allowed to consider credible evidence that indicates likely future changes to rates of withdrawal. Also modifies the procedure for the designation of a subsequent irrigation non-expansion area initiated by petition.				
H2208: ADEQUATE WATER SUPPLY; STATEWIDE REQUIREMENTS	Counties and municipalities are authorized to approve a subdivision plat only if the subdivider has obtained a water report from the Department of Water Resources that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply. The State Real Estate Commissioner is authorized to issue a public report authorizing the sale or lease of subdivided lands only if the Director has issued a water report that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.
H2209: GROUNDWATER PUMPING; MEASURING; REPORTING	A person who withdraws groundwater from a nonexempt well under any circumstances and in any location is required to use a water measuring device approved by the Department of Water Resources (DWR), maintain records of the withdrawals, and file an annual report to DWR with specified information on the withdrawals. Some exceptions.	First sponsor: Rep. Cano (D - Dist 3)			1/20 referred to House nat res-energy-water.
H2216: APPROPRIATION; STATE PARKS HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Teller (D - Dist 7) Others: Rep. Jermaine (D - Dist 18), Rep. Tsosie (D - Dist 7)			1/20 referred to House nat res-energy-water, appro.
H2239: ASSURED WATER SUPPLY; AVAILABILTY; PLATS	For an application to modify or renew a designation of assured water supply in the Pinal Active Management Area, the Department of Water Resources is prohibited from reviewing the physical availability of groundwater that was determined to be physically available under the previous	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Griffin (R - Dist 14), Rep. Parker (R - Dist 16), Rep. Pratt (R - Dist 8), Rep. Roberts (R - Dist 11)			1/20 referred to House nat res-energy-water.

	designation. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact" (defined) on an annual basis or under long-term storage credits pledged to the designation, and physically available water that will be stored within the area of impact on an annual basis or as long-term storage credits in the future. For the purposes of statute governing an assignment of a certificate of assured water supply, and for a holder of a certificate of assured water supply for a platted subdivision, an increase in the total number of housing units does not constitute a material change in the subdivision plat, plan or map. Contains a legislative intent section.				
H2246: G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 passed House 59-0; ready for Senate.
H2249: STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminarily investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/11 House COW		2/11 House COW approved. Passed House 60-0; ready for Senate.

	January 1, 2024.				
H2317: COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional	First sponsor: Rep. Toma (R - Dist 22)	Hearing: House Ways & Means (Wednesday 02/17/21 at 9:00 AM, House Rm. 2=3)		1/26 referred to House ways-means.

	board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.				
H2330: ENVIRONMENTAL QUALITY PROGRAMS; TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 House COW approved. Passed House 59-0; ready for Senate.
H2350: DEPARTMENT OF AGRICULTURE; ADVISORY COUNCIL	Increases the membership of the Department of Agriculture Advisory Council to nine, from five, by adding two members who are actively engaged in the public health sector, one member who is actively engaged in an industry regulated by the Division of Weights and Measures, and one member who is actively engaged in an industry regulated by the Pest Management Division.	First sponsor: Rep. Epstein (D - Dist 18) Others: Rep. Longdon (D - Dist 24)			1/26 referred to House land-agri-rural affairs.
H2352: TAX CREDITS; GRANTS; REPORTING; REPEALS	Repeals the individual income tax credits for employment by a healthy forest enterprise and for agricultural pollution control equipment. By March 1 each year, each "qualified facility" (defined as a facility in Arizona that devotes at least 80 percent of the property and payroll to qualified manufacturing, headquarters or research) claiming an income tax credit for expanding or locating a qualified facility in Arizona is required to report to the Arizona Commerce Authority the following: the number of full-time employees the qualified facility hired in Arizona in the preceding calendar year, the compensation and benefit information for each full-time employment position created for tax credit purposes, and the total capital expenditures the qualified facility	First sponsor: Rep. Epstein (D - Dist 18)			1/26 referred to House ways-means.

	invested in Arizona as a result of the tax credit. By May 1 each year, the Authority is required to report this information to the Joint Legislative Budget Committee. The information that each entity receiving a grant from the Arizona Competes Fund is required to annually report to the Authority is expanded to include compensation and benefit information for each employment position required for eligibility. By March 1 each year, each claimant of the tax credit for purchasing and installing an agricultural water conservation system in Arizona is required to report to the Department of Revenue on the reduction in water usage as a result of installing the system. By May 1 each year, the Dept is required to report to the "joint legislative committee" on the reduction in water usage as a result of installing agricultural water conservation systems as reported by all claimants, and the number of states where taxpayers receive a comparable income tax credit. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.				
H2388: WATER SUPPLY DEVELOPMENT FUND; APPROPRIATION	Appropriates $50 million from the general fund in FY2021-22 to the Water Supply Development Revolving Fund. The list of circumstances under which a water provider may qualify for monies in the Fund is expanded to include water providers located in a county with a population of less than 1.5 million persons (all except Maricopa County). For the purpose of water infrastructure finance programs, the definitions of "water provider" and "water supply development" are modified.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 from House nat res-energy-water do pass.
H2390: LAW CLINIC; STREAM ADJUDICATIONS; APPROPRIATION	A university under the jurisdiction of the Arizona Board of Regents is authorized to offer pro bono assistance to claimants in the general stream adjudication of water rights who are not represented by counsel and whose adjusted gross income for any of the preceding three years is less than 500 percent of the federal poverty guidelines. Any university that offers such assistance is required to cooperate and coordinate with the faculty of a	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			1/26 House nat res-energy-water held.

	cooperative extension in Arizona that has a program to support the economic vitality of rural communities and the use of natural resources in those communities. By November 15 of each year, a university that offers such assistance is required to submit a written report of assistance activities to the Governor and the Legislature. Appropriates $500,000 from the general fund in FY2021-22 to the University of Arizona to establish an adjudication law clinic to assist claimants in the general stream adjudication of water rights.				
H2440: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/10 House Consent Calendar: 2/11 House COW		2/11 House COW approved with flr amend #4220.
H2496: CLIMATE CHANGE; STATE PLAN	The Department of Environmental Quality is required to develop a state plan to address the effects of climate change on Arizona and submit the plan to the Governor for approval.	First sponsor: Rep. Lieberman (D - Dist 28) Others: Rep. Butler (D - Dist 28), Rep. Jermaine (D - Dist 18), Sen. Marsh (D - Dist 28), Rep. Rodriguez (D - Dist 27), Rep. Shah (D - Dist 24), Rep. Teran (D - Dist 30)			1/27 referred to House nat res-energy-water.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates an unspecified amount (blank in original) from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			2/11 from House appro with amend #4188.
H2580: ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/10 House Consent Calendar: 2/11 House Third Reading		2/11 passed House 59-1; ready for Senate.

	disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and requirements that are past the statutory termination date or are no longer applicable.				
H2679: WATER; RURAL MANAGEMENT AREAS	A county board of supervisors in a county outside of an active management area may designate by resolution one or more groundwater basins or subbasins in the county as a rural management area if the board finds that one or more of a list of specified conditions exist. A process for the board to adopt the resolution is established, including public notice, public meetings and a majority vote. The resolution is required to provide for the formation of a 5-member rural management area advisory council to establish management goals for the rural management area and identify best management practices to achieve the goals. The advisory council is required to submit a proposed management plan to the Department of Water Resources (DWR), and DWR is required to take action on the plan within 30 days after receipt. On approval by DWR, the plan applies in the rural management area.	First sponsor: Rep. Cobb (R - Dist 5)			2/3 referred to House nat res-energy-water.
H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	When issuing a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), the Department of Transportation is required to ensure the selection of a state highway alignment that services the most populous geographical area with the greatest potential for economic development, and to prioritize the majority opinion of feedback received from the public comments process as a factor of consideration.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)			2/11 from House trans do pass.
H2714: ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products.	First sponsor: Rep. Nutt (R - Dist 14)	Calendar: 2/10 House Consent		2/8 from House rules okay.

H2740: WATERSHED HEALTH; USE; SURVEY	A water right may be severed from the land to which it is appurtenant or from the site of its use if, with the consent and approval of the owner of such right, the right may be transferred for use for watershed health. The Director of the Department of Water Resources is required to establish a set of standard measures to define ecological water needs in Arizona, which must include specified criteria. By December 31, 2023, the Director is required to publish a preliminary survey of the status of the waters in Arizona, including specified information, and post the final survey and responses to all public comments received on the Dept website for a period of at least six months. By December 31 every three years after the initial preliminary survey, the Director of the Department of Water Resources is required to issue a report that includes an assessment of the overall health of each watershed in Arizona, based on an evaluation of specified attributes of the watershed.	First sponsor: Rep. Dalessandro (D - Dist 2)			2/2 referred to House nat res-energy-water.
H2747: BROADBAND; FIBER OPTIC SERVICES; COMMITTEE	Establishes a 5-member Broadband and Fiber Optic Services Study Committee to determine the status of broadband and fiber optic services in Arizona. The Committee is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives by December 31, 2021, and self-repeals October 1, 2022.	First sponsor: Rep. Andrade (D - Dist 29) Others: Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. DeGrazia (D - Dist 10), Rep. Friese (D - Dist 9), Rep. Meza (D - Dist 30), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D - Dist 9), Rep. Rodriguez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Stahl Hamilton (D - Dist 10), Rep. Teran (D - Dist 30), Rep. Tsosie (D - Dist 7)	Hearing: House Commerce (Tuesday 02/16/21 at 2:00 PM, House Rm. 3)		2/2 referred to House com.
H2807: ARCHAEOLOGY ADVISORY COMMISSION	Establishes the Archaeology Advisory Commission in the same manner it existed prior to its repeal on July 1, 2020, except that the number of Commission members is increased to 15, from 11. The Commission terminates on July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: House Natural Resources, Energy & Water (Tuesday 02/16/21 at 2:00 PM, House Rm. 4)		2/8 referred to House nat res-energy-water.
H2817: APPROPRIATION; HAZARDOUS VEGETATION REMOVAL	Appropriates $2.2 million from the general fund in FY2021-22 to the Arizona Department of Forestry and Fire Management for hazardous vegetation removal.	First sponsor: Rep. Lieberman (D - Dist 28)	Hearing: House Land, Agriculture & Rural Affairs (Monday 02/15/21 at 2:00 PM, House Rm. 3)		2/8 referred to House land-agri-rural affairs, appro.

H2834: ECONOMIC DEVELOPMENT; PROJECT CERTIFICATION	Adds a new article to Title 41 (State Government) authorizing counties and municipalities to propose establishing a rural economic development improvement program in unincorporated areas of the county. The county or municipality is required to apply to the Arizona Commerce Authority for designation as a rural economic development improvement program, and the application must include a plan for projects that create a minimum number of employment positions that are paid an average of 100 percent of the county median wage. After receiving program designation, the county or municipality is authorized to enter into development projects with property owners to construct property owners to be certified under the program. The Authority is required to certify projects, and requirements for certification are specified, including minimum capital investment requirements. Real and personal property and improvements certified by the Authority under the program and that meet other specified requirements are classified as class six property for property tax purposes.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: House Commerce (Tuesday 02/16/21 at 2:00 PM, House Rm. 3)		2/10 referred to House com.
HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 passed House 59-0; ready for Senate.
HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep.	Calendar: 2/10 House Consent Calendar: 2/11 House Third Reading		2/11 passed House 54-6; ready for Senate.

	shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	Toma (R - Dist 22)			
HJR2001: PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs.	First sponsor: Rep. Finchem (R - Dist 11)	Hearing: House Military Affairs & Public Safety (Monday 02/15/21 at 10:00 AM, House Rm. 1)		2/3 referred to House mil-pub safety.
HR2003: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 House COW approved. Passed House 33-26; ready for Senate.
S1004: STATE FINANCE REVIEW; TASK FORCE	Establishes a 22-member Citizens Finance Review Task Force to analyze the source of general fund and nongeneral fund revenues and expenditures as compared to other states, and make recommendations regarding the responsible retirement of existing state debt. The Task Force is required to submit a report to the Governor and the Legislature by September 30, 2022, and to present the report to a joint meeting of the legislative appropriations committees by January 31, 2023. Self-repeals October 1, 2023.	First sponsor: Sen. Bowie (D - Dist 18)			2/9 from Senate rules okay.
S1009: STATE VEHICLE FLEET; ELECTRIC VEHICLES	For model year 2022 and all subsequent model years, all new motor vehicles purchased for the state motor vehicle fleet that primarily operate in counties with a population of more than 250,000 persons and that have a gross vehicle weight of 8,500 pounds or less are required to be "electric vehicles" (defined).	First sponsor: Sen. Steele (D - Dist 9)			2/8 Senate trans-tech held.
S1037: WATER EFFICIENT PLUMBING FIXTURES	Beginning January 1, 2022, a person is prohibited from distributing, selling or installing any plumbing fixture for use in Arizona in any new residential, commercial, industrial or public construction or for replacing plumbing fixtures in	First sponsor: Sen. Engel (D - Dist 10)			1/11 referred to Senate com, nat res-energy-water.

	existing residential, commercial, industrial or public construction, unless the fixture is a "watersense-labeled plumbing fixture" (defined as a fixture that has been tested and certified under the U.S. Environmental Protection Agency's Watersense Program established under America's Water Infrastructure Act of 2018). Some exceptions, including that these requirements do not apply to any plumbing fixture that is documented to have been purchased by a plumbing wholesaler, retailer or end user and that is actually located in Arizona before January 1, 2022. Effective January 1, 2022.				
S1065: STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres.	First sponsor: Sen. Kerr (R - Dist 13)			1/28 passed Senate 29-0; ready for House.
S1079: WELL DRILLING; GROUNDWATER BASINS	Beginning on the effective date of this legislation, a person is prohibited from constructing and the Department of Water Resources is prohibited from issuing a permit or drilling card for a new well in the Upper San Pedro Groundwater Basin or the Verde Valley Groundwater Subbasin. Some exceptions.	First sponsor: Sen. Steele (D - Dist 9)			1/12 referred to Senate nat res-energy-water.
S1080: GREENHOUSE GAS PROGRAMS; REPEAL PROHIBITION	Repeals statute prohibiting state agencies from adopting or enforcing a state or regional program to regulate the emission of greenhouse gas for the purposes of addressing changes in atmospheric temperature without express legislative authorization.	First sponsor: Sen. Gabaldon (D - Dist 2)			1/12 referred to Senate nat res-energy-water.
S1102: ELECTRIC VEHICLE OMNIBUS; APPROPRIATIONS	Counties and municipalities are prohibited from issuing a residential structure building permit for a single-family structure if the residential structure does not have a circuit with a dedicated outlet to charge an electric vehicle in the residential structure's garage or within ten feet of a parking space on the outside of the residential structure. Some exceptions. The Arizona Department of Administration (ADOA) is required to conduct a two-year electric vehicle ready homes pilot program. ADOA is required to reimburse the owner of a single-family or multifamily residential structure for the actual cost, up to $1,000, of installing a high voltage electrical outlet for the purpose of charging an electric vehicle. ADOA is required to submit a report to the Governor and the Legislature detailing the	First sponsor: Sen. Steele (D - Dist 9)	Hearing: Senate Government (Monday 02/15/21 at 2:00 PM, Senate Rm. 1)		1/12 referred to Senate gov, appro.

	results of the pilot program by December 31, 2023. The pilot program self-repeals October 1, 2024. ADOA is required to conduct a two-year electric vehicle charging station pilot program. All state agencies are authorized to apply to ADOA for funding necessary for covering the costs of installation of electric vehicle charging stations at their agency locations. ADOA is required to submit a report with specified information relating to the pilot program to the Governor and the Legislature by December 31, 2023. Appropriates $500,000 from the general fund in FY2021-22 to ADOA for the electric vehicle ready homes pilot program and $500,000 from the general fund in FY2021-22 to ADOA for the electric vehicle charging station pilot program.				
S1116: STATE PERMITTING DASHBOARD	Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than $25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies	First sponsor: Sen. Gowan (R - Dist 14) Others: Rep. Wilmeth (R - Dist 15)	Calendar: 2/10 Senate Consent Calendar: 2/11 Senate Third Reading		2/9 from Senate rules okay.

	cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. These provisions self-repeal January 1, 2029. The Director is required to submit a report of findings and recommendations from administering the Permitting Dashboard to the Governor and the Legislature by December 1, 2022.				
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax years beginning with 2021.	First sponsor: Sen. Gowan (R - Dist 14)			2/1 passed Senate 29-1; ready for House.
S1133: DRINKING WATER STANDARDS; POLLUTANTS	The Department of Environmental Quality (DEQ) is required to establish drinking water aquifer water quality standards for a list of specified pollutants. Information DEQ must review when developing the standards is listed. The standards are required to be protective of public health, including vulnerable subpopulations such as pregnant women, nursing mothers, infants and children.	First sponsor: Sen. Engel (D - Dist 10)			1/13 referred to Senate nat res-energy-water.
S1147: WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.	First sponsor: Sen. Kerr (R - Dist 13)			2/9 passed Senate 29-0; ready for House.
S1157: EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a	First sponsor: Sen. Kerr (R - Dist 13)	Calendar: 2/10 Senate Consent		2/9 from Senate rules okay.

	youth development organization of the land grand university system in Arizona, and that meets other specified requirements.				
S1222: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Sen. Kerr (R - Dist 13)			2/2 from Senate rules okay.
S1223: NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping.	First sponsor: Sen. Kerr (R - Dist 13)			2/2 from Senate rules okay.
S1307: WATER; WASTEWATER SYSTEM; COUNTY OPERATION	A county with a population of more than 200,000 persons and less than 900,000 persons (Pinal County) is authorized to acquire, maintain and operate a water and wastewater system if the public service corporation that owns the system is either operated by an interim manager under an order of the Arizona Corporation Commission (ACC), or within the three years immediately preceding the acquisition, was operated by an interim manager under an order of the ACC. The county may acquire the by agreement with the public service corporation or by eminent domain and is required to pay the public service corporation the fair valuation for the system. Establishes a formula for determining the fair valuation. After the county acquires the water and wastewater system, the county is authorized to contract with a private entity to operate the system. A	First sponsor: Sen. Shope (R - Dist 8)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 02/17/21 at 2:00 PM, Senate Rm. 109)		2/10 further referred to Senate nat res-energy-water.

	contract for the operation and maintenance of the system is exempt from the county's procurement code except that the county is required to issue a public request for proposals. These authorizations are repealed an unspecified number of months (blank in original) after a county acquires a water and wastewater system from a public service corporation or on January 1, 2027, whichever is earlier.				
S1370: ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause.	First sponsor: Sen. Kerr (R - Dist 13)	Calendar: 2/10 Senate Consent		2/9 from Senate rules okay.
S1377: CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is directly or indirectly sustained because of the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)	Hearing: Senate Judiciary (Thursday 02/11/21 at 9:00 AM, Senate Rm. 1)		2/11 Senate jud amended; report awaited.

	negligence. Some exceptions. Applies to all causes of action that are brought after the effective date of this legislation for an act or omission by a person or provider that occurred on or after March 11, 2020 and before December 30, 2022 and that relates to a public health pandemic that is the subject of the state of emergency declared by the Governor. Retroactive to March 11, 2020. Severability clause.				
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the $10 million deposit in the Game and Fish Commission Heritage Fund, $10 million must be deposited in the Arizona State Parks Board Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)	Hearing: Senate Appropriations (Tuesday 02/16/21 at 2:00 PM, Senate Rm. 109)		1/26 referred to Senate appro.
S1413: STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminarily investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024.	First sponsor: Sen. Kerr (R - Dist 13)	Calendar: 2/10 Senate Consent		2/9 from Senate rules okay.
S1442: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)	Calendar: 2/11 Senate COW		2/11 Senate COW approved with amend #4080.

	The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.				
S1474: WATERSHED HEALTH; USE; SURVEY	A water right may be severed from the land to which it is appurtenant or from the site of its use if, with the consent and approval of the owner of such right, the right may be transferred for use for watershed health. The Director of the Department of Water Resources is required to establish a set of standard measures to define ecological water needs in Arizona, which must include specified criteria. By December 31, 2023, the Director is required to publish a preliminary survey of the status of the waters in Arizona, including specified information, and post the final survey and responses to all public comments received on the Dept website for a period of at least six months. By December 31 every three years after the initial preliminary survey, the Director of the Department of Water Resources is required to issue a report that includes an assessment of the overall health of each watershed in Arizona, based on an evaluation of specified attributes of the watershed.	First sponsor: Sen. Engel (D - Dist 10) Others: Rep. Rodriguez (D - Dist 27)			1/28 referred to Senate nat res-energy-water.
S1515: LITTERING; ARSON RELATED FINES; USE	A separate violation of criminal littering occurs on each day of part of a day that the person who throws or places on public property or another person's property any litter or destructive material does not remove the littler or material. Establishes an additional fine of at least $250 for each violation of criminal littering or polluting. If a fine is assessed for a violation of reckless burning, arson, burning of wildlands, unlawful cross burning, or unlawful symbol burning, 100 percent of any assessed fine must be deposited in the general fund of the county in which the fine was assessed, and the county must use at least 50 percent of the fine for fire restoration and rehabilitation costs. If a fine is assessed for a violation of arson of an occupied jail or prison facility, 100 percent of the fine must be deposited in the Cooperative Forest Fund and used for fire restoration and rehabilitation	First sponsor: Sen. Rogers (R - Dist 6)			2/1 referred to Senate jud.

	costs in Arizona.				
S1555: HISTORIC NAMES BOARD; ESTABLISHMENT	Establishes the State Board on Geographic and Historic Names in the same manner it existed in statute prior to its repeal on July 1, 2020, with the addition of a declaration that it is the public policy of this state that natural or artificial objects, places or things continue to be known by the names they now bear, as determined by the Board, so that the historical record of the state may be protected and preserved. The Board terminates on July 1, 2029.	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Rep. Salman (D - Dist 26), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Tsosie (D - Dist 7)	Hearing: Senate Government (Monday 02/15/21 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1557: STATE PARKS; HERITAGE FUND; LOTTERY	Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the $10 million deposit in the Game and Fish Commission Heritage Fund, $10 million must be deposited in the Arizona State Parks Board Heritage Fund.	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Rep. Salman (D - Dist 26), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Teran (D - Dist 30)			2/1 referred to Senate appro.
S1563: ENVIRONMENTAL QUALITY; TASK FORCE	In consultation with the Department of Environmental Quality (DEQ), the Department of Administration is required to ensure that all state agencies, boards, commissions and other public bodies that are involved in decisions that may affect environmental quality adopt and implement "environmental justice" (defined) policies that provide meaningful opportunities for involvement of all people, regardless of race, color, ethnicity, religion, income or education level. DEQ is required to identify existing and proposed industrial and commercial facilities and areas in communities of color and in low-income communities for which compliance, enforcement, remediation, siting and permitting strategies will be targeted to address the disproportionate impacts from these facilities on those communities. The Director of DEQ and the Director of the Department of Health Services are required to convene a Multiagency Environmental Justice Task Force to make recommendations to state	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Tsosie (D - Dist 7)			2/1 referred to Senate nat res-energy-water.

	agency heads regarding actions to be taken to address environmental justice issues that are consistent with each state agency's existing statutory and regulatory authority. The Task Force terminates July 1, 2029. Contains legislative findings.				
SCR1011: SUPPORTING; HARDROCK MINING	The members of the Legislature recognize the importance of the hardrock mining industry to Arizona's economy and support the involvement of Arizona's government and the hardrock mining industry in any future regulatory changes to ensure that operations continue to be safe and productive for the state.	First sponsor: Sen. Kerr (R - Dist 13)			2/4 passed Senate 22-7; ready for House.
SM1001: RESTORE THE BORDERLANDS; URGING CONGRESS	The Legislature urges the U.S. Congress to take various actions relating to the border region uniting the United States and Mexico, including to pursue actions to immediately restore critical wildlife connections on both sides of the border; fund restoration of highly degraded riverine, riparian and wetland habitats; and to provide for a new borderlands conservation corps to train and provide opportunities for underemployed residents in the border region and to mitigate the environmental impacts of the border wall. The Legislature urges the U.S. Departments of the Interior, Agriculture and Homeland Security to carefully consider the recommendations for addressing the need to restore the borderlands outlined in this memorial and implement these in a timely and efficient manner, to the best of their ability, in close cooperation with landowners, public servants and elected officials of Arizona and neighboring states. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, each member of Congress from Arizona, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture and the Secretary of the U.S. Department of Homeland Security.	First sponsor: Sen. Gabaldon (D - Dist 2)			1/14 referred to Senate nat res-energy-water.
SR1002: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported	First sponsor: Sen. Kerr (R - Dist 13)			

	and scientifically informed forest restoration treatments across this state and the nation.				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Other Bills of Interest					
H2145: EMERGENCY POWERS; CURFEW; BUSINESS CLOSURES	During a state of emergency, the Governor's authority includes imposing a curfew and ordering businesses to close within a designated area.	First sponsor: Rep. Friese (D - Dist 9)			1/25 referred to House gov-elect.
H2389: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Rep. Griffin (R - Dist 14)			1/27 referred to House gov-elect.
H2570: LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from revoking any license that is required to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)	Hearing: House Government & Elections (Wednesday 02/17/21 at 9:00 AM, House Rm. 1)		2/10 House gov-elect held.

HCR2006: STATE OF EMERGENCY DECLARATION; TERMINATION	The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution to the Governor.	First sponsor: Rep. Roberts (R - Dist 11)			1/26 referred to House gov-elect.
HCR2017: AUTOMATIC TERMINATION; STATE OF EMERGENCY	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Rep. Griffin (R - Dist 14)			2/3 referred to House gov-elect.
HCR2026: STATE OF EMERGENCY; TERMINATION; REFERRAL	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 14 days after the date on which the state of emergency is proclaimed, unless the Governor calls for a special session of the Legislature relating to the state of emergency.	First sponsor: Rep. Carroll (R - Dist 22)	Hearing: House Military Affairs & Public Safety (Monday 02/15/21 at 10:00 AM, House Rm. 1)		2/3 referred to House mil-pub safety.
HCR2037: PANDEMIC EMERGENCIES; SPECIAL SESSIONS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to authorize the Legislature to call a special session to proclaim a state of emergency due to a pandemic disease by a petition signed by at least 60 percent of the members of each house of the Legislature. If the Governor proclaims a state of emergency due to a pandemic disease and issues an executive order that restrains the actions of any person or entity in Arizona, the Governor is required to call a special session of the Legislature by the 21st day after the	First sponsor: Rep. Kavanagh (R - Dist 23)			

	Governor proclaims the state of emergency or issues the executive order, whichever is later, to address matters relating to the state of emergency and the executive order. Establishes requirements for a special session due to a pandemic disease. Counties and municipalities are prohibited from proclaiming a state of emergency due to a pandemic disease and from issuing any order, ordinance or regulation that is related to a state of emergency due to a pandemic disease.				
S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			2/2 from Senate rules okay.
S1258: STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the state or a county, municipality or political subdivision for the duration of the state of emergency proclamation and extends the period remaining to exercise those rights for an additional 12 months after the tolled period. Within 90 days after the state of emergency proclamation is terminated, the holder of the permit, license, approval or other authorization is required to notify the issuing authority of the holder's intent to exercise the tolling and extension in writing. Does not apply to a list of specified permits and licenses. Emergency clause.	First sponsor: Sen. Mesnard (R - Dist 17)			2/10 retained on Senate COW calendar.

S1430: HIGHLY FATAL; DEFINITION	During a state of emergency, the Governor is authorized to issue orders that encourage, instead of mandate, medical examinations for exposed persons and/or treatment or vaccination of persons who are diagnosed with an illness or who are reasonably believed to have been exposed. The Governor's authority to issue orders that isolate and quarantine persons is limited to quarantine in the person's home while infected and contagious with a virus or other infectious agent for no longer than 30 days. On finding that a "highly contagious and highly fatal disease" (defined) with transmission characteristics similar to smallpox exists in Arizona, the measures allowed for addressing such a disease apply only to counties where at least 3.5 percent of the population of that county is confirmed to have been infected with the virus and the death rate from the virus in that county is greater than 3.5 percent when dividing the number of individuals confirmed to have died from the virus in that county by the total number of individuals in that county estimated to have been infected with the virus.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Barto (R - Dist 15), Rep. Fillmore (R - Dist 16)			2/9 from Senate gov do pass.
SCR1001: STATE OF EMERGENCY DECLARATION; TERMINATION	The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution to the Governor.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/10 from Senate appro do pass.
SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 14 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 14-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions.	First sponsor: Sen. Barto (R - Dist 15) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6),			2/10 Senate COW approved with amend #4017. Passed Senate 16-14; ready for House.

		Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			
SCR1014: AUTOMATIC TERMINATION; STATE OF EMERGENCY	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/2 from Senate rules okay.

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, Feb 19 2021 11:33 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2033: STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after, the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. no. awaited. message
H2034: NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping. AS SIGNED BY GOVERNOR.	First sponsor: Rep. Griffin (R - Dist 14)			2/12 signed by governor. Chap. no. awaited. message
H2041: GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. no. awaited. message

H2056: WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. no. awaited. message
H2078 (Chapter 4): GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR.	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. 4, Laws 2021. message

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Priority					
H2247: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first	First sponsor: Rep. Griffin (R - Dist 14)	Calendar: 2/17 House Consent		2/16 from House rules okay.

	20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.				
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Rep. Griffin (R - Dist 14)			2/8 from House rules okay.
H2702: FEDERAL GOVERNMENT; LAND ACQUISITION; CONSENT	The consent of the state of Arizona to the acquisition, sale, gift or grant or any other transfer of an ownership interest in any privately owned real property within Arizona that is not in possession of any federal agency as of the effective date of this legislation, and that would remove the real property from state, county and municipal property tax rolls is prohibited from being given without the express, affirmative consent of the Legislature and the Governor through the signing of a joint resolution. On the opening of escrow for the sale of private real property to the federal government or a federal agency, the escrow agent or property owner is required to notify the Legislature and request approval of the sale. The state has the right of first refusal to purchase private real property that the federal government is contracting to acquire. Contains legislative findings.	First sponsor: Rep. Finchem (R - Dist 11)			2/16 from House land-agri-rural affairs do pass.

S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)	Hearing: Senate Rules (Monday 02/22/21 at 9:00 AM, Senate Rm. 109)		2/1 from Senate nat res-energy-water with amend #4041.
S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)	Calendar: 2/18 Senate Third Reading		2/18 passed Senate 23-7; ready for House.
S1602: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year,	First sponsor: Sen. Gowan (R - Dist 14)			2/1 referred to Senate nat res-energy-water.

	not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitor					
H2035: APPROPRIATION; ARIZONA WATER PROTECTION FUND	Appropriates $1 million from the general fund in FY2021-22 to the Arizona Water Protection Fund.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate appro.
H2037: GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2042: AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the	First sponsor: Rep. Griffin (R - Dist 14)			2/17 substituted in Senate for identical bill 1364. Passed Senate 16-14; ready for governor.

	appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings.				
H2043: UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.	First sponsor: Rep. Griffin (R - Dist 14)			1/28 passed House 58-0; ready for Senate.
H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.	First sponsor: Rep. Weninger (R - Dist 17)			2/18 referred to Senate gov.
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			2/18 referred to Senate appro.

H2079: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Rep. Dunn (R - Dist 13)			1/28 passed House 48-11; ready for Senate.
H2080: AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)			2/18 referred to Senate nat res-energy-water.
H2081: ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)			2/18 referred to Senate nat res-energy-water.
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)			2/18 referred to Senate appro.
H2142: AGRICULTURAL WORKFORCE PROGRAM; APPRENTICES; APPROPRIATION	Effective January 1, 2020, the Agricultural Workforce Development Program is established to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Department of Agriculture is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Dept is authorized to reimburse a participating food-producing agricultural organization up to the amount of the "actual cost" (defined) to the food-producing agricultural organization to employ an apprentice. By December 1 of each year, The Dept is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its	First sponsor: Rep. Pratt (R - Dist 8)			2/18 referred to Senate appro.

	purpose. The Program terminates on July 1, 2027. Appropriates $500,000 from the general fund in each of FY2021-22 and FY2022-23 to the Dept for the Program. Effective January 1, 2022.				
H2246: G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2249: STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminarily investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024.	First sponsor: Rep. Griffin (R - Dist 14)			2/16 substituted in Senate for identical bill 1413. Passed Senate 30-0; ready for governor.
H2317: COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to	First sponsor: Rep. Toma (R - Dist 22)			2/17 from House ways-means do pass.

	be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.				

H2330: ENVIRONMENTAL QUALITY PROGRAMS; TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2440: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.	First sponsor: Rep. Griffin (R - Dist 14)			2/11 House COW approved with flr amend #4220.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates an unspecified amount (blank in original) from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			2/11 from House appro with amend #4188.
H2580: ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.

	requirements that are past the statutory termination date or are no longer applicable.				
H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	When issuing a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), the Department of Transportation is required to ensure the selection of a state highway alignment that services the most populous geographical area with the greatest potential for economic development, and to prioritize the majority opinion of feedback received from the public comments process as a factor of consideration.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)	Calendar: 2/17 House Consent		2/16 from House rules okay.
H2714: ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products.	First sponsor: Rep. Nutt (R - Dist 14)			2/8 from House rules okay.
H2747: BROADBAND; FIBER OPTIC SERVICES; COMMITTEE	Establishes a 5-member Broadband and Fiber Optic Services Study Committee to determine the status of broadband and fiber optic services in Arizona. The Committee is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives by December 31, 2021, and self-repeals October 1, 2022.	First sponsor: Rep. Andrade (D - Dist 29) Others: Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. DeGrazia (D - Dist 10), Rep. Friese (D - Dist 9), Rep. Meza (D - Dist 30), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D - Dist 9), Rep. Rodriguez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Stahl Hamilton (D - Dist 10), Rep. Teran (D - Dist 30), Rep. Tsosie (D - Dist 7)			2/17 from House com with amend #4293.
H2807: ARCHAEOLOGY ADVISORY COMMISSION	Establishes the Archaeology Advisory Commission in the same manner it existed prior to its repeal on July 1, 2020, except that the number of Commission members is increased to 15, from 11. The Commission terminates on July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/17 from House nat res-energy-water do pass.
H2817: APPROPRIATION; HAZARDOUS VEGETATION REMOVAL	Appropriates $2.2 million from the general fund in FY2021-22 to the Arizona Department of Forestry and Fire Management for hazardous vegetation removal.	First sponsor: Rep. Lieberman (D - Dist 28)			2/18 from House appro with amend #4316.

HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep. Toma (R - Dist 22)			2/18 referred to Senate nat res-energy-water.
HJR2001: PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs.	First sponsor: Rep. Finchem (R - Dist 11)			2/16 from House mil-pub safety with amend #4265.
HR2003: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 House COW approved. Passed House 33-26; ready for Senate.

S1004: STATE FINANCE REVIEW; TASK FORCE	Establishes a 22-member Citizens Finance Review Task Force to analyze the source of general fund and nongeneral fund revenues and expenditures as compared to other states, and make recommendations regarding the responsible retirement of existing state debt. The Task Force is required to submit a report to the Governor and the Legislature by September 30, 2022, and to present the report to a joint meeting of the legislative appropriations committees by January 31, 2023. Self-repeals October 1, 2023. AS PASSED SENATE	First sponsor: Sen. Bowie (D - Dist 18)			2/17 passed Senate 29-1; ready for House.
S1065: STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres.	First sponsor: Sen. Kerr (R - Dist 13)			1/28 passed Senate 29-0; ready for House.
S1116: STATE PERMITTING DASHBOARD	Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than $25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the	First sponsor: Sen. Gowan (R - Dist 14) Others: Rep. Wilmeth (R - Dist 15)			2/16 passed Senate 29-1; ready for House.

	Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. These provisions self-repeal January 1, 2029. The Director is required to submit a report of findings and recommendations from administering the Permitting Dashboard to the Governor and the Legislature by December 1, 2022.				
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax years beginning with 2021.	First sponsor: Sen. Gowan (R - Dist 14)			2/1 passed Senate 29-1; ready for House.
S1147: WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.	First sponsor: Sen. Kerr (R - Dist 13)			2/9 passed Senate 29-0; ready for House.
S1157: EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a youth development organization of the land grand university system in Arizona, and that meets other specified requirements.	First sponsor: Sen. Kerr (R - Dist 13)			2/16 passed Senate 27-3; ready for House.
S1222: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements	First sponsor: Sen. Kerr (R - Dist 13)			2/17 passed Senate 19-11; ready for House.

	to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.				
S1307: WATER; WASTEWATER SYSTEM; COUNTY OPERATION	A county with a population of more than 200,000 persons and less than 900,000 persons (Pinal County) is authorized to acquire, maintain and operate a water and wastewater system if the public service corporation that owns the system is either operated by an interim manager under an order of the Arizona Corporation Commission (ACC), or within the three years immediately preceding the acquisition, was operated by an interim manager under an order of the ACC. The county may acquire the by agreement with the public service corporation or by eminent domain and is required to pay the public service corporation the fair valuation for the system. Establishes a formula for determining the fair valuation. After the county acquires the water and wastewater system, the county is authorized to contract with a private entity to operate the system. A contract for the operation and maintenance of the system is exempt from the county's procurement code except that the county is required to issue a public request for proposals. These authorizations are repealed an unspecified number of months (blank in original) after a county acquires a water and wastewater system from a public service corporation or on January 1, 2027, whichever is earlier.	First sponsor: Sen. Shope (R - Dist 8)	Hearing: Senate Rules (Monday 02/22/21 at 9:00 AM, Senate Rm. 109)	General Comments (all lists): S/E: water; wastewater; corrective actions	2/17 Senate nat res-energy-water amended; report awaited.
S1370: ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being	First sponsor: Sen. Kerr (R - Dist 13)			2/17 passed Senate 30-0; ready for House.

	repealed on July 1, 2020. Emergency clause. AS PASSED SENATE				
S1377: CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is directly or indirectly sustained because of the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. Some exceptions. Applies to all causes of action that are brought after the effective date of this legislation for an act or omission by a person or provider that occurred on or after March 11, 2020 and before December 30, 2022 and that relates to a public health pandemic that is the subject of the state of emergency declared by the Governor. Retroactive to March 11, 2020. Severability clause.	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)			2/15 from Senate jud with amend #4245. 2/16 from Senate rules okay.
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the $10 million deposit in the Game and Fish Commission Heritage Fund, $10 million must be deposited in the Arizona State Parks Board Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)	Hearing: Senate Rules (Monday 02/22/21 at 9:00 AM, Senate Rm. 109)		2/18 from Senate appro with amend #4275.

S1442: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of the Tribe is required to remove hazardous vegetation on tribal land. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)			2/17 passed Senate 27-3; ready for House.
S1555: HISTORIC NAMES BOARD; ESTABLISHMENT	Establishes the State Board on Geographic and Historic Names in the same manner it existed in statute prior to its repeal on July 1, 2020, with the addition of a declaration that it is the public policy of this state that natural or artificial objects, places or things continue to be known by the names they now bear, as determined by the Board, so that the historical record of the state may be protected and preserved. The Board terminates on July 1, 2029.	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Rep. Salman (D - Dist 26), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Tsosie (D - Dist 7)	Hearing: Senate Rules (Monday 02/22/21 at 9:00 AM, Senate Rm. 109)		2/16 from Senate gov do pass.
SCR1011: SUPPORTING; HARDROCK MINING	The members of the Legislature recognize the importance of the hardrock mining industry to Arizona's economy and support the involvement of Arizona's government and the hardrock mining industry in any future regulatory changes to ensure that operations continue to be safe and productive for the state.	First sponsor: Sen. Kerr (R - Dist 13)			2/4 passed Senate 22-7; ready for House.
SR1002: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest	First sponsor: Sen. Kerr (R - Dist 13)			

	restoration treatments across this state and the nation.				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Bills of Interest					
H2570: LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from revoking any license that is required to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/18 House gov-elect do pass; report awaited.
HCR2026: STATE OF EMERGENCY; TERMINATION; REFERRAL	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 14 days after the date on which the state of emergency is proclaimed, unless the Governor calls for a special session of the Legislature relating to the state of emergency.	First sponsor: Rep. Carroll (R - Dist 22)			2/16 from House mil-pub safety do pass.
S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			2/2 from Senate rules okay.

	court for a writ of mandamus to compel the Governor to comply.				
S1258: STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period remaining to exercise those rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			2/17 passed Senate 30-0; ready for House.
S1430: HIGHLY FATAL; DEFINITION	During a state of emergency, the Governor is authorized to issue orders that encourage, instead of mandate, medical examinations for exposed persons and/or treatment or vaccination of persons who are diagnosed with an illness or who are reasonably believed to have been exposed. The Governor's authority to issue orders that isolate and quarantine persons is limited to quarantine in the person's home while infected and contagious with a virus or other infectious agent for no longer than 30 days. On finding that a "highly contagious and highly fatal disease" (defined) with transmission characteristics similar to smallpox exists in Arizona, the measures allowed for addressing such a disease apply only to counties where at least 3.5 percent of the population of that county is confirmed to have been infected with the virus and the death rate from the virus in that county is greater than 3.5 percent when dividing the number of individuals confirmed to have died from the virus in that county by the total number of individuals in that county estimated to have been infected with the virus.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Barto (R - Dist 15), Rep. Fillmore (R - Dist 16)	Calendar: 2/17 Senate Consent		2/16 from Senate rules okay.
SCR1001: STATE OF EMERGENCY DECLARATION; TERMINATION	The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution	First sponsor: Sen. Ugenti-Rita (R - Dist 23)	Calendar: 2/17 Senate Consent		2/16 from Senate rules okay.

	to the Governor.				
SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 30-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions. AS PASSED SENATE.	First sponsor: Sen. Petersen (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			2/10 Senate COW approved with amend #4017. Passed Senate 16-14; ready for House.
SCR1014: AUTOMATIC TERMINATION; STATE OF EMERGENCY	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/2 from Senate rules okay.

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, Feb 26 2021 9:31 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2033 (Chapter 20): STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after, the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 20, Laws 2021. message
H2034 (Chapter 9): NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/12 signed by governor. Chap. 9, Laws 2021. message
H2041 (Chapter 21): GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 21, Laws 2021. message

H2042: AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings.	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. no. awaited. message
H2056 (Chapter 22): WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 22, Laws 2021. message
H2078 (Chapter 4): GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. 4, Laws 2021. message

	years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR				
H2249: STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to consult, use the resources of their respective departments and cooperate to develop a plan to create additional water storage in Arizona that includes preliminarily investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024.	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. no. awaited. message

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Priority					
H2247: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes	First sponsor: Rep. Griffin (R - Dist 14)			2/24 passed House 42-18; ready for Senate.

	due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022.				
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Rep. Griffin (R - Dist 14)			2/24 House COW approved with flr amend #4480.
H2702: FEDERAL GOVERNMENT; LAND ACQUISITION; CONSENT	The consent of the state of Arizona to the acquisition, sale, gift or grant or any other transfer of an ownership interest in any privately owned real property within Arizona that is not in possession of any federal agency as of the effective date of this legislation, and that would remove the real property from state, county and municipal property tax rolls is prohibited from being given without the express, affirmative consent of the Legislature and the Governor through the signing of a joint resolution. On the opening of escrow for the sale of private real property to the federal government or a federal agency, the escrow agent or property owner is required to notify the Legislature and request approval of the sale. The state has the right of first refusal to purchase private real property that the federal government is contracting to acquire. Contains legislative findings.	First sponsor: Rep. Finchem (R - Dist 11)			2/24 House COW approved.
S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)			2/24 retained on Senate COW calendar.

	policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.				
S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)			2/25 referred to House nat res-energy-water.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitor					
H2035: APPROPRIATION; ARIZONA WATER PROTECTION FUND	Appropriates $1 million from the general fund in FY2021-22 to the Arizona Water Protection Fund.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Appropriations (Tuesday 03/02/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate appro.
H2037: GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.

H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2043: UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.	First sponsor: Rep. Griffin (R - Dist 14)			2/22 substituted in Senate for identical bill 1365. Passed Senate 17-13; ready for governor.
H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.	First sponsor: Rep. Weninger (R - Dist 17)	Hearing: Senate Government (Monday 03/01/21 at 2:00 PM, Senate Rm. 1)		2/18 referred to Senate gov.
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			2/18 referred to Senate appro.

	and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.				
H2079: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/03/21 at 2:00 PM, Senate Rm. 109)		2/22 referred to Senate nat res-energy-water.
H2080: AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)			2/18 referred to Senate nat res-energy-water.
H2081: ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/03/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate nat res-energy-water.
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)			2/18 referred to Senate appro.
H2142: AGRICULTURAL WORKFORCE PROGRAM; APPRENTICES; APPROPRIATION	Effective January 1, 2020, the Agricultural Workforce Development Program is established to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Department of Agriculture is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Dept is authorized to reimburse a participating food-producing agricultural organization up to the	First sponsor: Rep. Pratt (R - Dist 8)			2/18 referred to Senate appro.

	amount of the "actual cost" (defined) to the food-producing agricultural organization to employ an apprentice. By December 1 of each year, The Dept is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its purpose. The Program terminates on July 1, 2027. Appropriates $500,000 from the general fund in each of FY2021-22 and FY2022-23 to the Dept for the Program. Effective January 1, 2022.				
H2246: G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2317: COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available	First sponsor: Rep. Toma (R - Dist 22)	Hearing: Senate Finance (Wednesday 03/03/21 at 9:00 AM, Senate Rm. 109)		2/23 passed House 58-0; ready for Senate.

	aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.				
H2330: ENVIRONMENTAL QUALITY PROGRAMS; TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.

H2440: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.	First sponsor: Rep. Griffin (R - Dist 14)			2/11 House COW approved with flr amend #4220.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates an unspecified amount (blank in original) from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			2/23 passed House 55-4; ready for Senate.
H2580: ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and requirements that are past the statutory termination date or are no longer applicable.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/03/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate nat res-energy-water.
H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	When issuing a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), the Department of Transportation is required to ensure the selection of a state highway alignment that services the most populous geographical area with the greatest potential for economic development, and to prioritize the majority opinion of feedback	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)			2/23 retained on House COW calendar.

	received from the public comments process as a factor of consideration.				
H2714: ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products.	First sponsor: Rep. Nutt (R - Dist 14)			2/24 passed House 36-24; ready for Senate.
H2747: BROADBAND; FIBER OPTIC SERVICES; COMMITTEE	Establishes a 5-member Broadband and Fiber Optic Services Study Committee to determine the status of broadband and fiber optic services in Arizona. The Committee is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives by December 31, 2021, and self-repeals October 1, 2022.	First sponsor: Rep. Andrade (D - Dist 29) Others: Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. DeGrazia (D - Dist 10), Rep. Friese (D - Dist 9), Rep. Meza (D - Dist 30), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D - Dist 9), Rep. Rodriguez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Stahl Hamilton (D - Dist 10), Rep. Teran (D - Dist 30), Rep. Tsosie (D - Dist 7)			2/24 passed House 38-20; ready for Senate.
H2807: ARCHAEOLOGY ADVISORY COMMISSION	Establishes the Archaeology Advisory Commission in the same manner it existed prior to its repeal on July 1, 2020, except that the number of Commission members is increased to 15, from 11. The Commission terminates on July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/24 passed House 58-1; ready for Senate.
H2817: APPROPRIATION; HAZARDOUS VEGETATION REMOVAL	Appropriates $2.2 million from the general fund in FY2021-22 to the Arizona Department of Forestry and Fire Management for hazardous vegetation removal.	First sponsor: Rep. Lieberman (D - Dist 28)			2/22 from House rules okay.
HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.

HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep. Toma (R - Dist 22)			2/18 referred to Senate nat res-energy-water.
HJR2001: PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs.	First sponsor: Rep. Finchem (R - Dist 11)			2/24 House COW approved with amend #4265. Passed House 47-12; ready for Senate.
HR2003: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 House COW approved. Passed House 33-26; ready for Senate.
S1004: STATE FINANCE REVIEW; TASK FORCE	Establishes a 22-member Citizens Finance Review Task Force to analyze the source of general fund and nongeneral fund revenues and expenditures as compared to other states, and make recommendations regarding the responsible retirement of existing state debt. The Task Force is required to submit a report to the Governor and the Legislature by September 30, 2022, and to present the report to a joint meeting of the legislative appropriations committees by January 31, 2023. Self-repeals October 1, 2023. AS PASSED SENATE	First sponsor: Sen. Bowie (D - Dist 18)			2/23 referred to House ways-means, appro.
S1065: STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres.	First sponsor: Sen. Kerr (R - Dist 13)			2/23 referred to House land-agri-rural affairs.

S1116: STATE PERMITTING DASHBOARD	Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than $25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. These provisions self-repeal January 1, 2029. The Director is required to submit a report of findings and recommendations from administering the Permitting Dashboard to the Governor and the Legislature by December 1, 2022.	First sponsor: Sen. Gowan (R - Dist 14) Others: Rep. Wilmeth (R - Dist 15)			2/24 referred to House appro.
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax	First sponsor: Sen. Gowan (R - Dist 14)			2/24 referred to House ways-means.

	years beginning with 2021.				
S1147: WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.	First sponsor: Sen. Kerr (R - Dist 13)			2/24 referred to House nat res-energy-water.
S1157: EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a youth development organization of the land grand university system in Arizona, and that meets other specified requirements.	First sponsor: Sen. Kerr (R - Dist 13)			2/25 referred to House trans.
S1222: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Sen. Kerr (R - Dist 13)			2/25 referred to House nat res-energy-water.
S1307: WATER; WASTEWATER SYSTEM; CORRECTIVE ACTION	A county with a population of more than 200,000 persons and less than 900,000 persons (Pinal County) is authorized to acquire, maintain and operate a water and wastewater system if the public service corporation that owns the system is either operated by an interim manager under an order of the Arizona Corporation Commission	First sponsor: Sen. Shope (R - Dist 8)			2/25 Senate COW approved with amend #4344 and flr amend #4538. NOTE SHORT TITLE CHANGE.

	(ACC), or within the three years immediately preceding the acquisition, was operated by an interim manager under an order of the ACC. The county may acquire the by agreement with the public service corporation or by eminent domain and is required to pay the public service corporation the fair valuation for the system. Establishes a formula for determining the fair valuation. After the county acquires the water and wastewater system, the county is authorized to contract with a private entity to operate the system. A contract for the operation and maintenance of the system is exempt from the county's procurement code except that the county is required to issue a public request for proposals. These authorizations are repealed an unspecified number of months (blank in original) after a county acquires a water and wastewater system from a public service corporation or on January 1, 2027, whichever is earlier.				
S1370: ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13)	Hearing: House Natural Resources, Energy & Water (Tuesday 03/02/21 at 2:00 PM, House Rm. 4)		2/25 referred to House nat res-energy-water.
S1377: CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. If the Governor	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25),			2/24 passed Senate 18-12; ready for House.

	declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is directly or indirectly sustained because of the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. Some exceptions. Applies to all causes of action that are brought after the effective date of this legislation for an act or omission by a person or provider that occurred on or after March 11, 2020 and before December 30, 2022 and that relates to a public health pandemic that is the subject of the state of emergency declared by the Governor. Retroactive to March 11, 2020. Severability clause.	Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)			
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the $10 million deposit in the Game and Fish Commission Heritage Fund, $10 million must be deposited in the Arizona State Parks Board Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)			2/25 Senate COW approved with amend #4275.
S1442: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of the Tribe is required to remove hazardous vegetation on tribal land.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)	Hearing: House Natural Resources, Energy & Water (Tuesday 03/02/21 at 2:00 PM, House Rm. 4)		2/17 passed Senate 27-3; ready for House.

	AS PASSED SENATE				
S1555: HISTORIC NAMES BOARD; ESTABLISHMENT	Establishes the State Board on Geographic and Historic Names in the same manner it existed in statute prior to its repeal on July 1, 2020, with the addition of a declaration that it is the public policy of this state that natural or artificial objects, places or things continue to be known by the names they now bear, as determined by the Board, so that the historical record of the state may be protected and preserved. The Board terminates on July 1, 2029.	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Rep. Salman (D - Dist 26), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Tsosie (D - Dist 7)			2/23 passed Senate 26-4; ready for House.
SCR1011: SUPPORTING; HARDROCK MINING	The members of the Legislature recognize the importance of the hardrock mining industry to Arizona's economy and support the involvement of Arizona's government and the hardrock mining industry in any future regulatory changes to ensure that operations continue to be safe and productive for the state.	First sponsor: Sen. Kerr (R - Dist 13)			2/4 passed Senate 22-7; ready for House.
SR1002: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Sen. Kerr (R - Dist 13)			

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Bills of Interest					
H2570: LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from revoking any license that is required to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker			2/23 from House rules okay.

		(R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			
HCR2026: STATE OF EMERGENCY; TERMINATION; REFERRAL	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 14 days after the date on which the state of emergency is proclaimed, unless the Governor calls for a special session of the Legislature relating to the state of emergency.	First sponsor: Rep. Carroll (R - Dist 22)			2/22 from House rules okay.
HCR2037: PANDEMIC EMERGENCIES; SPECIAL SESSIONS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to authorize the Legislature to call a special session to proclaim a state of emergency due to a pandemic disease by a petition signed by at least 60 percent of the members of each house of the Legislature. If the Governor proclaims a state of emergency due to a pandemic disease and issues an executive order that restrains the actions of any person or entity in Arizona, the Governor is required to call a special session of the Legislature by the 21st day after the Governor proclaims the state of emergency or issues the executive order, whichever is later, to address matters relating to the state of emergency and the executive order. Establishes requirements for a special session due to a pandemic disease. Counties and municipalities are prohibited from proclaiming a state of emergency due to a pandemic disease and from issuing any order, ordinance or regulation that is related to a state of emergency due to a pandemic disease.	First sponsor: Rep. Kavanagh (R - Dist 23)			2/23 from House appro with amend #4426. From House rules okay.
S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			2/24 retained on Senate COW calendar.

	substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.				
S1258: STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period remaining to exercise those rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			2/17 passed Senate 30-0; ready for House.
S1430: HIGHLY FATAL; DEFINITION	During a state of emergency, the Governor is authorized to issue orders that encourage, instead of mandate, medical examinations for exposed persons and/or treatment or vaccination of persons who are diagnosed with an illness or who are reasonably believed to have been exposed. The Governor's authority to issue orders that isolate and quarantine persons is limited to quarantine in the person's home while infected and contagious with a virus or other infectious agent for no longer than 30 days. On finding that a "highly contagious and highly fatal disease" (defined) with transmission characteristics similar to smallpox exists in Arizona, the measures allowed for addressing such a disease apply only to counties where at least 3.5 percent of the population of that county is confirmed to have been infected with the virus and the death rate from the virus in that county is greater than 3.5 percent when dividing the number of individuals confirmed to have died from the virus in that county by the total number of individuals in that county estimated to have been infected with the virus.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Barto (R - Dist 15), Rep. Fillmore (R - Dist 16)			2/16 from Senate rules okay.

SCR1001: STATE OF EMERGENCY DECLARATION; TERMINATION	The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution to the Governor.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/16 from Senate rules okay.
SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 30-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions. AS PASSED SENATE.	First sponsor: Sen. Petersen (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			2/10 Senate COW approved with amend #4017. Passed Senate 16-14; ready for House.
SCR1014: AUTOMATIC TERMINATION; STATE OF EMERGENCY	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/2 from Senate rules okay.

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, Mar 5 2021 9:32 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2033 (Chapter 20): STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after, the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 20, Laws 2021. message
H2034 (Chapter 9): NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/12 signed by governor. Chap. 9, Laws 2021. message
H2041 (Chapter 21): GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 21, Laws 2021. message

H2042 (Chapter 32): AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 32, Laws 2021. message
H2043 (Chapter 37): UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.	First sponsor: Rep. Griffin (R - Dist 14)			2/26 signed by governor. Chap. 37, Laws 2021. message
H2056 (Chapter 22): WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 22, Laws 2021. message

	accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only. AS SIGNED BY GOVERNOR				
H2078 (Chapter 4): GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. 4, Laws 2021. message
H2249 (Chapter 33): STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to develop a plan to create additional water storage in Arizona that includes investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 33, Laws 2021. message

Priority

H2247: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Finance (Wednesday 03/10/21 at 9:30 AM, Senate Rm. 1)		3/2 referred to Senate fin.
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Declares it is the public policy of Arizona that public service corporations should pursue the use of "clean energy resources" (defined) and the reduction of carbon emissions, provided the mix of "critical electric generation resources" (defined) used by each public service corporation to meet its customers' needs is the "lowest cost method" (defined) of providing safe and reliable electricity services while taking specified factors into consideration. The clean energy and carbon emissions reduction policy of Arizona requires public service corporations to derive at least the following percentage of retail kilowatt sales from renewable energy resources by the following dates: 12percent by December 31, 2022, 13 percent by December 31, 2023, 14 percent by December 31, 2024, and 15 percent by December 31, 2025 and each year after. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the Arizona Corporation Commission (ACC) from exercising its ratemaking or statutory authority over public service corporations.	First sponsor: Rep. Griffin (R - Dist 14)			3/3 House add'l COW approved with amend #4480 and flr amend #4675. Passed House 31-28; ready for Senate.

	The ACC is authorized to adopt rules to ensure compliance with this legislation, and is prohibited from enforcing any policy or rule that increases or decreases the percentages of renewable energy resources specified by this legislation or that directly or indirectly regulates a public service corporation's "carbon emissions" (defined). Contains legislative findings. Retroactive to June 30, 2020. AS PASSED HOUSE.				
H2702: FEDERAL GOVERNMENT; LAND ACQUISITION; CONSENT	The consent of the state of Arizona to the acquisition, sale, gift or grant or any other transfer of an ownership interest in any privately owned real property within Arizona that is not in possession of any federal agency as of the effective date of this legislation, and that would remove the real property from state, county and municipal property tax rolls is prohibited from being given without the express, affirmative consent of the Legislature and the Governor through the signing of a joint resolution. On the opening of escrow for the sale of private real property to the federal government or a federal agency, the escrow agent or property owner is required to notify the Legislature and request approval of the sale. The state has the right of first refusal to purchase private real property that the federal government is contracting to acquire. Contains legislative findings.	First sponsor: Rep. Finchem (R - Dist 11)			2/24 House COW approved.
S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)			3/4 retained on Senate COW calendar.

S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)	Hearing: House Natural Resources, Energy & Water (Tuesday 03/09/21 at 2:00 PM, House Rm. 4)		2/25 referred to House nat res-energy-water.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitor					
H2035: APPROPRIATION; ARIZONA WATER PROTECTION FUND	Appropriates $1 million from the general fund in FY2021-22 to the Arizona Water Protection Fund.	First sponsor: Rep. Griffin (R - Dist 14)			3/3 from Senate appro do pass.
H2037: GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/10/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate nat res-energy-water.
H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.

H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.	First sponsor: Rep. Weninger (R - Dist 17)	Hearing: Senate Government (Monday 03/08/21 at 2:00 PM, Senate Rm. 1)		2/18 referred to Senate gov.
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			2/18 referred to Senate appro.
H2079: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: Senate Rules (Monday 03/08/21 at 1:00 PM, Senate Rm. 109)		3/4 from Senate nat res-energy-water with amend #4746.
H2080: AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/10/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate nat res-energy-water.

H2081: ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021.	First sponsor: Rep. Dunn (R - Dist 13)	Hearing: Senate Rules (Monday 03/08/21 at 1:00 PM, Senate Rm. 109)		3/4 from Senate nat res-energy-water do pass.
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)			2/18 referred to Senate appro.
H2142: AGRICULTURAL WORKFORCE PROGRAM; APPRENTICES; APPROPRIATION	Effective January 1, 2020, the Agricultural Workforce Development Program is established to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Department of Agriculture is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Dept is authorized to reimburse a participating food-producing agricultural organization up to the amount of the "actual cost" (defined) to the food-producing agricultural organization to employ an apprentice. By December 1 of each year, The Dept is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its purpose. The Program terminates on July 1, 2027. Appropriates $500,000 from the general fund in each of FY2021-22 and FY2022-23 to the Dept for the Program. Effective January 1, 2022.	First sponsor: Rep. Pratt (R - Dist 8)			2/18 referred to Senate appro.
H2246: G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Natural Resources, Energy & Water (Wednesday 03/10/21 at 2:00 PM, Senate Rm. 109)		2/18 referred to Senate nat res-energy-water.

H2317: COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns	First sponsor: Rep. Toma (R - Dist 22)	Hearing: Senate Rules (Monday 03/08/21 at 1:00 PM, Senate Rm. 109)		3/3 from Senate fin do pass.

	the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.				
H2330: ENVIRONMENTAL QUALITY PROGRAMS; TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
H2440: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a public agency to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property.	First sponsor: Rep. Griffin (R - Dist 14)			2/11 House COW approved with flr amend #4220.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates $5 million from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)	Hearing: Senate Appropriations (Tuesday 03/09/21 at 2:00 PM, Senate Rm. 109)		3/2 referred to Senate appro.

H2580: ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and requirements that are past the statutory termination date or are no longer applicable.	First sponsor: Rep. Griffin (R - Dist 14)	Hearing: Senate Rules (Monday 03/08/21 at 1:00 PM, Senate Rm. 109)		3/4 from Senate nat res-energy-water do pass.
H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	When issuing a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), the Department of Transportation is required to ensure the selection of a state highway alignment that services the most populous geographical area with the greatest potential for economic development, and to prioritize the majority opinion of feedback received from the public comments process as a factor of consideration.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)			3/4 passed House 31-29; ready for Senate.
H2714: ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products.	First sponsor: Rep. Nutt (R - Dist 14)	Hearing: Senate Finance (Wednesday 03/10/21 at 9:30 AM, Senate Rm. 1)		3/2 referred to Senate fin.
H2747: BROADBAND; FIBER OPTIC SERVICES; COMMITTEE	Establishes a 5-member Broadband and Fiber Optic Services Study Committee to determine the status of broadband and fiber optic services in Arizona and address a list of related issues. The Committee is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives by December 31, 2021, and self-repeals October 1, 2022. AS PASSED HOUSE	First sponsor: Rep. Andrade (D - Dist 29) Others: Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. DeGrazia (D - Dist 10), Rep. Friese (D - Dist 9), Rep. Meza (D - Dist 30), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D - Dist 9), Rep. Rodriguez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Stahl Hamilton (D - Dist 10), Rep. Teran (D - Dist 30), Rep. Tsosie (D - Dist 7)			3/2 referred to Senate trans-tech.

H2807: ARCHAEOLOGY ADVISORY COMMISSION	Establishes the Archaeology Advisory Commission in the same manner it existed prior to its repeal on July 1, 2020, except that the number of Commission members is increased to 15, from 11. The Commission terminates on July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			3/2 referred to Senate nat res-energy-water.
H2817: APPROPRIATION; HAZARDOUS VEGETATION REMOVAL	Appropriates $2.2 million from the general fund in FY2021-22 to the Arizona Department of Forestry and Fire Management for hazardous vegetation removal.	First sponsor: Rep. Lieberman (D - Dist 28)			3/4 passed House 44-16; ready for Senate.
HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona.	First sponsor: Rep. Griffin (R - Dist 14)			2/18 referred to Senate nat res-energy-water.
HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep. Toma (R - Dist 22)			2/18 referred to Senate nat res-energy-water.
HJR2001: PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs.	First sponsor: Rep. Finchem (R - Dist 11)			3/2 referred to Senate jud.

HR2003: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Rep. Griffin (R - Dist 14)			2/4 House COW approved. Passed House 33-26; ready for Senate.
S1004: STATE FINANCE REVIEW; TASK FORCE	Establishes a 22-member Citizens Finance Review Task Force to analyze the source of general fund and nongeneral fund revenues and expenditures as compared to other states, and make recommendations regarding the responsible retirement of existing state debt. The Task Force is required to submit a report to the Governor and the Legislature by September 30, 2022, and to present the report to a joint meeting of the legislative appropriations committees by January 31, 2023. Self-repeals October 1, 2023. AS PASSED SENATE	First sponsor: Sen. Bowie (D - Dist 18)			2/23 referred to House ways-means, appro.
S1065: STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres.	First sponsor: Sen. Kerr (R - Dist 13)	Hearing: House Land, Agriculture & Rural Affairs (Monday 03/08/21 at 2:00 PM, House Rm. 3)		2/23 referred to House land-agri-rural affairs.
S1116: STATE PERMITTING DASHBOARD	Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than $25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to	First sponsor: Sen. Gowan (R - Dist 14) Others: Rep. Wilmeth (R - Dist 15)			2/24 referred to House appro.

	determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. These provisions self-repeal January 1, 2029. The Director is required to submit a report of findings and recommendations from administering the Permitting Dashboard to the Governor and the Legislature by December 1, 2022.				
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax years beginning with 2021.	First sponsor: Sen. Gowan (R - Dist 14)	Hearing: House Ways & Means (Wednesday 03/10/21 at 9:00 AM, House Rm. 3)		2/24 referred to House ways-means.
S1147: WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.	First sponsor: Sen. Kerr (R - Dist 13)			2/24 referred to House nat res-energy-water.
S1157: EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a	First sponsor: Sen. Kerr (R - Dist 13)	Hearing: House Transportation (Wednesday 03/10/21 at 2:00 PM, House Rm. 3)		2/25 referred to House trans.

	youth development organization of the land grand university system in Arizona, and that meets other specified requirements.				
S1222: CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, and increasing public awareness of water conservation statewide, including water conservation methods and best management practices. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation district in Arizona.	First sponsor: Sen. Kerr (R - Dist 13)			2/25 referred to House nat res-energy-water.
S1307: WATER; WASTEWATER SYSTEM; CORRECTIVE ACTION	A county with a population of more than 200,000 persons and less than 900,000 persons (Pinal County) is authorized to acquire, maintain and operate a water and wastewater system if the public service corporation that owns the system is either operated by an interim manager under an order of the Arizona Corporation Commission (ACC), or within the three years immediately preceding the acquisition, was operated by an interim manager under an order of the ACC. The county may acquire the by agreement with the public service corporation or by eminent domain and is required to pay the public service corporation the fair valuation for the system. Establishes a formula for determining the fair valuation. After the county acquires the water and wastewater system, the county is authorized to contract with a private entity to operate the system. A contract for the operation and maintenance of the system is exempt from the county's procurement code except that the county is required to issue a public request for proposals. These authorizations are repealed an unspecified number of months (blank in original) after a county acquires a water and wastewater system from a public service corporation or on January 1, 2027, whichever is earlier.	First sponsor: Sen. Shope (R - Dist 8)	Hearing: House Natural Resources, Energy & Water (Tuesday 03/09/21 at 2:00 PM, House Rm. 4)		3/3 referred to House nat res-energy-water.

S1370: ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13)			3/3 from House nat res-energy-water do pass.
S1377: CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. A person or provider is presumed to have acted in good faith if the person or provider adopted and implemented reasonable policies related to the pandemic. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is alleged to be caused by the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. A health professional or health care institution is presumed to have acted in good faith if the professional or institution relied on and reasonably attempted to comply with applicable published guidance relating to the pandemic that was issued by a federal or	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)			3/2 referred to House jud.

	state agency. Applies to all claims filed before or after the effective date of this legislation for an act or omission that occurred on or after March 11, 2020 relating to a pandemic that is the subject of the state of emergency declared by the Governor. Does not apply to workers' compensation claims. Retroactive to March 11, 2020. Severability clause. AS PASSED SENATE				
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2021-22 and $2 million in FY2022-23 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund. AS PASSED SENATE	First sponsor: Sen. Shope (R - Dist 8)			3/3 referred to House land-agri-rural affairs, appro.
S1442: HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of the Tribe is required to remove hazardous vegetation on tribal land. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)			3/3 substituted in House for identical bill 2440. Passed House 59-0; ready for governor.
S1555: HISTORIC NAMES BOARD; ESTABLISHMENT	Establishes the State Board on Geographic and Historic Names in the same manner it existed in statute prior to its repeal on July 1, 2020, with the addition of a declaration that it is the public policy of this state that natural or artificial objects, places or things continue to be known by the names	First sponsor: Sen. Peshlakai (D - Dist 7) Others: Sen. Alston (D - Dist 24), Sen. Bowie (D - Dist 18), Sen. Contreras (D - Dist 19), Sen. Engel (D - Dist 10), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. M. Hernandez (D - Dist 26), Rep.			3/2 referred to House gov-elect.

	they now bear, as determined by the Board, so that the historical record of the state may be protected and preserved. The Board terminates on July 1, 2029.	Jermaine (D - Dist 18), Sen. Mendez (D - Dist 26), Sen. Navarrete (D - Dist 30), Sen. Quezada (D - Dist 29), Sen. Rios (D - Dist 27), Rep. Salman (D - Dist 26), Sen. Steele (D - Dist 9), Rep. Teller (D - Dist 7), Rep. Tsosie (D - Dist 7)			
SCR1011: SUPPORTING; HARDROCK MINING	The members of the Legislature recognize the importance of the hardrock mining industry to Arizona's economy and support the involvement of Arizona's government and the hardrock mining industry in any future regulatory changes to ensure that operations continue to be safe and productive for the state.	First sponsor: Sen. Kerr (R - Dist 13)			2/4 passed Senate 22-7; ready for House.
SR1002: FORESTS; PROPER MANAGEMENT	The members of the House of Representatives place the highest importance on the issue of forest management and express their support of landscape-scale planning, forest thinning projects and the acceleration of consensus-supported and scientifically informed forest restoration treatments across this state and the nation.	First sponsor: Sen. Kerr (R - Dist 13)			

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Bills of Interest					
H2570: LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from revoking any license that is required to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			3/4 FAILED House 28-32.

HCR2026: STATE OF EMERGENCY; TERMINATION; REFERRAL	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 14 days after the date on which the state of emergency is proclaimed, unless the Governor calls for a special session of the Legislature relating to the state of emergency.	First sponsor: Rep. Carroll (R - Dist 22)			2/22 from House rules okay.
HCR2037: PANDEMIC EMERGENCIES; SPECIAL SESSIONS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to authorize the Legislature to call a special session to proclaim a state of emergency due to a pandemic disease by a petition signed by at least 60 percent of the members of each house of the Legislature. If the Governor proclaims a state of emergency due to a pandemic disease and issues an executive order that restrains the actions of any person or entity in Arizona, the Governor is required to call a special session of the Legislature by the 21st day after the Governor proclaims the state of emergency or issues the executive order, whichever is later, to address matters relating to the state of emergency and the executive order. Establishes requirements for a special session due to a pandemic disease. Counties and municipalities are prohibited from proclaiming a state of emergency due to a pandemic disease and from issuing any order, ordinance or regulation that is related to a state of emergency due to a pandemic disease.	First sponsor: Rep. Kavanagh (R - Dist 23)			3/4 House COW approved with amend #4426 and flr amend #4735. Passed House 31-28; ready for Senate.
S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			3/3 passed Senate 16-14; ready for House.

	this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.				
S1258: STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period remaining to exercise those rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)	Hearing: House Commerce (Tuesday 03/09/21 at 2:00 PM, House Rm. 3)		3/1 referred to House com.
S1430: HIGHLY FATAL; DEFINITION	During a state of emergency, the Governor is authorized to issue orders that encourage, instead of mandate, medical examinations for exposed persons and/or treatment or vaccination of persons who are diagnosed with an illness or who are reasonably believed to have been exposed. The Governor's authority to issue orders that isolate and quarantine persons is limited to quarantine in the person's home while infected and contagious with a virus or other infectious agent for no longer than 30 days. On finding that a "highly contagious and highly fatal disease" (defined) with transmission characteristics similar to smallpox exists in Arizona, the measures allowed for addressing such a disease apply only to counties where at least 3.5 percent of the population of that county is confirmed to have been infected with the virus and the death rate from the virus in that county is greater than 3.5 percent when dividing the number of individuals confirmed to have died from the virus in that county by the total number of individuals in that county estimated to have been infected with the virus.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Barto (R - Dist 15), Rep. Fillmore (R - Dist 16)			3/3 passed Senate 16-14; ready for House.

SCR1001: STATE OF EMERGENCY DECLARATION; TERMINATION	The Legislature declares that the Declaration of Emergency issued by the Governor on March 11, 2020 due to the COVID-19 outbreak is terminated. The Secretary of State is directed to transmit a copy of this resolution to the Governor.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			3/4 Senate COW approved.
SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 30-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions. AS PASSED SENATE.	First sponsor: Sen. Petersen (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			2/10 Senate COW approved with amend #4017. Passed Senate 16-14; ready for House.
SCR1014: AUTOMATIC TERMINATION; STATE OF EMERGENCY	The 2022 general election ballot is to carry the question of whether to amend state statute to terminate a state of emergency declared by the Governor 21 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. A state of emergency may be terminated earlier than the 21-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same or substantially similar facts and circumstances without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/2 from Senate rules okay.

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Bill Tracking List

55th Legislature - 2nd Regular Session, 2022 Thursday, Apr 14 2022 11:32 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2053 (Chapter 62): DEPARTMENT OF ENVIRONMENTAL QUALITY; CONTINUATION	The statutory life of the Department of Environmental Quality is extended eight years to July 1, 2030. Retroactive to July 1, 2022. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/25 signed by governor. Chap. 62, Laws 2022. message
H2067 (Chapter 93): COUNTY IMPROVEMENT DISTRICTS; RECREATION; GOVERNANCE	As session law, the board of supervisors of a county with a population of less than 125,000 persons and a county improvement district providing recreational improvements is authorized to provide for the district to be governed by a separately elected three-member or five-member board of directors. The initial directors are appointed by the board of supervisors, and the subsequent directors must be elected by the qualified voters of the district. The board of directors has the powers granted to a district pursuant to statute. Self-repeals January 1, 2026. AS SIGNED BY GOVERNOR	First sponsor: Rep. Blackman (R - Dist 6)			3/30 signed by governor. Chap. 93, Laws 2022.
H2126 (Chapter 87): HAZARDOUS WASTE PROGRAM FEES	Department of Environmental Quality rules establishing various fees for the hazardous waste program are no longer required to be reviewed by the Joint Legislative Budget Committee. Deletes the prohibition on those fees increasing without specific statutory authority for the increase. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Burges (R - Dist 1)			3/30 signed by governor.Chap. 87, Laws 2022.
H2580: WILDFIRE MANAGEMENT; DELEGATION OF AUTHORITY	The State Forester is required to perform all management and administrative functions assigned or delegated to the state of Arizona by the United States relating to wildfire prevention, mitigation, and suppression activities.	First sponsor: Rep. Cook (R - Dist 8)			4/13 signed by governor. Chap. no. awaited.

HCM2006: FEMA; WILDFIRES; FLOODING; COST THRESHOLD	The Legislature urges the Federal Emergency Management Agency (FEMA) to amend its system of calculating the cumulative fire cost threshold from wildfires to include the costs resulting from and directly related to flooding. The Secretary of State is directed to transmit copies of this memorial to the FEMA Administrator.	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3)			4/13 passed Senate 25-0; ready for Secretary of State.
HCM2009: DEPARTMENT OF AGRICULTURE; ADDITIONAL OFFICES	The Legislature urges the Farm Service Agency of the U.S. Department of Agriculture to evaluate the current locations of its Arizona offices to determine where additional offices are needed, to evaluate how it could better support all of Arizona's farmers and ranchers by locating offices closer to farmers and ranchers, and to open additional offices where needed, including in Globe, Arizona. The Secretary of State is directed to transmit copies of this memorial to the Secretary of the U.S. Department of Agriculture and the Administrator of the Farm Service Agency. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. John (R - Dist 4), Rep. Quiñonez (D - Dist 27), Rep. Wilmeth (R - Dist 15)			3/31 passed Senate 26-0; ready for Secretary of State.
HR2004: BORDER WALL; CONSTRUCTION MATERIALS; REPURPOSE	The members of the House of Representatives support federal legislation to transfer unused federally owned materials to Arizona, New Mexico and Texas, and support using these materials to construct a wall along the southern border. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Blackman (R - Dist 6) Others: Rep. Payne (R - Dist 21)			2/3 House COW approved. Passed House 31-28; ready for Secretary of State.
S1146 (Chapter 1): FIRE SUPPRESSION; ASSISTANCE; PRIVATE LANDOWNERS	Modifies the requirements for private landowners to qualify for financial assistance from the FY2020-21 appropriation to the Arizona Department of Forestry and Fire Management (ADFFM) for wildfire emergency response, to allow a landowner to provide information to ADFFM that the landowner does not qualify for other reimbursement. Also requires ADFFM to prioritize distributions of financial assistance to private landowners. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			2/11 signed by governor. Chap. 1, Laws 2022. message
S1238 (Chapter 14): STATE LANDS; APPRAISALS; LEASES; RIGHTS-OF-WAY	The State Land Department is required to reappraise property if the Board of Appeals' approval of the lease or sale occurred more than 240 days, increased from 180 days, before an auction. Approval of a lease for commercial purposes from the Board of Appeals is required only if the lease is for a term longer than ten years. AS	First sponsor: Sen. Kerr (R - Dist 13)			3/18 signed by governor. Chap. 14, Laws 2022.

	SIGNED BY GOVERNOR				
SCR1010: ARIZONA'S OUTDOORS; RECREATION; SUPPORTING	The members of the Legislature recognize that it is critical for the physical, mental and social well-being of Arizona's residents that the state promote healthy, active lifestyles filled with outdoor experiences of all types for Arizona residents, while respecting private property rights. AS SENT TO SECRETARY OF STATE	First sponsor: Sen. Shope (R - Dist 8)			3/17 passed House 58-0; ready for secretary of state.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitoring					
H2037: COUNTIES; POWERS; WATER SUPPLY PROJECTS	County boards of supervisors are authorized to enter into agreements with federal, state, and local governments for the acceptance, management, and distribution of federal funds related to projects to increase water supply and availability to a municipal water provider, an irrigation district for agricultural use within the county, and/or a county flood control district for aquifer recharge within the county. AS PASSED SENATE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Carter (R - Dist 8)			4/7 passed Senate 26-0; returned to House for concurrence in Senate amendments.
H2038: STATE LAKE IMPROVEMENT FUND	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system.	First sponsor: Rep. Biasiucci (R - Dist 5)			3/9 from Senate appro do pass.
H2070: OPEN MEETINGS; CAPACITY; POSTING; VIOLATION	All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. A head of a public body that violates this requirement is liable for a civil penalty as provided in statute for open meeting law violations. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			3/23 Senate COW approved. FAILED Senate 15-13.

H2095: POSTING OF NOTICES; MUNICIPAL WEBSITES	Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality are required to be posted on the municipality's website.	First sponsor: Rep. Griffin (R - Dist 14)		Single-List Comments: STRIKER: GROUNDWATER	3/22 from Senate rules okay.
H2130: RECREATIONAL USERS; PROPERTY	A landowner, easement holder, lessee, tenant manager or occupant of private or public land is not liable for damages in any civil action for unknown conditions on the land. Installing a sign or other form of warning of a dangerous condition, any modification made for the purpose of improving safety, or failing to maintain a sign or warning or any modification does not create liability on the part of an owner, easement holder, lessee, tenant manager or occupant of land if there is no other basis for the liability. This legislation does not create a duty of care or basis of liability for injury to persons or property. Any person that uses the land of another for recreational or educational purposes with or without permission is liable for any damage to the land, property, livestock or crops that the person may cause while on that land. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14)			3/17 Senate jud do pass; report awaited.
H2181: GAME AND FISH; TAKING WOLVES	The Game and Fish Commission cannot prohibit any person from taking a wolf that is actively threatening or attacking a person, livestock, or other domestic animal. AS PASSED HOUSE	First sponsor: Rep. Cook (R - Dist 8)			4/13 retained on Senate COW calendar.
H2182: LIVESTOCK ASSISTANCE PROGRAM; INFRASTRUCTURE PROJECTS	Establishes a Livestock and Crop Assistance Grant Program is established under the Department of Agriculture to provide grant monies to landowners, lessees and livestock operators for infrastructure projects that are required as a result of a wildfire and that are either not eligible for funding from another federal or state program or are partially funded by another federal or state program.	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)			3/17 from Senate nat res-energy-water do pass.
H2183: FIRE INSURANCE; FLOODING; WILDFIRES	A policy of fire insurance covering direct loss by fire under the Arizona standard fire policy is required to include coverage for loss or damage resulting from landslide, mudslide, mudflow ,or debris flow, if the fire is the efficient proximate cause of the loss or damage, the fire ended	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)		Single-List Comments: STRIKER: APPROPRIATION; FLOOD DAMAGE FUND	3/24 from Senate fin with amend #4854.

	within 180 days, and coverage would otherwise be provided for the fire. Coverage must be provided under the same terms and conditions as would be provided for the fire. AS PASSED HOUSE				
H2334: STATE LANDS; LEASE PROVISIONS	Leases of state lands that provide continued public access to the leased lands are prohibited from tendering defense of a claim or cause of action based on an injury to a person who is on or using state lands and to whom permission to be on or use state lands has been granted by the state or any state agency, from tendering defense of a claim or cause of action arising under state or federal environmental laws, from requiring indemnification in any form from a lessee or the lessee's employees or agents, and from otherwise assigning liability to a lessee for these types of claims or causes of action. AS PASSED HOUSE	First sponsor: Rep. Cook (R - Dist 8)			3/17 from Senate nat res-energy-water do pass.
H2389: RULEMAKING REVIEW; TIME FRAME	When the Legislature has granted a one-time rulemaking exemption to an agency, the agency is required to review any rule adopted under the exemption within six months after the rule was adopted, reduced from one year, to determine whether it should be amended or repealed.	First sponsor: Rep. Dunn (R - Dist 13)		Single-List Comments: STRIKER: RIVER WATER TRANSFER	4/4 from Senate rules okay.
H2408: ARIZONA GAME AND FISH; CONTINUATION	The statutory life of the Arizona Game and Fish Commission is extended eight years to July 1, 2030. Retroactive to July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)			4/7 passed Senate 26-0; ready for governor.
H2410: ENVIRONMENTAL PROGRAMS; AMENDMENTS	Various changes to statutes regulating environmental programs. Repeals the article of statute regulating dry wells, including dry well registration and license to drill. Repeals the dust-free developments program. The Arizona Department of Environmental Quality (ADEQ) is allowed, instead of required, to adopt rules for air pollution emission standards for off-road vehicles. Repeals session law requiring ADEQ to establish a daily visibility index to be used in evaluating and reporting current visibility conditions and progress toward visibility improvement goals in area A. An underground injection is prohibited if the injection is into a well that is subject to a drinking water protected use classification. The	First sponsor: Rep. Griffin (R - Dist 14)			4/13 passed Senate 25-0; returned to House for concurrence in Senate amendments.

	requirement for a property owner that has elected to leave contamination on the property that exceeds the applicable residential standard for the property to record with the county recorder a restrictive covenant labeled "declaration of environmental use restriction" applies only at a site remediated under programs, settlements, or orders administered by ADEQ under Title 49 (The Environment). The deadline for the U.S. Environmental Protection Agency to approve proposed modifications to the gasoline fuel formulation requirements as part of the State Implementation Plan for air quality is extended two years, two July 1, 2024. Session law grants directs clear title of a specified square mile of real property to be conveyed from ADEQ to the Department of Administration. AS PASSED HOUSE				
H2411: COAL COMBUSTION RESIDUALS PROGRAM	Adds a new article to Title 49 (The Environment) allowing the Director of the Department of Environmental Quality to adopt rules to establish and operate a Coal Combustion Residuals (CCR) Program equivalent to or at least as protective as the federal CCR Program for the purpose of obtaining approval to operate the federal CCR Program. Federal CCR regulations may be adopted by reference. The rules are required to provide requirements for issuing, denying, suspending, or modifying individual CCR permits, and must include a list of specified provisions. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14)			3/30 Senate COW approved.
H2412: OPEN MEETINGS; DIGITAL RECORDINGS	All public bodies subject to open meeting law are required to provide for written minutes and an audio or audiovisual recording of all of their meetings, instead of either written minutes or a digital recording. AS PASSED HOUSE	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Carroll (R - Dist 22), Rep. Martinez (R - Dist 11)			3/22 from Senate rules okay.
H2539: NONNATIVE SPECIES ERADICATION; PROJECTS; APPROPRIATION	Establishes a 7-member Gila River Nonnative Species Eradication Project Advisory Committee to review the progress of "nonnative vegetation invasive species eradication projects" (defined). The Committee is required to submit a report of its recommendations to the Governor and the Legislature by September 1 of each year, and self-repeals October 1, 2025. The Nonnative Vegetation Species Eradication	First sponsor: Rep. John (R - Dist 4)			3/30 from Senate appro do pass.

	Fund is renamed the Jackie Meck Nonnative Vegetation Species Eradication Fund. Appropriates $15 million from the general fund in FY2022-23 to the Fund for nonnative vegetation invasive species eradication projects.				
H2587: PUBLIC RECORDS; POINT OF CONTACT	Any entity that is subject to a public records request is required to provide the name and contact information of an employee or department that is authorized and able to provide the information requested or able to forward the request to an employee or department that is authorized and able to provide the information. Unless the entity maintains a centralized online portal for submission of public records requests that provides receipt on submission of a request, an employee or department that is authorized and able to provide public records information is required to reply within five business days acknowledging receipt of the request. AS PASSED HOUSE	First sponsor: Rep. Grantham (R - Dist 12)			4/7 passed Senate 24-2; ready for governor.
H2588: STATE FORESTER; LEGISLATIVE PRESENTATION; REPORT	The State Forester is required to present specified information to the relevant legislative committees during each regular session, instead of the first regular session of each legislature. The deadline for the Arizona Department of Forestry and Fire Management to report expenditures to the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting is moved to December 1 of each year, from September 1.	First sponsor: Rep. Grantham (R - Dist 12)		General Comments (all lists): STRIKER: ONLINE INSTRUCTION; HOURS	3/31 from Senate appro with amend #4916.
H2619: POSTVACCINE INJURIES; COVID-19; POSTING	The Department of Health Services is required to post on the DHS public website's COVID-19 dashboard a syringe icon with a link entitled "vaccine injury data report" that contains publicly available national data from the vaccine adverse event reporting system regarding injuries reported postvaccination for the COVID-19 vaccines.	First sponsor: Rep. Kaiser (R - Dist 15)		Single-List Comments: STRIKER: RAINWATER HARVESTING PROGRAM	3/24 from Senate nat res-energy-water with amend #4875.
H2678: STATE BROADBAND OFFICE	Establishes the State Broadband Office in the Arizona Commerce Authority and establishes responsibilities of Office staff. The Office is required to publish and maintain a state broadband plan.	First sponsor: Rep. Cobb (R - Dist 5)			4/5 retained on Senate COW calendar.

HCR2008: GOOD SAMARITAN MINE ACT; SUPPORT	The members of the Legislature express their support for the U.S. Congress to pass the Good Samaritan Remediation of Abandoned Hardrock Mines Act to allow Good Samaritan groups to clean up abandoned mines in this country. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14)			4/12 passed Senate 26-1; ready for Secretary of State.
HCR2024: 30X30 LAND PROGRAM; OPPOSING	The members of the Legislature oppose the 30 x 30 program or any similar program that will set aside and prevent the productive use of millions of acres of Arizona's lands, oppose the designation of public lands and national forests in Arizona as wilderness, wilderness study areas, wildlife preserves, open space or other conservation land, and oppose the acquisition of private land from unwilling private landowners. The members of the Legislature support the enactment by the U.S. Congress of the 30 x 30 Termination Act or similar legislation, support the management of public lands and the national forests under principles of multiple use and sustained yield that recognize this nation's need for domestic sources of minerals, energy, timber and food, support the federal government's careful coordination with Arizona to ensure consistency with state and local land use plans and land management policies, and support the protection of private property and honoring state rights as required by law.	First sponsor: Rep. Griffin (R - Dist 14)			3/29 from Senate rules okay.
HCR2038: SUPPORTING PROPER FOREST MANAGEMENT	The members of the Legislature express their support of a reasonable and prudent multiple-use forest management policy to improve our nation's forest health.	First sponsor: Rep. Griffin (R - Dist 14)			3/29 from Senate rules okay.
S1171: UNLAWFUL FEEDING; WILDLIFE; EXCEPTION	The list of exceptions from the unlawful feeding of wildlife is expanded to include persons placing holiday-related decorations outside of their residences or on their property that are not intended to feed, attract or otherwise entice wildlife.	First sponsor: Sen. Gowan (R - Dist 14)			3/29 from House rules okay.

S1270: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2022-23 and $2 million in FY2023-24 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)			3/17 from House appro do pass.
S1377: OFF-HIGHWAY VEHICLES; FUND	Various changes to statutes relating to off-highway vehicles. All off-highway vehicle operators and passengers assume all risks of personal injury or death associated with recreational use on public, state or private land. Landowners and their authorized lessees do not have a duty to keep lands safe for entry and use by recreational users or to warn of or maintain lands and trails against unsafe conditions. Eliminates the deposit of30 percent of off-highway vehicle user fees in the Highway User Revenue Fund, and 100 percent, instead of 70 percent, of off-highway vehicle user fees are deposited in the Off-Highway Vehicle Recreation Fund. Modifies the list of allowable uses of monies in the Fund.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Rogers (R - Dist 6)			3/24 from House trans do pass on reconsideration.
S1396: HYDROGEN STUDY COMMITTEE	Establishes a 12-member Hydrogen Study Committee to investigate and evaluate existing laws and recommend legislation related to the production, distribution, and storage of hydrogen. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by September 1, 2023, and self-repeals October 1, 2024. AS PASSED SENATE	First sponsor: Sen. Shope (R - Dist 8)	Calendar: 4/18 Senate Final Reading		4/11 House COW approved with amend #4839. Passed House 53-4; returned to Senate for concurrence in House amendments.
S1596: OFF-HIGHWAY VEHICLE STUDY COMMITTEE	Establishes a 17-member Arizona Off-Highway Vehicle Study Committee to collect and study information regarding off-highway vehicle issues in Arizona. The Committee is required to submit a report of its activities and recommendations to the Governor and the Legislature by January 1 of each year, and self-repeals June 1, 2024. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13)			4/7 passed House 41-11; ready for governor.

S1632: APPROPRIATION; LAND DEPARTMENT; MANAGEMENT SYSTEM	Appropriates $225,000 and two FTE positions from the general fund in FY2022-23 to the State Land Department (SLD) to improve the SLD's enterprise-wide management system.	First sponsor: Sen. Kerr (R - Dist 13)			3/24 from House appro do pass.
S1643: TAX CREDITS; RESEARCH; DEVELOPMENT	Minor change in Title 41 (State Government) related to public records. Apparent striker bus.	First sponsor: Sen. Fann (R - Dist 1)			3/29 from House appro do pass.
S1711: FIRE INCIDENT MANAGEMENT FUND; APPROPRIATION	Establishes the Fire Incident Management Fund, to be administered by the State Treasurer and used to provide hardware and software the enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies. Appropriates $6.1 million from the general fund in FY2022-23 to the Fund.	First sponsor: Sen. Gowan (R - Dist 14)			3/24 from House appro with amend #4859.
S1717: MINE INSPECTOR; APPROP	The deadline for the Governor's Office of Strategic Planning and Budgeting (OSPB) to distribute a report on all nonappropriated monies is moved to October 15, from February 1. OSPB is required to distribute the report to the Joint Legislative Budget Committee.	First sponsor: Sen. Gowan (R - Dist 14)			3/17 from House appro do pass.
SCR1049: EDUCATIONAL OPPORTUNITIES; CHILDREN; SUPPORT	The members of the Legislature express support for opportunities in education for all children.	First sponsor: Sen. Boyer (R - Dist 20)		General Comments (all lists): STRIKER: FIRE DISTRICT; FUNDING; TPT INCREMENT	3/22 from House land-agri-rural affairs with amend #4818.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
COVID-19 and Business Practices					
H2371: COVID VACCINE MANDATES; PROHIBITION	Each state agency or authorized agent of a state agency is required to accept cash and money orders to pay any amount due to that agency or agent or the state.	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Blackman (R - Dist 6)			4/6 Senate COW approved with amend #4850, flr amend #4922, and the rules tech amend. NOTE SHORT TITLE CHANGE.
H2453: GOVERNMENTAL ENTITIES; MASK REQUIREMENT; PROHIBITION	A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering anywhere on the governmental entity's premises, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required. Does not apply to a	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Hoffman (R - Dist 12), Rep.			3/8 from Senate rules okay.

	special healthcare district. AS PASSED HOUSE	Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			
H2498: COVID-19; VACCINATION REQUIREMENTS; PROHIBITION	Any "government entity" (defined) is prohibited from requiring a resident of Arizona to receive a vaccination for COVID-19 or any variant of COVID-19.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			3/22 from Senate rules okay.
H2616: MASK MANDATES; MINORS; PARENTAL CONSENT	This state, any political subdivision, any other governmental entity, any school district, or any charter school in Arizona are prohibited from requiring that a mask or face covering be worn by a person under 18 years of age without the express consent of the person's parent or guardian. AS PASSED HOUSE	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			3/22 from Senate rules okay.
S1346: STATE EMPLOYEES; VACCINATION INQUIRIES PROHIBITED	This state, any state agency, or any contractor for Arizona is prohibited from sending its employees to inquire about a person's vaccination status on a door-to-door basis.	First sponsor: Sen. Rogers (R - Dist 6)			3/29 from House rules okay.
S1567: EMPLOYERS; VACCINATIONS; RELIGIOUS EXEMPTION	Employers are prohibited from discriminating against an employee regarding employment, wages, or benefits based on the employee's vaccination status, and from inquiring into the veracity of an employee's religious beliefs. Employers are required to allow employees to claim a religious exemption from the COVID-19 vaccination mandate using a specified form. Employers are prohibited from creating a database	First sponsor: Sen. Barto (R - Dist 15)			3/24 from House jud with amend #4872.

	of religious exemption requests. Employees of a health care institution are authorized to file a complaint with the Department of Health Services (DHS) if the health care institution did not offer the employee a religious exemption form or improperly applied or denied the employee's religious exemption and the employee's employment was terminated. DHS is required to investigate all complaints. If DHS finds the complaint valid, DHS is required to notify the health care institution and allow the employer the opportunity to correct the noncompliance. AS PASSED SENATE				

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, May 28 2021 9:26 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2033 (Chapter 20): STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after, the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 20, Laws 2021. message
H2034 (Chapter 9): NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/12 signed by governor. Chap. 9, Laws 2021. message
H2037 (Chapter 92): GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/24 signed by governor; Chap. 92, Laws 2021. message

H2041 (Chapter 21): GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governor. Chap. 21, Laws 2021. message
H2042 (Chapter 32): AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 32, Laws 2021. message
H2043 (Chapter 37): UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/26 signed by governor. Chap. 37, Laws 2021. message

H2056 (Chapter 22): WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 22, Laws 2021. message
H2078 (Chapter 4): GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. 4, Laws 2021. message
H2079 (Chapter 190): CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, creating and administering a soil health program, and increasing public awareness of water conservation and soil health practices statewide. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation	First sponsor: Rep. Dunn (R - Dist 13)			4/9 signed by governor. Chap. 190, Laws 2021. message

	district in Arizona. AS SIGNED BY GOVERNOR				
H2080 (Chapter 168): AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			4/5 signed by governor. Chap. 168, Laws 2021. message
H2081 (Chapter 75): ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			3/23 signed by governor; Chap. 75, Laws 2021. message
H2246 (Chapter 104): G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/24 signed by governor; Chap. 104, Laws 2021. message
H2249 (Chapter 33): STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to develop a plan to create additional water storage in Arizona that includes investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 33, Laws 2021. message
H2317 (Chapter 51): COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the	First sponsor: Rep. Toma (R - Dist 22)			3/18 signed by governor. Chap. 51, Laws 2021. message

district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional

	members are permanently advisory nonvoting members. Emergency clause. AS SIGNED BY GOVERNOR				
H2570 (Chapter 367): LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from permanently revoking any license that is used to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order due to the business's wilful misconduct or gross negligence. Before a state agency, county or municipality suspends or permanently revokes a business license, the agency must provide written notice of noncompliance and written notice of intent to suspend or permanently revoke the license at least 30 days after the notice of noncompliance. Any dispute relating to the suspension or permanent revocation of a business license must be resolved by a court of competent jurisdiction. The Department of Liquor Licenses and Control (DLLC) is prohibited from assessing or collecting a civil penalty of more than $500 for a violation of an executive order issued pursuant to the state of emergency related to COVID-19 that was proclaimed on March 11, 2020. DLLC is required to refund any amount collected in excess of this cap by the 10th business day after the effective date of this legislation. AS SIGNED BY GOVERNOR	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			5/19 signed by governor. Chap. 367, Laws 2021. message
H2580 (Chapter 88): ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and requirements that are past the statutory termination date or are no longer applicable. AS SIGNED BY	First sponsor: Rep. Griffin (R - Dist 14)			3/23 signed by governor; Chap. 88, Laws 2021. message

	GOVERNOR				
H2649 (Chapter 266): COMPUTER DATA CENTERS; TAX INCENTIVES	The deadline for the Arizona Commerce Authority to certify new computer data centers for tax relief for computer data centers is extended ten years, to December 31, 2033. The minimum investment of $100 million in new renewable energy facilities in Arizona that a taxpayer must make in order to qualify for the tax credit for renewable energy investment may include investments made by a third-party entity on behalf of or for the direct benefit of the taxpayer. For taxpayers using investments made by third-party entities on behalf of or for the direct benefit of the taxpayer, the investment threshold is $1.5 billion, instead of $1.25 billion. A third-party entity cannot include the owner or operator of the international operations center or affiliated entities. The exemption from the retail classification of transaction privilege taxes (TPT) for computer data equipment sold to the owner, operator or qualified colocation tenant of a computer data center for use in the qualified computer data center is deleted and replaced with a deduction from the tax base of the retail classification of TPT for such computer data equipment. Session law requires any claim for refund of TPT based on the retroactive application of this change to be submitted to the Department of Revenue by December 31, 2021. The aggregate refund amount is capped at $10,000. Interest is not allowed and may not be compounded on any refundable amount of these claims if paid before July 1, 2022. Contains a legislative intent section. Retroactive to tax periods beginning September 13, 2013. Nonseverability clause. AS SIGNED BY GOVERNOR	First sponsor: Rep. Toma (R - Dist 22) Others: Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Osborne (R - Dist 13)			4/20 signed by governor. Chap. 266, Laws 2021. message
H2714 (Chapter 200): ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products. AS SIGNED BY GOVERNOR	First sponsor: Rep. Nutt (R - Dist 14)			4/9 signed by governor. Chap. 200, Laws 2021. message

H2770 (Chapter 201): MASK MANDATES; BUSINESS EXCEPTION	A business in Arizona is not required to enforce on its premises a mask mandate that is established by the state, a city, town or county or any other jurisdiction of this state. AS SIGNED BY GOVERNOR. In his signing statement, the Governor expressed concern about unintended consequences relating to make requirements that are not related to the spread of COVID-19, and thanked the bill's sponsor for agreeing to fix this oversight in a future bill this session.	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Pratt (R - Dist 8), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			4/9 signed by governor. Chap. 201, Laws 2021. message
HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Griffin (R - Dist 14)			5/3 passed Senate 19-11; ready for secretary of state.
HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep. Toma (R - Dist 22)			5/11 passed Senate 23-7; ready for secretary of state.

	AS SENT TO SECRETARY OF STATE				
HJR2001 (Chapter 203): PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Finchem (R - Dist 11)			4/9 signed by governor. Chap. 203, Laws 2021. message
S1065 (Chapter 121): STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/24 signed by governor; Chap. 121, Laws 2021. message
S1147 (Chapter 227): WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			4/14 signed by governor. Chap. 227, Laws 2021. message
S1157 (Chapter 136): EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a youth development organization of the land grand university system in Arizona, and that meets other specified requirements. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/26 signed by governor; Chap. 136, Laws 2021. message
S1258 (Chapter 212): STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period remaining to exercise those	First sponsor: Sen. Mesnard (R - Dist 17)			4/9 signed by governor. Chap. 212, Laws 2021. message

	rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause. AS SIGNED BY GOVERNOR				
S1307 (Chapter 214): WATER; WASTEWATER SYSTEM; CORRECTIVE ACTION	If a public water system or wastewater treatment facility or system that is regulated as a public service corporation by the Arizona Corporation Commission (ACC) is in violation of specified water quality requirements, the Department of Water Resources (DWR) is required, instead of allowed, to make a written request to the ACC to take necessary corrective actions, and the ACC is required to commence necessary correction actions within 30 days after DWR determines that the ACC taking corrective actions would expedite the facility's or system's return to compliance. DWR is required to provide the governing body of any local jurisdiction served by the facility or system with a copy of a written request to the ACC. AS SIGNED BY GOVERNOR	First sponsor: Sen. Shope (R - Dist 8)			4/9 signed by governor. Chap. 214, Laws 2021. message
S1370 (Chapter 69): ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/18 signed by governor. Chap. 69, Laws 2021. message
S1377 (Chapter 179): CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. A person or provider is presumed to have acted	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25), Sen. Shope (R - Dist 8), Rep. Toma (R -			4/5 signed by governor. Chap. 179, Laws 2021. message

	in good faith if the person or provider adopted and implemented reasonable policies related to the pandemic. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is alleged to be caused by the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. A health professional or health care institution is presumed to have acted in good faith if the professional or institution relied on and reasonably attempted to comply with applicable published guidance relating to the pandemic that was issued by a federal or state agency. Applies to all claims filed before or after the effective date of this legislation for an act or omission that occurred on or after March 11, 2020 relating to a pandemic that is the subject of the state of emergency declared by the Governor. Does not apply to workers' compensation claims. Retroactive to March 11, 2020. Severability clause. AS SIGNED BY GOVERNOR	Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)			
S1442 (Chapter 44): HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)			3/9 signed by governor. Chap. 44, Laws 2021. message

	the Tribe is required to remove hazardous vegetation on tribal land. AS SIGNED BY GOVERNOR. In his signing statement, the Governor stated that this legislation is a key component of the Arizona Healthy Forest Initiative to reduce wildfire risk to Arizona communities.				
S1459 (Chapter 316): AGENCY DECISIONS; ADMINISTRATIVE REVIEWS	Deletes the exemption from judicial review of administrative decisions for the Arizona Corporation Commission (ACC). ACC decisions are subject to de novo court review, with some exceptions. AS SIGNED BY GOVERNOR	First sponsor: Sen. Petersen (R - Dist 12)			5/4 signed by governor. Chap. 316, Laws 2021. message

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Priority					
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Declares it is the public policy of Arizona that public service corporations should pursue the use of "clean energy resources" (defined) and the reduction of carbon emissions, provided the mix of "critical electric generation resources" (defined) used by each public service corporation to meet its customers' needs is the "lowest cost method" (defined) of providing safe and reliable electricity services while taking specified factors into consideration. The clean energy and carbon emissions reduction policy of Arizona requires public service corporations to derive at least the following percentage of retail kilowatt sales from renewable energy resources by the following dates: 12percent by December 31, 2022, 13 percent by December 31, 2023, 14 percent by December 31, 2024, and 15 percent by December 31, 2025 and each year after. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the Arizona Corporation Commission (ACC) from exercising its ratemaking or statutory authority over public service corporations. The ACC is authorized to adopt rules to ensure compliance with this legislation, and is prohibited from enforcing any policy or rule that increases or decreases the percentages of renewable energy resources specified by this legislation or that directly or	First sponsor: Rep. Griffin (R - Dist 14)			4/1 from Senate appro do pass.

	indirectly regulates a public service corporation's "carbon emissions" (defined). Contains legislative findings. Retroactive to June 30, 2020. AS PASSED HOUSE.				
H2737: CORPORATION COMMISSION ACTIONS; INVESTIGATION	At the request of a member of the Legislature, the Attorney General is required to investigate any decision, order or rule adopted or amended by the Arizona Corporation Commission (ACC) that the member alleges is beyond the ACC's statutory or constitutional authority or whether the ACC is not executing or enforcing a statute. If the Attorney General concludes that the ACC does not have the authority or is not executing or enforcing a statute, the Attorney General is required to notify the ACC of the violation by certified mail and provide 30 days to resolve the violation. If the ACC fails to resolve the violation within 30 days, the Attorney General is required to file a special action in the Supreme Court to resolve the issue, and the Supreme Court is required to give the action precedence over all other cases. If the Supreme Court determines that the ACC does not have the authority or is not executing or enforcing a statute, Attorney General is required to inform the Department of Administration (DOA), and DOA is required to withhold ten percent of the ACC operating lump sum budget for the current fiscal year. Does not apply to any order or decision setting rates for public service corporations.	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			3/4 House COW approved with amend #4149 and flr amend #4743.
S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)			3/4 retained on Senate COW calendar.

S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)			3/10 from House nat res-energy-water do pass.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitor					
H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)		General Comments (all lists): S/E: SURVEYS; LAND DIVISIONS; COUNTY REGULATION	4/6 from Senate rules okay.
H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of	First sponsor: Rep. Weninger (R - Dist 17)			5/24 Senate COW approved with amend #4797 and flr amend #5145. FAILED Senate 12-18.

	the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.				
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			3/17 from Senate appro do pass.
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)			3/24 from Senate appro do pass.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates $5 million from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			3/10 from Senate appro do pass.
H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	If the Arizona Department of Transportation (ADOT) issues a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), ADOT is required to include at least one alternative in the tier 2 phase for further study that services the most populous geographical area with the greatest potential for economic development, and that represents feedback received from citizens, stakeholders and resolutions that are adopted by impacted local jurisdictions that are submitted to ADOT as public comments. If after December 31, 2020 and before the effective date of this legislation, ADOT issues a final tier 1 environmental impact statement and record of decision that does not comply with these requirements, ADOT is required to reissue the environmental impact statement and record of decision. Self-repeals January 1, 2023. AS	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)			3/22 Senate trans-tech do pass; report awaited.

	PASSED HOUSE				
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax years beginning with 2021.	First sponsor: Sen. Gowan (R - Dist 14)			3/10 from House ways-means do pass.
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2021-22 and $2 million in FY2022-23 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund. AS PASSED SENATE	First sponsor: Sen. Shope (R - Dist 8)			3/31 from House appro with amend #4971.
SCR1011: BORDER SECURITY; BORDER CRISIS	The members of the Legislature call on the President of the U.S. and Congress to take immediate action to secure the southern border and stymie the security and humanitarian crises associated with any further illegal immigration and to as quickly as possible shore up the southern border by completing the southern border wall. The members of the Legislature support the Speaker of the House of Representatives and President of the Senate in creating a Joint Border Security Advisory Commission to provide a forum where testimony can be taken regarding the international border between Arizona and Mexico and address related issues to this international border. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S, the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona. AS PASSED HOUSE	First sponsor: Sen. Kerr (R - Dist 13)			5/24 Senate concurred in House amendments and passed on final reading 16-14; ready for Secretary of State.

Bills of Interest

H2190: VACCINES; GOVERNMENTS; BUSINESSES	Beginning November 1, 2022 and every six months thereafter, the Attorney General and each county attorney from a county with a population of 200,000 persons or more is required to make a report that includes a list of specified information about felony cases charged by the respective prosecutor's office. Beginning November 1, 2022 and every six months thereafter, the Attorney General and each county attorney from a county with a population of 200,000 persons or more that prosecutes any of a list of drug-related charges is required to make a report for each applicable individual charge, including any preparatory offenses, that includes the drug type and weight in grams or pounds of the drugs involved. Beginning November 1, 2023, the Arizona Criminal Justice Commission is designated as the central collection point for criminal justice data reports, and is required to review and consolidate the data received under these requirements and perform specified calculations using the data. Beginning November 1, 2023 and every six months thereafter, the Commission is required to publish the reports on the Commission's website in an electronic format that is machine-readable, machine-searchable and readily accessible to the public. Beginning January 1, 2022, each county attorney from a county with a population of 200,000 persons or more is required to make the data included in the criminal case reports available on the county attorney's website. Beginning January 1, 2022, each county attorney and public defender's office is required to annually publish a list of information about the office's staff on the office's website. Contains a legislative intent section. Applies to criminal justice data that is collected after the effective date of this legislation. AS PASSED HOUSE	First sponsor: Rep. Roberts (R - Dist 11) Others: Rep. Blackman (R - Dist 6)			5/20 Senate COW approved with amend #4980 and flr amend #5143. NOTE SHORT TITLE CHANGE. FAILED Senate 13-16.
HCR2037: PANDEMIC EMERGENCIES; SPECIAL SESSIONS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to authorize the Legislature to call a special session to proclaim a state of emergency due to the occurrence of a public health emergency or a statewide emergency by a petition signed by a majority of the members	First sponsor: Rep. Kavanagh (R - Dist 23)			4/1 from Senate appro do pass. From Senate rules okay.

	of each house of the Legislature. If the Governor proclaims a state of emergency due to the occurrence of a public health emergency or a statewide emergency and issues an executive order that restrains the actions of any person or entity in Arizona, the Governor is required to call a special session of the Legislature by the 14th day after the Governor proclaims the state of emergency or issues the executive order, whichever is later, to address matters relating to the state of emergency and the executive order. Establishes requirements for a special session called under these circumstances. The Governor is authorized to object to any action that issues a legislative order or terminates or modifies an executive order by notifying the house in which the action originated. If the Governor objects, the Legislature is required to reconsider and approve the action by a roll call vote of 60 percent of the members in each house in order to issue the Legislative order or terminate or modify an executive order. AS PASSED HOUSE				
S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 90 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency in whole or in part by concurrent resolution. The Legislature is authorized to extend the state of emergency as many times as necessary by concurrent resolution, but any extension is limited to a period of 90 days. A state of emergency may be terminated earlier than the 90-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is terminated by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same conditions without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply. AS PASSED SENATE	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			3/31 from House rules okay.

SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 30-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions. AS PASSED SENATE.	First sponsor: Sen. Petersen (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			3/25 from House gov-elect do pass.

EACo

Bill Tracking List

55th Legislature - 2nd Regular Session, 2022 Friday, Jun 10 2022 8:51 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2037 (Chapter 164): COUNTIES; POWERS; WATER SUPPLY PROJECTS	County boards of supervisors are authorized to enter into agreements with federal, state, and local governments for the acceptance, management, and distribution of federal funds related to projects to increase water supply and availability to a municipal water provider, an irrigation district for agricultural use within the county, and/or a county flood control district for aquifer recharge within the county. AS SIGNED BY GOVERNOR	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Carter (R - Dist 8)			4/22 signed by governor. Chap. 164, Laws 2022. message
H2053 (Chapter 62): DEPARTMENT OF ENVIRONMENTAL QUALITY; CONTINUATION	The statutory life of the Department of Environmental Quality is extended eight years to July 1, 2030. Retroactive to July 1, 2022. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/25 signed by governor. Chap. 62, Laws 2022. message
H2067 (Chapter 93): COUNTY IMPROVEMENT DISTRICTS; RECREATION; GOVERNANCE	As session law, the board of supervisors of a county with a population of less than 125,000 persons and a county improvement district providing recreational improvements is authorized to provide for the district to be governed by a separately elected three-member or five-member board of directors. The initial directors are appointed by the board of supervisors, and the subsequent directors must be elected by the qualified voters of the district. The board of directors has the powers granted to a district pursuant to statute. Self-repeals January 1, 2026. AS SIGNED BY GOVERNOR	First sponsor: Rep. Blackman (R - Dist 6)			3/30 signed by governor. Chap. 93, Laws 2022. message

H2126 (Chapter 87): HAZARDOUS WASTE PROGRAM FEES	Department of Environmental Quality rules establishing various fees for the hazardous waste program are no longer required to be reviewed by the Joint Legislative Budget Committee. Deletes the prohibition on those fees increasing without specific statutory authority for the increase. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Burges (R - Dist 1)			3/30 signed by governor.Chap. 87, Laws 2022. message
H2130 (Chapter 242): RECREATIONAL USERS; PROPERTY	A landowner, easement holder, lessee, tenant manager or occupant of private or public land is not liable for damages in any civil action for unknown conditions on the land. Installing a sign or other form of warning of a dangerous condition, any modification made for the purpose of improving safety, or failing to maintain a sign or warning or any modification does not create liability on the part of an owner, easement holder, lessee, tenant manager or occupant of land if there is no other basis for the liability. This legislation does not create a duty of care or basis of liability for injury to persons or property. Any person that uses the land of another for recreational or educational purposes with or without permission is liable for any damage to the land, property, livestock or crops that the person may cause while on that land. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			5/20 signed by governor. Chap. 242, Laws 2022. message
H2181 (Chapter 223): GAME AND FISH; TAKING WOLVES	The Game and Fish Commission cannot prohibit any person from taking a wolf that is actively threatening or attacking a person, livestock, or other domestic animal. AS SIGNED BY GOVERNOR	First sponsor: Rep. Cook (R - Dist 8)			5/9 signed by governor. Chap. 223, Laws 2022. message
H2371 (Chapter 263): COVID VACCINE MANDATES; PROHIBITION	Any "governmental entity" (defined) is prohibited from requiring a person under 18 years of age to receive a vaccination for COVID-19 or any variant of COVID-19 without the consent of a parent or guardian. A person who violates this prohibition is guilty of a class 1 (highest) misdemeanor. The county attorney is authorized to prosecute violations. AS PASSED SENATE	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Blackman (R - Dist 6)			5/27 signed by governor. Chap. 263, Laws 2022. message
H2408 (Chapter 141): ARIZONA GAME AND FISH; CONTINUATION	The statutory life of the Arizona Game and Fish Commission is extended eight years to July 1, 2030. Retroactive to July 1, 2022. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			4/14 signed by governor. Chap. 141, Laws 2022. message

H2410 (Chapter 177): ENVIRONMENTAL PROGRAMS; AMENDMENTS	Various changes to statutes regulating environmental programs. Repeals the article of statute regulating dry wells, including dry well registration and license to drill. Repeals the dust-free developments program. The Arizona Department of Environmental Quality (ADEQ) is allowed, instead of required, to adopt rules for air pollution emission standards for off-road vehicles. Repeals session law requiring ADEQ to establish a daily visibility index to be used in evaluating and reporting current visibility conditions and progress toward visibility improvement goals in area A. An underground injection is prohibited if the injection is into a well that is subject to a drinking water protected use classification. The requirement for a property owner that has elected to leave contamination on the property that exceeds the applicable residential standard for the property to record with the county recorder a restrictive covenant labeled "declaration of environmental use restriction" applies only at a site remediated under programs, settlements, or orders administered by ADEQ under Title 49 (The Environment). The deadline for the U.S. Environmental Protection Agency to approve proposed modifications to the gasoline fuel formulation requirements as part of the State Implementation Plan for air quality is extended two years, to July 1, 2024. Session law directs clear title of a specified square mile of real property in Maricopa County to be conveyed from ADEQ to the Department of Administration. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			4/25 signed by governor. Chap. 177, Laws 2022. message
H2411 (Chapter 178): COAL COMBUSTION RESIDUALS PROGRAM	Adds a new article to Title 49 (The Environment) allowing the Director of the Department of Environmental Quality to adopt rules to establish and operate a Coal Combustion Residuals (CCR) Program equivalent to or at least as protective as the federal CCR Program for the purpose of obtaining approval to operate the federal CCR Program. Federal CCR regulations may be adopted by reference. The rules are required to provide requirements for issuing, denying, suspending, or modifying individual CCR permits, and must include a list of specified provisions. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			4/25 signed by governor. Chap. 178, Laws 2022. message

H2453 (Chapter 247): GOVERNMENTAL ENTITIES; MASK REQUIREMENT; PROHIBITION	A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering anywhere on the governmental entity's premises, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required. Does not apply to a special healthcare district. AS SIGNED BY GOVERNOR	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			5/20 signed by governor. Chap. 247, Laws 2022. message
H2498 (Chapter 180): COVID-19; VACCINATION REQUIREMENTS; PROHIBITION	Any "government entity" (defined) is prohibited from requiring a resident of Arizona to receive a vaccination for COVID-19 or any variant of COVID-19. Does not apply to a health care institution that is owned or operated by a government entity in Arizona. AS SIGNED BY GOVERNOR	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			4/25 signed by governor. Chap. 180, Laws 2022. message
H2580 (Chapter 129): WILDFIRE MANAGEMENT; DELEGATION OF AUTHORITY	The State Forester is required to perform all management and administrative functions assigned or delegated to the state of Arizona by the United States relating to wildfire prevention, mitigation, and suppression activities. AS SIGNED BY GOVERNOR	First sponsor: Rep. Cook (R - Dist 8)			4/13 signed by governor. Chap. 129, Laws 2022. message
H2587 (Chapter 142): PUBLIC RECORDS; POINT OF CONTACT	Any entity that is subject to a public records request is required to provide the name and contact information of an employee or department that is authorized and able to provide the information requested or able to forward the request to an employee or department that is authorized and able to provide the information. Unless the entity maintains a centralized online portal for submission of public records requests that provides receipt on submission of a request, an employee or department that is authorized and able to provide public records information is required to reply within five business days acknowledging receipt of the request. AS SIGNED BY GOVERNOR	First sponsor: Rep. Grantham (R - Dist 12)			4/14 signed by governor. Chap. 142, Laws 2022. message

H2616 (Chapter 184): MASK MANDATES; MINORS; PARENTAL CONSENT	This state, any political subdivision, any other governmental entity, any school district, or any charter school in Arizona are prohibited from requiring that a mask or face covering be worn by a person under 18 years of age without the express consent of the person's parent or guardian. AS SIGNED BY GOVERNOR	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			4/25 signed by governor. Chap. 184, Laws 2022. message
HCM2006: FEMA; WILDFIRES; FLOODING; COST THRESHOLD	The Legislature urges the Federal Emergency Management Agency (FEMA) to amend its system of calculating the cumulative fire cost threshold from wildfires to include the costs resulting from and directly related to flooding. The Secretary of State is directed to transmit copies of this memorial to the FEMA Administrator. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3)			4/13 passed Senate 25-0; ready for Secretary of State.
HCM2009: DEPARTMENT OF AGRICULTURE; ADDITIONAL OFFICES	The Legislature urges the Farm Service Agency of the U.S. Department of Agriculture to evaluate the current locations of its Arizona offices to determine where additional offices are needed, to evaluate how it could better support all of Arizona's farmers and ranchers by locating offices closer to farmers and ranchers, and to open additional offices where needed, including in Globe, Arizona. The Secretary of State is directed to transmit copies of this memorial to the Secretary of the U.S. Department of Agriculture and the Administrator of the Farm Service Agency. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Cano (D - Dist 3), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. John (R - Dist 4), Rep. Quiñonez (D - Dist 27), Rep. Wilmeth (R - Dist 15)			3/31 passed Senate 26-0; ready for Secretary of State.
HCR2008: GOOD SAMARITAN MINE ACT; SUPPORT	The members of the Legislature express their support for the U.S. Congress to pass the Good Samaritan Remediation of Abandoned Hardrock Mines Act to allow Good Samaritan groups to clean up abandoned mines in this country. The Secretary of State is directed to transmit copies of this	First sponsor: Rep. Griffin (R - Dist 14)			4/12 passed Senate 26-1; ready for Secretary of State.

	memorial to the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona. AS SENT TO SECRETARY OF STATE				
HR2004: BORDER WALL; CONSTRUCTION MATERIALS; REPURPOSE	The members of the House of Representatives support federal legislation to transfer unused federally owned materials to Arizona, New Mexico and Texas, and support using these materials to construct a wall along the southern border. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Blackman (R - Dist 6) Others: Rep. Payne (R - Dist 21)			2/3 House COW approved. Passed House 31-28; ready for Secretary of State.
S1146 (Chapter 1): FIRE SUPPRESSION; ASSISTANCE; PRIVATE LANDOWNERS	Modifies the requirements for private landowners to qualify for financial assistance from the FY2020-21 appropriation to the Arizona Department of Forestry and Fire Management (ADFFM) for wildfire emergency response, to allow a landowner to provide information to ADFFM that the landowner does not qualify for other reimbursement. Also requires ADFFM to prioritize distributions of financial assistance to private landowners. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			2/11 signed by governor. Chap. 1, Laws 2022. message
S1238 (Chapter 14): STATE LANDS; APPRAISALS; LEASES; RIGHTS-OF-WAY	The State Land Department is required to reappraise property if the Board of Appeals' approval of the lease or sale occurred more than 240 days, increased from 180 days, before an auction. Approval of a lease for commercial purposes from the Board of Appeals is required only if the lease is for a term longer than ten years. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/18 signed by governor. Chap. 14, Laws 2022.
S1396 (Chapter 173): HYDROGEN STUDY COMMITTEE	Establishes a 12-member Hydrogen Study Committee to investigate and evaluate existing laws and recommend legislation related to the production, distribution, and storage of hydrogen. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by September 1, 2023, and self-repeals October 1, 2024. Emergency clause. AS SIGNED BY GOVERNOR	First sponsor: Sen. Shope (R - Dist 8)			4/22 signed by governor. Chap. 173, Laws 2022. message
S1596 (Chapter 148): OFF-HIGHWAY VEHICLE STUDY COMMITTEE	Establishes a 17-member Arizona Off-Highway Vehicle Study Committee to collect and study information regarding off-highway vehicle issues in Arizona. The Committee is required to submit a report of its activities and recommendations to the Governor	First sponsor: Sen. Kerr (R - Dist 13)			4/14 signed by governor. Chap. 148, Laws 2022. message

	and the Legislature by January 1 of each year, and self-repeals June 1, 2024. AS SIGNED BY GOVERNOR				
SCR1010: ARIZONA'S OUTDOORS; RECREATION; SUPPORTING	The members of the Legislature recognize that it is critical for the physical, mental and social well-being of Arizona's residents that the state promote healthy, active lifestyles filled with outdoor experiences of all types for Arizona residents, while respecting private property rights. AS SENT TO SECRETARY OF STATE	First sponsor: Sen. Shope (R - Dist 8)			3/17 passed House 58-0; ready for secretary of state.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Monitoring					
H2038: STATE LAKE IMPROVEMENT FUND	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system.	First sponsor: Rep. Biasiucci (R - Dist 5)			3/9 from Senate appro do pass.
H2070: OPEN MEETINGS; CAPACITY; POSTING; VIOLATION	All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. A head of a public body that violates this requirement is liable for a civil penalty as provided in statute for open meeting law violations. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			3/23 Senate COW approved. FAILED Senate 15-13.
H2095: POSTING OF NOTICES; MUNICIPAL WEBSITES	Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality are required to be posted on the municipality's website.	First sponsor: Rep. Griffin (R - Dist 14)		Single-List Comments: STRIKER: GROUNDWATER	3/22 from Senate rules okay.

H2182: LIVESTOCK ASSISTANCE PROGRAM; INFRASTRUCTURE PROJECTS	Establishes a Livestock Operator Fire and Flood Assistance Grant Program is established under the Arizona Department of Agriculture (AZDA) to provide grant monies to landowners and lessees of a livestock operation for "infrastructure" (defined) projects that are required as a result of a wildfire and associated flooding and that are either not eligible for funding from another federal or state program or are partially funded by another federal or state program. AZDA is required to develop guidelines and criteria to implement the program, including an application process and reporting requirements for grant recipients. Establishes the Livestock Operator Fire and Flood Assistance Fund and authorizes AZDA to use up to five percent of the monies appropriated to the Fund in any fiscal year to administer the Program. Emergency clause. AS PASSED SENATE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)			6/7 House concurred in Senate amendments and passed on final reading 48-0; ready for governor.
H2183: FIRE INSURANCE; FLOODING; WILDFIRES	A policy of fire insurance covering direct loss by fire under the Arizona standard fire policy is required to include coverage for loss or damage resulting from landslide, mudslide, mudflow ,or debris flow, if the fire is the efficient proximate cause of the loss or damage, the fire ended within 180 days, and coverage would otherwise be provided for the fire. Coverage must be provided under the same terms and conditions as would be provided for the fire. AS PASSED HOUSE	First sponsor: Rep. Cook (R - Dist 8) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Payne (R - Dist 21)		Single-List Comments: STRIKER: APPROPRIATION; FLOOD DAMAGE FUND	3/24 from Senate fin with amend #4854.
H2334: STATE LANDS; LEASE PROVISIONS	Leases of state lands that provide continued public access to the leased lands are prohibited from tendering defense of a claim or cause of action based on an injury to a person who is on or using state lands and to whom permission to be on or use state lands has been granted by the state or any state agency, from tendering defense of a claim or cause of action arising under state or federal environmental laws, from requiring indemnification in any form from a lessee or the lessee's employees or agents, and from otherwise assigning liability to a lessee for these types of claims or causes of action. AS PASSED HOUSE	First sponsor: Rep. Cook (R - Dist 8)			3/17 from Senate nat res-energy-water do pass.

H2389: RULEMAKING REVIEW; TIME FRAME	When the Legislature has granted a one-time rulemaking exemption to an agency, the agency is required to review any rule adopted under the exemption within six months after the rule was adopted, reduced from one year, to determine whether it should be amended or repealed.	First sponsor: Rep. Dunn (R - Dist 13)		Single-List Comments: STRIKER: RIVER WATER TRANSFER	4/4 from Senate rules okay.
H2412: OPEN MEETINGS; DIGITAL RECORDINGS	All public bodies subject to open meeting law are required to provide for written minutes and an audio or audiovisual recording of all of their meetings, instead of either written minutes or a digital recording. AS PASSED HOUSE	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Carroll (R - Dist 22), Rep. Martinez (R - Dist 11)			3/22 from Senate rules okay.
H2539: NONNATIVE SPECIES ERADICATION; PROJECTS; APPROPRIATION	Establishes a 7-member Gila River Nonnative Species Eradication Project Advisory Committee to review the progress of "nonnative vegetation invasive species eradication projects" (defined). The Committee is required to submit a report of its recommendations to the Governor and the Legislature by September 1 of each year, and self-repeals October 1, 2025. The Nonnative Vegetation Species Eradication Fund is renamed the Jackie Meck Nonnative Vegetation Species Eradication Fund. Appropriates $15 million from the general fund in FY2022-23 to the Fund for nonnative vegetation invasive species eradication projects.	First sponsor: Rep. John (R - Dist 4)			3/30 from Senate appro do pass.
H2588: STATE FORESTER; LEGISLATIVE PRESENTATION; REPORT	The State Forester is required to present specified information to the relevant legislative committees during each regular session, instead of the first regular session of each legislature. The deadline for the Arizona Department of Forestry and Fire Management to report expenditures to the Joint Legislative Budget Committee and Governor's Office of Strategic Planning and Budgeting is moved to December 1 of each year, from September 1.	First sponsor: Rep. Grantham (R - Dist 12)		General Comments (all lists): STRIKER: ONLINE INSTRUCTION; HOURS	3/31 from Senate appro with amend #4916.
H2619: POSTVACCINE INJURIES; COVID-19; POSTING	The Department of Health Services is required to post on the DHS public website's COVID-19 dashboard a syringe icon with a link entitled "vaccine injury data report" that contains publicly available national data from the vaccine adverse event reporting system regarding injuries reported postvaccination for the COVID-19 vaccines.	First sponsor: Rep. Kaiser (R - Dist 15)		Single-List Comments: STRIKER: RAINWATER HARVESTING PROGRAM	3/24 from Senate nat res-energy-water with amend #4875.

H2678: STATE BROADBAND OFFICE	Establishes the State Broadband Office in the Arizona Commerce Authority and establishes responsibilities of Office staff. The Office is required to publish and maintain a state broadband plan.	First sponsor: Rep. Cobb (R - Dist 5)			4/5 retained on Senate COW calendar.
HCR2024: 30X30 LAND PROGRAM; OPPOSING	The members of the Legislature oppose the 30 x 30 program or any similar program that will set aside and prevent the productive use of millions of acres of Arizona's lands, oppose the designation of public lands and national forests in Arizona as wilderness, wilderness study areas, wildlife preserves, open space or other conservation land, and oppose the acquisition of private land from unwilling private landowners. The members of the Legislature support the enactment by the U.S. Congress of the 30 x 30 Termination Act or similar legislation, support the management of public lands and the national forests under principles of multiple use and sustained yield that recognize this nation's need for domestic sources of minerals, energy, timber and food, support the federal government's careful coordination with Arizona to ensure consistency with state and local land use plans and land management policies, and support the protection of private property and honoring state rights as required by law.	First sponsor: Rep. Griffin (R - Dist 14)			5/17 FAILED Senate 13-15.
S1171: TREATED PROCESS WATER; STORAGE CREDITS	The list of exceptions from the unlawful feeding of wildlife is expanded to include persons placing holiday-related decorations outside of their residences or on their property that are not intended to feed, attract or otherwise entice wildlife.	First sponsor: Sen. Gowan (R - Dist 14)			5/25 House COW approved with amend #4828 and flr amend #5017. NOTE SHORT TITLE CHANGE.
S1270: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2022-23 and $2 million in FY2023-24 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.	First sponsor: Sen. Shope (R - Dist 8)			3/17 from House appro do pass.

S1377: OFF-HIGHWAY VEHICLES; FUND	Various changes to statutes relating to off-highway vehicles. All off-highway vehicle operators and passengers assume all risks of personal injury or death associated with recreational use on public, state or private land. Landowners and their authorized lessees do not have a duty to keep lands safe for entry and use by recreational users or to warn of or maintain lands and trails against unsafe conditions. Eliminates the deposit of30 percent of off-highway vehicle user fees in the Highway User Revenue Fund, and 100 percent, instead of 70 percent, of off-highway vehicle user fees are deposited in the Off-Highway Vehicle Recreation Fund. Modifies the list of allowable uses of monies in the Fund.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Rogers (R - Dist 6)			3/24 from House trans do pass on reconsideration.
S1632: APPROPRIATION; LAND DEPARTMENT; MANAGEMENT SYSTEM	Appropriates $225,000 and two FTE positions from the general fund in FY2022-23 to the State Land Department (SLD) to improve the SLD's enterprise-wide management system.	First sponsor: Sen. Kerr (R - Dist 13)			3/24 from House appro do pass.
S1643: TAX CREDITS; RESEARCH; DEVELOPMENT	Minor change in Title 41 (State Government) related to public records. Apparent striker bus.	First sponsor: Sen. Fann (R - Dist 1)			3/29 from House appro do pass.
S1711: FIRE INCIDENT MANAGEMENT FUND; APPROPRIATION	Establishes the Fire Incident Management Fund, to be administered by the State Treasurer and used to provide hardware and software the enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies. Appropriates $6.1 million from the general fund in FY2022-23 to the Fund.	First sponsor: Sen. Gowan (R - Dist 14)			3/24 from House appro with amend #4859.
S1717: MINE INSPECTOR; APPROP	The deadline for the Governor's Office of Strategic Planning and Budgeting (OSPB) to distribute a report on all nonappropriated monies is moved to October 15, from February 1. OSPB is required to distribute the report to the Joint Legislative Budget Committee.	First sponsor: Sen. Gowan (R - Dist 14)			3/17 from House appro do pass.
SCR1049: EDUCATIONAL OPPORTUNITIES; CHILDREN; SUPPORT	The members of the Legislature express support for opportunities in education for all children.	First sponsor: Sen. Boyer (R - Dist 20)		General Comments (all lists): STRIKER: FIRE DISTRICT; FUNDING; TPT INCREMENT	3/22 from House land-agri-rural affairs with amend #4818.

COVID-19 and Business Practices

S1346: STATE EMPLOYEES; VACCINATION INQUIRIES PROHIBITED	This state, any state agency, or any contractor for Arizona is prohibited from sending its employees to inquire about a person's vaccination status on a door-to-door basis.	First sponsor: Sen. Rogers (R - Dist 6)			3/29 from House rules okay.
S1567: EMPLOYERS; VACCINATIONS; RELIGIOUS EXEMPTION	Employers are prohibited from discriminating against an employee regarding employment, wages, or benefits based on the employee's vaccination status, and from inquiring into the veracity of an employee's religious beliefs. Employers are required to allow employees to claim a religious exemption from the COVID-19 vaccination mandate using a specified form. Employers are prohibited from creating a database of religious exemption requests. Employees of a health care institution are authorized to file a complaint with the Department of Health Services (DHS) if the health care institution did not offer the employee a religious exemption form or improperly applied or denied the employee's religious exemption and the employee's employment was terminated. DHS is required to investigate all complaints. If DHS finds the complaint valid, DHS is required to notify the health care institution and allow the employer the opportunity to correct the noncompliance. AS PASSED SENATE	First sponsor: Sen. Barto (R - Dist 15)			3/24 from House jud with amend #4872.

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Bill Tracking List

55th Legislature - 1st Regular Session, 2021 Friday, Jun 18 2021 8:27 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2033 (Chapter 20): STATE MINE INSPECTOR; QUALIFICATIONS	The required qualifications for the State Mine Inspector are modified to require eight years' experience, at least four of which were in Arizona, consisting of direct operational or management experience with mining operations at a mine, instead of at least four years' experience in mining or any industry under the jurisdiction of the State Mine Inspector. Any person desiring to become a candidate for State Mine Inspector is required to sign an affidavit attesting to the person's fulfillment of these qualifications and file the affidavit with the nomination paper. For terms of office beginning in 2023 and after, the State Mine Inspector is required to annually complete continuing education on state and federal mine safety and health regulations. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 20, Laws 2021. message
H2034 (Chapter 9): NOXIOUS WEEDS; GOVERNMENT PROJECTS	The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/12 signed by governor. Chap. 9, Laws 2021. message
H2037 (Chapter 92): GEOLOGICAL SURVEY; STATE GEOLOGIST	Repeals the statutory termination date of July 1, 2022 for the Arizona Geological Survey. Also blends multiple enactments of statute related to required qualifications for the State Geologist. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/24 signed by governor; Chap. 92, Laws 2021. message

H2041 (Chapter 21): GROUNDWATER REPLENISHMENT RESERVES	Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governor. Chap. 21, Laws 2021. message
H2042 (Chapter 32): AQUIFER PROTECTION PERMITS; INJECTION WELLS	A class V well is no longer exempt from the underground injection control permit program if the well has an aquifer protection permit that satisfies federal underground injection control requirements for a class V well. Except for class V wells operating under underground injection control permit program rules or specified federal code, any underground injection well covered by an underground injection control permit is exempt from aquifer protection permit requirements. If a notice of appeal of a permit issued under the Arizona Pollutant Discharge Elimination System Program is filed with the Water Quality Appeals Board, those permit provisions that are being contested and those that cannot be severed from the contested provisions are automatically stayed while the appeal is pending before the Board, instead of while the appeal is pending, including during any court proceedings. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 32, Laws 2021. message
H2043 (Chapter 37): UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS	A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/26 signed by governor. Chap. 37, Laws 2021. message

H2056 (Chapter 22): WATER CONSERVATION NOTICE; NO FORFEITURE	Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section stating that the Legislature intends that this act apply prospectively only. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/18 signed by governmor. Chap. 22, Laws 2021. message
H2078 (Chapter 4): GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE	The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			2/5 signed by governor; Chap. 4, Laws 2021. message
H2079 (Chapter 190): CONSERVATION DISTRICTS; WATER; INVASIVE VEGETATION	The powers of natural resource conservation districts are expanded to include conducting surveys, investigations and research relating to eradicating invasive vegetation, creating and administering a soil health program, and increasing public awareness of water conservation and soil health practices statewide. Modifies the requirements to qualify for the individual income tax credit for purchasing and installing an agricultural water conservation system to allow the expense to be consistent with a conservation plan the taxpayer filed with a natural resources conservation service or a natural resource conservation	First sponsor: Rep. Dunn (R - Dist 13)			4/9 signed by governor. Chap. 190, Laws 2021. message

	district in Arizona. AS SIGNED BY GOVERNOR				
H2080 (Chapter 168): AGRICULTURAL EMPLOYMENT RELATIONS BOARD; CONTINUATION	The statutory life of the Agricultural Employment Relations Board is extended eight years to July 1, 2029. Retroactive to July 1, 2021. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			4/5 signed by governor. Chap. 168, Laws 2021. message
H2081 (Chapter 75): ARIZONA DEPARTMENT OF AGRICULTURE; CONTINUATION	The statutory life of the Arizona Department Of Agriculture is extended eight years to July 1, 2029. Retroactive to July 1, 2021. AS SIGNED BY GOVERNOR	First sponsor: Rep. Dunn (R - Dist 13)			3/23 signed by governor; Chap. 75, Laws 2021. message
H2246 (Chapter 104): G&F; PRIVATE LANDS; TRESPASSING	It is unlawful for a person to take wildlife without authorization from the landowner or lessee of private land if the land is posted with the words "no trespassing" that meet specified requirements, or if the person knowingly remained unlawfully on the private land after a reasonable request to leave by a law enforcement officer acting at the request of the landowner. Statutes prohibiting hunting, fishing and trapping on private lands without the permission of the landowner are expanded to include guiding. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			3/24 signed by governor; Chap. 104, Laws 2021. message
H2249 (Chapter 33): STATE LANDS; LEASES; RENEWAL APPLICATIONS	The State Land Department (SLD) is required to accept lease renewal applications by mail and is allowed to accept renewal applications electronically. The method by which the renewal application is submitted cannot be a factor in the SLD's determination of whether to renew the lease. Session law requires the State Land Commissioner and the Director of Water Resources to develop a plan to create additional water storage in Arizona that includes investigating acceptable sites to construct new water storage facilities on state trust land and identifying at least six of the most potentially acceptable sites. The Commissioner and the Director are required to submit a report of findings and recommendations to the Governor and the Legislature by December 31, 2021. Water storage plan requirements self-repeal January 1, 2024. AS SIGNED BY GOVERNOR	First sponsor: Rep. Griffin (R - Dist 14)			2/24 signed by governor. Chap. 33, Laws 2021. message
H2317 (Chapter 51): COMMUNITY FACILITIES DISTRICTS	Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the	First sponsor: Rep. Toma (R - Dist 22)			3/18 signed by governor. Chap. 51, Laws 2021. message

district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional

	members are permanently advisory nonvoting members. Emergency clause. AS SIGNED BY GOVERNOR				
H2570 (Chapter 367): LICENSES; PANDEMICS; REVOCATION PROHIBITION	State agencies, counties, and municipalities are prohibited from permanently revoking any license that is used to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order due to the business's wilful misconduct or gross negligence. Before a state agency, county or municipality suspends or permanently revokes a business license, the agency must provide written notice of noncompliance and written notice of intent to suspend or permanently revoke the license at least 30 days after the notice of noncompliance. Any dispute relating to the suspension or permanent revocation of a business license must be resolved by a court of competent jurisdiction. The Department of Liquor Licenses and Control (DLLC) is prohibited from assessing or collecting a civil penalty of more than $500 for a violation of an executive order issued pursuant to the state of emergency related to COVID-19 that was proclaimed on March 11, 2020. DLLC is required to refund any amount collected in excess of this cap by the 10th business day after the effective date of this legislation. AS SIGNED BY GOVERNOR	First sponsor: Rep. Hoffman (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Dunn (R - Dist 13), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Roberts (R - Dist 11), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			5/19 signed by governor. Chap. 367, Laws 2021. message
H2580 (Chapter 88): ENVIRONMENTAL QUALITY OMNIBUS	Numerous changes to statutes relating to environmental regulations. Modifies the rules the Department of Environmental Quality is required to adopt to designate attainment areas for national ambient air quality standards. Repeals the article of statute governing hazardous waster disposal at state sites. Repeals statute governing the use of recycled newsprint as part of the Arizona Recycling Program. Repeals the roadside testing program for diesel vehicles. Repeals various committees, programs and requirements that are past the statutory termination date or are no longer applicable. AS SIGNED BY	First sponsor: Rep. Griffin (R - Dist 14)			3/23 signed by governor; Chap. 88, Laws 2021. message

	GOVERNOR				
H2649 (Chapter 266): COMPUTER DATA CENTERS; TAX INCENTIVES	The deadline for the Arizona Commerce Authority to certify new computer data centers for tax relief for computer data centers is extended ten years, to December 31, 2033. The minimum investment of $100 million in new renewable energy facilities in Arizona that a taxpayer must make in order to qualify for the tax credit for renewable energy investment may include investments made by a third-party entity on behalf of or for the direct benefit of the taxpayer. For taxpayers using investments made by third-party entities on behalf of or for the direct benefit of the taxpayer, the investment threshold is $1.5 billion, instead of $1.25 billion. A third-party entity cannot include the owner or operator of the international operations center or affiliated entities. The exemption from the retail classification of transaction privilege taxes (TPT) for computer data equipment sold to the owner, operator or qualified colocation tenant of a computer data center for use in the qualified computer data center is deleted and replaced with a deduction from the tax base of the retail classification of TPT for such computer data equipment. Session law requires any claim for refund of TPT based on the retroactive application of this change to be submitted to the Department of Revenue by December 31, 2021. The aggregate refund amount is capped at $10,000. Interest is not allowed and may not be compounded on any refundable amount of these claims if paid before July 1, 2022. Contains a legislative intent section. Retroactive to tax periods beginning September 13, 2013. Nonseverability clause. AS SIGNED BY GOVERNOR	First sponsor: Rep. Toma (R - Dist 22) Others: Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Osborne (R - Dist 13)			4/20 signed by governor. Chap. 266, Laws 2021. message
H2714 (Chapter 200): ENVIRONMENTAL TECHNOLOGY; BIOMASS; FORESTRY PRODUCTS	Modifies the requirements to qualify for assistance from the Environmental Technology Assistance Program to allow the capital investment made by a manufacturer, producer or processor to be in a facility that is used predominantly to process biomass and forestry industry products. AS SIGNED BY GOVERNOR	First sponsor: Rep. Nutt (R - Dist 14)			4/9 signed by governor. Chap. 200, Laws 2021. message

H2770 (Chapter 201): MASK MANDATES; BUSINESS EXCEPTION	A business in Arizona is not required to enforce on its premises a mask mandate that is established by the state, a city, town or county or any other jurisdiction of this state. AS SIGNED BY GOVERNOR. In his signing statement, the Governor expressed concern about unintended consequences relating to make requirements that are not related to the spread of COVID-19, and thanked the bill's sponsor for agreeing to fix this oversight in a future bill this session.	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Pratt (R - Dist 8), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			4/9 signed by governor. Chap. 201, Laws 2021. message
HCM2001: SALT CEDARS; URGING ERADICATION	The Legislature urges the U.S. Congress to appropriate monies to the State of Arizona to eradicate salt cedars from Arizona waterways, and urges the U.S. Department of the Interior and the U.S. Department of Agriculture to develop innovative solutions to control the proliferation of salt cedars. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, the Secretary of the U.S. Department of the Interior, the Secretary of the U.S. Department of Agriculture, and each member of Congress from Arizona. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Griffin (R - Dist 14)			5/3 passed Senate 19-11; ready for secretary of state.
HCM2004: FLOODWATER HARVESTING; STUDY; URGING CONGRESS	The Legislature urges the U.S. Congress to fund a technological and feasibility study of the development of a diversion dam and pipeline to harvest floodwater from the Mississippi River to replenish the Colorado River and prevent flood damage along the Mississippi river. If feasible, the Legislature urges the U.S. Congress to implement the diversion dam and pipeline as a partial solution to the water supply shortage in Lake Powell and Lake Mead and the flood damage that occurs along the Mississippi river. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S. Senate, the Speaker of the U.S. House, the Governors of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin, and each member of Congress from Arizona.	First sponsor: Rep. Dunn (R - Dist 13) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Carroll (R - Dist 22), Rep. Griffin (R - Dist 14), Rep. A. Hernandez (D - Dist 3), Rep. Hoffman (R - Dist 12), Sen. Kerr (R - Dist 13), Rep. Osborne (R - Dist 13), Rep. Toma (R - Dist 22)			5/11 passed Senate 23-7; ready for secretary of state.

	AS SENT TO SECRETARY OF STATE				
HJR2001 (Chapter 203): PRIVATE PROPERTY; SALE; VETERANS ADMINISTRATION	The State of Arizona consents to the sale of four specified parcels of land to the United States for and on behalf of the U.S. Department of Veterans Affairs. AS SENT TO SECRETARY OF STATE	First sponsor: Rep. Finchem (R - Dist 11)			4/9 signed by governor. Chap. 203, Laws 2021. message
S1065 (Chapter 121): STATE LANDS; PARTIAL TRACTS; PATENTS	A patent is no longer prohibited from being issued for less than 1/4 of a tract of state land sold or less than 10 acres. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/24 signed by governor; Chap. 121, Laws 2021. message
S1147 (Chapter 227): WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS	The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			4/14 signed by governor. Chap. 227, Laws 2021. message
S1157 (Chapter 136): EMPOWERING TODAY'S YOUTH SPECIAL PLATES	The Department of Transportation is required to issue empowering today's youth special license plates if a person pays $32,000 in start-up costs by December 31, 2021. Of the $25 annual fee, $8 is an administrative fee and $17 is a donation to the newly established Empowering Today's Youth Special Plate Fund, to be allocated to a charitable organization that provides financial support for a youth development organization of the land grand university system in Arizona, and that meets other specified requirements. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/26 signed by governor; Chap. 136, Laws 2021. message
S1258 (Chapter 212): STATE OF EMERGENCY; TOLLING; PERMITS	A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period remaining to exercise those	First sponsor: Sen. Mesnard (R - Dist 17)			4/9 signed by governor. Chap. 212, Laws 2021. message

	rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause. AS SIGNED BY GOVERNOR				
S1307 (Chapter 214): WATER; WASTEWATER SYSTEM; CORRECTIVE ACTION	If a public water system or wastewater treatment facility or system that is regulated as a public service corporation by the Arizona Corporation Commission (ACC) is in violation of specified water quality requirements, the Department of Water Resources (DWR) is required, instead of allowed, to make a written request to the ACC to take necessary corrective actions, and the ACC is required to commence necessary correction actions within 30 days after DWR determines that the ACC taking corrective actions would expedite the facility's or system's return to compliance. DWR is required to provide the governing body of any local jurisdiction served by the facility or system with a copy of a written request to the ACC. AS SIGNED BY GOVERNOR	First sponsor: Sen. Shope (R - Dist 8)			4/9 signed by governor. Chap. 214, Laws 2021. message
S1370 (Chapter 69): ENVIRONMENTAL QUALITY; PROGRAM TERMINATIONS; REPEAL	Repeals the statutory termination dates of July 1, 2022 for the Vehicle Emissions Inspection Program and the Oil and Gas Conservation Commission. Retroactive to July 1, 2020, repeals the statutory termination dates of July 1, 2020 for the Voluntary Remediation Program and the article of statute governing total maximum daily loads. Retroactive to July 1, 2020, establishes the Water Monitoring Assistance Program in the Department of Environmental Quality in the same manner it existed in statute prior to being repealed on July 1, 2020. Emergency clause. AS SIGNED BY GOVERNOR	First sponsor: Sen. Kerr (R - Dist 13)			3/18 signed by governor. Chap. 69, Laws 2021. message
S1377 (Chapter 179): CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC	If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. A person or provider is presumed to have acted	First sponsor: Sen. Leach (R - Dist 11) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Bolick (R - Dist 20), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Sen. Kerr (R - Dist 13), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Osborne (R - Dist 13), Sen. Pace (R - Dist 25), Sen. Shope (R - Dist 8), Rep. Toma (R -			4/5 signed by governor. Chap. 179, Laws 2021. message

	in good faith if the person or provider adopted and implemented reasonable policies related to the pandemic. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is alleged to be caused by the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. A health professional or health care institution is presumed to have acted in good faith if the professional or institution relied on and reasonably attempted to comply with applicable published guidance relating to the pandemic that was issued by a federal or state agency. Applies to all claims filed before or after the effective date of this legislation for an act or omission that occurred on or after March 11, 2020 relating to a pandemic that is the subject of the state of emergency declared by the Governor. Does not apply to workers' compensation claims. Retroactive to March 11, 2020. Severability clause. AS SIGNED BY GOVERNOR	Dist 22), Sen. Townsend (R - Dist 16), Sen. Ugenti-Rita (R - Dist 23), Rep. Weninger (R - Dist 17)			
S1442 (Chapter 44): HAZARDOUS VEGETATION REMOVAL; STATE FORESTER	To implement the program to remove vegetative natural products where the vegetation is hazardous, the State Forester is authorized to enter into an intergovernmental agreement or memorandum of understanding with a "public agency" (defined elsewhere in statute) to identify and remove the hazardous vegetation from land in this state, including state, federal, tribal and private lands for the purposes of fire prevention, forest and watershed restoration and critical infrastructure protection. Does not apply to State Trust Land. The State Forester is authorized to use legislative appropriations and accept and spend monies from public agencies, gifts, donations and grants for the costs of implementing this legislation. The consent of the property owner is required to remove hazardous vegetation on private property, and the consent of	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Engel (D - Dist 10), Sen. Fann (R - Dist 1), Sen. Gabaldon (D - Dist 2), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Otondo (D - Dist 4), Sen. Peshlakai (D - Dist 7), Sen. Shope (R - Dist 8)			3/9 signed by governor. Chap. 44, Laws 2021. message

	the Tribe is required to remove hazardous vegetation on tribal land. AS SIGNED BY GOVERNOR. In his signing statement, the Governor stated that this legislation is a key component of the Arizona Healthy Forest Initiative to reduce wildfire risk to Arizona communities.				
S1459 (Chapter 316): AGENCY DECISIONS; ADMINISTRATIVE REVIEWS	Deletes the exemption from judicial review of administrative decisions for the Arizona Corporation Commission (ACC). ACC decisions are subject to de novo court review, with some exceptions. AS SIGNED BY GOVERNOR	First sponsor: Sen. Petersen (R - Dist 12)			5/4 signed by governor. Chap. 316, Laws 2021. message

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Priority					
H2248: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Declares it is the public policy of Arizona that public service corporations should pursue the use of "clean energy resources" (defined) and the reduction of carbon emissions, provided the mix of "critical electric generation resources" (defined) used by each public service corporation to meet its customers' needs is the "lowest cost method" (defined) of providing safe and reliable electricity services while taking specified factors into consideration. The clean energy and carbon emissions reduction policy of Arizona requires public service corporations to derive at least the following percentage of retail kilowatt sales from renewable energy resources by the following dates: 12percent by December 31, 2022, 13 percent by December 31, 2023, 14 percent by December 31, 2024, and 15 percent by December 31, 2025 and each year after. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the Arizona Corporation Commission (ACC) from exercising its ratemaking or statutory authority over public service corporations. The ACC is authorized to adopt rules to ensure compliance with this legislation, and is prohibited from enforcing any policy or rule that increases or decreases the percentages of renewable energy resources specified by this legislation or that directly or	First sponsor: Rep. Griffin (R - Dist 14)			4/1 from Senate appro do pass.

	indirectly regulates a public service corporation's "carbon emissions" (defined). Contains legislative findings. Retroactive to June 30, 2020. AS PASSED HOUSE.				
H2737: CORPORATION COMMISSION ACTIONS; INVESTIGATION	At the request of a member of the Legislature, the Attorney General is required to investigate any decision, order or rule adopted or amended by the Arizona Corporation Commission (ACC) that the member alleges is beyond the ACC's statutory or constitutional authority or whether the ACC is not executing or enforcing a statute. If the Attorney General concludes that the ACC does not have the authority or is not executing or enforcing a statute, the Attorney General is required to notify the ACC of the violation by certified mail and provide 30 days to resolve the violation. If the ACC fails to resolve the violation within 30 days, the Attorney General is required to file a special action in the Supreme Court to resolve the issue, and the Supreme Court is required to give the action precedence over all other cases. If the Supreme Court determines that the ACC does not have the authority or is not executing or enforcing a statute, Attorney General is required to inform the Department of Administration (DOA), and DOA is required to withhold ten percent of the ACC operating lump sum budget for the current fiscal year. Does not apply to any order or decision setting rates for public service corporations.	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Nutt (R - Dist 14), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			3/4 House COW approved with amend #4149 and flr amend #4743.
S1175: CORPORATION COMMISSION; ELECTRIC GENERATION RESOURCES	Without express legislative authorization, the Arizona Corporation Commission (ACC) is prohibited from adopting or enforcing a policy, decision or rule that directly or indirectly regulates the types of "critical electric generation resources" (defined) used or acquired by public service corporations within Arizona's energy grid. Does not apply to any policy, decision or rule adopted before June 30, 2020. Does not prohibit the ACC from setting electricity rates for public service corporations. Contains legislative findings. Retroactive to June 30, 2020.	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Shope (R - Dist 8)			3/4 retained on Senate COW calendar.

S1177: FOREST PRODUCTS; PROCESSING; TAX CREDIT	Establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2032 at a facility located in Arizona. The amount of the credit is up to $10,000 for the first 20,000 tons and $5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed $500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at $2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. Applies to tax years beginning with 2022. AS PASSED SENATE	First sponsor: Sen. Kerr (R - Dist 13) Others: Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8)			3/10 from House nat res-energy-water do pass.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Budget Issue					
H2891: BUDGET; BRB; BUDGET PROCEDURES; 2021-2022	Makes various changes that affect the budget across agencies. Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than $25 million, and that meets other specified requirements) is authorized to submit to the Director a notice that the project sponsor is	First sponsor: Rep. Cobb (R - Dist 5)			5/25 from House appro do pass. 5/26 from House rules okay.

initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. Permitting Dashboard provisions self-repeal January 1, 2029. Contracts for goods and services approved by the Public Safety Personnel Retirement System Board (PSPRS Board) are no longer exempt from the Procurement Code. The PSPRS Board is required to establish and administer an Administration Account. Monies that must be deposited in the Administration Account and expenditures that must be paid from the Administration Account are listed. Establishes the Major Events Fund to be administered by the Arizona Commerce Authority and used to support the planning and operation of the competitive bid process for major events in coordination with the Office of Tourism and for other economic development activities associated with major event operations. Liabilities in excess of $200,000 incurred by the Arizona Department of Forestry and Fire Management during an emergency arising from major disasters may be reimbursed with the approval of the Governor or State Emergency Council. The Director of the Arizona Legislative Council is required to direct and manage the State Capitol Museum and administer the Museum Gift Shop Revolving Fund. Modifies deadlines for various reports to the Governor and the Legislature. Session law affirms that the legal defense of state election laws and procedures is of statewide importance and the Attorney General has the sole authority to defend such laws. The Attorney General is prohibited from

	representing or providing legal advice to the Secretary of State or the Department of State on any matters through June 30, 2023. The Secretary of State is authorized to hire one FTE position to serve as legal advisor and represent the Secretary of State, but the Secretary is prohibited from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services. Requires any unrestricted federal monies received by Arizona in FY2021-22 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of $17.87/square foot for office space and $6.43/square foot for storage space. For FY2021-22, FY2022-23, and FY2023-24, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Before spending monies from specified funds as appropriated by the federal American Rescue Plan Act of 2021 in the amount of $10 million or more for one designated purpose, the Governor, the Superintendent of Public Instruction, and the Arizona Board of Regents are each required to notify the Legislature of the intended use of the monies. Establishes quarterly reporting requirements for expenditures from these funds. Establishes a 13-member Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority. The amount appropriated to the Department of Public Safety for body cameras is exempt from specified requirements, including independent third-party validation and verification requirements.				
H2894: BUDGET; BRB; ENVIRONMENT; 2021-2022	Makes policy changes pertaining to environmental regulation that affect the state budget. The maximum amount of monies in the State Land Department Due Diligence Fund before the funds revert to the general fund is increased to $5 million, from $500,000. The maximum amount of liabilities for wildland fire suppression or other unplanned all-risk emergency liabilities incurred by the State Forester is increased to $5.5 million of general fund monies, from $3 million. Subject to legislative appropriation, the State Forester is required to process and pay claims to a fire district with a population of	First sponsor: Rep. Bowers (R - Dist 25)			5/26 from House rules okay.

	less than 5,000 inhabitants for expenses incurred in responding to emergency medical services calls on federal lands. Establishes the Arizona State Parks Store Fund, to be used by the Arizona State Parks Board to operate and maintain gift shops. Establishes the Drought Mitigation Board to evaluate and approve funding requests for monies from the newly established Drought Mitigation Revolving Fund for purposes that substantially improve sustainable water supplies to meet Arizona's long-term water demand. Establishes procedures for financial assistance from the Fund. The Board and the Fund terminate on July 1, 2031. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to $336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2021-22. Allows the Department of Environmental Quality (DEQ) to use up to $6.53 million from the Underground Storage Tank Revolving Fund in FY2021-22 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. DEQ is required to charge the same fees in FY2021-22 that were charged in FY2020-21 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 to pay legal fees. Notwithstanding statutory requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at $15 million.				
H2895: BUDGET; GENERAL APPROPRIATIONS ACT; 2021-2022	The "feed bill" for FY2021-22, containing appropriations for state agencies and programs. Provisions include: Requires the Auditor General to conduct a special audit of financial and related information of any private, nongovernmental grant monies used for Arizona's 2020 elections and Maricopa County's procurement of voting systems. The Auditor General is required to submit a report on the audit to the Governor and the Legislature by March 31, 2022, and information that must be included in the report is listed. Requires the Auditor	First sponsor: Rep. Cobb (R - Dist 5)			5/26 from House rules okay.

General is compile information on how all Arizona school districts and charter schools spent or plan to spend stimulus monies specified in the federal acts related to the COVID-19 pandemic and ho the Arizona Department of Education spent or plans to spend its stimulus discretionary monies specified in the federal acts related to the COVID-19 pandemic in FY2019-20, FY2020-21, and FY2021-22. Appropriates $4.615 billion in FY2021-22 for basic state aid to school districts for maintenance and operations funding. Continues deferment of $900.7 million in basic state aid payments to schools until FY2022-23. Makes a supplemental appropriation of $38.76 million from the general fund in FY2020-21 to the School Facilities Board for building renewal grants. Appropriates $47.95 million from the general fund in FY2022-23 for a one time deposit in the New School Facilities Fund. The sum of $74.7 million is reduced from appropriations made from the general fund in FY2021-22 to eliminate debt service payments following the retirement or defeasance of financing agreements entered into pursuant to the FY2015-16 budget, consisting of $57.24 million from appropriations to the School Facilities Board New School Facilities Fund and $17.46 million from appropriations to the Department of Corrections private prison per diem line item. Appropriates $53.7 million from the general fund in FY2021-22 to DOA for debt service payments on the sale and leaseback of state buildings. Makes a supplemental appropriation of $507.1 million from the general fund in FY2020-21 to the Department of Administration (DOA) to pay for the retirement or defeasance of financing agreements and state lottery revenue bonds. Makes a supplemental appropriation of $17.04 million from the general fund in FY2020-21 to the Department of Administration (DOA) for distribution to counties with political subdivisions in Arizona that paid refunds ordered in the Transwestern Pipeline Co. v. Arizona Department of Revenue litigation. Makes supplemental appropriations to the Department of Child Safety and the Department of Economic Security (DES) in FY2020-21 for caseload adjustments. Makes a supplemental appropriation of $62

	million from the general fund in FY2020-21 to DES for deposit in the Unemployment Compensation Fund. Appropriates $55 million from the general fund in FY2020-21 to the Department of Emergency and Military Affairs for deposit in the Border Security Fund. Makes a supplemental appropriation of $300 million from the general fund in FY2020-21 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability. Appropriates the following amounts from the general fund in FY2021-22 to the Department of Administration (DOA) for distribution to counties for maintenance of essential county services: $7.15 million for distribution to counties with a population of less than 900,000, $500,000 for distribution to Graham County, and $3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocate equally among all counties with a population of less than 300,000 persons. On or after April 1, 2022, the Department of Economic Security is authorized to use up to $25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2022. Requires various reports and makes various fund transfers.				
S1819: BUDGET; BRB; BUDGET PROCEDURES; 2021-2022	Makes various changes that affect the budget across agencies. Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is	First sponsor: Sen. Fann (R - Dist 1) Others: Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11)			5/26 from Senate appro do pass. From Senate rules okay.

likely to require a total construction investment of more than $25 million, and that meets other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. Permitting Dashboard provisions self-repeal January 1, 2029. Contracts for goods and services approved by the Public Safety Personnel Retirement System Board (PSPRS Board) are no longer exempt from the Procurement Code. The PSPRS Board is required to establish and administer an Administration Account. Monies that must be deposited in the Administration Account and expenditures that must be paid from the Administration Account are listed. Establishes the Major Events Fund to be administered by the Arizona Commerce Authority and used to support the planning and operation of the competitive bid process for major events in coordination with the Office of Tourism and for other economic development activities associated with major event operations. Liabilities in excess of $200,000 incurred by the Arizona Department of Forestry and Fire Management during an emergency arising from major disasters may be reimbursed with the approval of the Governor or State Emergency Council. The Director of the Arizona Legislative Council is required to direct and manage the State Capitol Museum and administer the Museum Gift Shop Revolving Fund. Modifies deadlines for various reports to the Governor and the Legislature. Session law affirms that the legal

	defense of state election laws and procedures is of statewide importance and the Attorney General has the sole authority to defend such laws. The Attorney General is prohibited from representing or providing legal advice to the Secretary of State or the Department of State on any matters through June 30, 2023. The Secretary of State is authorized to hire one FTE position to serve as legal advisor and represent the Secretary of State, but the Secretary is prohibited from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services. Requires any unrestricted federal monies received by Arizona in FY2021-22 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of $17.87/square foot for office space and $6.43/square foot for storage space. For FY2021-22, FY2022-23, and FY2023-24, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Before spending monies from specified funds as appropriated by the federal American Rescue Plan Act of 2021 in the amount of $10 million or more for one designated purpose, the Governor, the Superintendent of Public Instruction, and the Arizona Board of Regents are each required to notify the Legislature of the intended use of the monies. Establishes quarterly reporting requirements for expenditures from these funds. Establishes a 13-member Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority. The amount appropriated to the Department of Public Safety for body cameras is exempt from specified requirements, including independent third-party validation and verification requirements.				
S1822: BUDGET; BRB; ENVIRONMENT; 2021-2022	Makes policy changes pertaining to environmental regulation that affect the state budget. The maximum amount of monies in the State Land Department Due Diligence Fund before the funds revert to the general fund is increased to $5 million, from $500,000. The maximum amount of liabilities for wildland fire suppression or other unplanned all-risk emergency liabilities incurred by the State	First sponsor: Sen. Fann (R - Dist 1) Others: Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Leach (R - Dist 11)			5/26 from Senate appro do pass. From Senate rules okay.

	Forester is increased to $5.5 million of general fund monies, from $3 million. Subject to legislative appropriation, the State Forester is required to process and pay claims to a fire district with a population of less than 5,000 inhabitants for expenses incurred in responding to emergency medical services calls on federal lands. Establishes the Arizona State Parks Store Fund, to be used by the Arizona State Parks Board to operate and maintain gift shops. Establishes the Drought Mitigation Board to evaluate and approve funding requests for monies from the newly established Drought Mitigation Revolving Fund for purposes that substantially improve sustainable water supplies to meet Arizona's long-term water demand. Establishes procedures for financial assistance from the Fund. The Board and the Fund terminate on July 1, 2031. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to $336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2021-22. Allows the Department of Environmental Quality (DEQ) to use up to $6.53 million from the Underground Storage Tank Revolving Fund in FY2021-22 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. DEQ is required to charge the same fees in FY2021-22 that were charged in FY2020-21 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 to pay legal fees. Notwithstanding statutory requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at $15 million.				

Monitor

H2040: DAM SAFETY STUDY COMMITTEE	Establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance. The Committee is required to submit a report of its findings to the Governor and the Legislature by December 31, 2021, and self-repeals July 1, 2022.	First sponsor: Rep. Griffin (R - Dist 14)		General Comments (all lists): S/E: SURVEYS; LAND DIVISIONS; COUNTY REGULATION	4/6 from Senate rules okay.
H2049: EMINENT DOMAIN; EXISTING CONTRACTS	If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes. AS PASSED HOUSE.	First sponsor: Rep. Weninger (R - Dist 17)			5/24 Senate COW approved with amend #4797 and flr amend #5145. FAILED Senate 12-18.
H2077: STATE LAKE IMPROVEMENT FUND; APPROPRIATIONS	Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system. Appropriates $3 million from the general fund and $2 million from the SPRF in FY2020-21 to the Arizona State Parks Board for operating costs.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Sen. Borrelli (R - Dist 5), Rep. Cobb (R - Dist 5)			3/17 from Senate appro do pass.
H2127: APPROPRIATION; STATE PARKS; HERITAGE FUND	Appropriates $10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.	First sponsor: Rep. Osborne (R - Dist 13) Others: Rep. Blackman (R - Dist 6), Rep. Bowers (R - Dist 25), Rep. Chavez (D - Dist 29), Rep. Cook (R - Dist 8), Rep. Dunn (R - Dist 13), Rep. A. Hernandez (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Lieberman (D - Dist 28), Rep. Nutt (R - Dist 14)			3/24 from Senate appro do pass.
H2577: APPROPRIATION; WATER SUPPLY STUDY	Appropriates $5 million from the general fund in FY2021-22 to the Department of Water Resources to study potential sources of water for use in Arizona. AS PASSED HOUSE	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			3/10 from Senate appro do pass.

H2712: HIGHWAY ALIGNMENTS; ENVIRONMENTAL IMPACT STATEMENT	If the Arizona Department of Transportation (ADOT) issues a final tier 1 environmental impact statement and record of decision for a new state highway in a county with a population of more than 400,000 persons and less than 800,000 persons (Pinal County), ADOT is required to include at least one alternative in the tier 2 phase for further study that services the most populous geographical area with the greatest potential for economic development, and that represents feedback received from citizens, stakeholders and resolutions that are adopted by impacted local jurisdictions that are submitted to ADOT as public comments. If after December 31, 2020 and before the effective date of this legislation, ADOT issues a final tier 1 environmental impact statement and record of decision that does not comply with these requirements, ADOT is required to reissue the environmental impact statement and record of decision. Self-repeals January 1, 2023. AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Parker (R - Dist 16), Sen. Petersen (R - Dist 12), Rep. Pratt (R - Dist 8), Sen. Shope (R - Dist 8), Rep. Toma (R - Dist 22), Sen. Townsend (R - Dist 16)			3/22 Senate trans-tech do pass; report awaited.
S1124: CONTRIBUTIONS IN AID OF CONSTRUCTION	The list of subtractions from Arizona gross income for the purpose of computing Arizona taxable income for a corporation is expanded to include the amount of monies or property received as a "contribution in aid of construction" (defined) by a public service corporation operating a water or sewage disposal facility. Retroactive to tax years beginning with 2021.	First sponsor: Sen. Gowan (R - Dist 14)			3/10 from House ways-means do pass.
S1384: STATE PARKS; LOTTERY; HERITAGE FUND	Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, $3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, $1 million in FY2021-22 and $2 million in FY2022-23 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund. AS PASSED SENATE	First sponsor: Sen. Shope (R - Dist 8)			3/31 from House appro with amend #4971.

SCR1011: BORDER SECURITY; BORDER CRISIS	The members of the Legislature call on the President of the U.S. and Congress to take immediate action to secure the southern border and stymie the security and humanitarian crises associated with any further illegal immigration and to as quickly as possible shore up the southern border by completing the southern border wall. The members of the Legislature support the Speaker of the House of Representatives and President of the Senate in creating a Joint Border Security Advisory Commission to provide a forum where testimony can be taken regarding the international border between Arizona and Mexico and address related issues to this international border. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S, the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona. AS PASSED HOUSE	First sponsor: Sen. Kerr (R - Dist 13)			5/24 Senate concurred in House amendments and passed on final reading 16-14; ready for Secretary of State.

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Bills of Interest					
H2190: VACCINES; GOVERNMENTS; BUSINESSES	Beginning November 1, 2022 and every six months thereafter, the Attorney General and each county attorney from a county with a population of 200,000 persons or more is required to make a report that includes a list of specified information about felony cases charged by the respective prosecutor's office. Beginning November 1, 2022 and every six months thereafter, the Attorney General and each county attorney from a county with a population of 200,000 persons or more that prosecutes any of a list of drug-related charges is required to make a report for each applicable individual charge, including any preparatory offenses, that includes the drug type and weight in grams or pounds of the drugs involved. Beginning November 1, 2023, the Arizona Criminal Justice Commission is designated as the central collection point for criminal justice data reports, and is required to review and consolidate the data received under these requirements and perform specified calculations	First sponsor: Rep. Roberts (R - Dist 11) Others: Rep. Blackman (R - Dist 6)			5/20 Senate COW approved with amend #4980 and flr amend #5143. NOTE SHORT TITLE CHANGE. FAILED Senate 13-16.

	using the data. Beginning November 1, 2023 and every six months thereafter, the Commission is required to publish the reports on the Commission's website in an electronic format that is machine-readable, machine-searchable and readily accessible to the public. Beginning January 1, 2022, each county attorney from a county with a population of 200,000 persons or more is required to make the data included in the criminal case reports available on the county attorney's website. Beginning January 1, 2022, each county attorney and public defender's office is required to annually publish a list of information about the office's staff on the office's website. Contains a legislative intent section. Applies to criminal justice data that is collected after the effective date of this legislation. AS PASSED HOUSE				
HCR2037: PANDEMIC EMERGENCIES; SPECIAL SESSIONS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to authorize the Legislature to call a special session to proclaim a state of emergency due to the occurrence of a public health emergency or a statewide emergency by a petition signed by a majority of the members of each house of the Legislature. If the Governor proclaims a state of emergency due to the occurrence of a public health emergency or a statewide emergency and issues an executive order that restrains the actions of any person or entity in Arizona, the Governor is required to call a special session of the Legislature by the 14th day after the Governor proclaims the state of emergency or issues the executive order, whichever is later, to address matters relating to the state of emergency and the executive order. Establishes requirements for a special session called under these circumstances. The Governor is authorized to object to any action that issues a legislative order or terminates or modifies an executive order by notifying the house in which the action originated. If the Governor objects, the Legislature is required to reconsider and approve the action by a roll call vote of 60 percent of the members in each house in order to issue the Legislative order or terminate or modify an executive order. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			4/1 from Senate appro do pass. From Senate rules okay.

S1084: STATE OF EMERGENCY; AUTOMATIC TERMINATION	A state of emergency declared by the Governor terminates 90 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency in whole or in part by concurrent resolution. The Legislature is authorized to extend the state of emergency as many times as necessary by concurrent resolution, but any extension is limited to a period of 90 days. A state of emergency may be terminated earlier than the 90-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is terminated by the Legislature, the Governor is prohibited from proclaiming a new state of emergency based on the same conditions without the passage of a concurrent resolution by the Legislature consenting to the new state of emergency. If the Governor fails to comply with this prohibition, any citizen is authorized to apply to the superior court for a writ of mandamus to compel the Governor to comply. AS PASSED SENATE	First sponsor: Sen. Ugenti-Rita (R - Dist 23) Others: Sen. Barto (R - Dist 15), Sen. Borrelli (R - Dist 5), Sen. Gowan (R - Dist 14), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			3/31 from House rules okay.
SCR1003: EXECUTIVE ORDERS; EMERGENCIES; REAUTHORIZATION; TERMINATION	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to terminate a state of emergency declared by the Governor 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the state of emergency by concurrent resolution. Does not apply to a state of war emergency. A state of emergency may be terminated earlier than the 30-day period by proclamation of the Governor or by concurrent resolution of the Legislature. If a state of emergency is not extended by the Legislature, the Governor is prohibited from proclaiming a new state of emergency arising out of the same conditions. AS PASSED SENATE.	First sponsor: Sen. Petersen (R - Dist 12) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Bowers (R - Dist 25), Sen. Boyer (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Cobb (R - Dist 5), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Grantham (R - Dist 12), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. John (R - Dist 4), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Rep. Nutt (R - Dist 14), Sen. Pace (R - Dist 25), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Roberts (R - Dist 11), Sen. Rogers (R - Dist 6), Rep. Udall (R - Dist 25), Sen. Ugenti-Rita (R - Dist 23)			3/25 from House gov-elect do pass.

ECO & partners key accomplishment for FY 2020

Although its second half was deeply affected by the COVID 19 pandemic, Fiscal Year 2020 was extremely productive for the Eastern Arizona Counties Organization (ECO).

Program 1: Forest Restoration

- New 4FRI RFP released on September 16, 2019 for up to 818,000 acres and 20 years of mechanical thinning.
- Second 4FRI landscape scale Draft EIS released on October 19, 2019 for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire.
- Bridge the Gap Program continued success in FY 2020 with 10,314 acres sold and 57,647 acres under contract outside of 4FRI, with the White Mountains industry.
- Engagement by ECO with APS leadership in a March 25, 2020 letter and an April 15, 2020 meeting to support the continued implementation of forest restoration in the White Mountains and the landscape scale implementation of the Forest Service 4FRI RFP, by purchasing bioelectricity.
- Development of stakeholders-supported new Alternative 3 as new Proposed Action for the Black River Restoration Project, and publication of Draft Environmental Statement on October 1, 2020.

Program 2: Threatened and Endangered Species

- ~$200,000 paid to ranchers in Mexican Wolf depredation compensation and "pay-for-presence" cohabitation compensation.
- No initial release of adult "naïve" wolves.
- Designation of ECO as a Cooperating Agency in the Supplemental Environmental Impact Statement for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)) on June 17, 2020.
- New Mexico and Arizona states-wide Mexican Spotted Owl litigation resolution with joint Forest Service / Center for Biological Diversity / AZ Forestry / NM Forestry / ECO press release on July 8, 2020 announcing CBD decision to not litigate and October 27, 2020 stipulation of voluntary dismissal of the WildEarth Guardians litigation.

Program 3: Watershed Restoration

- Signature on September 4, 2019 of a Stewardship Agreement between the U.S. Forest Service and the National Wild Turkey Federation for the General Springs area of the CC Cragin Watershed Restoration Project.

Program 4: Infrastructures

- Conversion of the ADOT "Healthy Forest Initiative" pilot project into a permanent program on October 20, 2019, allowing an increased maximum weight of up to 97,000 lbs., and adding all roads and highways, including Interstate highways, necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix.

Program 5: Recreation

- Tonto National Forest Supplemental Environmental Impact Statement for Public Motorized Travel Management Plan released on October 4, 2019. Addition of Black Bear to the list of species allowed motorized big game retrieval, and inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites.

AZ-COCHISE-22-0985-A-000297

- Apache-Sitgreaves National Forests Draft Environmental Impact Statement for Public Motorized Travel Management Plan released on August 29, 2019. Addition of Black Bear to the list of species allowed motorized big game retrieval, and addition of up to 56 camping corridors or road spurs to existing dispersed camping sites in the Clifton District.

Program 6: Energy

- Unanimous approval of the Chevelon Butte Wind Gen-Tie Project by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019; Arizona Corporation Commission on October 22, 2019; Coconino County Board of Supervisors on December 4, 2019; and Navajo County Board of Supervisors on December 10, 2019.

Program 7 Natural Resources Planning

- FY 2020 ECO Legislative Field Trip organized for October 2 & 3, 2019 with a focus on economic development, border issues, water conservation and recharge in the San Pedro system in Cochise County, but postponed to Fall 2020 due the visit to Arizona of U.S. Vice President Pence on October 3, 2019, then postponed to Fall 2021 due to COVID-19.
- Filing on March 11, 2020 of comments on the Tonto National Forest Land Management Plan Revision identifying issues with failure to coordinate with local government, and to comply with the Multiple Use Sustained Yield Act (MUSYA); opposing Alternative C – Natural Forces Predominant, additional wilderness and special designations or recommendations, additional wild and Scenic River designations or eligibility, and additional inventoried roadless areas under all Alternatives; and expressing concerns with Alternative B Proposed Action - Draft Forest Plan.

Program 8: Public Lands

- Grand Canyon Centennial Protection Act (H.R. 1373) designed to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims passed in the U.S. House of Representatives on October 30, 2019. The U.S. Senate did not act on the bill during the 116th Congress (2019-2020).
- Filing of ECO comments on the US Forest Service National Environmental Policy Act Compliance Proposed Rule on August 23, 2019, identifying issues with the proposed Conditions Based Management (CBM), Adaptive Management framework, Determination of NEPA Adequacy, removal of sensitive species consideration in Categorical Exclusion decisions, and removal of mandatory formal scoping periods for Categorical Exclusion and Environmental Assessments.

Program 9: Water

- WOTUS final rule published on October 22, 2019 by the Environmental Protection Agency (EPA) and the Department of the Army to repeal the 2015 Clean Water Rule and to restore the regulatory text that existed prior to the 2015 Rule.
- Decision by ADEQ on December 2, 2019, to not continue pursuing expensive state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

Program 10: Emerging Issues

- Apache/Sitgreaves National Forests invitation on September 29, 2020, for ECO/Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA process.

From:	pberlioux easternarizonacounties.us
To:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Liz Castillo; Malena Bazurto; Nelson Davis; pberlioux easternarizonacounties.us; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Travis Simshauser
Subject:	ECO Annual Planning Meeting documents
Date:	Tuesday, May 18, 2021 10:54:49 AM
Attachments:	image001.jpg Attendance ECO Annual Planning Meeting May 18 & 19, 2021.docx Minutes ECO meeting March 17, 2021.pdf ECO Plan for Receipt and Expenditure of Monies for Fiscal Year 2021.pdf ECO Fund 280468 Income Statement 05-17-2021.pdf ECO Fund 280468 Balance Sheet 05-17-2021.pdf ECO FY2021 Budget & Cash Flow Tracking Sheet 05-17-2021.pdf X Diamond Ranch Directions.pdf ECO Fund 280465 Balance Sheet 05-18-2021.pdf ECO Fund 280468 Expense Ledger Summary List 05-17-2021.pdf Agenda ECO Annual Planning Meeting May 19, 2021.pdf

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CAUTION: EXTERNAL EMAIL*

Hello;

Please find attached the documents for Wednesday ECO Meeting.

Key logistics:

- Dinner will start at the X Diamond Ranch tonight at 6:30 PM.
- Rooms are reserved at the X Diamond Ranch tonight for Jason, Richard, Peggy, Steve, Paul, James, Pascal.
- Breakfast will be served at 8:00 AM tomorrow at the X Diamond Ranch.
- Meeting will take place tomorrow from 9:00 AM to 2:00 PM at the X Diamond Ranch.
- Rooms are currently retained at the X Diamond Ranch tomorrow for Peggy and Steve (to be confirmed upon arrival).
- I plan to arrive at the X Diamond Ranch today between 4:30 and 5:00 PM
- https://www.xdiamondranch.net/
- Direction attached or at https://13d59d5c-b8f5-4323-86ef-e7c8aad43068.filesusr.com/ugd/08b794_d86ab3721719443e8ece476388351cdb.pdf

Looking forward to see you

Thx
P

Pascal Berlioux, Ph.D. MBA
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Balance Sheet

Through 05/18/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**					
Fund Type	**Special Reveune Funds**					
Fund	**280465 - Eastern AZ Counties Org - ECO**					
ASSETS						
101						
101.00	Cash and investment w/ treasurer		478,229.16	437,056.57	41,172.59	9.42
		101 - Totals	$478,229.16	$437,056.57	$41,172.59	9.42%
		ASSETS TOTALS	$478,229.16	$437,056.57	$41,172.59	9.42%
FUND EQUITY						
291						
291.20	Undesignated fund balance		437,056.57	437,056.57	.00	.00
		291 - Totals	$437,056.57	$437,056.57	$0.00	0.00%
		FUND EQUITY TOTALS Prior to Current Year Changes	$437,056.57	$437,056.57	$0.00	0.00%
	Prior Year Fund Equity Adjustment		.00			
	Fund Revenues		(41,172.59)			
	Fund Expenses		.00			
		FUND EQUITY TOTALS	$478,229.16	$437,056.57	$41,172.59	9.42%
		LIABILITIES AND FUND EQUITY TOTALS	$478,229.16	$437,056.57	$41,172.59	9.42%
		Fund **280465 - Eastern AZ Counties Org - ECO** Totals	$0.00	$0.00	$0.00	+++
		Fund Type **Special Reveune Funds** Totals	$0.00	$0.00	$0.00	+++
		Fund Category **Governmental Funds** Totals	$0.00	$0.00	$0.00	+++
		Grand Totals	$0.00	$0.00	$0.00	+++

Balance Sheet

Through 05/17/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**					
Fund Type	**Special Reveune Funds**					
Fund	**280468 - ECO - Operating Fund**					
	ASSETS					
101						
101.00	Cash and investment w/ treasurer		327,628.88	261,947.40	65,681.48	25.07
		101 - Totals	$327,628.88	$261,947.40	$65,681.48	25.07%
120						
120.00	Accounts receivable		.00	30,000.00	(30,000.00)	(100.00)
		120 - Totals	$0.00	$30,000.00	($30,000.00)	(100.00%)
		ASSETS TOTALS	$327,628.88	$291,947.40	$35,681.48	12.22%
	LIABILITIES AND FUND EQUITY					
	LIABILITIES					
204						
204.10	Salaries and wages		.00	2,083.66	(2,083.66)	(100.00)
204.20	ER Social sec cont - FICA		.00	201.56	(201.56)	(100.00)
204.21	ER Social sec cont - Medicare		.00	47.14	(47.14)	(100.00)
204.30	ER Arizona state retirement		.00	406.41	(406.41)	(100.00)
204.31	ER Arizona state retiremnt - LTD		.00	6.08	(6.08)	(100.00)
		204 - Totals	$0.00	$2,744.85	($2,744.85)	(100.00%)
205						
205.10	EE Federal income taxes		.00	429.26	(429.26)	(100.00)
205.20	EE State income taxes		.00	76.80	(76.80)	(100.00)
205.30	EE Social sec cont - FICA		.00	201.56	(201.56)	(100.00)
205.31	EE Social sec cont - Medicare		.00	47.14	(47.14)	(100.00)
205.40	EE Arizona state retirement		.00	406.41	(406.41)	(100.00)
205.41	EE Arizona state retiremnt - LTD		.00	6.08	(6.08)	(100.00)
205.50	EE Medical insurance		.00	444.62	(444.62)	(100.00)
205.51	EE Dental insurance		.00	26.92	(26.92)	(100.00)
205.52	EE Vision insurance		.00	11.87	(11.87)	(100.00)
205.54	EE Supplemental insurance		.00	7.04	(7.04)	(100.00)
		205 - Totals	$0.00	$1,657.70	($1,657.70)	(100.00%)
210						
210.00	Accounts payable		.00	788.08	(788.08)	(100.00)
		210 - Totals	$0.00	$788.08	($788.08)	(100.00%)
		LIABILITIES TOTALS	$0.00	$5,190.63	($5,190.63)	(100.00%)
	FUND EQUITY					
291						
291.20	Undesignated fund balance		286,756.77	286,756.77	.00	.00
		291 - Totals	$286,756.77	$286,756.77	$0.00	0.00%

Balance Sheet

Through 05/17/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**				
Fund Type	**Special Reveune Funds**				
Fund	**280468 - ECO - Operating Fund**				
	FUND EQUITY TOTALS Prior to Current Year Changes	$286,756.77	$286,756.77	$0.00	0.00%
	Prior Year Fund Equity Adjustment	.00			
	Fund Revenues	(216,584.69)			
	Fund Expenses	175,712.58			
	FUND EQUITY TOTALS	$327,628.88	$286,756.77	$40,872.11	14.25%
	LIABILITIES AND FUND EQUITY TOTALS	$327,628.88	$291,947.40	$35,681.48	12.22%
	Fund **280468 - ECO - Operating Fund** Totals	$0.00	$0.00	$0.00	+++
	Fund Type **Special Reveune Funds** Totals	$0.00	$0.00	$0.00	+++
	Fund Category **Governmental Funds** Totals	$0.00	$0.00	$0.00	+++
	Grand Totals	$0.00	$0.00	$0.00	+++

Balance Sheet

Through 11/12/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**					
Fund Type	**Special Reveune Funds**					
Fund	**280468 - ECO - Operating Fund**					
	ASSETS					
101						
101.00	Cash and investment w/ treasurer		183,257.39	253,443.99	(70,186.60)	(27.69)
		101 - Totals	$183,257.39	$253,443.99	($70,186.60)	(27.69%)
		ASSETS TOTALS	$183,257.39	$253,443.99	($70,186.60)	(27.69%)
	LIABILITIES AND FUND EQUITY					
	LIABILITIES					
204						
204.10	Salaries and wages		2,594.30	.00	2,594.30	+++
204.20	ER Social sec cont - FICA		312.57	265.55	47.02	17.71
204.21	ER Social sec cont - Medicare		73.11	62.10	11.01	17.73
204.30	ER Arizona state retirement		637.32	452.74	184.58	40.77
204.31	ER Arizona state retiremnt - LTD		9.91	7.04	2.87	40.77
		204 - Totals	$3,627.21	$787.43	$2,839.78	360.64%
205						
205.10	EE Federal income taxes		838.62	740.28	98.34	13.28
205.20	EE State income taxes		184.97	160.87	24.10	14.98
205.30	EE Social sec cont - FICA		312.57	265.55	47.02	17.71
205.31	EE Social sec cont - Medicare		73.11	62.10	11.01	17.73
205.40	EE Arizona state retirement		637.32	452.74	184.58	40.77
205.41	EE Arizona state retiremnt - LTD		9.91	7.04	2.87	40.77
205.50	EE Medical insurance		621.12	488.02	133.10	27.27
205.51	EE Dental insurance		37.61	29.55	8.06	27.28
205.52	EE Vision insurance		16.58	13.03	3.55	27.24
205.54	EE Supplemental insurance		9.83	7.72	2.11	27.33
		205 - Totals	$2,741.64	$2,226.90	$514.74	23.11%
210						
210.00	Accounts payable		.00	818.89	(818.89)	(100.00)
		210 - Totals	$0.00	$818.89	($818.89)	(100.00%)
		LIABILITIES TOTALS	$6,368.85	$3,833.22	$2,535.63	66.15%
	FUND EQUITY					
291						
291.20	Undesignated fund balance		286,756.77	286,756.77	.00	.00
		291 - Totals	$286,756.77	$286,756.77	$0.00	0.00%
		FUND EQUITY TOTALS Prior to Current Year Changes	$286,756.77	$286,756.77	$0.00	0.00%
	Prior Year Fund Equity Adjustment		37,146.00			
	Fund Revenues		(508.22)			

Balance Sheet

Through 11/12/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**				
Fund Type	**Special Reveune Funds**				
	Fund Expenses	73,230.45			
	FUND EQUITY TOTALS	$176,888.54	$286,756.77	($109,868.23)	(38.31%)
	LIABILITIES AND FUND EQUITY TOTALS	$183,257.39	$290,589.99	($107,332.60)	(36.94%)
	Fund **280468 - ECO - Operating Fund** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
	Fund Type **Special Reveune Funds** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
	Fund Category **Governmental Funds** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
	Grand Totals	$0.00	($37,146.00)	$37,146.00	100.00%

Balance Sheet

Through 01/18/22
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**					
Fund Type	**Special Reveune Funds**					
Fund	**280468 - ECO - Operating Fund**					
	ASSETS					
101						
101.00	Cash and investment w/ treasurer		142,927.49	253,443.99	(110,516.50)	(43.61)
		101 - Totals	$142,927.49	$253,443.99	($110,516.50)	(43.61%)
		ASSETS TOTALS	$142,927.49	$253,443.99	($110,516.50)	(43.61%)
	LIABILITIES AND FUND EQUITY					
	LIABILITIES					
204						
204.10	Salaries and wages		(48.92)	.00	(48.92)	+++
204.20	ER Social sec cont - FICA		.00	265.55	(265.55)	(100.00)
204.21	ER Social sec cont - Medicare		.00	62.10	(62.10)	(100.00)
204.30	ER Arizona state retirement		.00	452.74	(452.74)	(100.00)
204.31	ER Arizona state retiremnt - LTD		.00	7.04	(7.04)	(100.00)
		204 - Totals	($48.92)	$787.43	($836.35)	(106.21%)
205						
205.10	EE Federal income taxes		.00	740.28	(740.28)	(100.00)
205.20	EE State income taxes		.00	160.87	(160.87)	(100.00)
205.30	EE Social sec cont - FICA		.00	265.55	(265.55)	(100.00)
205.31	EE Social sec cont - Medicare		.00	62.10	(62.10)	(100.00)
205.40	EE Arizona state retirement		.00	452.74	(452.74)	(100.00)
205.41	EE Arizona state retiremnt - LTD		.00	7.04	(7.04)	(100.00)
205.50	EE Medical insurance		.00	488.02	(488.02)	(100.00)
205.51	EE Dental insurance		.00	29.55	(29.55)	(100.00)
205.52	EE Vision insurance		.00	13.03	(13.03)	(100.00)
205.54	EE Supplemental insurance		.00	7.72	(7.72)	(100.00)
		205 - Totals	$0.00	$2,226.90	($2,226.90)	(100.00%)
210						
210.00	Accounts payable		.00	818.89	(818.89)	(100.00)
		210 - Totals	$0.00	$818.89	($818.89)	(100.00%)
		LIABILITIES TOTALS	($48.92)	$3,833.22	($3,882.14)	(101.28%)
	FUND EQUITY					
291						
291.20	Undesignated fund balance		286,756.77	286,756.77	.00	.00
		291 - Totals	$286,756.77	$286,756.77	$0.00	0.00%
		FUND EQUITY TOTALS Prior to Current Year Changes	$286,756.77	$286,756.77	$0.00	0.00%
	Prior Year Fund Equity Adjustment		37,146.00			
	Fund Revenues		(662.21)			

Balance Sheet

Through 01/18/22
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Current YTD Balance	Prior Year Total Actual	Net Change	Change %
Fund Category	**Governmental Funds**				
Fund Type	**Special Reveune Funds**				
	Fund Expenses	107,296.57			
	FUND EQUITY TOTALS	$142,976.41	$286,756.77	($143,780.36)	(50.14%)
	LIABILITIES AND FUND EQUITY TOTALS	$142,927.49	$290,589.99	($147,662.50)	(50.81%)
Fund	**280468 - ECO - Operating Fund** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
Fund Type	**Special Reveune Funds** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
Fund Category	**Governmental Funds** Totals	$0.00	($37,146.00)	$37,146.00	100.00%
	Grand Totals	$0.00	($37,146.00)	$37,146.00	100.00%

NAVAJO COUNTY

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number: [redacted]		Regular salaries & wages				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$124,100.00	$0.00	$5,926.87
			Month Total:	August 2020			$0.00	$0.00	$9,230.78
			Month Total:	September 2020			$0.00	$0.00	$9,230.78
			Month Total:	October 2020			$0.00	$0.00	$13,846.17
			Month Total:	November 2020			$0.00	$0.00	$9,730.78
			Month Total:	December 2020			$0.00	$0.00	$10,153.86
			Month Total:	January 2021			$0.00	$0.00	$9,230.78
			Month Total:	February 2021			$0.00	$0.00	$9,230.78
			Month Total:	March 2021			$0.00	$0.00	$9,230.78
			Month Total:	April 2021			$0.00	$0.00	$13,846.17
			Month Total:	May 2021			$0.00	$0.00	$4,615.39
			Account Total:	Regular salaries & wages			$124,100.00	$0.00	$104,273.14
G/L Account Number [redacted]		Social security contributions				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$7,769.00	$0.00	$355.37
			Month Total:	August 2020			$0.00	$0.00	$556.93
			Month Total:	September 2020			$0.00	$0.00	$556.93
			Month Total:	October 2020			$0.00	$0.00	$843.08
			Month Total:	November 2020			$0.00	$0.00	$587.93
			Month Total:	December 2020			$0.00	$0.00	$614.15
			Month Total:	January 2021			$0.00	$0.00	$556.92
			Month Total:	February 2021			$0.00	$0.00	$556.93
			Month Total:	March 2021			$0.00	$0.00	$556.93
			Month Total:	April 2021			$0.00	$0.00	$843.08
			Month Total:	May 2021			$0.00	$0.00	$281.56
			Account Total:	Social security contr butions			$7,769.00	$0.00	$6,309.81
G/L Account Number [redacted]		Medicare contributions				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,816.00	$0.00	$83.11
			Month Total:	August 2020			$0.00	$0.00	$130.25
			Month Total:	September 2020			$0.00	$0.00	$130.25
			Month Total:	October 2020			$0.00	$0.00	$197.16
			Month Total:	November 2020			$0.00	$0.00	$137.51

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number: [redacted]		Medicare contributions				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	December 2020			$0.00	$0.00	$143.63
			Month Total:	January 2021			$0.00	$0.00	$130.25
			Month Total:	February 2021			$0.00	$0.00	$130.25
			Month Total:	March 2021			$0.00	$0.00	$130.25
			Month Total:	April 2021			$0.00	$0.00	$197.17
			Month Total:	May 2021			$0.00	$0.00	$65.85
			Account Total:	Medicare contributions			$1,816.00	$0.00	$1,475.68
G/L Account Number: [redacted]		Arizona state retirement cont.				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$15,097.00	$0.00	$717.01
			Month Total:	August 2020			$0.00	$0.00	$1,123.42
			Month Total:	September 2020			$0.00	$0.00	$1,123.42
			Month Total:	October 2020			$0.00	$0.00	$1,679.11
			Month Total:	November 2020			$0.00	$0.00	$1,183.62
			Month Total:	December 2020			$0.00	$0.00	$1,123.42
			Month Total:	January 2021			$0.00	$0.00	$1,123.42
			Month Total:	February 2021			$0.00	$0.00	$1,123.42
			Month Total:	March 2021			$0.00	$0.00	$1,123.42
			Month Total:	April 2021			$0.00	$0.00	$1,679.11
			Month Total:	May 2021			$0.00	$0.00	$567.73
			Account Total:	Arizona state retirement cont.			$15,097.00	$0.00	$12,567.10
G/L Account Number: [redacted]		Arizona state retirement LTD				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$215.00	$0.00	$10.72
			Month Total:	August 2020			$0.00	$0.00	$16.80
			Month Total:	September 2020			$0.00	$0.00	$16.80
			Month Total:	October 2020			$0.00	$0.00	$25.11
			Month Total:	November 2020			$0.00	$0.00	$17.70
			Month Total:	December 2020			$0.00	$0.00	$16.80
			Month Total:	January 2021			$0.00	$0.00	$16.80
			Month Total:	February 2021			$0.00	$0.00	$16.80
			Month Total:	March 2021			$0.00	$0.00	$16.80
			Month Total:	April 2021			$0.00	$0.00	$25.11

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number [redacted]		Arizona state retirement LTD				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	May 2021			$0.00	$0.00	$8.49
			Account Total:	Arizona state retirement LTD			$215.00	$0.00	$187.93
G/L Account Number: [redacted]		Medical insurance				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$13,527.00	$0.00	$617.69
			Month Total:	August 2020			$0.00	$0.00	$962.02
			Month Total:	September 2020			$0.00	$0.00	$962.02
			Month Total:	October 2020			$0.00	$0.00	$962.02
			Month Total:	November 2020			$0.00	$0.00	$962.02
			Month Total:	December 2020			$0.00	$0.00	$962.02
			Month Total:	January 2021			$0.00	$0.00	$962.02
			Month Total:	February 2021			$0.00	$0.00	$962.02
			Month Total:	March 2021			$0.00	$0.00	$962.02
			Month Total:	April 2021			$0.00	$0.00	$962.02
			Month Total:	May 2021			$0.00	$0.00	$481.01
			Account Total:	Medical insurance			$13,527.00	$0.00	$9,756.88
G/L Account Number [redacted]		Dental insurance				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$0.00	$0.00	$38.64
			Month Total:	August 2020			$0.00	$0.00	$60.18
			Month Total:	September 2020			$0.00	$0.00	$60.18
			Month Total:	October 2020			$0.00	$0.00	$60.18
			Month Total:	November 2020			$0.00	$0.00	$60.18
			Month Total:	December 2020			$0.00	$0.00	$60.18
			Month Total:	January 2021			$0.00	$0.00	$60.18
			Month Total:	February 2021			$0.00	$0.00	$60.18
			Month Total:	March 2021			$0.00	$0.00	$60.18
			Month Total:	April 2021			$0.00	$0.00	$60.18
			Month Total:	May 2021			$0.00	$0.00	$30.09
			Account Total:	Dental insurance			$0.00	$0.00	$610.35
G/L Account Number: [redacted]		Workers' compensation insurance				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$229.00	$0.00	$0.00

NAVAJO COUNTY

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number [redacted]		Workers' compensation insurance				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	October 2020			$0.00	$0.00	$52.05
			Month Total:	January 2021			$0.00	$0.00	$63.28
			Month Total:	April 2021			$0.00	$0.00	$52.05
			Account Total:	Workers' compensation insurance			$229.00	$0.00	$167.38
G/L Account Number [redacted]		Office supplies				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$32.74
			Month Total:	August 2020			$0.00	$0.00	$182.06
			Month Total:	March 2021			$0.00	$0.00	$43.66
			Account Total:	Office supplies			$1,000.00	$0.00	$258.46
G/L Account Number: [redacted]		Operating supplies				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$0.00
			Account Total:	Operating supplies			$1,000.00	$0.00	$0.00
G/L Account Number [redacted]		Food supplies				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$0.00
			Account Total:	Food supplies			$1,000.00	$0.00	$0.00
G/L Account Number [redacted]		Public event supplies				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$0.00
			Account Total:	Public event supplies			$1,000.00	$0.00	$0.00
G/L Account Number: [redacted]		Professional services				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$55,000.00	$0.00	$3,000.00
			Month Total:	August 2020			$0.00	$0.00	$3,000.00
			Month Total:	September 2020			$0.00	$0.00	$3,000.00
			Month Total:	October 2020			$0.00	$0.00	$3,000.00
			Month Total:	November 2020			$0.00	$0.00	$3,000.00
			Month Total:	December 2020			$0.00	$0.00	$3,000.00
			Month Total:	January 2021			$0.00	$0.00	$3,000.00
			Month Total:	February 2021			$0.00	$0.00	$3,000.00
			Month Total:	March 2021			$0.00	$0.00	$3,000.00
			Month Total:	April 2021			$0.00	$0.00	$3,000.00

AZ-COCHISE-22-0985-A-000311

NAVAJO COUNTY

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number [redacted]		Professional services				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	May 2021			$0.00	$0.00	$3,000.00
			Account Total:	Professional services			$55,000.00	$0.00	$33,000.00
G/L Account Number [redacted]		Legal professional services				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$0.00
			Account Total:	Legal professional services			$1,000.00	$0.00	$0.00
G/L Account Number [redacted]		Information system services				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$2,500.00	$0.00	$0.00
			Month Total:	January 2021			$0.00	$0.00	$624.17
			Account Total:	Information system services			$2,500.00	$0.00	$624.17
G/L Account Number [redacted]		Software maintenance agreements				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$550.00	$0.00	$0.00
			Account Total:	Software maintenance agreements			$550.00	$0.00	$0.00
G/L Account Number [redacted]		Other services				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$182,997.00	$0.00	$0.00
			Account Total:	Other services			$182,997.00	$0.00	$0.00
G/L Account Number [redacted]		Cellular				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,200.00	$0.00	$28.42
			Month Total:	August 2020			$0.00	$0.00	$100.00
			Month Total:	September 2020			$0.00	$0.00	$100.00
			Month Total:	October 2020			$0.00	$0.00	$100.00
			Month Total:	November 2020			$0.00	$0.00	$100.00
			Month Total:	December 2020			$0.00	$0.00	$100.00
			Month Total:	January 2021			$0.00	$0.00	$100.00
			Month Total:	February 2021			$0.00	$0.00	$100.00
			Month Total:	March 2021			$0.00	$0.00	$100.00
			Month Total:	April 2021			$0.00	$0.00	$100.00
			Month Total:	May 2021			$0.00	$0.00	$100.00
			Account Total:	Cellular			$1,200.00	$0.00	$1,028.42

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number [redacted]		Postage				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$500.00	$0.00	$0.00
			Account Total:	Postage			$500.00	$0.00	$0.00
G/L Account Number: [redacted]		Travel expense - in-state				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$21,000.00	$0.00	$0.00
			Month Total:	August 2020			$0.00	$0.00	$42.81
			Month Total:	September 2020			$0.00	$0.00	$514.49
			Month Total:	February 2021			$0.00	$0.00	$102.81
			Month Total:	March 2021			$0.00	$0.00	$112.21
			Month Total:	April 2021			$0.00	$0.00	$489.42
			Account Total:	Travel expense - in-state			$21,000.00	$0.00	$1,261.74
G/L Account Number: [redacted]		Travel expense - out-of-state				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$5,000.00	$0.00	$0.00
			Account Total:	Travel expense - out-of-state			$5,000.00	$0.00	$0.00
G/L Account Number: [redacted]		Aid to other govts and nonprofit				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$10,000.00	$0.00	$0.00
			Account Total:	Aid to other govts and nonprofit			$10,000.00	$0.00	$0.00
G/L Account Number [redacted]		Local government units				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$37,000.00	$0.00	$0.00
			Account Total:	Local government units			$37,000.00	$0.00	$0.00
G/L Account Number [redacted]		Other aid & contributions				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$50,000.00	$0.00	$0.00
			Account Total:	Other aid & contributions			$50,000.00	$0.00	$0.00
G/L Account Number [redacted]		Dues, memberships & subscriptns				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$2,500.00	$0.00	$0.00
			Month Total:	November 2020			$0.00	$0.00	$366.28
			Month Total:	February 2021			$0.00	$0.00	$149.90
			Month Total:	March 2021			$0.00	$0.00	$8.39
			Month Total:	April 2021			$0.00	$0.00	$20.00
			Account Total:	Dues, memberships & subscriptns			$2,500.00	$0.00	$544.57

NAVAJO COUNTY

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 5/17/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Budget	Encumbrance	Actual
G/L Account Number: [redacted]		Training expenses				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$500.00	$0.00	$0.00
			Account Total:	Training expenses			$500.00	$0.00	$0.00
G/L Account Number: [redacted]		Meeting / conference registration & fees				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$1,000.00	$0.00	$0.00
			Account Total:	Meeting / conference registration & fees			$1,000.00	$0.00	$0.00
G/L Account Number [redacted]		Information systems & software				Fiscal YTD:	$0.00	$0.00	$0.00
			Month Total:	July 2020			$5,000.00	$0.00	$3,646.95
			Account Total:	Information systems & software			$5,000.00	$0.00	$3,646.95
			Department Total:	BOS/Administration			$542,500.00	$0.00	$175,712.58
			Fund Total:	ECO - Operating Fund			$542,500.00	$0.00	$175,712.58
			Grand Total:				**$542,500.00**	**$0.00**	**$175,712.58**

Income Statement

Through 05/17/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**							
Fund Type	**Special Reveune Funds**							
Fund	**280468 - ECO - Operating Fund**							
REVENUE								
Department	**002 - BOS/Administration**							
339								
339.20	Local government unit contracts		250,000.00	.00	250,000.00	.00	100	286,000.00
		339 - Totals	$250,000.00	$0.00	$250,000.00	$0.00	100%	$286,000.00
360								
360.10	Interest on investments		2,500.00	.00	2,584.69	(84.69)	103	3,305.86
		360 - Totals	$2,500.00	$0.00	$2,584.69	($84.69)	103%	$3,305.86
560								
560.00	Operating transfers out		.00	.00	(36,000.00)	36,000.00	+++	.00
		560 - Totals	$0.00	$0.00	($36,000.00)	$36,000.00	+++	$0.00
	Department **002 - BOS/Administration** Totals		$252,500.00	$0.00	$216,584.69	$35,915.31	86%	$289,305.86
		REVENUE TOTALS	$252,500.00	$0.00	$216,584.69	$35,915.31	86%	$289,305.86
EXPENSE								
Department	**002 - BOS/Administration**							
401								
401.10	Regular salaries & wages		124,100.00	4,615.39	104,273.14	19,826.86	84	121,919.42
		401 - Totals	$124,100.00	$4,615.39	$104,273.14	$19,826.86	84%	$121,919.42
402								
402.10	Social security contributions		7,769.00	281.56	6,309.81	1,459.19	81	7,373.43
402.11	Medicare contributions		1,816.00	65.85	1,475.68	340.32	81	1,724.44
402.20	Arizona state retirement cont.		15,097.00	567.73	12,567.10	2,529.90	83	14,596.18
402.21	Arizona state retirement LTD		215.00	8.49	187.93	27.07	87	208.14
402.30	Medical insurance		13,527.00	481.01	9,756.88	3,770.12	72	11,668.65
402.31	Dental insurance		.00	30.09	610.35	(610.35)	+++	728.65
402.41	Workers' compensation insurance		229.00	.00	167.38	61.62	73	201.29
		402 - Totals	$38,653.00	$1,434.73	$31,075.13	$7,577.87	80%	$36,500.78
411								
411.10	Office supplies		1,000.00	.00	258.46	741.54	26	888.77
		411 - Totals	$1,000.00	$0.00	$258.46	$741.54	26%	$888.77
412								
412.00	Operating supplies		1,000.00	.00	.00	1,000.00	0	.00
412.20	Food supplies		1,000.00	.00	.00	1,000.00	0	.00
412.91	Public event supplies		1,000.00	.00	.00	1,000.00	0	.00
		412 - Totals	$3,000.00	$0.00	$0.00	$3,000.00	0%	$0.00
421								
421.00	Professional services		55,000.00	3,000.00	33,000.00	22,000.00	60	72,294.83

Income Statement

Through 05/17/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
Fund Type	**Special Reveune Funds**						
Fund	**280468 - ECO - Operating Fund**						
EXPENSE							
Department	**002 - BOS/Administration**						
421.10	Legal professional services	1,000.00	.00	.00	1,000.00	0	.00
421.20	Information system services	2,500.00	.00	624.17	1,875.83	25	.00
421.21	Software maintenance agreements	550.00	.00	.00	550.00	0	.00
421.90	Other services	182,997.00	.00	.00	182,997.00	0	.00
	421 - Totals	$242,047.00	$3,000.00	$33,624.17	$208,422.83	14%	$72,294.83
423							
423.11	Cellular	1,200.00	100.00	1,028.42	171.58	86	1,221.58
423.20	Postage	500.00	.00	.00	500.00	0	.00
	423 - Totals	$1,700.00	$100.00	$1,028.42	$671.58	60%	$1,221.58
424							
424.10	Travel expense - in-state	21,000.00	.00	1,261.74	19,738.26	6	11,718.56
424.20	Travel expense - out-of-state	5,000.00	.00	.00	5,000.00	0	5,935.46
	424 - Totals	$26,000.00	$0.00	$1,261.74	$24,738.26	5%	$17,654.02
431							
431.00	Aid to other govts and nonprofit	10,000.00	.00	.00	10,000.00	0	.00
431.30	Local government units	37,000.00	.00	.00	37,000.00	0	.00
431.99	Other aid & contributions	50,000.00	.00	.00	50,000.00	0	.00
	431 - Totals	$97,000.00	$0.00	$0.00	$97,000.00	0%	$0.00
434							
434.30	Dues, memberships & subscriptns	2,500.00	.00	544.57	1,955.43	22	513.54
434.61	Training expenses	500.00	.00	.00	500.00	0	.00
434.63	Meeting / conference registration & fees	1,000.00	.00	.00	1,000.00	0	.00
	434 - Totals	$4,000.00	$0.00	$544.57	$3,455.43	14%	$513.54
454							
454.50	Information systems & software	5,000.00	.00	3,646.95	1,353.05	73	.00
	454 - Totals	$5,000.00	$0.00	$3,646.95	$1,353.05	73%	$0.00
	Department **002 - BOS/Administration** Totals	$542,500.00	$9,150.12	$175,712.58	$366,787.42	32%	$250,992.94
	EXPENSE TOTALS	$542,500.00	$9,150.12	$175,712.58	$366,787.42	32%	$250,992.94
	Fund **280468 - ECO - Operating Fund** Totals						
	REVENUE TOTALS	252,500.00	.00	216,584.69	35,915.31	86%	289,305.86
	EXPENSE TOTALS	542,500.00	9,150.12	175,712.58	366,787.42	32%	250,992.94
	Fund **280468 - ECO - Operating Fund** Net Gain (Loss)	($290,000.00)	($9,150.12)	$40,872.11	$330,872.11	(14%)	$38,312.92
	Fund Type **Special Reveune Funds** Totals						

Income Statement

Through 05/17/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
	REVENUE TOTALS	252,500.00	.00	216,584.69	35,915.31	86%	289,305.86
	EXPENSE TOTALS	542,500.00	9,150.12	175,712.58	366,787.42	32%	250,992.94
	Fund Type **Special Reveune Funds** Net Gain (Loss)	($290,000.00)	($9,150.12)	$40,872.11	$330,872.11	(14%)	$38,312.92
	Fund Category **Governmental Funds** Totals						
	REVENUE TOTALS	252,500.00	.00	216,584.69	35,915.31	86%	289,305.86
	EXPENSE TOTALS	542,500.00	9,150.12	175,712.58	366,787.42	32%	250,992.94
	Fund Category **Governmental Funds** Net Gain (Loss)	($290,000.00)	($9,150.12)	$40,872.11	$330,872.11	(14%)	$38,312.92
	Grand Totals						
	REVENUE TOTALS	252,500.00	.00	216,584.69	35,915.31	86%	289,305.86
	EXPENSE TOTALS	542,500.00	9,150.12	175,712.58	366,787.42	32%	250,992.94
	Grand Total Net Gain (Loss)	($290,000.00)	($9,150.12)	$40,872.11	$330,872.11	(14%)	$38,312.92

Income Statement

Through 11/12/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description		Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**							
Fund Type	**Special Reveune Funds**							
Fund	**280468 - ECO - Operating Fund**							
REVENUE								
Department	**002 - BOS/Administration**							
339								
339.20	Local government unit contracts		250,000.00	.00	.00	250,000.00	0	250,000.00
		339 - Totals	$250,000.00	$0.00	$0.00	$250,000.00	0%	$250,000.00
360								
360.10	Interest on investments		2,500.00	.00	508.22	1,991.78	20	2,893.21
		360 - Totals	$2,500.00	$0.00	$508.22	$1,991.78	20%	$2,893.21
560								
560.00	Operating transfers out		.00	.00	.00	.00	+++	(36,000.00)
		560 - Totals	$0.00	$0.00	$0.00	$0.00	+++	($36,000.00)
		Department **002 - BOS/Administration** Totals	$252,500.00	$0.00	$508.22	$251,991.78	0%	$216,893.21
		REVENUE TOTALS	$252,500.00	$0.00	$508.22	$251,991.78	0%	$216,893.21
EXPENSE								
Department	**002 - BOS/Administration**							
401								
401.10	Regular salaries & wages		124,700.00	5,115.39	43,027.52	81,672.48	35	121,745.69
		401 - Totals	$124,700.00	$5,115.39	$43,027.52	$81,672.48	35%	$121,745.69
402								
402.10	Social security contributions		7,732.00	312.57	2,617.28	5,114.72	34	7,407.65
402.11	Medicare contributions		1,808.00	73.11	612.11	1,195.89	34	1,732.43
402.20	Arizona state retirement cont.		15,201.00	637.32	5,309.46	9,891.54	35	14,698.95
402.21	Arizona state retirement LTD		273.00	9.91	82.56	190.44	30	220.08
402.30	Medical insurance		13,527.00	481.01	3,951.15	9,575.85	29	11,577.85
402.31	Dental insurance		.00	30.09	247.17	(247.17)	+++	724.26
402.41	Workers' compensation insurance		229.00	.00	56.52	172.48	25	228.01
		402 - Totals	$38,770.00	$1,544.01	$12,876.25	$25,893.75	33%	$36,589.23
411								
411.10	Office supplies		1,000.00	.00	.00	1,000.00	0	623.08
		411 - Totals	$1,000.00	$0.00	$0.00	$1,000.00	0%	$623.08
412								
412.00	Operating supplies		1,000.00	.00	.00	1,000.00	0	.00
412.20	Food supplies		1,000.00	.00	.00	1,000.00	0	.00
412.91	Public event supplies		1,000.00	.00	.00	1,000.00	0	.00
		412 - Totals	$3,000.00	$0.00	$0.00	$3,000.00	0%	$0.00
421								
421.00	Professional services		55,000.00	3,000.00	15,000.00	40,000.00	27	61,000.00

Income Statement

Through 11/12/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
Fund Type	**Special Reveune Funds**						
Fund	**280468 - ECO - Operating Fund**						
EXPENSE							
Department	**002 - BOS/Administration**						
421.10	Legal professional services	1,000.00	.00	.00	1,000.00	0	.00
421.20	Information system services	2,500.00	.00	.00	2,500.00	0	624.17
421.21	Software maintenance agreements	550.00	.00	.00	550.00	0	.00
421.90	Other services	207,280.00	.00	.00	207,280.00	0	.00
	421 - Totals	$266,330.00	$3,000.00	$15,000.00	$251,330.00	6%	$61,624.17
423							
423.11	Cellular	1,200.00	100.00	421.43	778.57	35	1,206.99
423.20	Postage	500.00	.00	.00	500.00	0	.00
	423 - Totals	$1,700.00	$100.00	$421.43	$1,278.57	25%	$1,206.99
424							
424.10	Travel expense - in-state	21,000.00	.00	1,905.25	19,094.75	9	22,776.20
424.20	Travel expense - out-of-state	5,000.00	.00	.00	5,000.00	0	.00
	424 - Totals	$26,000.00	$0.00	$1,905.25	$24,094.75	7%	$22,776.20
431							
431.00	Aid to other govts and nonprofit	10,000.00	.00	.00	10,000.00	0	5,000.00
431.30	Local government units	37,000.00	.00	.00	37,000.00	0	.00
431.99	Other aid & contributions	50,000.00	.00	.00	50,000.00	0	.00
	431 - Totals	$97,000.00	$0.00	$0.00	$97,000.00	0%	$5,000.00
434							
434.30	Dues, memberships & subscriptns	2,500.00	.00	.00	2,500.00	0	826.90
434.61	Training expenses	500.00	.00	.00	500.00	0	.00
434.63	Meeting / conference registration & fees	1,000.00	.00	.00	1,000.00	0	.00
	434 - Totals	$4,000.00	$0.00	$0.00	$4,000.00	0%	$826.90
454							
454.50	Information systems & software	5,000.00	.00	.00	5,000.00	0	3,646.95
	454 - Totals	$5,000.00	$0.00	$0.00	$5,000.00	0%	$3,646.95
	Department **002 - BOS/Administration** Totals	$567,500.00	$9,759.40	$73,230.45	$494,269.55	13%	$254,039.21
	EXPENSE TOTALS	$567,500.00	$9,759.40	$73,230.45	$494,269.55	13%	$254,039.21
	Fund **280468 - ECO - Operating Fund** Totals						
	REVENUE TOTALS	252,500.00	.00	508.22	251,991.78	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,759.40	73,230.45	494,269.55	13%	254,039.21
	Fund **280468 - ECO - Operating Fund** Net Gain (Loss)	($315,000.00)	($9,759.40)	($72,722.23)	$242,277.77	23%	($37,146.00)
	Fund Type **Special Reveune Funds** Totals						

Income Statement

Through 11/12/21
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
	REVENUE TOTALS	252,500.00	.00	508.22	251,991.78	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,759.40	73,230.45	494,269.55	13%	254,039.21
	Fund Type **Special Reveune Funds** Net Gain (Loss)	($315,000.00)	($9,759.40)	($72,722.23)	$242,277.77	23%	($37,146.00)
	Fund Category **Governmental Funds** Totals						
	REVENUE TOTALS	252,500.00	.00	508.22	251,991.78	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,759.40	73,230.45	494,269.55	13%	254,039.21
	Fund Category **Governmental Funds** Net Gain (Loss)	($315,000.00)	($9,759.40)	($72,722.23)	$242,277.77	23%	($37,146.00)
	Grand Totals						
	REVENUE TOTALS	252,500.00	.00	508.22	251,991.78	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,759.40	73,230.45	494,269.55	13%	254,039.21
	Grand Total Net Gain (Loss)	($315,000.00)	($9,759.40)	($72,722.23)	$242,277.77	23%	($37,146.00)

Income Statement

Through 01/18/22
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
Fund Type	**Special Reveune Funds**						
Fund	**280468 - ECO - Operating Fund**						
REVENUE							
Department	**002 - BOS/Administration**						
339							
339.20	Local government unit contracts	250,000.00	.00	.00	250,000.00	0	250,000.00
	339 - Totals	$250,000.00	$0.00	$0.00	$250,000.00	0%	$250,000.00
360							
360.10	Interest on investments	2,500.00	.00	662.21	1,837.79	26	2,893.21
	360 - Totals	$2,500.00	$0.00	$662.21	$1,837.79	26%	$2,893.21
560							
560.00	Operating transfers out	.00	.00	.00	.00	+++	(36,000.00)
	560 - Totals	$0.00	$0.00	$0.00	$0.00	+++	($36,000.00)
	Department **002 - BOS/Administration** Totals	$252,500.00	$0.00	$662.21	$251,837.79	0%	$216,893.21
	REVENUE TOTALS	$252,500.00	$0.00	$662.21	$251,837.79	0%	$216,893.21
EXPENSE							
Department	**002 - BOS/Administration**						
401							
401.10	Regular salaries & wages	124,700.00	4,615.39	62,412.16	62,287.84	50	121,745.69
	401 - Totals	$124,700.00	$4,615.39	$62,412.16	$62,287.84	50%	$121,745.69
402							
402.10	Social security contributions	7,732.00	343.43	3,850.23	3,881.77	50	7,407.65
402.11	Medicare contributions	1,808.00	80.32	900.46	907.54	50	1,732.43
402.20	Arizona state retirement cont.	15,201.00	576.22	7,589.90	7,611.10	50	14,698.95
402.21	Arizona state retirement LTD	273.00	8.96	118.02	154.98	43	220.08
402.30	Medical insurance	13,527.00	481.01	5,875.19	7,651.81	43	11,577.85
402.31	Dental insurance	.00	30.09	367.53	(367.53)	+++	724.26
402.41	Workers' compensation insurance	229.00	66.55	123.07	105.93	54	228.01
	402 - Totals	$38,770.00	$1,586.58	$18,824.40	$19,945.60	49%	$36,589.23
411							
411.10	Office supplies	1,000.00	.00	.00	1,000.00	0	623.08
	411 - Totals	$1,000.00	$0.00	$0.00	$1,000.00	0%	$623.08
412							
412.00	Operating supplies	1,000.00	.00	469.70	530.30	47	.00
412.20	Food supplies	1,000.00	.00	.00	1,000.00	0	.00
412.91	Public event supplies	1,000.00	.00	.00	1,000.00	0	.00
	412 - Totals	$3,000.00	$0.00	$469.70	$2,530.30	16%	$0.00
421							
421.00	Professional services	55,000.00	3,000.00	21,000.00	34,000.00	38	61,000.00

Income Statement

Through 01/18/22
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category **Governmental Funds**							
Fund Type **Special Reveune Funds**							
Fund **280468 - ECO - Operating Fund**							
EXPENSE							
Department **002 - BOS/Administration**							
421.10	Legal professional services	1,000.00	.00	.00	1,000.00	0	.00
421.20	Information system services	2,500.00	.00	.00	2,500.00	0	624.17
421.21	Software maintenance agreements	550.00	.00	.00	550.00	0	.00
421.90	Other services	207,280.00	.00	.00	207,280.00	0	.00
	421 - Totals	$266,330.00	$3,000.00	$21,000.00	$245,330.00	8%	$61,624.17
423							
423.11	Cellular	1,200.00	100.00	621.43	578.57	52	1,206.99
423.20	Postage	500.00	.00	.00	500.00	0	.00
	423 - Totals	$1,700.00	$100.00	$621.43	$1,078.57	37%	$1,206.99
424							
424.10	Travel expense - in-state	21,000.00	609.65	3,448.88	17,551.12	16	22,776.20
424.20	Travel expense - out-of-state	5,000.00	.00	520.00	4,480.00	10	.00
	424 - Totals	$26,000.00	$609.65	$3,968.88	$22,031.12	15%	$22,776.20
431							
431.00	Aid to other govts and nonprofit	10,000.00	.00	.00	10,000.00	0	5,000.00
431.30	Local government units	37,000.00	.00	.00	37,000.00	0	.00
431.99	Other aid & contributions	50,000.00	.00	.00	50,000.00	0	.00
	431 - Totals	$97,000.00	$0.00	$0.00	$97,000.00	0%	$5,000.00
434							
434.30	Dues, memberships & subscriptns	2,500.00	.00	.00	2,500.00	0	826.90
434.61	Training expenses	500.00	.00	.00	500.00	0	.00
434.63	Meeting / conference registration & fees	1,000.00	.00	.00	1,000.00	0	.00
	434 - Totals	$4,000.00	$0.00	$0.00	$4,000.00	0%	$826.90
454							
454.50	Information systems & software	5,000.00	.00	.00	5,000.00	0	3,646.95
	454 - Totals	$5,000.00	$0.00	$0.00	$5,000.00	0%	$3,646.95
	Department **002 - BOS/Administration** Totals	$567,500.00	$9,911.62	$107,296.57	$460,203.43	19%	$254,039.21
	EXPENSE TOTALS	$567,500.00	$9,911.62	$107,296.57	$460,203.43	19%	$254,039.21
	Fund **280468 - ECO - Operating Fund** Totals						
	REVENUE TOTALS	252,500.00	.00	662.21	251,837.79	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,911.62	107,296.57	460,203.43	19%	254,039.21
	Fund **280468 - ECO - Operating Fund** Net Gain (Loss)	($315,000.00)	($9,911.62)	($106,634.36)	$208,365.64	34%	($37,146.00)
	Fund Type **Special Reveune Funds** Totals						

Income Statement

Through 01/18/22
Detail Listing
Include Rollup Account/Rollup to Account

Account	Account Description	Annual Budget Amount	MTD Actual Amount	YTD Actual Amount	Budget Less YTD Actual	% of Budget	Prior Year Total Actual
Fund Category	**Governmental Funds**						
	REVENUE TOTALS	252,500.00	.00	662.21	251,837.79	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,911.62	107,296.57	460,203.43	19%	254,039.21
	Fund Type **Special Reveune Funds** Net Gain (Loss)	($315,000.00)	($9,911.62)	($106,634.36)	$208,365.64	34%	($37,146.00)
	Fund Category **Governmental Funds** Totals						
	REVENUE TOTALS	252,500.00	.00	662.21	251,837.79	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,911.62	107,296.57	460,203.43	19%	254,039.21
	Fund Category **Governmental Funds** Net Gain (Loss)	($315,000.00)	($9,911.62)	($106,634.36)	$208,365.64	34%	($37,146.00)
	Grand Totals						
	REVENUE TOTALS	252,500.00	.00	662.21	251,837.79	0%	216,893.21
	EXPENSE TOTALS	567,500.00	9,911.62	107,296.57	460,203.43	19%	254,039.21
	Grand Total Net Gain (Loss)	($315,000.00)	($9,911.62)	($106,634.36)	$208,365.64	34%	($37,146.00)

ECO Operating Budget FY 2021	Budget FY 2021	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	End FY 2021
Operating Revenues														
ECO Appropriation FY 2021	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000
Roll over from FY 2020	**$11,947**	$11,947												$11,947
Reclassification FY 2020 dues	**$0**	$36,000	$0					-$36,000						$0
ECO Appropriation FY 2022	**$250,000**											$250,000		$250,000
Interests	**$3,895**	$0	$491	$462	$433	$404	$375	$346	$253	$221	$189	$157	$562	$3,895
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenues YTD	**$515,842**	$297,947	$298,438	$298,901	$299,334	$299,738	$300,113	$264,459	$264,713	$264,934	$265,123	$515,280	$515,842	$515,842
Operational Expenses														
Wages	**$120,000**	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$120,000
Telephone Stipend	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Social Security FICA (6.2%)	**$7,514**	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$7,514
Medicare (1.45%)	**$1,757**	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$1,757
ASRS (11.35%)	**$13,756**	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$13,756
ASRS-LTD (0.12%)	**$145**	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$145
Medical	**$22,900**	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$22,900
Workers Comp	**$636**	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$636
Travel & Expenses	**$7,500**								$1,500	$1,500	$1,500	$1,500	$1,500	$7,500
Equipment & Supplies	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Others / Aministrative	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legislative Action	**$36,000**	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$36,000
Field Trip	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Dues & Memberships	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Studies	**$0**	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Shared Positions / Grants	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Stewardship	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal expenses	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$252,609**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$58,592	$252,609
Total Expenses YTD		$17,092	$34,185	$51,277	$68,370	$85,462	$102,555	$119,647	$138,240	$156,832	$175,425	$194,017	$252,609	$252,609
Operating Budget Balance YTD	**$263,233**	$280,855	$264,254	$247,624	$230,964	$214,276	$197,559	$144,812	$126,473	$108,102	$89,699	$321,263	$263,233	$263,233

ECO Fund 280468 Operating Cash Flow FY 2021	Budget FY 2021	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	End FY 2020
Operating Revenues FY 2021														
ECO appropriation FY 2021	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Roll over from FY 2020	**$11,947**	$11,947												$11,947
Reclassification FY 2020 dues	**$0**	$36,000						-$36,000						$0
ECO Appropriation FY 2022	**$250,000**											$250,000		$250,000
Interests	**$3,895**	$0	$491	$462	$433	$404	$375	$346	$253	$221	$189	$157	$562	$3,895
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating Expenses FY 2021														
Budgeted operations	**$252,609**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$58,592	$252,609
Unbudgeted expenses	**$0**													$0
Operating Cash flow balance YTD	**$263,233**	$280,855	$264,254	$247,624	$230,964	$214,276	$197,559	$144,812	$126,473	$108,102	$89,699	$321,263	$263,233	$263,233

ECO Fund 280465 Balance Sheet FY 2021	Budget FY 2021	July 2020	Aug 2020	Sept 2020	Oct 2020	Nov 2020	Dec 2020	Jan 2021	Feb 2021	Mar 2021	Apr 2021	May 2021	June 2021	End FY 2020
Assets														
Fund Equity	**$437,057**													
Reclassification annual dues FY 2020	**$36,000**	$0	$0	$0	$0	$0	$0	$36,000	$0	$0	$0	$0	$0	$36,000
Collection agreement AGFD	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Annual dues FY 2021	**$36,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$36,000	$36,000
Stewardship revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest revenues	**$6,771**	$521	$522	$523	$523	$524	$525	$525	$620	$621	$621	$622	$623	$6,771
Other revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Liabilities														
Pass through AGFD shared position	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal expenses	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other expenses	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Fund Equity Totals	**$515,827**	$437,578	$438,100	$438,623	$439,146	$439,670	$440,195	$476,720	$477,340	$477,961	$478,582	$479,204	$515,827	$515,827

ECO Operating Budget FY 2022	Budget FY 2022	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	End FY 2022
Operating Revenues														
ECO Appropriation FY 2022	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000
Roll over from FY 2021	**$3,444**	$3,444												$3,444
Interests	**$2,910**	$0	$414	$384	$355	$326	$297	$267	$238	$206	$173	$141	$109	$2,910
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenues YTD	**$256,354**	$253,444	$253,858	$254,242	$254,597	$254,923	$255,220	$255,487	$255,725	$255,930	$256,104	$256,245	$256,354	$256,354
Operational Expenses														
Wages	**$120,000**	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$120,000
Telephone Stipend	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Social Security FICA (6.2%)	**$7,514**	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$7,514
Medicare (1.45%)	**$1,757**	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$1,757
ASRS (11.35%)	**$13,756**	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$13,756
ASRS-LTD (0.12%)	**$145**	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$145
Medical	**$22,900**	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$22,900
Workers Comp	**$636**	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$636
Travel & Expenses	**$7,500**								$1,500	$1,500	$1,500	$1,500	$1,500	$7,500
Equipment & Supplies	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Others / Aministrative	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Information system & software	**$3,500**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,500	$3,500
Legislative Action	**$36,000**	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$36,000
Field Trip	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Dues & Memberships	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Studies	**$0**	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Shared Positions / Grants	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Stewardship	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal expenses	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$256,109**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$62,092	$256,109
Total Expenses YTD		$17,092	$34,185	$51,277	$68,370	$85,462	$102,555	$119,647	$138,240	$156,832	$175,425	$194,017	$256,109	$256,109
Operating Budget Balance YTD	**$244**	$236,352	$219,673	$202,965	$186,227	$169,461	$152,665	$135,840	$117,485	$99,098	$80,679	$62,228	$244	$244

ECO Fund 280468 Operating Cash Flow FY 2022	Budget FY 2022	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	End FY 2022
Operating Revenues FY 2022														
ECO appropriation FY 2022	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Roll over from FY 2021	**$3,444**	$3,444												$3,444
Interests	**$2,910**	$0	$414	$384	$355	$326	$297	$267	$238	$206	$173	$141	$109	$2,910
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating Expenses FY 2022														
Budgeted operations	**$256,109**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$62,092	$256,109
Unbudgeted expenses	**$0**													$0
Operating Cash flow balance YTD	**$244**	$236,352	$219,673	$202,965	$186,227	$169,461	$152,665	$135,840	$117,485	$99,098	$80,679	$62,228	$244	$244

ECO Operating Budget FY 2022	Budget FY 2022	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	End FY 2022
Operating Revenues														
ECO Appropriation FY 2022	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$250,000
Roll over from FY 2021	**$3,444**	$3,444												$3,444
Interests	**$2,910**	$0	$414	$384	$355	$326	$297	$267	$238	$206	$173	$141	$109	$2,910
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Revenues YTD	**$256,354**	$253,444	$253,858	$254,242	$254,597	$254,923	$255,220	$255,487	$255,725	$255,930	$256,104	$256,245	$256,354	$256,354
Operational Expenses														
Wages	**$120,000**	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$10,000	$120,000
Telephone Stipend	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Social Security FICA (6.2%)	**$7,514**	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$626	$7,514
Medicare (1.45%)	**$1,757**	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$146	$1,757
ASRS (11.35%)	**$13,756**	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$1,146	$13,756
ASRS-LTD (0.12%)	**$145**	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$12	$145
Medical	**$22,900**	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$1,908	$22,900
Workers Comp	**$636**	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$53	$636
Travel & Expenses	**$7,500**								$1,500	$1,500	$1,500	$1,500	$1,500	$7,500
Equipment & Supplies	**$1,200**	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$100	$1,200
Others / Aministrative	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Information system & software	**$3,500**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$3,500	$3,500
Legislative Action	**$36,000**	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$3,000	$36,000
Field Trip	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Dues & Memberships	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Studies	**$0**	$0	$0		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Shared Positions / Grants	**$20,000**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$20,000	$20,000
Stewardship	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Legal expenses	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total Expenses	**$256,109**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$62,092	$256,109
Total Expenses YTD		$17,092	$34,185	$51,277	$68,370	$85,462	$102,555	$119,647	$138,240	$156,832	$175,425	$194,017	$256,109	$256,109
Operating Budget Balance YTD	**$244**	$236,352	$219,673	$202,965	$186,227	$169,461	$152,665	$135,840	$117,485	$99,098	$80,679	$62,228	$244	$244

ECO Fund 280468 Operating Cash Flow FY 2022	Budget FY 2022	July 2021	Aug 2021	Sept 2021	Oct 2021	Nov 2021	Dec 2021	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	June 2022	End FY 2022
Operating Revenues FY 2022														
ECO appropriation FY 2022	**$250,000**	$250,000	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Roll over from FY 2021	**$3,444**	$3,444												$3,444
Interests	**$2,910**	$0	$414	$384	$355	$326	$297	$267	$238	$206	$173	$141	$109	$2,910
Other operating revenues	**$0**	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Operating Expenses FY 2022														
Budgeted operations	**$256,109**	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$17,092	$18,592	$18,592	$18,592	$18,592	$62,092	$256,109
Unbudgeted expenses	**$0**													$0
Operating Cash flow balance YTD	**$244**	$236,352	$219,673	$202,965	$186,227	$169,461	$152,665	$135,840	$117,485	$99,098	$80,679	$62,228	$244	$244

Plan for
Receipt and Expenditure of Monies for
County Environmental Programs
Impacting Economic Development
For Fiscal Year 2021

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Foreword #1

Recognizing that the words "*collaboration*," "*cooperation*," "*coordination*," "*contribution*" or "*consultation*" and their associated words such as "*collaborator*," "*cooperator*" or "*contributor*" may have specific legal meanings under the National Environmental Policy Act (NEPA), the Collaborative Forest Landscape Restoration Act (CFLRA) or other acts, or specific regulatory meanings in U.S. Department of Agriculture (USDA) or U.S. Department of the Interior (USDI) regulatory texts, or may be value laden, the Board of Directors of the Eastern Arizona Counties Organization has elected to use the word "*participation*" to characterize its action, in order to avoid unintended interpretations or possible misinterpretations.

Foreword #2

Virtually all issues in which the Eastern Arizona Counties Organization is engaged, in a leading or supporting role, are multi-constituencies issues in which numerous other Federal, State and Local Government agencies are engaged, as well as a large number of community collaborative groups, industry groups, non-governmental organizations (NGOs), advocacy and interest groups, private and public corporations, private citizens, etc. The Board of Directors of the Eastern Arizona Counties Organization wants to emphasize that the ECO Annual Report is not intended to claim various accomplishments or progress as Eastern Arizona Counties Organization (ECO) single successes, but as collaborative successes to be credited to many, among whom ECO has endeavored to participate and contribute as leader, follower, and, always, servant of the people of the Eastern Arizona Counties.

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Introduction

State budget appropriation to Apache, Gila, Graham, Greenlee and Navajo Counties for the planning and implementation of specific environmental programs impacting economic development in those Counties

In October 1993, the longtime collaboration between Apache, Gila, Graham, Greenlee, and Navajo Counties ("the Counties") was formalized under A.R.S. 11-952 by an Intergovernmental Agreement (IGA) between the Counties to create the Eastern Arizona Counties Organization (ECO) and to "participate in, support and endorse its actions and decisions which are in compliance with the adopted bylaws of the organization." The initial purpose of the Counties was to implement Presidential Executive Order 12372 (PEO 12372) related to the clearinghouse process for review of Federal programs which affect the custom, culture and economic well-being of the Counties.

Arizona Governor's Executive Orders 83-6 and 90-21 established the six Councils of Government (COG) in Arizona as area-wide clearinghouses, and the Arizona Department of Commerce as State Clearinghouse, for the Single Point of Contact (SPOC) clearinghouse process of review of Federal programs in Arizona. The *Procedures for Arizona Single Point of Contact Review Process According to Presidential Executive Order 12372* established the five Counties of ECO (Apache, Gila, Graham, Greenlee and Navajo) as County Official Reviewers (COR).

Since 1994, the ECO Counties have progressively developed a leading role in natural resources and public lands management issues in Eastern Arizona, such as their critical role in 1997 in the creation of the *Ecosystem Management Pilot Testing Project Cooperative Agreement Between USDA Forest Service, Apache-Sitgreaves, Coronado & Tonto National Forests, US Fish And Wildlife Service, Arizona Game And Fish Commission, Office Of The Governor, Arizona Board Of Regents On Behalf of University Of Arizona College Of Agriculture, and Eastern Arizona Counties Organization*, which has served as a template and baseline for every subsequent collaborative natural resources management or ecological restoration project in Arizona.

In May 1999, in acknowledgement and support of the leading role performed by the ECO Counties in state-wide issues of natural resources-based economic development and environmental programs, the Governor signed into law Senate Bill 1222, appropriating the sum of $250,000 for each of the fiscal years 2000 and 2001 from the State general fund to the State Land Department for equal distribution to Apache, Gila, Graham, Greenlee, and Navajo Counties to fund the "planning and implementation of specific environmental programs impacting economic development in those Counties." The Counties tasked ECO to execute the planning and implementation of the environmental programs through an agreement to provide services under A.R.S. 11-952.

In September 1999, the ECO Counties submitted for approval to the State Land Department their first annual plan for the implementation of a comprehensive set of environmental programs including research, demonstration projects, educational forums, and public information dissemination efforts that promoted and demonstrated the stewardship-based utilization of natural resources throughout Arizona.

Throughout fiscal years 2000 to 2020, the State Budget included appropriations disbursed equally by the State Land Department, then the State Forestry Division, then the Department of Forestry and Fire Management to Apache, Gila, Graham, Greenlee and Navajo Counties, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in those Counties, performed directly or through agreements to provide services with individual Counties or the Eastern Arizona Counties Organization.

For Fiscal Year 2021 (FY 2021), the State Budget includes a $250,000 appropriation to be disbursed to the Eastern Arizona Counties Organization fiscal agent Navajo County, through a 5 year intergovernmental agreement between Navajo County, acting as fiscal agent for ECO, and the Department of Forestry and Fire Management, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in the ECO Counties, subject to the submittal to, and approval by the Department of Forestry and Fire Management of a proposed *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development for FY 2021* ("Plan"), and subject to the submittal of a report on the completion of the programs.

A critical development since FY 2016 is the addition of Cochise County to ECO. Effective July 1, 2015, the Inter-Governmental Agreement (IGA) between the ECO counties was amended to include Cochise County. The addition of Cochise County expands the focus of ECO toward the southern part of Eastern Arizona and brings in sharp focus additional management issues such as the impact of the designated habitat for the jaguar and potential habitat for the ocelot, water rights and management issues, solar renewable energy development, etc.

In FY 2021, Apache, Cochise, Gila, Graham, Greenlee and Navajo Counties continue to pool resources and to task the Eastern Arizona Counties Organization (ECO) to plan and implement specific environmental programs impacting economic development in those Counties.

FY 2021 plan for receipt and expenditure of monies for county environmental programs impacting economic development in those counties

The ECO FY 2021 *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development* proposes the continuation of priorities previously approved by the Department of Forestry and Fire Management for planning and implementation:

- Continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC).

- Continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Continued participation in the Mexican Gray Wolf recovery program and experimental population program, and in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Continued support for, and participation in the protection, development and management of the eastern Arizona infrastructures.

- Continued support for, and participation in the development, implementation and retention of natural resources-based recreation opportunities, including the retention of existing motorized recreation, and the retention of a natural resources-based recreation economy.

- Continued support for, and participation in the protection and restoration of the eastern Arizona watersheds.

- Continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs).

- Continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Continued support for, and participation in the development, implementation and retention of traditional and renewable energy infrastructures and, energy-based economic retention and development.

- Continued support for, and participation in the development and implementation of effective planning and execution strategies for a sustainable Arizona water balance, across the board augmentation measures and preservation of rural and agricultural Arizona interests and economies in the implementation of water rights.

- Participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2021 programs

In consequence, the ECO FY 2021 Plan is articulated in ten distinct but mutually complementary programs:

- Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

- Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

- Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

- Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

- Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

- Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Program 9, *Water*, includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures; the implementation of across the board augmentation measures; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

- Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2021 plan implementation

The ECO FY 2021 Plan covers activities to be performed by the Eastern Arizona Counties Organization on behalf of Apache, Gila, Graham, Greenlee, Navajo and Cochise Counties. These activities are scheduled to take place during FY 2021, from July 1, 2020 to June 30, 2021.

ECO FY 2021 operating budget

The ECO total operating budget for Fiscal Year 2021 identifies the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding as follows:

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Program 1: Forest Restoration

Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

Background

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres in the White Mountains of eastern Arizona. The devastation of the Arizona forests, unprecedented in historical times; the large scale community evacuations that it triggered; and, the loss of approximately 400 homes and structures crystalized the threat addressed in the visionary 1997 ECO *Ecosystem Management Pilot Testing Project Cooperative Agreement* with the U.S. Forest Service (USFS), Fish & Wildlife Service, Arizona Game & Fish Department and University of Arizona. The ECO Counties and the White Mountains communities accelerated the completion of community fire plans spanning seamlessly the wildland urban interface (WUI) across the White Mountains. In addition, the White Mountains Natural Resources Working Group (NRWG) provided a forum for a broad range of stakeholders to provide collaborative input to the USFS and to create the social consensus necessary to experiment with a large scale, long-term stewardship contract as authorized by the 2003 Healthy Forest Restoration Act.

White Mountains area

In the White Mountains area, between Show Low, Springerville and Alpine, the USFS initiated work under the White Mountains Stewardship Contract (WMSC) on the Apache-Sitgreaves National Forests in August 2004. The stewardship authority allowed the USFS to exchange the value of the material harvested during the restoration treatments against the cost of the restoration services provided, and to subsidize the restoration costs when not fully offset by the valuation of the material. The WMSC was at the time the largest 10 year stewardship contract in the nation. It allowed for the treatment of up to 15,000 acres per year, and up to 150,000 acres over 10 years. The stewardship contract was intended to facilitate the development of a wood products industry better suited to market the small-diameter trees harvested during the implementation of restoration mechanical treatments.

However, as the WMSC contract proceeded, industry efficiencies were not realized as hoped for, and the USFS routinely had to subsidize the work at the rate of an average of $500 to $800 per acre. Budgetary constraints prevented the agency from funding the implementation of the full objectives of the contract. Instead of the 15,000 acres per year authorized, the WMSC implemented an average of 7,000 acres per year, and the model failed to demonstrate the ability to scale up from local to landscape-scale even though it was successful at local scale.

The 2011 White Mountains Stewardship Project Economic Assessment report credited the WMSC for supporting 445 full time equivalent (FTE) jobs tied directly or indirectly to 12 companies contributing $18.7 million to the White Mountains local economy. The final program report, published in April 2016, confirmed the positive economic impact of the WMSC. The WMSC is widely credited for being instrumental in creating the conditions that allowed fire fighters to save several White Mountains communities such as Alpine and Greer during the 2011 Wallow Fire.

San Francisco Peaks area

In the San Francisco Peaks area, around Flagstaff, the Grand Canyon Forest Partnership was created in 1998 as an alliance of environmental, governmental, and business organizations dedicated to researching and demonstrating approaches to forest ecosystem restoration in the ponderosa pine forests surrounding Flagstaff. The Partnership evolved into the Greater Flagstaff Forests Partnership (GFFP) in 2002 with the three primary goals of restoring natural ecosystem structures, function, and composition of ponderosa pine forests; managing forest fuels to reduce the probability of catastrophic fire; and, researching, testing, developing and demonstrating key ecological, economic, and social dimensions of restoration efforts.

GFFP was instrumental in the development of the Greater Flagstaff Community Wildfire Protection Plan (CWPP), which was approved in January 2005. From there, collaborative work progressed from 2006 to 2008 under the auspices of the Arizona Governor's Forest Health Council (GFHC) and local collaborative groups, to develop a new model of accelerated, landscape-scale, consensus based, industry supported community protection, forest restoration and fire management across northern and eastern Arizona.

In April 2009 the USFS and the GFHC co-hosted a Four Forests Initiative Forum that led to the creation of the USFS Four Forest Restoration Initiative (4FRI); the formalization of the collaborative effort in the 4FRI Stakeholders Group; and, the beginning of the agency and stakeholders' work on a 4FRI planning and contracting project. A Proposed Action (PA) was published under the National Environmental Protection Act (NEPA) in March 2011, and an industry Request for Proposal (RFP) was published under the Stewardship Authority of the Healthy Forest Restoration Act in June 2011.

The ECO Counties provided critical leadership to the process, with all five Counties passing Board of Supervisors resolutions of support, and providing sustained political support for the effort, at the local, state, regional and Federal levels.

In May 2012, the USFS awarded Pioneer Forest Products LLC the stewardship contract for the first analysis area of 4FRI ("1st 4FRI contract") on the Coconino, Kaibab, Tonto and Apache-Sitgreaves national forests. This contract is still at the time of this writing the largest stewardship contract in the nation. The contract required the mechanical treatment of at least 30,000 acres per year, and at least 300,000 acres over 10 years. The 1st 4FRI contract was intended to allow a $200 to $300 million investment in the creation of a new appropriate-scale industry capable of utilizing profitably small diameter logs and residual biomass, and to support up to 1,000 new jobs.

From May 2012 to June of 2013 Pioneer Forest Products LLC were unable to finance their operation, and failed to execute their investment and to implement treatments at a meaningful scale. In January 2013, Pioneer Forest Products LLC publicly announced their failure to fund their business plan over the 6 months since contract awarding.

In June 2013, the US Forest Service announced that Pioneer Forest Products LLC had requested the approval of a transfer of the 4FRI contract to a new contractor, Good Earth Power (GEP). The transfer was approved in September 2013 and the new contractor committed to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; to implement 15,000 acres of treatments during calendar year 2014; and to be profitable within 3 months.

On April 17, 2015, the Forest Supervisors of the Coconino and Kaibab national forests signed the 4FRI 1st EIS Record of Decision (ROD) following a successful objections resolution process. The ROD was briefly litigated by Steve Dewhurst, a professor of forestry at NAU. Dewhurst filed a case, making a "vague" (footnote 1 of dismissal order) argument that the ROD violated NEPA because the USFS didn't consider a full range of restoration alternatives, and because the USFS made changes to the ROD through the objection process. The court ruled on September 13, 2016 that Dewhurst lacked standing to bring the case. Dewhurst's alleged harm of having a hard time explaining NEPA, including the objection process, to his students because of the USFS purportedly failing to address "science-based ecological restoration" was rejected by the court. The court stated that "Explaining government actions to students is precisely what educators in a variety of disciplines are tasked with doing every day—even when those actions are ones they find perplexing," and that "Without asserting some harm to the environment from which his alleged injuries arose, Dewhurst cannot establish standing to sue under NEPA."

The dismissal of the Dewhurst lawsuit marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments. The ECO Counties provided critical resources, leadership, and political support for the planning process, at the local, state, regional and Federal levels, by staffing several co-Chairs with the 4FRI Stakeholders Group, the Chair of the 4FRI Planning Workgroup, a co-Chair of the Industry Workgroup, and by leading numerous meetings at the Southwestern Regional and National levels.

Issues and Progress

Post White Mountains Stewardship Contract (WMSC) challenges

For most of the WMSC duration (2004 to 2012), it was expected that the WMSC would expire with the award of the last task orders in August 2014, and that treatments implemented with the last task orders would continue on the ground and supply logs and residual biomass to the local industry well into 2015. It was further expected that, after the completion of the WMSC task orders, some 60,000+ acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests would provide material to the White Mountains industry for a number of years, until the NEPA analysis was completed for the second 4FRI analysis area.

However, a legal opinion was issued during 2013 by the USFS legal branch that stated that the WMSC would expire with the closure – as opposed to the award - of the last task orders in August 2014. Therefore, treatments implemented with the last task orders would cease on the ground, and the supply of round wood and residual biomass to the local industry would end in August 2014.

Further, 56,000 acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests were burnt in the Wallow Fire from May to July 2011. This wiped out most of the 2014 – 2018 planned supply of material for the White Mountains industry.

As a result of the closure of the WMSC task orders earlier than expected, and the loss of the NEPA-ready acres in the Wallow Fire, the White Mountains industry was likely to face a severe shortage of logs and biomass as early as FY 2016, and no long-term mechanism existed as of the beginning of FY 2015 to further the restoration work on the ground at landscape-scale, and to provide a predictable wood supply to the White Mountains industry.

Bridge the Gap Program

Successful collaboration between the Apache-Sitgreaves National Forest and ECO during FY 2015, and the work of ECO with the Arizona Delegation to the U.S. Congress resulted in the implementation of the "Bridge the Gap" project aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI). The NEPA analysis of over 86,000 acres of restoration treatments was planned and approximately 10,000 acres of Timber Sales were offered to the market, insuring a short-term wood supply for the White Mountain industry in the first half of FY 2015.

However, toward the end of FY 2015, the White Mountain industry was operating with less than one month log supply in average, and often as little as a few days, and the predictability of supply for FY 2016 and beyond was unclear as the Forest Service had not completed any multi-year plan.

In consequence, ECO implemented vigorous action in FY 2015 and FY 2016, working with the Apache-Sitgreaves National Forest and the Arizona Delegation to the U.S. Congress to alleviate this situation, and very significant progress was made. On February 12, 2016, the Forest Service 4FRI Chief Executive announced that the implementation of 4FRI would be completely restructured and that a major funding effort would be made to accelerate it in FY 2016. In a reversal of the FY 2015 72% of the offerings being issued as Task Orders for the 4FRI Phase 1 Contract and 28% being offered as "Bridge the Gap" projects to other industries, in FY 2016, 32% of the total offerings were issued as Task Orders under the Phase 1 Contract and 68% were offered as "Bridge the Gap" regular timber sales and stewardship contracts to other industries. This reversal ensured an adequate supply to the White Mountains wood industry, in addition to continuing to offer more acres for the Phase 1 Contract than the contractor (GEP) actually cut.

As further result of ECO's engagement with Senators Flake's and McCain's offices, and of ECO's action with the national Forest Service leadership in Washington DC and the regional Forest Service leadership in Albuquerque, starting in FY 2016, 4FRI received additional funding for implementation. In the FY 2016 budget the additional funding was $10 million, to be used to accelerate the preparation work for mechanical thinning and prescribed fires on the "East Side" of 4FRI. The new funding was allocated to ramp up the preparation of "Bridge the Gap" projects and the overall acceleration of implementation of forest restoration on the footprint of 4FRI, and 18 new local USFS jobs were created, further contributing to the local economy.

Following:

- ECO's creation of the Bridge the Gap program in 2014 with the Apache-Sitgreaves National Forests;
- ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
- ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
- ECO's constant engagement with the Apache-Sitgreaves National Forests;

the ramp-up of the "Bridge the Gap" program that provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest to the White Mountain industry in "Bridge the Gap" projects outside of the first 4FRI contract, confirming the success of the program. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest, the second 4FRI RFP offers up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP has the potential to provide material to new industry, but it also has the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP, and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, but now expected to March 2021, is that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. have been put on hold starting mid-2019 and until contracts are issued, now likely in mid-2021.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in June 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP is known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers financing capacities have been sharply curtailed as unpredictability of their economic future past 2023 looms, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.
2. Because Arizona loggers already have three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 were not purchased since until the second 4FRI RFP outcomes are known, there is no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~12,000 to ~15,000 acres per year resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the Bridge the Gap Program for at least FY 2021 and 2022, with the expectation that a new landscape scale 4FRI contract and new industry players in Northern Arizona will not compromise the viability of the existing industry and replace it but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

Burro Stewardship Agreement

In parallel to its work to develop the Bridge the Gap program, ECO signed in September 2014 the Burro Stewardship Agreement with the Forest Service in order to demonstrate the counties' ability to become directly engaged in the implementation and management of field restoration projects. Despite its limited size of approximately 1,000 acres, the Burro Stewardship served successfully its purpose of being a feasibility demonstrator and a learning tool for both ECO and the Forest Service.

The Burro Stewardship contract was issued by ECO and its fiduciary agent, Navajo County, to the local forest restoration industry and contributed approximately 1,000 acres to the critically low supply of woody material during FY 2015 and FY 2016.

In FY 2017 and beyond, the experience gained by ECO with the Burro Stewardship Agreement proved invaluable to guide discussions with multiple potential partners for the design of a Master Stewardship Agreement for the implementation of the 4FRI 1st EIS.

Industry Roundtable

To foster open communication and collaboration between industry and Forest Service, ECO convened on February 8, 2016 a White Mountains Industry / Forest Service Roundtable in order to provide a platform for a group of representative White Mountains industry partners to provide information to the Forest Service on the challenges faced by the Arizona White Mountains industry, and to discuss the critical factors to be considered to maximize the implementation of forest restoration in the White Mountains. The Roundtable provided information necessary to the Forest Service to optimize the offerings of woody material by the Apache-Sitgreaves National Forests (A/S) and the Four Forest Restoration Initiative (4FRI) to the industry that funds and performs the restoration treatments. The Roundtable was a resounding success and generated a letter to the Chief of the Forest Service that outlined the requirements to convert the ad hoc Bridge the Gap program into a predictable five year rolling plan.

As a consequence of ECO's initiative, during FY 2017, the USFS initiated a 5 year plan for offering 15,000 timber acres per year outside of 1st 4FRI contract, to be awarded to the White Mountain industry.

Following the huge success of the FY 2016 Roundtable, ECO's convened the 2017 Industry / Forest Service Roundtable on April 11, 2017. The objectives of the Roundtable were to resolve technical issues of restoration implementation such as road packages; biomass removal; supply chain management; annual offering schedule; Pinion Juniper restoration; contracting mechanisms; digital technologies; and designation by prescription (DxP). 25 specific items were identified for resolution.

On March 19, 2018, ECO convened the third annual Industry / Forest Service Roundtable.
The purposes of the Industry Roundtable were to:

- facilitate the sharing of operational information and concerns;
- provide a forum for collaborative resolution of implementation operational challenges;

- provide a forum for the creation of implementation efficiencies and for implementation continuous improvement.

On March 18, 2019, ECO convened the fourth annual Industry / Forest Service Roundtable.
The objectives of the Industry Roundtable were to resolve technical issues of restoration implementation such as:

- road packages;
- biomass removal;
- supply chain management;
- annual offering schedule;
- Pinion Juniper restoration;
- contracting mechanisms;
- digital technologies;
- designation by prescription (DxP)
- etc.

Items identified for continued work have been:

- coordinate with USFS the ADOT's increase of maximum weight limit Pilot Program;
- develop flexibility for USFS appraisal system to use a "most adapted facility" or "highest market value" criterion instead of a "closest facility" criterion. Alternatively develop a process to remove the impact of selecting an appraisal facility/destination from the appraisal process;
- include ecosystem restoration value in appraisal process;
- include byproducts other than logs (i.e. biomass) in appraisal process;
- convert road packages to "stewardship" items in all contracts, including timber sales;
- develop a single standard for weight and volumes;
- develop increased authority (over 30,000 CCF) for Contracting Officers in order to increase projects size;
- develop process to include slash in 6 and 6T sales, subject to agreement with the contractor, and adjust /re-appraise the sale's cost accordingly;
- increase annual acreage offered by the A/S to 20,000 acres;
- update all 4FRI forests bidder lists to include all 4FRI purchasers;
- verify availability of certified scales in the Williams area and explore opportunities to use existing scales for third party transactions;
- reform the load accountability / branding / painting process to reduce administrative constraints on low value logs;
- move all timber sales to scaled sales as the most efficient way to provide load accountability;
- accelerate implementation of the Holden project in the Williams WUI. (Perkins to offer GEP to subcontract and USFS to explore opportunities to incentivize GEP to subcontract to Perkins.);
- Coconino and Kaibab NF to start including optional biomass removal in order to support potential new biomass investment on the West side subsequent to a new Vision 17 RFP and contract(s);
- explore Sierra Ancha potential for Bridge the Gap sales in support of A/S annual 15,000 acres commitment;
- accelerate Vision 17 new RFP / contract(s) implementation in order to create a biomass market solution on West side;
- increase the duration of 6 and 6T contracts in order to support industry investments;

- create a 1 to 3 year “investment window” prior to “starting the clock” on 10 year stewardship contracts, in order to allow a full 10 year return on investment (ROI) period, AFTER the completion of investments;
- remove “Bacon-Davis” wage requirements from stewardship contracts;
- increase maximum stewardship contracts duration to 20 years;
- reform US Forest Service due diligence process on bidders and bids for all size sales and contracts;
- accelerate the roll out of digital prescription technology;
- explore possibility of limited road closures for recreational use in high traffic restoration project areas.

In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019 of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP requires the removal of a minimum of 50% of the logging slash and will not consider bids “satisfactory” unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP “satisfactory” guideline of 70% removal, 875,000 tons of slash will need to be removed and disposed off annually.

Currently, the only facility available to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:
- disposal of 400,000 green tons / year of only the lowest value “hog fuel” dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of smallest diameter trees as firewood;

- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watershed restoration and water augmentation;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;
- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

Overall, the FY 2021 challenge for the post White Mountains Stewardship Contract strategy, remains to provide a minimum of 15,000 acres to the White Mountains industry, and to expand the program up to 2023 in a rolling five-year permanent program until long-term, large-scale projects such as the 2nd 4FRI EIS or the Black River Watershed Restoration Project are ready for implementation. ECO's continued action will undoubtedly prove critical to achieve these objectives.

Development of a Memorandum of Understanding with the White Mountain Apache Tribe

In order for the White Mountain Apache Timber Company (WMATCO) to log the large diameter trees that the White River sawmill is designed to process, they must also remove small diameter trees that are not economical for them to process. Conversely, non-tribal small diameter log industries are interested in the tribal small diameter log supply in order to increase their productivity.

To seize on this synergy of economic interests, ECO and WMATCO initiated discussions during FY 2017 that evolved into the design of an "all lands / all hands" Memorandum of Understanding (MOU) between ECO, the White Mountain Apache Tribe, the US Forest Service, and the Arizona Department of Forestry and Fire Management. The purpose of the MOU is to share data and plans, and to coordinate actions between the federal, state, tribal and local government agencies to design a supply chain management system that creates new economic growth opportunities for both tribal and non-tribal enterprises.

During FY 2018, the MOU was reviewed by Tribal legal and forestry staff and was presented in October 2017 for approval to the Tribal Council as resolution 10-2017-244. On January 25, 2018 Tribal Chairman Ronnie Lupe signed the resolution authorizing the signature of the MOU.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

During Fiscal Year 2018 and 2019 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.

- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.

A draft Environmental Assessment (EA) was expected in the Spring of 2019, and a Finding of No Significant Impact (FONSI) was expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

Four Forest Restoration Initiative (4FRI)

Two conditions are necessary for the success of 4FRI during FY 2021: success in planning, and success in contracting.

Planning

At the beginning of FY 2015, the implementation of the 4FRI project relied on the treatment of approximately 70,000+ NEPA-ready acres in the Coconino, Kaibab and Apache-Sitgreaves National Forests. This was sufficient to provide logs and biomass material to the contractor for three years,

assuming the treatment of ~15,000 acres in 2014, and ~30,000 acres in 2015 and 2016 as required in the 1st 4FRI contract.

However, the implementation of the full 300,000 acres of the 1st 4FRI contract still depended on the completion by the USFS of the necessary NEPA Environmental Impact Statement (EIS) for the first 4FRI analysis area. This, in turn, required the continued collaboration between the USFS and the 4FRI Stakeholders Group, as required under law by the Collaborative Forest Landscape Restoration Act (CFLRA), and the continuation of the social license necessary to proceed with industry-funded landscape-scale restoration mechanical treatments on public lands.

The ECO counties played a critical role in creating a dialog between industry, local government and the environmental community, and in fostering this dialog into a historic agreement that became the basis for the 4FRI social consensus. Through numerous visits to Congress, the Department of Agriculture, and the Forest Service national office, ECO further provided the political momentum necessary for the Forest Service to move forward with the largest restoration EIS in the country's history at the time.

The Draft EIS for the 1st 4FRI planning area was released by the USFS in February 2013 and NEPA comments were filed by the Stakeholders Group in May 2013. As of the beginning of FY 2015 critical planning issues were still not resolved. Specific issues or potential conflict included old growth protection; large trees retention; canopy closure; forest openings; Mexican Spotted Owl monitoring; etc.

ECO took the initiative to request the intervention of the Governor of Arizona's Office in the deadlock, and the "Governor's Group" was created to provide a unique forum for the Forest Service and the environmental constituency to resolve the pending issues, with the help of the ECO and Governor's Office facilitation.

The successful completion of the EIS objections resolution process during FY 2015 finished resolving the issues. Subsequently, the April 2015 signing of the 4FRI 1st EIS Record of Decision (ROD), and the subsequent dismissal of the Dewhurst litigation in September 2016, marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments.

However, since the acreage cleared during the 4FRI 1st EIS is mostly located on the "West side" of the Mogollon Rim, in the Coconino and Kaibab national forests, and since the Forest Service has proven reluctant to allocate a significant number of acres from the 4FRI 1st EIS to the White Mountain industry, the rapid completion of the 4FRI 2nd EIS is critical to assure the continuation of 4FRI toward the White Mountains, to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains and to secure a long-term wood supply to the White Mountain industry.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS Workgroup, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2018 and 2019, under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- concerns with the uncertainties associated with the implementation of condition-based management;
- support for the 4FRI collaborative workgroup comments that it contributed to write, including concerns with:
    - the flexible toolbox approach;
    - the degree of openness pre- and post-treatment;
    - old growth protection and large tree retention;
    - management of ponderosa pine dwarf mistletoe;
    - description of pre-treatment conditions;
    - collaborative role in implementation; and
    - adaptive management and monitoring.

During the balance of FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The challenge for FY 2021 will be to maintain the planning work on schedule. ECO's co-leadership of the 4FRI Stakeholders Group, and ECO's leadership of the 4FRI Planning Workgroup are likely, again, to prove critical to accomplishing these objectives.

Contracting

Although, upon the failure of the first 4FRI contractor, Pioneer Associates, the second 4FRI contractor, Good Earth Power (GEP), committed repeatedly through the fall and winter of 2013, and through FY 2014, FY 2015, and FY 2016 to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; and, to implement 15,000 acres of treatments during

calendar year 2014, then 30,000 acres in FY 2015, FY 2016, FY 2017, FY 2018, etc., as of the beginning of FY 2021 promises have not materialized.

Nine months after the contract transfer to GEP, as of the beginning of FY 2015 no discernable investment had been made; promises made to Arizona loggers had been recanted; and, treatments had only been implemented at the rate of approximately 1,000 acres per year, leading ECO to analyze and project that only approximately 2,000 acres could be realistically treated during calendar year 2014, less than 3,000 acres in FY 2015, and less than 5,000 acres in FY 2016, and FY 2017 as opposed to the 15,000 then 30,000 annual acres committed. Further, the absence of construction and operation permits filed with the Arizona Department of Environmental Quality (ADEQ) during FY 2014, FY 2015 and FY 2016, was leading ECO to deduct that no large scale investment in appropriate scale industry would be taking place in 2014, 2015, 2016 or the whole of FY 2017.

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP's claims on NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the Vision 17 strategic plan. Vision 17 was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP contract in whatever form it evolves into with new partners or change in ownership as recently happened with the new entity NewLife Forestry.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new 4FRI RFP for at least 200,000 acres was expected by December 2017.

However, FY 2018 closed without a new RFP being issued by the Forest Service.

As analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure during FY 2020. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 711 acres during federal FY 2020. This continues and amplifies the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); and FY 2019 (2,065 acres).

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award is expected by March 2021.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2021 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

Development of a Master Stewardship Agreement with the Forest Service

In order to provide an independent authority for the new 4FRI RFP envisioned in the Vision 17 implementation plan, that would guaranty that due diligence and contract awarding meet the necessary professional , technical and financial requirements, in FY 2017 ECO initiated negotiations with a number of partners, such as the Arizona Department of Forestry and Fire Management (DFFM), the Salt River Project (SRP), the Forest Service, and others, to design and execute a Master Stewardship Agreement (MSA) with the Forest Service.

Building on the success of the Burro Stewardship Agreement between ECO and the Forest Service, the MSA is expected to expand ECO's direct management of on-the-ground restoration projects through:

- joint design of a landscape-scale RFP with the Forest Service;
- joint analysis and due diligence of the bidders' responses to the RFP;
- consensus award to the appropriate bidder(s);
- joint management of the new landscape scale contract(s);
- management of the field Task Orders by the USFS;
- joint monitoring and adaptive management in collaboration with the 4FRI Collaborative.

Developing a Master Stewardship Agreement with the Forest Service was a critical step to ensure that local government's industry expertise is integrated in the RFP design, due diligence and award, in order to prevent the repeat of the flawed due-diligence and contract award that caused the implementation failure of the 1st EIS contract.

During FY 2019 ECO shifted strategy and decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the US Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Digital Technologies

In FY 2017, ECO joined forces with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" in the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO is working with other partners such as ATICA (the company that manages the White Mountain Apache Timber Company –WMATCO) and Northern Arizona University to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work

such as tree marking, with unmanned aerial surveys, and allow timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("prep") can catch up with NEPA planning without requiring massive new resources for the Forest Service.

In FY 2018, 2019, and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies.

Digital technologies 'Prep' costs savings represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20 year program.

ECO / AZ Game & Fish Department Joint 4FRI Position

On April 6, 2016, ECO signed a Memorandum of Understanding with the AZ Game & Fish Department (AGFD) to cooperatively develop and seek funding for a 2-year technical associate position tasked with expediting planning and implementation of forest restoration and related efforts undertaken under 4FRI. This new initiative consolidated the joint work of State and local Government in 4FRI, and contributes to accelerate the completion of the Rim Country EIS.

The joint position was staffed during FY 2017 and FY 2018 and allowed ECO and AGFD to give, in collaboration with other 4FRI partners such as the Grand Canyon Trust, a new impetuous to the implementation of 4FRI, with the creation of the Comprehensive Implementation Workgroup.

The new Comprehensive Implementation Workgroup, originally chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities other than mechanical thinning and fire, such as riparian and spring restoration, habitat projects etc.

Biomass Bottleneck

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the Healthy Forests, Vibrant Economy Conference. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

Every time an acre is thinned in northern Arizona, 20 to 30 green tons of logs are produced, and 10 to 30 green tons of logging slash (branches, tree tops, etc.) are also produced. This logging biomass must be removed from the field in order to accomplish the restoration and fire risk mitigation objectives. For forest, watershed and grassland restoration to ramp up to landscape-scale, biomass disposal investments need to catch up with the log utilization investments that have been made in the last 10 years. If the biomass disposal capacity is not increased 3.5 fold, it will be impossible to meet the 50,000 acres annual objective of 4FRI. This is the biomass bottleneck.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the Vision 17 implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017 the ACC organized a workshop, to which ECO presented. On January 30, 2018 Arizona Corporation Commissioner Andy Tobin proposed an Arizona's Energy Modernization Plan that included new biomass energy requirement. On March 13, 2018 the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018 Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018 and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, has also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and has made it clear that it will not consider the issue until the second 4FRI RFP outcomes are known. This likely postpones any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the Bridge the Gap program in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

As FY 2021 started, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, as appropriate based on the outcomes of the 4FRI RFP.

Senator Flake's Healthy Forest Advisory Council

In FY 2017 ECO was invited to participate to the work of Senator Flake's newly established Healthy Forest Advisory Council. ECO fulfilled its usual role of providing data and information, as subject-matter expert on the issues of forest restoration and forest industry, including input on:

- biomass bottleneck;
- 4FRI implementation;
- Vision 17 reset of 1st EIS implementation;
- Senator Flake's forestry bill;
- increased weight limit on Interstate highways in Arizona for the transportation of forest restoration products;
- digital technologies applicable to forest restoration;
- Forest Service efficiencies.

ECO continued to participate to the work of Senator Flake's Healthy Forest Advisory Council until the Senator resigned from his seat in the US Senate.

Strategic Objectives

ECO has three strategic objectives for Program 1, *Forest Restoration*:

1) Recognizing that the Bridge the Gap program remains a short-term strategy, ECO is committed to continue to participate in the development and implementation of a long-term successor strategy to the WMSC to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied over the long-term with round wood and residual biomass in an ecologically and economically viable and sustainable manner.

2) ECO is committed to support and facilitate the completion of the 4FRI 2nd analysis area EIS, the Rim Country EIS; and the issuance of a Record of Decision that includes the full resolution of all NEPA planning challenges by the end of FY 2021.

3) ECO is committed to continue to support and participate in the effective implementation of the 1st 4FRI contract, and the issuance of a 2nd 4FRI landscape scale contract(s) by the end of 2020, in order to ensure that:

    a. The restoration treatments proposed in 4FRI are actually implemented by the contractors at the contracted scale (up to 40,000 acres annually) and per the contracted schedule;

    b. The large investment in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern and eastern Arizona is actually executed by the contractors;

    c. The economic impact projected by the contractors for 4FRI (creation of 1,000 jobs) actually takes place.

Execution Strategy

Post-WMSC / Bridge the Gap strategy

Several models are conceivable to execute the strategic objective of insuring that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner:

- Continuation and acceleration of small and medium scales "Bridge the Gap" NEPA projects to compensate the "loss" of 56,000 NEPA-ready acres in the Wallow Fire;
- Timely implementation of the Four Forest Restoration Initiative (4FRI) 2nd analysis area planning and contracting in the White Mountains;
- Development of another large scale and long-term stewardship contract or stewardship agreement in the White Mountains, such as the Black River project;

- Development of several smaller and shorter stewardship contracts or agreements in the White Mountains;
- Development of traditional timber sales in the White Mountains;
- A sequential or parallel combination of the above.

Any of these solutions entails considerable planning and contracting work and requires significant agency funding and major political support by the ECO Counties.

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issue;
- Make the issue a priority item with the State and Federal partners and elected officials;
- Provide technical and political support in the selection of an appropriate successor model;
- Provide technical and political support for the timely development and implementation of the selected successor model;
- Lobby the Regional and National U.S. Forest Service and the U.S. Department of Agriculture for additional funding to the Apache-Sitgreaves National Forests to complete timely "Bridge the Gap" NEPA projects;
- Develop with the Regional USFS leadership the Black River project.

4FRI strategy

To ensure the success of both planning and contracting tracks in 4FRI, it is the strategy of ECO to:

- Continue its participation in the activities of the 4FRI Stakeholders Group;
- Continue its work with the USFS and U.S. Department of Agriculture;
- Develop its work with the USFS Regional leadership and the Arizona Governor's office in order to facilitate planning conflicts resolution;
- Increase its role as a consensual leadership provider in the 4FRI NEPA process in order to facilitate a resolution of the NEPA planning conflicts between the USFS and the stakeholders, and ensure the timely completion of the final Environmental Impact Analysis (EIS) and Record of Decision (ROD);
- Continue its work with private industry representatives and investors;
- Provide technical support as requested by the contractors in order to facilitate the location, permitting and construction of new industrial facilities;
- Enforce fairly but firmly accountability on all agency and non-agency stakeholders in the planning and contracting tracks as required for the successful and timely execution of 4FRI defined as: treatments being implemented on the ground per the contracted schedule.

Post-WMSC and 4FRI strategies execution

ECO will execute its post-WMSC and 4FRI strategies by:

- Actively engaging in and when necessary initiating the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attending, participating in, and when necessary hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;

- Providing political advocacy for an appropriate successor strategy to the (WMSC) with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 1: *Forest Restoration.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 15% of its activities to Program 1: *Forest Restoration.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

Although Arizona has been fortunate since 2011 not to experience another landscape-scale catastrophic fire, the massive fires in California during 2017 serve as a vivid reminder of the urgency of the clear and present danger Arizona faces in its Forests as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the fore front of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of its engagement in Program 1, *Forest Restoration*, ECO seeks the following outcomes:

1) Publication of a Black River Watershed Restoration Finding of No Significant Impact (FONSI) by September 30, 2021.

2) Offering in FY 2021 of 15,000 timber acres of small and medium scale “Bridge the Gap” projects, aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI).

3) Appropriate funding of the Apache-Sitgreaves National Forests by the US Forest Service Southwest Regional Office (R3) for the timely completion of the NEPA process for medium scale "Bridge the Gap" projects aimed at securing the medium-term supply of fiber for the existing White Mountains wood industry.

4) Continued disconnection of the "Bridge the Gap" projects from the 1st 4FRI contract and specific exclusive allocation of these projects to providing round wood and biomass to the existing White Mountains wood industry.

5) Continuation by the Apache-Sitgreaves National Forests of a five-year rolling plan for the steady offering of a minimum of 15,000 timber acres in FY 2021 and FY 2022.

6) Completion of the 4FRI 2nd Final EIS and Record of Decision (ROD) by December 2021.

7) Issuance of (a) new landscape-scale, long-duration 4FRI contract(s) by June 2021 for up to 40,000 acres and 20 years.

8) Adoption by the Forest Service of digital restoration technologies at landscape scale during FY 2021.

9) Resolution of the Biomass Bottleneck by the end of FY 2021:
   - completion of a new 60 MW biopower Power Purchase Agreement (PPA) if appropriate based on 4FRI RFP outcomes;
   - renewal of the existing 30 MW biopower Power Purchase Agreement (PPA).

Allen Reidhead, Vice President of TriStar Logging, is dwarfed by mountains of biomass. 4FRI will generate annually between 1 and 1.5 million tons of biomass. The Biomass Bottleneck (acres cannot be restored if the logging biomass is not removed from the forest and disposed of responsibly), first identified and analyzed by ECO, is one of the critical factors that limit the implementation of forest restoration at landscape scale.

Forest Restoration – Canyon Creek Logging feller-buncher hot saw on Fulton Timber Sale.

Grassland Restoration – Tri Star grinder on Wool House Project.

Program 2: Threatened and Endangered Species

Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

Background

Mexican wolf

In March 1997, the Secretary of the Interior signed a Record of Decision (ROD) approving the release of captive-reared Mexican gray wolves (Canis lupus baileyi) in the Blue Range Wolf Recovery Area (BRWRA) located in Greenlee County, and an adjacent area of New Mexico. In January 1998 the U.S. Fish & Wildlife Service (USFWS) published the *Final Rule, Establishment of a Nonessential Experimental Population of the Mexican Gray Wolf in Arizona and New Mexico*, and in March 1998, Mexican gray wolves were released for the first time in the Blue Range Wolf Recovery Area. The Blue Range reintroduction project is managed by the USFWS in collaboration with the Arizona Game and Fish Department (AGFD), the USFS, USDA-APHIS Wildlife Services, the White Mountains Apache Tribe (WMAT), and the Eastern Arizona Counties Organization (ECO), operating together under a formal Memorandum of Understanding (MOU) which enables the signatories to develop a mutually-agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves in Arizona and New Mexico within the Mexican Wolf Experimental Population Area (MWEPA).

The non-essential experimental population program projected a population of 18 breeding pairs and 102 wolves by the end of 2006. As of FY 2012, the current population was believed to be six breeding pairs and 58 wolves currently in the wild. The official count as of December 31, 2012 indicated that the population had increased to a minimum of 75 confirmed animals. The official count as of December 31, 2013 indicated a further population increase to a minimum of 83 confirmed animals, indicating a clear progress toward the official goal of at least 100 animals in the MWEPA. The official count as of December 31, 2014 indicated another population increase to a minimum of 109 confirmed animals. The official count as of December 31, 2015 indicated a minimum of 97 confirmed animals, plus 11 animals “fate unknown”. These numbers met and exceeded the official goal of the nonessential experimental population project.

In parallel to the American government recovery efforts, the Mexican government released five Mexican wolves, three females and two males, into the Sierra San Luis in the State of Sonora in October 2011. Although four of these wolves were illegally killed within months, the Mexican government conducted additional releases in 2012 and informed the USFWS of their plans to continue releasing Mexican wolves during 2013 and 2014 in the northern area in the Sierra Madre Occidental, and to potentially initiate releases in the Mexico State of Nuevo Leon.

On June 13, 2013, the USFWS published a proposed action for *Removing the Gray Wolf (Canis lupus) From the List of Endangered and Threatened Wildlife and Maintaining Protections for the Mexican Wolf (Canis lupus baileyi) by Listing It as Endangered*, and a *Proposed Revision to the Nonessential*

Experimental Population of the Mexican Wolf, proposing to considerably revise and expand the experimental population program.

In August 2013 ECO initiated work with an informal ad hoc coalition of Arizona industry and recreation stakeholders, together representing 28 different organizations, and the Arizona Game and Fish Department, to develop an *Arizona Cooperating Agencies Alternative* to the proposed revision of the 10(j) Mexican Wolf non-essential experimental population.

In December 2013 ECO filed comments on the *Proposed Revision to the Nonessential Experimental Population of the Mexican Wolf* (the "10(j) rule revision") identifying multiple deficiencies in the proposed action: public and cooperating agencies engagement and scoping deficiency; management plan outside of the MWEPA deficiency; recovery plan deficiency; scientific peer review deficiency; bi-national collaboration plan deficiency; mitigation measures (depredations compensation and cohabitation measures) funding deficiency; scientific deficiencies; negative potential economic impact analysis deficiencies; and, NEPA process deficiencies (pre-decisional deficiency; connected actions deficiency; purpose and needs deficiency). Additionally, ECO developed a credible Mexican Wolf population growth projection that vigorously challenged the USFWS projection.

On April 15, 2014, the ECO Counties formally submitted the *Arizona Cooperating Agencies Alternative* to the USFWS at the Mexican Wolf EIS Interdisciplinary Planning Team (IPT) meeting. The ECO and ad hoc coalition of Arizona industry and recreation stakeholders-proposed NEPA alternative was formally endorsed by the Arizona Game & Fish Commission. The *Arizona Cooperating Agencies Alternative* included the capping of the wolf population to 150 / 160 wolves in Arizona; the capping of the depredation on wild ungulates to 15%; the geographical capping of releases and transfers to historical habitat with adequate prey density; and, the inclusion of 'take' provisions in defense of domestic animals, all of which represented fundamental changes over the original USFWS proposed action.

On January 06, 2015 the Regional Director for the U.S. Fish & Wildlife Service (USFWS) Southwest Region signed the Record of Decision (ROD) for the final Environmental Impact Statement (EIS) for the *Proposed Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf*. ECO's proposed NEPA alternative and population projection were endorsed by the Arizona Game & Fish and formed the basis of the USFWS Record of Decision. This included: capping of the wolf population to 150 / 160 wolves in Arizona; capping of the depredation on wild ungulates to 15%; geographical capping of releases and transfers to historical habitat with adequate prey density; 5 year and 8 year review process; and, inclusion of 'take' provisions in defense of domestic animals.

However, as of the beginning of FY 2016 the U.S. Fish & Wildlife Service still had not resumed the completion of the revision of the 1982 *Mexican Wolf Recovery Plan*, which triggered litigation by the Center for Biological Diversity, soon joined by Arizona Game and Fish Department. Under a Court-approved settlement, the U.S. Fish & Wildlife Service expected to publish a draft revised recovery plan for public and peer-review early in calendar year 2017, with a final recovery plan by the end of November 2017.

Jaguar

In April 2012 the USFWS Jaguar (Panthera onca) Recovery Team completed a *Jaguar Recovery Outline* to provide a preliminary strategy for jaguar conservation. In August 2012, the USFWS proposed to designate 838,000 acres in Pima, Santa Cruz, and Cochise Counties, AZ and Hidalgo County, NM as

critical habitat for the jaguar under the Endangered Species Act (ESA). In November 2012 a male jaguar was photographed in the northern Santa Ritas Mountains of Arizona, about 40 miles southeast of Tucson near the proposed Rosemont Mine site.

In May 2013, the USFWS released a *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar*, and in June 2013 an *Economic Analysis of Critical Habitat Designation for the Jaguar* which estimated specific potential negative economic impacts on the mining, ranching, and general economic development of the areas proposed for critical habitat designation from up to $30 billion and 4,000 jobs lost at the local level, to up to $60 billion and 10,000 jobs lost at the national level, over the next two decades.

In August 2013, the ECO Counties filed comments on the *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar* identifying multiple deficiencies in the proposed action: legal deficiency with ESA and NEPA; scientific deficiency; modeling deficiency; usefulness deficiency; disproportionate potential negative economic impact; balanced multiple use management deficiency; adverse potential effects on jaguar conservation.

Nonetheless, in March 2014, the USFWS announced the final designation of approximately 764,000 acres of critical habitat for the jaguar.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal recovery plan for the jaguar, but this is generally the next step in the ESA process.

Ocelot

Endangered status was extended to ocelots in the U.S. portion of the species' range with a final rule published on July 21, 1982 (47 FR 31670). In that rule, the U.S. Fish & Wildlife Service "made a determination that the designation of critical habitat was not prudent because such a designation would not be in the best interests of conservation of the species." The ocelot is listed as endangered by the State of Texas and is protected from hunting and live collection in Arizona where it is listed as a species of "special concern."

In November 2012 the AGFD obtained photographs of an ocelot that had apparently persisted in the Huachuca Mountains since February 2011.

In January 2013 the USFWS announced that they were initiating a five year status review of the endangered ocelot under the Threatened and Endangered Species Act, as well as a new review of the threatened Mexican spotted owl.

In April 2014, a remote camera operated by the University of Arizona detected a lone male ocelot in the Santa Rita Mountains, within the action area of the Rosemont Mine.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal revision of the original 1990 recovery plan for the ocelot, although the *5-Year Status Reviews of Ocelot and Mexican Spotted Owl in the Southwest Region* has been on-going since February 2013. Consequently, ECO expected a formal revision of the Ocelot Recovery Plan in FY 2017 or FY 2018.

Other species

Gartersnake

In July 2013 the USFWS proposed the listing as "Threatened" and the designation of critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) and narrow-headed gartersnake (Thamnophis rufipunctatus) in Arizona and New Mexico. The proposed designation identified 14 habitat units totaling 421,000 riparian acres in most Arizona watersheds for the northern Mexican gartersnake, and 6 habitat units totaling 210,000 riparian acres for the narrow-headed gartersnake.

In July 2014, the USFWS announced the Final Rule listing the northern Mexican gartersnake and narrow-headed gartersnake as "Threatened," including a special rule under section 4(d) of the ESA to exempt operation and maintenance of livestock tanks on private, state and tribal lands from the prohibitions on "take" of listed species, and further announced that it will finalize the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

New Mexico meadow jumping mouse

In June 2013, the USFWS proposed the listing as "Endangered" and the designation of critical habitat for the New Mexico meadow jumping mouse (Zapus hudsonius luteus) in New Mexico, Colorado and eastern Arizona. In April 2014, the USFWS re-opened the comment period on the proposed designation of 193 river miles and 14,000 acres of critical habitat, divided in 8 units. Although "99 percent of the total proposed critical habitat designation, are currently unoccupied by the species," they were deemed "essential for the conservation of the species" (79 FR 19307-19313).

In June 2014, the USFWS announced the Final Rule listing of the New Mexico Meadow Jumping Mouse as "Endangered," and further announced that it will finalize the designation of critical habitat for the New Mexico Meadow Jumping Mouse in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

Western yellow-billed cuckoo

In October 2013, the USFS proposed to list as "Threatened" the western distinct population segment (DPS) of the yellow-billed cuckoo (Coccyzus americanus) in the western United States, Canada, and Mexico. In the U.S., the western yellow-billed cuckoo is known to occur in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah, Wyoming, Montana, Oregon, and Washington. In April 2014, the comment period was re-opened for the proposed designation.

In October 2014 the USFWS announced the Final Rule listing of the western distinct population segment (DPS) of the yellow-billed cuckoo as "Threatened," and further announced that it will finalize the designation of critical habitat for the western yellow-billed cuckoo in 80 separate units in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah and Wyoming in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat final designation had been made.

Issues and Progress

The proliferation of threatened and endangered species, designated critical habitats, recovery programs and status reviews create inevitable detrimental socio-economic impacts that affect the custom, culture, economic well-being, and when involving top predators, the safety of rural Counties such as the ECO Counties.

Mexican wolf

The significant increase of the experimental Mexican Wolf population and significant expansion of the experimental population area inevitably affect negatively ranching in Eastern Arizona, as well as potentially affect negatively the recreation and tourism-based industry, and also the potential safety of residents. "Naïve" Mexican Wolves have a documented history of predating on livestock, attacking domestic animals, and showing habituation to humans.

Even though the negative impacts were deemed "not significant" by USFWS analysts from a national perspective, the loss of even one head of livestock may be economically crippling for small rural ranching operations, and the brutal loss of a domestic animal may be emotionally devastating to its owner.

Payment of the depredation and coexistence compensation claims

Thanks to the continued action of ECO, the Arizona Cattle Growers Association, New Mexico local government efforts, and the Arizona Game & Fish Department, annual Livestock Demonstration Project Grants and Proactive Nonlethal Measures Grants, as well as NGO's match donations, have been secured for the Mexican Wolf Experimental Population program over the life of the program.

In order to ensure the equitable evaluation and compensations of the claims filed by injured parties, ECO participated with the US Fish & Wildlife Service and other stakeholders in the creation of the Coexistence Council in April 2011. The Mexican Wolf / Livestock Coexistence Council is an 11-member volunteer group of livestock producers, tribes, environmental groups, and counties that directs the disbursement of the Mexican Wolf / Livestock Trust Fund to qualified applicants. The Trust Fund is administered by the non-profit National Fish and Wildlife Foundation.

Further, during FY 2015 ECO supported the passing and signing into law of SB 1466 *Livestock Loss Board / Compensation Fund* in order to codify into law the compensation of Arizona ranchers negatively impacted by Mexican Wolf depredation.

As a result, depredation compensations and, starting in FY 2013, "Pay-for-Presence" cohabitation compensations have been paid to Arizona and New Mexico ranchers who bear the brunt of the economic impact of the recovery effort.

All of the FY 2016 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $73,826 in depredation compensation, and $105,000 in "pay-for-presence" cohabitation compensation were processed in FY 2017 for FY 2016.

All of the FY 2017 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $59,213 in depredation compensation, and $107,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2017.

All of the FY 2018 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $109,123 in depredation compensation, and $117,000 in "pay-for-presence" cohabitation compensation were processed in FY 2019 for FY 2018.

All the FY 2019 compensation claims filed with the Arizona Livestock Loss Board were paid with the disbursement of $101,216 in depredation compensation and $156,044 in conflict prevention compensation.

FY 2020 compensation claims filed with the Arizona Livestock Loss Board were paid with the disbursement of $66,402 in depredation compensation and $90,000 in conflict prevention compensation.

These amounts continue the increasing trend in compensation recorded over the last few years as a result of action taken by ECO, the Arizona Cattle Growers Association (ACGA), the Arizona Game & Fish Department (AGFD), and various partners:

Fiscal Year	Depredation payments	Cohabitation /conflict prevention payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019 NM	$160,772	In process	$160,772
FY 2019 AZ	$101,216	$156,044	$257,260
FY 2020 NM	In process	In process	In process
FY 2020 AZ	$66,402	$90,000	$156,402

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

Discontinuation of the initial release of adult "naïve" wolves

In FY 2016, ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10(j) Experimental Population Management Team, were successful in preventing the initial release of adult "naïve" wolves.

Instead, in FY 2016 two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona, and one set of 2 pups was fostered into the "Sheep Herders Ball" pack in New Mexico.

In FY 2017, two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild population.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher

than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

However, the so-called "translocation" of adult wolves that are held at the Sevilleta Wolf Management Facility for long periods of time after capture, are likely to increase depredation incidents well past the concepts of sustainable yield and multiple uses. Data suggests that over the last 5 years there has been a growing trend of depredation.

Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf

In FY 2016 and 2017 ECO completed a full review of all the program's Standard Operating Procedures (SOPs) and submitted comments to the US Fish & Wildlife Service. The finalization of the review of the SOPs is currently underway with the US Fish & Wildlife Service.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015 US Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintive:

- the court found that the 2015 10(j) rule is not compliant with the ESA, provides only for short-term survival of the species, and fails to further the long-term recovery of the Mexican wolf in the wild;
- the court found that the revised rule does not need to be the product of an agreement with state and private stakeholders;
- the court found that the US Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation is not based upon the best available information and is arbitrary and capricious;
- the court remanded the rule to the US Fish & Wildlife Service to modify:
    I. population cap of 300-325 wolves,
    II. limitation on dispersal north of I-40,
    III. take in response to unacceptable impacts to wild ungulate herds,
    IV. perform a new essentiality determination;
- the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that serves no purpose and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court ruling threatens many of the gains realized by ECO since FY 2014 in the revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)), especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long term recovery strategy over a short term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

Since the March 2018 ruling, ECO has engaged with both Arizona Game & Fish Department and US Fish & Wildlife Service to ensure that Local Government will continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings – facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020, the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020 ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.
2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population

Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.

3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Take on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Take on Federal land (§ 17.84(k)(7)(v)(A));
    c. Take in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi));

   and are not replaced with a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gives ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

Experimental Population statistics

Mexican Wolf Population Statistics	End 2012	End 2013	End 2014	End 2015	End 2016	End 2017	End 2018	End 2019
Minimum population	80	88	110	97	113	114	131	163
Illegal mortalities	4	5	7	8	7	6	13	9
Other mortalities	5	4	12	9	10	10	16	5
Mortality rate *	11%	10%	17%	18%	15%	14%	22%	9%
Fate unknown	1	5	3	2	2	3	4	TBD
Confirmed depredations **	18	25	30	49	49	36	104	172
Total depredations per 100-wolf	22.5	28.4	27.2	50.5	43.4	30.8	79.4	105.5

* Mortality rate based on collared Animals and radio days.
** Depredations based on confirmed cattle killed.

Funding of Mexican Wolf genetic study

Genetic studies of Mexican wolves have concluded that hybridization with dogs has been negligible to nonexistent. While this result initially appeared robust, the question remained to what extent this could be an artifact of sampling because researchers sampled European dog breeds rather than American dogs (i.e. those derived from dogs brought to North America by native people who crossed the Bering Land Bridge).

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In order to answer this question, ECO partnered with the Pima NRCD, the Arizona Cattle Growers Association (ACGA), and a number of Arizona stakeholders to fund a comprehensive genetic study during FY 2017.

In the study, three data sets of 172,000 single nucleotide polymorphisms per data set (SNP, Fitak 2014; Cronin et al. 2015; and Shannon et al. 2015) were combined. The results were consistent with previous studies: living Mexican wolves are not derived from hybridization with Native American dogs. The results also did not indicate recent hybridization between Mexican wolves and coyotes.

Mexican Wolf Recovery Plan Revision

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the US Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally insuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the US Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially limited to the experimental 10(j) area and the experimental population.

In July 2017, the US Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017 the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue is whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's Continued Existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat;

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.
Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and US Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

Other listed species

Jaguar

Although the US Fish & Wildlife Service (USFWS) argued that the designated habitat for the Jaguar and potential habitat for the ocelot vastly overlap other wildlife designations, detrimental economic impacts are inevitable.

While, for FY 2015, the Jaguar designated critical habitat was outside the area of the ECO Counties, the addition of Cochise County to ECO, effective July 1, 2015 moved the designated habitat for the Jaguar into the ECO footprint. Further, since the nation's last known female jaguar was legally killed near Big Lake in Apache County in September 1963, it is expected that other ECO Counties will be concerned by a full jaguar recovery plan.

In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016 a Jaguar Draft Recovery Plan.

The Jaguar Draft Recovery Plan acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that – as for the Mexican Wolf Recovery Plan – no formal consultation took place with local government; a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas; the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States; the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States; the recovery criteria in the plan are not binding; and, the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish Department and US Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the US Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2021 and beyond.

Ocelot

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016 an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and evidences that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670), and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (Ocelot Recovery Plan p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

It is therefore unclear at this stage how the Ocelot Recovery Plan would impact the ECO counties and their residents.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (p. 206).

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish and US Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the US Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2021 and beyond.

Gartersnake

It is expected that the final rule for the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake throughout their range will place further restriction on land use in Greenlee, Graham, Apache, La Paz, Mohave, Yavapai, Navajo, Gila, Coconino, Cochise, Santa Cruz, Pima, and Pinal Counties in Arizona, as well as in Grant and Catron Counties in New Mexico.

As of the beginning of FY 2021 no critical habitat designation had been proposed. ECO will monitor proposed designations as they occur.

New Mexico meadow jumping mouse

ECO expected that the final rule for the designation of critical habitat for the New Mexico meadow jumping mouse throughout its range would place further restriction on land use in Apache and Greenlee Counties.

On March 16, 2016, the US Fish & Wildlife Service (USFWS) designated an area of approximately 13,973 acres along 169.3 miles of flowing streams, ditches, and canals as critical habitat in eight units within Colfax, Mora, Otero, Sandoval, and Socorro Counties in New Mexico; Las Animas, Archuleta, and La Plata Counties in Colorado; and Greenlee and Apache Counties in Arizona.

Unit 5 consists of 6,046 acres along 72.4 miles of streams within eight subunits on private lands and areas owned by the Forest Service and the State of Arizona within Greenlee and Apache Counties, Arizona, of which 68 acres (1.1%) are considered occupied at the time of listing.

The USFS stated that "the economic analysis found that no significant economic impacts are likely to result from the designation of critical habitat for the jumping mouse," (50 CFR Part 17 p. 14275), but also identified that "the economic analysis estimated $9,940,000 of incremental costs for grazing and all other consultation activities in Unit 5, that would only be associated with Forest Service lands" (p. 14278), although "federal actions not affecting listed species or critical habitat, and actions on State, tribal, local, or private lands that are not federally funded or authorized, do not require section 7 Consultation" (p. 14306).

Western yellow-billed cuckoo

ECO expects that the final rule for the designation of critical habitat for the western distinct population segment of the yellow billed cuckoo is likely to affect over 500,000 riparian acres across the West, including Arizona and the ECO Counties.

As of the beginning of FY 2021 no critical habitat designation had been finalized. ECO will monitor proposed designations as they occur.

Mexican Spotted Owl

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised, with new biological opinions, between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020 the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020 announcing a new understanding between the parties and the decision by CBD to not litigate.

Further work led on October 27, 2020 to a stipulation of voluntary dismissal of the WEG litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Draft ESA Compensatory Mitigation Policy

On September 2, 2016, the U.S. Fish and Wildlife Service (USFWS) announced the availability of a draft Endangered Species Act (ESA) Compensatory Mitigation Policy.

ECO filed comments outlining its concerns that:

- the draft policy exceeds the U.S. Fish & Wildlife Service ESA statutory authority;
- the U.S. Fish & Wildlife Service did not consult with those affected by the regulation, especially State, local, and tribal governments, as required by regulation.

"Domino effect" of ESA listings, designations and reviews

In a text-book example of the "domino effect" of ESA listings, designations and reviews, following the July 2013 proposed designation of critical habitat for the northern Mexican gartersnake; the October 2013 proposed listing as "Threatened" of the yellow-billed cuckoo; the March 2014 final designation of approximately 764,000 acres of critical habitat for the jaguar; and the April 2014 photographing of an

ocelot in the Santa Rita Mountains, the USFWS announced in May 2014 the reversal of the favorable Biological Opinion (BO) that they had issued in July 2013 and confirmed in October 2013 for the Rosemont copper mine project, and the re-initiation of formal consultation.

In a confirmation of an analysis often characterized as paranoid by the USFWS, it is interesting to observe that facts verified ECO's warning to the Service in its comments on the listing of critical habitat for the Jaguar: "The designation of critical habitat for the jaguar in Arizona and New Mexico is therefore likely to be used to trigger the USFWS reversal of its draft favorable biological opinion on the Rosemont Copper project" (ECO, Aug 2, 2013).

Strategic Objectives

Previous gains were sustained by ECO and its partners during FY 2018 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* is a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern. Much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

ECO is committed to continue to participate in the Mexican Gray Wolf recovery program and experimental population program, and to participate in the NEPA analyses of other species listings, habitat designations or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc. in order to ensure that threatened and endangered species management efforts do not create unsustainable constraints on the custom, culture, economic well-being, and safety of the Counties.

Specifically, ECO is committed to:

1) Continue to work with the Mexican Wolf Cooperators MOU signatories (USFWS, AGFD, USDA APHIS and WMAT) to develop a mutually agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves within the Mexican Wolf experimental population area.

2) The continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council ("Coexistence Council") and the Arizona Livestock Loss Board as vehicles to:

    I. Disburse funds to compensate livestock owners for eligible conservation activities in the form of interdiction and incentives, including activities that address Mexican wolf and livestock interaction management, grazing strategies, monitoring and other needs; conflict resolution; compensation for damages that include depredation; other types of economic loss; education; outreach activities; and similar undertaking;
    II. Draft positive coexistence plans that recognize the wolf-livestock nexus that is critical to a successful reintroduction program.

3) The full inclusion of the ECO Counties' safety, custom, culture and economic well-being concerns in the NEPA analyses about the jaguar, ocelot, and other vegetal or animal species located within the ECO Counties' area of interest.

4) Continue to work with all relevant partners to mitigate the socio-economic impacts of the Jaguar Draft Recovery Plan and Ocelot Recovery Plan – Revision 1, on rural Arizona counties residents and the ranching community.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue and expand its bilateral work with the Arizona Game and Fish Department;
- Continue its bilateral work with the U.S. Fish and Wildlife Service;
- Continue its work with the signatories of the Mexican Wolf Cooperators MOU;
- Actively engage in the appropriate work on the Mexican wolf, jaguar, ocelot and other species issues with the Federal, State and local agency, community, university, livestock industry, and environmental constituency partners;
- Attend and participate in the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Increase and expand its bilateral work with the conservation and livestock constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational species management perspectives;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy with local, State and Federal executives and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 2: *Threatened and Endangered Species.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 15% of its activities to Program 2: *Threatened and Endangered Species.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 2 Endangered Species	15%	12	9	1	7	12	41
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 2, *Threatened and Endangered Species*, ECO seeks the following outcomes:

1) Satisfactory and timely resolution and disbursement by the Coexistence Council and Livestock Loss Board of all FY 2020 and FY 2021 compensation claims for grazing management constraints, interdiction, damage, and depredation.

2) Full funding of the Coexistence Council compensation budget for FY 2021.

3) Full funding of the Arizona Livestock Loss Board for FY 2021.

4) Continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation.

5) Effective participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j));

6) Continued participation in the Mexican Spotted Owl Leadership Forum;

7) Continued monitoring of the litigation of the Mexican Wolf recovery plan revision.

8) Discontinuation of the initial release and translocation of adult "naïve" wolves in the Mexican Wolf Experimental Area (MWEPA), and replacement of these releases with cross-fostering of captive born pups generally less than 3 weeks old.

9) Participation in the ESA and NEPA analyses of other species listing, habitat designation or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc.

10) Continued work with all relevant partners to mitigate the socio-economic impacts of the *Jaguar Draft Recovery Plan and Ocelot Recovery Plan – Revision 1*, and other species listing, and critical habitat designations on rural Arizona counties residents and the ranching community.

Ocelot Photographed in southern Arizona.

Jaguar photographed by a trail camera in southern Arizona.

Mexican wolf wearing a tracking collar.

Capture of a Mexican wolf.

Program 3: Watershed Restoration

Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

Background

Uncharacteristic landscape-scale forest crown fires in eastern Arizona have a demonstrated negative impact on the conservation and function of the watersheds in which they take place. In addition to the damages caused to communities and ecosystems by the fires themselves, the most common negative effects on watersheds documented after the Rodeo-Chediski Fire, some areas of the Wallow Fire, and the Schultz Fire, among others, are: uncharacteristic runoffs; catastrophic flooding; accelerated and aggravated soil erosion; streams and reservoirs sedimentation; mechanical and chemical pollution of the water; and, long-term severe disturbance of the watershed functions and production.

The ECO Counties area constitutes a large portion of the watersheds (Verde River, Salt River, Black River and Upper Gila River basins) that contribute significantly to the water supply of the greater Phoenix area. The threat of additional uncharacteristic landscape-scale forest crown fires in eastern Arizona, especially on the south slopes of the Mogollon Rim in the ECO Counties, raises serious concern about the conservation and operations of the eastern Arizona watersheds. Additionally, the specific threat to the East Clear Creek and the C.C. Cragin Reservoir (previously known as the Blue Ridge Reservoir) watersheds in the Rim Country at the northern end of Gila County poses an existential threat to the water supply of several eastern Arizona communities.

With the growing realization that uncharacteristic landscape-scale forest crown fires affect the conservation and operation of the watersheds in which they take place, efforts to protect watersheds have been recently initiated in the Southwest. Several of these efforts focus on the monetization of the ecosystem services provided by the watersheds, and on an attempt to enroll the financial contribution of the downstream beneficiaries of the services (water consumers) to the financial costs of protecting the upstream provider areas and the utility corridors delivering the services (forests and watersheds at risks of catastrophic fires). Such efforts were pioneered by the Denver *Forest to Faucet* project in Colorado, or the Santa Fe municipal watershed protection project in New Mexico, among others. In Arizona, an effort to create the Arizona Watersheds Investment Fund (AWIF) has been underway, and in Flagstaff, Ballot Question #405 received electors' approval in November 2012 for the issuance of a $10 million municipal bond to finance the restoration of high threat areas in the Rio de Flag and Lake Mary watersheds to provide greater protection to the community from the impacts of fires and floods.

C.C. Cragin Reservoir Watershed Protection Project

Watershed restoration efforts intensified during FY 2015. In July 2014, SRP signed an MOU for the Restoration of the C.C. Cragin Reservoir Watersheds with the U.S. Forest Service, the Department of the Interior Bureau of Reclamation, the National Forest Foundation, the Town of Payson, and Gila County – one of the ECO Counties – to start a 64,000 acre restoration project.

The MOU designated the area as a High Priority Watershed under the Western Watershed Enhancement Partnership and aimed at developing a Proposed Action and beginning the NEPA Process by the end of 2015; publishing a Finding of No Significant Impact (FONSI) by the late spring / early summer of 2017; and, starting on the ground implementation of the restoration thinning treatments soon thereafter.

During FY 2016, ECO participated in the NEPA analysis process for the C.C. Cragin Reservoir Watershed Protection Project (CWPP). On February 24, 2016, six months behind schedule, the US Forest Service released the Scoping Letter and the Proposed Action for the project.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

Issues and Progress

Three watershed issues are of particular concern to the ECO Counties:

1) After years of collaborative debate, the model of industry supported restoration is recognized by most stakeholders as the only model that has the economic capability to be scaled up to landscape-scale. However, the sole implementation of this model is insufficient, in as much as industry supported restoration is not applicable in areas where:
    I. the merchantable material yield is insufficient for mechanical treatments to be economically viable;
    II. access by mechanical harvesting equipment is restricted, such as in steep slopes, high erosion areas, riparian areas, etc.

    Mechanical treatments implemented in low productivity areas, and non-mechanical treatments such as fire-as-a-first-entry or hand-thinning, are therefore candidate for ecosystem services funding, and systematized ecosystem services monetization is required in order to contribute to the overall funding of landscape-scale restoration of the watersheds.

2) Conversely, despite the logic of its concept; despite the keen interest of some stakeholders weary of a dominant role of industry in the relationship with the Forest Service; and, despite the momentum that the monetization of ecosystem services in general, and watershed services in particular, is expected to gain, the monetization of watershed services is unlikely to be able to bear the full cost of restoration estimated to be approximately $1,000 per acre in eastern Arizona, resulting in an estimated total cost of approximately $1 billion for the one million acres requiring thinning and burning restoration treatments.

   Continued education is therefore required to ensure simultaneously that neither the model of ecosystem services monetization funding is viewed as an alternative to the model of industry supported funding, nor the model of industry supported funding is viewed as an alternative to the model of ecosystem services monetization funding. Both models, simultaneously, and possibly others, must be viewed as necessary to the implementation of landscape scale restoration in Arizona's watersheds.

3) The restoration of forested ecosystems – Ponderosa Pine-dominated and mixed conifer dominated – in the watersheds of the south slopes of the Mogollon Rim in the ECO Counties is an objective priority, after the direct protection of communities and infrastructures, among other areas in northern and eastern Arizona also in need of restoration treatments.

   However, the 4FRI 1st analysis EIS included virtually no treatment in the critical watersheds of the Salt River and Upper Gila River basins or in the East Clear Creek and C.C. Cragin Reservoir watersheds, with most of the 4FRI 1st contract treatments located in the north-facing slopes of the Mogollon Rim in the Little Colorado River basin, and some treatments located at the head of the Verde River watershed.

CC Cragin

Progress on the CC Cragin Watershed Protection Project (CWPP) has been slow. During FY 2017, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. Although the analysis of the NEPA Alternatives has been delayed and the Finding of No Significant Impact (FONSI) scheduled for May 2017 has not been issued, the project is continuing to progress slowly. A FONSI was expected in FY 2018.

In addition, the ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically-viable implementation of the project.

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding Of No Significant Impact (FONSI).

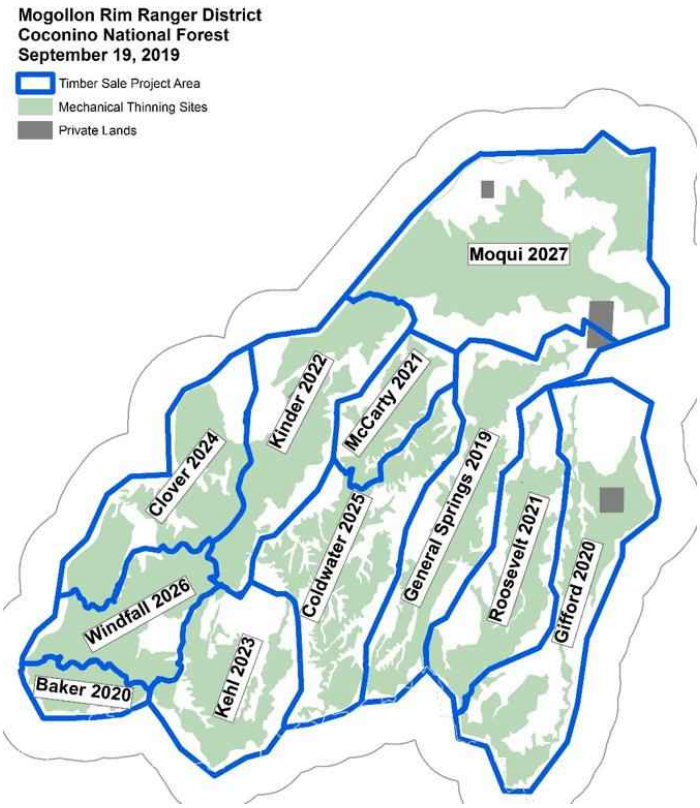
The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.



Black River

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats. A Draft Proposed Action will be presented in September 2017, and a Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

During Fiscal Year 2018 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.

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- The Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, operated in FY 2018 as the collaborative body of record for the project.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.
- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.
- A draft Environmental Assessment (EA) is expected in the Spring of 2019.
- A Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National that the project was delayed. The draft Environmental Assessment (EA) was expected early 2020 and the Finding of No Significant Impact (FONSI) was expected by summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully. See Program 1 – Forest Restoration for more details.

2nd 4FRI Analysis – Rim Country EIS

By staffing the Chair of the 4FRI Planning Workgroup and the co-Chair of the 4FRI Industry Workgroup, ECO provided leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS. Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2017, FY 2018, and FY 2019 under ECO's Chairmanship of the 4FRI Planning Workgroup and co-Chairmanship of the DEIS Workgroup, significant progress was achieved with the satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics; satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe; implementation of fire treatments in Mexican Spotted Owl (MSO) habitat; development of the water resources "flexible toolbox;" and, progress on the design of the mechanical thinning "flexible toolbox."

As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019 opening the period of review and comments by the public and stakeholders.

In January 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified concerns with the uncertainties associated with the scale of future mechanical thinning, the uncertainties associated with the removal of woody biomass, the uncertainties associated with the implementation of condition-based management; and supported the 4FRI collaborative workgroup comments that it contributed to write, including concerns with the flexible toolbox approach, the degree of openness pre- and post-treatment, old growth protection and large tree retention, management of ponderosa pine dwarf mistletoe, description of pre-treatment conditions, collaborative role in implementation, and adaptive management and monitoring.

During FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins. See Program 1 – Forest Restoration for more details.

Prioritization and funding of watersheds restoration

To provide further momentum to the prioritization and funding of watershed restoration, ECO participated in FY 2017 in the creation of the new 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acre 4FRI landscape.

The Comprehensive Implementation Workgroup, chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

In FY 2018, the pilot project begun in FY 2017 at the T Six Spring in the Coconino National Forest was completed. Several additional on-the-ground watershed restoration projects were initiated in FY 2018 and completed in FY 2019:

- Rosilda Spring was completed in Oct 2018 with the well filled, 8-ft exclosure built, 32 coyote willows planted, and a small rock dam built.
- East and West Elk Springs were completed in summer 2018.
- Houston Draw was scheduled to be completed by the end of 2019 with the removal of failing fence, channel restoration for approximately three to five actively eroding sections. A flow gauge was installed below the restoration target area for before/after monitoring.

In FY 2019, additional sites in the 4FRI National Forests that have already been analyzed under NEPA were identified for restoration the 20 year 4FRI implementation:

- Big Spring, Kaibab NF - Williams RD
- Little Elden Spring, Coconino NF - Peaks RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Ritter Spring, Coconino NF - Mormon Lake RD
- Sawmill Spring, Kaibab NF - Williams RD
- Seven Anchor Spring, Coconino NF - Mogollon Rim RD
- Sheep Spring, Coconino NF - Mormon Lake RD
- Barbershop Springs, Coconino NF - Mogollon Rim RD
- Big Moqui Spring, Coconino NF - Mogollon Rim RD
- Crackerbox Spring, Coconino NF - Mogollon Rim RD
- Dane Spring, Coconino NF - Mogollon Rim RD
- Hi Fuller Spring, Coconino NF - Mogollon Rim RD
- Kehl Spring, Coconino NF - Mogollon Rim RD
- Maple Spring, Coconino NF - Mogollon Rim RD
- Mashed Potato Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Meadow Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Spring, Coconino NF - Mogollon Rim RD
- Spikerush Spring, Coconino NF - Mogollon Rim RD
- Twin Tanks, Coconino NF - Mogollon Rim RD
- Mint Spring, Coconino NF - Mormon Lake RD
- Clark Well, Coconino NF - Mormon Lake RD
- Upper Hull Spring, Coconino NF - Peaks RD
- Lower McDermit Spring, Kaibab NF - Williams RD
- Hoxworth Springs, Coconino NF - Mormon Lake RD
- Griffiths Spring, Coconino NF - Mormon Lake RD
- Willard Spring, Coconino NF - Mormon Lake RD
- Babbitt Spring, Coconino NF - Mormon Lake RD
- Curley Seep, Coconino NF - Peaks RD
- Lockwood Spring, Coconino NF - Mormon Lake RD
- Smith Spring, Coconino NF - Mormon Lake RD
- Lockwood Spring, Coconino NF - Mogollon Rim RD
- Railroad Spring, Coconino NF - Mormon Lake RD

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- Upper McDermit Spring, Kaibab NF - Williams RD
- Mud Spring, Coconino NF - Mogollon Rim RD
- Tree Spring, Coconino NF - Mormon Lake RD
- Pat Spring, Coconino NF - Peaks RD
- Wild Horse Spring, Kaibab NF - Williams RD
- Van Deren Spring, Coconino NF - Mormon Lake RD
- Mineral Spring, Kaibab NF - Williams RD
- Hat Tank lower, Kaibab NF - Williams RD
- Hat Tank upper, Kaibab NF - Williams RD
- Fues Spring, Kaibab NF - Williams RD
- Rocky Tule spring, Kaibab NF - Williams RD
- Bear Springs, Kaibab NF - Williams RD
- Bootlegger Spring, Coconino NF - Mormon Lake RD
- Stewart Spring, Kaibab NF - Williams RD
- Dairy Spring, Coconino NF - Mormon Lake RD
- Weimer Spring, Coconino NF - Mormon Lake RD
- Double Springs, Coconino NF - Mormon Lake RD
- Comp, Coconino NF - Mormon Lake RD
- Poison Springs, Coconino NF - Peaks RD
- Chimney Spring , Coconino NF - Peaks RD
- Thomas Spring, Coconino NF - Mormon Lake RD
- Tinny Spring, Coconino NF - Mormon Lake RD
- Kendrick Spring, Coconino NF - Peaks RD
- Dove Spring, Coconino NF - Mogollon Rim RD
- Willow Spring, Kaibab NF - Williams RD
- Spitz Spring lower, Kaibab NF - Williams RD
- Spitz Spring upper, Kaibab NF - Williams RD
- Sawmill Springs, Coconino NF - Mogollon Rim RD
- Scott Spring, Coconino NF - Mormon Lake RD

To provide continued momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 in the 4FRI Comprehensive Implementation Workgroup,

Strategic Objectives

ECO is committed to participate in the development and implementation of the protection and restoration of the eastern Arizona watersheds, in order to ensure:

1) The continued and simultaneous development of all models of restoration funding (industry funding, ecosystem services funding, municipal bonds funding, etc.).

2) The prioritization of treatments in the watersheds, after the direct protection of communities and infrastructures, on the south-facing slopes of the Mogollon Rim in the ECO Counties.

3) The implementation of treatments in the East Clear Creek and C.C. Cragin Reservoir watersheds.

4) The development of the 90,000 acre project in the entire Black River watershed located in the upper Salt River Basin.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue to develop bilateral relationship with the watersheds operators, especially the Salt River Project (SRP);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the prioritization of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties;
- Continue and expand collaboration with the USFS and SRP to prioritize treatments in the East Clear Creek and C.C. Cragin watersheds in the Rim Country at the northern end of Gila County;
- Continue and expand collaboration with the USFS Southwestern Region, the Apache-Sitgreaves National Forest, and watershed, industry and utility stakeholders Salt River Project (SRP), Arizona Public Services Co. (APS), and Freeport-McMoRan Inc. (FMI) to develop the Black River project;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the development of watersheds protection and restoration funding with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 3: *Watershed Restoration.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 3: *Watershed Restoration.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 3, *Watershed Restoration,* ECO seeks the following outcomes:

1) Prompt implementation of the East Clear Creek restoration treatments under the 4FRI contract.

2) Prompt implementation of the CC Cragin Watershed Protection Project (CWPP).

3) Completion of the Black River NEPA Environmental Impact Statement (EIS) initiated by the Apache-Sitgreaves National Forests, and publication of a Record of Decision (ROD) by the end of 2021.

4) Continuation and simultaneous expansion of all the models of industry-funded, ecosystem services-funded, municipal bonds-funded, etc. watershed restoration efforts.

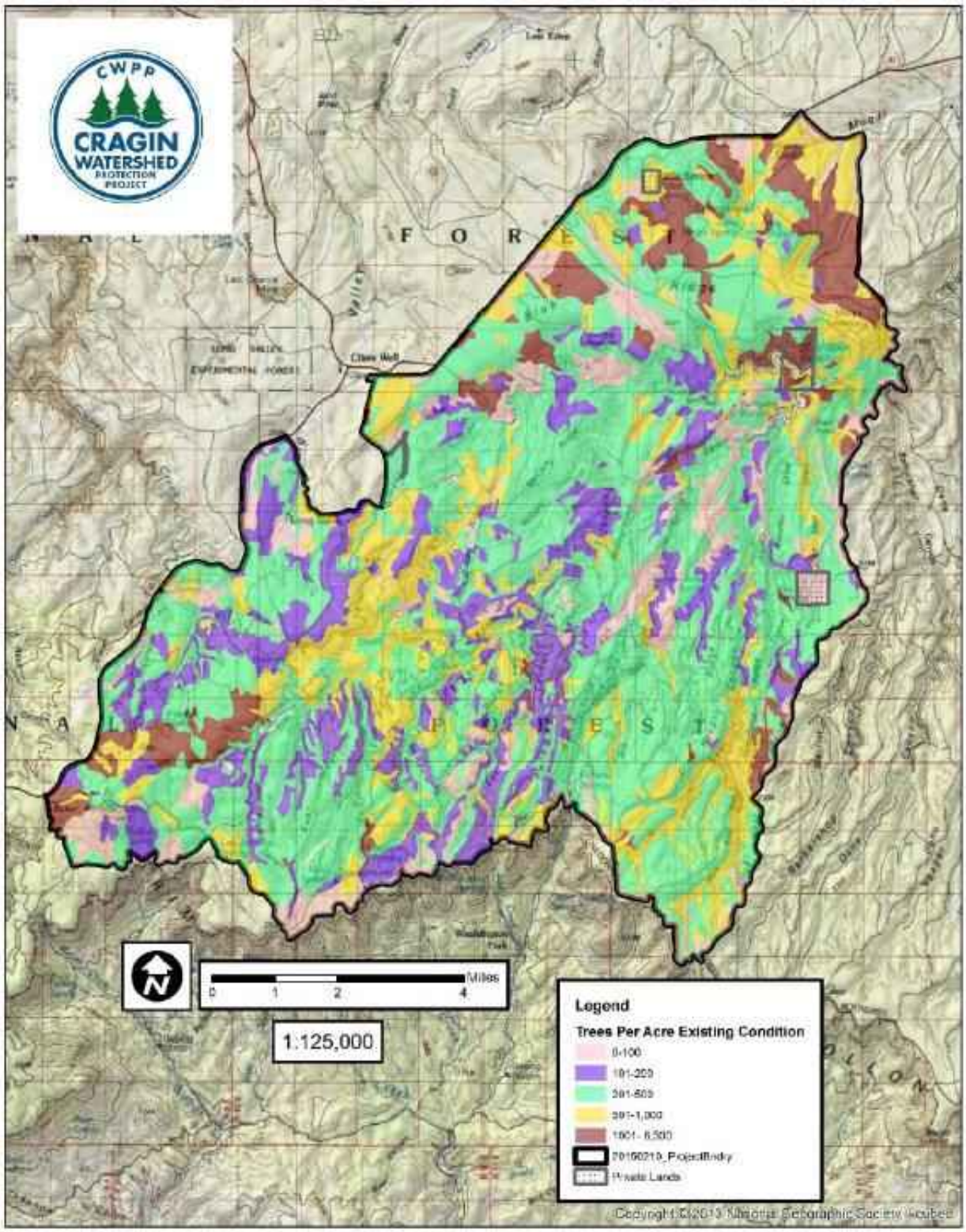
5) Prioritization by the USFS of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties.

6) Completion of the 2nd 4FRI EIS, the Rim Country EIS, by December 2021.

7) Implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects by the Comprehensive Implementation Workgroup.

Spring restoration work (photo courtesy Grand Canyon Trust)

C.C. Cragin watershed.



Most of the acres in the CC Cragin watershed have between 300 and 1,000 tree per acres.

Post catastrophic fire watershed erosion.

Program 4: Infrastructures

Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

Background

All infrastructures

In addition to their threats to the communities and ecosystems, the continued risk of catastrophic wildfires in the forests of eastern Arizona threatens the infrastructures delivering the electrical power generated in eastern Arizona to the urban centers of central and southern Arizona; the infrastructures collecting and delivering the water provided by the eastern Arizona watersheds to metro Arizona; and, the transportation infrastructures necessary to the economic well-being of the ECO Counties.

Roads

The long-term progressive decline and ultimately the virtual disappearance of the logging and wood industry in eastern Arizona over the last 30 years, as a result of the "timber wars" of the 1980's and 1990's, has affected the requirements for the rebuilding and maintenance of the road transportation infrastructures in eastern Arizona. As a result, several Federal highways, State roads and County roads necessary to the implementation of industry-supported landscape-scale restoration may not have been rebuilt or maintained to the specifications required by continuous commercial use for heavy logging traffic.

Conversely, the implementation of restoration logging in eastern Arizona creates new demands on the eastern Arizona road transportation infrastructure, and the acceleration of the restoration efforts to landscape-scale, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, will result in the transportation on Federal highways, State roads and County roads of approximately 1.7 million tons of logs and up to 1.5 million tons of residual biomass annually, which equates to over 100,000 annual truck runs, or approximately 400 daily truck runs. Such increased heavy commercial traffic on Federal highways, State roads and County roads will thoroughly tax the financial ability of the Arizona Department of Transportation (ADOT) and the ECO Counties to fund the adequate maintenance of the road transportation infrastructure.

Healthy Forest Initiative Pilot Project

As of the beginning of FY 2015 the Arizona road transportation maximum gross weight of 80,000 lbs. was lower than the maximum weight allowed in several neighboring states such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Nevada (129,000 lbs.), and other wood producing western states such as Wyoming (117,000 lbs.), Idaho (105,500 lbs.), or Washington (105,500 lbs.). This put the Arizona wood industry at a competitive disadvantage.

During FY 2015, ECO designed, developed and submitted to ADOT the *Healthy Forest Initiative Pilot Project* to increase the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on US Highway 60,

AZ-COCHISE-22-0985-A-000393

State Route 77, US Highway 180, State Route 260 and State Route 277 between Payson and the New Mexico State border, and on all relevant feeder roads in the White Mountains.

On November 17, 2014 the Arizona Department of Transportation (ADOT) partnered with Arizona State Forestry and ECO to announce a new *Healthy Forest Initiative Pilot Project* to help loggers clear Wallow Fire burn area; improve commerce; and, maintain healthy forest in the White Mountains region. The two-year pilot project allowed timber industry trucks to carry additional weight on several state highways in the White Mountains region.

The *Healthy Forest Initiative Pilot Project* increased transportation weight efficiency by 20%, and significantly contributes to the economic viability of the forest restoration treatments and the economic competitiveness of the Arizona wood industry. ADOT started issuing the permits for the new program in November 2014.

However, the "Healthy Forest Initiative" pilot project was only effective for a period of two years, until the end of calendar year 2016, and a permanent solution needs to be implemented.

Local short line railroads

Two interstate rail lines cross Arizona from East to West: the Burlington Northern Santa Fe Railway (BNSF) through Flagstaff in the northern third of the State; and, the Union Pacific Railroad (UP) through Tucson and Yuma in the southern third of the State. Both BNSF and UP provide a connection to Phoenix.

A total of 61 local short line railroads were constructed historically in Arizona to support economic activities, mostly the ranching, logging and mining industries; and, more recently, to serve specific heavy industrial sites.

As of the beginning of FY 2021, two touristic passenger short lines are operated in Arizona:

- Grand Canyon Railway between Williams and the Grand Canyon;
- Verde Canyon Railroad between Clarkdale and Perkinsville.

As of the beginning of FY 2021, ten commercial short lines are operated in Arizona:

- Apache Railway (APA): connecting BNSF at Holbrook to the site of the Snowflake paper mill;
- BNSF Springerville Spur: connecting BNSF at Navajo (Chambers) to the Springerville power plant;
- Arizona & California Railroad (ARZC): connecting BNSF at Cadiz (CA) to BNSF at Matthie (Wickenburg);
- Arizona Central Railroad (AZCR): connecting BNSF at Drake to Clarkdale;
- Arizona Eastern Railway (AZER) Clifton Spur: connecting UP at Lordsburg (NM) to Clifton;
- Arizona Eastern Railway (AZER) Miami Spur: connecting UP at Bowie to Miami;
- Copper Basin Railway (CBRY): connecting UP at Magma to Winkelman;
- San Pedro & Southwestern Railroad (SPSR): connecting UP at Benson to Curtiss;
- Black Mesa & Lake Powell Railroad (BLKM): connecting the Kayenta coal mine to the Page power plant;
- UP Nogales Spur: connecting UP at Tucson to Nogales.

The Apache Railway (APA) is a 38 mile short-line railroad that operates from a connection with the BNSF Railway (BNSF) at Holbrook to the Snowflake Mill near Snowflake. The APA was acquired by Catalyst Paper from Abitibi Consolidated in 2008. When the Snowflake paper mill shut down permanently on September 30, 2012, the Town of Snowflake along with various other local, state and federal leaders

worked with various potential buyers to try and come up with a long-term solution for the acquisition and future operation of the railway.

ECO and Navajo County worked tirelessly with State and Congressional leaders to develop a financial plan that would allow preventing the dismantlement for scrap of the railroad, and during FY 2016, the railway was purchased out of bankruptcy by a group including Aztec Land & Cattle Company, thereby avoiding a shutdown and destruction of the line. The railway continues to operate, and its revenues are driven primarily by car repair and storage. The railway's freight revenues have not yet recovered from the shutdown of the Snowflake paper mill then owned by Catalyst, although efforts to enhance them continue.

The retention of the local short line railroads provides an economic competitive advantage to Arizona businesses in making the import of raw material (coal) or the long distance export of products (copper, cement, wood products, etc.) price-competitive compared to highway transportation.

Power lines

A critical bottleneck for the development of remotely located solar and wind renewable energy power plants is the existence of the power lines required to connect them to the power grid.

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m^2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project includes two 500-kilovolt transmission lines, substations, and ancillary facilities to be located on Federal, State, and private lands between central New Mexico and central Arizona. The SunZia project was initiated in 2006, with NEPA analysis starting in 2009, to connect 11,000 megawatts of class 4 wind energy with a capacity factor of 45% to 47% landlocked in central New Mexico to the California market as well as the Phoenix metro market. The SunZia lines planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in Graham, Greenlee and Cochise Counties.

However, in June 2013, the Department of Defense (DOD) White Sands Missile Range rejected the route selected in the BLM Final EIS for the project, based on the concern that aerial power lines in an area north of White Sands Missile Range known as the Northern Call-Up Area (NCUA) would be detrimental to military readiness and operations of the range.

Further, in June 2013 The Wilderness Society (TWS) also opposed the FEIS on the ground that while they support responsible renewable energy and transmission development, and they support some of the SunZia proposed alternate routes, they consider that the proposed route preferred by the BLM raises serious concerns about impacts to the sensitive San Pedro Valley, and does not offer an acceptable tradeoff between the need for energy transportation and the need for sensitive ecosystems conservation. TWS is concerned that the proposed route through the San Pedro Valley would require 360 towers, averaging 130 feet in height, and necessitate a clear-cut road paralleling the lines with access roads to every tower. The San Pedro Valley's highly erodible soils would greatly accentuate the environmental impact of these roads. The San Pedro Valley is also a principal flyway for over 4 million

birds each year, including more than 350 species. The principal danger to birds would be flying into wires. Finally, the San Pedro Valley hosts one of the longest and richest archaeological records in North America, with sites dating back nearly 13,000 years - the earliest evidence of human occupation on the continent - that could be compromised by towers and roads construction work or subsequent erosion.

In May 2014, SunZia initiated the Arizona permitting process with a presentation to the Arizona Corporate Commission (ACC). During the presentation, SunZia stated that DOD is expected to propose mitigation measures, possibly involving the burial of 3 segments of the transmission line totaling 5 miles in the NCUA in June 2014, in which case it is likely that the BLM will conduct an environmental assessment (EA) of the proposed mitigation. SunZia also stated that the segment of Route Group 4 (Willow Substation to Pinal Central Substation) that includes the San Pedro Valley, has alternative routes proposed North of Mount Graham and through Sulphur Spring Valley, as well as south through Tucson although the latest is considered marginally practical owing to existing urban development.

On January 23, 2015, the Bureau of Land Management (BLM) issued a Record of Decision (ROD) approving a right-of-way (ROW) for the SunZia Southwest Transmission Line Project, from the proposed SunZia East Substation in Lincoln County, NM, to the existing Pinal Central Substation in Pinal County, AZ. The transmission line in the preferred alternative is 515 miles long. Three segments, totaling five miles of the Project will be buried in order to mitigate impacts to military operations at White Sands Missile Range. The impacts of burial have been analyzed in a Mitigation Proposal Environmental Assessment (EA) that has also been approved.

Following the completion of the Re-Study with the Modified Plan of Service (POS) and the submission of the Re-Study Report to Western Electricity Coordination Council (WECC) on January 14, 2015, the WECC Planning Coordination Committee (PCC) confirmed on January 27, 2015 the SunZia Project's Accepted Rating of 3,000 MW with the Modified POS. In parallel, the BLM issued a Record of Decision on January 23, 2015 approving SunZia's request for right-of-way on federal lands managed by the BLM.

In February 2016, the Arizona Corporation Commission approved the Certificate of Environmental Compatibility (CEC) for the SunZia project and SunZia has applied for state permits issued by the Arizona Corporation Commission and New Mexico Public Regulation Commission.

Energy pipelines

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, *The June 2014 - Clean Power Plan Proposed Rule* (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and

that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing EPA rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties, or converted to another energy source, most likely natural gas.

A critical bottleneck for the conversion of remotely located coal-fired power plants to natural gas is the existence of the energy pipelines required to connect them to the natural gas grid.

Issues and Progress

Six infrastructure issues are of particular concerns to the ECO Counties:

1) The expected implementation of landscape-scale forest and watershed restoration in eastern Arizona will create wear and tear unprecedented in recent decades on some Federal highways, State roads and County roads. As a consequence, additional funding will be required to maintain some portions of the eastern Arizona road transportation infrastructure expected to be used intensively by the logging transportation fleet.

2) Although the FY 2015 ECO / ADOT Healthy Forest Initiative increased the maximum gross weight legally allowed for timber industry trucks on several state highways in the White Mountains to 90,800 lbs., the Pilot Project was only effective for a period of two years, and a permanent solution must be implemented to permanently remove the competitive disadvantage for the Arizona wood industry compared to the wood industry operating in most western States. A permanent solution is required.

3) Water collection and distribution infrastructures, and power distribution infrastructures in eastern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of eastern Arizona.

4) The potential dismantlement of local short line railroads would compromise the competitiveness of Arizona businesses by increasing the costs of import of raw material and long distance export of products (copper, cement, wood products, etc.).

5) Until the construction of a new power line is completed, important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – remain landlocked in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

6) The connection of the Cholla Power Plant in Joseph City; Coronado Generating Station in St John; and, Springerville Generating Station to the Transwestern natural gas pipeline, are strategic requirements to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

"Healthy Forest Initiative" Pilot Project

Due to priorities setting, ADOT was not able to conduct the technical infrastructure impact analysis of the increase of the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on select state highways in the White Mountains during FY 2016. In consequence ADOT decided to extend the pilot project until the end of calendar year 2017.

During FY 2017, ADOT, in consultation with ECO, installed four weigh-in-motion scales (WIMS) at different locations to collect data to determine long-term impacts to pavement due to the higher gross vehicle weights of 90,800 lbs. The locations were selected based on the most common destination points or routes to the biomass processing centers or sawmills. The total cost for ADOT to install these WIMS was approximately $400,000.

During FY 2018, ADOT monitored the four weigh-in-motion scales (WIMS).

Per data collected at the four WIMS in FY 2018, the program is very successful in reducing transportation costs for the low value forest restoration products:

Route Milepost (MP)	Class 9 Vehicles	Class 9 Overweight	% Overweight
SR 260 EB / MP 334.5	13,279	1,620	12.20%
SR 260 WB / MP 335	7,994	1,790	22.39%
SR 277 NB / MP 316	11,254	3,981	35.37%
US 180 WB / MP 419	1,004	162	16.14%
Totals	33,531	7,553	22.53%

In addition, per the data collected by ADOT for the first three years of the program, some HURF revenues are generated by the program:

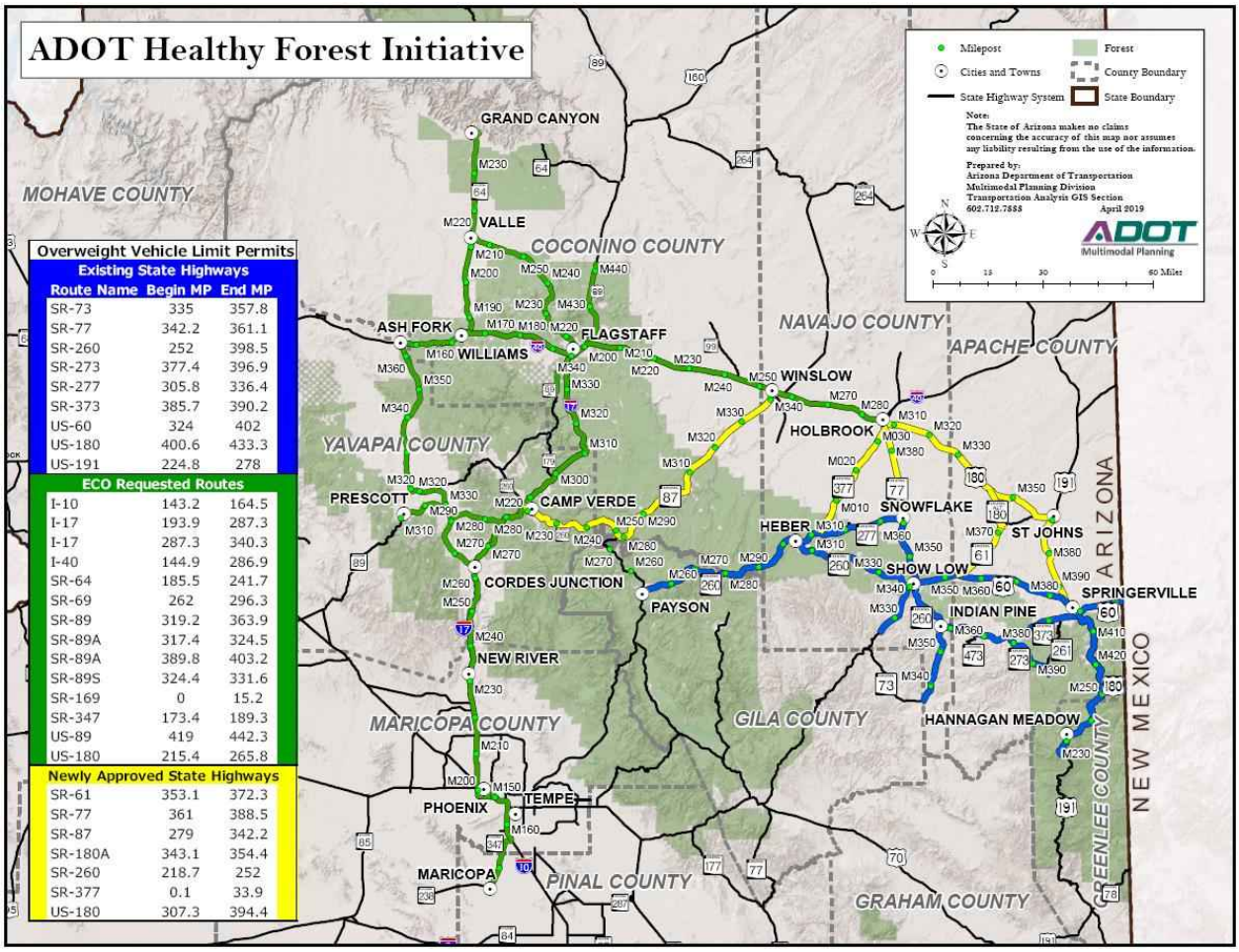
Calendar Year	Number of Permits	Total Permit HURF Revenue	State Highway Share
2015	215	$16,125	$ 8,143
2016	343	$25,725	$12,991
2017	318	$23,850	$12,044
Total	876	$65,700	$33,178

In FY 2019, the pilot program continued to be very successful in terms of:

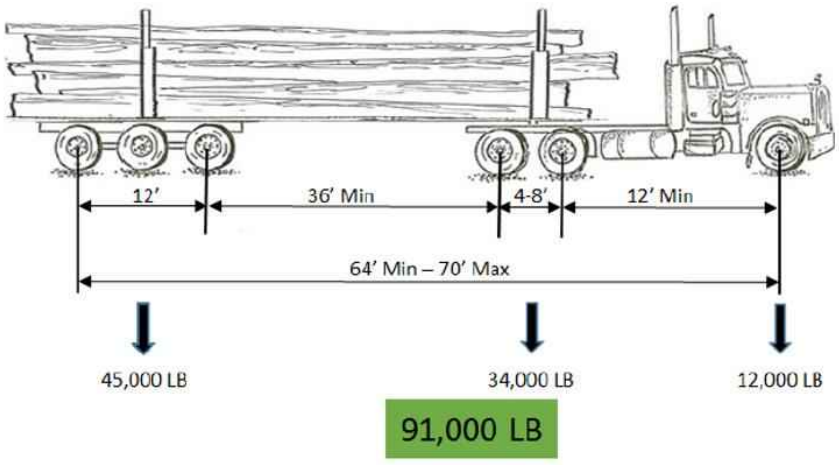
- expanding the operations radius for both logging and biomass removal;
- retaining forestry jobs; and
- accelerating the implementation of landscape-scale forest restoration, the mitigation of catastrophic fires, and the preservation of watershed functions.

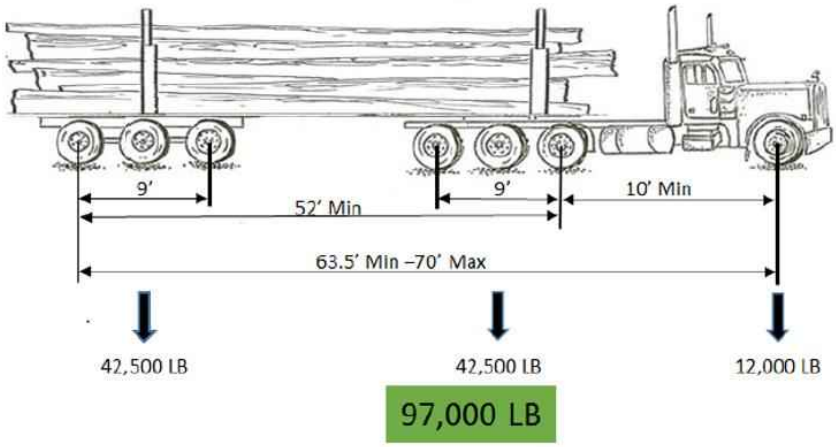
During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim (blue roads) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads).

During FY 2020 ECO collaborated with ADOT to include the entire “West Side” of 4FRI to the program, and to work with the federal authorities to allow the use specific sections of Interstate 40 and Interstate 17 in Camp Verde (green roads).

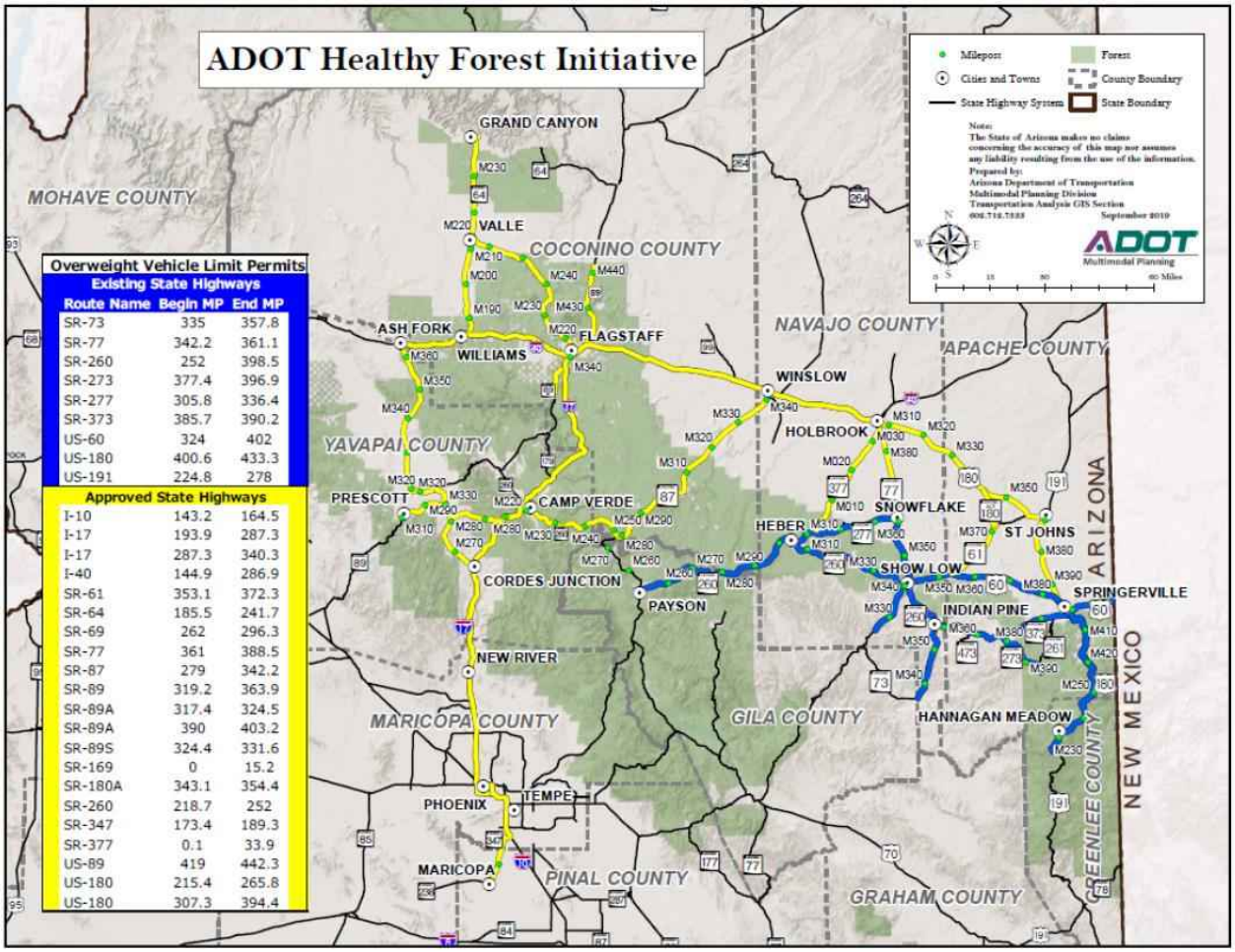


As a result of ECO’s work with ADOT, ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:





As a result of ECO's work with ADOT, all additional roads requested by ECO were approved:



The collaborative work between ECO and ADOT was a major success for Arizona in FY 2020:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program;
2. the increased maximum weight of 97,000 lbs., and

3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix;

are contributing significantly to the conditions required for successful implementation of landscape scale forest and watershed restoration in Arizona.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 73,000 acres in the White Mountains and the removal of over 1.9 million tons of log and 1.6 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	287,592
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	327,405
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	276,644
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	204,700
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336283
Total	73,390	1,908,140	1,687,970

In addition to the substantial accomplishment of over 73,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $80 million in wages over the 6 years of the pilot project and contributed $294 million in total economic activity to the rural economy.

As a result of its success, on October 20, 2019 ADOT converted the "Healthy Forest Initiative" pilot project into a permanent program.

Rural transportation infrastructures

As an appointed member of the ADOT Freight Advisory Committee (FAC), ECO has been participating in FY 2017 and FY 2018 in the revision of the ADOT *State Freight Plan*, including its rural transportation component.

On November 15, 2017 the ADOT *State Freight Plan was completed*, with the implementation phase starting thereafter.

ADOT 2018–2022 Five Year Plan

On May 23, 2017 ECO filed comments on the Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 5 Year Plan:

- The rural characteristics of the ECO Counties, their transportation network and their economy.
- The overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management.
- The dependence of the rural counties economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 5 Year Plan:

- Repair/Replace the rubble retaining walls on US 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate Pavement Preservation Schedule For Rural State Highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116 South of Safford;
    - State Route 90 N of Sierra Vista.

SunZia

During FY 2017, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico is also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018 Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the property surrounding its proposed route, and there are two sections of property through which the company has yet to secure easements. The commission denied the route without prejudice, which means SunZia can come back with a new proposal for two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

As of the end of FY 2019 the timetable for the project was as follows:

- 2020-2021: finalize right-of-way acquisitions and finalize engineering design
- 2020-2022: finalize permits
- 2022-2023: procuring materials for construction
- 2022-2024: construction
- 2025: commercial operation

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expects that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintains that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north does not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis is expected to add 2 years to the project but will not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy to be distributed in Arizona and California. As of the end of FY 2010, the previous timetable for the project was likely to be pushed back 2 years

Strategic Objectives

ECO is committed to participate in the protection, development and management of the eastern Arizona infrastructures, in order to ensure:

1) The systematic verification in FY 2021 that all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration are certified for, or rebuilt to, heavy commercial use specifications.

2) The funding in FY 2021 by Federal and State partners of the rebuilding (if necessary) and appropriate maintenance (as required) of all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration.

3) The prioritization of treatments in the power and water infrastructures corridors, after the direct protection of communities and watersheds, in all the ECO Counties.

4) The retention of the local short line railroads.

5) The construction by 2024 of the SunZia power line and the unlocking of the solar energy potential in Graham, Greenlee and Cochise Counties.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;

- Make them priority items with the State and Federal partners;
- Continue and expand its bilateral relationships with the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP);
- Continue and expand its bilateral relationship with the Arizona Department of Transportation (ADOT);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the protection of power and watershed infrastructures, and the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Continue its engagement and work with the Governor's office to facilitate multiagency coordination of the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 4: *Infrastructures.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 4: *Infrastructures.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 4 Infrastructures	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 4, *Infrastructures,* ECO seeks the following outcomes:

1) The completion of rural infrastructure projects listed in the ECO comments on the proposed ADOT 2018-2022 5 Year Plan:
    a. completion of the Lion Springs section of U.S. Highway 260;
    b. modernization of U.S. Highway 260 over the Mogollon Rim to Heber;
    c. resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe;
    d. resolution of local bottlenecks on U.S. Highway 191 MP 110 – 116, South of Safford;
    e. resolution of local bottlenecks on State Route 90 north of Sierra Vista.

2) The continuation of a dialog with Federal and State partners to fund the maintenance of the Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration in eastern Arizona, especially through the new *State Freight Plan*.

3) The completion of the SunZia power line by the end of FY 2026.

Canyon Creek Logging truck loaded to the new 90,800 lbs. State maximum weight.

Program 5: Recreation

Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

Background

Importance of dispersed motorized travel and recreation for the ECO Counties

The number of off-highway vehicles (OHVs) used in Arizona has risen dramatically. Almost 500,000 households within the State have at least one OHV, and as many as 30,000 new ATVs and motorcycles are purchased annually (Arizona State Parks, 2009).

While the use of OHVs is increasing statewide, OHV recreation is disproportionally important to the economy of rural counties such as the ECO Counties. A survey conducted in 2003 by the Arizona State Parks identified the recreation impact of OHV recreation on the ECO Counties as follows.

OHV use

OHV Use	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Households owning OHV	34%	24%	36%	34%	48%	36%
Arizona OHV trip destinations	6%	4%	8%	5%	5%	7%
Annual OHV Recreation Days	896,479	435,134	1,262,607	209,712	88,926	744,630
Internal to County	153,125 (17%)	180,697 (42%)	228,071 (18%)	66,020 (31%)	32,787 (37%)	438,831 (59%)
From visitors to County	743,354 (83%)	254,437 (58%)	1,034,536 (82%)	143,694 (69%)	56,139 (63%)	305,798 (41%)
Households satisfied with their OHV experience	70%	72%	60%	82%	79%	73%

OHV economic impact

OHV Economic Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Fuel/Gasoline	$11.8 M	$8.2 M	$16.7 M	$3.4 M	$1.5 M	$15.3 M
Lodging/Campgrounds	$8.6 M	$3.4 M	$12 M	$1.8 M	$0.7 M	$4.9 M
Restaurants/Bars	$8.1 M	$5.0 M	$11.5 M	$2.2 M	$0.9 M	$8.9 M
Groceries/Liquor	$9.4 M	$6.2 M	$13.3 M	$2.7 M	$1.2 M	$11.5 M
Event fees/souvenirs/etc.	$9.7 M	$4.9 M	$13.6 M	$2.3 M	$0.97 M	$8.1 M
Total OHV recreation trips expenditures	$47.6 M	$27.7 M	$67.1 M	$12.4 M	$5.3 M	$48.7 M
Expenditures on off-highway vehicles	$13.3 M	$25.4 M	$16.9 M	$6.7 M	$2.2 M	$25.9 M
Expenditures on tow-vehicles and trailers	$10.6 M	$12.7 M	$9.4 M	$2.6 M	$0.1 M	$7.4 M
Expenditures on OHV equipment	$22.6 M	$32.7 M	$27.1 M	$10.6 M	$4.1 M	$32.9 M
Total OHV expenditures	$94.1 M	$98.5 M	$120.5 M	$32.3 M	$11.7 M	$114.9 M

In summary, the total OHV economic impact on the ECO Counties, including multiplier effect, represents a $535 million annual contribution to the local economy, the sustenance of 4,670 jobs and the payment of $81.8 million annually in salaries and wages:

OHV Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Total Economic Impact	$102 M	$116 M	$138 M	$38 M	$12 M	$129 M
Jobs Supported	842	1,009	1,322	348	50	1,099
Salaries and wages	$12.8 M	$19.6 M	$22.3 M	$6.2 M	$0.8 M	$20.1 M

While the study is aging (2003), the trends that it represents are constant, and the growing importance of motorized travel and recreation in Arizona, and in the eastern Arizona Counties is obvious. Admittedly, the economic growth for the 5 years after the study was conducted (2003 to 2008), and its positive influence on recreation activities, were offset by the economic slump over the following 5 years (2008 to 2013), and its negative influence on recreation activities. However, for all practical purposes, the 2003 data may reflect fairly accurately the 2019 situation. Certainly, in any economy 4,670 jobs are significant, and in the current economy they are critical.

Overall, 73% of the motorized recreational activities reported in the study involved some level of dispersed access to the lands:

Dispersed Access	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Camping	19%	7%	12%	14%	13%	22%
Fishing	15%	0%	10%	10%	14%	8%
Sightseeing	12%	15%	15%	11%	11%	9%
Picnicking	2%	4%	0%	10%	10%	5%
Hunting	11%	11%	14%	9%	11%	12%
Back roading	7%	15%	13%	10%	5%	11%
Trail riding	6%	17%	10%	12%	4%	12%
Total	72%	69%	74%	76%	68%	79%

The fact that over 73% of the motorized recreational activities involved some level of dispersed access to the land illustrates the need to maintain motorized travel on the USFS and BLM public roads, as well as some level of authorized cross-country travel for reasonably dispersed activities.

Preponderance of Federal lands

In the State of Arizona, the Federal government directly owns over 32.4 million acres of the 72.6 million acres total area of the State, through the Bureau of Land Management (13.1 M), Forest Service (12.9 M), Department of Defense (3.6 M), National Park Service (1.4 M) and Bureau of Reclamation (1.4 M). This represents over 44% of the land in the State.

When adding the 21.5 million acres of Indian reservations managed by the Federal Bureau of Indian Affairs, a total of 53.9 million acres, or over 74% of the land in the State are controlled by Federal agencies.

The percentage of land controlled by the Federal government is even higher in some Arizona Counties. For example, among the six ECO Counties, Federal agencies control in average 80% of the land in five of the counties:

Land Control	Forest Service	Bureau Land Management	Tribal / BIA	Department of Defense	Federal Control
Apache County	9%	2%	67%	0%	78%
Cochise County	12%	10%	0%	3%	25%
Gila County	55%	2%	38%	0%	95%
Graham County	13%	25%	36%	0%	74%
Greenlee County	64%	14%	0%	0%	78%
Navajo County	8%	1%	67%	0%	76%

As a consequence, regulations severely restricting the motorized access to, motorized travel through, or motorized recreation on public lands can have a disproportionate impact on the custom, culture and economic well-being of the ECO Counties.

Travel Management Rule (TMR)

In 2003, the Department of Interior (DOI) *Strategic Plan* set as the first of three key recreation goals to "establish a comprehensive approach to travel planning and management."

In May 2003, the Bureau of Land Management (BLM) *Priorities for Recreation and Visitor Services* implemented travel management through national motorized, mechanized, and non-motorized recreation strategies.

In December 2005, the U.S. Forest Service (USFS) issued the *Travel Management Rule* (TMR), developed in response to the increasing effects of OHV recreation and the potential for OHV use to adversely affect forest and grassland resource.

Indiscriminate OHV use, especially unrestricted cross country motorized travel, can adversely impact natural resources such as forests, grasslands, watersheds, riparian areas, sensitive soils, habitats, etc. and cultural resources. Therefore, the growing popularity of motorized recreation requires appropriate regulations in order to maintain a well-considered balance between the enjoyment of the public lands visitors, and the need to preserve and conserve the resources of these lands for the enjoyment of future generations.

However, misdirected implementation of travel management may result in overly restrictive regulations and undue restriction of motorized access and motorized recreation on the BLM and USFS public lands that can be harmful to the Counties custom, culture and economic well-being.

Issues and Progress

Six motorized travel and motorized recreation issues are of particular concern to the ECO Counties:

1) Retention of adequate motorized road travel in the public lands.

2) Retention of motorized dispersed camping consistent with the reasonable enjoyment of safety, privacy, comfort, custom and culture, allowing the parking of motorized vehicles and/or trailers at a distance of 300 feet from the closest legally open road or trail. Access to dispersed camping sites previously used and established in the local custom and culture as demonstrated by tangibles evidences of previous use such as fire pits, improvements, etc. must continue to be allowed.

3) Retention of motorized big game retrieval for all species of game meeting the definition of ‘big game’ in the Arizona Game and Fish Department hunting regulations, or alternatively for all ‘big game’ animals requiring a hunting tag, with the exception of turkeys, allowing one trip each way from the downed animal to the closest legally open road or trail, regardless of distance, by the

most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

4) Retention of motorized dispersed collection of firewood allowing the minimum number of trips each way, as defined based on the transport capacity of the vehicle and the trailer, from the downed tree to the closest legally open road or trail, regardless of distance, in the authorized firewood collection area, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

5) Implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations. Indiscriminate cross-country travel consists of traveling cross-country in a motorized vehicle not intended to reach a specific dispersed camp site, downed animal, downed tree in an authorized firewood collection area, or terrain feature used as a shooting backstop, or not required for an emergency response to a specific justifiable circumstance such as danger to limb or life. Motorized scouting for a site is considered different from reaching a specific site.

6) Retention of the possibility for future consideration of new motorized recreation areas and trails over at least 75% of the public lands in the ECO Counties.

Tonto National Forest Travel Management Rule

Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). As a consequence of not being allowed to be a member of the IDT, ECO was unsuccessful at getting its objectives fully included in the NEPA analysis. Specifically:

- Instead of the 300 foot corridors that were requested by ECO and that were part of the draft Environmental Impact Statement (EIS), the Final Environmental Impact Statement (FEIS) and the Draft Record of Decision (DROD) designates certain motorized routes for dispersed camping and outlaws it everywhere else. As a result, motor vehicle use for dispersed camping is authorized on only approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried, existing, dispersed camping sites on the Tonto National Forest, but it is now prohibited on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking is now limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified.

- Motor vehicle use for big game retrieval is allowed up to 1 mile on both sides of all designated roads and motorized trails solely for retrieving legally harvested elk and bear in game management units 21, 22, 23, 24A, 24B, and 37B. This decision results in approximately 1,905,300 acres where motorized retrieval is permitted. However, contrarily to ECO's request, motor vehicle use for big game retrieval of deer is prohibited.

- Motor vehicle use for gathering personal use fuelwood will continue to be permitted and will not be distance-limited if the user is within the designated fuelwood cutting permitted area and not causing resource damage. However, as part of the formal consultation process with the U.S. Fish and Wildlife Service in compliance with the Endangered Species Act, approximately 36,000 acres will not be designated for fuelwood gathering using a motor vehicle to minimize impacts to habitat for yellow-billed cuckoo, Chiricahua leopard frog, narrow-headed gartersnake, northern Mexican gartersnake, and hedgehog cactus.

During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 the Tonto NF conducted internal Forest Service work and analysis.

On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicle use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

Apache-Sitgreaves National Forests Travel Management Rule

As a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule (TMR) NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- Motorized dispersed camping within 300 foot of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.).
- Motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above).
- Motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements.
- Continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas.
- Retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e. entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

On August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the A/S Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain

open and which ones can be closed, even if such additions may require a Forest Plan amendment.

3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300 foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through FY 2020, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2020 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

ECO will continue to be engaged in the Apache-Sitgreaves NF TMR in FY 2021.

Arizona back country Off Highway Vehicles (OHV) connected trails system

After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was recently resolved through the Maverick Trail.

Rim Country Sustainable Recreation Trails Working Group

In February 2017, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the US Forest Service and other stakeholders convened the first meeting of the Rim Country Sustainable Recreation Trails Working Group. The purpose of the new working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision.

During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the US Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, 2019 and 2020.

Strategic Objectives

As a result of its engagement in recreation issues, ECO is committed to:

1) The retention of motorized travel and motorized recreation on public lands.

2) The implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations.

3) The development of an Arizona back country OHV connected trails system along the Mogollon Rim.

4) The establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Engage in all TMR related Federal agencies proposed actions and NEPA analyses within the ECO Counties;
- Develop relationship and collaborative work with the relevant OHV and motorized recreation non-governmental organization (NGO) stakeholders;
- Develop an executable project and establish a proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim;
- Develop an executable project for the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 5: *Recreation.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 5: *Recreation.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 5 Recreation	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 5, *Recreation*, ECO seeks the following outcomes:

1) Retention of acceptable motorized dispersed camping; motorized big game retrieval; motorized collection of firewood; OHV recreation; etc. in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

2) Implementation of appropriate restrictions on indiscriminate cross-country travel in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

3) Development of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

4) Development of a draft project and proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim and the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Former ECO Director, and former Navajo County Supervisor, DFFM Director David Tenney using motorized big game retrieval after a successful elk hunt.

Former ECO Director and former Graham County Supervisor, State Representative Drew John snowmobiling with family in Arizona national forests.

ECO Chair, Navajo County Supervisor Jason Whiting and son Jason Crew taking Jason Crew‘s first elk in Arizona national forests.

Program 6: Energy

Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

Background

Coal

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, The June 2014 - Clean Power Plan Proposed Rule (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

The Eastern Arizona Counties Organization (ECO) is uniquely affected by the proposed promulgation of the *Regional Haze Federal Implementation Plan* and the *June 2014 - Clean Power Plan Proposed Rule* in as much as the Cholla Power Plant in Joseph City, Navajo County; the Coronado Generating Station in St John, Apache County; the Springerville Generating Station in Springerville, Apache County; and, the Apache Generating Station in Cochise, Cochise County, are all located within the footprint of the ECO County Members. Further, since the Four Corners Generating Station in Fruitland (NM) burns coal from the Farmington Navajo mine, and the Navajo Generating Station in Page (AZ) burns coal from the Kayenta Peabody Western Coal mine, these two plants have a massive impact on the coal extraction economy in the Navajo Nation and Hopi Tribe, where these revenues represent approximately 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues. Considering that both Navajo Nation and Hopi Tribe are located in part in the two ECO County Members Navajo County and Apache County, the economic impact of tribal coal extraction has a critical effect on the ECO Counties economic prosperity.

Arizona coal-fired electricity generation

Six coal-fired power plants currently supply electricity to Arizona as of the beginning of FY 2021:

- Apache Generating Station in Cochise, burning coal for the El Segundo and Lee Ranch mines (NM):
  - Unit 1: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC);
  - Unit 2: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC).
- Cholla Power Plant in Joseph City, burning coal from the McKinley mine (NM):
  - Unit 1: 114 MW commissioned in 1962, owned by Arizona Public Service Company (APS);
  - Unit 2: 289 MW commissioned in 1978, owned by Arizona Public Service Company (APS);
  - Unit 3: 312 MW commissioned in 1980, owned by Arizona Public Service Company (APS);
  - Unit 4: 414 MW commissioned in 1981, owned by PacifiCorp (PAC).
- Coronado Generating Station in St John, burning coal from the McKinley mine (NM):
  - Unit 1: 411 MW commissioned in 1979, owned by Salt River Project (SRP);
  - Unit 2: 411 MW commissioned in 1980, owned by Salt River Project (SRP).
- Four Corners Generating Station in Fruitland (NM), burning coal from the Farmington Navajo mine:
  - Unit 1: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 2: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 3: 220 MW commissioned in 1964, owned by Arizona Public Service Company (APS);
  - Unit 4: 745 MW commissioned in 1969] owned by Southern California Edison (SCE) 48%, APS 15%
  - Unit 5: 745 MW commissioned in 1970] P.S.C. (NM) 13%, SRP 10%, TEP 7%, El Paso Electric 7%.
- H. Wilson Sundt Generating Station in Tucson, burning coal from the McKinley mine (NM):
  - Unit 1: 173 MW commissioned in 1967, owned by Tucson Electric Power Company (TEP).
- Springerville Generating Station; in Springerville, burning coal from El Segundo Mine (NM) and the Powder River Basin (WY):
  - Unit 1: 380 MW commissioned in 1985, owned by Tucson Electric Power Company (TEP);
  - Unit 2: 380 MW commissioned in 1990, owned by Tucson Electric Power Company (TEP);
  - Unit 3: 400 MW commissioned in 2006, owned by Tri-State Generation and Transmission;
  - Unit 4: 400 MW commissioned in 2009, owned by Salt River Project (SRP).

Regional Haze Implementation Plan

In 2011, the State of Arizona submitted a State Implementation Plan (SIP) for Regional Haze that recognized the significant investments Arizona utilities had already made to reduce NOx emissions. However, in December 2012, the EPA rejected Arizona's State Implementation Plan and put forward a Federal Implementation Plan (FIP) that required Arizona utilities to install selective catalytic reduction technology (SCR) on most of the state's coal-burning power plants. If fully implemented, the EPA Federal Implementation Plan would result in an improvement in visibility of less than one deciview, which is imperceptible to the naked eye, and cost Arizona utilities and their ratepayers more than $1 billion.

Coronado Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA was the most stringent NOx emissions rate ever proposed by the agency for a coal plant retrofit project. The lowering of the NOx emission limit to 0.050 lb/MMBtu on Unit 1, and 0.080 lb/MMBtu on Unit 2 of the Coronado Generating Station in St John, Apache County, as proposed in the FIP required the investment of an additional $110 million to install a second selective catalytic reduction (SCR) system on Unit 1, in addition to the $500 million invested to implement the 2008 Coronado Emission Control Project (CECP) recently completed with the installation of an SCR system on unit 2. The significantly more stringent emissions rate mandated for Unit 1 to ensure compliance with the plant-wide NOx emissions limit of 0.065 lb/MMBtu, mandated in the November 2012 final FIP for the Coronado Generating Station, gravely compromised the economic viability of the plant.

In March 2015, the EPA proposed a *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* to replace a plant-wide Best Available Retrofit Technology (BART) compliance method and emission limit for NOx on Units 1 and 2 at the Coronado Generating Station with a single-unit compliance method and emission limit on each of the two units, specifically 0.065 lb./MMBtu for Unit 1 and 0.080 lb./MMBtu for Unit 2. This was a critical step toward insuring the economic viability of the plant, and the sustainability of the irreplaceable economic engine role that it plays in southern Apache County.

In May 2016 the EPA adopted the March 2015 Reconsideration of the Arizona Regional Haze Federal Implementation Plan for the Coronado Generating Station, and the revision of the Air Quality Control Permit was initiated in August 2016.

Four Corners Generating Station Regional Haze Implementation Plan

On June 24, 2015 the U.S. Department of Justice and the EPA announced a federal Clean Air Act settlement with the owners of the Four Corners Generating Station to follow the EPA's 2012 Regional Haze Program's Best Available Retrofit Technology (BART) determination for the Four Corners Generating Station.

The BART determination required the installation of selective catalytic reduction systems for the control of nitrogen oxides (NOx) at Units 4 and 5, to meet a 0.098 pound/million BTU NOx emission rate, achieving an additional 887 tons per year (tpy) reduction in NOx. The settlement also required sulfur dioxide (SO2) emissions reductions by continuously operating already installed flue gas desulfurization equipment to meet a 95 percent removal efficiency and to convert existing ductwork and stack configurations to eliminate the bypass of stack gas around the equipment, resulting in SO2 emissions of approximately 4,653 tpy. The total settlement required an estimated $160 million in upgrades to the plant.

The settlement also required $6.7 million to be spent on three health and environmental mitigation projects for tribal members, and payment of a $1.5 million civil penalty. EPA stated that the actions required by the settlement will reduce harmful emissions by approximately 5,540 tons per year.

Cholla Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA for the Cholla Generating Station in Joseph City, Navajo County, required the investment of another $350 million to install SCR technology at Cholla, in addition to the $300 million invested to install scrubbers and baghouses between 2007 and 2010. The cost of complying with the EPA regional haze Federal Implementation Plan rendered Cholla uneconomical, making it likely that APS would permanently close its units at the Plant. After carefully weighing all options to comply with the EPA's Federal Implementation Plan, APS put forward an alternative method of compliance.

In June 2015, Arizona Public Service (APS) submitted to the Arizona Department of Environmental Quality a *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* for the Cholla Generation Station. The proposal includes an alternative that would close unit #2 in 2016 and eliminate the use of coal by 2025.

In July 2016 the EPA proposed the approval of Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399 for the Cholla Generation Station. Comments were due by September 2016.

Navajo Generating Station Regional Haze Implementation Plan

In February 2013, the Environmental Protection Agency (EPA) issued a proposed Best Available Retrofit Technology (BART) rule for the Navajo Generating Station (NGS) under the Regional Haze Rule of the Clean Air Act. The proposed rule included a proposed BART Determination and a proposed BART Alternative. The proposed BART Determination required operation of Selective Catalytic Reduction (SCR) at NGS by 2018 whereas the BART Alternative gave the NGS owners credit for early installation of low-NOx burners at NGS and required operation of SCR at NGS by 2021-2023. A final rule was promulgated by EPA on July 28, 2014 to establish a cap in NOx emissions from NGS over 2009 to 2044 and required the operator to implement one of several alternative operating scenarios to comply with the 2009-2044 NOx Cap.

Generally, the alternative operating scenarios required NGS to close one unit by 2019, or curtail electricity generation by a similar amount, and to meet a NOx emission limit that is achievable with the installation of selective catalytic reduction (SCR) on two units by 2030.

Apache Generating Station Regional Haze Implementation Plan

On February 27, 2015 the EPA approved a source-specific revision to the Arizona State Implementation Plan (SIP) that established an alternative to Best Available Retrofit Technology (BART) for Steam Units 2 and 3 (ST2 and 3) at the Apache Generating Station. Under the BART Alternative, ST2 will be converted from a primarily coal-fired unit to a unit that combusts pipeline-quality natural gas, while ST3 will remain as a coal-fired unit and would be retrofitted with selective non-catalytic reduction (SNCR) control technology. The SIP revision also revises the emission limit for nitrogen oxides (NOx) applicable to ST1, when it is operated in combined-cycle mode with Gas Turbine 1 (GT1). EPA determined that the BART Alternative for ST2 and ST3 would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act (CAA) and EPA's Regional Haze Rule (RHR). The action withdrew those portions of the Arizona Federal Implementation Plan (FIP) that addressed BART for the Apache Generating Station.

EPA June 2014 proposed Clean Power Plan rule

In June 2014 the Environmental Protection Agency (EPA) proposed new restrictions on power plants to reduce greenhouse gas emissions. The *June 2014 - Clean Power Plan Proposed Rule* proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. The implementation of the 30% national goal would be implemented through state-specific rate-based goals for carbon dioxide emissions from the power sector, as well as guidelines for states to follow in developing plans to achieve the state-specific goals. Consequently, goals varied from State to State.

The goal set by EPA for Arizona represented essentially a 50% decrease in emissions. Arizona currently generates 1,453 pounds of carbon-dioxide emissions for every megawatt-hour generated in the state,

which represents the electricity required to power 250 homes for one hour. The EPA June 2014 proposed rule aimed to reduce the amount to 702 pounds per megawatt-hour by 2030.

The new EPA June 2014 proposed rule would likely further compromise the economic viability of the coal-fired power plants and was likely intended to accelerate the shift away from coal-fired power plants to other types of energy sources, including natural gas-fired plants, which emit about half the amount of carbon produced by those that burn coal. The consequences for Arizona were expected to be significant.

The Final Rule was expected in FY 2016, but in February 2016 the Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

Navajo Generating Station Clean Power Plan

The Los Angeles Department of Water and Power, and Nevada Energy, owners of respectively 21.2% and 11.3%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, SRP proposed to close one of the three units because no other utility company is willing to purchase the coal-generated power.

The 33% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the two remaining units could comply with the new restrictions of the Clean Power Plan. Further it was likely economically unviable to attempt to run the plant at only 66% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Four Corners Generating Station Clean Power Plan

Southern California Edison (SCE), owners of 48%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, in December 2013, APS announced that it completed a transaction with SCE to purchase their ownership in Units 4 and 5, and that, owing to a lack of demand for coal-fired energy it would close permanently the plant older, less efficient Units 1, 2 and 3.

A 25% reduction in capacity and emissions was expected to facilitate bringing the plant to compliance with the new restrictions of the Clean Power Plan, although no technical feasibility evaluation had been published as of the beginning of FY 2018, and it was likely economically challenging to run the plant at 75% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Cholla Power Plant Clean Power Plan

Independently from the investments necessary to control nitrogen-oxide (NOx) emissions to implement the Regional Haze Plan (see Regional Haze Implementation Plan section above), in 2010, EPA notified APS that the Cholla No. 2 unit would need new pollution controls to limit mercury emissions.

When added to the investment required to limit NOx emissions that contribute to haze in Units 2, 3 and 4, it was calculated that the mercury pollution control investments required to meet the EPA mandate would compromise the economic viability of the plant. APS announced that it would be

considering the permanent closing of unit #2 in 2016 and the likely permanent closing of the entire plant by 2025.

A 20% to 25% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the remaining units could comply with the new restrictions of the Clean Power Plan.

Coronado Generating Station Clean Power Plan

In May 2014, SRP completed a $470 million upgrade of the plant Unit 1 emissions-controls. These improvements brought the plant in compliance with the August 2008 U.S. Department of Justice (DOJ) and EPA complaint.

However, EPA also requested that similar emission reduction equipment be added to the plant Unit 2 for compliance with the Regional Haze Plan (see Regional Haze Implementation Plan section above). SRP officials estimated that it would cost another $100 million.

It was unpublished as of the beginning of FY 2018 if the $470 million 2008-2014 campaign of emission reductions on Unit 1 and a potential $100 million campaign of emission reductions on Unit 2 would allow the plant to comply with the new restrictions of the Clean Power Plan.

Springerville Generating Station Clean Power Plan

Although the Springerville Generating Station (SGS) won the industry's Powder River Basin Coal Users' Group (PRBCUG) 2014 Plant of the Year award for industry best practices, continual improvements and worker safety, and is the latest, and possibly last, coal-fired power plant built in Arizona, representing a $1 billion investment in state-of-the-art 1990's and 2000's technologies, it is unpublished as of the beginning of FY 2018 if the plant would comply with the new restrictions of the Clean Power Plan.

Apache Generating Station Clean Power Plan

In 2017, Arizona Electric Power Cooperative (AEPCO), the owner of the Apache Generating Station installed new selective non-catalytic reduction (SNCR) technology on Steam Unit 3 (ST3), and converting ST2 from burning coal to burning pipeline natural gas in to comply with the Regional Haze Plan (see *Regional Haze Implementation Plan* section above).

We are upgrading our two steam units to comply with new environmental regulations. By year-end 2017, we will reduce emissions from Steam Unit 3 by installing new selective non-catalytic reduction (SNCR) technology. Steam Unit 2 will be converted from burning coal to pipeline natural gas. It is unpublished as of the beginning of FY 2018 if the modified plant would comply with the new restrictions of the Clean Power Plan.

Conversion to natural gas

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing and upcoming EPA

rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

There is only limited flexibility in meeting new stricter emission rules by shutting down individual units to decrease a plant overall emission volume. It inevitably becomes economically challenging to operate plants at a fraction of their nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

The economic engine role played by the thermal electricity industry is critical to the ECO rural eastern Arizona counties. For example, the Cholla Generating Station employs nearly 250 workers with an annual payroll of more than $29 million and is responsible for $30 million in economic activity each year through the purchase of products and services to support operations at the plant, while generating more than $15 million in state, local, and federal taxes each year, providing essential revenue for education, law enforcement, and public safety.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties; or, converted to another energy source, most likely natural gas.

Wind

Large areas of Class 3 wind resources exist in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville. The area is already serviced by high power 500 kilovolt (KV) lines.

Around 2003, rancher Bill Elkins began working with Northern Arizona University scientists to erect measurement towers on his land to measure wind speeds, and study the local power grid to determine the feasibility of connecting a wind farm. His work resulted in the Dry Lake Wind Power Project.

The Dry Lake Wind Power Project phase 1 is located near Heber, and phase 2 is located near Show Low in Navajo County. The Dry Lake Wind Power Project is Arizona's first utility-scale wind farm. The project, situated on a combination of private, State and Bureau of Land Management public lands, was built by Iberdrola Renewables. Each of the two phases represent a $100 million investment and consist of 30 Suzlon S88 2.1 MW wind turbines, for a total nameplate capacity of 63 megawatts (MW). The two phases produce 127 MW of clean, renewable energy - enough electricity to power approximately 20,000 average homes. The Salt River Project (SRP) purchases 100% of the output.

Significant opportunities exist for other large scale projects in Navajo County, and between St Johns and Springerville in Apache County.

Solar

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project 500 KV transmission lines' planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in these Counties.

Issues and Progress

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

Five energy issues are of particular concerns to the ECO Counties:

1) The maximization of the operating life to at least 2025 / 2030 of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, and the retention of the economic engine role played by these plants in the local economies.

2) The under-utilization of the large areas of Class 3 wind resources in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville, despite the area being already serviced by high power 500 kilovolt (KV) lines.

3) The non-utilization of the important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

4) The conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units, is a strategic requirement to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

5) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments.

Regional Haze Implementation Plan at Coronado Generating Station

The March 2015 EPA-proposed *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* was approved by EPA in May 2016. On August 23, 2016 the Significant Permit Revision No. 63088 to Air Quality Control Permit No. 52639 for Salt River Project- Coronado Generating Station was initiated.

On April 27, 2017, the Environmental Protection Agency (EPA) proposed to approve a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station, owned and operated by the Salt River Project Agricultural Improvement and Power District. The EPA proposed to find that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this proposed approval, the EPA proposed to withdraw those portions of the federal implementation plan (FIP) that address BART for Coronado, and also proposed to codify the removal of those portions of the Arizona SIP that have either been superseded by previously approved revisions to the Arizona SIP or would be superseded by final approval of the SIP revision for Coronado.

During FY 2018, on November 9, 2017, the Environmental Protection Agency (EPA) approved a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station ("Coronado"), owned and operated by the Salt River Project Agricultural Improvement and Power District (SRP). The EPA determined that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, based on the criteria established in the EPA's Regional Haze Rule. In conjunction with this approval, EPA withdrew those portions of the federal implementation plan (FIP) that address BART for Coronado and codified the removal of those portions of the Arizona SIP that have either been superseded by this approval of the SIP revision for Coronado or by previously-approved revisions to the Arizona SIP.

This decision effectively closed the file for the regional haze implementation plan at the Coronado Generating Station.

Regional Haze Implementation Plan at Cholla Generation Station

The June 2015, *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* received a Proposed Approval by EPA in July 2016.

On April 26, 2017, the Environmental Protection Agency (EPA) took final action to approve a source-specific revision to the Arizona state implementation plan that addresses the best available retrofit technology requirements for the Cholla Power Plant. The EPA found that the state implementation plan revision fulfills the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this final approval, the EPA took final action to withdraw the federal implementation plan provisions applicable to Cholla. This action also constituted EPA's action to address petitions for reconsideration granted by the EPA related to Cholla.

This decision effectively closed the file for the regional haze implementation plan at the Cholla Generation Station, and no further development took place in FY 2018.

Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expires in December 2019. On July 1, 2017 the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure will affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences are to be expected as the Navajo Generating Station and Kayenta Mine account for about 25% of the Navajo Nation’s revenues, and 65% of the Hopi Tribe’s revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018 and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners’ understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones. Fundamental economic challenges could not be resolved and on September 20, 2018 MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running.

On November 18, 2019 Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

Clean Power Plan

In February 2016, the US Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

On January 11, 2017 the Environmental Protection Agency denied most of the petitions for reconsideration, and all of the petitions for administrative stay the agency received on the Clean Power Plan, stating that since the February 2016 ruling, the EPA considered the variety of technical and legal issues that petitioners raised and determined that the petitions failed to satisfy one or both of the legal conditions necessary to grant reconsideration.

However, on March 28, 2017 the President of the United States signed an executive order mandating the EPA to review the plan and it is widely expected, following the President's announcement on June 1, 2017, of United States withdrawal from the Paris Agreement, that the Clean Power Plan will be eliminated.

During FY 2018, it was revealed on October 4, 2017 that the EPA under the Trump Administration was planning to end the Clean Power Plan, and on October 6, 2017, it was revealed that the President was considering alternatives to the plan through public discussion. EPA Administrator Scott Pruitt announced that the formal process to change EPA rules and repeal the plan would begin on October 10, 2017 and he signed a formal proposal that would lead to the repeal of the Clean Power Plan.

In FY 2019, on October 9, 2018, the US Supreme Court rejected any further court challenges to the Trump Administration's decision to repeal the Clean Power Plan.

This decision effectively closed the file for the Clean Power Plan.

Wind power production

Despite numerous wind research permits issued by Navajo and Apache counties over the last few years, there was no formal project to develop a utility-scale wind power farm project in Navajo or Apache County until FY 2020.

In FY 2020, Utah company S Power proposed the Chevelon Butte Wind Farm. The project is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would receive 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area at the Dry Lake Wind Farm.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was unanimously approved by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019, and by the Arizona Corporation Commission on October 22, 2019.

On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019 the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

Solar power production

Currently, the development of solar power farm projects in Graham, Greenlee or Cochise County appears to be pending on the Sun Zia line completion now expected in 2026.

Conversion of a unit at the Cholla power plant to burn biomass

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Retention of the thermal electricity industry in the ECO Counties

The dialog with the utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties is on-going. However, the cost of conversion of end-of-life coal power plants to gas and the cost of construction of the necessary pipelines make the issue extremely difficult.

The securing of the Cholla and Coronado generating stations' future achieved by ECO and its partners during FY 2019 in Program 6, Energy was a success, but a significant setback was also suffered with the upcoming closure of the Navajo Generating Station, and much remains to be done in FY 2021 and beyond, to ensure the maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030.

ECO remains committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW "carve out" for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, as appropriate based on the outcome of the 4FRI RFP.

Strategic Objectives

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, a significant setback was also suffered with the upcoming closure of the Navajo Generating Station.

ECO is committed to:

1) The continuation of operations at the Cholla, Coronado, Springerville and Apache generating stations until the end of their operational life in 2025 / 2030.

2) The development and implementation of renewable energy production facilities in the ECO Counties.

3) The monitoring of potential new developments on the Regional Haze Implementation Plan and Clean Power Plan.

4) Continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties and the conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units;

5) The implementation of the AZ Corporation Commission new 60 MW to 75 MW "carve out" for 20 years through either the construction of a new biomass facility, or the conversion to biomass of one unit at the Cholla power plant, as appropriate based on the outcome of the 4FRI RFP.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Support the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) and the Arizona Department of Environmental Quality (ADEQ) alternatives to the *Regional Haze Federal Implementation Plan*, and the EPA *June 2014 - Clean Power Plan Proposed Rule*;
- Engage with utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) to initiate the dialog on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties;

- Engage with wind and solar industry investors to support and contribute to the development of utility-scale wind power farms in Navajo and Apache County, and solar power farms in Graham, Greenlee and Cochise County;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 6: *Energy*.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 6: *Energy*.

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 6 Energy	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 6, *Energy*, ECO seeks the following outcomes:

1) Maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030:

2) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments, as appropriate based on the outcome of the 4FRI RFP.

3) Development of at least one solar power farm project in Graham, Greenlee or Cochise County.

4) Continuation of the dialog with utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties.

5) Monitoring of potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan*.

Navajo County Supervisors (from left) Jonathan Nez, David Tenney, Dawnafe Whitesinger and Sylvia Allen are joined by Rep. Ann Kirkpatrick (second from left) for the May 28, 2013 ribbon cutting of the county's solar array, visible in the background.

Cholla Generating Station in Joseph City, Navajo County.

Dry Lake Wind Power Project in Navajo County. Arizona's first utility-scale wind farm.

Program 7: Natural Resources Planning

Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

Background

Coordination with Federal agencies

The statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process were meant by Congress to imply more than a perfunctory review process resulting in a check mark in a "coordination box." The Federal statutes and regulations imply a meaningful and proactive resolution effort by the Federal agencies to reduce and resolve potential planning conflicts, during the NEPA process, between the action proposed by a Federal agency and the objectives expressed in local governments' plans and policies; such as, but not limited to, those relevant to forested ecosystems restoration and catastrophic wildfire prevention; watershed restoration; rangelands resources management; or, natural resources-based recreation management and public lands access objectives.

Under A.R.S. § 11-804.A the Arizona Counties are required to develop a Comprehensive Plan (CP) "so as to conserve the natural resources of the County." In addition to being responsible for the health of the natural resources they depend on, Arizona Counties also have a statutory responsibility under A.R.S. § 11-251 to ensure the socioeconomic well-being of their residents and to protect their tax base. Further, subsequent to Senate Bill 1398 (2010) – *Local Coordination*, the Counties have the statutory obligation under A.R.S. § 11-269.09 to engage in coordination with Federal agencies to resolve inconsistencies with existing local plans and laws whenever a new Federal regulation or proposed action is inconsistent with a less restrictive local law, plan or policy.

In order to meet their statutory responsibility to protect their tax base; ensure the socioeconomic well-being of their residents; ensure the health of the natural resources they depend on; coordinate with Federal agencies; and, request resolution of inconsistencies between local plans and proposed Federal actions, Arizona Counties are likely to benefit from developing Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the national forests or public lands within the County, and all natural resources within the County that are not tied to land ownership but still managed by Federal agencies (e.g. endangered or threatened species), so that Federal agencies know what the County's vision and laws are when they engage in Federal planning, and so that they can ensure to the greatest possible extent consistency between Federal and County planning.

Arizona FY 2014 Natural Resources Study Grant

Under the leadership of the late Senator Chester Crandell, the Arizona FY 2014 budget included a supplemental appropriation for a "county resource management plans; economic and resource values study" defined as follows:

> "As session law, appropriate $100,000 from the state general fund to the Arizona State Forester in fiscal year 2013 - 2014 for a study that examines the resource management plans of counties selected by the Arizona Natural Resources Review Council. The study will identify whether those plans include specific desired outcomes of the county regarding the management of animal species deemed threatened or endangered by a federal agency, travel management rules and regulations of a federal agency, and forest health, including desired tree densities and management strategies to reduce the risk of wildfire utilizing private industry. Among eligible counties, a multi-county collaboration may apply for a grant to perform the study. Applications for funds must include a detailed scope of work and have identified qualified vendors to perform the study. Approval of a grant shall be determined by the Arizona Natural Resources Review Council. The scope of the study may be adjusted according to available resources and the study's projected cost."

ECO competed for and was awarded the completion of the *Arizona FY 2014 Natural Resources Study.* In addition to the original planning gap analysis envisioned by the Legislature, at the request of the Arizona Natural Resources Review Council (NRRC), and building on the ECO match funding, the scope of the study was extended to include a comprehensive research of the Federal legal framework; the role of local governments within this framework; the available local governments engagement mechanisms; and, the Arizona Counties natural resources planning authority.

ECO completed the study and filed the report *Arizona Rim Counties Natural Resources Management Gap Analysis* with the NRRC on June 30, 2014.

During FY 2015, the Arizona Natural Resources Review Council requested from ECO the development of a comprehensive set of implementation tools to increase the efficiency and effectiveness of the Arizona Counties' involvement in the Federal process of public lands and natural resources management planning. Further building on the ECO match funding, the scope of the study was again extended, to include the design of a comprehensive set of implementation tools, including:

1. County Natural Resources Management Planning Practitioner's Guide;
2. County Natural Resources Management Planning Flowchart;
3. County Natural Resources Management Plan Blueprint;
4. Natural Resource Management Template;
5. County Natural Resources Management Plan Checklist.

Issues and Progress

Although authorized, specific natural resources management planning is not required under the Arizona Counties' mandated Comprehensive Plan. The only requirement is that "the comprehensive plan shall be developed so as to conserve the natural resources of the County" (A.R.S. § 11-804.A).

Consequently:

1) Substantial gaps exist in the natural resources management plans of the ECO Counties. Some Counties have developed a Land Use Resources Plan (LURP); some have not. Some Counties have developed elaborated resources-specific management plans, policies and/or objectives; some have not.

2) ECO Counties' staffs may not have experience or expertise with the NEPA process and may not avail themselves of the coordination and cooperation opportunities provided by law.

3) ECO Counties' plans may not include specific natural resources management objectives, plans or policies, hence may not allow for a formal planning conflicts resolution and/or inconsistencies resolution process.

4) ECO Counties may lack the resources to develop comprehensive Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the County.

ECO 2015 Legislative Field Trip

The ECO 2015 (FY 2016) Legislative Field Trip took place on May 13, 14, 15 and 16, in Apache, Navajo and Gila counties. Over 40 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- C.C. Cragin Watershed Protection Project;
- 4FRI planning & implementation;
- Bridge the Gap program;
- ECO/USFS Burro Stewardship Agreement;
- Black River watershed stewardship project;
- wood industry development and support;
- ECO/ADOT Healthy Forest Initiative Pilot Project;
- public lands natural resources planning collaboration, cooperation and coordination.

ECO 2016 Legislative Field Trip

The ECO 2016 (FY 2017) Legislative Field Trip took place on May 11, 12 and 13, in Gila County, Graham County and Greenlee counties. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- mining;
- irrigated agriculture;
- Gila River health;
- watershed restoration;
- regulatory impacts on resources management and natural resources industries;
- balancing the environmental, social and economic impacts of natural resources industries;

- overall impacts of regulatory requirements on the custom, culture and economic well-being of the rural Eastern Arizona Counties.

ECO 2017 Legislative Field Trip

The ECO 2017 (FY 2018) Legislative Field Trip took place on October 5, 6 and 7, in Gila County and Navajo County. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

ECO and the US Forest Service coordinated activities so that the Forest Service national review team for the Collaborative Forest Landscape Restoration Program (CFLRP) joined the Arizona Legislators for a working lunch designed to allow the Legislators to share directly their experience, expertise, feedback and suggestions with the Washington DC-based Forest Service CFLRP team. Over 100 people attended the lunch.

The field trip had a specific in-depth focus on:
- CC Cragin Watershed Protection Project;
- breaking the biomass bottleneck for forest, watershed and grassland restoration;
- drone and tablet digital technologies as enablers of landscape scale restoration;
- conversion of the Healthy Forest Initiative Pilot Project into a permanent program;
- 4FRI planning and contracting.

ECO 2018 New Legislator Seminar

In 2018 (FY 2019), ECO decided to not conduct a field trip after the Arizona legislative session in order to not conflict with the electoral campaign of the November 2018 elections, but to instead organize and host a New Legislators seminar after the elections, on December 12, 2018.

The purpose this work sessions was to educate new legislators on the issues of natural resources planning and public lands management. During this seminar:
- Supervisor Jason Whiting, Chair of ECO presented on ECO, rural counties, “fire & water,” the ECO partnerships and why they have mattered.
- Brad Worsley, President, Novo BioPower presented on forest industry perspectives.
- Clayton Crowder, Chief, Habitat, Evaluation & Lands Branch, AZ Game & Fish presented on wildlife perspectives.
- Jesse Gutierrez, Deputy State Engineer, ADOT presented on transportation perspectives.
- David Tenney, Director, RUCO, DFFM presented on energy, fire management, forestry, and forest & watershed restoration perspectives.
- Ethan Aumack, Executive Director, Grand Canyon trust presented on conservation perspectives.
- Richard Bark, Director, Freeport Mc MoRan presented on mining perspectives.
- Craig Sullivan, Executive Director, Counties Supervisors Association presented on local government perspectives.
- Gila County Supervisor Tommie Martin presented on land management and natural resources planning perspectives.
- Graham County Supervisor Paul David presented on infrastructures, Gila River and post-fire floods perspectives.
- Greenlee County Supervisor Richard Lunt presented on Travel Management Rule, recreation, ranching, and mining perspectives.

- Speaker Rusty Bower presented on the Arizona House of Representatives perspectives.
- President Karen Fann presented on the Arizona Senate perspectives.

ECO 2019 Legislative Field Trip

The 2019 (FY 2020) ECO Legislative Field Trip was organized for October 2 & 3, 2019 in Cochise County with a focus on:

- economic development (vineyards and dairy);
- border issues;
- water conservation and recharge in the San Pedro system.

However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019 took precedence, and the fieldtrip had to be postponed until the Fall of 2020. In the meantime, the COVID-19 pandemic struck, and the Fall 2020 fieldtrip could not be conducted. The next ECO fieldtrip is expected to take place in the Fall of 2021.

Western Interstate Region Board of Directors

On October 12, 2018, ECO was invited to present to the Western Interstate Region Board of Directors on forest and watershed restoration. Eco's presentations focused on landscape scale restoration and its bottlenecks:

- Landscape scale NEPA;
- Biomass removal and utilization;
- Landscape scale acres preparation;
- Landscape scale implementation;
- Lessons learned from the 4FRI Phase 1 contract

ECO Counties comprehensive Natural Resources Management Plans (NRMPs)

In FY 2015, as an outcome of the ECO *Arizona Rim Counties Natural Resources Management Gap Analysis,* ECO developed a framework for ECO Counties comprehensive Natural Resources Management Plans (NRMPs) as follows:

1. *Catastrophic Wildfire Prevention Objectives* addressing issues such as, but not limited to, protection of Counties' residents and visitors; protection of collective and individual real properties; protection of transportation, energy and water collection and distribution infrastructures.

2. *Forested Ecosystems Restoration and Management Objectives* addressing issues such as, but not limited to ecological restoration of forested ecosystems; local scale restoration projects; landscape-scale restoration projects; social license required for the non-conflictual and non-litigious implementation of restoration efforts; industry development required to implement and fund restoration efforts through economically viable utilization of the wood products; and, long-term guarantees of wood supply necessary to attract private investments in a small diameter utilization infrastructure in northeastern Arizona.

3. *Watershed Restoration and Management Objectives* addressing issues such as, but not limited to, ecological restoration of watersheds; protection and development of water collection and

distribution infrastructures; monetization of watershed ecosystem services; downstream consumption contribution to upstream production investments and maintenance; and, interactions between watershed functions and multiple use functions.

4. *Rangelands Resources Management Objectives* addressing issues such as, but not limited to, grazing availability, suitability, sustainability; ecological, economic and social carrying capacity; access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

5. *Endangered and Threatened Animal and Vegetal Species Management Objectives* addressing issues such as, but not limited to, non-native animal and vegetal species; introduced species; reintroduced species; recovered species; potential negative ecological, economic and social impacts; potential conflict with Counties safety, customs, culture and economic well-being concerns.

6. *Special Management Areas Designation Objectives* addressing issues such as, but not limited to, the nomination, designation, and management of inventoried roadless areas (which are technically not management areas per se but are an administrative designation); wilderness areas, primitive areas, research natural areas, wildlife quiet areas; wild and scenic rivers; effects on socioeconomic resources; and, impacts on the other County objectives.

7. *Forest Products Resources Management Objectives* addressing issues such as, but not limited to, logging availability, suitability, sustainability, productivity, access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

8. *Mineral and Energy Resources Management Objectives* addressing issues such as, but not limited to, the availability, suitability, sustainability, productivity, access, and contribution to rural economic development of solid, liquid or gaseous mineral resources, and solar, wind, hydropower, geothermal and other natural renewable energy resources.

9. *Natural Resources-Based Recreation Management Objectives* addressing issues such as, but not limited to, motorized access; motorized travel; motorized big game retrieval; motorized dispersed camping; motorized gathering of firewood; motorized access to dispersed fishing; motorized recreation opportunities; inventoried roadless areas; wilderness area designation; motorized access to grazing and logging opportunities; contribution of motorized access, recreation and travel to rural economic development; and, contribution to ECO Counties Western custom and culture.

In FY 2016 the ECO Board agreed that the development by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs) is a decision to be made individually by each ECO county member.

In FY 2017, the ECO Board confirmed this agreement. No new development has taken place in FY 2018 2019, and 2020.

Tonto National Forest Land Management Plan Revision

On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

On March 11, 2020 ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:

1. identifying issues with:
    a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
    b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant.

Strategic Objectives

ECO is committed to:

1) Organize annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Participate in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), as requested by individual County Members.

3) Participate in the natural resources planning of all public lands in the ECO footprint.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue its engagement with the Federal, State and legal partners who contributed to the completion of the Arizona FY 2014 Natural Resources Study;

- Continue its engagement with the ECO Counties staff who contributed to the completion of the Arizona FY 2014 Natural Resources Study;
- Provide technical expertise and support to the ECO Counties for the development and implementation of comprehensive Natural Resources Management Plans (NRMPs);
- Explore funding options with the Arizona Legislature to allow resources-strapped rural counties to develop Natural Resources Management Plans (NRMPs).

Allocated Resources

ECO plans to expend 10% of its resources on Program 7: *Natural Resources Planning.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 7: *Natural Resources Planning.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 7: *Natural Resources Planning*, ECO seeks the following outcomes:

1) Organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Development of ECO Counties comprehensive Natural Resources Management Plans (NRMPs) including, among others, as requested by individual County Members.

3) Participation in the natural resources planning of all public lands in the ECO footprint.

ECO 2015 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2016 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2017 Natural Resources Planning field trip for the Arizona Legislature.

Program 8: Public Lands

Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

Background

The continued expansion of Federal public lands use restrictions, and the continued uncertainty of Federal funding of the Secure Rural Schools and Community Self-Determination Act (SRS) and the Payments in Lieu of Taxes (PILT) pursuant to Chapter 69, Title 31 of the United States Code, evidence the growing need for an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

During FY 2015, members of the Arizona Legislature asked ECO to conduct a comprehensive analysis of all public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The purpose of the report was to produce an objective analysis of the various initiatives and outcomes in the issue of public lands transfer, as well as providing an objective identification of the socio-economic issues to be addressed.

On September 24, 2014, ECO released a comprehensive analysis of all the public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The *ECO Special Report to the Board of Directors, Public Lands Transfer Studies - Recommendations for an Arizona Study* has been widely distributed and is widely acknowledged as providing an objective analysis of the various efforts and outcomes in the issue of public lands transfer, as well as providing an objective identification of the economic issues to be addressed. It is expected that the ECO analysis will contribute to inform the Arizona Legislature's action on the issue.

During FY 2015, legislators further asked ECO to fund the inclusion of the State of Arizona in a study comparing the total management costs and revenues for BLM and USFS lands with those of state-owned lands. The purpose of this study was to provide hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

In March 2015, The Property and Environment Research Center (PERC) released the study *Divided Lands – State vs. Federal Management in the West* funded by ECO for the inclusion of the State of Arizona in the multiple-funders, multiple-states study. The study confirmed that "the federal government loses money managing valuable natural resources on federal lands, while states generate significant financial returns from state trust lands" (p. 4). This investment provided hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

Issues and Progress

Due to the presence of numerous US National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases, and Indian Reservations, the Counties of ECO face unique land use issues. An overwhelming majority of the ECO Counties' land is controlled by Federal agencies:

	USFS	BLM	NPS	DOD	Tribal	Total Federal	State	Not Taxable	Private	Population
Apache	9%	2%	0%	0%	67%	78%	9%	87%	13%	73,195
Cochise	12%	10%	0.5%	2.5%	0%	25%	35%	60%	40%	125,770
Gila	55%	2%	0%	0%	38%	95%	1%	96%	4%	53,144
Graham	13%	25%	0%	0%	36%	74%	16%	90%	10%	37,416
Greenlee	64%	14%	0%	0%	0%	78%	15%	93%	7%	8,802
Navajo	8%	1%	0%	0%	67%	76%	6%	82%	18%	107,094

This situation creates unique challenges for the ECO Counties, including:

1) Limited economic development abilities (mining, grazing, logging, energy, etc.) due to Federal control of the land.

2) Disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction.

3) Disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS).

4) Disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plans.

5) Disproportionate impact of special management area designations by Federal agencies.

6) Disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

A rational dialog is required to address the failure of the current public lands management model to fund necessary State services such as education, health and social services. Mutually acceptable and ecologically, economically and socially sustainable solutions must be developed and implemented.

Greater Grand Canyon Heritage National Monument Act

Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360).

ECO filed comments, emphasizing its concerns on:

- preponderance of lands under Federal control;
- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020). It is expected that the bill will be re-introduced in the 117th Congress (2020-2021).

Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona

Following the introduction of Arizona House Bill 2176 Federal Land Relinquishment on January 22, 2015 and House Bill 2318 Transfer of Public Lands Compact on January 22, 2015, both passed but vetoed by Governor Ducey on April 13, 2015; and of House Bill 2658 Transfer of Federal Lands Study Committee, introduced on February 11, 2015, passed, and signed into law by Governor Ducey on April 9, 2015, ECO counties provided testimony to the Study Committee, and the written information requested by the Study Committee during FY 2016.

On January 25, 2018, Representative Mark Finchem and 30 Arizona Representatives proposed House Bill 2210 Public lands; ownership; control; litigation "directing the attorney general to commence an action to attempt to gain ownership or control of the public lands within this state." The measure would mandate legal analysis of a case Utah has prepared to challenge for public lands in that state. If the attorney general determined the case has merit, the bill would authorize Arizona to join the lawsuit expected in the fall of 2018. The bill passed the House Land, Agriculture and Rural Affairs Committee Action but did not continue to the floor.

During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish

programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2019 and FY 2020, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2021.

U.S. Forest Service National Environmental Policy Act Compliance Rule

On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019 ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

Strategic Objectives

ECO is committed to participate in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:

1) The mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona.

2) The development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services.

3) The mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of the management of public lands in Arizona;

Allocated Resources

ECO plans to expend 5% of its resources on Program 8: *Public Lands.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

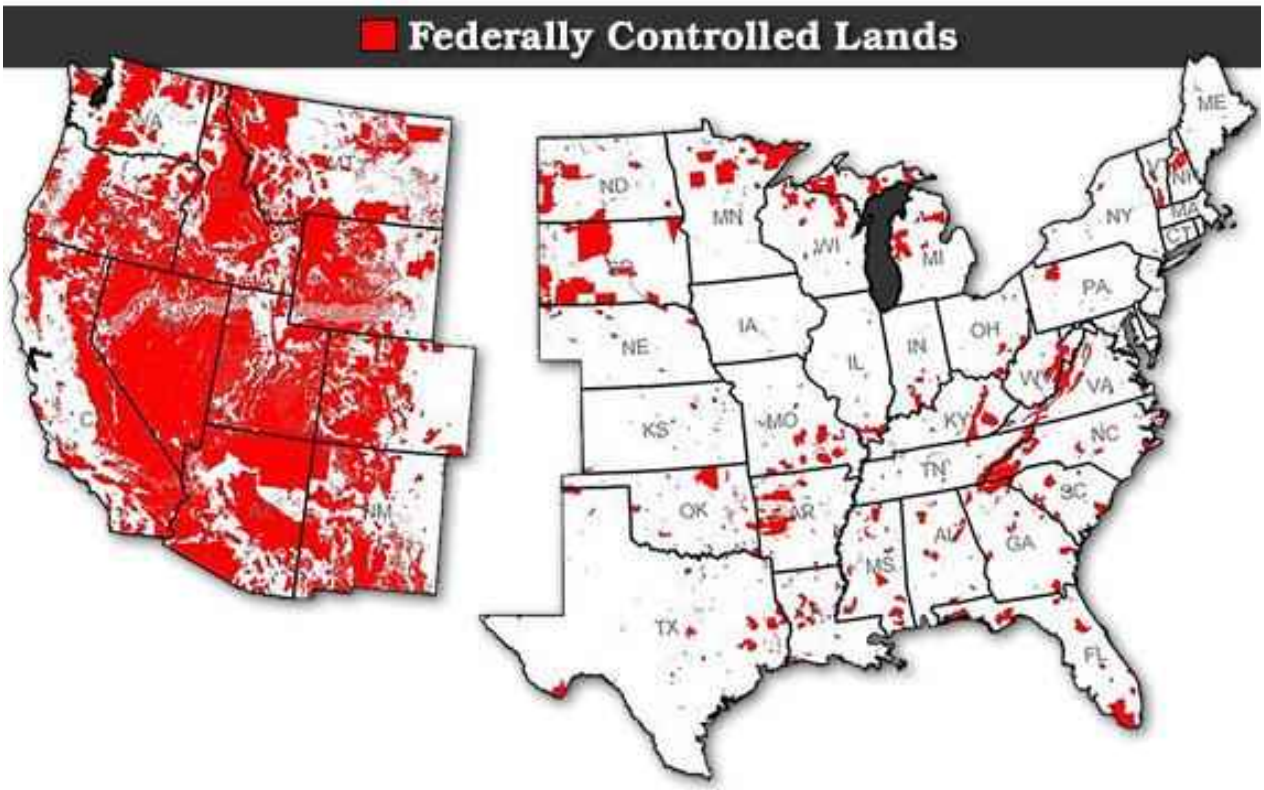
ECO plans to dedicate 5% of its activities to Program 8: *Public Lands.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 8 Public Lands	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 8: *Public Lands*, ECO seeks the following outcomes:

1) Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.


Federally Controlled Lands
ND
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Program 9: Water

Program 9, *Water,* includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures such as the conversion from urban watered landscapes to dry desert landscapes and the conversion from agriculture flood irrigation to high efficiency irrigation techniques such as drip irrigation; the implementation of across the board augmentation measures such as the desalination of brackish water or deep aquifer water and the restoration of watersheds; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

Background

While Arizona is one of the fastest-growing states in the nation, and is expected to continue to grow from over 6 million people in 2010 to 9.5 million people by 2025, the State is also one of the driest in the nation, receiving a statewide average of only 12.5 inches of rain per year. Meanwhile, rural and urban lives, as well as all economic activities such as agriculture, mining, industry, etc., rely on a dependable water supply.

According to the Arizona Department of Water Resources (ADWR) data from 2001–2005, Arizona uses over 7 million acre-feet of water annually, or 2.3 trillion gallons (1 acre-foot = 325,851 gallons). To sustain its economic growth, Arizona is confronted with meeting the challenge of balancing a decreasing resource with growing needs.

Water Sources

Arizona water is provided by three major sources: surface water, ground water and the Colorado River; plus, the reutilization of wastewater effluents.

Surface water

Surface water, including sub-flow, is mainly provided by the Gila River system. The Gila River system includes the Gila River and its main tributaries, the Salt River – itself augmented by its main tributary the Verde River; the San Francisco River - itself augmented by its main tributary the Blue River; the San Pedro River; and the Agua Fria River. The Gila River system is augmented by the land-locked Santa Cruz River in the south, the intermittent Little Colorado River in the north, and numerous ephemeral washes.

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs.

Ground water

Ground water is provided by aquifers, including the Colorado Plateau aquifers and a number of small local range and basin aquifers. Only the north-east corner of Arizona (Coconino, Navajo and Apache Counties) can rely on the continental Colorado Basin Aquifer.

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs.

Colorado River

According to a recent study, 16 million jobs and $1.4 trillion in annual economic activity across the West depend on the Colorado River. Through the Central Arizona Project (CAP), a 336-mile long system of canals, aqueducts, tunnels, pumping plants and pipelines, and the longest and costliest aqueduct in American history, from Lake Havasu near Parker to the San Xavier Indian Reservation southwest of Tucson, 1.5 million acre-feet of water from the Colorado River are distributed every year to the more than 5 million people, or more than 80% of the state's population, who live in Maricopa, Pima and Pinal counties in Central and Southern Arizona. The Central Arizona Project is Arizona's single largest resource for renewable water supplies. According to a study by the ASU W.P. Carey School of Business, over its 30 years of existence from the 1980's through 2010, CAP has generated in excess of $1 trillion of Arizona's gross state product (GSP), a nearly 20-fold increase in the state's economy over the last 50 years. However, and most importantly, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree to be the first State in line for rationing, should a water shortage occur in the Colorado River system.

In addition to providing water to the CAP, the Colorado River also provides water to the western third of the state, in Mohave, La Paz, and Yuma Counties.

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs.

Effluent

Reclaimed wastewater is treated locally to a sub-potable quality level, and is used for agriculture irrigation, golf courses and parks watering, industrial cooling, and the maintenance of wildlife areas.

Through reutilization, wastewater effluents contribute 140,000 acre-feet annually, about 2% of the Arizona water needs.

Water Uses

Arizona consumes water for three primary cultural purposes: agriculture, industry and municipalities uses, and one ecological purpose: in-stream uses for the support of aquatic and riparian ecosystems.

Agriculture

Agricultural irrigation of water-intensive crops such as cotton, almonds, alfalfa, rice, etc., is by far the largest consumer of water in Arizona, even though agricultural use has been reduced over the last few decades due to increased urbanization and investments in irrigation conservation measures.

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Industry

Despite a critically important mining sector (Arizona supplies over 60% of the nation's copper), and an important, and water-intensive, power generation sector (the thermal production of one kilowatt hour of electricity requires typically 25 gallons of water), Arizona industry is by far the smallest consumer of water in Arizona.

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Municipalities

Municipalities, especially in Maricopa, Pima and Pinal counties in Central and Southern Arizona, where more than 80% of the state's population lives in a desert environment, are the second largest consumers of water in Arizona, much of it being used to irrigate landscapes.

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Water Planning

Of the seven Planning Areas of the Arizona Department of Water Resources (ADWR), three are located in the six ECO Counties footprint:

1) Eastern Plateau
   The Eastern Plateau Planning Area includes one groundwater basin, the Little Colorado River Plateau Basin, and one river system, the Little Colorado River.
   The Little Colorado River is not a perennial river proper. Only the headwaters and the lowermost section flow year-round. Between St. Johns and Cameron, most of the river is a wide dry wash, with flowing water occurring only after snowmelt or seasonal 'monsoon' summer rains. The lower 40 miles of the Little Colorado forms one of the largest arms of the Grand Canyon, over 3,000 feet deep where the Little Colorado joins the Colorado near Desert View in the Grand Canyon National Park.
   The Eastern Plateau Planning Area covers portion of three counties, two of which are ECO Counties, including 90% of Apache County and 89% of Navajo County. The planning area also includes 41% of Coconino County. All or parts of the Hopi, Navajo, and Zuni reservations are located within the planning area.
   Population centers include Flagstaff, Show Low/Pinetop/Lakeside, Winslow and Holbrook; and Page, Tuba City, Window Rock, Chinle and Kayenta on the Navajo Reservation. The 2000 Census planning area population reached almost 250,000.

   Per the ADWR Water Atlas, an average of about 170,500 acre-feet of water per year was used annually during the period 2001-2005 in the planning area for agricultural, municipal and industrial uses (cultural water demand). The water supplies utilized to meet these demands include primarily groundwater (104,800 acre-feet), surface water from the Colorado River and other streams (50,800 acre-feet) and effluent (14,900 acre-feet).
   The planning area has a large industrial water use sector due to the presence of several thermal power generating stations and large coal mining operations. Industrial water use is the principal use, currently about 83,100 acre-feet, approximately 49% of the total use.
   The Joseph City Irrigation Non-expansion Area (INA) was designated west of Holbrook in Apache County due to insufficient groundwater to provide a reasonably safe supply for irrigation. Municipal sector average annual demand is approximately 45,000 acre-feet. Agricultural demand is relatively low by Arizona standards with an estimated annual demand of 42,400 acre-feet.

2) Central Highlands

The Central Highlands Planning Area includes five groundwater basins, two of which are located in the ECO footprint: Tonto Creek in Gila County, and Salt River in Navajo, Gila, Apache, Greenlee and Graham Counties. The Planning Area includes two main river systems, the Salt River and its main tributary, the Verde River.

The Central Highlands Planning Area covers portion of nine counties, five of which are ECO Counties, including approximately 80% of Gila County, and small portions of Navajo, Apache, Graham and Greenlee Counties. The planning area also includes portions of neighboring counties: Yavapai (approximately 80%), and small areas of Coconino, Maricopa and Pinal Counties. The Fort Apache (White Mountain Apache Tribe), San Carlos Apache, Tonto-Apache, and Yavapai-Apache Indian Reservations are located within the planning area.

The 2000 Census planning area population was approximately 143,000. Basin population ranged from about 7,500 in the Tonto Creek Basin to over 88,000 in the Verde River Basin. Payson is the largest metropolitan area with about 13,600 residents in 2000. Other population centers include Camp Verde, Cottonwood/Verde Village/Clarkdale, Globe/Miami and Sedona.

Per the ADWR Water Atlas, an average of about 83,200 acre-feet of water was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 63% was groundwater, 36% was surface water and 1% was effluent. The agricultural sector had the largest use with approximately 37,500 acre-feet, approximately 45% of the total use. Demand from the municipal sector averaged about 27,400 acre-feet and industrial demand averaged about 18,300 acre-feet.

3) Southeastern Arizona:

The Southeastern Arizona Planning Area includes 14 groundwater basins, nine of which are located in the ECO Counties footprint: Morenci and Duncan Valley in Greenlee County; Bonita Creek, Safford and Aravaipa Canyon in Graham County; and, Wilcox, Douglas, Upper San Pedro and San Bernardino Valley in Cochise County. The Planning Area includes three main river systems, the Gila River mainly in Graham County, and two of its main three tributaries, the San Francisco River in Greenlee County, and the San Pedro River mainly in Cochise County, then Pinal County (the third main tributary, the Salt River, being located in the Central Highlands).

The Southeastern Arizona Planning Area covers portion of eight counties, five of which are ECO Counties, including 100% of Cochise County; 0.1% of Apache County, 22% of Gila County, 95% of Graham County, and 92% of Greenlee County. The planning area also includes portions of neighboring counties: Pima (6%), Pinal (27%) and Santa Cruz (44%) counties. Most of the San Carlos Apache Reservation is located within the planning area.

The 2000 Census planning area population was approximately 188,300. Basin population ranged from 21 in Bonita Creek, to more than 78,000 in the Upper San Pedro. Sierra Vista is the largest metropolitan area with about 62,000 residents in the incorporated and unincorporated areas in 2006.

Per the ADWR Water Atlas, an average of 515,100 acre-feet of water (including effluent) was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 84% is groundwater. The agricultural water use sector is the largest user by far with an average annual demand of approximately 440,000 acre-feet, approximately 85% of the total use, mostly in the Douglas, Safford and Willcox basins that regroup over 88% of the total agricultural demand.

Most of the Douglas Basin was designated as the Douglas Irrigation Non-expansion Area (INA) due to insufficient groundwater to provide a reasonably safe supply for irrigation.
Average annual municipal demand in the planning area is approximately 40,500 acre-feet and industrial demand is approximately 34,550 acre-feet.

Water Rights

Public Water Code / surface water rights

Arizona surface water rights and surface water laws are based on the doctrine of "prior appropriation." This doctrine is based on the tenet of "first in time, first in right," where the person who first puts the water to a "beneficial use" acquires a right that is senior to later junior rights to the water. Historically, a user acquired a surface water right by applying the water to a "beneficial use" and posting a notice of the appropriation at the point of diversion. On June 12, 1919, the Arizona surface water code, now known as the Public Water Code, was enacted. The law provides that a user must apply for and obtain a permit in order to appropriate surface water.

Arizona General Stream Adjudication – the "Water Case"

In order to resolve conflicting water rights to the Salt River and Verde River systems, the Salt River Valley Water Users' Association, responsible for the management of the Salt River Project (SRP), filed two petitions with the Arizona State Land Department to adjudicate the water rights of the Salt River Watershed (April 1974) and Verde River Watershed (February 1976). Subsequently, the Phelps Dodge Corporation filed a petition with the Arizona State Land Department to address the determination of water rights in portions of the Lower Gila River Watershed and the Upper Gila River Watershed (February 1978), then supplemented the February petition to include additional lands in both the Lower Gila River and Upper Gila River watersheds (April 1978). In turn, the Buckeye Irrigation Company filed a motion to intervene and two petitions to enlarge the scope of the adjudication of the Gila River Watershed to the Agua Fria River Watershed and other portions of the Lower Gila River Watershed (December 1980), and to include portions of the Santa Cruz River Watershed in the Gila River Adjudication (October 1985). In the meantime, in order to resolve conflicting water rights to the Little Colorado River System, the Phelps Dodge Corporation filed a separate petition with the Arizona State Land Department (February 1978), and ASARCO Inc. filed a petition with the State Land Department for the adjudication of the San Pedro River Watershed (April 1978).

In April 1979 the Arizona Legislature amended the general adjudication statutes and the cases were transferred from the State Land Department to the superior court in the counties where the original petitions were filed. The Salt River, Verde River, and Gila River adjudications were transferred to the Maricopa County Superior Court, and the San Pedro River adjudication was transferred to the Cochise County Superior Court. In November 1981, the Arizona Supreme Court consolidated the adjudications of the Salt, Verde, Gila and San Pedro Rivers and ordered the case conducted in the superior court in the county having the largest number of potential claimants. This resulted in the consolidated *General Adjudication of All Rights to Use Water in the Gila River System and Source* being transferred to the superior court in Maricopa County. Meanwhile, in 1979, the *General Adjudication of All Rights to Use Water in the Little Colorado River System and Source* was transferred from the State Land Department to the Apache County Superior Court. In October 2000, the Arizona Supreme Court linked the two cases by appointing a "Water Judge," Judge Edward

Ballinger, to preside over both the Gila River and Little Colorado River adjudications. Judge Edward Ballinger was later replaced in October 2012 by Judge Mark Brain.

Summons were served on all persons listed in the property tax assessments in each watershed and on all persons in the watershed who had, at the time, any kind of water rights filing, groundwater or surface water, on record with the Arizona Department of Water Resources. As of June 30, 2015, over 26,000 water users, in 14 of Arizona's 15 counties, had filed 83,876 claims in the Gila River Adjudication, and 14,654 claims in the Little Colorado River Adjudication. Claimants include the United States, the State of Arizona, Indian tribes, municipalities, mining operations, farmers, cattle growers, water providers, and domestic well users. The case is ongoing, with one of the latest developments being the replacement of Special Master George Schade upon his retirement in June 2015. The Special Master organizes the objections and issues of broad legal significance into contested cases, hears evidence, and submits a report and recommended final decree to the court. The Arizona Department of Water Resources acts as the court's technical adviser, investigates all claims, prepares technical reports, maintains a central information repository, and conducts the service of summons.

The adjudication process will identify and rank the rights to use surface water for the users in the Gila River System and Source and the Little Colorado River System and Source, that is to say approximately 75% of Arizona with the exception of the western quarter of the State served by the Colorado River. Neither groundwater nor Central Arizona Project water is subject to the "Water Case."

Indian water rights settlements

Concurrently with the Arizona Water Case, parties have engaged in negotiations to resolve Indian and federal reserved water rights by settlement. These efforts have resulted in the Maricopa County Superior Court's approval, following Congressional approval, of a number of settlement agreements of Indian reserved rights. Recent congressionally-approved settlements include the June 2003 *Zuni Indian Tribe Water Rights Settlement Act*; the December 2004 *Arizona Water Settlements Act* (Tohono O'odham Nation and Gila River Indian Community); and, the December 2010 *Claims Resolution Act of 2010* (White Mountain Apache Tribe) sponsored by Senator Kyl.

Among pending Indian water rights issues in Arizona, the Navajo Nation claims in the Lower Basin of the Colorado River, including the Little Colorado River, remain unresolved following the rejection by the Navajo Nation of the *Navajo-Hopi Little Colorado River Water Rights Settlement Act of 2012* sponsored by Senator Kyl. The September 2014 settlement between the United States and the Navajo Nation, that will pay the Navajo Nation $554 million to settle claims that the U.S. government mismanaged funds and natural resources on the Navajo reservation for decades, does not include water rights claims.

Groundwater Management Code / sub-surface water rights

In parallel with the enactment of the June 1919 Arizona surface water code, Arizona lawmakers attempted, unsuccessfully, to limit groundwater pumping. This resulted in groundwater "overdraft," water being pumped faster than it was replaced naturally, depletion of the aquifers, increased costs of deeper drilling and pumping, degradation of water quality as deeper water typically contains more salts and minerals, and escalating conflicts between the various interests relying on groundwater.

In August 1976, the Arizona Supreme Court ruled in *Farmers Investment Company v. Bettwy* that the private pecan growers' company could impose a limit on how much groundwater the municipality of Tucson and the copper mining companies Anaconda Company and Amax Copper Mines could pump. The cities and the mines demanded relief from the Arizona Legislature. The Legislature formed a 25 member groundwater commission to write a new groundwater law. Agriculture always had been the biggest groundwater user, and farmers, interested in maximizing the value of their land, proposed that anyone who wanted to initiate pumping should have to purchase an existing right from a farm. The mining industry counter-proposed that each acre in a groundwater basin should receive a "quantified right" to water. To resolve the gridlock, Governor Bruce Babbitt convinced the U.S. Secretary of the Interior, Cecil Andrus, to subordinate the construction of the Central Arizona Project to the enactment by Arizona of tough groundwater laws. Consequently, Governor Babbitt was able to mediate the agricultural, industrial and municipal interests, and in June 1980 the Groundwater Management Code was enacted. In 1986, the Arizona Groundwater Management Code was recognized by the Ford Foundation and Harvard University as one of the 10 most innovative programs in state and local government.

Beside creating the Arizona Department of Water Resources (ADWR), and centralizing all responsibilities for water planning and regulation, except water quality, in the agency, the Groundwater Management Act aimed at controlling severe overdraft occurring in many parts of the state; providing a method to allocate the state's limited groundwater resources to most effectively meet the changing needs of the state; and augmenting Arizona's groundwater through water supply development.

Active Management Areas (AMAs)

Most significantly, the Act established Active Management Areas (AMAs) in parts of the state where groundwater pumping is heaviest. Five AMAs currently exists: the Prescott, Phoenix, Pinal, Tucson, and Santa Cruz AMAs.

The five AMAs are subject to specific regulations. In the Phoenix, Prescott, and Tucson AMAs, the primary management goal is "safe-yield" (balance between annual water consumption and replenishment) by the year 2025. In the Pinal AMA, where the economy is primarily agricultural, the management goal is to preserve agriculture for as long as feasible, while considering the need to preserve groundwater for future non-irrigation uses. In the Santa Cruz AMA the management goal is to maintain a safe-yield condition and to prevent local water tables from experiencing long-term declines.

ADWR applies stringent regulations in the AMAs, including the prohibition of irrigation of any new agricultural lands; the requirement for a secured physical, legal, and continuous access to a 100-year supply of water prior to any industrial or urban development; the metering and reporting of water pumped from all large wells; and the completion and implementation of five water management plans, up to 2025, designed to create and implement a comprehensive system of conservation objectives and methods in the agricultural, industrial and municipal sectors. In the AMAs, users are required to hold a permit to pump groundwater, unless the well is an "exempt" well with a maximum pump capacity of 35 gallons per minute, and is not used for agricultural irrigation purpose.

Irrigation Non-expansion Areas (INAs)

The 1980 Groundwater Management Act also established Irrigation Non-Expansion Areas (INAs) in areas where there is insufficient groundwater to provide a reasonably safe supply for irrigation. Three INAs currently exists: the Joseph City, Douglas, and Harquahala INAs.

ADWR applies restrictions on increasing the number of irrigated acres in the INAs.

Since groundwater use in AMAs and INAs is regulated, groundwater pumping in these areas requires a permit from ADWR. Groundwater use outside AMAs and INAs is not regulated and does not require a permit. However, drilling a well anywhere in the state requires that a Notice of Intent to Drill be filed with ADWR.

Colorado River Compact - the "Law of the River"

In 1917, Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada formed the League of the Southwest to promote development along the Colorado River. In 1921, Congress authorized the states to enter into a compact for the allocation of the river water. The Colorado River Compact was signed by the seven States and approved by Congress in 1922. However, Arizona contested the lower basin allotment and refused to ratify the agreement until 1944. The specific allotments were disputed until Arizona won the case with the United States Supreme Court upholding Arizona's right to 2.8 million acre-feet-annually in the 1963 decision *Arizona v. California*. This cleared the way for the Central Arizona Project, authorized by Congress in September 1968.

The Colorado River Compact allocates 15 million acre-feet-annually between the seven states. In addition to the Compact, a 1944 international treaty allocates 1.5 million acre-feet annually to Mexico.

Arizona's allocation of 2.8 million acre-feet annually far exceeded the pre-Central Arizona Project 1.3 million acre-feet annual consumption by the State, as consumption was limited to Arizona Counties located along the Colorado River, mainly in Mohave, La Paz, and Yuma Counties. However, since the completion of the Central Arizona Project in 1993, Arizona's consumption of Colorado River water has steadily increased, and since 2000 the State has been distributing 1.5 million acre-feet of water from the Colorado River every year to Maricopa, Pima and Pinal counties in Central and Southern Arizona, therefore using its full 2.8 million acre-feet annual allocation.

Most importantly, as a condition to be allowed to build the Central Arizona Project , Arizona had to agree to be the first State in line for rationing should a water shortage occur in the Colorado River system.

Issues and Progress

Arizona water issues can be summarized as attempting to balance a decreasing resource with growing needs, under competing and conflicting rights.

In simplistic terms: at 45% of capacity Lake Powell is more than half-empty; dropping about 7 feet per year, Lake Mead is at its lowest historical level, the first time ever below 1,080 feet above sea level, with

a June 2015 low point of 1,073 feet, 2 feet below the mandated January 1,075 feet trigger for a shortage declaration; the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint; the reservoirs of Roosevelt Lake and the Salt and Verde rivers are being depleted; and, the Colorado River is so low that most years it does not reach the sea anymore.
For the first time in Arizona's history, in the spring of 2015 there was a real prospect that the Colorado River would be officially declared in "shortage" for the year of 2016, and that Arizona would face its first water-supply cuts. According to the Bureau of Reclamation's Colorado River operations office, the current projections, factoring in both the ongoing drought and the systemic over-allocation, are almost guaranteeing a shortage in the coming few years. Barring a sudden unexpected end to the drought, official shortage conditions are likely for the indefinite future.

In the meantime, despite widespread emerging conservation efforts in Arizona major cities, most private lawns and golf courses, and public parks continue to be abundantly watered; and despite some investments in drip and subterraneous irrigation, many Arizona irrigated fields continue to be irrigated using flood irrigation techniques with only 40% to 50% efficiency.

Decreasing supply

Surface water

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs and is in steady decline as a direct result of the prolonged drought. Arizona receives a statewide average of only 12.5 inches of rain per year, and because of the desert climate, the precipitations, and the amount of surface water available, can vary dramatically from year to year, season to season, and place to place.

Surface water utilization and distribution is maximized by storage reservoirs and delivery systems built throughout the state to capture spikes in runoff during occasional wet years. These include preeminently the reservoir storage systems located on the Salt, Verde, Gila and Agua Fria rivers. However, few, if any, opportunity remain in Arizona to expand the surface water management system since virtually all of the natural surface water in Arizona has already been developed.

The 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade river flows were reduced down to less than two-thirds of their 20th century level. Because the Arizona snowpack, when it falls, is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to rivers and lakes, scientific models project a reduction of surface water flows between 5% and 35% by 2050.

Ground water

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs. However, as the surface water decreased progressively over the last two decades, agricultural and municipal users have increased the pumping of ground water. Throughout the 20th and beginning of the 21st centuries, groundwater has been pumped out more rapidly than it has been replenished, creating a situation of overdraft. In the last 10 years, the Colorado Basin aquifers have been reduced by as much as

15.6 cubic miles of subsurface freshwater, raising concerns about their long-term sustainability. Similarly, the Wilcox aquifer has dropped as much as 143 feet over the past 20 years, and continues to lose an average of three feet per year, threatening the agricultural economy of the basin, as well as municipal supplies since there is no alternative source of water. Five city wells have gone dry since 2008. Payson, which aquifer sub-basin has suffered the largest drop in the state, must turn to pumping water from the C.C. Cragin (previously Blue Ridge) reservoir on the Mogollon Rim to sustain its water supply. And, the North Central Arizona Water Supply Study (which includes Flagstaff and part of the Eastern Plateau Planning Area, and the Western Plateau Planning Area) concluded that by 2050 the region current groundwater pumping will not be sustainable.

Conversely, in the sub-basins along the Central Arizona Project and below the Phoenix metro area, aquifers have seen average increases of 20 feet, and up to about 60 feet in some limited areas, over the past 20 years, as water consumption shifted from ground water to Colorado River water delivered by the CAP since the late 1990's.

However, in general, the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint, and even though a large amount of water remains stored in Arizona's aquifers, its availability is limited by location, depth and quality, and the continued overdraft of the state groundwater supplies compromises a sustainable water supply for the future.

Colorado River

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs, but the river is so over-allocated that most years it does not reach the sea anymore.

At the root of the problem, research indicates that the 1922 Colorado River compact that governs how Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada allocated the Colorado River water, happened to have been negotiated during the wettest 10-year period in the last 1,000 years. As a consequence, the 1922 Colorado Compact, and the 1944 international treaty with Mexico, allocate 16.5 million acres feet annually, while during the last 110 years the river has only flowed an average of approximately 15 million acres feet annually, with many years at only about 10 million acres feet. Consequently, in many years, the law allocates up to 25% more water than flows.

To compound the problem, water flows in the Colorado River watershed have been in steady decline as a direct result of the prolonged drought over the last few decades. The same factors that affect surface water in Arizona affect the entire Colorado Basin. As previously stated for other surface waters, the 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade the river flow was reduced down to less than two-thirds of its 20th century level. Because the Rocky Mountain snowpack is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to the river, scientific models project a reduction of the Colorado River flow between 5% and 35% by 2050, and the 2060 annual shortfall for the Colorado River is predicted to be 1 trillion gallons of water.

As a consequence, the water level in Lake Mead, the largest fresh water reservoir in the nation when full, has dropped more than 100 feet since 2000, and Lake Mead is now only filled to about half capacity. And the water level keeps falling. The 2014 low was 7 feet higher than the 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration. Upstream, Lake Powell is in even worse shape. Filled at only 45% of capacity Lake Powell is more than half-empty. The two reservoirs continue to capture spikes in runoff during occasional wet years such as 2011 when the runoff was 20 million acre-feet, but rare wet years do not compensate for more frequent dry years such as 2013 when the runoff was only about 10 million acre-feet.

As the Colorado River already provides in average 10% less water than is allocated annually, based on various climate model projections for the Colorado River watershed, the U.S. Bureau of Reclamation projects that by 2050 the Colorado River flow will be further reduced by 9%. By 2060, the need will outstrip the resource by about 3 million acre-feet annually.

Colorado River water rights

Although the systemic over-allocation of the Colorado River has been identified for decades, up to the early 2000's several states, including Arizona, were not using their full allocation and other states, such as Nevada, compensated using more than their allocation by progressively draining Lake Mead - which acted as the system's buffer - to approximately half capacity.

However, with the level of Lake Mead dropping to a 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration, the very real prospect of a shortage was envisioned for 2016. Abundant precipitations in "Miracle May" 2015 prevented a 2016 shortage, but the Bureau of Reclamation's Colorado River operations office expects that the current projections, factoring in both the ongoing drought and the systemic over-allocation, place the probability of a shortage in the upcoming years at almost 75%.

A Colorado River official shortage declaration will have disproportionate economic impacts on Arizona since, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree in 1968 to be the first State in line for rationing, with Nevada and Mexico also facing smaller cuts, should a water shortage occur in the Colorado River system.

If by January of any year, the water level in Lake Mead is below 1,075 feet, the U.S. Bureau of Reclamation will declare an official shortage for the first time ever and mandatory cuts in water allocation, contractually agreed-upon in the December 2007 Interim Guidelines, will be imposed on the Lower Basin states of Arizona, California and Nevada. In such "Light Shortage" condition Arizona will lose 320,000 acre-feet every year that the water level remains below 1,075 feet. Should Lake Mead drop an additional 25 feet to below 1,050 feet, a "Heavy Shortage" condition, Arizona would lose another 80,000 acre-feet for a total of 400,000 acre-feet. In "Extreme Shortage" condition, with Lake Mead water level dropping below 1,025 feet, Arizona would lose yet another 80,000 acre-feet, for a total of almost 0.5 million acre-feet annually.

Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

Colorado River Drought Contingency Plans

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, in April 2019 in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14).

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans), commit the Bureau of Reclamation to additional water conservation efforts, and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

Despite the success of DCP negotiations, many remain concerned about the basin's long-term water supply outlook, including the need to potential for a compact call between the Lower Basin and Upper Basin that might lead to protracted legal issues.

Rapidly increasing municipal demand

Even though according to data from the Arizona Department of Water Resources and the Arizona Municipal Water Users Association, per capita water usage has leveled or even dropped in many central Arizona municipalities following the implementation of conservation efforts over the past five years, the typical Valley resident still consumes approximately 160 gallons per day.

With the Arizona population expected to grow from 6 million people in 2010 to 9.5 million people by 2025, with most of the growth concentrated in metro Arizona, at the current rate of consumption municipal demand in central Arizona will predictably increase by 560 million gallons per day, over 200 billion gallons per year, or over 0.6 million acre-feet annually.

Insufficient conservation

In December 2014, the Central Arizona Project signed an agreement with the Bureau of Reclamation and water providers for Southern California and Nevada to collectively reduce the Colorado River lower basin demand by 740,000 acre-feet annually over the next three years, through reduced consumption and improved efficiencies.

Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for almost half of the total reduction, 345,000 acre-feet annually.

However, such conservation is likely to provide less than a third of the new water needed by 2060, given the Arizona population growth projection on one end, and the projections of continued ground water, surface water and Colorado River water decreases on the other end.

Agriculture

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Per a 2014 University of Arizona's Eller College of Management study, there were 33,613 farmers in Arizona operating 20,005 farms on 26.2 million acres in 2012. Of the $3.7 billion total value of agricultural products sold in the state, crop sales account for $2.1 billion (56%) and livestock sales account for $1.6 billion (43%). Over 50% of the farms in the state are located in Apache, Navajo and Coconino counties and consist primarily of small farms. Conversely, over 78% of the $3.7 billion total value of agricultural products sold in the state, come from Maricopa, Yuma and Pinal Counties, with Yuma County alone being the fourth highest agricultural producer county in the Nation with $1.3 billion in crop sales. This is because, per the U.S. Department of Agriculture *Western Irrigated Agriculture* study, irrigated farms in the West are generally more profitable than non-irrigated farms, averaging $1,427 per irrigated harvested acre versus $643 per non-irrigated acres (USDA National Agricultural Statistics Service, 2007 Census of Agriculture). Of the 20,005 Arizona farms, only 5,839 (29%) practice irrigation, and of the 26.2 million acres of Arizona farmland, only 880,613 (33%) are irrigated. Of these, 4,830 farms cultivate harvested crops on 854,515 irrigated acres (97% of irrigated acres), and 1,308 farms irrigate 26,098 acres of pastureland (USDA National Agricultural Statistics Service, 2012 Census of Agriculture - County Data).

Farm irrigation technologies vary widely in their efficiency potential defined as the relative amount of applied water that gets taken up through plant consumptive-use. Uncontrolled flood irrigation is widely recognized as the least efficient irrigation system, generally below 50% but potentially as low as 35%. In general, gravity-based irrigation efficiencies range from 35 to 80%, with higher efficiencies for improved gravity systems such as furrows, between borders, or within basin irrigation, in combination with lined or piped field water-delivery systems, surge-flow water application, or with the use of gravity water-management practices, such as tail water reuse pits, furrow-diking, alternate-row irrigation, or limited-irrigation set times. Pressure or sprinkler-based system efficiencies range from 50 to 90% efficiency depending on type, wind and evaporation. Low-pressure, low-energy precision application (LEPA), and subsurface drip systems are capable of efficiencies as high as 85 to 95% (USDA Economic Research Service, *Western Irrigated Agriculture*). Drip irrigation can reduce water demand by 25% to 50%, typically in Arizona from 1 to several acre-feet per irrigated acre annually, but costs typically from $1,000 to $2,500 per acre to install, and limits crop rotation flexibility.

Despite major water-saving efficiencies, drip irrigation adoption varies by area, and is generally limited. For example, it accounts for only 33% of the 600 irrigated acres in the Lower San Pedro basin; 25% of the 1,000 irrigated acres in the Upper San Pedro basin; 8% of the 13,150 irrigated acres in the Douglas basin; 2% of the 50,600 irrigated acres in the Wilcox basin; 0% of the 28,300 irrigated acres in the Safford basin; and, 0% of the 3,450 irrigated acres in the Duncan basin.

General adoption of agricultural fields laser levelling and high efficiency irrigation techniques has the potential by itself to reduce Arizona agriculture water demand by approximately 1 million acre-feet annually, and to balance the State water budget for several decades.

Municipalities

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Despite conservation efforts implemented in many central Arizona municipalities over the past five years, the typical metro resident in central Arizona still consumes approximately 160 gallons per day.

Not only this is over 1.5 times more than the average Arizona resident (100 gallons per day), but this is also higher than the average Las Vegas resident (124 gallons per day when returns to river are factored in) or Los Angeles resident (129 gallons per day).

Municipal water is used for drinking and sanitary purposes, but most of the central Arizona municipal demand is still consumed by landscape watering.

General conversion from watered lawns to desert landscaping in metro Arizona has the potential by itself to reduce Arizona municipal water demand by approximately 0.5 million acre-feet annually, and to offset the increased water demand of urban expansion for several decades.

Industry

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Although increase in industry efficiencies, especially in the mining sector, can contribute to reduce the overall Arizona water demand, the relative low consumption by industry (6% of the entire State consumption) makes even large efficiency gains by industry, relatively minor in the overall Arizona water balance.

Slow General Adjudication

In addition to the decreasing supply and the increasing demand, competition and conflicts over the ownership of the supply, the water rights, have still not been fully resolved as the General Adjudication process is still on-going after 36 years of legal proceedings since April 24, 1979, with no clear end in sight.

As a consequence of cities, industry, agriculture, water providers such as SRP, tribes, etc. not knowing who definitely will have the right to what, and how much of it, investments in water development, and water collection and distribution structures are stifled.

The uncertainty about water rights, until the General Adjudication is completed and possibly appealed all the way to the U.S. Supreme Court, further complicates and slows down balancing sustainably the overall Arizona water budget.

April 2019 marked the 45th anniversary of the General Adjudication.

In FY 2019, ADWR developed more than 70 reports and maps for the court, provided expert testimony at multiple hearings, and continued field investigation of various water uses in several areas of the state.

Disproportionate impact on agriculture

In the end, a critical issue for the Eastern Arizona Counties Organization (ECO) and its six rural and agricultural counties is that, by any measure, balancing sustainably the overall Arizona water budget will have the highest impact on the farming community.

The simple facts are that: the water supply is shrinking; the water demand is rising; agriculture is by far the largest user and consumes approximately 70% of the Arizona water; cities have become more efficient at a quicker pace than agriculture at saving water; and, Arizona law prioritizes cities, industry, and tribal interests above agriculture. Therefore, farmers will likely face the biggest cuts.

In the current availability forecasts, the only possible way to balance sustainably the overall Arizona water budget is to increase conservation efforts across the board; to increase augmentation efforts across the board; and, to reduce agriculture's consumption by adopting efficient irrigation techniques across the board, switching to less water-intensive crops, and, likely, decreasing the total acreage devoted to irrigated agriculture.

For example, the Central Arizona Project was built largely to meet urban water needs in metro Arizona. The farmers who have used what until recently was excess water have the lowest legal priority. Should the brunt of a Colorado River allocation reduction be imposed on the Central Arizona Project that receives 1.5 million acre-feet from the Colorado River, and which rights are junior to those of the western counties that pump directly from the river, central Arizona farmers could see the amount of Colorado water available to them reduced approximately by 50% in "Light Shortage" condition; 75% in "Heavy Shortage" condition; and, completely shut down in "Extreme Shortage" condition.

While it is expected that a "Light Shortage" condition can be mitigated at least for a few years by increased pumping from the central Arizona aquifers that have been recharged since the 1990's by increased Colorado River water consumption, long-term "Heavy Shortage" conditions and even medium-term "Extreme Shortage" conditions would probably trigger at least a temporary end to large-scale farming in central Arizona. Meanwhile, municipalities like Phoenix, Mesa and Scottsdale would likely lose some of the canal water they're currently buying from excess Indian tribes' water.

Because Arizona agriculture consumes 4.8 million acre-feet annually, even a modest 10% reduction would reduce the demand by almost 0.5 million acre-feet annually, a significant number. A 20% reduction would yield 1 million acre-feet annually, a game-changer. Comparatively, reducing industry water consumption by 10% would only save 40,000 acre-feet annually, an important but essentially irrelevant amount in the overall Arizona picture.

As Arizona is likely to manage a change in water status quo within the next few decades, ECO's concern is that the change cannot be made at the sole expense of the farming community.

For example, Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for the largest reduction, 345,000 acre-feet annually, in the December 2014 agreement with the Bureau of Reclamation and water providers for Southern California and Nevada. The implementation plan projects nearly half of the demand reduction to be achieved in irrigation districts. However, CAP will compensate the affected farmers with a $5 million cash payment. As a result, farmers currently using low efficiency flood irrigation could fund the conversion of between 3,000 and 5,000 acres to high efficiency irrigation, such as drip irrigation; and/or, farmers engaged in the

most water-intensive crops like cotton, rice, alfalfa, and almonds, would have a financial incentive to divert their water to people and businesses willing to pay more for it than the economic value of the water-intensive crops.

Water of the US rule (WOTUS)

The Clean Water Act (CWA) of 1972 is the central federal legislation regulating water pollution in the United States. In 2001, in Solid Waste Agency of Northern Cook County (SWANCC) v. U.S. Army Corps of Engineers, the US Supreme Court ruled that the authority granted by CWA did not extend to abandoned gravel pits with seasonal ponds. In 2006, in Rapanos v. United States, the US Supreme Court voided lower court rulings against the plaintiffs, but did not reach a majority decision on the substance of the case (the filling of 22 acres of wetland on Rapanos' private property). These two decisions created uncertainty about the protection status of non-navigable waters, streams and wetlands.

In April 2011, the EPA proposed a new set of guidelines and engaged into several rounds of public comment periods and numerous meetings with state entities, public and private stakeholders. In 2014, the EPA proposed a new rule defining the scope of "Waters of the United States" protected under the Clean Water Act (CWA).

In FY 2014, ECO filed comments on the Office of Research and Development of the Environmental Protection Agency paper *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, outlining its concerns with the proposed definition of "connectivity" and its implications for rural residents and local governments.

In FY 2015 ECO filed comments on the Environmental Protection Agency and U.S. Army Corps of Engineers *Proposed Rule on the Definition of "Waters of the United States" Under the Clean Water Act (CWA)*, outlining its concerns with the proposed definition of "Waters of the United States" and its implications for rural residents and local governments.

On May 27, 2015, the EPA published its Clean Water Rule, set to become effective in August, but upon litigation by 13 States, the regulatory definition of "Waters of the United States" was stayed by the U.S. Court of Appeals for the Sixth Circuit on October 9, 2015. In response to this stay, the EPA, Department of Army, and Army Corps of Engineers resumed nationwide use of the agencies' prior regulations defining the term "Waters of the United States."

On February 28, 2017, the President of the United States issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017 the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS), and called for public comments.

On June 14, 2017, ECOO filed comments outlining concerns to be addressed in the crafting of a new definition of "Waters of the United States":

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule before the release of the science report;

- flawed agency's cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;
- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator, Scott Pruitt, along with Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018 EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018 the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule.

Arizona Water Initiative

On December 16, 2015, Governor Ducey signed Executive Order 2015-13 creating the Arizona Water Initiative. The initiative was intended to continue the legacy of cooperative long-term strategic water planning in Arizona by furthering the work and recommendations established in the ADWR report *Arizona's Next Century: A Strategic Vision for Water Supply Sustainability* that was published in 2014.

The order established the Governor's Water Augmentation Council and the Planning Area Process. The goal of the Water Initiative is to continue the Arizona legacy of proactive strategic water planning by working with key stakeholders statewide.

- The Governor's Water Augmentation Council (GWAC) is investigating long-term water augmentation strategies and other opportunities to secure water supplies for the future.

- The Planning Area Process allows local stakeholders to participate in the development of better water demand information and a consensus-driven set of solutions for future water supply and demand imbalances. Through the Planning Area Process, the Arizona Department of Water Resources (ADWR) will identify and prioritize within five years the 22 planning areas identified in the Strategic Vision report, beginning with rural areas.

Arizona Water Initiative 2016 Progress

In FY 2016, the first year of the Initiative, 29 members were appointed by the Governor to the Water Augmentation Council (GWAC) to represent the water-use sectors of the state. The Council met three times and developed a set of recommendations for the following fiscal year.

During FY 2016, ADWR initiated the Planning Area Process in three areas among the regions of the state with intensifying water-related issues:
- West Basins Planning Area;
- Cochise Planning Area;
- Northwest Basins Planning Area.

Four public meetings were held to initiate the process.

Arizona Water Initiative 2017 Progress

Planning Area Process

During FY 2017, the Planning Area Process continued in the West Basins, Cochise, and Northwest Basins planning areas with a total of 13 public meetings. ADWR identified four common themes from the public input:
1. limits on irrigation;
2. need to increase natural recharge;
3. mandatory metering & reporting of water use;
4. current groundwater management tools may not suit needs.

Water Augmentation Council

In FY 2017, the Water Augmentation Council (GWAC) met 4 times and created four committees:

Desalination Committee
The Desalination Committee is tasked with evaluating areas for the feasibility of a desalination project; collaborating with local and regional stakeholders within the identified project area; discussing funding opportunities with the Finance Committee; and, securing land and water contracts with the approval of the Arizona Department of Water Resources (ADWR).

Recycled Water Committee
The Recycled Water Committee is tasked with recommending that the Arizona Department of Environmental Quality (ADEQ) end the prohibition on direct potable reuse; evaluating the need

for amendment to current law that provides that 50 percent of effluent stored in managed underground storage facilities shall be credited to a storer's long-term storage account; reviewing and evaluating the statute related to a 2025 sunset clause on the ability to create long-term credits from effluent; and , discussing the potential for changing the term "effluent" to "recycled water."

Long-term Water Augmentation Committee
The Long-term Water Augmentation Committee is tasked with considering projected Planning Areas with the greatest imbalances; creating a budget proposal for a project to establish a portfolio of statewide augmentation options; discussing the proposed portfolio in each Planning Area to determine if the augmentation options identified are desirable; and, providing project oversight until completion.

Finance Committee
The Finance Committee is tasked with Identifying financing barriers/limitations for water augmentation projects; proposing general funding options; and proposing funding options for specific projects identified by other committees.

Arizona Water Initiative 2018 Progress

Planning Area Process

During FY 2018, ADWR field services conducted a well sweep within four of the groundwater basins that make up the Northwest Basins Planning Area: Meadview, Hualapai Valley, Detrital Valley, and Sacramento Valley. The term "well sweep" refers to a procedure undertaken by the ADWR Hydrology Division, in which Field Services requests permissions to survey private well water-levels.

In addition, during FY 2018 the USGS was contracted by ADWR to document trends in statewide water use, and to evaluate current and future water needs.

Governor Water Augmentation Council (GWAC)

During FY 2018, the four Committees of the Governor Water Augmentation Council (GWAC) continued actions initiated during FY 2017:

1. ADWR partnered with the Water Infrastructure Finance Authority of Arizona (WIFA) to pilot a targeted water loss control program based on the American Water Works Association's Manual for Water Audits and Loss Control Programs, also known as Manual 36 or M36. Through this pilot effort, six municipal and private water systems outside of AMAs received training on comprehensive water auditing procedures. The training helped the pilot systems determine the source of water losses and the cost to reduce those losses.

2. The Recycled Water Committee (RWC) was tasked with exploring opportunities across Arizona for new reclaimed water projects to augment local water supplies. The two topics discussed with respect to possible statutory changes were: accounting associated with underground storage of effluent water in managed facilities; and removal of the current statutory limitation (A.R.S. § 45-802.01(22)) regarding the ability to earn long-term storage credits for recharging effluent beyond 2025.

3. The Finance Committee, in charge of researching and identifying possible funding sources for projects proposed by the GWAC did not meet during FY 2018 for lack of specific project requiring funding.

4. The goal of the Desalination Committee was to prepare a brackish groundwater project proposal to be submitted to the GWAC for approval no later than the end of FY 2018.

5. The goal of the Long-Term Water Augmentation Committee was to facilitate a statewide analysis of short-term and long-term augmentation opportunities. During FY 2018, the Long-Term Water Augmentation Committee achieved several objectives in furtherance of this goal, including education and information gathering, revision of water demand numbers, development and execution of a scope of work for a consultant to complete an assessment of the feasibility of augmentation options, and submittal of a federal grant application.

Arizona Water Initiative 2019 Progress

Governor's Water Augmentation, Innovation and Conservation Council

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the newly created Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to

supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

Arizona Water Initiative 2020 Progress

Long-Term Water Augmentation Committee
The Long-Term Water Augmentation Committee presented its report Long-Term Water Augmentation Options for Arizona to the Council in August 2019.

Desalination Committee
During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Two new Council committees began their work in FY 2020:

Post-2025 Active Management Areas Committee
Non-Active Management Area Groundwater Committee
Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

During FY 2018 and again on February 20, 2019, the Board of Director of ECO was briefed extensively by David Brown, of Brown & Brown Law Offices, P.C.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2021.

Water augmentation through forests restoration

CC Cragin Watershed Protection Project

During FY 2017 and 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. The analysis of the NEPA Alternatives has been delayed and the Record of Decision (ROD) scheduled for May 2017 has not been issued yet, but the project is progressing. In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically viable implementation of the project.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

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The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.

See Program 2 – Watershed Restoration for more details.

Black River Watershed Protection Project

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

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On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

See Program 1 – Forest Restoration for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of water augmentation through forests restoration during federal FY 2010 to 2019:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585

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Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Total FY 2010 to 2019	144,687

See Program 1 – Forest Restoration for more details.

Clean Water Act § 404 permitting

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting.
The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

Strategic Objectives

Thanks to long-term visionary policies such as the 1980 Groundwater Management Code or the Central Arizona Project; to the replenishment over the last 2 decades of the central Arizona aquifers due to the shift of agricultural water consumption to then excess water from the CAP; and, to private enterprise, market-driven, agricultural water consumption management efforts, in particular in the Yuma basin, the Arizona water situation has not reached crisis level, and it is not anticipated that draconian measures, as witnessed in California in FY 2015, will be required in Arizona in FY 2021.

However, the current precarious balance, and the planned forced balancing by offsetting a potential Colorado River "Light Shortage" with increased pumping from the replenished central Arizona aquifers

are clear indicators of the fundamental need for Arizona to develop and implement a long-term, sustainable water balance calculated on the probability of shortage conditions for an indefinite future.

ECO is committed to participate in the development and implementation of a long-term, sustainable overall Arizona water balance that ensures:

1) The implementation of across the board water conservation measures in Arizona, specifically including:
    a. General conversion of urban watered landscape to 'desert' dry landscape;
    b. General conversion of flood irrigation to high efficiency irrigation techniques;
    c. General implementation of the use of recycled effluents for industrial consumption, as appropriate.

2) Acceleration of across the board augmentation efforts in Arizona, specifically including:
    a. Increased efficiencies in recycling and treatment of used water;
    b. Desalination of brackish waters;
    c. Desalination and demineralization of deep aquifers water;
    d. Restoration of the Arizona watersheds.

3) The preservation of rural agricultural interests in the Arizona Water Initiative discussions, including:
    a. Fair incorporation of the agricultural interests in the completion of the Arizona General Adjudication;
    b. Fair compensation of the farming community in the implementation of across the board conservation measures;
    c. Fair compensation of the farming community in the implementation of potential Colorado River shortages;
    d. Fair compensation of the farming community in the application of the State water priorities.

4) The rapid conclusion of the Arizona General Adjudication so as to lift the water rights uncertainties and allow for water providers investments in water infrastructures modernization and optimization.

5) Participation in the potential regulation of ground water pumping outside AMAs and INAs.

6) Support for ECO counties solutions to specific local water shortage such as in northern Gila County (Payson) or northern Cochise County (Wilcox).

7) Participation in the Arizona Water Initiative Planning Area Process in the six counties of ECO.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;

- Continue to develop bilateral relationship with the water utilities, especially the Salt River Project (SRP);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry, farming and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of a long-term, sustainable overall Arizona water balance.

Allocated Resources

ECO plans to expend 10% of its resources on Program 9: *Water.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 9: *Water.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 9 Water	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 9: *Water*, ECO seeks the following outcomes:

1) Fair compensation of the farming community in the implementation of a long-term, sustainable overall Arizona water balance.

2) Augmentation of 0.25 million acre-feet annually through the general acceleration of recirculation in Arizona by 2025.

3) Augmentation of approximately 5% (Robles et al., 2014) of the yield of the eastern and northern Arizona forested watersheds through general restoration of the Mogollon Rim national forests by 2035.

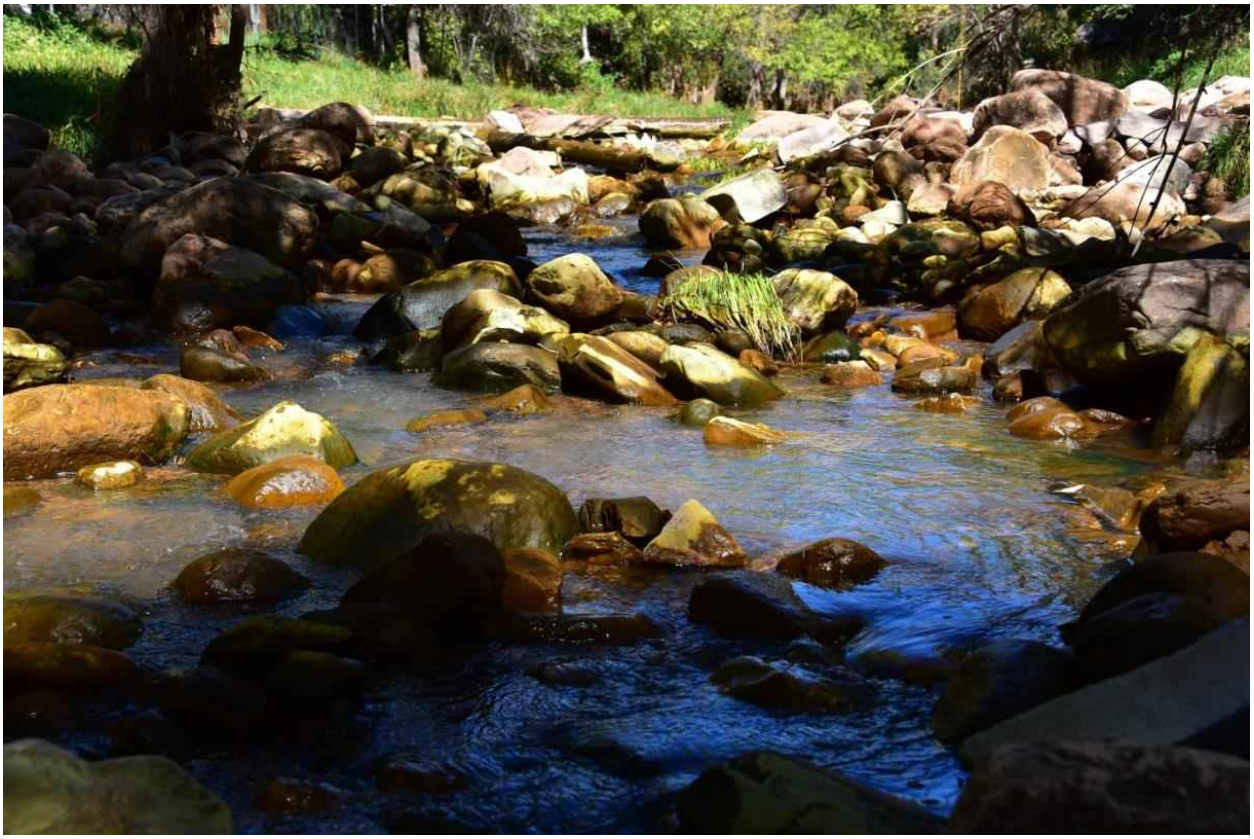
4) Conservation of 0.5 million acre-feet annually through the general conversion from watered lawns to desert landscaping in metro Arizona by 2025.

5) Conservation of 1 million acre-feet annually through the general conversion from flood irrigation to high efficiency irrigation techniques by 2025.

6) Implementation of the CC. Cragin watershed restoration project starting in FY 2021.

7) Implementation of the Black River watershed restoration project in Apache and Greenlee County starting in FY 2022.

8) Development and implementation of a sustainable water supply model in northern Cochise County.



Where it all begins, a healthy mountain stream fed from watersheds protected by forest restoration.

Irrigated culture in Graham County

Irrigation canal in Graham County

Program 10: Emerging Issues

Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

Background

As progress continues on the nine ECO programs, issues and opportunities heretofore unforeseen may emerge, or new issues unrelated to the nine ECO programs may require an engagement by ECO, as determined by the County Supervisors on the ECO Board of Directors.

Allocated Resources

ECO plans to expend 5% of its resources on Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 5% of its activities to Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Issues / Strategic Objectives / Execution Strategy / Measurable Desired Outcomes

As a result of its engagement in Program 10, *Emerging Issues,* ECO will identify and engage in emerging issues as appropriate and define strategies and outcomes as appropriate.

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Fiscal Year 2021 Budget

The ECO total operating budget for Fiscal Year 2021 identifies the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Fiscal Year 2021 Performance Measures

The ECO baseline activities plan for FY 2021 identifies 300 discrete activities, including 80 Eastern Arizona activities, 60 other in-State activities, 8 out-of-State activities, 48 research, comments and position writings, and 104 stakeholders' activities.

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Program 2 Endangered Species	15%	12	9	1	7	12	41
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Program 4 Infrastructures	10%	8	6	1	5	11	31
Program 5 Recreation	10%	8	6	1	5	11	31
Program 6 Energy	10%	8	6	1	5	11	31
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Program 8 Public Lands	5%	4	3	0	2	5	14
Program 9 Water	10%	8	6	1	5	11	31
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

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Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018 and 2019).

Fiscal Year 2020 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes.

Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

However, much remains to be accomplished, and critical objectives are set for FY 2021 and beyond.

For example:

- concluding the 2nd 4FRI NEPA analysis timely without conflict will mean that restoration logging can expand on the ground in Eastern Arizona and jobs can be created;
- continuing to control the expansion of the Mexican Wolf through a rational and balanced management of the Experimental Population will mean that ranching jobs and way of life are protected;
- expanding forest restoration treatments in the Salt River basin will mean that water will continue to flow to metro Arizona through improved watershed health, function, and productivity;
- maximizing the operational life to at least 2025 of the Coronado and Cholla generating stations will mean 1,500 megawatts of electricity for the State, 400 jobs with annual payroll of more than $50 million in economic activity and $30 million in state, local, and federal taxes;
- implementing the CC Cragin Watershed Protection Program will mean securing a water supply for Payson and several Tribal communities;
- implementing 4FRI at landscape-scale and at a rate of 50,000 acres/year will mean protecting the forest, watershed and rangelands of Arizona against catastrophic forest fire; protecting the watershed functions on which metro Arizona depends; and protection the billions $ recreation economy on the Mogollon Rim;
- breaking the biomass bottleneck will mean that logging slash biomass can be disposed of responsibly without the massive emissions that would be caused by the field piling and burning of over one million ton of biomass per year;
- etc.

ECO is fulfilling its mission to develop and implement county environmental programs impacting economic development in the counties.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, health and safety.

Report For Fiscal Year 2021
Plan For Fiscal Year 2022
for
Receipt and Expenditure of Monies for
County Environmental Programs
Impacting Economic Development

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Foreword #1

Recognizing that the words "*collaboration*," "*cooperation*," "*coordination*," "*contribution*" or "*consultation*" and their associated words such as "*collaborator*," "*cooperator*" or "*contributor*" may have specific legal meanings under the National Environmental Policy Act (NEPA), the Collaborative Forest Landscape Restoration Act (CFLRA) or other acts, or specific regulatory meanings in U.S. Department of Agriculture (USDA) or U.S. Department of the Interior (USDI) regulatory texts, or may be value laden, the Board of Directors of the Eastern Arizona Counties Organization has elected to use the word "*participation*" to characterize its action, in order to avoid unintended interpretations or possible misinterpretations.

Foreword #2

Virtually all issues in which the Eastern Arizona Counties Organization is engaged, in a leading or supporting role, are multi-constituencies issues in which numerous other Federal, State and Local Government agencies are engaged, as well as a large number of community collaborative groups, industry groups, non-governmental organizations (NGOs), advocacy and interest groups, private and public corporations, private citizens, etc. The Board of Directors of the Eastern Arizona Counties Organization wants to emphasize that the ECO Annual Report is not intended to claim various accomplishments or progress as Eastern Arizona Counties Organization (ECO) single successes, but as collaborative successes to be credited to many, among whom ECO has endeavored to participate and contribute as leader, follower, and, always, servant of the people of the Eastern Arizona Counties.

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Executive Summary – Contexts, Developments, Progresses, Key Accomplishments for FY 2021

Although it was deeply affected by the COVID 19 pandemic, Fiscal Year 2021, from July 1, 2020, to June 30, 2021, was very productive for the Eastern Arizona Counties Organization (ECO), with significant developments, meaningful progress, and tangible accomplishments that create practical, high-impact, on-the-ground outcomes.

ECO is getting results that have real-life positive, direct, and measurable impact in rural Eastern Arizona, and make a difference in the life of its people by supporting their custom, culture, economic well-being, recreation, health, and safety.

Developments, progresses, and key accomplishments that the Eastern Arizona Counties Organization is reporting for Fiscal Year 2021 are listed here under for each program that ECO committed to implement in FY 2021 in its *Plan for Receipt and Expenditure of Monies for Fiscal Year 2021*.

Program 1: Forest Restoration

Although Arizona has been fortunate since 2011 to not experience another landscape-scale catastrophic fire, the massive fires in California during 2018, 2019, 2020 and 2021, as well as the total cumulated 541,214 acres burnt in over 1,100 Arizona wildfires in 2021, serve as a vivid reminder of the clear and present danger Arizona faces in its Forests, as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the forefront of the Arizona natural resources priorities, and at the forefront of ECO priorities.

1) ***Forest Restoration in Northern Arizona***.

   Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of Forest Restoration in Northern Arizona from Federal FY 2010 to Federal FY 2021:

Federal Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731

Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163
Total FY 2010 to 2020	166,850

2) ***4FRI Contract RFP.***

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the *Vision 17* strategic plan. *Vision 17* was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP/NLFP contract in whatever form it evolves into with new partners or change in ownership as happened with the new entity NewLife Forest Products.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new landscape scale 4FRI RFP was expected by December 2017. However, FY 2018 closed without a new RFP being issued by the Forest Service.

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Meanwhile, as analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 655 acres during federal FY 2021. This continued and amplified the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); FY 2019 (2,065 acres); and FY 2020 (711 acres).

During FY 2020 and FY 2021, as part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believes was the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award was expected by March 2021.

However, on March 17, 2021, the Forest Service issued Amendment 11 that reduced the contract quantities from 605,000 acres, with option for 818,000 acres, to 520,000 acres; changed the road maintenance Schedule of Items; changed requirements related to required submittals during contract performance; changed requirements related to plans and schedules for contract execution; and changed requirements related to Emergency Fire Precautions.

Then, on September 14, 2021, after a total of 13 amendments, the Forest Service decided to cancel the solicitation and re-assess the Government requirements.

In order to re-boot the 4FRI implementation process, on September 25, 2021, ECO sent a letter to Senator Kelly and Senator Sinema, proposing a series of next steps for Arizona Forest Restoration:

1. Continue and reinforce the only existing successful forest restoration program in Arizona, the A/S five-year rolling plan, initially known as the "Bridge the Gap" program, in the White Mountains of Eastern Arizona; dedicate all projects from the A/S to it; and remove all A/S acres from any further 4FRI offering.
2. Remove the 37,000 acres of mechanical treatments in the CC Cragin Watershed Protection Program from any further 4FRI offering and implement them under Good Neighbor Authority (GNA) with DFFM and SRP (and/or Stewardship Authority with the National Wild Turkey Federation).
3. Remove the Tonto National Forest from any further 4FRI offering and treat up to 40,000 acres of the Upper Tonto, including the Sierra Ancha, for fuels reduction with mastication treatments under Good Neighbor Authority (GNA) with DFFM and SRP.
4. Consolidate the remaining approximately 300,000 to 400,000 acres, mostly on the West side of the Mogollon Rim, in one offering designed to attract new forest industry investment in the I40 West corridor, in the Williams, Flagstaff, and Winslow areas.
5. Execute on the fundamental enablers of forest restoration:
    a. Remove the uncertainty of biomass disposal by creating the conditions for the economically viable purchase of bioelectricity by Power Purchase Agreements (PPAs).
    b. De-couple the forest roads maintenance costs from the costs of forest restoration treatment projects and offerings.
    c. Limit proposals by forest industry investors to the acreage made available in the offerings.

While holding the 1st Co-Chair seat of the 4FRI Collaborative Workgroup, ECO organized and conducted on October 12, 2021, a post-RFP 4FRI Industry Roundtable, and on October 18, 2021, a post-RFP 4FRI Collaborative Roundtable at which the Forest Service announced its post-RFP strategy, which essentially adopted the ECO proposed next steps.

ECO fully intends to continue its engagement with the State and with the U.S. Forest Service to see the landscape scale restoration of the Mogollon Rim forests and watersheds implemented in the coming decade.

3) ***White Mountain 15,000 acres annual A/S five-year rolling plan***.

Following:

- ECO's creation of the "Bridge the Gap" program in 2014 with the Apache-Sitgreaves National Forests (A/S) to bridge the gap during 10 years between the end of the White Mountain Stewardship Contract in 2014 and the implementation in the White Mountain of the 4FRI Phase 2 expected in 2024;
- ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
- ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
- ECO's constant engagement with the Apache-Sitgreaves National Forests;

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the ramp-up of the "Bridge the Gap" program, which became the A/S five-year rolling plan, which provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647
FY 2021	5,814	42,910

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest in the A/S five-year rolling plan to the White Mountain industry in projects outside of the first 4FRI contract, confirming the success of the five-year rolling plan. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest - even though after 9 years only 14,634 have been actually cut - the second 4FRI RFP offered up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP had the potential to provide material to new industry, but it also had the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP - and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, then moved to March 2021, then a solicitation cancellation on September 14, 2021 - was that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. were put on hold starting mid-2019 and until the result of the 4FRI RFP would be known.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in June 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP was known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers' financing capacities were sharply curtailed as unpredictability of their economic future past 2023 loomed, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.

2. Because Arizona loggers already had three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 and most timber sales offered in 2021 were not purchased because until the second 4FRI RFP outcomes would be known, there would be no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" then A/S five-year rolling plan projects to a continuing ~12,000 to ~15,000 acres per year has resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the $13.5 billion recreation economy on the Rim (See Program 5 – *Recreation*) through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the A/S five-year rolling plan for the coming decade, with the expectation that future 4FRI offering in Northern Arizona, whatever form they may take, will not compromise the viability of the existing industry but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

4) ***Industry / Forest Service Roundtable***.

In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019, of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP required the removal of a minimum of 50% of the logging slash and would not consider bids "satisfactory" unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP "satisfactory" guideline of 70% removal, 875,000 tons of slash need to be removed and disposed of annually.

Currently, the only facility available in Arizona to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:

- disposal of 400,000 green tons / year of only the lowest value “hog fuel” dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of small diameter trees as firewood;
- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- “State of Emergency” declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a “forest to faucet” program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watersheds production preservation and augmentation through forests restoration;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;
- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

Following the September 14, 2021 cancellation of the 4FRI RFP Phase 2 offering, while holding the 1st Co-Chair seat of the 4FRI Collaborative Workgroup, ECO organized and conducted on October 12, 2021, a post-RFP 4FRI Industry Roundtable.

The post-RFP Industry Roundtable identified lessons learned:

- Volume of material required, and volume of material offered, must align.
- An RFP award cannot be secured without a Power Purchase Agreement (PPA) for biomass disposal.
- Losses in acres due to wildfire is a risk not covered under the Government offering.
- FAR 17 cancellation ceiling is not negotiable.
- Moving forward with 4FRI, USFS must think globally but act locally, and implement 4FRI one project at a time.
- The cost of road/bridge maintenance is a major stumbling block to successfully implementing large scale restoration.
- Biomass removal/treatment will continue to be required. USFS need to leave the door open to innovation but must embrace what is currently working.

The post-RFP Industry Roundtable also identified fundamental enablers required to move forward:

- Securing biomass PPA will facilitate further restoration and a financeable future for many industry players.
- Restoration cannot proceed in AZ, at the needed scale, without Infrastructure funding of $65 million of deferred roads cost over 20 years.
- The cancellation ceiling needs to be adjusted in order to reduce risks and attract new investment.
- If the restoration scale moving forward is 15,000 acres on the East side plus ramping up to 20,000 acres on the West side, annually, instead of the originally planned 50,000 acres annually, then the treatment locations must be prioritized and optimized.
- Current industry represents the best hope for the sustaining, and incremental growth, of forest restoration.
- Whatever is done to incentivize new investments must be done without jeopardizing current industry.
- Current industry must be incentivized to grow organically and expand.
- Collaboration on strategies such as ACC rule making; decreasing the burden of road maintenance costs; tax credits/incentives; in-woods efficiencies; etc. must be re-initiated promptly following the blackout of the RFP process non-disclosures.
- A five-year timber sale rolling plan is needed for each of the 4 forests in order to sustain both East and West sides existing industries.

5) ***Black River***.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, “Flexible Tool Box” Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020, and it was not released until October 1, 2020. Although some

issues such as the removal of feral horses and cattle from listed species habitats remained to be worked out, the project regained wide support from the stakeholders.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to the adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

6) ***4FRI Rim Country EIS***.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS and FEIS Workgroups, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

In FY 2018, 2019, and 2020 under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- support for the 4FRI collaborative workgroup comments that ECO contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.
- concerns with the uncertainties associated with the implementation of Condition Based Management.

Condition Based Management (CBM) is a management approach that the U.S. Forest Service has increasingly used to authorize timber harvests , and to increase flexibility and efficiency in project planning, analysis, and implementation. However, basic information regarding the project's details - such as unit location, timing, roadbuilding, harvesting methods, and site-specific environmental effects - is not provided at the time the Forest Service conducts its NEPA environmental review, when the public can weigh in, nor when the Forest Service gives its final approval to a project, when the public can seek administrative review.

Public-lands advocates argue that CBM violates NEPA's mandate that agencies take a "hard look" at the consequences of their actions before a project commences, and that CBM allows the Forest Service to circumvent the effects analysis process, when exercising discretion about where and how to log, with decisions that often may have "significant" environmental consequences.

The Forest Service's use of CBM also creates compliance challenges under the Endangered Species Act (ESA) that requires federal agencies to consult with the Fish and Wildlife Service when a proposed action "may affect" listed species or destroy or adversely modify its critical habitat, to ensure that the action is "not likely to jeopardize" these species.

On March 11, 2020, in *Southeast Alaska Conservation Council v. U.S. Forest Service, 443 F. Supp. 3d 995 (D. Ak. 2020)*, the court held that the Forest Service's Prince of Wales Landscape Level Analysis Project, a 15-year logging project on Prince of Wales Island in the Tongass National Forest, violated NEPA and that site-specific analysis was needed to satisfy NEPA's "hard-look" standard.

During the balance of FY 2020, and FY 2021, ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

7) ***Digital technologies***.

In FY 2017, ECO joined forces with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" in the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO is working with other partners such as ATICA (the company that manages the White Mountain Apache Timber Company –WMATCO) and Northern Arizona University to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work such as tree marking, with unmanned aerial surveys, and allow timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("prep") can catch up with NEPA planning without requiring massive new resources for the Forest Service.

In FY 2018, 2019, and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies.

Digital technologies 'Prep' costs savings represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

During FY 2021, ECO continued its work with the Forest Service and 4FRI partners, to ensure that digital technologies were integrated in the various Arizona forest restoration projects.

8) ***Biomass Bottleneck.***

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the *Healthy Forests, Vibrant Economy Conference*. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the *Vision 17* implementation plan.
In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017, the ACC organized a workshop, to which ECO presented. On January 30, 2018, Arizona Corporation Commissioner Andy Tobin proposed an *Arizona's Energy Modernization Plan* that included new biomass energy requirement. On March 13, 2018, the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018, Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018, and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the *Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138.* Decision 77045 *Policy Statement Regarding the Role of Forest Bioenergy in Arizona* stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful U.S. Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019, to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY

2020 and made it clear that it would not consider the issue until the second 4FRI RFP outcomes would be known. This postponed any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the potential conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the A/S five-year rolling plan in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

However, the freezing of all decisions on forest restoration in Arizona for almost 2 years in FY 2020 and FY 2021 has caused the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to suspend their negotiations with NovoBiopower to renew their PPAs, set expire in June 2023, until the outcome of the 4FRI RFP would be known.

Following the September 14, 2021, cancellation of the 4FRI RFP Phase 2 offering, ECO has re-started work with both Arizona Utilities Salt River project (SRP) and Arizona Public Service (APS), and NovoBiopower, to resume their negotiations to renew the Power Purchase Agreements (PPAs) that are necessary to insure the removal of forest restoration slash and biomass.

Many developments took place, and much was accomplished by ECO and its partners during FY 2021 in Program 1, *Forest Restoration*, but much remains to be done in FY 2022 and beyond, to make sure that the momentum is sustained.

FY 2022 will be focused on:

- implementation of the new 4FRI USFS strategy and adoption by the Coconino National Forest of a five-year rolling plan – similar to the A/S five-year rolling plan - for the steady offering of a minimum of 20,000 timber acres annually in FY 2022 and the coming decade on the "West Side" existing industry
- renewal of the existing 28 MW biopower Power Purchase Agreements and implementation of a long-term biomass disposal strategy on both "East Side" and "West Side";
- timely conclusion of the 4FRI 2nd EIS planning;
- continued prioritization of the White Mountains 15,000 acres/year program;
- timely conclusion of the Black River project EA.

Program 2: Threatened and Endangered Species

In addition to being "Ground Zero" for the non-essential experimental Mexican Wolf population, Arizona is also impacted by the conservation focus on several Threatened and Endangered species such as the Mexican Spotted Owl - that caused the entire Southwest's forest industry to shut down for 18 months during the 1990s "timber wars" – the Jaguar, the Ocelot, and numerous other listed species.

1) ***Payment of the Mexican Wolf depredation and livestock conflict prevention compensation claims***.

   From the beginning of the Mexican wolf releases to the wild in the Blue Range Wolf Recovery Area within the Mexican Wolf Experimental Population Area in 1998, the Eastern Arizona Counties Organization (ECO) advocated with the U.S. Fish & Wildlife for the creation of a mechanism to offset the economic impact of releasing top tier predators in a working ranching environment.

   On September 23, 2009, the U.S. Fish and Wildlife Service in cooperation with the National Fish and Wildlife Foundation (NFWF), established the Mexican Wolf/Livestock Interdiction Trust Fund. The objective of the Trust Fund was to generate long-term funding for prolonged financial support to livestock operators within the framework of cooperative conservation and recovery of Mexican wolf populations in the Southwest. Funding would be applied to initiatives that address management, monitoring, and other proactive conservation needs for Mexican wolves as they relate to livestock, including alternative livestock husbandry practices, grazing management alternatives, livestock protection, measures to avoid and minimize depredation, habitat protection, species protection, scientific research, conflict resolution, compensation for damage, education, and outreach activities.

   In April 2011, the Service appointed an 11-member Mexican Wolf/Livestock Coexistence Council which has the authority to identify, recommend, and approve conservation activities, identify recipients, and approve the amount of the direct disbursement of Trust Funds to qualified recipients. ECO, through its county member Greenlee County, was appointed to the Coexistence Council, the Council developed Depredation Compensation Guidelines to compensate livestock producers for wolf depredations, and compensations started to be paid:

Depredation Year [1]	Depredation compensations paid in New Mexico	Depredation compensations paid in Arizona	Total depredation compensations paid
2011	$ 12,780.84	$ 5,400.00	$ 18,180.84
2012	$ 15,050.00	$ 7,550.00	$ 22,600.00
2013	$ 13,013.36	$ 14,581.56	$ 27,594.92
2014	$ 42,623.91	$ 21,099.59	$ 63,723.50
2015	$ 77,133.90 [2]	$ 33,070.00	$ 110,203.90
2016	$ 58,041.18	$ 15,785.00	$ 73,826.18

[1]Note: Money disbursed per year is calculated based on the year that the depredation event occurred, which may or may not coincide with the year of payment (i.e. a depredation event may occur in December and payment may not be disbursed until January the following year, this disbursement is summarized in the year of the depredation event).

[2]Note: these payments were partially funded through the Groves Estate (2015 - $2500; 2017 - $2,600; 2018 - $27,978; 2019 - $41,220) and FWS (2019 - $39,870)

However, the funding of the Coexistence Council - later renamed the Livestock Council - compensation fund was based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it became concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

As compensation amounts continued to increase, additional action was taken by ECO, the Arizona Cattle Growers Association (ACGA), the Arizona Game & Fish Department (AGFD), and the Arizona Legislature. The Arizona Livestock Loss Board was created in 2015. As a result, starting with 2017, depredation claims occurring in AZ submitted to the Livestock Council, were submitted by the Council to the Arizona Loss Board for compensation.

To ensure long term funding of the program, on May 16, 2018, ECO sent a letter to the Secretary of the Interior requesting the development of a long-term programmatic approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department. The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

While the long term programmatic full funding requested by ECO was not implemented, the ECO request elevated the funding requirements at Secretarial level, and ensured the funding of the depredation and conflict prevention & "pay for presence" claims on a year-by-year basis:

Depredation Year [1]	Depredation compensations paid in New Mexico	Depredation compensations paid in Arizona	Total depredation compensations paid
2017 NM claims[2]	$ 29,942.50 [4]	$ 29,270.52[3]	$ 56,613.02
2018 NM claims[2]	$ 94,610.88 [4]	$ 17,850.00	$ 112,460.88
2019 NM claims[2]	$ 185,797.46[4]	$ 99,312.37	$ 285,109.83
2020 NM claims[2]	$ 106,767.00	$ 68,306.10	$ 175,073.10
2021 NM claims[2]	$ 51,525.00	$ 69,656.58	$ 121,181.58

[1]Note: Money disbursed per year is calculated based on the year that the depredation event occurred, which may or may not coincide with the year of payment (i.e. a depredation event may occur in December and payment may not be disbursed until January the following year, this disbursement is summarized in the year of the depredation event).
[2]Note: 2017-2021, depredation claims occurring in AZ were submitted to AZ Loss Board for Compensation.
[3]Note: 2017 - AZ paid $10,000 in conflict prevention payments in 2017.
[4]Note: these payments were partially funded through the Groves Estate (2015 - $2500; 2017 - $2,600; 2018 - $27,978; 2019 - $41,220) and FWS (2019 - $39,870).

It must be noted that contrary to a widely held popular belief, ALL depredation compensation claims documented by a depredation report produced by the investigators of the USDA Animal and Plant Health Inspection Service (APHIS) from 2011 to 2021 have been compensated by the USFWS Livestock Council or the AZ Loss Board, and that as of December 31, 2021, only a few claims are still in process in New Mexico:

Depredation Year	Requests Pending Funding	Requests- Pending Livestock Council Decisions	Potential Total
2020	$ 0	$2,150	$ 2,150
2021	$ 0	$42,775	$ 42,775

In addition to depredation compensations, conflict prevention & "pay for presence" compensation claims are being paid:

Year	Livestock Conflict Prevention & Pay for Presence compensations paid in Arizona		Livestock Conflict Prevention & Pay for Presence compensations paid in New Mexico		Total
	Prevention	Pay for Presence	Prevention	Pay for Presence	
2011	$0	$0	$0	$0	$0
2012	$0	$0	$0	$0	$0
2013	$0	$38,000	$0	$47,500	$85,500
2014	$0	$38,000	$0	$47,500	$85,500
2015	$0	$51,000	$0	$32,300	$83,300
2016	$0	$48,000	$0	$57,000	$105,000
2017	$10,000	$50,000	$0	$57,000	$117,000
2018	$21,000	$60,000	$0	$57,000	$138,000
2019	$156,043.80	$0	$0	$57,000	$213,043.80
2020	$90,000.20	$0	$0	TBD	TBD
2021	$94,500	$0	$0	TBD	TBD

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Moving forward to FY 2022, both USFWS Livestock Council and AZ Loss Board appear adequately funded for 2022:

Grant Year	Grant type	Funds balance available for 2022	Total balance available for 2022
FY 2021	New Mexico Prevention Grant	$60,000	$60,000
FY 2021	New Mexico Depredation Grant	$100,975	$100,975
FY 2020	Arizona Prevention Grant	$61,558	$211,558
FY 2021	Arizona Prevention Grant	$150,000	
FY 2020	Arizona Depredation Grant	$78,381	$198,381
FY 2021	Arizona Depredation Grant	$120,000	
NA	AZ and NM Groves Estate	$85,702	$85,702

ECO believes that appropriate and timely compensation of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers is critical to the sustainability of the program, and ECO is committed to making sure that ALL depredation compensation claims documented by a depredation report produced by the investigators of the USDA Animal and Plant Health Inspection Service (APHIS), and ALL conflict prevention & "pay for presence" claims approved by the Arizona Game & Fish Department (AGFD) are promptly processed and paid to Arizona ranchers.

2) ***Discontinuation of the initial release of adult "naïve" wolves.***

In FY 2016, ECO and the Arizona Game & Fish Department (AGFD), the two state partners in the Mexican Wolf 10(j) Experimental Population Management Team, were successful in preventing the initial release of adult "naïve" wolves.

Instead, in FY 2016, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona. Additionally, one set of two pups was fostered into the "Sheep Herders Ball" pack in New Mexico

In FY 2017, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild populations.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

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In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

In FY 2021 over a two-month period in April and May 2021, a record twenty-two captive-born Mexican gray wolf pups were placed into dens in the wild. Nine pups were fostered into three different packs in eastern Arizona and 13 were placed with five packs in western New Mexico. Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

3) ***Implementation of the revised 10(j) Regulations for the Nonessential Experimental Population of the Mexican Wolf***.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015, U.S. Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintiffs. The court found that:

- the 2015 10(j) rule was not compliant with the ESA; provided only for short-term survival of the species; and failed to further the long-term recovery of the Mexican wolf in the wild;
- the revised rule did not need to be the product of an agreement with state and private stakeholders;
- the U.S. Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation was not based upon the best available information and is arbitrary and capricious;
- the U.S. Fish & Wildlife Service needed to review:
  - the population cap of 300-325 wolves,
  - the limitation on dispersal north of I-40,
  - the takes in response to unacceptable impacts to wild ungulate herds,
  - the essentiality determination;

However, the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that would serve no purpose, and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long-term recovery strategy over a short-term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

The court ruling threatened some of the gains realized by ECO since FY 2014 in the revision of the Regulations for the 10(j) Nonessential Experimental Population of the Mexican Wolf,

especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

After the March 2018 ruling, ECO engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government would continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings - facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one-page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020, the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020, ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be “likely

to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:

a. the 67% increase over the last five years of the captive population, totaling 417 wolves in June 2019 and featuring a higher genetic diversity than the MWEPA population;
b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.

2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.

3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
   a. Takes on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
   b. Takes on Federal land (§ 17.84(k)(7)(v)(A));
   c. Takes in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi)).

   Maintaining the possibility of legal takes is critical to ensure that these management actions are not replaced by a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gave ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

On October 29, 2021, the USFWS filed the Draft Supplemental Environmental Impact Statement (DSEIS) for the Proposed Revision to the Regulations for the Experimental Population of the Mexican Wolf with the EPA. A final Rule/SEIS publication is expected by July 1, 2022.

4) ***Mexican Wolf Recovery Plan Revision***.

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the U.S. Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally ensuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the U.S. Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in

getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially focused on the experimental 10(j) area and the experimental population.

In July 2017, the U.S. Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017, the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue was whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's continued existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat.

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

On October 14, 2021, the Court ordered a narrow remand of the proposed Recovery Plan to develop site specific management actions related to human-caused mortality. The recovery criteria were not remanded, with allowed the USFWS to continue moving forward with the revised Regulations for the 10(j) Nonessential Experimental Population of the Mexican Wolf unimpeded by the remand of the Recovery Plan. The Court ordered the USFWS Service to produce a draft recovery plan for public comment within six months that includes site-specific management actions, with a final plan to follow no later than six months thereafter.

Since the January 2018 litigation, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local

populations are effectively represented in the process. ECO will continue to engage with USFWS in FY 2022 to ensure that the draft and final remand Recovery Plan continue to do so.

5) ***Mexican Wolf Range Ridder Program***.

As the population of Mexican Wolf continues to increase in Arizona, the number of depredation incidents increases and the financial and emotional costs to Arizona ranchers and cattle growers continue to climb.

During 2019 and early 2020 the number of confirmed depredation incidents increased sharply, prompting the Board of Eastern Arizona Counties Organization (ECO) to increase its collaboration with the Arizona Game & Fish Department (AGFD) by donating $35,000 to the Department for the specific purpose of funding and implementing in-the-field depredation prevention measures including a Range Riders Program.

In April 2021, the Department released its report for the 2020 Range Riders Program co-funded by the $35,000 donation from the Eastern Arizona Counties Organization (ECO) and a $18,000 donation from the Arizona Livestock Loss Board. As an outcome of the 2020 Range Riders program, depredation dropped by 39%.

While it can be argued that other factors may have contributed to the 39% drop, it must be noted that there was no other tangible identifiable factor that may have caused the depredation reduction, as the Mexican Wolf program was managed identically in 2019 and 2020.

To further emphasize the efficacy and efficiency of the Range Riders Program as a management action, it must also be noted that depredation dropped 39% for the period year to year, while the Mexican Wolf population itself increased 14% from a minimum of 163 at the 2019 end-of-year count, to a minimum of 186 at the 2020 end-of-year count.

ECO is committed to implementing all possible proven measures to reduce depredations and livestock conflicts. As a follow up to their 2020 donation, the Board of ECO decided at their May 2021 meeting to further donate $25,000 to fund the 2021 Mexican Wolf Range Rider Program.

6) ***Jaguar***.

In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016, a *Jaguar Draft Recovery Plan.*

The *Jaguar Draft Recovery Plan* acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that - as for the Mexican Wolf Recovery Plan:

- no formal consultation took place with local government;
- a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas;

- the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States;
- the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States;
- the recovery criteria in the plan are not binding; and,
- the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

On May 1, 2021, a new development took place with the publication by a group of scientists and advocates, funded in part by the Wildlife Conservation Society and Defenders of Wildlife, of the article *The case for reintroduction: The jaguar (Panthera onca) in the United States as a model* in the review Conservation Science and Practice.

The article proposes the reintroduction of the Jaguar in an expansive region in the central mountain ranges of Arizona and New Mexico in a proposed Central Arizona – New Mexico Recovery Area (CANRA) and a proposed Arizona Secondary Area (ASA). These areas would roughly overlap the Mexican Wolf reintroduction area. While this article has no regulatory meaning, it nonetheless signals the opening of a systematic push by the conservation community for the designation by the USFWS of an experimental population of jaguars.

ECO will continue to engage with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service in FY 2022 and the coming years to ensure that Local Government is effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

7) ***Ocelot***.

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016, an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and demonstrates that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670) and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (*Ocelot Recovery Plan* p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and

have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (Ocelot Recovery Plan p. 206).

In FY 2018, 2019 and 2020, ECO engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

On December 1, 2021, a new development took place with the creation by a collaboration between Texas A&M Natural Resources Institute, a unit of Texas A&M AgriLife, in partnership with East Foundation, the Caesar Kleberg Wildlife Research Institute, Lindner Center for Conservation and Research of Endangered Wildlife at the Cincinnati Zoo, the University of Tennessee Comparative and Experimental Medicine Program and Center for Wildlife Health, Texas Parks and Wildlife Department, and the U.S. Fish and Wildlife Service of the project, *Developing and Assessing Strategies for Reintroducing Ocelots to Historical Texas Habitat*. The project will explore the feasibility of reintroducing the endangered ocelot to a portion of their historical range in Texas.

While this initiative does not involve Arizona, it nonetheless signals the opening of a systematic push by the conservation community for the designation by the USFWS of an experimental population of ocelot, which will inevitably expand in Arizona considering the historical habitat of the ocelot in the United States.

ECO will continue to engage with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service in FY 2022 and the coming years to ensure that Local Government is effectively represented should a designation of an experimental population of ocelots be initiated by the U.S. Fish & Wildlife Service.

8) ***Mexican Spotted Owl***.

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona, baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised with new biological opinions between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020, the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October 2020, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020, announcing a new understanding between the parties and the decision by the Center for Biological Diversity to not litigate.

Further work led on October 27, 2020, to a stipulation of voluntary dismissal of the Wild Earth Guardian litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

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9) ***Northern Mexican gartersnake and narrow-headed gartersnake***.

In July 2013 the USFWS proposed the listing as "Threatened" and the designation of critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) and narrow-headed gartersnake (Thamnophis rufipunctatus) in Arizona and New Mexico. The proposed designation identified 14 habitat units totaling 421,000 riparian acres in most Arizona watersheds for the northern Mexican gartersnake, and 6 habitat units totaling 210,000 riparian acres for the narrow-headed gartersnake.

In July 2014, the USFWS announced the Final Rule listing the northern Mexican gartersnake and narrow-headed gartersnake as "Threatened," including a special rule under section 4(d) of the ESA to exempt operation and maintenance of livestock tanks on private, state and tribal lands from the prohibitions on "take" of listed species, and further announced that it will finalize the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake in a separate rule in the future.

On April 28, 2021, the U.S. Fish and Wildlife Service designated critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) under the Endangered Species Act. In total, approximately 20,326 acres in La Paz, Mohave, Yavapai, Gila, Cochise, Santa Cruz, and Pima Counties in Arizona, and Grant County in New Mexico, fall within the boundaries of the critical habitat designation for the northern Mexican gartersnake.

Then, on October 21, 2021, the U.S. Fish and Wildlife Service designated critical habitat for the narrow-headed gartersnake (Thamnophis rufipunctatus) under the Endangered Species Act. In total, 23,785 acres (9,625 hectares) in Greenlee, Apache, Yavapai, Gila, and Coconino Counties in Arizona, and Grant, Hidalgo, and Catron Counties in New Mexico, fall within the boundaries of the critical habitat designation for the narrow-headed gartersnake.

10) ***New Mexico meadow jumping mouse***.

In June 2013, the USFWS proposed the listing as "Endangered" and the designation of critical habitat for the New Mexico meadow jumping mouse (Zapus hudsonius luteus) in New Mexico, Colorado and eastern Arizona. In April 2014, the USFWS re-opened the comment period on the proposed designation of 193 river miles and 14,000 acres of critical habitat, divided in 8 units. Although "99 percent of the total proposed critical habitat designation, are currently unoccupied by the species," they were deemed "essential for the conservation of the species" (79 FR 19307-19313).

In June 2014, the USFWS announced the Final Rule listing of the New Mexico Meadow Jumping Mouse as "Endangered," and further announced that it will finalize the designation of critical habitat for the New Mexico Meadow Jumping Mouse in a separate rule in the future.

On March 15, 2016, the U.S. Fish and Wildlife Service designated approximately 13,970 acres of critical habitat within Colfax, Mora, Otero, Sandoval, and Socorro counties in New Mexico; Las Animas, Archuleta, and La Plata counties in Colorado; and Greenlee and Apache counties in Arizona under the Endangered Species Act for the endangered New Mexico meadow jumping mouse. The designation will elicit Federal agencies' assistance in the appropriate management of dense vegetation along 170 miles of streams that can support the mouse.

During FY 2021 no new federal action was taken, but on June 4, 2021, the Center for Biological Diversity filed a formal notice of its intent to sue the U.S. Forest Service for failing to protect from cattle, riparian areas designated as critical habitat for the endangered New Mexico meadow jumping mouse in New Mexico's Sacramento Mountains.

11) ***Western yellow-billed cuckoo***.

In October 2013, the USFS proposed to list as "Threatened" the western distinct population segment (DPS) of the yellow-billed cuckoo (Coccyzus americanus) in the western United States, Canada, and Mexico. In the U.S., the western yellow-billed cuckoo is known to occur in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah, Wyoming, Montana, Oregon, and Washington. In April 2014, the comment period was re-opened for the proposed designation.

In October 2014 the USFWS announced the Final Rule listing of the western distinct population segment (DPS) of the yellow-billed cuckoo as "Threatened," and further announced that it will finalize the designation of critical habitat for the western yellow-billed cuckoo in 80 separate units in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah and Wyoming in a separate rule in the future.

On April 21, 2021, U.S. Fish and Wildlife Service designated critical habitat for the western distinct population segment of the yellow-billed cuckoo (Coccyzus americanus) under the Endangered Species Act. In total, approximately 298,845 acres are now being designated as critical habitat in Arizona, California, Colorado, Idaho, New Mexico, Texas, and Utah.

In total, 125,739 acres are designated in Arizona, including 69,704 acres owned by entities other than Federal, Tribal and State and including municipalities, private entities and individuals, etc.

ECO's success in preventing Mexican Spotted Owl Region-wide litigation in FY 2020 and 2021, and ECO's participation as a cooperating agency to the Supplemental Environmental Impact Statement that is at work to resolve the 10(j) Nonessential Experimental Population of the Mexican Wolf are very encouraging for the future of the Mexican Spotted Owl and Mexican Wolf recovery within a framework of landscape scale forest restoration in Arizona.

Much remains to be done in FY 2022 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

FY 2022 will be focused on:

- continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council and the Arizona Livestock Loss Board;
- continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation;
- participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the 10(j) Nonessential Experimental Population of the Mexican Wolf;
- continued participation in the Mexican Spotted Owl Leadership Forum;
- continued monitoring of the litigation of the Mexican Wolf recovery plan revision;
- continued monitoring with all relevant partners to mitigate the socio-economic impacts of the jaguar, ocelot, gartersnake, western yellow-billed cuckoo, New Mexico meadow jumping mouse,

and other species listings, critical habitat designations, and recovery efforts on rural Arizona counties residents and the ranching community.

Program 3: Watershed Restoration

In parallel, and often overlap with *Program 1: Forest Restoration*, ECO's *Program 3: Watershed Restoration* focuses more directly on restoration activities that have a very direct link with watershed functions and production. This does include projects such as Black River or even 4FRI that constitute the bulk of Program 1, but this also includes other projects such as the CC Cragin Watershed Protection Project or the Comprehensive Implementation Workgroup projects that focus on springs and riparian restoration.

1) ***CC Cragin Watershed Protection Project***.

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted

ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work.

During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In June 2020, the U.S. Forest Service and the National Wild Turkey Federation (NWTF) offered for bid a service contract for the 1,000 acres Baker Butte Integrated Resource Service Contract (IRSC). Bids were received in August 2020, but no award took place due to the fact that the bids were significantly higher that the Forest Service appraisal.

During FY 2021 ECO worked with the National Wild Turkey Federation to re-design the RFPs published for the CC Cragin Watershed Restoration Project, including the Baker IRSC, in order to make them attractive to the local forest product industry with which forest restoration funds itself, fully or partially, through the value of the logs removed, as opposed to trying to attract purely service proposals where no value is derived from the timber, and the entire cost of the project must be subsidized.

In parallel, on July 27, 2021, the Coconino National Forest and the Arizona Department of Forestry and Fire Management (AZDFFM) signed a Good Neighbor Authority (GNA) agreement for the Baker project, in collaboration with the Salt River Project and the Town of Payson, which are contributing necessary funds to ensure the forest thinning treatments can be implemented. NWTF issued a new RFP for the project, and by September 2021, a contract was awarded to Arizona's premier logging contractor TriStar in cooperation with NovoBiopower for the disposal of the project slash and biomass.

In addition, during 2021 the other projects of the CC Cragin Watershed Protection Project were developed to be offered in 2022 and the coming years:

- Gifford (2,700 ac.) was included in the 4FRI Phase 2 RFP.
- Roosevelt (2,300 ac.) was in contract development stage and is planned for an RFP offer in April 2022.
- McCarty (1,200 ac.) was at the timber cruise stage and is also planned for an RFP offer in April 2022.
- Kinder (3,300 ac.) was at the marking stage.
- Kehl (3,100 ac.) was at the layout phase.
- Clover, Windfall, Coldwater, and Moqui were at the early planning stages.

2) ***Black River project***.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020, and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remained to be worked out, the project regained wide support from the stakeholders.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to the adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

3) ***4FRI Rim Country EIS***.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS and FEIS Workgroups, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

In FY 2017, FY 2018, and FY 2019, under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- support for the 4FRI collaborative workgroup comments that ECO contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.
- concerns with the uncertainties associated with the implementation of Condition Based Management.

Condition Based Management (CBM) is a management approach that the U.S. Forest Service has increasingly used to authorize timber harvests , and to increase flexibility and efficiency in project planning, analysis, and implementation. However, basic information regarding the project's details - such as unit location, timing, roadbuilding, harvesting methods, and site-specific environmental effects - is not provided at the time the Forest Service conducts its NEPA

environmental review, when the public can weigh in, nor when the Forest Service gives its final approval to a project, when the public can seek administrative review.

Public-lands advocates argue that CBM violates NEPA's mandate that agencies take a "hard look" at the consequences of their actions before a project commences, and that CBM allows the Forest Service to circumvent the effects analysis process, when exercising discretion about where and how to log, with decisions that often may have "significant" environmental consequences.

The Forest Service's use of CBM also creates compliance challenges under the Endangered Species Act (ESA) that requires federal agencies to consult with the Fish and Wildlife Service when a proposed action "may affect" listed species or destroy or adversely modify its critical habitat, to ensure that the action is "not likely to jeopardize" these species.

On March 11, 2020, in *Southeast Alaska Conservation Council v. U.S. Forest Service, 443 F. Supp. 3d 995 (D. Ak. 2020)*, the court held that the Forest Service's Prince of Wales Landscape Level Analysis Project, a 15-year logging project on Prince of Wales Island in the Tongass National Forest, violated NEPA and that site-specific analysis was needed to satisfy NEPA's "hard-look" standard.

During the balance of FY 2020, and FY 2021, ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

4) ***Prioritization and funding of watersheds and riparian restoration***.

To provide further momentum to the prioritization and funding of watershed restoration, ECO participated in FY 2017 in the creation of the new 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4-million-acre 4FRI landscape.

The Comprehensive Implementation Workgroup was initially chaired by the joint position co-funded by ECO and AGFD, and focused on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

The first project begun in FY 2017 at the T Six Spring in the Coconino National Forest and was completed in FY 2018. Several additional on-the-ground watershed restoration projects were initiated in FY 2018 and completed in FY 2019:

- Rosilda Spring was completed in Oct 2018 with the well filled, 8-ft exclosure built, 32 coyote willows planted, and a small rock dam built.
- East and West Elk Springs were completed in summer 2018.
- Houston Draw was scheduled to be completed by the end of 2019 with the removal of failing fence, channel restoration for approximately three to five actively eroding sections. A flow gauge was installed below the restoration target area for before/after monitoring.

In FY 2019, additional sites in the 4FRI National Forests that have already been analyzed under NEPA were identified for inclusion in the 20-year 4FRI restoration implementation:

- Big Spring, Kaibab NF - Williams RD
- Little Elden Spring, Coconino NF - Peaks RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Ritter Spring, Coconino NF - Mormon Lake RD
- Sawmill Spring, Kaibab NF - Williams RD
- Seven Anchor Spring, Coconino NF - Mogollon Rim RD
- Sheep Spring, Coconino NF - Mormon Lake RD
- Barbershop Springs, Coconino NF - Mogollon Rim RD
- Big Moqui Spring, Coconino NF - Mogollon Rim RD
- Crackerbox Spring, Coconino NF - Mogollon Rim RD
- Dane Spring, Coconino NF - Mogollon Rim RD
- Hi Fuller Spring, Coconino NF - Mogollon Rim RD
- Kehl Spring, Coconino NF - Mogollon Rim RD
- Maple Spring, Coconino NF - Mogollon Rim RD
- Mashed Potato Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Meadow Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Spring, Coconino NF - Mogollon Rim RD
- Spikerush Spring, Coconino NF - Mogollon Rim RD
- Twin Tanks, Coconino NF - Mogollon Rim RD
- Mint Spring, Coconino NF - Mormon Lake RD
- Clark Well, Coconino NF - Mormon Lake RD
- Upper Hull Spring, Coconino NF - Peaks RD
- Lower McDermit Spring, Kaibab NF - Williams RD
- Hoxworth Springs, Coconino NF - Mormon Lake RD
- Griffiths Spring, Coconino NF - Mormon Lake RD
- Willard Spring, Coconino NF - Mormon Lake RD
- Babbitt Spring, Coconino NF - Mormon Lake RD
- Curley Seep, Coconino NF - Peaks RD
- Lockwood Spring, Coconino NF - Mormon Lake RD
- Smith Spring, Coconino NF - Mormon Lake RD
- Lockwood Spring, Coconino NF - Mogollon Rim RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Upper McDermit Spring, Kaibab NF - Williams RD
- Mud Spring, Coconino NF - Mogollon Rim RD
- Tree Spring, Coconino NF - Mormon Lake RD
- Pat Spring, Coconino NF - Peaks RD
- Wild Horse Spring, Kaibab NF - Williams RD
- Van Deren Spring, Coconino NF - Mormon Lake RD
- Mineral Spring, Kaibab NF - Williams RD
- Hat Tank lower, Kaibab NF - Williams RD
- Hat Tank upper, Kaibab NF - Williams RD
- Fues Spring, Kaibab NF - Williams RD
- Rocky Tule spring, Kaibab NF - Williams RD
- Bear Springs, Kaibab NF - Williams RD
- Bootlegger Spring, Coconino NF - Mormon Lake RD
- Stewart Spring, Kaibab NF - Williams RD

- Dairy Spring, Coconino NF - Mormon Lake RD
- Weimer Spring, Coconino NF - Mormon Lake RD
- Double Springs, Coconino NF - Mormon Lake RD
- Comp, Coconino NF - Mormon Lake RD
- Poison Springs, Coconino NF - Peaks RD
- Chimney Spring , Coconino NF - Peaks RD
- Thomas Spring, Coconino NF - Mormon Lake RD
- Tinny Spring, Coconino NF - Mormon Lake RD
- Kendrick Spring, Coconino NF - Peaks RD
- Dove Spring, Coconino NF - Mogollon Rim RD
- Willow Spring, Kaibab NF - Williams RD
- Spitz Spring lower, Kaibab NF - Williams RD
- Spitz Spring upper, Kaibab NF - Williams RD
- Sawmill Springs, Coconino NF - Mogollon Rim RD
- Scott Spring, Coconino NF - Mormon Lake RD

To provide continued momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 and FY 2021 in the 4FRI Comprehensive Implementation Workgroup, with a focus on identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

Significant progress was achieved by ECO and its partners during FY 2021 in Program 3, *Watershed Restoration*, but much remains to be done in FY 2022 and beyond, to make sure that the momentum is sustained.

FY 2022 will be focused on:

- implementation of the CC Cragin Watershed Protection Project;
- implementation of spring restoration projects in the Coconino, Kaibab and Apache-Sitgreaves National Forests;
- completion of the Black River NEPA analysis;
- completion of the Rim Country NEPA analysis.

Program 4: Infrastructures

Program 4: Infrastructures is an enabler program for ECO. Modern and well-maintained infrastructures such as roads and power grid, are critically important to the economic vitality of rural Arizona by allowing economic competitivity for its natural resources-based industries, such as the forest products, hard rock mining, renewable energy, and recreation industries.

1) ***ADOT Healthy Forest Initiative***.

Forest products trucks in Arizona were limited to a maximum weight of 80,000 lbs., while other Western logging states allowed higher maximum weights, such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Idaho (105,000 lbs.), Washington (105,000 lbs.), etc.
In order to reduce transportation costs and restore the competitivity of the Arizona forest products industry that was placed at a competitive disadvantage by virtually all the States of the

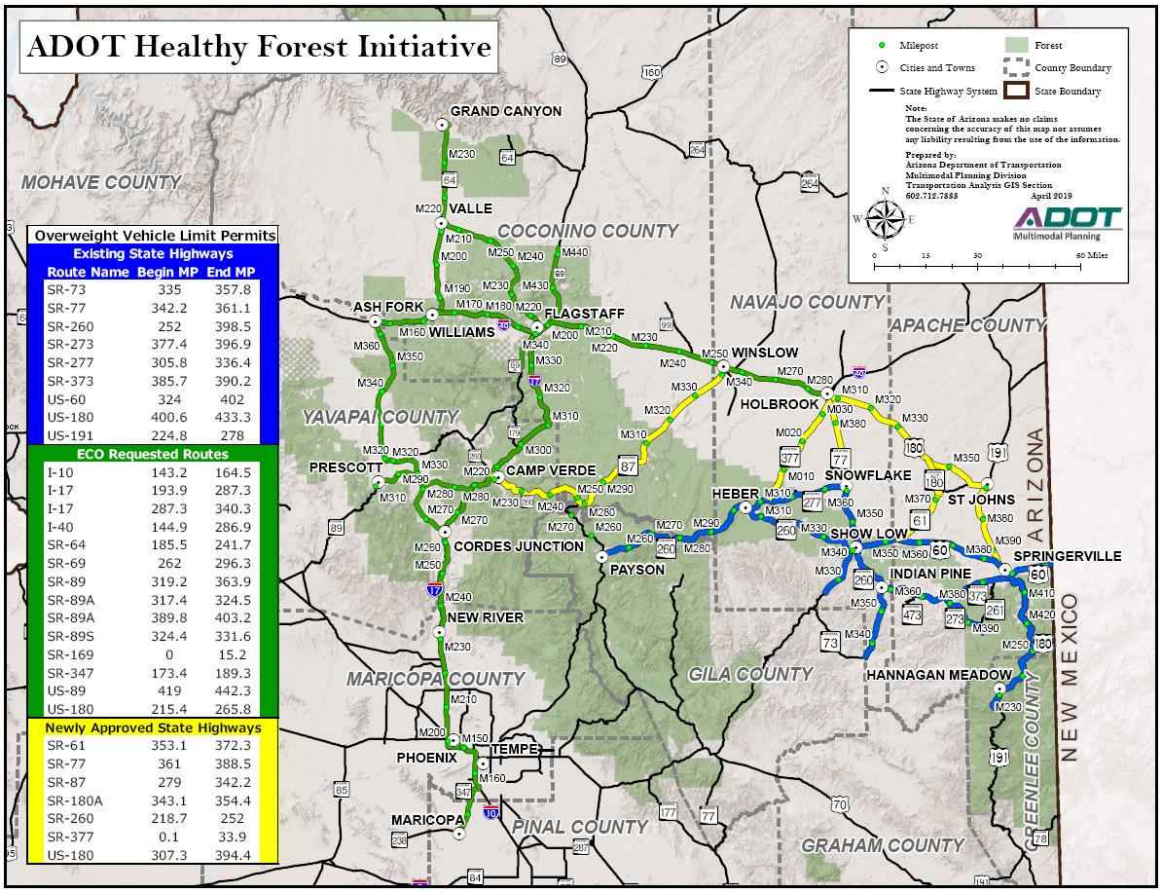
American West allowing heavier loads than Arizona, in 2015 ECO proposed and developed for Arizona Department of Transportation (ADOT) the “Healthy Forest Initiative” project.

The purpose of the project was to allow the issuance of overweight permits to qualifying businesses operating otherwise compliant equipment for the purpose of hauling qualifying forest products from qualifying projects to qualifying processing sites on qualifying roads.

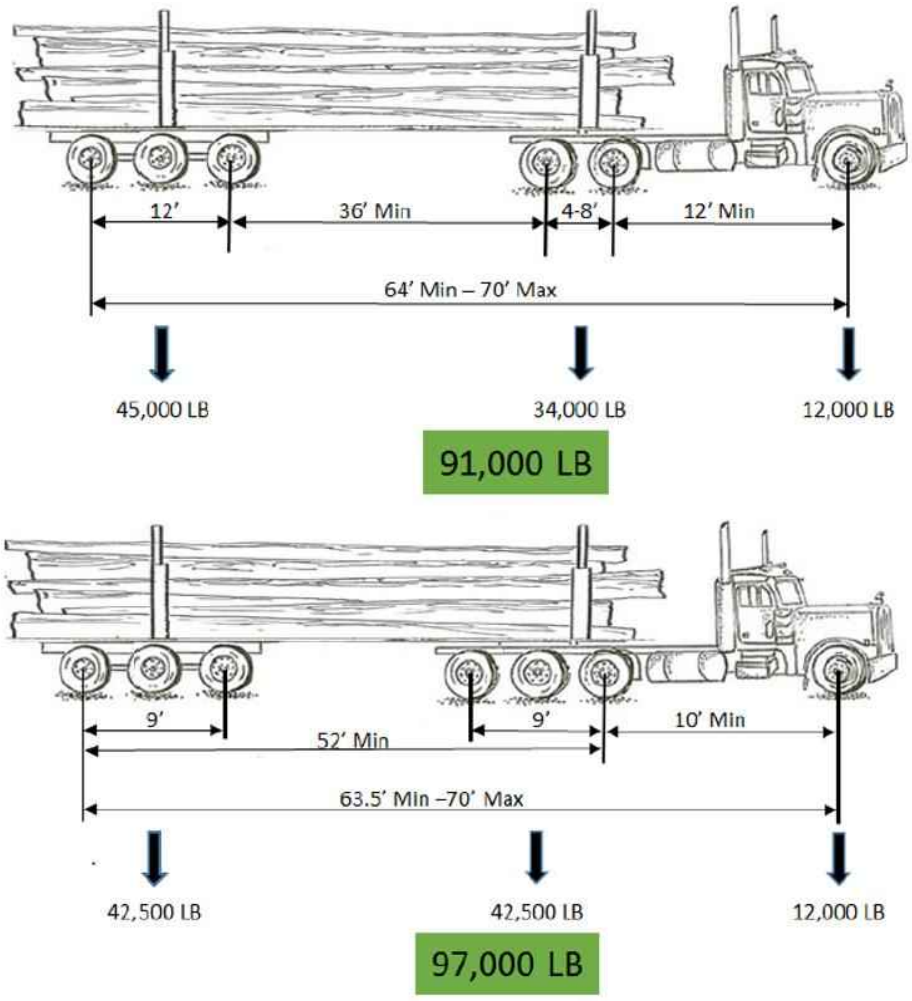
In FY 2016, FY 2017, and FY 2018 ADOT ran a Pilot Project in the White Mountains (blue roads on following map).

During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim in the White Mountains (blue roads on following map) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads on following map).

During FY 2020 ECO collaborated with ADOT to include the entire “West Side” of 4FRI to the program, and to work with the federal authorities to allow the use of specific sections of Interstate 40 and Interstate 17 to link the Northern Arizona forest restoration industry to utilization centers in the greater Phoenix area (green roads on following map).



As a result of ECO’s work with ADOT, ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:



The continued collaborative work between ECO and ADOT was a major success for Arizona in FY 2020 with:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program as of January 1, 2020;
2. the increased maximum weight of 97,000 lbs., and
3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix.

In FY 2021 the program reached full operation with a broad participation of the "West Side" industry on the roads added in FY 2020.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" project has enabled the restoration of over 99,000 acres in the White Mountains and Mogollon Rim and the removal of over 2.5 million tons of log and 2.2 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550	378,300	334,650
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569	300,794	266,087
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108	340,808	301,484
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731	331,006	292,813
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336,283
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163	576,238	509,749
Total	99,844	2,595,944	2,296,412

In addition to the substantial accomplishment of over 99,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" project has supported the existence of 190 jobs in the White Mountains, which have paid over $73 million in wages annually and contributed over $255 million in total economic activity annually to the rural economy of Northern Arizona over the 7 years of the project.

2) ***ADOT 2018–2022 Five Year Plan***.

On May 23, 2017, ECO filed comments on the *Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program*.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 Five Year Plan:

- the rural characteristics of the ECO Counties, their transportation network and their economy;
- the overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management;
- the dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 Five Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate pavement preservation schedule for rural state highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
  - U.S. Highway 60 from Superior to Globe;
  - U.S. Highway 191 MP 110 – 116, South of Safford;
  - State Route 90 north of Sierra Vista.

3) ***SunZia***.

During FY 2017 and 2018, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico was also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018, Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the properties surrounding its proposed route, and that there were two sections of property through which the company had yet to secure easements. The commission denied the route without prejudice, which meant SunZia could come back with a new proposal for the two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expected that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintained that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north did not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis was expected to add 2 years to the project but would not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

On June 8, 2021, the BLM published a notice of intent in the Federal Register and opened a 30-day public scoping period for the proposed SunZia Southwest Transmission Project Environmental Impact Statement and potentially associated Resource Management Plan Amendments which analyze and disclose environmental impacts associated with the project.

When completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy and Arizona solar energy to be distributed in California.

Significant progress was achieved by ECO and its partners during FY 2021 in Program 4, *Infrastructures* with the finalization of the implementation of the ECO/ADOT Healthy Forest Initiative, but significant challenges remain for 2022 and beyond,

FY 2022 will be focused on:

- the completion of the Lion Springs section of U.S. Highway 260;
- the modernization of U.S. Highway 260 over the Mogollon Rim to Heber;
- the resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe;
- the resolution of local bottlenecks on U.S. Highway 191 MP 110 – 116;
- the resolution of local bottlenecks south of Safford;
- the resolution of local bottlenecks north of Sierra Vista.

Program 5: Recreation

As much as the mining, forest products, ranching, etc. industries are important to the Counties of ECO, the recreation industry on the Mogollon Rim is critical.

In a 2019 study *The Economic Impact of Arizona's Rivers, Lakes, And Streams*, the Audubon Society identified that 1.5 million Arizona residents participate in outdoor recreational activities annually that include bicycling, snow sports, camping, trail sports, fishing, water sports, hunting and shooting, wildlife watching, and picnicking or relaxing.

These activities generate $13.5 billion in economic output and $1.8 billion in taxes revenues, and support 114,000 jobs that provide $4.5 billion in household revenues.

In 2005, public law 36 CFR Part 212 - Travel Management - Subpart B - *Designation of Roads, Trails, and Areas for Motor Vehicle Use* required that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

Since access to public lands and in particular the National Forests of the Mogollon Rim is one of the key drivers of the recreation industry, ECO has been deeply engaged in the Travel Management Rule (TMR) of the Tonto, Coconino, and Apache-Sitgreaves National Forests in order to ensure appropriate access to recreation opportunities.

1) ***Tonto National Forest Travel Management Rule***.

Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). The DROD resulted in prohibiting dispersed motorized camping on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking will be limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified. A number of other undue motorized travel and access restrictions were also included in the DROD.

During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department, and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 and FY 2019 the Tonto NF conducted internal Forest Service work and analysis.

In FY 2020, on October 4, 2019, the Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicles use for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- Motor vehicles use off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate on the Tonto National Forest some of the overall restrictive nature of the national Travel Management Rule.

During FY 2021, ECO monitored the implementation of the Tonto TMR, including the production of maps and on-site signage, in order to ensure that the public is appropriately informed of areas open for motorized recreational activities.

2) ***Apache-Sitgreaves National Forests Travel Management Rule.***

In 2017, as a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a Cooperating Agency and a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- motorized dispersed camping within 300 feet of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.);
- motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above);
- motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements;
- continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas;

- retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e., entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

In FY 2020, on August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the Apache-Sitgreaves Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval, and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.
3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not

endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;

5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through 2021, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2021 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

3) ***Rim Country Sustainable Recreation Trails Working Group***.

In February 2017, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders created the Rim Country Sustainable Recreation Trails Working Group.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, FY 2019 and FY 2020.

On September 23, 2021, Tonto National Forest officials, working with the Rim Country Trails Working Group, signed a decision memo for a plan that will reroute portions of the Highline National Recreation Trail along with portions of the Arizona National Scenic Trail and trails in the communities of Pine and Strawberry (Sunflower Passage 22, Strawberry Trail and Red Rock Spring Trail) to locations that will make them more sustainable and provide a higher quality, non-motorized trail experience for all user groups and future generations. Projects will be designed to prevent erosion, improve watershed health and water quality, increase user safety and reduce maintenance of these forest system trails.

Significant progress was achieved by ECO and its partners during FY 2021 in Program 5, *Recreation*, but much remains to be done in FY 2022 and beyond.

FY 2022 will be focused on:

- completion of the Apache-Sitgreaves NF Travel Management Rule including the ECO priorities of retention of acceptable motorized travel; motorized dispersed camping; motorized big game retrieval; and motorized collection of firewood;
- implementation of the Tonto National Forest decision memo for a plan that to reroute portions of the Highline National Recreation Trail along with portions of the Arizona National Scenic Trail and trails in the communities of Pine and Strawberry.

Program 6: Energy

ECO is fully conscious that the national clean power debate and the regional haze debate include National, Tribal, and State industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

1) ***Regional Haze Implementation Plan***

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS) voted to terminate operations at the NGS citing the inability of the plant to meet the requirements of the Regional Haze Implementation Plan economically, and to compete now or in the future against lower priced natural gas-burning plants. On November 18, 2019, Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station. The loss of the Navajo Generating Station was a direct blow to the economy of the Navajo Nation, Hopi Tribe, ECO county member Navajo County and Coconino County.

Conversely,

- On April 26, 2017, the Environmental Protection Agency (EPA) took final action to approve a source-specific revision to the Arizona state implementation plan that addresses the best available retrofit technology requirements for the Cholla Power Plant. This decision effectively closed the file favorably for the regional haze implementation plan at the Cholla Generation Station, and no further development took place in FY 2018.
- On November 9, 2017, the Environmental Protection Agency (EPA) approved a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station ("Coronado"), owned and operated by the Salt River Project Agricultural Improvement and Power District (SRP). This decision effectively closed the file favorably for the regional haze implementation plan at the Coronado Generating Station.

Although the *Regional Haze Implementation Plan* issues at the generating stations located in the ECO Counties appear resolved, and the *Clean Power Plan* appears cancelled at this time, ECO continued through FY 2019, FY 2020 and FY 2021 to monitor potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan,* and to dialog with the Utility Owners for the retention of the thermo-electricity industry jobs and tax revenues in rural eastern Arizona counties as long as possible.

2) ***Wind and solar renewable energy production***.

In FY 2020, Utah company S Power proposed the Chevelon Butte Wind Farm. The project is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties,

located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would receive 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area at the Dry Lake Wind Farm.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was unanimously approved by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019, and by the Arizona Corporation Commission on October 22, 2019.

On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019, the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

FY 2022 will be focused on:

- continued monitoring of potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan*;
- dialog with the Utility Owners for the retention of the thermo-electricity industry jobs and tax revenues in rural eastern Arizona counties as long as possible;
- continued work to implement wind and solar renewable energy production in the ECO Counties.

Program 7: Natural Resources Planning

The statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process were meant by Congress to imply more than a perfunctory review process resulting in a “check mark in the coordination box.” The Federal statutes and regulations imply a meaningful and proactive resolution effort by the Federal agencies to reduce and resolve potential planning conflicts, during the NEPA process, between the action proposed by a Federal agency and the objectives expressed in local governments’ plans and policies; such as, but not limited to, those relevant to forested ecosystems restoration and catastrophic wildfire prevention; watershed restoration; rangelands resources management; or, natural resources-based recreation management and public lands access objectives.

In order to support the meaningful implementation of the statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process, ECO conducts annually an Arizona Legislature Field Trip to inform Representatives and Senators of current issues, and ECO engages in all relevant Federal agencies public land management actions.

1) ***ECO Legislative Field Trip.***

The FY 2021 ECO Legislative Fieldtrip could not be conducted due to the COVID-19 pandemic. The next ECO fieldtrip is expected to take place in the Fall of 2022.

2) ***Tonto National Forest Land Management Plan Revision.***

On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

On March 11, 2020, ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:

1. identifying issues with:
    a. failure of Tonto National Forest to honor the Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
    b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant;

For FY 2022, ECO is committed to:

- organize an annual ECO Legislative Fieldtrip as primary vehicle for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with State and Federal agencies;
- participate in the natural resources planning of all public lands in the ECO footprint.

Program 8: Public Lands

Due to the presence of numerous US National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases, and Indian Reservations, the Counties of ECO face unique land use issues. An overwhelming majority of the ECO Counties' land is controlled by Federal agencies:

	USFS	BLM	NPS	DOD	Tribal	Total Federal	State	Not Taxable	Private	Population
Apache	9%	2%	0%	0%	67%	78%	9%	87%	13%	73,195
Cochise	12%	10%	0.5%	2.5%	0%	25%	35%	60%	40%	125,770
Gila	55%	2%	0%	0%	38%	95%	1%	96%	4%	53,144
Graham	13%	25%	0%	0%	36%	74%	16%	90%	10%	37,416
Greenlee	64%	14%	0%	0%	0%	78%	15%	93%	7%	8,802
Navajo	8%	1%	0%	0%	67%	76%	6%	82%	18%	107,094

This situation creates unique challenges for the ECO Counties, including:

1) Limited economic development abilities (mining, grazing, logging, energy, etc.) due to Federal control of the land.
2) Disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction.
3) Disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS).
4) Disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plans.
5) Disproportionate impact of special management area designations by Federal agencies.
6) Disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

A rational dialog is required to address the failure of the current public lands management model to fund necessary State services such as education, health and social services. Mutually acceptable and ecologically, economically and socially sustainable solutions must be developed and implemented.

The continued expansion of Federal public lands use restrictions, and the continued uncertainty of Federal funding of the Secure Rural Schools and Community Self-Determination Act (SRS) and the Payments in Lieu of Taxes (PILT) pursuant to Chapter 69, Title 31 of the United States Code, evidence the growing need for an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

In order to support the meaningful implementation of the statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands management planning process, ECO engages in all relevant Federal agencies public land management actions, and ECO functions as a resource to Arizona Legislators on public land management issues.

1) ***Grand Canyon.***

   Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360) during the 115th Congress in FY 2018.

   ECO filed comments, emphasizing its concerns on:
   - preponderance of lands under Federal control;

- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the *Grand Canyon Centennial Protection Act* (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019, and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020).

The bill was not re-introduced in the 117th Congress (2020-2021) but on February 15, 2021, Congressman Raúl Grijalva (AZ-03) introduced H.R.1052 - 117th Congress (2021-2022), the *Grand Canyon Protection Act*, in the U.S. House. This bill withdraws 1,006,545 acres of federal lands in Arizona, including any land or interest in land acquired by the United States after enactment of this bill, from entry, appropriation, and disposal under the public land laws; any location, entry, and patent under the mining laws; and any operation of the mineral leasing and geothermal leasing laws and mineral materials laws.

In essence, this bill validates the ECO 2017 analysis that the January 2017 *Greater Grand Canyon Heritage National Monument Act* (H.R.360) was a proxy for a permanent uranium mining ban around the Grand Canyon.

On February 26, 2021, the *Grand Canyon Protection Act* passed in the U.S. House of Representatives, as part of a package of public lands bills put forward by Congressman Grijalva and other members of Congress.

In parallel, on February 23, 2021, Arizona Senators Kyrsten Sinema and Mark Kelly introduced S.387 — 117th Congress (2021-2022), the *Grand Canyon Protection Act*, to strengthen the state's economy by protecting the Grand Canyon and Arizona's outdoor heritage.

The bill was read twice and referred to the Committee on Energy and Natural Resources.

As of December 31, 2021, the Senate bill had not been put to a vote.

2) ***U.S. Forest Service National Environmental Policy Act Compliance Rule.***

On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019, ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

On October 7, 2021, the Council on Environmental Quality (CEQ) proposed to modify certain aspects of its regulations for implementing the procedural provisions of the National Environmental Policy Act (NEPA) to address the purpose and need of a proposed action; agency NEPA procedures for implementing CEQ's NEPA regulations; and the definition of "effects."

3) ***Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona***.

During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2020, efforts continued at the Arizona Legislature to develop and implement an ecologically, economically and socially sustainable model for the management of public lands in Arizona under the authority of the State.

During FY 2021, Representative Mark Finchem introduced HB 2702 *federal government; land acquisition; consent* proposing to require consent of the Governor and State Legislature before any Arizona lands transfer to a federal agency, if the transfer negatively affects state or local property tax rolls.

For FY 2022, ECO is committed to:

- continue being a resource to Arizona Legislators on these questions;
- participate in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:
  - the mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona;
  - the development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services;
  - the mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.

Program 9: Water

Arizona water issues can be summarized as attempting to balance a decreasing resource with growing needs, under competing and conflicting rights.

ECO is fully conscious that the Arizona water issues include National, Tribal, State, and local industrial, municipal, agricultural, political, and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, organizations such as the Salt River Project (SRP) or Central Arizona Project (CAP), as well as the Legislature, and the Courts through the adjudication process, truly lead the action, with the Arizona Department of Water Resources (ADWR), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 9, *Water,* and despite the constant political engagement by the ECO counties and their elected Supervisors in the Arizona water issues. Results, therefore, are achieved through a team effort.

1) ***Adjudication***.

   In addition to the decreasing supply and the increasing demand, competition and conflicts over the ownership of the supply, the water rights, have still not been fully resolved as the General Adjudication process is still on-going after 42 years of legal proceedings since April 24, 1979, with no clear end in sight.

   As a consequence of cities, industry, agriculture, water providers such as SRP, tribes, etc. not knowing who definitely will have the right to what, and how much of it, investments in water development, and water collection and distribution structures are stifled.

   The uncertainty about water rights, until the General Adjudication is completed and possibly appealed all the way to the U.S. Supreme Court, further complicates and slows down balancing sustainably the overall Arizona water budget.

The Arizona Department of Water Resources (ADWR) Adjudications Section serves as the technical advisor to the adjudication court. The Section investigates claims for water rights, publishes comprehensive Hydrographic Survey Reports for watersheds and Federal reservations, and prepares technical reports on other matters as requested by the adjudication court. ADWR continues to actively manage a database of more than 100,000 individual water rights claims to support the adjudication process. Program administrators process, maintain and update information related to Statements of Claimant (SOCs) filed by water users. The program mails New Use Summonses to new water users to notify them that the adjudication proceedings are underway and to provide information about how to participate in the court process.

During FY 2021, ADWR mailed more than 1,451 New Use Summonses and additional educational information to persons who may have initiated new water uses within the last year; developed more than 37 reports and maps for the court, provided expert testimony at multiple hearings, and conducted field investigations of various water uses in several areas of the state; completed more than 66 court-ordered actions; reviewed more than 206 abstracts and provided numerous reports and maps for the Special Master regarding individual proposed water rights; and improved the use of technologies to streamline processes, including:

- Completion of Phase II of the Adjudications Information System (AIS), which allows teams to access and analyze water rights information more efficiently;
- Implementation of processes and distribution of equipment necessary to expedite remote GIS work;
- Creation of online tools to support more efficient survey and field reports;
- Verified over 4,300 individual Statement of Claimant (SOC) forms, ensuring that information on the scanned SOC matches the contents of the database;
- Increased ability to track SOC amendments and invalid mailing addresses.

In addition, during FY 2021, ADWR continued to provide technical support for ongoing court proceedings surrounding the legal concept of subflow in the San Pedro River watershed; continued their work on subflow zone mapping for the Verde River watershed; and continued to prepare a Preliminary Hydrographic Survey Report (PHSR) for the Lower Little Colorado River system (LLCR) subwatershed.

2) ***Colorado River water rights****.*

Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, on April 16, 2019, in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14). The DCP was approved by the Arizona Legislature and signed by Governor Ducey. Its implementation offsets potentially deeper cuts in Arizona's Colorado River allocation beyond the 192,000 acre-feet that the State has stored annually in Lake Mead for several years.

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans); commit the Bureau of Reclamation to additional water conservation efforts; and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

However, on August 16, 2021, the Department of the Interior declared the first-ever Colorado River Basin water shortage. Arizona and Nevada, which combined generate nearly $6 billion in agricultural receipts, will be directly impacted by additional cuts to water allocation. Continued drought conditions risk additional cuts across the Colorado River Basin, jeopardizing thousands more farm and ranch operations' access to vital water resources.

The shortage declaration will trigger Tier 1 curtailments under DCPs and Interim Guideline requirements in the 2022 water year, which began on October 1, 2021. Arizona will be most impacted because of its junior water rights, losing 18% of its annual allocation, or 512,000 acre-feet of water, which translates to 8% of the state's water use.

In 2021, the River was operating in a "Tier Zero" status, requiring the State to contribute 192,000 acre-feet of Arizona's 2.8 million acre-foot annual entitlement to Lake Mead. This contribution is coming entirely from the Central Arizona Project system.

Based on the current hydrology, there is a very high likelihood of Tier 1 reductions in 2022 and 2023, as well as an increased risk of Tier 2 conditions in the near future.

3) ***Water of the U.S. (WOTUS) rule****.*

On February 28, 2017, newly elected President Trump issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017, the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS) and called for public comments.

On June 14, 2017, ECO filed comments outlining its concerns with the 2015 Rule and upcoming rules:

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule <u>before</u> the release of the science report;
- flawed agency's cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;

- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator and the senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018, EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018, the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule. This final rule became effective on December 23, 2019, but was replaced by the Navigable Waters Protection Rule that became effective on June 22, 2020.

However, on August 30, 2021, the U.S. District Court for the District of Arizona issued an order vacating and remanding the Navigable Waters Protection Rule in the case of Pascua Yaqui Tribe v. U.S. Environmental Protection Agency. In light of this order, the agencies have halted implementation of the Navigable Waters Protection Rule and are interpreting "waters of the United States" consistent with the pre-2015 regulatory regime until further notice.

Meanwhile, on June 9, 2021, the U.S. Environmental Protection Agency and the Department of the Army announced their intent to revise the definition of "waters of the United States." This process includes two rulemakings:

- a foundational rule to restore longstanding protections in place for decades until 2015, updated to be consistent with relevant Supreme Court decisions; and
- an anticipated second rule that builds on that regulatory foundation.

4) ***Governor's Water Augmentation, Innovation and Conservation Council***.

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which created the Governor's Water Augmentation, Innovation and Conservation Council and stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation, and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

The Long-Term Water Augmentation Committee presented its report *Long-Term Water Augmentation Options for Arizona* to the Council in August 2019.

Desalination Committee

During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Active Management Areas Committee and Non-Active Management Area Groundwater Committee**.**

Two new Council committees began their work in FY 2020: the Active Management Areas Committee and the Non-Active Management Area Groundwater Committee**.**

Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

During FY 2021, the Council and Committees progressed in their work:

- The Long-Term Water Augmentation Committee researched additional augmentation options and presented information to the Council on forest management and weather modification efforts in the state.
- The Desalination Committee investigated, discussed, and produced a document summarizing legal and regulatory limitations to the use of brackish groundwater.
- The Post-2025 AMAs Committee met five times over the year, working to identify and describe water management challenges and opportunities facing the most populous areas of the state. The Committee produced a set of six issue briefs that were presented to the Council. The Council tasked the Committee to begin work to identify and develop potential strategies and solutions.
- The Non-AMAs Groundwater Committee discussed proposed legislation that would make it possible to establish Rural Management Areas.
- A half-day special meeting of the Council enabled representatives of nine of the 22 federally recognized tribal nations within Arizona to share their experiences and perspectives on tribal water rights and water rights settlements with Council members.

5) ***Watersheds production preservation and augmentation through forests restoration***.

CC Cragin Watershed Protection Project

During FY 2021 ECO worked with the National Wild Turkey Federation to re-design the RFPs published for the CC Cragin Watershed Restoration Project, including the Baker IRSC, in order to make them attractive to the local forest product industry with which forest restoration funds itself, fully or partially, through the value of the logs removed, as opposed to trying to attract purely service proposals where no value is derived from the timber, and the entire cost of the project must be subsidized.

In parallel, on July 27, 2021, the Coconino National Forest and the Arizona Department of Forestry and Fire Management (AZDFFM) signed a Good Neighbor Authority (GNA) agreement for the Baker project, in collaboration with the Salt River Project and the Town of Payson, which are contributing necessary funds to ensure the forest thinning treatments can be implemented. NWTF issued a new RFP for the project, and by September 2021, a contract was awarded to Arizona's premier logging contractor TriStar in cooperation with NovoBiopower for the disposal of the project slash and biomass.

In addition, during 2021 the other projects of the CC Cragin Watershed Protection Project were developed to be offered in 2022 and the coming years:

- Gifford (2,700 ac.) was included in the 4FRI Phase 2 RFP.
- Roosevelt (2,300 ac.) was in contract development stage and is planned for an RFP offer in April 2022.
- McCarty (1,200 ac.) was at the timber cruise stage and is also planned for an RFP offer in April 2022.
- Kinder (3,300 ac.) was at the marking stage.
- Kehl (3,100 ac.) was at the layout phase.

- Clover, Windfall, Coldwater, and Moqui were at the early planning stages.

See Program 2 – *Watershed Restoration* for more details.

Black River Watershed Protection Project

The Black River Draft Landscape Restoration Project Environmental Assessment (EA) was released on October 1, 2020.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to their adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

See Program 2 – *Watershed Restoration* for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of watersheds production preservation and augmentation through forests restoration during federal FY 2010 to 2021:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653

Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163
Total FY 2010 to 2020	166,850

See Program 1 – *Forest Restoration* for more details.

During FY 2021 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation, Innovation and Conservation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona (CSAA), and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation.

As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2022 with:

- direct lobbying of the Arizona Legislature on water issues;
- continued engagement in the Governor's Water Augmentation, Innovation and Conservation Council through CSAA;
- continued engagement with the Governor's office on the Colorado River Drought Contingency Plans (DCPs) for the Upper and Lower Basins;
- continued implementation of watersheds production preservation and augmentation through forests restoration;
- continued monitoring of, and engagement in the evolution of WOTUS.

Program 10: Emerging Issues

As progress continues on the nine ECO programs, issues and opportunities heretofore unforeseen emerge, or new issues unrelated to the nine ECO programs require an engagement by ECO, as determined by the County Supervisors on the ECO Board of Directors.

1) ***Participation of ECO to the U.S. Forest Service 4FRI RFP design process***

   During FY 2019, FY 2020 and FY 2021 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation

through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believes is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award was expected by March 2021.

However, on March 17, 2021, the Forest Service issued Amendment 11 that reduced the contract quantities from 605,000 acres, with option for 818,000 acres, to 520,000 acres; changed the road maintenance Schedule of Items; changed requirements related to required submittals during contract performance; changed requirements related to plans and schedules for contract execution; and changed requirements related to Emergency Fire Precautions.

Then, on September 14, 2021, after a total of 13 amendments, the Forest Service decided to cancel the solicitation and re-assess the Government requirements.

ECO fully intends to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forests and watersheds in FY 2022 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

See Program 1 – *Forest Restoration* for more details.

2) ***Heber Wild Horse Territory Management Plan***

On January 23, 2020, the Apache-Sitgreaves National Forests released a Proposed Action for the Heber Wild Horse Territory Management Plan and called for public comments.

On March 16, 2020, ECO, through its county member Navajo County, filed comments to:

1. clarify that there is no historical precedent for the horse population occupying the area prior to the 1960's; that it likely not wild but descended from the turned-out Army remount horses or other turned-out horses in the 1930s; that this original population died off in the late 1960's; that the current horse population dating from the 1990's appears to be a mixture of horses from the Fort Apache Reservation and other unidentified stray or feral horses;
2. request that the Forest Service make a clear determination whether horses inside or around the Heber Wild Horse Territory are direct descendants of the designated herd;
3. express strong support for the timely, responsible, and appropriate management of the Heber Wild Horse Territory, should horses inside or around the Heber Wild Horse Territory be determined to be direct descendants of the designated herd and, therefore, true wild horses;
4. request coordination between the Forest Service Heber Wild Horse Territory Management Plan Proposed Action and the Navajo County public land management objectives, and Cooperating Agency status in the NEPA process.

On September 29, 2020, the Apache-Sitgreaves National Forests invited Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA process. Navajo County accepted and designated the ECO Executive Director as their representative.

Additional roles

In addition to running its programs, ECO provides services to Arizona and the Eastern Arizona rural communities by being:

- Co-Chair of the 4FRI Stakeholders Group (SHG);
- Chair of the Natural Resources Working Group (NRWG);
- Chair of the 4FRI Planning Workgroup;
- Co-Chair of the 4FRI Industry Workgroup;
- Co-Chair of the 4FRI FEIS Workgroup;
- Member of the State 4FRI RFP Team;
- Director on the Board of the Northern AZ Wood Products Association (NAWPA);
- Cooperating Agency in the SEIS for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j);
- Member of the Mexican Spotted Owl Leadership Forum;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves Heber Wild Horse Territory Management;
- Member of the Governor's Forest Health Council;
- Member of the Mexican Wolf Executives;
- Member of the Mexican Wolf Management Team;
- Etc.

Executive summary conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020).

Despite the continued COVID pandemic, fiscal year 2021 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes. Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, recreation, health, and safety.

Plan for FY 2022

State budget appropriation to Apache, Gila, Graham, Greenlee and Navajo Counties for the planning and implementation of specific environmental programs impacting economic development in those Counties

In October 1993, the longtime collaboration between Apache, Gila, Graham, Greenlee, and Navajo Counties ("the Counties") was formalized under A.R.S. 11-952 by an Intergovernmental Agreement (IGA) between the Counties to create the Eastern Arizona Counties Organization (ECO) and to "participate in, support and endorse its actions and decisions which are in compliance with the adopted bylaws of the organization." The initial purpose of the Counties was to implement Presidential Executive Order 12372 (PEO 12372) related to the clearinghouse process for review of Federal programs which affect the custom, culture and economic well-being of the Counties.

Arizona Governor's Executive Orders 83-6 and 90-21 established the six Councils of Government (COG) in Arizona as area-wide clearinghouses, and the Arizona Department of Commerce as State Clearinghouse, for the Single Point of Contact (SPOC) clearinghouse process of review of Federal programs in Arizona. The *Procedures for Arizona Single Point of Contact Review Process According to Presidential Executive Order 12372* established the five Counties of ECO (Apache, Gila, Graham, Greenlee and Navajo) as County Official Reviewers (COR).

Since 1994, the ECO Counties have progressively developed a leading role in natural resources and public lands management issues in Eastern Arizona, such as their critical role in 1997 in the creation of the *Ecosystem Management Pilot Testing Project Cooperative Agreement Between USDA Forest Service, Apache-Sitgreaves, Coronado & Tonto National Forests, US Fish And Wildlife Service, Arizona Game And Fish Commission, Office Of The Governor, Arizona Board Of Regents On Behalf of University Of Arizona College Of Agriculture, and Eastern Arizona Counties Organization*, which has served as a template and baseline for every subsequent collaborative natural resources management or ecological restoration project in Arizona.

In May 1999, in acknowledgement and support of the leading role performed by the ECO Counties in state-wide issues of natural resources-based economic development and environmental programs, the Governor signed into law Senate Bill 1222, appropriating the sum of $250,000 for each of the fiscal years 2000 and 2001 from the State general fund to the State Land Department for equal distribution to Apache, Gila, Graham, Greenlee, and Navajo Counties to fund the "planning and implementation of specific environmental programs impacting economic development in those Counties." The Counties tasked ECO to execute the planning and implementation of the environmental programs through an agreement to provide services under A.R.S. 11-952.

In September 1999, the ECO Counties submitted for approval to the State Land Department their first annual report on the implementation of a comprehensive set of environmental programs including research, demonstration projects, educational forums, and public information dissemination efforts that promoted and demonstrated the stewardship-based utilization of natural resources throughout Arizona.

Throughout fiscal years 2000 to 2021, the State Budget included appropriations disbursed equally by the State Land Department, then the State Forestry Division, then the Department of Forestry and Fire Management to Apache, Gila, Graham, Greenlee and Navajo Counties, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in those Counties, performed directly or through agreements to provide services with individual Counties or the Eastern Arizona Counties Organization.

For Fiscal Year 2022 (FY 2022), the State Budget includes a $250,000 appropriation to be disbursed to the Eastern Arizona Counties Organization fiscal agent Navajo County, through a 5 year intergovernmental agreement between Navajo County, acting as fiscal agent for ECO, and the Department of Forestry and Fire Management, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in the ECO Counties, subject to the submittal to, and approval by the Department of Forestry and Fire Management of a proposed *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development for FY 2022* ("Plan"), and subject to the submittal of a report on the completion of the programs.

A critical development since FY 2016 is the addition of Cochise County to ECO. Effective July 1, 2015, the Inter-Governmental Agreement (IGA) between the ECO counties was amended to include Cochise County. The addition of Cochise County expands the focus of ECO toward the southern part of Eastern Arizona and brings in sharp focus additional management issues such as the impact of the designated habitat for the jaguar and potential habitat for the ocelot, water rights and management issues, solar renewable energy development, etc.

In FY 2022, Apache, Cochise, Gila, Graham, Greenlee and Navajo Counties continue to pool resources and to task the Eastern Arizona Counties Organization (ECO) to plan and implement specific environmental programs impacting economic development in those Counties.

FY 2022 Plan for receipt and expenditure of monies for county environmental programs impacting economic development in those counties

The ECO FY 2022 Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development proposes the continuation of priorities previously approved by the Department of Forestry and Fire Management for planning and implementation:

- Continued support for, and participation in the development and implementation of a long term forest restoration strategy in the White Mountains.

- Continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Continued participation in the Mexican Gray Wolf recovery program and experimental population management, and continued monitoring and mitigation of the socio-economic impacts of other species listing, critical habitat designation, or recovery programs in Arizona.

- Continued support for, and participation in the protection, development and management of the eastern Arizona infrastructures.

- Continued support for, and participation in the development, implementation and retention of natural resources-based recreation opportunities, including the retention of existing motorized recreation, and the retention of a natural resources-based recreation economy.

- Continued support for, and participation in the protection and restoration of the eastern Arizona watersheds.

- Continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs).

- Continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Continued support for, and participation in the development, implementation and retention of traditional and renewable energy infrastructures and, energy-based economic retention and development.

- Continued support for, and participation in the development and implementation of effective planning and execution strategies for a sustainable Arizona water balance, across the board augmentation measures and preservation of rural and agricultural Arizona interests and economies in the implementation of water rights.

- Participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2022 programs

In consequence, like in previous years, the ECO FY 2022 Plan is articulated in ten distinct but mutually complementary programs:

- Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a long-term forest restoration strategy in the White Mountains; and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses and mitigation of the socio-economic impacts of other species listing, critical habitat designation, or recovery programs in eastern Arizona.

- Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

- Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

- Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

- Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the potential conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

- Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs); organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies; and functioning as a technical resource for the Arizona Legislature.

- Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona; and functioning as a technical resource for the Arizona Legislature.

- Program 9, *Water*, includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures; the implementation of across the board augmentation measures; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

- Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2022 plan implementation

The ECO FY 2022 Plan covers activities to be performed by the Eastern Arizona Counties Organization on behalf of Apache, Gila, Graham, Greenlee, Navajo, and Cochise Counties. These activities are scheduled to take place during FY 2022, from July 1, 2021, to June 30, 2022.

ECO FY 2022 baseline operating budget

The ECO baseline operating budget for Fiscal Year 2022 is similar to the FY 2021 budget and identifies the expenditure of up to $256,000 funded by $250,000 of Counties appropriation and $6,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Program 2 Endangered Species	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Program 3 Watershed Restoration	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 4 Infrastructures	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 5 Recreation	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 6 Energy	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 7 - Natural Resources Planning	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 8 Public Lands	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Program 9 Water	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 10 Emerging Issues	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Program 1: Forest Restoration

Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

Background

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres in the White Mountains of eastern Arizona. The devastation of the Arizona forests, unprecedented in historical times; the large-scale community evacuations that it triggered; and, the loss of approximately 400 homes and structures, crystalized the threat addressed in the visionary 1997 ECO *Ecosystem Management Pilot Testing Project Cooperative Agreement* with the U.S. Forest Service (USFS), Fish & Wildlife Service, Arizona Game & Fish Department and University of Arizona. The ECO Counties and the White Mountains communities accelerated the completion of community fire plans spanning seamlessly the wildland urban interface (WUI) across the White Mountains. In addition, the White Mountains Natural Resources Working Group (NRWG) provided a forum for a broad range of stakeholders to provide collaborative input to the USFS and to create the social consensus necessary to experiment with a large scale, long-term stewardship contract as authorized by the 2003 Healthy Forest Restoration Act.

White Mountains area – "East Side"

In the White Mountains area, between Show Low, Springerville and Alpine, the USFS initiated work under the White Mountains Stewardship Contract (WMSC) on the Apache-Sitgreaves National Forests in August 2004. The stewardship authority allowed the USFS to exchange the value of the material harvested during the restoration treatments against the cost of the restoration services provided, and to subsidize the restoration costs when not fully offset by the valuation of the material. The WMSC was at the time the largest 10-year stewardship contract in the nation. It allowed for the treatment of up to 15,000 acres per year, and up to 150,000 acres over 10 years. The stewardship contract was intended to facilitate the development of a wood products industry better suited to market the small-diameter trees harvested during the implementation of restoration mechanical treatments.

However, as the WMSC contract proceeded, industry efficiencies were not realized as hoped for, and the USFS routinely had to subsidize the work at the rate of an average of $500 to $800 per acre. Budgetary constraints prevented the agency from funding the implementation of the full objectives of the contract. Instead of the 15,000 acres per year authorized, the WMSC implemented an average of 7,000 acres per year, and the model failed to demonstrate the ability to scale up from local to landscape-scale even though it was successful at local scale.

The 2011 White Mountains Stewardship Project Economic Assessment report credited the WMSC for supporting 445 full time equivalent (FTE) jobs tied directly or indirectly to 12 companies contributing $18.7 million to the White Mountains local economy. The final program report, published in April 2016, confirmed the positive economic impact of the WMSC. The WMSC is widely credited for being instrumental in creating the conditions that allowed fire fighters to save several White Mountains communities such as Alpine and Greer during the 2011 Wallow Fire.

San Francisco Peaks area – "West Side"

In the San Francisco Peaks area, around Flagstaff, the Grand Canyon Forest Partnership was created in 1998 as an alliance of environmental, governmental, and business organizations dedicated to researching and demonstrating approaches to forest ecosystem restoration in the ponderosa pine forests surrounding Flagstaff. The Partnership evolved into the Greater Flagstaff Forests Partnership (GFFP) in 2002 with the three primary goals of restoring natural ecosystem structures, function, and composition of ponderosa pine forests; managing forest fuels to reduce the probability of catastrophic fire; and, researching, testing, developing and demonstrating key ecological, economic, and social dimensions of restoration efforts.

GFFP was instrumental in the development of the Greater Flagstaff Community Wildfire Protection Plan (CWPP), which was approved in January 2005. From there, collaborative work progressed from 2006 to 2008 under the auspices of the Arizona Governor's Forest Health Council (GFHC) and local collaborative groups, to develop a new model of accelerated, landscape-scale, consensus based, industry supported community protection, forest restoration and fire management across northern and eastern Arizona.

In April 2009 the USFS and the GFHC co-hosted a Four Forests Initiative Forum that led to the creation of the USFS Four Forest Restoration Initiative (4FRI); the formalization of the collaborative effort in the 4FRI Stakeholders Group; and, the beginning of the agency and stakeholders' work on a 4FRI planning and contracting project. A Proposed Action (PA) was published under the National Environmental Protection Act (NEPA) in March 2011, and an industry Request for Proposal (RFP) was published under the Stewardship Authority of the Healthy Forest Restoration Act in June 2011.

The ECO Counties provided critical leadership to the process, with all five Counties passing Board of Supervisors resolutions of support, and providing sustained political support for the effort, at the local, state, regional and Federal levels.

In May 2012, the USFS awarded Pioneer Forest Products LLC the stewardship contract for the first analysis area of 4FRI ("1st 4FRI contract") on the Coconino, Kaibab, Tonto and Apache-Sitgreaves national forests. This contract is still at the time of this writing the largest stewardship contract in the nation. The contract required the mechanical treatment of at least 30,000 acres per year, and at least 300,000 acres over 10 years. The 1st 4FRI contract was intended to allow a $200 to $300 million investment in the creation of a new appropriate-scale industry capable of utilizing profitably small diameter logs and residual biomass, and to support up to 1,000 new jobs.

From May 2012 to June of 2013 Pioneer Forest Products LLC were unable to finance their operation and failed to execute their investment and to implement treatments at a meaningful scale. In January 2013, Pioneer Forest Products LLC publicly announced their failure to fund their business plan over the 6 months since contract awarding.

In June 2013, the US Forest Service announced that Pioneer Forest Products LLC had requested the approval of a transfer of the 4FRI contract to a new contractor, Good Earth Power (GEP). The transfer was approved in September 2013 and the new contractor committed to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; to implement 15,000 acres of treatments during calendar year 2014; and to be profitable within 3 months.

On April 17, 2015, the Forest Supervisors of the Coconino and Kaibab national forests signed the 4FRI 1st EIS Record of Decision (ROD) following a successful objections resolution process. The ROD was briefly litigated by Steve Dewhurst, a professor of forestry at NAU. Dewhurst filed a case, making a "vague" (footnote 1 of dismissal order) argument that the ROD violated NEPA because the USFS didn't consider a full range of restoration alternatives, and because the USFS made changes to the ROD through the objection process. The court ruled on September 13, 2016, that Dewhurst lacked standing to bring the case. Dewhurst's alleged harm of having a hard time explaining NEPA, including the objection process, to his students because of the USFS purportedly failing to address "science-based ecological restoration" was rejected by the court. The court stated that "Explaining government actions to students is precisely what educators in a variety of disciplines are tasked with doing every day—even when those actions are ones they find perplexing," and that "Without asserting some harm to the environment from which his alleged injuries arose, Dewhurst cannot establish standing to sue under NEPA."

The dismissal of the Dewhurst lawsuit marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments. The ECO Counties provided critical resources, leadership, and political support for the planning process, at the local, state, regional and Federal levels, by staffing several co-Chairs with the 4FRI Stakeholders Group, the Chair of the 4FRI Planning Workgroup, a co-Chair of the Industry Workgroup, and by leading numerous meetings at the Southwestern Regional and National levels.

Issues and Progress

Post White Mountains Stewardship Contract (WMSC) challenges

For most of the WMSC duration (2004 to 2012), it was expected that the WMSC would expire with the award of the last task orders in August 2014, and that treatments implemented with the last task orders would continue on the ground and supply logs and residual biomass to the local industry well into 2015. It was further expected that, after the completion of the WMSC task orders, some 60,000+ acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests would provide material to the White Mountains industry for a number of years, until the NEPA analysis was completed for the second 4FRI analysis area.

However, a legal opinion was issued during 2013 by the USFS legal branch that stated that the WMSC would expire with the closure – as opposed to the award - of the last task orders in August 2014. Therefore, treatments implemented with the last task orders would cease on the ground, and the supply of round wood and residual biomass to the local industry would end in August 2014.

Further, 56,000 acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests were burnt in the Wallow Fire from May to July 2011. This wiped out most of the 2014 – 2018 planned supply of material for the White Mountains industry.

As a result of the closure of the WMSC task orders earlier than expected, and the loss of the NEPA-ready acres in the Wallow Fire, the White Mountains industry was likely to face a severe shortage of logs and biomass as early as FY 2016, and no long-term mechanism existed as of the beginning of FY 2015 to further the restoration work on the ground at landscape-scale, and to provide a predictable wood supply to the White Mountains industry.

Bridge the Gap Program – A/S five-year rolling plan

Successful collaboration between the Apache-Sitgreaves National Forest and ECO during FY 2015, and the work of ECO with the Arizona Delegation to the U.S. Congress resulted in the implementation of the "Bridge the Gap" program. The "Bridge the Gap" was designed to bridge the gap during 10 years between the end of the White Mountain Stewardship Contract in 2014 and the implementation in the White Mountain of the 4FRI Phase 2 expected in 2024. The program was aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI). The NEPA analysis of over 86,000 acres of restoration treatments was planned and approximately 10,000 acres of Timber Sales were offered to the market, insuring a short-term wood supply for the White Mountain industry in the first half of FY 2015.

However, toward the end of FY 2015, the White Mountain industry was operating with less than one month log supply in average, and often as little as a few days, and the predictability of supply for FY 2016 and beyond was unclear as the Forest Service had not completed any multi-year plan.

In consequence, ECO implemented vigorous action in FY 2015 and FY 2016, working with the Apache-Sitgreaves National Forest and the Arizona Delegation to the U.S. Congress to alleviate this situation, and very significant progress was made. On February 12, 2016, the Forest Service 4FRI Chief Executive announced that the implementation of 4FRI would be completely restructured and that a major funding effort would be made to accelerate it in FY 2016. In a reversal of the FY 2015 72% of the offerings being issued as Task Orders for the 4FRI Phase 1 Contract and 28% being offered as "Bridge the Gap" projects to other industries, in FY 2016, 32% of the total offerings were issued as Task Orders under the Phase 1 Contract and 68% were offered as "Bridge the Gap" regular timber sales and stewardship contracts to other industries. This reversal ensured an adequate supply to the White Mountains wood industry, in addition to continuing to offer more acres for the Phase 1 Contract than the contractor (GEP) actually cut.

As further result of ECO's engagement with Senators Flake's and McCain's offices, and of ECO's action with the national Forest Service leadership in Washington DC and the regional Forest Service leadership in Albuquerque, starting in FY 2016, 4FRI received additional funding for implementation. In the FY 2016 budget the additional funding was $10 million, to be used to accelerate the preparation work for mechanical thinning and prescribed fires on the "East Side" of 4FRI. The new funding was allocated to ramp up the preparation of "Bridge the Gap" projects and the overall acceleration of implementation of forest restoration on the footprint of 4FRI, and 18 new local USFS jobs were created, further contributing to the local economy.

Following:

- ECO's creation of the "Bridge the Gap" program in 2014 with the Apache-Sitgreaves National Forests (A/S) to bridge the gap during 10 years between the end of the White Mountain Stewardship Contract in 2014 and the implementation in the White Mountain of the 4FRI Phase 2 expected in 2024;
- ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
- ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
- ECO's constant engagement with the Apache-Sitgreaves National Forests;

the ramp-up of the "Bridge the Gap" program, which became the A/S five-year rolling plan, that provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647
FY 2021	5,814	42,910

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest in the A/S five-year rolling plan to the White Mountain industry in projects outside of the first 4FRI contract, confirming the success of the five-year rolling plan. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest - even though after 9 years only 14,634 have been actually cut - the second 4FRI RFP offered up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP had the potential to provide material to new industry, but it also had the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP - and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, then moved to March 2021, then a solicitation cancellation on September 14, 2021 - was that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. were put on hold starting mid-2019 and until the result of the 4FRI RFP would be known.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in June 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP was known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers' financing capacities were sharply curtailed as unpredictability of their economic future past 2023 loomed, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.

2. Because Arizona loggers already had three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 and most timber sales offered in 2021 were not purchased because until the second 4FRI RFP outcomes would be known, there would be no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" then A/S five-year rolling plan projects to a continuing ~12,000 to ~15,000 acres per year has resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the $13.5 billion recreation economy on the Rim (See Program 5 – Recreation) through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the A/S five-year rolling plan for the coming decade, with the expectation that future 4FRI offering in Northern Arizona, whatever form they may take, will not compromise the viability of the existing industry but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

Burro Stewardship Agreement

In parallel to its work to develop the Bridge the Gap program, ECO signed in September 2014 the Burro Stewardship Agreement with the Forest Service in order to demonstrate the counties' ability to become directly engaged in the implementation and management of field restoration projects. Despite its limited size of approximately 1,000 acres, the Burro Stewardship served successfully its purpose of being a feasibility demonstrator and a learning tool for both ECO and the Forest Service.

The Burro Stewardship contract was issued by ECO and its fiduciary agent, Navajo County, to the local forest restoration industry and contributed approximately 1,000 acres to the critically low supply of woody material during FY 2015 and FY 2016.

In FY 2017 and beyond, the experience gained by ECO with the Burro Stewardship Agreement proved invaluable to guide discussions with multiple potential partners for the design of a Master Stewardship Agreement for the implementation of the 4FRI 1st EIS.

Industry Roundtable

To foster open communication and collaboration between industry and Forest Service, ECO convened on February 8, 2016 a White Mountains Industry / Forest Service Roundtable in order to provide a platform for a group of representative White Mountains industry partners to provide information to the Forest Service on the challenges faced by the Arizona White Mountains industry, and to discuss the critical factors to be considered to maximize the implementation of forest restoration in the White Mountains. The Roundtable provided information necessary to the Forest Service to optimize the offerings of woody material by the Apache-Sitgreaves National Forests (A/S) and the Four Forest Restoration Initiative (4FRI) to the industry that funds and performs the restoration treatments. The Roundtable was a resounding success and generated a letter to the Chief of the Forest Service that outlined the requirements to convert the ad hoc Bridge the Gap program into a predictable A/S five-year rolling plan.

As a consequence of ECO's initiative, during FY 2017, the USFS initiated a five-year report on offering 15,000 timber acres per year outside of 1st 4FRI contract, to be awarded to the White Mountain industry.

Following the huge success of the FY 2016 Roundtable, ECO's convened the 2017 Industry / Forest Service Roundtable on April 11, 2017. The objectives of the Roundtable were to resolve technical issues of restoration implementation such as road packages; biomass removal; supply chain management; annual offering schedule; Pinion Juniper restoration; contracting mechanisms; digital technologies; and designation by prescription (DxP). 25 specific items were identified for resolution.

On March 19, 2018, ECO convened the third annual Industry / Forest Service Roundtable.
The purposes of the Industry Roundtable were to:

- facilitate the sharing of operational information and concerns;
- provide a forum for collaborative resolution of implementation operational challenges;
- provide a forum for the creation of implementation efficiencies and for implementation continuous improvement.

On March 18, 2019, ECO convened the fourth annual Industry / Forest Service Roundtable.
The objectives of the Industry Roundtable were to resolve technical issues of restoration implementation such as:

- road packages;
- biomass removal;
- supply chain management;
- annual offering schedule;
- Pinion Juniper restoration;
- contracting mechanisms;
- digital technologies;
- designation by prescription (DxP)
- etc.

Items identified for continued work have been:

- coordinate with USFS the ADOT's increase of maximum weight limit Pilot Program;
- develop flexibility for USFS appraisal system to use a "most adapted facility" or "highest market value" criterion instead of a "closest facility" criterion. Alternatively develop a process to remove the impact of selecting an appraisal facility/destination from the appraisal process;
- include ecosystem restoration value in appraisal process;
- include byproducts other than logs (i.e. biomass) in appraisal process;
- convert road packages to "stewardship" items in all contracts, including timber sales;
- develop a single standard for weight and volumes;
- develop increased authority (over 30,000 CCF) for Contracting Officers in order to increase projects size;
- develop process to include slash in 6 and 6T sales, subject to agreement with the contractor, and adjust /re-appraise the sale's cost accordingly;
- increase annual acreage offered by the A/S to 20,000 acres;
- update all 4FRI forests bidder lists to include all 4FRI purchasers;
- verify availability of certified scales in the Williams area and explore opportunities to use existing scales for third party transactions;

- reform the load accountability / branding / painting process to reduce administrative constraints on low value logs;
- move all timber sales to scaled sales as the most efficient way to provide load accountability;
- accelerate implementation of the Holden project in the Williams WUI. (Perkins to offer GEP to subcontract and USFS to explore opportunities to incentivize GEP to subcontract to Perkins.);
- Coconino and Kaibab NF to start including optional biomass removal in order to support potential new biomass investment on the West side subsequent to a new Vision 17 RFP and contract(s);
- explore the Sierra Ancha potential for A/S five-year rolling plan sales, in support of A/S annual 15,000 acres commitment;
- accelerate Vision 17 new RFP / contract(s) implementation in order to create a biomass market solution on West side;
- increase the duration of 6 and 6T contracts in order to support industry investments;
- create a 1 to 3 year "investment window" prior to "starting the clock" on 10-year stewardship contracts, in order to allow a full 10-year return on investment (ROI) period, AFTER the completion of investments;
- remove "Bacon-Davis" wage requirements from stewardship contracts;
- increase maximum stewardship contracts duration to 20 years;
- reform US Forest Service due diligence process on bidders and bids for all size sales and contracts;
- accelerate the roll out of digital prescription technology;
- explore possibility of limited road closures for recreational use in high traffic restoration project areas.

In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019, of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP required the removal of a minimum of 50% of the logging slash and would not consider bids "satisfactory" unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP "satisfactory" guideline of 70% removal, 875,000 tons of slash need to be removed and disposed of annually.

Currently, the only facility available in Arizona to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:

- disposal of 400,000 green tons / year of only the lowest value "hog fuel" dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of small diameter trees as firewood;
- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watersheds production preservation and augmentation through forests restoration;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;
- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

Following the September 14, 2021 cancellation of the 4FRI RFP Phase 2 offering, while holding the 1st Co-Chair seat of the 4FRI Collaborative Workgroup, ECO organized and conducted on October 12, 2021, a post-RFP 4FRI Industry Roundtable.

The post-RFP Industry Roundtable identified lessons learned:

- Volume of material required, and volume of material offered, must align.
- An RFP award cannot be secured without a Power Purchase Agreement (PPA) for biomass disposal.
- Losses in acres due to wildfire is a risk not covered under the Government offering.
- FAR 17 cancellation ceiling is not negotiable.
- Moving forward with 4FRI, USFS must think globally but act locally, and implement 4FRI one project at a time.
- The cost of road/bridge maintenance is a major stumbling block to successfully implementing large scale restoration.
- Biomass removal/treatment will continue to be required. USFS need to leave the door open to innovation but must embrace what is currently working.

The post-RFP Industry Roundtable also identified fundamental enablers required to move forward:

- Securing biomass PPA will facilitate further restoration and a financeable future for many industry players.
- Restoration cannot proceed in AZ, at the needed scale, without Infrastructure funding of $65 million of deferred roads cost over 20 years.
- The cancellation ceiling needs to be adjusted in order to reduce risks and attract new investment.
- If the restoration scale moving forward is 15,000 acres on the East side plus ramping up to 20,000 acres on the West side, annually, instead of the originally planned 50,000 acres annually, then the treatment locations must be prioritized and optimized.
- Current industry represents the best hope for the sustaining, and incremental growth, of forest restoration.
- Whatever is done to incentivize new investments must be done without jeopardizing current industry.
- Current industry must be incentivized to grow organically and expand.
- Collaboration on strategies such as ACC rule making; decreasing the burden of road maintenance costs; tax credits/incentives; in-woods efficiencies; etc. must be re-initiated promptly following the blackout of the RFP process non-disclosures.
- A five-year timber sale rolling plan is needed for each of the 4 forests in order to sustain both East and West sides existing industries.

Overall, the FY 2021 challenge for the post White Mountains Stewardship Contract strategy, remained to provide a minimum of 15,000 acres to the White Mountains industry, and to expand the program in a five-year permanent rolling plan.

ECO's continued action will undoubtedly prove critical to sustain such five-year permanent rolling plan.

Development of a Memorandum of Understanding with the White Mountain Apache Tribe

In order for the White Mountain Apache Timber Company (WMATCO) to log the large diameter trees that the White River sawmill is designed to process, they must also remove small diameter trees that are not economical for them to process. Conversely, non-tribal small diameter log industries are interested in the tribal small diameter log supply in order to increase their productivity.

To seize on this synergy of economic interests, ECO and WMATCO initiated discussions during FY 2017 that evolved into the design of an "all lands / all hands" Memorandum of Understanding (MOU) between ECO, the White Mountain Apache Tribe, the US Forest Service, and the Arizona Department of Forestry and Fire Management. The purpose of the MOU is to share data and plans, and to coordinate actions between the federal, state, tribal and local government agencies to design a supply chain management system that creates new economic growth opportunities for both tribal and non-tribal enterprises.

During FY 2018, the MOU was reviewed by Tribal legal and forestry staff and was presented in October 2017 for approval to the Tribal Council as resolution 10-2017-244. On January 25, 2018, Tribal Chairman Ronnie Lupe signed the resolution authorizing the signature of the MOU.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014, ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

During Fiscal Year 2018 and 2019 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.

- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.

A draft Environmental Assessment (EA) was expected in the Spring of 2019, and a Finding of No Significant Impact (FONSI) was expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020, and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remained to be worked out, the project regained wide support from the stakeholders.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to the adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

Four Forest Restoration Initiative (4FRI)

Two conditions are necessary for the success of 4FRI: success in planning, and success in contracting.

Planning

At the beginning of FY 2015, the implementation of the 4FRI project relied on the treatment of approximately 70,000+ NEPA-ready acres in the Coconino, Kaibab and Apache-Sitgreaves National Forests. This was sufficient to provide logs and biomass material to the contractor for three years, assuming the treatment of ~15,000 acres in 2014, and ~30,000 acres in 2015 and 2016 as required in the 1st 4FRI contract.

However, the implementation of the full 300,000 acres of the 1st 4FRI contract still depended on the completion by the USFS of the necessary NEPA Environmental Impact Statement (EIS) for the first 4FRI analysis area. This, in turn, required the continued collaboration between the USFS and the 4FRI Stakeholders Group, as required under law by the Collaborative Forest Landscape Restoration Act (CFLRA), and the continuation of the social license necessary to proceed with industry-funded landscape-scale restoration mechanical treatments on public lands.

The ECO counties played a critical role in creating a dialog between industry, local government and the environmental community, and in fostering this dialog into a historic agreement that became the basis for the 4FRI social consensus. Through numerous visits to Congress, the Department of Agriculture, and the Forest Service national office, ECO further provided the political momentum necessary for the Forest Service to move forward with the largest restoration EIS in the country's history at the time.

The Draft EIS for the 1st 4FRI planning area was released by the USFS in February 2013 and NEPA comments were filed by the Stakeholders Group in May 2013. As of the beginning of FY 2015 critical planning issues were still not resolved. Specific issues or potential conflict included old growth protection; large trees retention; canopy closure; forest openings; Mexican Spotted Owl monitoring; etc.

ECO took the initiative to request the intervention of the Governor of Arizona's Office in the deadlock, and the "Governor's Group" was created to provide a unique forum for the Forest Service and the environmental constituency to resolve the pending issues, with the help of the ECO and Governor's Office facilitation.

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The successful completion of the EIS objections resolution process during FY 2015 finished resolving the issues. Subsequently, the April 2015 signing of the 4FRI 1st EIS Record of Decision (ROD), and the subsequent dismissal of the Dewhurst litigation in September 2016, marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments.

However, since the acreage cleared during the 4FRI 1st EIS is mostly located on the "West side" of the Mogollon Rim, in the Coconino and Kaibab national forests, and since the Forest Service has proven reluctant to allocate a significant number of acres from the 4FRI 1st EIS to the White Mountain industry, the rapid completion of the 4FRI 2nd EIS is critical to assure the continuation of 4FRI toward the White Mountains, to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains and to secure a long-term wood supply to the White Mountain industry.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS Workgroup, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2018, 2019, and 2020 under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- support for the 4FRI collaborative workgroup comments that ECO contributed to write, including concerns with:
    - the flexible toolbox approach;

  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.
- concerns with the uncertainties associated with the implementation of Condition Based Management.

Condition Based Management (CBM) is a management approach that the U.S. Forest Service has increasingly used to authorize timber harvests , and to increase flexibility and efficiency in project planning, analysis, and implementation. However, basic information regarding the project's details - such as unit location, timing, roadbuilding, harvesting methods, and site-specific environmental effects - is not provided at the time the Forest Service conducts its NEPA environmental review, when the public can weigh in, nor when the Forest Service gives its final approval to a project, when the public can seek administrative review.

Public-lands advocates argue that CBM violates NEPA's mandate that agencies take a "hard look" at the consequences of their actions before a project commences, and that CBM allows the Forest Service to circumvent the effects analysis process, when exercising discretion about where and how to log, with decisions that often may have "significant" environmental consequences.

The Forest Service's use of CBM also creates compliance challenges under the Endangered Species Act (ESA) that requires federal agencies to consult with the Fish and Wildlife Service when a proposed action "may affect" listed species or destroy or adversely modify its critical habitat, to ensure that the action is "not likely to jeopardize" these species.

On March 11, 2020, in *Southeast Alaska Conservation Council v. U.S. Forest Service, 443 F. Supp. 3d 995 (D. Ak. 2020)*, the court held that the Forest Service's Prince of Wales Landscape Level Analysis Project, a 15-year logging project on Prince of Wales Island in the Tongass National Forest, violated NEPA and that site-specific analysis was needed to satisfy NEPA's "hard-look" standard.

During the balance of FY 2020, and FY 2021, ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The challenge for FY 2022 will be to maintain the planning work on schedule. ECO's co-leadership of the 4FRI Stakeholders Group, and ECO's leadership of the 4FRI Planning Workgroup are likely, again, to prove critical to accomplishing these objectives.

Contracting

Although, upon the failure of the first 4FRI contractor, Pioneer Associates, the second 4FRI contractor, Good Earth Power (GEP), committed repeatedly through the fall and winter of 2013, and through FY 2014, FY 2015, and FY 2016 to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; and, to implement 15,000 acres of treatments during calendar year 2014, then 30,000 acres in FY 2015, FY 2016, FY 2017, FY 2018, etc., as of the end of FY 2021 promises have not materialized.

Nine months after the contract transfer to GEP, as of the beginning of FY 2015 no discernable investment had been made; promises made to Arizona loggers had been recanted; and, treatments had only been implemented at the rate of approximately 1,000 acres per year, leading ECO to analyze and project that only approximately 2,000 acres could be realistically treated during calendar year 2014, less than 3,000 acres in FY 2015, and less than 5,000 acres in FY 2016, and FY 2017 as opposed to the 15,000 then 30,000 annual acres committed. Further, the absence of construction and operation permits filed with the Arizona Department of Environmental Quality (ADEQ) during FY 2014, FY 2015 and FY 2016, was leading ECO to deduct that no large-scale investment in appropriate scale industry would be taking place in 2014, 2015, 2016 or the whole of FY 2017.

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP/NLFP's claims on NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the *Vision 17* strategic plan. *Vision 17* was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP/NLFP contract in whatever form it evolves into with new partners or change in ownership as happened with the new entity NewLife Forest Products.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new landscape scale 4FRI RFP was expected by December 2017. However, FY 2018 closed without a new RFP being issued by the Forest Service.

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Meanwhile, as analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 655 acres during federal FY 2021. This continued and amplified the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); FY 2019 (2,065 acres); and FY 2020 (711 acres).

During FY 2020 and FY 2021, as part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believes was the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award was expected by March 2021.

However, on March 17, 2021, the Forest Service issued Amendment 11 that reduced the contract quantities from 605,000 acres, with option for 818,000 acres, to 520,000 acres; changed the road maintenance Schedule of Items; changed requirements related to required submittals during contract

performance; changed requirements related to plans and schedules for contract execution; and changed requirements related to Emergency Fire Precautions.

Then, on September 14, 2021, after a total of 13 amendments, the Forest Service decided to cancel the solicitation and re-assess the Government requirements.

In order to re-boot the 4FRI implementation process, on September 25, 2021, ECO sent a letter to Senator Kelly and Senator Sinema, proposing a series of next steps for Arizona Forest Restoration:

1. Continue and reinforce the only existing successful forest restoration program in Arizona, the A/S five-year rolling plan, initially known as the "Bridge the Gap" program, in the White Mountains of Eastern Arizona; dedicate all projects from the A/S to it; and remove all A/S acres from any further 4FRI offering.
2. Remove the 37,000 acres of mechanical treatments in the CC Cragin Watershed Protection Program from any further 4FRI offering and implement them under Good Neighbor Authority (GNA) with DFFM and SRP (and/or Stewardship Authority with the National Wild Turkey Federation).
3. Remove the Tonto National Forest from any further 4FRI offering and treat up to 40,000 acres of the Upper Tonto, including the Sierra Ancha, for fuels reduction with mastication treatments under Good Neighbor Authority (GNA) with DFFM and SRP.
4. Consolidate the remaining approximately 300,000 to 400,000 acres, mostly on the West side of the Mogollon Rim, in one offering designed to attract new forest industry investment in the I40 West corridor, in the Williams, Flagstaff, and Winslow areas.
5. Execute on the fundamental enablers of forest restoration:
    a. Remove the uncertainty of biomass disposal by creating the conditions for the economically viable purchase of bioelectricity by Power Purchase Agreements (PPAs).
    b. De-couple the forest roads maintenance costs from the costs of forest restoration treatment projects and offerings.
    c. Limit proposals by forest industry investors to the acreage made available in the offerings.

While holding the 1st Co-Chair seat of the 4FRI Collaborative Workgroup, ECO organized and conducted on October 12, 2021, a post-RFP 4FRI Industry Roundtable, and on October 18, 2021, a post-RFP 4FRI Collaborative Roundtable at which the Forest Service announced its post-RFP strategy, which essentially adopted the ECO proposed next steps.

ECO fully intends to continue its engagement with the State and with the U.S. Forest Service to see the landscape scale restoration of the Mogollon Rim forests and watersheds implemented in the coming decade

Development of a Master Stewardship Agreement with the Forest Service

In order to provide an independent authority for the new 4FRI RFP envisioned in the Vision 17 implementation plan, that would guaranty that due diligence and contract awarding meet the necessary professional , technical and financial requirements, in FY 2017 ECO initiated negotiations with a number of partners, such as the Arizona Department of Forestry and Fire Management (DFFM), the Salt River Project (SRP), the Forest Service, and others, to design and execute a Master Stewardship Agreement (MSA) with the Forest Service.

Building on the success of the Burro Stewardship Agreement between ECO and the Forest Service, the MSA is expected to expand ECO's direct management of on-the-ground restoration projects through:

- joint design of a landscape-scale RFP with the Forest Service;
- joint analysis and due diligence of the bidders' responses to the RFP;
- consensus award to the appropriate bidder(s);
- joint management of the new landscape scale contract(s);
- management of the field Task Orders by the USFS;
- joint monitoring and adaptive management in collaboration with the 4FRI Collaborative.

Developing a Master Stewardship Agreement with the Forest Service was a critical step to ensure that local government's industry expertise is integrated in the RFP design, due diligence and award, in order to prevent the repeat of the flawed due-diligence and contract award that caused the implementation failure of the 1st EIS contract.

During FY 2019 ECO shifted strategy and decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the US Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Digital Technologies

In FY 2017, ECO joined forces with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" in the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO is working with other partners such as ATICA (the company that manages the White Mountain Apache Timber Company –WMATCO) and Northern Arizona University to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work such as tree marking, with unmanned aerial surveys, and allow timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("prep") can catch up with NEPA planning without requiring massive new resources for the Forest Service.

In FY 2018, 2019, and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies.

Digital technologies 'Prep' costs savings represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

During FY 2021, ECO continued its work with the Forest Service and 4FRI partners, to ensure that digital technologies were integrated in the various Arizona forest restoration projects.

ECO / AZ Game & Fish Department Joint 4FRI Position

On April 6, 2016, ECO signed a Memorandum of Understanding with the AZ Game & Fish Department (AGFD) to cooperatively develop and seek funding for a 2-year technical associate position tasked with expediting planning and implementation of forest restoration and related efforts undertaken under 4FRI. This new initiative consolidated the joint work of State and local Government in 4FRI and contributes to accelerate the completion of the Rim Country EIS.

The joint position was staffed during FY 2017 and FY 2018 and allowed ECO and AGFD to give, in collaboration with other 4FRI partners such as the Grand Canyon Trust, a new impetuous to the implementation of 4FRI, with the creation of the Comprehensive Implementation Workgroup.

The new Comprehensive Implementation Workgroup, originally chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities other than mechanical thinning and fire, such as riparian and spring restoration, habitat projects etc.

Biomass Bottleneck

Every time an acre is thinned in northern Arizona, 20 to 30 green tons of logs are produced, and 10 to 30 green tons of logging slash (branches, treetops, etc.) are also produced. This logging biomass must be removed from the field in order to accomplish the restoration and fire risk mitigation objectives. For forest, watershed and grassland restoration to ramp up to landscape-scale, biomass disposal investments need to catch up with the log utilization investments that have been made in the last 10 years. If the biomass disposal capacity is not increased 3.5-fold, it will be impossible to meet the 50,000 acres annual objective of 4FRI. This is the biomass bottleneck.

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the Healthy Forests, Vibrant Economy Conference. During the conference, ECO presented its analysis of the “Biomass Bottleneck” and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO’s analysis met with broad acceptance, and ECO’s continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the Vision 17 implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017, the ACC organized a workshop, to which ECO presented. On January 30, 2018, Arizona Corporation Commissioner Andy Tobin proposed an Arizona’s Energy Modernization Plan that included new biomass energy requirement. On March 13, 2018, the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018, Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018, and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019, to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and made it clear that it would not consider the issue until the second 4FRI RFP outcomes would be known. This postponed any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the potential conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the A/S five-year rolling plan in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;

3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

However, the freezing of all decisions on forest restoration in Arizona for almost 2 years in FY 2020 and FY 2021 has caused the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to suspend their negotiations with NovoBiopower to renew their PPAs, set expire in June 2023, until the outcome of the 4FRI RFP would be known.

Following the September 14, 2021, cancellation of the 4FRI RFP Phase 2 offering, ECO has re-started work with both Arizona Utilities Salt River project (SRP) and Arizona Public Service (APS), and NovoBiopower, to resume their negotiations to renew the Power Purchase Agreements (PPAs) that are necessary to insure the removal of forest restoration slash and biomass.

Senator Flake's Healthy Forest Advisory Council

In FY 2017 ECO was invited to participate to the work of Senator Flake's newly established Healthy Forest Advisory Council. ECO fulfilled its usual role of providing data and information, as subject-matter expert on the issues of forest restoration and forest industry, including input on:

- biomass bottleneck;
- 4FRI implementation;
- Vision 17 reset of 1st EIS implementation;
- Senator Flake's forestry bill;
- increased weight limit on Interstate highways in Arizona for the transportation of forest restoration products;
- digital technologies applicable to forest restoration;
- Forest Service efficiencies.

ECO continued to participate to the work of Senator Flake's Healthy Forest Advisory Council until the Senator resigned from his seat in the US Senate.

Overall progress of Forest Restoration in Northern Arizona

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of Forest Restoration in Northern Arizona from Federal FY 2010 to Federal FY 2021:

Federal Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163
Total FY 2010 to 2020	166,850

Strategic Objectives Moving Forward

ECO has four strategic objectives for Program 1, *Forest Restoration*:

1) Recognizing that after the cancellation of the 4FRI Phase 2 RFP the A/S five-year rolling plan is now the long-term strategy on the "East Side", ECO is committed to continue to participate in the development and implementation of a long-term restoration strategy in the White Mountains to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry continues to be supplied over the long-term with round wood and residual biomass in an ecologically and economically viable and sustainable manner.

2) ECO is committed to support and facilitate the completion of the 4FRI 2nd analysis area EIS, the Rim Country EIS; and the issuance of a Record of Decision that includes the full resolution of all NEPA planning challenges by the end of FY 2022.

3) ECO is committed to the long-term resolution of the biomass bottleneck by the end of FY 2022.

4) ECO is committed to continue to support and participate in the effective implementation of the 1st 4FRI contract, and the issuance of successor contract(s) by the end of FY 2022, in order to ensure that:

a. The restoration treatments proposed in 4FRI are actually implemented by the contractors at the contracted scale and per the contracted schedule;

b. The investments in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern and eastern Arizona necessary for the successful implementation of the contracts are actually executed by the contractors;

c. The economic impact projected by the contractors for 4FRI in term of creation of jobs actually takes place.

Execution Strategy

A/S five-year rolling plan strategy

Several models are conceivable to execute the strategic objective of ensuring that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner:

- Continuation and acceleration of small and medium scales NEPA projects;
- Timely implementation of the Four Forest Restoration Initiative (4FRI) Phase 2 planning and contracting in the White Mountains;
- Development of (an)other(s) large scale and long-term stewardship contract(s) or stewardship agreement(s) in the White Mountains, such as the Black River project;
- Development of several smaller and shorter stewardship contracts or agreements in the White Mountains;
- Development of traditional timber sales in the White Mountains;
- A sequential or parallel combination of the above.

Any of these solutions entails considerable planning and contracting work and requires significant agency funding and major political support by the ECO Counties.

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issue;
- Make the issue a priority item with the State and Federal partners and elected officials;
- Provide technical and political support in the selection of an appropriate successor model;
- Provide technical and political support for the timely development and implementation of the selected successor model;
- Lobby the Regional and National U.S. Forest Service and the U.S. Department of Agriculture for additional funding to the Apache-Sitgreaves National Forests to complete timely NEPA projects;
- Complete the planning of the Black River project.

4FRI strategy

To ensure the success of both planning and contracting in 4FRI, it is the strategy of ECO to:

- Continue its participation in the activities of the 4FRI Stakeholders Group;

- Continue its work with the USFS and U.S. Department of Agriculture to implement the 4FRI USFS strategy;
- Continue its work with Arizona Utilities for the implementation of a new long-term (10+ year) biopower purchasing strategy;
- Develop its work with the USFS Regional leadership and the Arizona Governor's office and DFFM in order to facilitate planning conflicts resolution;
- Increase its role as a consensual leadership provider in the 4FRI NEPA process in order to facilitate a resolution of the NEPA planning conflicts between the USFS and stakeholders, and ensure the timely completion of the 4FRI Rim Country final Environmental Impact Analysis (EIS) and Record of Decision (ROD);
- Continue its work with private industry representatives and investors;
- Provide technical support as requested by the contractors in order to facilitate the location, permitting and construction of new industrial facilities;
- Enforce fairly but firmly accountability on all agency and non-agency stakeholders in the planning and contracting tracks as required for the successful and timely execution of 4FRI defined as: treatments being implemented on the ground per the contracted schedule.

A/S five-year rolling plan ("East Side") and 4FRI ("West Side") strategies execution

ECO will execute its A/S five-year rolling plan and 4FRI strategies by:

- Actively engaging in and when necessary, initiating the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attending, participating in, and when necessary, hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Providing political advocacy for a long-term forest restoration strategy in the White Mountains through the A/S five-year rolling plan with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 1: *Forest Restoration.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

Although Arizona has been fortunate since 2011 to not experience another landscape-scale catastrophic fire, the massive fires in California during 2018, 2019, 2020 and 2021, as well as the total cumulated 541,214 acres burnt in over 1,100 Arizona wildfires in 2021, serve as a vivid reminder of the clear and present danger Arizona faces in its Forests, as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the forefront of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of its engagement in Program 1, *Forest Restoration*, ECO seeks the following outcomes:

1) Publication of a Black River Watershed Restoration Finding of No Significant Impact (FONSI) by the end of FY 2022.

2) Offering in FY 2022 of 15,000 timber acres of small and medium scale A/S five-year rolling plan projects, aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI).

3) Continuation by the Apache-Sitgreaves National Forests of the A/S five-year rolling plan for the next 10 years to ensure the steady offering of a minimum of 15,000 timber acres in the coming decade on the East side of the Mogollon Rim.

4) Appropriate funding of the Apache-Sitgreaves National Forests by the US Forest Service Southwest Regional Office (R3) for the timely completion of the NEPA and acres preparation processes for medium scale A/S five-year rolling plan projects aimed at securing the medium-term supply of fiber for the existing White Mountains wood industry.

5) Continued disconnection of the A/S five-year rolling plan projects from the 1st 4FRI contract and successor contracts, and specific exclusive allocation of these projects to providing round wood and biomass to the existing White Mountains wood industry.

6) Completion of the 4FRI 2nd Final EIS and Record of Decision (ROD) by end of FY 2022.

7) Adoption by the Coconino National Forest of a five-year rolling plan – similar to the A/S five-year rolling plan - for the steady offering of a minimum of 20,000 timber acres in FY 2022 and the coming decade on the “West Side” existing industry.

8) Adoption by the Forest Service of digital restoration technologies at landscape scale during FY 2022.

9) Resolution of the Biomass Bottleneck by the end of FY 2022:
    - renewal of the existing 28 MW biopower Power Purchase Agreement (PPA).
    - potential discussion – if appropriate - of a new biopower capacity on the “west Side” if appropriate based on 4FRI RFP outcomes;

Allen Reidhead, Vice President of TriStar Logging, is dwarfed by mountains of biomass. 4FRI will generate annually between 1 and 1.5 million tons of biomass. The Biomass Bottleneck (acres cannot be restored if the logging biomass is not removed from the forest and disposed of responsibly), first identified and analyzed by ECO, is one of the critical factors that limit the implementation of forest restoration at landscape scale.

Forest Restoration – Canyon Creek Logging feller-buncher hot saw on Fulton Timber Sale.

Grassland Restoration – Tri Star grinder on Wool House Project.

Program 2: Threatened and Endangered Species

Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

Background

Mexican wolf

In March 1997, the Secretary of the Interior signed a Record of Decision (ROD) approving the release of captive-reared Mexican gray wolves (Canis lupus baileyi) in the Blue Range Wolf Recovery Area (BRWRA) located in Greenlee County, and an adjacent area of New Mexico. In January 1998 the U.S. Fish & Wildlife Service (USFWS) published the *Final Rule, Establishment of a Nonessential Experimental Population of the Mexican Gray Wolf in Arizona and New Mexico*, and in March 1998, Mexican gray wolves were released for the first time in the Blue Range Wolf Recovery Area. The Blue Range reintroduction project is managed by the USFWS in collaboration with the Arizona Game and Fish Department (AGFD), the USFS, USDA-APHIS Wildlife Services, the White Mountains Apache Tribe (WMAT), and the Eastern Arizona Counties Organization (ECO), operating together under a formal Memorandum of Understanding (MOU) which enables the signatories to develop a mutually-agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves in Arizona and New Mexico within the Mexican Wolf Experimental Population Area (MWEPA).

The non-essential experimental population program projected a population of 18 breeding pairs and 102 wolves by the end of 2006. As of FY 2012, the current population was believed to be six breeding pairs and 58 wolves currently in the wild. The official count as of December 31, 2012, indicated that the population had increased to a minimum of 75 confirmed animals. The official count as of December 31, 2013, indicated a further population increase to a minimum of 83 confirmed animals, indicating a clear progress toward the official goal of at least 100 animals in the MWEPA. The official count as of December 31, 2014, indicated another population increase to a minimum of 109 confirmed animals. The official count as of December 31, 2015, indicated a minimum of 97 confirmed animals, plus 11 animals “fate unknown”. These numbers met and exceeded the official goal of the nonessential experimental population project.

In parallel to the American government recovery efforts, the Mexican government released five Mexican wolves, three females and two males, into the Sierra San Luis in the State of Sonora in October 2011. Although four of these wolves were illegally killed within months, the Mexican government conducted additional releases in 2012 and informed the USFWS of their plans to continue releasing Mexican wolves during 2013 and 2014 in the northern area in the Sierra Madre Occidental, and to potentially initiate releases in the Mexico State of Nuevo Leon.

On June 13, 2013, the USFWS published a proposed action for *Removing the Gray Wolf (Canis lupus) From the List of Endangered and Threatened Wildlife and Maintaining Protections for the Mexican Wolf (Canis lupus baileyi) by Listing It as Endangered*, and a *Proposed Revision to the Nonessential*

Experimental Population of the Mexican Wolf, proposing to considerably revise and expand the experimental population program.

In August 2013 ECO initiated work with an informal ad hoc coalition of Arizona industry and recreation stakeholders, together representing 28 different organizations, and the Arizona Game and Fish Department, to develop an *Arizona Cooperating Agencies Alternative* to the proposed revision of the 10(j) Mexican Wolf non-essential experimental population.

In December 2013 ECO filed comments on the *Proposed Revision to the Nonessential Experimental Population of the Mexican Wolf* (the "10(j) rule revision") identifying multiple deficiencies in the proposed action: public and cooperating agencies engagement and scoping deficiency; management plan outside of the MWEPA deficiency; recovery plan deficiency; scientific peer review deficiency; bi-national collaboration plan deficiency; mitigation measures (depredations compensation and cohabitation measures) funding deficiency; scientific deficiencies; negative potential economic impact analysis deficiencies; and, NEPA process deficiencies (pre-decisional deficiency; connected actions deficiency; purpose and needs deficiency). Additionally, ECO developed a credible Mexican Wolf population growth projection that vigorously challenged the USFWS projection.

On April 15, 2014, the ECO Counties formally submitted the *Arizona Cooperating Agencies Alternative* to the USFWS at the Mexican Wolf EIS Interdisciplinary Planning Team (IPT) meeting. The ECO and ad hoc coalition of Arizona industry and recreation stakeholders-proposed NEPA alternative was formally endorsed by the Arizona Game & Fish Commission. The *Arizona Cooperating Agencies Alternative* included the capping of the wolf population to 150 / 160 wolves in Arizona; the capping of the depredation on wild ungulates to 15%; the geographical capping of releases and transfers to historical habitat with adequate prey density; and, the inclusion of 'take' provisions in defense of domestic animals, all of which represented fundamental changes over the original USFWS proposed action.

On January 06, 2015, the Regional Director for the U.S. Fish & Wildlife Service (USFWS) Southwest Region signed the Record of Decision (ROD) for the final Environmental Impact Statement (EIS) for the *Proposed Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf*. ECO's proposed NEPA alternative and population projection were endorsed by the Arizona Game & Fish and formed the basis of the USFWS Record of Decision. This included: capping of the wolf population to 150 / 160 wolves in Arizona; capping of the depredation on wild ungulates to 15%; geographical capping of releases and transfers to historical habitat with adequate prey density; 5 year and 8-year review process; and, inclusion of 'take' provisions in defense of domestic animals.

However, as of the beginning of FY 2016 the U.S. Fish & Wildlife Service still had not resumed the completion of the revision of the 1982 *Mexican Wolf Recovery Plan*, which triggered litigation by the Center for Biological Diversity, soon joined by Arizona Game and Fish Department. Under a Court-approved settlement, the U.S. Fish & Wildlife Service expected to publish a draft revised recovery report on public and peer-review early in calendar year 2017, with a final recovery plan by the end of November 2017.

Jaguar

In April 2012 the USFWS Jaguar (Panthera onca) Recovery Team completed a *Jaguar Recovery Outline* to provide a preliminary strategy for jaguar conservation. In August 2012, the USFWS proposed to designate 838,000 acres in Pima, Santa Cruz, and Cochise Counties, AZ and Hidalgo County, NM as

critical habitat for the jaguar under the Endangered Species Act (ESA). In November 2012 a male jaguar was photographed in the northern Santa Ritas Mountains of Arizona, about 40 miles southeast of Tucson near the proposed Rosemont Mine site.

In May 2013, the USFWS released a *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar*, and in June 2013 an *Economic Analysis of Critical Habitat Designation for the Jaguar* which estimated specific potential negative economic impacts on the mining, ranching, and general economic development of the areas proposed for critical habitat designation from up to $30 billion and 4,000 jobs lost at the local level, to up to $60 billion and 10,000 jobs lost at the national level, over the next two decades.

In August 2013, the ECO Counties filed comments on the *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar* identifying multiple deficiencies in the proposed action: legal deficiency with ESA and NEPA; scientific deficiency; modeling deficiency; usefulness deficiency; disproportionate potential negative economic impact; balanced multiple use management deficiency; adverse potential effects on jaguar conservation.

Nonetheless, in March 2014, the USFWS announced the final designation of approximately 764,000 acres of critical habitat for the jaguar.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal recovery report on the jaguar, but this is generally the next step in the ESA process.

Ocelot

Endangered status was extended to ocelots in the U.S. portion of the species' range with a final rule published on July 21, 1982 (47 FR 31670). In that rule, the U.S. Fish & Wildlife Service "made a determination that the designation of critical habitat was not prudent because such a designation would not be in the best interests of conservation of the species." The ocelot is listed as endangered by the State of Texas and is protected from hunting and live collection in Arizona where it is listed as a species of "special concern."

In November 2012 the AGFD obtained photographs of an ocelot that had apparently persisted in the Huachuca Mountains since February 2011.

In January 2013 the USFWS announced that they were initiating a five-year status review of the endangered ocelot under the Threatened and Endangered Species Act, as well as a new review of the threatened Mexican spotted owl.

In April 2014, a remote camera operated by the University of Arizona detected a lone male ocelot in the Santa Rita Mountains, within the action area of the Rosemont Mine.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal revision of the original 1990 recovery report on the ocelot, although the *5-Year Status Reviews of Ocelot and Mexican Spotted Owl in the Southwest Region* has been on-going since February 2013. Consequently, ECO expected a formal revision of the Ocelot Recovery Plan in FY 2017 or FY 2018.

Other species

Northern Mexican gartersnake and narrow-headed gartersnake

In July 2013 the USFWS proposed the listing as "Threatened" and the designation of critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) and narrow-headed gartersnake (Thamnophis rufipunctatus) in Arizona and New Mexico. The proposed designation identified 14 habitat units totaling 421,000 riparian acres in most Arizona watersheds for the northern Mexican gartersnake, and 6 habitat units totaling 210,000 riparian acres for the narrow-headed gartersnake.

In July 2014, the USFWS announced the Final Rule listing the northern Mexican gartersnake and narrow-headed gartersnake as "Threatened," including a special rule under section 4(d) of the ESA to exempt operation and maintenance of livestock tanks on private, state and tribal lands from the prohibitions on "take" of listed species, and further announced that it will finalize the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake in a separate rule in the future.

New Mexico meadow jumping mouse

In June 2013, the USFWS proposed the listing as "Endangered" and the designation of critical habitat for the New Mexico meadow jumping mouse (Zapus hudsonius luteus) in New Mexico, Colorado and eastern Arizona. In April 2014, the USFWS re-opened the comment period on the proposed designation of 193 river miles and 14,000 acres of critical habitat, divided in 8 units. Although "99 percent of the total proposed critical habitat designation, are currently unoccupied by the species," they were deemed "essential for the conservation of the species" (79 FR 19307-19313).

In June 2014, the USFWS announced the Final Rule listing of the New Mexico Meadow Jumping Mouse as "Endangered," and further announced that it would finalize the designation of critical habitat for the New Mexico Meadow Jumping Mouse in a separate rule in the future.

Western yellow-billed cuckoo

In October 2013, the USFS proposed to list as "Threatened" the western distinct population segment (DPS) of the yellow-billed cuckoo (Coccyzus americanus) in the western United States, Canada, and Mexico. In the U.S., the western yellow-billed cuckoo is known to occur in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah, Wyoming, Montana, Oregon, and Washington. In April 2014, the comment period was re-opened for the proposed designation.

In October 2014 the USFWS announced the Final Rule listing of the western distinct population segment (DPS) of the yellow-billed cuckoo as "Threatened," and further announced that it will finalize the designation of critical habitat for the western yellow-billed cuckoo in 80 separate units in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah and Wyoming in a separate rule in the future.

Issues and Progress

The proliferation of threatened and endangered species, designated critical habitats, recovery programs and status reviews create inevitable detrimental socio-economic impacts that affect the custom, culture,

economic well-being, and when involving top predators, the safety of rural Counties.

Mexican wolf

The significant increase of the experimental Mexican Wolf population and significant expansion of the experimental population area inevitably affect negatively ranching in Eastern Arizona, as well as potentially affect negatively the recreation and tourism-based industry, and also the potential safety of residents. "Naïve" Mexican Wolves have a documented history of predating on livestock, attacking domestic animals, and showing habituation to humans.

Even though the negative impacts were deemed "not significant" by USFWS analysts from a national perspective, the loss of even one head of livestock may be economically crippling for small rural ranching operations, and the brutal loss of a domestic animal may be emotionally devastating to its owner.

Payment of the depredation and coexistence compensation claims

From the beginning of the Mexican wolf releases to the wild in the Blue Range Wolf Recovery Area within the Mexican Wolf Experimental Population Area in 1998, the Eastern Arizona Counties Organization (ECO) advocated with the U.S. Fish & Wildlife for the creation of a mechanism to offset the economic impact of releasing top tier predators in a working ranching environment.

On September 23, 2009, the U.S. Fish and Wildlife Service in cooperation with the National Fish and Wildlife Foundation (NFWF), established the Mexican Wolf/Livestock Interdiction Trust Fund. The objective of the Trust Fund was to generate long-term funding for prolonged financial support to livestock operators within the framework of cooperative conservation and recovery of Mexican wolf populations in the Southwest. Funding would be applied to initiatives that address management, monitoring, and other proactive conservation needs for Mexican wolves as they relate to livestock, including alternative livestock husbandry practices, grazing management alternatives, livestock protection, measures to avoid and minimize depredation, habitat protection, species protection, scientific research, conflict resolution, compensation for damage, education, and outreach activities.

In April 2011, the Service appointed an 11-member Mexican Wolf/Livestock Coexistence Council which has the authority to identify, recommend, and approve conservation activities, identify recipients, and approve the amount of the direct disbursement of Trust Funds to qualified recipients. ECO, through its county member Greenlee County, was appointed to the Coexistence Council, the Council developed Depredation Compensation Guidelines to compensate livestock producers for wolf depredations, and compensations started to be paid:

Depredation Year [1]	Depredation compensations paid in New Mexico	Depredation compensations paid in Arizona	Total depredation compensations paid
2011	$ 12,780.84	$ 5,400.00	$ 18,180.84
2012	$ 15,050.00	$ 7,550.00	$ 22,600.00
2013	$ 13,013.36	$ 14,581.56	$ 27,594.92
2014	$ 42,623.91	$ 21,099.59	$ 63,723.50
2015	$ 77,133.90 [2]	$ 33,070.00	$ 110,203.90
2016	$ 58,041.18	$ 15,785.00	$ 73,826.18

[1]Note: Money disbursed per year is calculated based on the year that the depredation event occurred, which may or may not coincide with the year of payment (i.e. a depredation event may occur in December and payment may not be disbursed until January the following year, this disbursement is summarized in the year of the depredation event).
[2]Note: these payments were partially funded through the Groves Estate (2015 - $2500; 2017 - $2,600; 2018 - $27,978; 2019 - $41,220) and FWS (2019 - $39,870)

However, the funding of the Coexistence Council - later renamed the Livestock Council - compensation fund was based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it became concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

As compensation amounts continued to increase, additional action was taken by ECO, the Arizona Cattle Growers Association (ACGA), the Arizona Game & Fish Department (AGFD), and the Arizona Legislature. The Arizona Livestock Loss Board was created in 2015. As a result, starting with 2017, depredation claims occurring in AZ submitted to the Livestock Council, were submitted by the Council to the Arizona Loss Board for compensation.

To ensure long term funding of the program, on May 16, 2018, ECO sent a letter to the Secretary of the Interior requesting the development of a long-term programmatic approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department. The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

While the long term programmatic full funding requested by ECO was not implemented, the ECO request elevated the funding requirements at Secretarial level, and insured the adequate funding of the depredation and conflict prevention & "pay for presence" claims on a year-by-year basis:

Depredation Year [1]	Depredation compensations paid in New Mexico	Depredation compensations paid in Arizona	Total depredation compensations paid
2017 NM claims[2]	$ 29,942.50 [4]	$ 29,270.52[3]	$ 56,613.02
2018 NM claims[2]	$ 94,610.88 [4]	$ 17,850.00	$ 112,460.88
2019 NM claims[2]	$ 185,797.46[4]	$ 99,312.37	$ 285,109.83
2020 NM claims[2]	$ 106,767.00	$ 68,306.10	$ 175,073.10
2021 NM claims[2]	$ 51,525.00	$ 69,656.58	$ 121,181.58

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[1]Note: Money disbursed per year is calculated based on the year that the depredation event occurred, which may or may not coincide with the year of payment (i.e. a depredation event may occur in December and payment may not be disbursed until January the following year, this disbursement is summarized in the year of the depredation event).
[2]Note: 2017-2021, depredation claims occurring in AZ were submitted to AZ Loss Board for Compensation.
[3]Note: 2017 - AZ paid $10,000 in conflict prevention payments in 2017.
[4]Note: these payments were partially funded through the Groves Estate (2015 - $2500; 2017 - $2,600; 2018 - $27,978; 2019 - $41,220) and FWS (2019 - $39,870).

It must be noted that contrary to a widely held popular belief, ALL depredation compensation claims documented by a depredation report produced by the investigators of the USDA Animal and Plant Health Inspection Service (APHIS) from 2011 to 2021 have been compensated by the USFWS Livestock Council or the AZ Loss Board, and that as of December 31, 2021, only a few claims are still in process in New Mexico:

Depredation Year	Requests Pending Funding	Requests- Pending Livestock Council Decisions	Potential Total
2020	$ 0	$2,150	$ 2,150
2021	$ 0	$42,775	$ 42,775

In addition to depredation compensations, conflict prevention & "pay for presence" compensation claims are being paid:

Year	Livestock Conflict Prevention & Pay for Presence compensations paid in Arizona		Livestock Conflict Prevention & Pay for Presence compensations paid in New Mexico		Total
	Prevention	Pay for Presence	Prevention	Pay for Presence	
2011	$0	$0	$0	$0	$0
2012	$0	$0	$0	$0	$0
2013	$0	$38,000	$0	$47,500	$85,500
2014	$0	$38,000	$0	$47,500	$85,500
2015	$0	$51,000	$0	$32,300	$83,300
2016	$0	$48,000	$0	$57,000	$105,000
2017	$10,000	$50,000	$0	$57,000	$117,000
2018	$21,000	$60,000	$0	$57,000	$138,000
2019	$156,043.80	$0	$0	$57,000	$213,043.80
2020	$90,000.20	$0	$0	TBD	TBD
2021	$94,500	$0	$0	TBD	TBD

Moving forward to FY 2022, both USFWS Livestock Council and AZ Loss Board appear adequately funded for 2022:

Grant Year	Grant type	Funds balance available for 2022	Total balance available for 2022
FY 2021	New Mexico Prevention Grant	$60,000	$60,000
FY 2021	New Mexico Depredation Grant	$100,975	$100,975
FY 2020	Arizona Prevention Grant	$61,558	$211,558

FY 2021	Arizona Prevention Grant	$150,000	
FY 2020	Arizona Depredation Grant	$78,381	$198,381
FY 2021	Arizona Depredation Grant	$120,000	
NA	AZ and NM Groves Estate	$85,702	$85,702

ECO believes that appropriate and timely compensation of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers is critical to the sustainability of the program, and ECO is committed to making sure that ALL depredation compensation claims documented by a depredation report produced by the investigators of the USDA Animal and Plant Health Inspection Service (APHIS), and ALL conflict prevention & "pay for presence" claims approved by the Arizona Game & Fish Department (AGFD) are promptly processed and paid to Arizona ranchers.

Discontinuation of the initial release of adult "naïve" wolves

In FY 2016, ECO and the Arizona Game & Fish Department (AGFD), the two state partners in the Mexican Wolf 10(j) Experimental Population Management Team, were successful in preventing the initial release of adult "naïve" wolves.

Instead, in FY 2016, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona. Additionally, one set of two pups was fostered into the "Sheep Herders Ball" pack in New Mexico

In FY 2017, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild populations.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

In FY 2021 over a two-month period in April and May 2021, a record twenty-two captive-born Mexican gray wolf pups were placed into dens in the wild. Nine pups were fostered into three different packs in eastern Arizona and 13 were placed with five packs in western New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups

into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

However, the so-called "translocation" of adult wolves that are held at the Sevilleta Wolf Management Facility for long periods of time after capture, are likely to increase depredation incidents well past the concepts of sustainable yield and multiple uses. Data suggests that over the last 5 years there has been a growing trend of depredation.

Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf

In FY 2016 and 2017 ECO completed a full review of all the program's Standard Operating Procedures (SOPs) and submitted comments to the US Fish & Wildlife Service. The finalization of the review of the SOPs is currently underway with the US Fish & Wildlife Service.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015, U.S. Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintiffs. The court found that:

- the 2015 10(j) rule was not compliant with the ESA; provided only for short-term survival of the species; and failed to further the long-term recovery of the Mexican wolf in the wild;
- the revised rule did not need to be the product of an agreement with state and private stakeholders;
- the U.S. Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation was not based upon the best available information and is arbitrary and capricious;
- the U.S. Fish & Wildlife Service needed to review:
  - the population cap of 300-325 wolves,
  - the limitation on dispersal north of I-40,
  - the takes in response to unacceptable impacts to wild ungulate herds,
  - the essentiality determination;

However, the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that would serve no purpose, and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.
The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long-term recovery strategy over a short-term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

The court ruling threatened some of the gains realized by ECO since FY 2014 in the revision of the Regulations for the 10(j) Nonessential Experimental Population of the Mexican Wolf, especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

After the March 2018 ruling, ECO engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government would continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings - facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one-page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020, the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020, ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 wolves in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.

2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.

3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Takes on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Takes on Federal land (§ 17.84(k)(7)(v)(A));
    c. Takes in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi)).

    Maintaining the possibility of legal takes is critical to ensure that these management actions are not replaced by a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gave ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

On October 29, 2021, the USFWS filed the Draft Supplemental Environmental Impact Statement (DSEIS) for the Proposed Revision to the Regulations for the Experimental Population of the Mexican Wolf with the EPA. A final Rule/SEIS publication is expected by July 1, 2022.

Experimental Population statistics

Mexican Wolf Population Statistics	End 2012	End 2013	End 2014	End 2015	End 2016	End 2017	End 2018	End 2019	End 2020
Minimum population	80	88	110	97	113	114	131	163	
Illegal mortalities	4	5	7	8	7	6	13	9	
Other mortalities	5	4	12	9	10	10	16	5	
Mortality rate *	11%	10%	17%	18%	15%	14%	22%	9%	
Fate unknown	1	5	3	2	2	3	4	TBD	
Confirmed depredations **	18	25	30	49	49	36	104	172	
Total depredations per 100-wolf	22.5	28.4	27.2	50.5	43.4	30.8	79.4	105.5	

* Mortality rate based on collared Animals and radio days.
** Depredations based on confirmed cattle killed.

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Funding of Mexican Wolf genetic study

Genetic studies of Mexican wolves have concluded that hybridization with dogs has been negligible to nonexistent. While this result initially appeared robust, the question remained to what extent this could be an artifact of sampling because researchers sampled European dog breeds rather than American dogs (i.e. those derived from dogs brought to North America by native people who crossed the Bering Land Bridge).

In order to answer this question, ECO partnered with the Pima NRCD, the Arizona Cattle Growers Association (ACGA), and a number of Arizona stakeholders to fund a comprehensive genetic study during FY 2017.

In the study, three data sets of 172,000 single nucleotide polymorphisms per data set (SNP, Fitak 2014; Cronin et al. 2015; and Shannon et al. 2015) were combined. The results were consistent with previous studies: living Mexican wolves are not derived from hybridization with Native American dogs. The results also did not indicate recent hybridization between Mexican wolves and coyotes.

Mexican Wolf Recovery Plan Revision

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the U.S. Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally ensuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the U.S. Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially focused on the experimental 10(j) area and the experimental population.

In July 2017, the U.S. Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017, the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue was whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's continued existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat.

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

On October 14, 2021, the Court ordered a narrow remand of the proposed Recovery Plan to develop site specific management actions related to human-caused mortality. The recovery criteria were not remanded, with allowed the USFWS to continue moving forward with the revised Regulations for the 10(j) Nonessential Experimental Population of the Mexican Wolf unimpeded by the remand of the Recovery Plan. The Court ordered the USFWS Service to produce a draft recovery plan for public comment within six months that includes site-specific management actions, with a final plan to follow no later than six months thereafter.

Since the January 2018 litigation, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local populations are effectively represented in the process. ECO will continue to engage with USFWS in FY 2022 to ensure that the draft and final remand Recovery Plan continue to do so.

Mexican Wolf Range Ridder Program

As the population of Mexican Wolf continues to increase in Arizona, the number of depredation incidents increases and the financial and emotional costs to Arizona ranchers and cattle growers continue to climb.

During 2019 and early 2020 the number of confirmed depredation incidents increased sharply, prompting the Board of Eastern Arizona Counties Organization (ECO) to increase its collaboration with the Arizona Game & Fish Department (AGFD) by donating $35,000 to the Department for the specific purpose of funding and implementing in-the-field depredation prevention measures including a Range Riders Program.

In April 2021, the Department released its report for the 2020 Range Riders Program co-funded by the $35,000 donation from the Eastern Arizona Counties Organization (ECO) and a $18,000 donation from the Arizona Livestock Loss Board. As an outcome of the 2020 Range Riders program, depredation dropped by 39%.

While it can be argued that other factors may have contributed to the 39% drop, it must be noted that there was no other tangible identifiable factor that may have caused the depredation reduction, as the Mexican Wolf program was managed identically in 2019 and 2020.

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To further emphasize the efficacy and efficiency of the Range Riders Program as a management action, it must also be noted that depredation dropped 39% for the period year to year, while the Mexican Wolf population itself increased 14% from a minimum of 163 at the 2019 end-of-year count, to a minimum of 186 at the 2020 end-of-year count.

ECO is committed to implementing all possible proven measures to reduce depredations and livestock conflicts. As a follow up to their 2020 donation, the Board of ECO decided at their May 2021 meeting to further donate $25,000 to fund the 2021 Mexican Wolf Range Rider Program.

Other listed species

Jaguar

Although the US Fish & Wildlife Service (USFWS) argued that the designated habitat for the Jaguar and potential habitat for the ocelot vastly overlap other wildlife designations, detrimental economic impacts are inevitable.

While, for FY 2015, the Jaguar designated critical habitat was outside the area of the ECO Counties, the addition of Cochise County to ECO, effective July 1, 2015, moved the designated habitat for the Jaguar into the ECO footprint. Further, since the nation's last known female jaguar was legally killed near Big Lake in Apache County in September 1963, it is expected that other ECO Counties will be concerned by a full jaguar recovery plan.

In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016, a *Jaguar Draft Recovery Plan.*

The *Jaguar Draft Recovery Plan* acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that - as for the Mexican Wolf Recovery Plan:

- no formal consultation took place with local government;
- a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas;
- the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States;
- the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States;
- the recovery criteria in the plan are not binding; and,
- the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

On May 1, 2021, a new development took place with the publication by a group of scientists and advocates, funded in part by the Wildlife Conservation Society and Defenders of Wildlife, of the article *The case for reintroduction: The jaguar (Panthera onca) in the United States as a model* in the review Conservation Science and Practice.

The article proposes the reintroduction of the Jaguar in an expansive region in the central mountain ranges of Arizona and New Mexico in a proposed Central Arizona – New Mexico Recovery Area (CANRA) and a proposed Arizona Secondary Area (ASA). These areas would roughly overlap the Mexican Wolf reintroduction area. While this article has no regulatory meaning, it nonetheless signals the opening of a systematic push by the conservation community for the designation by the USFWS of an experimental population of jaguars.

ECO will continue to engage with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service in FY 2022 and the coming years to ensure that Local Government is effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

Ocelot

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016, an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and demonstrates that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670) and re-stated that “the USFWS made a determination that the designation of critical habitat was not prudent” (*Ocelot Recovery Plan* p. 204). However, the USFWS also stated: “Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat” (p. 205).

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that “At this time, the USFWS does not anticipate designation of an experimental population of ocelots” (Ocelot Recovery Plan p. 206).

In FY 2018, 2019 and 2020, ECO engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

On December 1, 2021, a new development took place with the creation by a collaboration between Texas A&M Natural Resources Institute, a unit of Texas A&M AgriLife, in partnership with East Foundation, the Caesar Kleberg Wildlife Research Institute, Lindner Center for Conservation and Research of Endangered Wildlife at the Cincinnati Zoo, the University of Tennessee Comparative and Experimental Medicine Program and Center for Wildlife Health, Texas Parks and Wildlife Department, and the U.S. Fish and Wildlife Service of the project, *Developing and Assessing Strategies for Reintroducing Ocelots to Historical Texas Habitat*. The project will explore the feasibility of reintroducing the endangered ocelot to a portion of their historical range in Texas.

While this initiative does not involve Arizona, it nonetheless signals the opening of a systematic push by the conservation community for the designation by the USFWS of an experimental population of ocelot, which will inevitably expand in Arizona considering the historical habitat of the ocelot in the United States.

ECO will continue to engage with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service in FY 2022 and the coming years to ensure that Local Government is effectively represented should a designation of an experimental population of ocelots be initiated by the U.S. Fish & Wildlife Service.

Northern Mexican gartersnake and the narrow-headed gartersnake

It was expected that the final rule for the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake throughout their range would place further restriction on land use in Greenlee, Graham, Apache, La Paz, Mohave, Yavapai, Navajo, Gila, Coconino, Cochise, Santa Cruz, Pima, and Pinal Counties in Arizona, as well as in Grant and Catron Counties in New Mexico.

On April 28, 2021, the U.S. Fish and Wildlife Service designated critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) under the Endangered Species Act. In total, approximately 20,326 acres in La Paz, Mohave, Yavapai, Gila, Cochise, Santa Cruz, and Pima Counties in Arizona, and Grant County in New Mexico, fall within the boundaries of the critical habitat designation for the northern Mexican gartersnake.

Then, on October 21, 2021, the U.S. Fish and Wildlife Service designated critical habitat for the narrow-headed gartersnake (Thamnophis rufipunctatus) under the Endangered Species Act. In total, 23,785 acres (9,625 hectares) in Greenlee, Apache, Yavapai, Gila, and Coconino Counties in Arizona, and Grant, Hidalgo, and Catron Counties in New Mexico, fall within the boundaries of the critical habitat designation for the narrow-headed gartersnake.

New Mexico meadow jumping mouse

It was expected that the final rule for the designation of critical habitat for the New Mexico meadow jumping mouse throughout its range would place further restriction on land use in Apache and Greenlee Counties.

On March 16, 2016, the US Fish & Wildlife Service (USFWS) designated an area of approximately 13,973 acres along 169.3 miles of flowing streams, ditches, and canals as critical habitat in eight units within Colfax, Mora, Otero, Sandoval, and Socorro Counties in New Mexico; Las Animas, Archuleta, and La Plata Counties in Colorado; and Greenlee and Apache Counties in Arizona.

Unit 5 consists of 6,046 acres along 72.4 miles of streams within eight subunits on private lands and areas owned by the Forest Service and the State of Arizona within Greenlee and Apache Counties, Arizona, of which 68 acres (1.1%) are considered occupied at the time of listing.

The USFS stated that "the economic analysis found that no significant economic impacts are likely to result from the designation of critical habitat for the jumping mouse," (50 CFR Part 17 p. 14275), but also identified that "the economic analysis estimated $9,940,000 of incremental costs for grazing and all other consultation activities in Unit 5, that would only be associated with Forest Service lands" (p. 14278), although "federal actions not affecting listed species or critical habitat, and actions on State, tribal, local, or private lands that are not federally funded or authorized, do not require section 7 Consultation" (p. 14306).

Western yellow-billed cuckoo

It was expected that the final rule for the designation of critical habitat for the western distinct population segment of the yellow billed cuckoo could affect as much as 500,000 riparian acres across the West, and would place further restriction on land use in Arizona and the ECO Counties.

On April 21, 2021, U.S. Fish and Wildlife Service designated critical habitat for the western distinct population segment of the yellow-billed cuckoo (Coccyzus americanus) under the Endangered Species Act. In total, approximately 298,845 acres are now being designated as critical habitat in Arizona, California, Colorado, Idaho, New Mexico, Texas, and Utah.

In total, 125,739 acres are designated in Arizona, including 69,704 acres owned by entities other than Federal, Tribal and State and including municipalities, private entities and individuals, etc.

Unit Designation	Total	Other than Federal, Tribal and State
AZ 1 Bill Williams River	0	0
AZ 2 Alamo Lake	0	0
AZ 3 Hassayampa River	908	896
AZ 4 Agua Fria River	3,336	1,300
AZ 5 Upper Verde Creek	5,188	2,275
AZ 6 Oak Creek	2,231	1,475
AZ 7 Beaver Creek	2,081	747
AZ 8 Lower Verde/West Clear Ck	2,134	1,466
AZ 9A Horseshoe Dam	2,667	0
AZ 9B Horseshoe Dam	782	88
AZ 10 Tonto Creek	3,181	1,135
AZ 11 Pinal Creek	0	0
AZ 12 Bonita Creek	928	101
AZ 13 San Francisco River	1,327	135
AZ 14 Upper San Pedro River	31,059	11,199
AZ 15 Lower San Pedro/Gila River	22,397	17,421
AZ 16 Sonoita Creek	2,488	1,563

AZ 17	Upper Cienega Creek	5,204	0
AZ 18	Santa Cruz River	9,538	9,029
AZ 19	Black Draw	1,595	570
AZ 20	Gila River 1	10,540	9,547
AZ 21	Salt River	581	79
AZ 22	Lower Cienega Creek	2,360	1,601
AZ 23	Blue River	1,025	0
AZ 24	Pinto Creek South	373	5
AZ 25	Aravaipa Creek	2,937	2,199
AZ 26	Gila River 2	5,836	3,736
AZ 27	Pinto Creek North	427	12
AZ 28	Mineral Creek	380	180
AZ 29	Big Sandy River	4,236	2,945
Total		125,739	69,704

Mexican Spotted Owl

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona, baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised with new biological opinions between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020, the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October 2020, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020, announcing a new understanding between the parties and the decision by the Center for Biological Diversity to not litigate.

Further work led on October 27, 2020, to a stipulation of voluntary dismissal of the Wild Earth Guardian litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Draft ESA Compensatory Mitigation Policy

On September 2, 2016, the U.S. Fish and Wildlife Service (USFWS) announced the availability of a draft Endangered Species Act (ESA) Compensatory Mitigation Policy.

ECO filed comments outlining its concerns that:

- the draft policy exceeds the U.S. Fish & Wildlife Service ESA statutory authority;
- the U.S. Fish & Wildlife Service did not consult with those affected by the regulation, especially State, local, and tribal governments, as required by regulation.

"Domino effect" of ESA listings, designations and reviews

In a text-book example of the "domino effect" of ESA listings, designations and reviews, following the July 2013 proposed designation of critical habitat for the northern Mexican gartersnake; the October 2013 proposed listing as "Threatened" of the yellow-billed cuckoo; the March 2014 final designation of approximately 764,000 acres of critical habitat for the jaguar; and the April 2014 photographing of an ocelot in the Santa Rita Mountains, the USFWS announced in May 2014 the reversal of the favorable Biological Opinion (BO) that they had issued in July 2013 and confirmed in October 2013 for the Rosemont copper mine project, and the re-initiation of formal consultation.

In a confirmation of an analysis often characterized as paranoid by the USFWS, it is interesting to observe that facts verified ECO's warning to the Service in its comments on the listing of critical habitat

for the Jaguar: “The designation of critical habitat for the jaguar in Arizona and New Mexico is therefore likely to be used to trigger the USFWS reversal of its draft favorable biological opinion on the Rosemont Copper project” (ECO, Aug 2, 2013).

Strategic Objectives Moving Forward

Previous gains were sustained by ECO and its partners in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* was a setback, and the on-going remand of the *Mexican Wolf Recovery Plan Revision* is a concern. Much remains to be done in FY 2022 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

ECO is committed to continue to participate in the Mexican Gray Wolf recovery program and experimental population program, and to participate in the NEPA analyses, and mitigation of the socio-economic impacts of other species listings, critical habitat designations or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc. in order to ensure that threatened and endangered species management efforts do not create unsustainable constraints on the custom, culture, economic well-being, and safety of the Counties.

Specifically, ECO is committed to:

1) Continue to work with the Mexican Wolf Cooperators MOU signatories (USFWS, AGFD, USDA APHIS and WMAT) to develop a mutually agreeable, long-term, science-based collaboration for the reintroduction of Mexican wolves within the Mexican Wolf experimental population area.

2) The continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council (“Coexistence Council”) and the Arizona Livestock Loss Board as vehicles to:

    I. Disburse funds to compensate livestock owners for eligible conservation activities in the form of interdiction and incentives, including activities that address Mexican wolf and livestock interaction management, grazing strategies, monitoring and other needs; conflict resolution;
    II. Disburse funds to compensate livestock owners for eligible compensation for damages that include depredation; other types of economic loss; education; outreach activities; and similar undertaking;

3) The full inclusion of the ECO Counties’ safety, custom, culture and economic well-being concerns in the NEPA analyses about the jaguar, ocelot, and other vegetal or animal species located within the ECO Counties’ area of interest.

4) Continue to work with all relevant partners to mitigate the socio-economic impacts of the of the jaguar, ocelot, gartersnake, western yellow-billed cuckoo, New Mexico meadow jumping mouse, and other species listings, critical habitat designations, and recovery efforts on rural Arizona counties residents and the ranching community.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue and expand its bilateral work with the Arizona Game and Fish Department;
- Continue its bilateral work with the U.S. Fish and Wildlife Service;
- Continue its work with the signatories of the Mexican Wolf Cooperators MOU;
- Actively engage in the appropriate work on the Mexican wolf, jaguar, ocelot and other species issues with the Federal, State and local agency, community, university, livestock industry, and environmental constituency partners;
- Attend and participate in the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Increase and expand its bilateral work with the conservation and livestock constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational species management perspectives;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy with local, State and Federal executives and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 2: *Threatened and Endangered Species*.

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 2 Endangered Species	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 2, *Threatened and Endangered Species*, ECO seeks the following outcomes:

1) Satisfactory and timely resolution and disbursement by the Coexistence Council and Livestock Loss Board of all FY 2022 compensation claims for grazing management constraints, interdiction, damage, and depredation.

2) Full funding of the Coexistence Council compensation budget for FY 2022.

3) Full funding of the Arizona Livestock Loss Board for FY 2022.

4) Continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation.

5) Effective participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the 10(j) Nonessential Experimental Population of the Mexican Wolf;

6) Continued participation in the Mexican Spotted Owl Leadership Forum;

7) Continued monitoring of the litigation of the Mexican Wolf recovery plan revision.

8) Continued replacement of the initial release and translocation of adult "naïve" wolves in the Mexican Wolf Experimental Area (MWEPA), with cross-fostering of captive born pups generally less than 3 weeks old.

9) Participation in the ESA and NEPA analyses of other species listing, habitat designation or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc.

10) Continued work with all relevant partners to mitigate the socio-economic impacts of all species listing, critical habitat designations, and recovery efforts on rural Arizona counties residents and the ranching community.

Ocelot Photographed in southern Arizona.

Jaguar photographed by a trail camera in southern Arizona.

Mexican wolf wearing a tracking collar.

Capture of a Mexican wolf.

Program 3: Watershed Restoration

Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

Background

Uncharacteristic landscape-scale forest crown fires in eastern Arizona have a demonstrated negative impact on the conservation and function of the watersheds in which they take place. In addition to the damages caused to communities and ecosystems by the fires themselves, the most common negative effects on watersheds documented after the Rodeo-Chediski Fire, some areas of the Wallow Fire, and the Schultz Fire, among others, are: uncharacteristic runoffs; catastrophic flooding; accelerated and aggravated soil erosion; streams and reservoirs sedimentation; mechanical and chemical pollution of the water; and, long-term severe disturbance of the watershed functions and production.

The ECO Counties area constitutes a large portion of the watersheds (Verde River, Salt River, Black River and Upper Gila River basins) that contribute significantly to the water supply of the greater Phoenix area. The threat of additional uncharacteristic landscape-scale forest crown fires in eastern Arizona, especially on the south slopes of the Mogollon Rim in the ECO Counties, raises serious concern about the conservation and operations of the eastern Arizona watersheds. Additionally, the specific threat to the East Clear Creek and the C.C. Cragin Reservoir (previously known as the Blue Ridge Reservoir) watersheds in the Rim Country at the northern end of Gila County poses an existential threat to the water supply of several eastern Arizona communities.

With the growing realization that uncharacteristic landscape-scale forest crown fires affect the conservation and operation of the watersheds in which they take place, efforts to protect watersheds have been recently initiated in the Southwest. Several of these efforts focus on the monetization of the ecosystem services provided by the watersheds, and on an attempt to enroll the financial contribution of the downstream beneficiaries of the services (water consumers) to the financial costs of protecting the upstream provider areas and the utility corridors delivering the services (forests and watersheds at risks of catastrophic fires). Such efforts were pioneered by the Denver *Forest to Faucet* project in Colorado, or the Santa Fe municipal watershed protection project in New Mexico, among others. In Arizona, an effort to create the Arizona Watersheds Investment Fund (AWIF) has been underway, and in Flagstaff, Ballot Question #405 received electors' approval in November 2012 for the issuance of a $10 million municipal bond to finance the restoration of high threat areas in the Rio de Flag and Lake Mary watersheds to provide greater protection to the community from the impacts of fires and floods.

C.C. Cragin Reservoir Watershed Protection Project

Watershed restoration efforts intensified during FY 2015. In July 2014, SRP signed an MOU for the Restoration of the C.C. Cragin Reservoir Watersheds with the U.S. Forest Service, the Department of the Interior Bureau of Reclamation, the National Forest Foundation, the Town of Payson, and Gila County – one of the ECO Counties – to start a 64,000-acre restoration project.

The MOU designated the area as a High Priority Watershed under the Western Watershed Enhancement Partnership and aimed at developing a Proposed Action and beginning the NEPA Process by the end of 2015; publishing a Finding of No Significant Impact (FONSI) by the late spring / early summer of 2017; and, starting on the ground implementation of the restoration thinning treatments soon thereafter.

During FY 2016, ECO participated in the NEPA analysis process for the C.C. Cragin Reservoir Watershed Protection Project (CWPP). On February 24, 2016, six months behind schedule, the US Forest Service released the Scoping Letter and the Proposed Action for the project.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014, ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

Issues and Progress

Three watershed issues are of particular concern to the ECO Counties:

1) After years of collaborative debate, the model of industry supported restoration is recognized by most stakeholders as the only model that has the economic capability to be scaled up to landscape-scale. However, the sole implementation of this model is insufficient, in as much as industry supported restoration is not applicable in areas where:
    I. the merchantable material yield is insufficient for mechanical treatments to be economically viable;
    II. access by mechanical harvesting equipment is restricted, such as in steep slopes, high erosion areas, riparian areas, etc.

    Mechanical treatments implemented in low productivity areas, and non-mechanical treatments such as fire-as-a-first-entry or hand-thinning, are therefore candidate for ecosystem services funding, and systematized ecosystem services monetization is required in order to contribute to the overall funding of landscape-scale restoration of the watersheds.

2) Conversely, despite the logic of its concept; despite the keen interest of some stakeholders weary of a dominant role of industry in the relationship with the Forest Service; and, despite the momentum that the monetization of ecosystem services in general, and watershed services in particular, is expected to gain, the monetization of watershed services is unlikely to be able to bear the full cost of restoration estimated to be approximately $1,000 per acre in eastern Arizona, resulting in an estimated total cost of approximately $1 billion for the one million acres requiring thinning and burning restoration treatments.

   Continued education is therefore required to ensure simultaneously that neither the model of ecosystem services monetization funding is viewed as an alternative to the model of industry supported funding, nor the model of industry supported funding is viewed as an alternative to the model of ecosystem services monetization funding. Both models, simultaneously, and possibly others, must be viewed as necessary to the implementation of landscape scale restoration in Arizona's watersheds.

3) The restoration of forested ecosystems – Ponderosa Pine-dominated and mixed conifer dominated – in the watersheds of the south slopes of the Mogollon Rim in the ECO Counties is an objective priority, after the direct protection of communities and infrastructures, among other areas in northern and eastern Arizona also in need of restoration treatments.

   However, the 4FRI 1st analysis EIS included virtually no treatment in the critical watersheds of the Salt River and Upper Gila River basins or in the East Clear Creek and C.C. Cragin Reservoir watersheds, with most of the 4FRI 1st contract treatments located in the north-facing slopes of the Mogollon Rim in the Little Colorado River basin, and some treatments located at the head of the Verde River watershed.

CC Cragin

Progress on the CC Cragin Watershed Protection Project (CWPP) has been slow. During FY 2017, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. Although the analysis of the NEPA Alternatives has been delayed and the Finding of No Significant Impact (FONSI) scheduled for May 2017 has not been issued, the project is continuing to progress slowly. A FONSI was expected in FY 2018.

In addition, the ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically viable implementation of the project.

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work.

During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In June 2020, the U.S. Forest Service and the National Wild Turkey Federation (NWTF) offered for bid a service contract for the 1,000 acres Baker Butte Integrated Resource Service Contract (IRSC). Bids were received in August 2020, but no award took place due to the fact that the bids were significantly higher that the Forest Service appraisal.

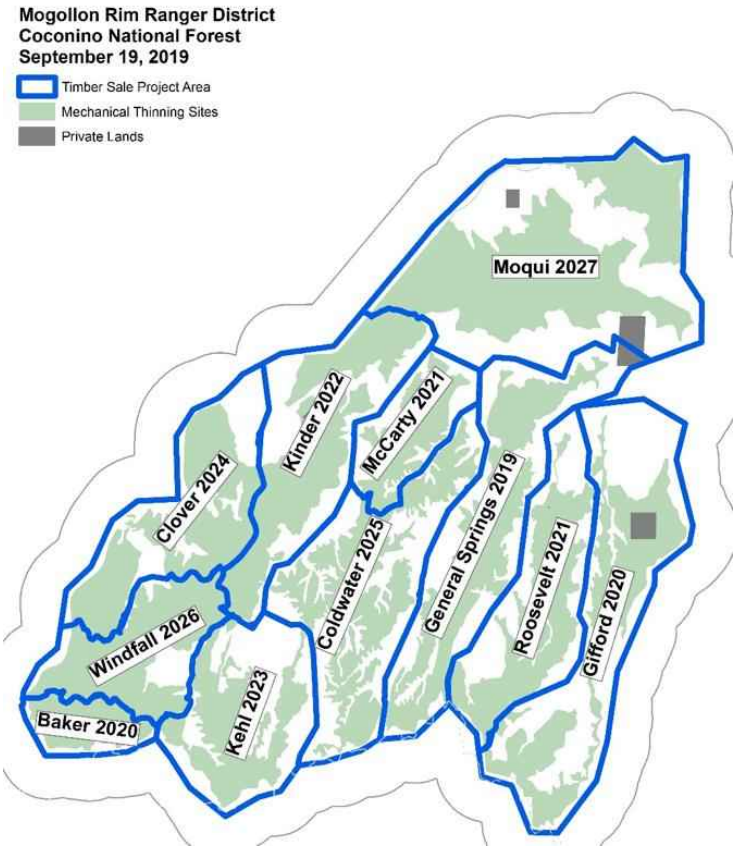
During FY 2021 ECO worked with the National Wild Turkey Federation to re-design the RFPs published for the CC Cragin Watershed Restoration Project, including the Baker IRSC, in order to make them attractive to the local forest product industry with which forest restoration funds itself, fully or partially,

through the value of the logs removed, as opposed to trying to attract purely service proposals where no value is derived from the timber, and the entire cost of the project must be subsidized.

In parallel, on July 27, 2021, the Coconino National Forest and the Arizona Department of Forestry and Fire Management (AZDFFM) signed a Good Neighbor Authority (GNA) agreement for the Baker project, in collaboration with the Salt River Project and the Town of Payson, which are contributing necessary funds to ensure the forest thinning treatments can be implemented. NWTF issued a new RFP for the project, and by September 2021, a contract was awarded to Arizona's premier logging contractor TriStar in cooperation with NovoBiopower for the disposal of the project slash and biomass.

In addition, during 2021 the other projects of the CC Cragin Watershed Protection Project were developed to be offered in 2022 and the coming years:

- Gifford (2,700 ac.) was included in the 4FRI Phase 2 RFP.
- Roosevelt (2,300 ac.) was in contract development stage and is planned for an RFP offer in April 2022.
- McCarty (1,200 ac.) was at the timber cruise stage and is also planned for an RFP offer in April 2022.
- Kinder (3,300 ac.) was at the marking stage.
- Kehl (3,100 ac.) was at the layout phase.
- Clover, Windfall, Coldwater, and Moqui were at the early planning stages.



Black River

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats. A Draft Proposed Action will be presented in September 2017, and a Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

During Fiscal Year 2018 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- The Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, operated in FY 2018 as the collaborative body of record for the project.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.
- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.
- A draft Environmental Assessment (EA) is expected in the Spring of 2019.
- A Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old

Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020, and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remained to be worked out, the project regained wide support from the stakeholders.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to the adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

2nd 4FRI Analysis – Rim Country EIS

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS and FEIS Workgroups, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders

Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2017, FY 2018, and FY 2019, under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- support for the 4FRI collaborative workgroup comments that ECO contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.
- concerns with the uncertainties associated with the implementation of Condition Based Management.

Condition Based Management (CBM) is a management approach that the U.S. Forest Service has increasingly used to authorize timber harvests , and to increase flexibility and efficiency in project planning, analysis, and implementation. However, basic information regarding the project's details - such as unit location, timing, roadbuilding, harvesting methods, and site-specific environmental effects - is not provided at the time the Forest Service conducts its NEPA environmental review, when the public

can weigh in, nor when the Forest Service gives its final approval to a project, when the public can seek administrative review.

Public-lands advocates argue that CBM violates NEPA's mandate that agencies take a "hard look" at the consequences of their actions before a project commences, and that CBM allows the Forest Service to circumvent the effects analysis process, when exercising discretion about where and how to log, with decisions that often may have "significant" environmental consequences.

The Forest Service's use of CBM also creates compliance challenges under the Endangered Species Act (ESA) that requires federal agencies to consult with the Fish and Wildlife Service when a proposed action "may affect" listed species or destroy or adversely modify its critical habitat, to ensure that the action is "not likely to jeopardize" these species.

On March 11, 2020, in *Southeast Alaska Conservation Council v. U.S. Forest Service, 443 F. Supp. 3d 995 (D. Ak. 2020)*, the court held that the Forest Service's Prince of Wales Landscape Level Analysis Project, a 15-year logging project on Prince of Wales Island in the Tongass National Forest, violated NEPA and that site-specific analysis was needed to satisfy NEPA's "hard-look" standard.

During the balance of FY 2020, and FY 2021, ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

Prioritization and funding of watersheds restoration

To provide further momentum to the prioritization and funding of watershed restoration, ECO participated in FY 2017 in the creation of the new 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4-million-acre 4FRI landscape.

The Comprehensive Implementation Workgroup, was initially chaired by the joint position co-funded by ECO and AGFD, and focused on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

The first project begun in FY 2017 at the T Six Spring in the Coconino National Forest and was completed in FY 2018. Several additional on-the-ground watershed restoration projects were initiated in FY 2018 and completed in FY 2019:

- Rosilda Spring was completed in Oct 2018 with the well filled, 8-ft exclosure built, 32 coyote willows planted, and a small rock dam built.
- East and West Elk Springs were completed in summer 2018.
- Houston Draw was scheduled to be completed by the end of 2019 with the removal of failing fence, channel restoration for approximately three to five actively eroding sections. A flow gauge was installed below the restoration target area for before/after monitoring.

In FY 2019, additional sites in the 4FRI National Forests that have already been analyzed under NEPA were identified for inclusion in the 20-year 4FRI restoration implementation:

- Big Spring, Kaibab NF - Williams RD
- Little Elden Spring, Coconino NF - Peaks RD
- Railroad Spring, Coconino NF - Mormon Lake RD

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- Ritter Spring, Coconino NF - Mormon Lake RD
- Sawmill Spring, Kaibab NF - Williams RD
- Seven Anchor Spring, Coconino NF - Mogollon Rim RD
- Sheep Spring, Coconino NF - Mormon Lake RD
- Barbershop Springs, Coconino NF - Mogollon Rim RD
- Big Moqui Spring, Coconino NF - Mogollon Rim RD
- Crackerbox Spring, Coconino NF - Mogollon Rim RD
- Dane Spring, Coconino NF - Mogollon Rim RD
- Hi Fuller Spring, Coconino NF - Mogollon Rim RD
- Kehl Spring, Coconino NF - Mogollon Rim RD
- Maple Spring, Coconino NF - Mogollon Rim RD
- Mashed Potato Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Meadow Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Spring, Coconino NF - Mogollon Rim RD
- Spikerush Spring, Coconino NF - Mogollon Rim RD
- Twin Tanks, Coconino NF - Mogollon Rim RD
- Mint Spring, Coconino NF - Mormon Lake RD
- Clark Well, Coconino NF - Mormon Lake RD
- Upper Hull Spring, Coconino NF - Peaks RD
- Lower McDermit Spring, Kaibab NF - Williams RD
- Hoxworth Springs, Coconino NF - Mormon Lake RD
- Griffiths Spring, Coconino NF - Mormon Lake RD
- Willard Spring, Coconino NF - Mormon Lake RD
- Babbitt Spring, Coconino NF - Mormon Lake RD
- Curley Seep, Coconino NF - Peaks RD
- Lockwood Spring, Coconino NF - Mormon Lake RD
- Smith Spring, Coconino NF - Mormon Lake RD
- Lockwood Spring, Coconino NF - Mogollon Rim RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Upper McDermit Spring, Kaibab NF - Williams RD
- Mud Spring, Coconino NF - Mogollon Rim RD
- Tree Spring, Coconino NF - Mormon Lake RD
- Pat Spring, Coconino NF - Peaks RD
- Wild Horse Spring, Kaibab NF - Williams RD
- Van Deren Spring, Coconino NF - Mormon Lake RD
- Mineral Spring, Kaibab NF - Williams RD
- Hat Tank lower, Kaibab NF - Williams RD
- Hat Tank upper, Kaibab NF - Williams RD
- Fues Spring, Kaibab NF - Williams RD
- Rocky Tule spring, Kaibab NF - Williams RD
- Bear Springs, Kaibab NF - Williams RD
- Bootlegger Spring, Coconino NF - Mormon Lake RD
- Stewart Spring, Kaibab NF - Williams RD
- Dairy Spring, Coconino NF - Mormon Lake RD
- Weimer Spring, Coconino NF - Mormon Lake RD
- Double Springs, Coconino NF - Mormon Lake RD
- Comp, Coconino NF - Mormon Lake RD
- Poison Springs, Coconino NF - Peaks RD

- Chimney Spring , Coconino NF - Peaks RD
- Thomas Spring, Coconino NF - Mormon Lake RD
- Tinny Spring, Coconino NF - Mormon Lake RD
- Kendrick Spring, Coconino NF - Peaks RD
- Dove Spring, Coconino NF - Mogollon Rim RD
- Willow Spring, Kaibab NF - Williams RD
- Spitz Spring lower, Kaibab NF - Williams RD
- Spitz Spring upper, Kaibab NF - Williams RD
- Sawmill Springs, Coconino NF - Mogollon Rim RD
- Scott Spring, Coconino NF - Mormon Lake RD

To provide continued momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 and FY 2021 in the 4FRI Comprehensive Implementation Workgroup, with a focus on identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

Strategic Objectives Moving Forward

ECO is committed to participate in the development and implementation of the protection and restoration of the eastern Arizona watersheds, in order to ensure:

1) The continued and simultaneous development of all models of restoration funding (industry funding, ecosystem services funding, municipal bonds funding, etc.).

2) The prioritization of treatments in the watersheds, after the direct protection of communities and infrastructures, on the south-facing slopes of the Mogollon Rim in the ECO Counties.

3) The implementation of treatments in the C.C. Cragin Reservoir watershed.

4) The development of the 90,000-acre project Black River watershed located in the upper Salt River Basin.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue to develop bilateral relationship with the watersheds operators, especially the Salt River Project (SRP);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the prioritization of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties;

- Continue and expand collaboration with the USFS and SRP to prioritize treatments in the C.C. Cragin watersheds in the Rim Country at the northern end of Gila County;
- Continue and expand collaboration with the USFS Southwestern Region, the Apache-Sitgreaves National Forest, and watershed, industry and utility stakeholders Salt River Project (SRP), Arizona Public Services Co. (APS), and Freeport-McMoRan Inc. (FMI) to develop the Black River project;
- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the development of watersheds protection and restoration funding with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 3: *Watershed Restoration.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 3 Watershed Restoration	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 3, *Watershed Restoration,* ECO seeks the following outcomes:

1) Prompt implementation of the CC Cragin Watershed Protection Project (CWPP).

2) Completion of the Black River NEPA Environmental Impact Statement (EIS) initiated by the Apache-Sitgreaves National Forests, and publication of a Record of Decision (ROD) by the end of FY 2022.

3) Continuation and simultaneous expansion of all the models of industry-funded, ecosystem services-funded, municipal bonds-funded, etc. watershed restoration efforts.

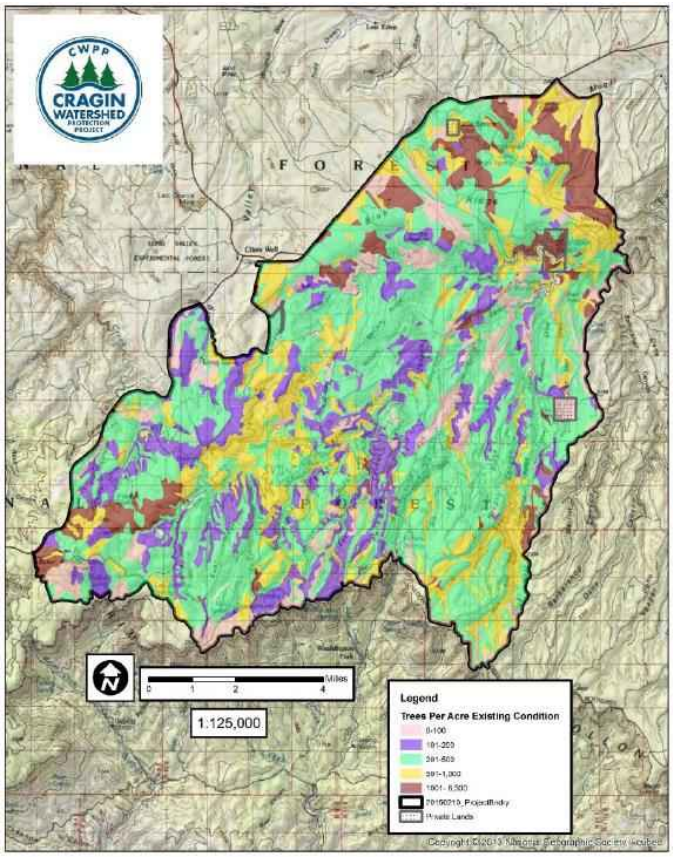
4) Prioritization by the USFS of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties.

5) Completion of the 2nd 4FRI EIS, the Rim Country EIS, by the end of FY 2022.

6) Implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects by the Comprehensive Implementation Workgroup in the Coconino, Kaibab and Apache-Sitgreaves National Forests.

Spring restoration work (photo courtesy Grand Canyon Trust)

C.C. Cragin watershed.



Most of the acres in the CC Cragin watershed have between 300 and 1,000 tree per acres.

Post catastrophic fire watershed erosion.

Program 4: Infrastructures

Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

Background

All infrastructures

In addition to their threats to the communities and ecosystems, the continued risk of catastrophic wildfires in the forests of eastern Arizona threatens the infrastructures delivering the electrical power generated in eastern Arizona to the urban centers of central and southern Arizona; the infrastructures collecting and delivering the water provided by the eastern Arizona watersheds to metro Arizona; and, the transportation infrastructures necessary to the economic well-being of the ECO Counties.

Roads

The long-term progressive decline and ultimately the virtual disappearance of the logging and wood industry in eastern Arizona over the last 30 years, as a result of the "timber wars" of the 1980's and 1990's, has affected the requirements for the rebuilding and maintenance of the road transportation infrastructures in eastern Arizona. As a result, several Federal highways, State roads and County roads necessary to the implementation of industry-supported landscape-scale restoration may not have been rebuilt or maintained to the specifications required by continuous commercial use for heavy logging traffic.

Conversely, the implementation of restoration logging in eastern Arizona creates new demands on the eastern Arizona road transportation infrastructure, and the acceleration of the restoration efforts to landscape-scale, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, will result in the transportation on Federal highways, State roads and County roads of approximately 1.7 million tons of logs and up to 1.5 million tons of residual biomass annually, which equates to over 100,000 annual truck runs, or approximately 400 daily truck runs. Such increased heavy commercial traffic on Federal highways, State roads and County roads will thoroughly tax the financial ability of the Arizona Department of Transportation (ADOT) and the ECO Counties to fund the adequate maintenance of the road transportation infrastructure.

Healthy Forest Initiative Pilot Project

As of the beginning of FY 2015 the Arizona road transportation maximum gross weight of 80,000 lbs. was lower than the maximum weight allowed in several neighboring states such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Nevada (129,000 lbs.), and other wood producing western states such as Wyoming (117,000 lbs.), Idaho (105,500 lbs.), or Washington (105,500 lbs.). This put the Arizona wood industry at a competitive disadvantage.

During FY 2015, ECO designed, developed and submitted to ADOT the *Healthy Forest Initiative Pilot Project* to increase the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on US Highway 60,

State Route 77, US Highway 180, State Route 260 and State Route 277 between Payson and the New Mexico State border, and on all relevant feeder roads in the White Mountains.

On November 17, 2014, the Arizona Department of Transportation (ADOT) partnered with Arizona State Forestry and ECO to announce a new *Healthy Forest Initiative Pilot Project* to help loggers clear Wallow Fire burn area; improve commerce; and, maintain healthy forest in the White Mountains region. The two-year pilot project allowed timber industry trucks to carry additional weight on several state highways in the White Mountains region.

The *Healthy Forest Initiative Pilot Project* increased transportation weight efficiency by 20%, and significantly contributes to the economic viability of the forest restoration treatments and the economic competitiveness of the Arizona wood industry. ADOT started issuing the permits for the new program in November 2014.

However, the "Healthy Forest Initiative" pilot project was only effective for a period of two years, until the end of calendar year 2016, and a permanent solution needed to be implemented.

Local short line railroads

Two interstate rail lines cross Arizona from East to West: the Burlington Northern Santa Fe Railway (BNSF) through Flagstaff in the northern third of the State; and, the Union Pacific Railroad (UP) through Tucson and Yuma in the southern third of the State. Both BNSF and UP provide a connection to Phoenix.

A total of 61 local short line railroads were constructed historically in Arizona to support economic activities, mostly the ranching, logging and mining industries; and, more recently, to serve specific heavy industrial sites.

As of the end of FY 2021, two touristic passenger short lines are operated in Arizona:

- Grand Canyon Railway between Williams and the Grand Canyon;
- Verde Canyon Railroad between Clarkdale and Perkinsville.

As of the end of FY 2021, ten commercial short lines are operated in Arizona:

- Apache Railway (APA): connecting BNSF at Holbrook to the site of the Snowflake paper mill;
- BNSF Springerville Spur: connecting BNSF at Navajo (Chambers) to the Springerville power plant;
- Arizona & California Railroad (ARZC): connecting BNSF at Cadiz (CA) to BNSF at Matthie (Wickenburg);
- Arizona Central Railroad (AZCR): connecting BNSF at Drake to Clarkdale;
- Arizona Eastern Railway (AZER) Clifton Spur: connecting UP at Lordsburg (NM) to Clifton;
- Arizona Eastern Railway (AZER) Miami Spur: connecting UP at Bowie to Miami;
- Copper Basin Railway (CBRY): connecting UP at Magma to Winkelman;
- San Pedro & Southwestern Railroad (SPSR): connecting UP at Benson to Curtiss;
- Black Mesa & Lake Powell Railroad (BLKM): connecting the Kayenta coal mine to the Page power plant;
- UP Nogales Spur: connecting UP at Tucson to Nogales.

The Apache Railway (APA) is a 38-mile short-line railroad that operates from a connection with the BNSF Railway (BNSF) at Holbrook to the Snowflake Mill near Snowflake. The APA was acquired by Catalyst Paper from Abitibi Consolidated in 2008. When the Snowflake paper mill shut down permanently on September 30, 2012, the Town of Snowflake along with various other local, state and federal leaders

worked with various potential buyers to try and come up with a long-term solution for the acquisition and future operation of the railway.

ECO and Navajo County worked tirelessly with State and Congressional leaders to develop a financial plan that would allow preventing the dismantlement for scrap of the railroad, and during FY 2016, the railway was purchased out of bankruptcy by a group including Aztec Land & Cattle Company, thereby avoiding a shutdown and destruction of the line. The railway continues to operate, and its revenues are driven primarily by car repair and storage. The railway's freight revenues have not yet recovered from the shutdown of the Snowflake paper mill then owned by Catalyst, although efforts to enhance them continue.

The retention of the local short line railroads provides an economic competitive advantage to Arizona businesses in making the import of raw material (coal) or the long-distance export of products (copper, cement, wood products, etc.) price-competitive compared to highway transportation.

Power lines

A critical bottleneck for the development of remotely located solar and wind renewable energy power plants is the existence of the power lines required to connect them to the power grid.

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m^2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project includes two 500-kilovolt transmission lines, substations, and ancillary facilities to be located on Federal, State, and private lands between central New Mexico and central Arizona. The SunZia project was initiated in 2006, with NEPA analysis starting in 2009, to connect 11,000 megawatts of class 4 wind energy with a capacity factor of 45% to 47% landlocked in central New Mexico to the California market as well as the Phoenix metro market. The SunZia lines planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in Graham, Greenlee and Cochise Counties.

However, in June 2013, the Department of Defense (DOD) White Sands Missile Range rejected the route selected in the BLM Final EIS for the project, based on the concern that aerial power lines in an area north of White Sands Missile Range known as the Northern Call-Up Area (NCUA) would be detrimental to military readiness and operations of the range.

Further, in June 2013 The Wilderness Society (TWS) also opposed the FEIS on the ground that while they support responsible renewable energy and transmission development, and they support some of the SunZia proposed alternate routes, they consider that the proposed route preferred by the BLM raises serious concerns about impacts to the sensitive San Pedro Valley, and does not offer an acceptable tradeoff between the need for energy transportation and the need for sensitive ecosystems conservation. TWS is concerned that the proposed route through the San Pedro Valley would require 360 towers, averaging 130 feet in height, and necessitate a clear-cut road paralleling the lines with access roads to every tower. The San Pedro Valley's highly erodible soils would greatly accentuate the environmental impact of these roads. The San Pedro Valley is also a principal flyway for over 4 million

birds each year, including more than 350 species. The principal danger to birds would be flying into wires. Finally, the San Pedro Valley hosts one of the longest and richest archaeological records in North America, with sites dating back nearly 13,000 years - the earliest evidence of human occupation on the continent - that could be compromised by towers and roads construction work or subsequent erosion.

In May 2014, SunZia initiated the Arizona permitting process with a presentation to the Arizona Corporate Commission (ACC). During the presentation, SunZia stated that DOD is expected to propose mitigation measures, possibly involving the burial of 3 segments of the transmission line totaling 5 miles in the NCUA in June 2014, in which case it is likely that the BLM will conduct an environmental assessment (EA) of the proposed mitigation. SunZia also stated that the segment of Route Group 4 (Willow Substation to Pinal Central Substation) that includes the San Pedro Valley, has alternative routes proposed North of Mount Graham and through Sulphur Spring Valley, as well as south through Tucson although the latest is considered marginally practical owing to existing urban development.

On January 23, 2015, the Bureau of Land Management (BLM) issued a Record of Decision (ROD) approving a right-of-way (ROW) for the SunZia Southwest Transmission Line Project, from the proposed SunZia East Substation in Lincoln County, NM, to the existing Pinal Central Substation in Pinal County, AZ. The transmission line in the preferred alternative is 515 miles long. Three segments, totaling five miles of the Project will be buried in order to mitigate impacts to military operations at White Sands Missile Range. The impacts of burial have been analyzed in a Mitigation Proposal Environmental Assessment (EA) that has also been approved.

Following the completion of the Re-Study with the Modified Plan of Service (POS) and the submission of the Re-Study Report to Western Electricity Coordination Council (WECC) on January 14, 2015, the WECC Planning Coordination Committee (PCC) confirmed on January 27, 2015, the SunZia Project's Accepted Rating of 3,000 MW with the Modified POS. In parallel, the BLM issued a Record of Decision on January 23, 2015, approving SunZia's request for right-of-way on federal lands managed by the BLM.

In February 2016, the Arizona Corporation Commission approved the Certificate of Environmental Compatibility (CEC) for the SunZia project and SunZia has applied for state permits issued by the Arizona Corporation Commission and New Mexico Public Regulation Commission.

Energy pipelines

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, *The June 2014 - Clean Power Plan Proposed Rule* (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and

that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing EPA rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties, or converted to another energy source, most likely natural gas.

A critical bottleneck for the potential conversion of remotely located coal-fired power plants to natural gas is the existence of the energy pipelines required to connect them to the natural gas grid.

Issues and Progress

Six infrastructure issues are of particular concerns to the ECO Counties:

1) The expected implementation of landscape-scale forest and watershed restoration in eastern Arizona will create wear and tear unprecedented in recent decades on some Federal highways, State roads and County roads. As a consequence, additional funding will be required to maintain some portions of the eastern Arizona road transportation infrastructure expected to be used intensively by the logging transportation fleet.

2) Although the FY 2015 ECO / ADOT Healthy Forest Initiative increased the maximum gross weight legally allowed for timber industry trucks on several state highways in the White Mountains to 90,800 lbs., the Pilot Project was only effective for a period of two years, and a permanent solution must be sustained in the long-term to permanently remove the competitive disadvantage for the Arizona wood industry compared to the wood industry operating in most western States.

3) Water collection and distribution infrastructures, and power distribution infrastructures in eastern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of eastern Arizona.

4) The potential dismantlement of local short line railroads would compromise the competitiveness of Arizona businesses by increasing the costs of import of raw material and long-distance export of products (copper, cement, wood products, etc.).

5) Until the construction of a new power line is completed, important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – remain landlocked in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

6) The connection of the Cholla Power Plant in Joseph City; Coronado Generating Station in St John; and Springerville Generating Station to the Transwestern natural gas pipeline, are strategic requirements to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

ADOT Healthy Forest Initiative

Due to priorities setting, ADOT was not able to conduct the technical infrastructure impact analysis of the increase of the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on select state highways in the White Mountains during FY 2016. In consequence ADOT decided to extend the pilot project until the end of calendar year 2017.

During FY 2017, ADOT, in consultation with ECO, installed four weigh-in-motion scales (WIMS) at different locations to collect data to determine long-term impacts to pavement due to the higher gross vehicle weights of 90,800 lbs. The locations were selected based on the most common destination points or routes to the biomass processing centers or sawmills. The total cost for ADOT to install these WIMS was approximately $400,000.

During FY 2018, ADOT monitored the four weigh-in-motion scales (WIMS).

Per data collected at the four WIMS in FY 2018, the program is very successful in reducing transportation costs for the low value forest restoration products:

Route Milepost (MP)	Class 9 Vehicles	Class 9 Overweight	% Overweight
SR 260 EB / MP 334.5	13,279	1,620	12.20%
SR 260 WB / MP 335	7,994	1,790	22.39%
SR 277 NB / MP 316	11,254	3,981	35.37%
US 180 WB / MP 419	1,004	162	16.14%
Totals	33,531	7,553	22.53%

In addition, per the data collected by ADOT for the first three years of the program, some HURF revenues are generated by the program:

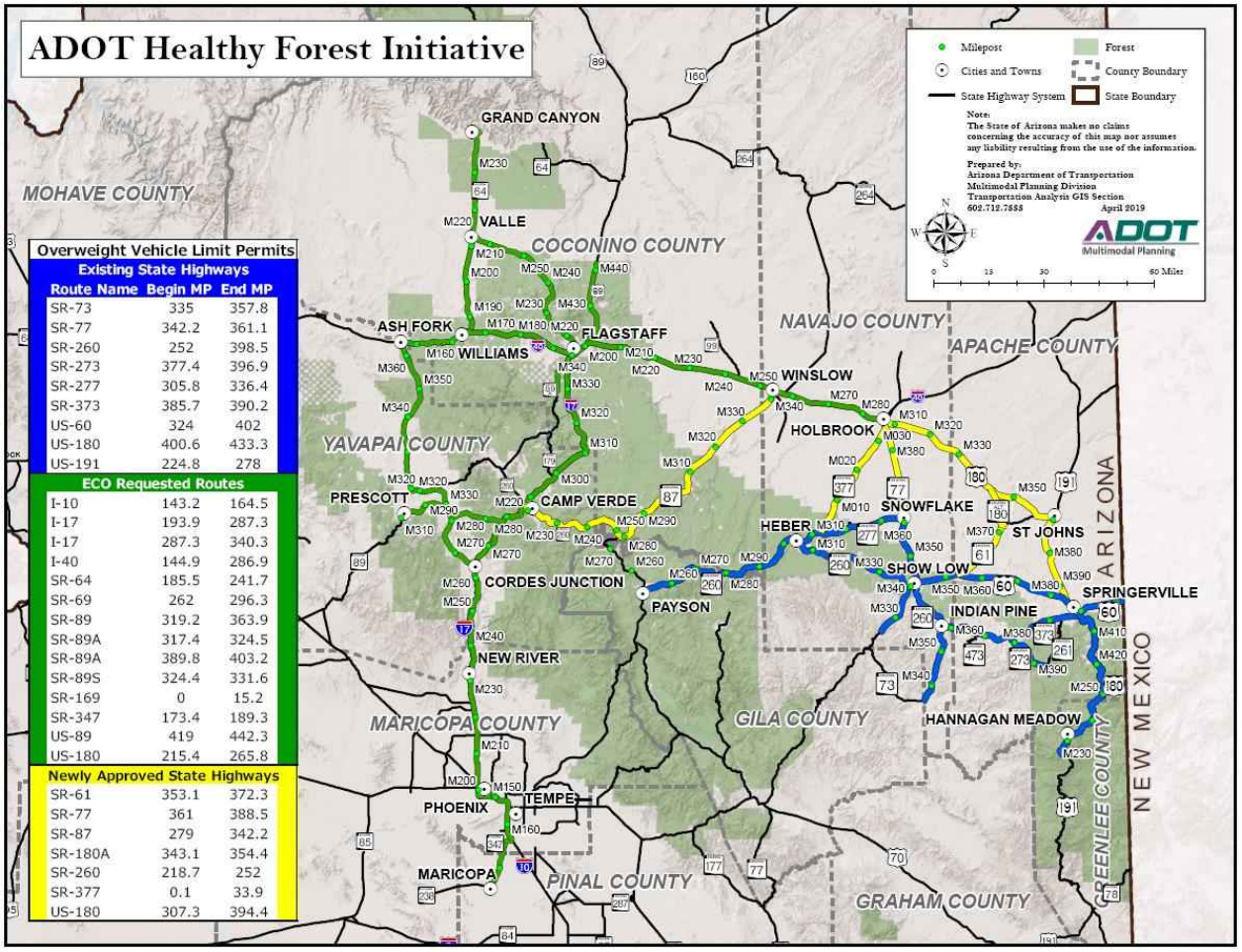
Calendar Year	Number of Permits	Total Permit HURF Revenue	State Highway Share
2015	215	$16,125	$ 8,143
2016	343	$25,725	$12,991
2017	318	$23,850	$12,044
Total	876	$65,700	$33,178

In FY 2019, the pilot program continued to be very successful in terms of:

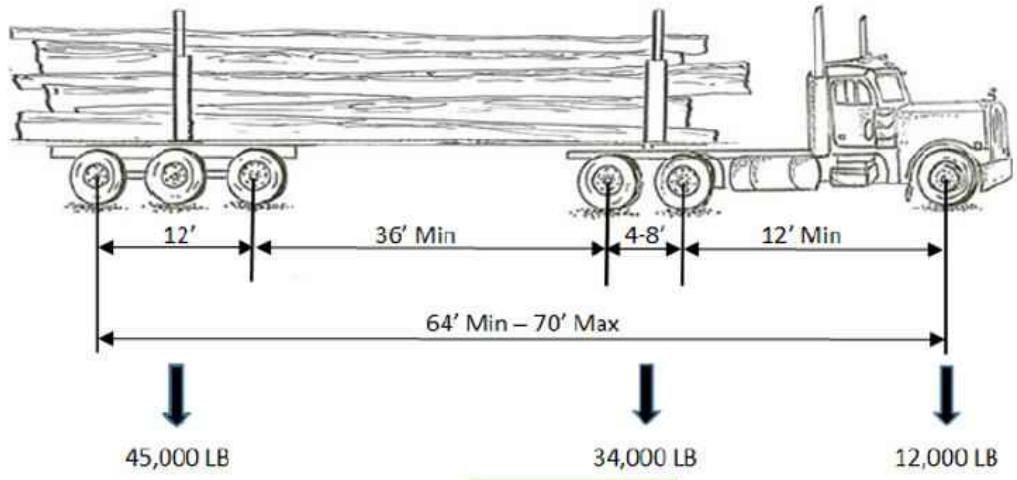
- expanding the operations radius for both logging and biomass removal;
- retaining forestry jobs; and
- accelerating the implementation of landscape-scale forest restoration, the mitigation of catastrophic fires, and the preservation of watershed functions.

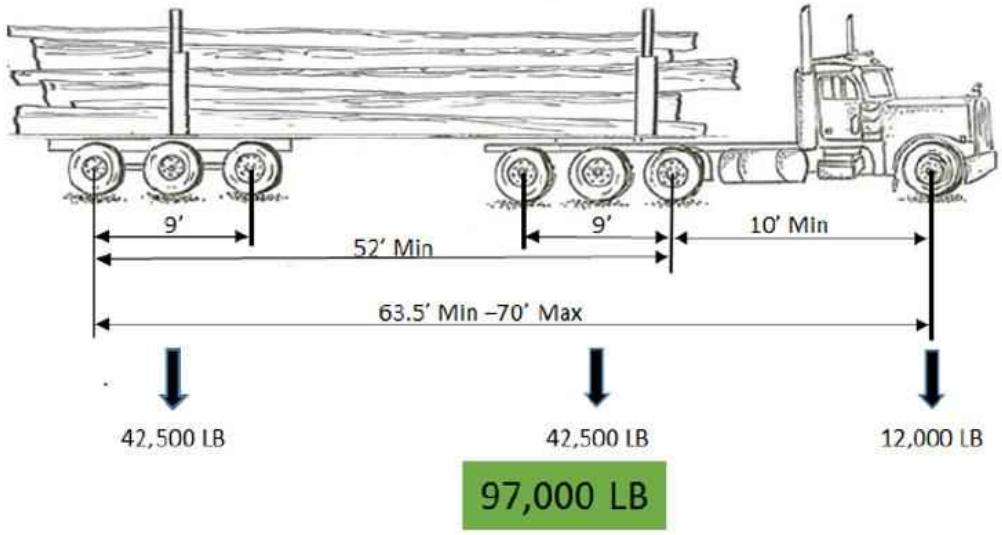
During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim in the White Mountains (blue roads on following map) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads on following map).

During FY 2020 ECO collaborated with ADOT to include the entire "West Side" of 4FRI to the program, and to work with the federal authorities to allow the use of specific sections of Interstate 40 and Interstate 17 to link the Northern Arizona forest restoration industry to utilization centers in the greater Phoenix area (green roads on following map).



As a result of ECO's work with ADOT, ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:





The continued collaborative work between ECO and ADOT was a major success for Arizona in FY 2020 with:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program as of January 1, 2020;
2. the increased maximum weight of 97,000 lbs., and
3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix.

In FY 2021 the program reached full operation with a broad participation of the "West Side" industry on the roads added in FY 2020.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" project has enabled the restoration of over 99,000 acres in the White Mountains and Mogollon Rim and the removal of over 2.5 million tons of log and 2.2 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550	378,300	334,650
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569	300,794	266,087
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108	340,808	301,484
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731	331,006	292,813
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336,283
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163	576,238	509,749
Total	99,844	2,595,944	2,296,412

In addition to the substantial accomplishment of over 99,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" project has supported the existence of 190 jobs in the White Mountains, which have paid over $73 million in wages annually and contributed over $255 million in total economic activity annually to the rural economy of Northern Arizona over the 7 years of the project.

Rural transportation infrastructures

As an appointed member of the ADOT Freight Advisory Committee (FAC), ECO has been participating in FY 2017 and FY 2018 in the revision of the ADOT *State Freight Plan*, including its rural transportation component.

On November 15, 2017, the ADOT *State Freight Plan was completed*, with the implementation phase starting thereafter.

ADOT 2018–2022 Five Year Plan

On May 23, 2017, ECO filed comments on the *Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program*.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 Five Year Plan:

- the rural characteristics of the ECO Counties, their transportation network and their economy;
- the overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management;
- the dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 Five Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate pavement preservation schedule for rural state highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.

- Resolution of local bottlenecks on:
  - U.S. Highway 60 from Superior to Globe;
  - U.S. Highway 191 MP 110 – 116, South of Safford;
  - State Route 90 north of Sierra Vista.

SunZia

During FY 2017 and 2018, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico was also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018, Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the properties surrounding its proposed route, and that there were two sections of property through which the company had yet to secure easements. The commission denied the route without prejudice, which meant SunZia could come back with a new proposal for the two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expected that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintained that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north did not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis was expected to add 2 years to the project but would not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7

kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

On June 8, 2021, the BLM published a notice of intent in the Federal Register and opened a 30-day public scoping period for the proposed SunZia Southwest Transmission Project Environmental Impact Statement and potentially associated Resource Management Plan Amendments which analyze and disclose environmental impacts associated with the project.

When completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy and Arizona solar energy to be distributed in California.

Strategic Objectives Moving Forward

ECO is committed to participate in the protection, development and management of the eastern Arizona infrastructures, in order to ensure:

1) The systematic verification in FY 2022 that all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration in FY 2022 are certified for, or rebuilt to, heavy commercial use specifications.

2) The funding in FY 2022 by Federal and State partners of the rebuilding (if necessary) and appropriate maintenance (as required) of all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration.

3) The prioritization of treatments in the power and water infrastructures corridors, after the direct protection of communities and watersheds, in all the ECO Counties.

4) The retention of the local short line railroads.

5) The construction by 2024 of the SunZia power line and the unlocking of the solar energy potential in Graham, Greenlee and Cochise Counties.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue and expand its bilateral relationships with the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP);
- Continue and expand its bilateral relationship with the Arizona Department of Transportation (ADOT);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the protection of power and watershed infrastructures, and the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;

- Continue its engagement and work with the Governor's office to facilitate multiagency coordination of the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 4: *Infrastructures.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 4 Infrastructures	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 4, *Infrastructures,* ECO seeks the following outcomes:

1) The completion of rural infrastructure projects listed in the ECO comments on the proposed ADOT 2018-2022 5 Year Plan:
    a. completion of the Lion Springs section of U.S. Highway 260;
    b. modernization of U.S. Highway 260 over the Mogollon Rim to Heber;
    c. resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe;
    d. the resolution of local bottlenecks on U.S. Highway 191 MP 110 – 116;
    e. the resolution of local bottlenecks south of Safford;
    f. the resolution of local bottlenecks north of Sierra Vista.

2) The continuation of a dialog with Federal and State partners to fund the maintenance of the Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration in eastern Arizona..

3) The completion of the SunZia power line by the end of FY 2026.

Canyon Creek Logging truck loaded to the new 91,000 lbs. State maximum weight.

Program 5: Recreation

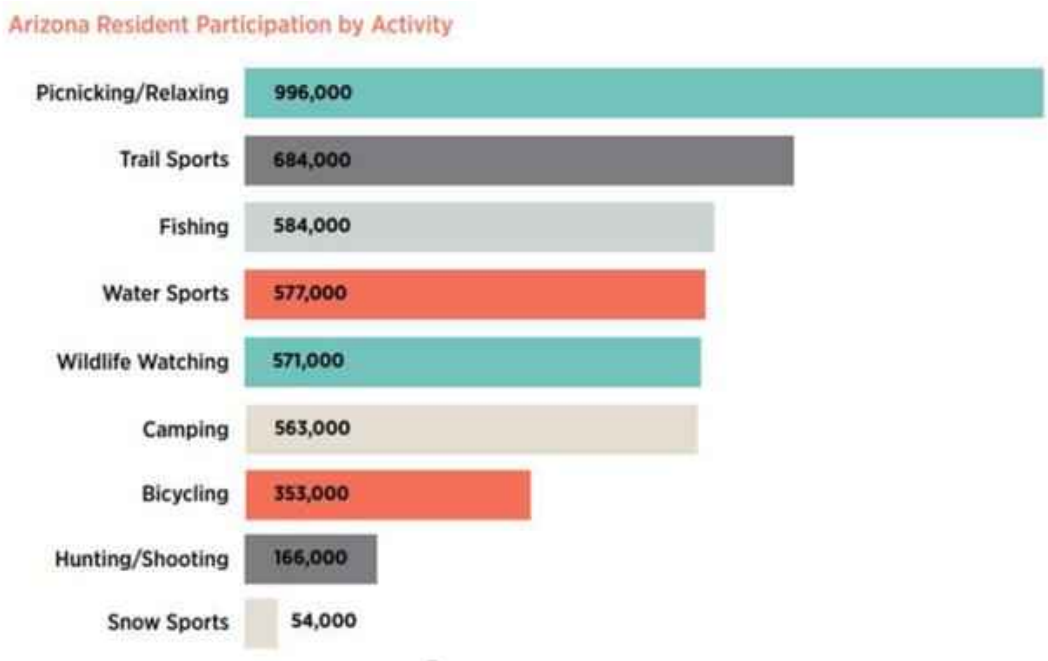
Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

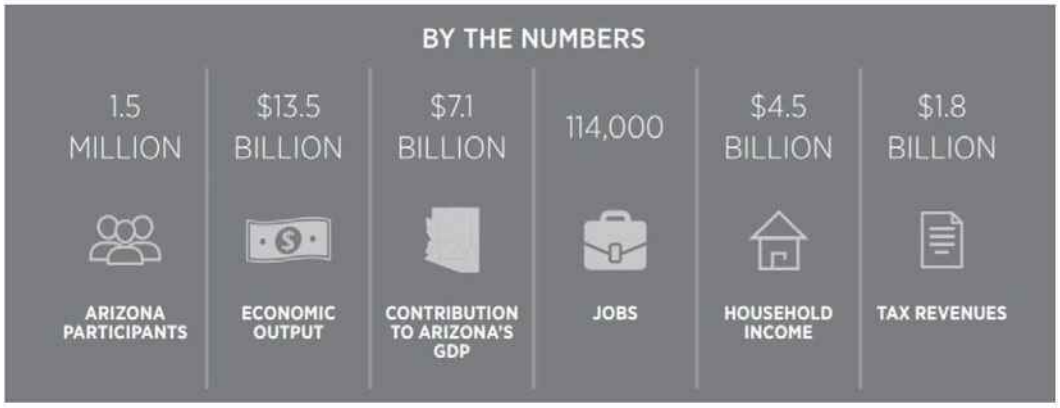
Background

Economic Impact of Arizona's Rivers, Lakes, And Streams

In a 2019 study *The Economic Impact of Arizona's Rivers, Lakes, And Streams*, the Audubon Society identified that 1.5 million Arizona residents participate in outdoor recreational activities annually that include bicycling, snow sports, camping, trail sports, fishing, water sports, hunting and shooting, wildlife watching, and picnicking or relaxing.

These activities generate $13.5 billion in economic output and $1.8 billion in taxes revenues, and support 114,000 jobs that provide $4.5 billion in household revenues.





audubon.org/AZRivers

Importance of dispersed motorized travel and recreation for the ECO Counties

The number of off-highway vehicles (OHVs) used in Arizona has risen dramatically. Almost 500,000 households within the State have at least one OHV, and as many as 30,000 new ATVs and motorcycles are purchased annually (Arizona State Parks, 2009).

While the use of OHVs is increasing statewide, OHV recreation is disproportionally important to the economy of rural counties such as the ECO Counties. A survey conducted in 2003 by the Arizona State Parks identified the recreation impact of OHV recreation on the ECO Counties as follows.

OHV use

OHV Use	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Households owning OHV	34%	24%	36%	34%	48%	36%
Arizona OHV trip destinations	6%	4%	8%	5%	5%	7%
Annual OHV Recreation Days	896,479	435,134	1,262,607	209,712	88,926	744,630
Internal to County	153,125 (17%)	180,697 (42%)	228,071 (18%)	66,020 (31%)	32,787 (37%)	438,831 (59%)
From visitors to County	743,354 (83%)	254,437 (58%)	1,034,536 (82%)	143,694 (69%)	56,139 (63%)	305,798 (41%)
Households satisfied with their OHV experience	70%	72%	60%	82%	79%	73%

OHV economic impact

OHV Economic Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Fuel/Gasoline	$11.8 M	$8.2 M	$16.7 M	$3.4 M	$1.5 M	$15.3 M
Lodging/Campgrounds	$8.6 M	$3.4 M	$12 M	$1.8 M	$0.7 M	$4.9 M
Restaurants/Bars	$8.1 M	$5.0 M	$11.5 M	$2.2 M	$0.9 M	$8.9 M
Groceries/Liquor	$9.4 M	$6.2 M	$13.3 M	$2.7 M	$1.2 M	$11.5 M
Event fees/souvenirs/etc.	$9.7 M	$4.9 M	$13.6 M	$2.3 M	$0.97 M	$8.1 M
Total OHV recreation trips expenditures	$47.6 M	$27.7 M	$67.1 M	$12.4 M	$5.3 M	$48.7 M
Expenditures on off-highway vehicles	$13.3 M	$25.4 M	$16.9 M	$6.7 M	$2.2 M	$25.9 M
Expenditures on tow-vehicles and trailers	$10.6 M	$12.7 M	$9.4 M	$2.6 M	$0.1 M	$7.4 M
Expenditures on OHV equipment	$22.6 M	$32.7 M	$27.1 M	$10.6 M	$4.1 M	$32.9 M
Total OHV expenditures	$94.1 M	$98.5 M	$120.5 M	$32.3 M	$11.7 M	$114.9 M

In summary, the total OHV economic impact on the ECO Counties, including multiplier effect, represents a $535 million annual contribution to the local economy, the sustenance of 4,670 jobs and the payment of $81.8 million annually in salaries and wages:

OHV Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Total Economic Impact	$102 M	$116 M	$138 M	$38 M	$12 M	$129 M
Jobs Supported	842	1,009	1,322	348	50	1,099
Salaries and wages	$12.8 M	$19.6 M	$22.3 M	$6.2 M	$0.8 M	$20.1 M

While the study is aging (2003), the trends that it represents are constant, and the growing importance of motorized travel and recreation in Arizona, and in the eastern Arizona Counties is obvious. Admittedly, the economic growth for the 5 years after the study was conducted (2003 to 2008), and its positive influence on recreation activities, were offset by the economic slump over the following 5 years (2008 to 2013), and its negative influence on recreation activities. However, for all practical purposes, the 2003 data may reflect fairly accurately the 2019 situation. Certainly, in any economy 4,670 jobs are significant, and in the current economy they are critical.

Overall, 73% of the motorized recreational activities reported in the study involved some level of dispersed access to the lands:

Dispersed Access	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Camping	19%	7%	12%	14%	13%	22%
Fishing	15%	0%	10%	10%	14%	8%
Sightseeing	12%	15%	15%	11%	11%	9%
Picnicking	2%	4%	0%	10%	10%	5%
Hunting	11%	11%	14%	9%	11%	12%
Back roading	7%	15%	13%	10%	5%	11%
Trail riding	6%	17%	10%	12%	4%	12%
Total	72%	69%	74%	76%	68%	79%

The fact that over 73% of the motorized recreational activities involved some level of dispersed access to the land illustrates the need to maintain motorized travel on the USFS and BLM public roads, as well as some level of authorized cross-country travel for reasonably dispersed activities.

Preponderance of Federal lands

In the State of Arizona, the Federal government directly owns over 32.4 million acres of the 72.6 million acres total area of the State, through the Bureau of Land Management (13.1 M), Forest Service (12.9 M), Department of Defense (3.6 M), National Park Service (1.4 M) and Bureau of Reclamation (1.4 M). This represents over 44% of the land in the State.

When adding the 21.5 million acres of Indian reservations managed by the Federal Bureau of Indian Affairs, a total of 53.9 million acres, or over 74% of the land in the State are controlled by Federal agencies.

The percentage of land controlled by the Federal government is even higher in some Arizona Counties. For example, among the six ECO Counties, Federal agencies control in average 80% of the land in five of the counties:

Land Control	Forest Service	Bureau Land Management	Bureau of Indian Affairs	Department of Defense	Federal Control
Apache County	9%	2%	67%	0%	78%
Cochise County	12%	10%	0%	3%	25%
Gila County	55%	2%	38%	0%	95%
Graham County	13%	25%	36%	0%	74%
Greenlee County	64%	14%	0%	0%	78%
Navajo County	8%	1%	67%	0%	76%

As a consequence, regulations severely restricting the motorized access to, motorized travel through, or motorized recreation on public lands can have a disproportionate impact on the custom, culture and economic well-being of the ECO Counties.

Travel Management Rule (TMR)

In 2003, the Department of Interior (DOI) *Strategic Plan* set as the first of three key recreation goals to "establish a comprehensive approach to travel planning and management."

In May 2003, the Bureau of Land Management (BLM) *Priorities for Recreation and Visitor Services* implemented travel management through national motorized, mechanized, and non-motorized recreation strategies.

In 2005, public law 36 CFR Part 212 - Travel Management - Subpart B - *Designation of Roads, Trails, and Areas for Motor Vehicle Use* required that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

In December 2005, the U.S. Forest Service (USFS) issued the *Travel Management Rule* (TMR), developed in response to the increasing effects of OHV recreation and the potential for OHV use to adversely affect forest and grassland resource.

Indiscriminate OHV use, especially unrestricted cross country motorized travel, can adversely impact natural resources such as forests, grasslands, watersheds, riparian areas, sensitive soils, habitats, etc. and cultural resources. Therefore, the growing popularity of motorized recreation requires appropriate regulations in order to maintain a well-considered balance between the enjoyment of the public lands' visitors, and the need to preserve and conserve the resources of these lands for the enjoyment of future generations.

However, misdirected implementation of travel management may result in overly restrictive regulations and undue restriction of motorized access and motorized recreation on the BLM and USFS public lands that can be harmful to the Counties custom, culture and economic well-being.

Since access to public lands and in particular the National Forests of the Mogollon Rim is one of the key drivers of the recreation industry, ECO has been deeply engaged in the Travel Management Rule (TMR) of the Tonto, Coconino, and Apache-Sitgreaves National Forests in order to ensure appropriate access to recreation opportunities.

Issues and Progress

Six motorized travel and motorized recreation issues are of particular concern to the ECO Counties:

1) Retention of adequate motorized road travel in the public lands.

2) Retention of motorized dispersed camping consistent with the reasonable enjoyment of safety, privacy, comfort, custom and culture, allowing the parking of motorized vehicles and/or trailers at a distance of 300 feet from the closest legally open road or trail. Access to dispersed camping sites previously used and established in the local custom and culture as demonstrated by tangibles evidence of previous use such as fire pits, improvements, etc. must continue to be allowed.

3) Retention of motorized big game retrieval for all species of game meeting the definition of 'big game' in the Arizona Game and Fish Department hunting regulations, or alternatively for all 'big game' animals requiring a hunting tag, with the exception of turkeys, allowing one trip each way from the downed animal to the closest legally open road or trail, regardless of distance, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

4) Retention of motorized dispersed collection of firewood allowing the minimum number of trips each way, as defined based on the transport capacity of the vehicle and the trailer, from the downed tree to the closest legally open road or trail, regardless of distance, in the authorized firewood collection area, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

5) Implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations. Indiscriminate cross-country travel consists of traveling cross-country in a motorized vehicle not intended to reach a specific dispersed camp site, downed animal, downed tree in an authorized firewood collection area, or terrain feature used as a shooting backstop, or not required for an emergency response to a specific justifiable circumstance such as danger to limb or life. Motorized scouting for a site is considered different from reaching a specific site.

6) Retention of the possibility for future consideration of new motorized recreation areas and trails over at least 75% of the public lands in the ECO Counties.

Tonto National Forest Travel Management Rule

Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). The DROD resulted in prohibiting dispersed motorized camping on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking will be limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified. A number of other undue motorized travel and access restrictions were also included in the DROD.

As a consequence of not being allowed to be a member of the IDT, ECO was unsuccessful at getting its objectives fully included in the NEPA analysis. Specifically:

- Instead of the 300-foot corridors that were requested by ECO and that were part of the draft Environmental Impact Statement (EIS), the Final Environmental Impact Statement (FEIS) and the Draft Record of Decision (DROD) designates certain motorized routes for dispersed camping and outlaws it everywhere else. As a result, motor vehicle use for dispersed camping is authorized on only approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried, existing, dispersed camping sites on the Tonto National Forest, but it is now prohibited on approximately 1,290 miles of National Forest System roads open to the public,

and 2,310 miles of motorized trails open to the public, where vehicle parking is now limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified.

- Motor vehicle use for big game retrieval is allowed up to 1 mile on both sides of all designated roads and motorized trails solely for retrieving legally harvested elk and bear in game management units 21, 22, 23, 24A, 24B, and 37B. This decision results in approximately 1,905,300 acres where motorized retrieval is permitted. However, contrarily to ECO's request, motor vehicle use for big game retrieval of deer is prohibited.

- Motor vehicle use for gathering personal use fuelwood will continue to be permitted and will not be distance-limited if the user is within the designated fuelwood cutting permitted area and not causing resource damage. However, as part of the formal consultation process with the U.S. Fish and Wildlife Service in compliance with the Endangered Species Act, approximately 36,000 acres will not be designated for fuelwood gathering using a motor vehicle to minimize impacts to habitat for yellow-billed cuckoo, Chiricahua leopard frog, narrow-headed gartersnake, northern Mexican gartersnake, and hedgehog cactus.

During FY 2017, ECO conducted a vigorous objection campaign with Gila County, the Arizona Game & Fish Department, and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 and FY 2019 the Tonto NF conducted internal Forest Service work and analysis.

In FY 2020, on October 4, 2019, the Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicles use for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- Motor vehicles use off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate on the Tonto National Forest some of the overall restrictive nature of the national Travel Management Rule.

During FY 2021, ECO monitored the implementation of the Tonto TMR, including the production of maps and on-site signage, in order to ensure that the public is appropriately informed of areas open for motorized recreational activities.

Apache-Sitgreaves National Forests Travel Management Rule

In 2017, as a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a Cooperating Agency and a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- motorized dispersed camping within 300 feet of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.);
- motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above);
- motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements;
- continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas;
- retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e., entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy

guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

In FY 2020, on August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the Apache-Sitgreaves Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval, and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.
3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through 2021, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2021 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

ECO will continue to be engaged in the Apache-Sitgreaves NF TMR in FY 2022.

Arizona back country Off Highway Vehicles (OHV) connected trails system

In order to facilitate back country Off Highway Vehicles (OHV) recreation, ECO is pursuing the development of a long-term project and proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim and the establishment of connectivity corridors between OHV trails and services (gas, food and lodging).

The long-term project is progressing slowly, due to the constraints imposed by the Tonto National Forest Travel Management Rule, and the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was recently resolved through the Maverick Trail.

Rim Country Sustainable Recreation Trails Working Group

In February 2017, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders created the Rim Country Sustainable Recreation Trails Working Group.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, FY 2019 and FY 2020.

On September 23, 2021, Tonto National Forest officials, working with the Rim Country Trails Working Group, signed a decision memo for a plan that will reroute portions of the Highline National Recreation Trail along with portions of the Arizona National Scenic Trail and trails in the communities of Pine and Strawberry (Sunflower Passage 22, Strawberry Trail and Red Rock Spring Trail) to locations that will make them more sustainable and provide a higher quality, non-motorized trail experience for all user groups and future generations. Projects will be designed to prevent erosion, improve watershed health and water quality, increase user safety and reduce maintenance of these forest system trails.

Strategic Objectives Moving Forward

As a result of its engagement in recreation issues, ECO is committed to:

1) The retention of motorized travel and motorized recreation on public lands.

2) The implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations.

3) The development over the long-term of an Arizona back country OHV connected trails system along the Mogollon Rim.

4) The establishment of designated connectivity corridors between OHV trails and services (gas, food and lodging).

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Engage in all TMR related Federal agencies proposed actions and NEPA analyses within the ECO Counties;

- Develop relationship and collaborative work with the relevant OHV and motorized recreation non-governmental organization (NGO) stakeholders;
- Develop an executable project and establish a proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim;
- Develop an executable project for the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging);
- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 5: *Recreation.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 5 Recreation	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 5, *Recreation*, ECO seeks the following outcomes:

1) Retention of acceptable motorized dispersed camping; motorized big game retrieval; motorized collection of firewood; OHV recreation; etc. in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

2) Implementation of appropriate restrictions on indiscriminate cross-country travel in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

3) Implementation of the Tonto National Forest decision memo for a plan that to reroute portions of the Highline National Recreation Trail along with portions of the Arizona National Scenic Trail and trails in the communities of Pine and Strawberry.

Former ECO Director, and former Navajo County Supervisor, DFFM Director David Tenney using motorized big game retrieval after a successful elk hunt.

Former ECO Director, former Graham County Supervisor, and former State Representative Drew John snowmobiling with family in Arizona national forests.

ECO Chair, Navajo County Supervisor Jason Whiting and son Jason Crew taking Jason Crew‘s first elk in Arizona national forests.

Program 6: Energy

Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the potential conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

Background

Coal

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, The June 2014 - Clean Power Plan Proposed Rule (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

The Eastern Arizona Counties Organization (ECO) is uniquely affected by the proposed promulgation of the *Regional Haze Federal Implementation Plan* and the *June 2014 - Clean Power Plan Proposed Rule* in as much as the Cholla Power Plant in Joseph City, Navajo County; the Coronado Generating Station in St John, Apache County; the Springerville Generating Station in Springerville, Apache County; and, the Apache Generating Station in Cochise, Cochise County, are all located within the footprint of the ECO County Members. Further, since the Four Corners Generating Station in Fruitland (NM) burns coal from the Farmington Navajo mine, and the Navajo Generating Station in Page (AZ) burns coal from the Kayenta Peabody Western Coal mine, these two plants have a massive impact on the coal extraction economy in the Navajo Nation and Hopi Tribe, where these revenues represent approximately 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues. Considering that both Navajo Nation and Hopi Tribe are located in part in the two ECO County Members Navajo County and Apache County, the economic impact of tribal coal extraction has a critical effect on the ECO Counties economic prosperity.

Arizona coal-fired electricity generation

Six coal-fired power plants currently supply electricity to Arizona as of the end of FY 2021:

- Apache Generating Station in Cochise, burning coal for the El Segundo and Lee Ranch mines (NM):
  - Unit 1: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC);
  - Unit 2: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC).
- Cholla Power Plant in Joseph City, burning coal from the McKinley mine (NM):
  - Unit 1: 114 MW commissioned in 1962, owned by Arizona Public Service Company (APS);
  - Unit 2: 289 MW commissioned in 1978, owned by Arizona Public Service Company (APS);
  - Unit 3: 312 MW commissioned in 1980, owned by Arizona Public Service Company (APS);
  - Unit 4: 414 MW commissioned in 1981, owned by PacifiCorp (PAC).
- Coronado Generating Station in St John, burning coal from the McKinley mine (NM):
  - Unit 1: 411 MW commissioned in 1979, owned by Salt River Project (SRP);
  - Unit 2: 411 MW commissioned in 1980, owned by Salt River Project (SRP).
- Four Corners Generating Station in Fruitland (NM), burning coal from the Farmington Navajo mine:
  - Unit 1: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 2: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 3: 220 MW commissioned in 1964, owned by Arizona Public Service Company (APS);
  - Unit 4: 745 MW commissioned in 1969] owned by Southern California Edison (SCE) 48%, APS 15%
  - Unit 5: 745 MW commissioned in 1970] P.S.C. (NM) 13%, SRP 10%, TEP 7%, El Paso Electric 7%.
- H. Wilson Sundt Generating Station in Tucson, burning coal from the McKinley mine (NM):
  - Unit 1: 173 MW commissioned in 1967, owned by Tucson Electric Power Company (TEP).
- Springerville Generating Station; in Springerville, burning coal from El Segundo Mine (NM) and the Powder River Basin (WY):
  - Unit 1: 380 MW commissioned in 1985, owned by Tucson Electric Power Company (TEP);
  - Unit 2: 380 MW commissioned in 1990, owned by Tucson Electric Power Company (TEP);
  - Unit 3: 400 MW commissioned in 2006, owned by Tri-State Generation and Transmission;
  - Unit 4: 400 MW commissioned in 2009, owned by Salt River Project (SRP).

Regional Haze Implementation Plan

In 2011, the State of Arizona submitted a State Implementation Plan (SIP) for Regional Haze that recognized the significant investments Arizona utilities had already made to reduce NOx emissions. However, in December 2012, the EPA rejected Arizona's State Implementation Plan and put forward a Federal Implementation Plan (FIP) that required Arizona utilities to install selective catalytic reduction technology (SCR) on most of the state's coal-burning power plants. If fully implemented, the EPA Federal Implementation Plan would result in an improvement in visibility of less than one deciview, which is imperceptible to the naked eye, and cost Arizona utilities and their ratepayers more than $1 billion.

Coronado Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA was the most stringent NOx emissions rate ever proposed by the agency for a coal plant retrofit project. The lowering of the NOx emission limit to 0.050 lb./MMBtu on Unit 1, and 0.080 lb./MMBtu on Unit 2 of the Coronado Generating Station in St John, Apache County, as proposed in the FIP required the investment of an additional $110 million to install a second selective catalytic reduction (SCR) system on Unit 1, in addition to the $500 million invested to implement the 2008 Coronado Emission Control Project (CECP) recently completed with the installation of an SCR system on unit 2. The significantly more stringent emissions rate mandated for Unit 1 to ensure compliance with the plant-wide NOx emissions limit of 0.065 lb./MMBtu, mandated in the November 2012 final FIP for the Coronado Generating Station, gravely compromised the economic viability of the plant.

In March 2015, the EPA proposed a *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* to replace a plant-wide Best Available Retrofit Technology (BART) compliance method and emission limit for NOx on Units 1 and 2 at the Coronado Generating Station with a single-unit compliance method and emission limit on each of the two units, specifically 0.065 lb./MMBtu for Unit 1 and 0.080 lb./MMBtu for Unit 2. This was a critical step toward ensuring the economic viability of the plant, and the sustainability of the irreplaceable economic engine role that it plays in southern Apache County.

In May 2016 the EPA adopted the March 2015 Reconsideration of the Arizona Regional Haze Federal Implementation Report on the Coronado Generating Station, and the revision of the Air Quality Control Permit was initiated in August 2016.

Four Corners Generating Station Regional Haze Implementation Plan

On June 24, 2015, the U.S. Department of Justice and the EPA announced a federal Clean Air Act settlement with the owners of the Four Corners Generating Station to follow the EPA's 2012 Regional Haze Program's Best Available Retrofit Technology (BART) determination for the Four Corners Generating Station.

The BART determination required the installation of selective catalytic reduction systems for the control of nitrogen oxides (NOx) at Units 4 and 5, to meet a 0.098 pound/million BTU NOx emission rate, achieving an additional 887 tons per year (tpy) reduction in NOx. The settlement also required sulfur dioxide (SO2) emissions reductions by continuously operating already installed flue gas desulfurization equipment to meet a 95 percent removal efficiency and to convert existing ductwork and stack configurations to eliminate the bypass of stack gas around the equipment, resulting in SO2 emissions of approximately 4,653 tpy. The total settlement required an estimated $160 million in upgrades to the plant.

The settlement also required $6.7 million to be spent on three health and environmental mitigation projects for tribal members, and payment of a $1.5 million civil penalty. EPA stated that the actions required by the settlement will reduce harmful emissions by approximately 5,540 tons per year.

Cholla Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA for the Cholla Generating Station in Joseph City, Navajo County, required the investment of another $350 million to install SCR technology at Cholla, in addition to the $300 million invested to install scrubbers and baghouses between 2007 and 2010. The cost of complying with the EPA regional haze Federal Implementation Plan rendered Cholla uneconomical, making it likely that APS would permanently close its units at the Plant. After carefully weighing all options to comply with the EPA's Federal Implementation Plan, APS put forward an alternative method of compliance.

In June 2015, Arizona Public Service (APS) submitted to the Arizona Department of Environmental Quality a *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* for the Cholla Generation Station. The proposal includes an alternative that would close unit #2 in 2016 and eliminate the use of coal by 2025.

In July 2016 the EPA proposed the approval of Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399 for the Cholla Generation Station. Comments were due by September 2016.

Navajo Generating Station Regional Haze Implementation Plan

In February 2013, the Environmental Protection Agency (EPA) issued a proposed Best Available Retrofit Technology (BART) rule for the Navajo Generating Station (NGS) under the Regional Haze Rule of the Clean Air Act. The proposed rule included a proposed BART Determination and a proposed BART Alternative. The proposed BART Determination required operation of Selective Catalytic Reduction (SCR) at NGS by 2018 whereas the BART Alternative gave the NGS owners credit for early installation of low-NOx burners at NGS and required operation of SCR at NGS by 2021-2023. A final rule was promulgated by EPA on July 28, 2014, to establish a cap in NOx emissions from NGS over 2009 to 2044 and required the operator to implement one of several alternative operating scenarios to comply with the 2009-2044 NOx Cap.

Generally, the alternative operating scenarios required NGS to close one unit by 2019, or curtail electricity generation by a similar amount, and to meet a NOx emission limit that is achievable with the installation of selective catalytic reduction (SCR) on two units by 2030.

Apache Generating Station Regional Haze Implementation Plan

On February 27, 2015, the EPA approved a source-specific revision to the Arizona State Implementation Plan (SIP) that established an alternative to Best Available Retrofit Technology (BART) for Steam Units 2 and 3 (ST2 and 3) at the Apache Generating Station. Under the BART Alternative, ST2 will be converted from a primarily coal-fired unit to a unit that combusts pipeline-quality natural gas, while ST3 will remain as a coal-fired unit and would be retrofitted with selective non-catalytic reduction (SNCR) control technology. The SIP revision also revises the emission limit for nitrogen oxides (NOx) applicable to ST1, when it is operated in combined-cycle mode with Gas Turbine 1 (GT1). EPA determined that the BART Alternative for ST2 and ST3 would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act (CAA) and EPA's Regional Haze Rule (RHR). The action withdrew those portions of the Arizona Federal Implementation Plan (FIP) that addressed BART for the Apache Generating Station.

EPA June 2014 proposed Clean Power Plan rule

In June 2014 the Environmental Protection Agency (EPA) proposed new restrictions on power plants to reduce greenhouse gas emissions. The *June 2014 - Clean Power Plan Proposed Rule* proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. The implementation of the 30% national goal would be implemented through state-specific rate-based goals for carbon dioxide emissions from the power sector, as well as guidelines for states to follow in developing plans to achieve the state-specific goals. Consequently, goals varied from State to State.

The goal set by EPA for Arizona represented essentially a 50% decrease in emissions. Arizona currently generates 1,453 pounds of carbon-dioxide emissions for every megawatt-hour generated in the state,

which represents the electricity required to power 250 homes for one hour. The EPA June 2014 proposed rule aimed to reduce the amount to 702 pounds per megawatt-hour by 2030.

The new EPA June 2014 proposed rule would likely further compromise the economic viability of the coal-fired power plants and was likely intended to accelerate the shift away from coal-fired power plants to other types of energy sources, including natural gas-fired plants, which emit about half the amount of carbon produced by those that burn coal. The consequences for Arizona were expected to be significant.

The Final Rule was expected in FY 2016, but in February 2016 the Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

Navajo Generating Station Clean Power Plan

The Los Angeles Department of Water and Power, and Nevada Energy, owners of respectively 21.2% and 11.3%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, SRP proposed to close one of the three units because no other utility company is willing to purchase the coal-generated power.

The 33% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the two remaining units could comply with the new restrictions of the Clean Power Plan. Further it was likely economically unviable to attempt to run the plant at only 66% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Four Corners Generating Station Clean Power Plan

Southern California Edison (SCE), owners of 48%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, in December 2013, APS announced that it completed a transaction with SCE to purchase their ownership in Units 4 and 5, and that, owing to a lack of demand for coal-fired energy it would close permanently the plant older, less efficient Units 1, 2 and 3.

A 25% reduction in capacity and emissions was expected to facilitate bringing the plant to compliance with the new restrictions of the Clean Power Plan, although no technical feasibility evaluation had been published as of the beginning of FY 2018, and it was likely economically challenging to run the plant at 75% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Cholla Power Plant Clean Power Plan

Independently from the investments necessary to control nitrogen-oxide (NOx) emissions to implement the Regional Haze Plan (see Regional Haze Implementation Plan section above), in 2010, EPA notified APS that the Cholla No. 2 unit would need new pollution controls to limit mercury emissions.

When added to the investment required to limit NOx emissions that contribute to haze in Units 2, 3 and 4, it was calculated that the mercury pollution control investments required to meet the EPA mandate would compromise the economic viability of the plant. APS announced that it would be

considering the permanent closing of unit #2 in 2016 and the likely permanent closing of the entire plant by 2025.

A 20% to 25% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the remaining units could comply with the new restrictions of the Clean Power Plan.

Coronado Generating Station Clean Power Plan

In May 2014, SRP completed a $470 million upgrade of the plant Unit 1 emissions-controls. These improvements brought the plant in compliance with the August 2008 U.S. Department of Justice (DOJ) and EPA complaint.

However, EPA also requested that similar emission reduction equipment be added to the plant Unit 2 for compliance with the Regional Haze Plan (see Regional Haze Implementation Plan section above). SRP officials estimated that it would cost another $100 million.

It was unpublished as of the beginning of FY 2018 if the $470 million 2008-2014 campaign of emission reductions on Unit 1 and a potential $100 million campaign of emission reductions on Unit 2 would allow the plant to comply with the new restrictions of the Clean Power Plan.

Springerville Generating Station Clean Power Plan

Although the Springerville Generating Station (SGS) won the industry's Powder River Basin Coal Users' Group (PRBCUG) 2014 Plant of the Year award for industry best practices, continual improvements and worker safety, and is the latest, and possibly last, coal-fired power plant built in Arizona, representing a $1 billion investment in state-of-the-art 1990's and 2000's technologies, it is unpublished as of the beginning of FY 2018 if the plant would comply with the new restrictions of the Clean Power Plan.

Apache Generating Station Clean Power Plan

In 2017, Arizona Electric Power Cooperative (AEPCO), the owner of the Apache Generating Station installed new selective non-catalytic reduction (SNCR) technology on Steam Unit 3 (ST3) and converting ST2 from burning coal to burning pipeline natural gas in to comply with the Regional Haze Plan (see *Regional Haze Implementation Plan* section above).

We are upgrading our two steam units to comply with new environmental regulations. By year-end 2017, we will reduce emissions from Steam Unit 3 by installing new selective non-catalytic reduction (SNCR) technology. Steam Unit 2 will be converted from burning coal to pipeline natural gas. It is unpublished as of the beginning of FY 2018 if the modified plant would comply with the new restrictions of the Clean Power Plan.

Potential conversion to natural gas

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing and upcoming EPA

rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

There is only limited flexibility in meeting new stricter emission rules by shutting down individual units to decrease a plant overall emission volume. It inevitably becomes economically challenging to operate plants at a fraction of their nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

The economic engine role played by the thermal electricity industry is critical to the ECO rural eastern Arizona counties. For example, the Cholla Generating Station employs nearly 250 workers with an annual payroll of more than $29 million and is responsible for $30 million in economic activity each year through the purchase of products and services to support operations at the plant, while generating more than $15 million in state, local, and federal taxes each year, providing essential revenue for education, law enforcement, and public safety.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties; or, converted to another energy source, most likely natural gas.

Wind

Large areas of Class 3 wind resources exist in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville. The area is already serviced by high power 500 kilovolt (KV) lines.

Around 2003, rancher Bill Elkins began working with Northern Arizona University scientists to erect measurement towers on his land to measure wind speeds and study the local power grid to determine the feasibility of connecting a wind farm. His work resulted in the Dry Lake Wind Power Project.

The Dry Lake Wind Power Project phase 1 is located near Heber, and phase 2 is located near Show Low in Navajo County. The Dry Lake Wind Power Project is Arizona's first utility-scale wind farm. The project, situated on a combination of private, State and Bureau of Land Management public lands, was built by Iberdrola Renewables. Each of the two phases represent a $100 million investment and consist of 30 Suzlon S88 2.1 MW wind turbines, for a total nameplate capacity of 63 megawatts (MW). The two phases produce 127 MW of clean, renewable energy - enough electricity to power approximately 20,000 average homes. The Salt River Project (SRP) purchases 100% of the output.

Significant opportunities exist for other large-scale projects in Navajo County, and between St Johns and Springerville in Apache County.

Solar

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project 500 KV transmission lines' planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in these Counties.

Issues and Progress

ECO is fully conscious that the national clean power debate and the regional haze debate include National, Tribal, and State industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, Energy, and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

Five energy issues are of particular concerns to the ECO Counties:

1) The maximization of the operating life to at least 2025 / 2030 of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, and the retention of the economic engine role played by these plants in the local economies.

2) The under-utilization of the large areas of Class 3 wind resources in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville, despite the area being already serviced by high power 500 kilovolt (KV) lines.

3) The non-utilization of the important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

4) The potential conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units, is a strategic requirement to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

5) The potential generation of a total of up to 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of up to 60 MW by the creation of new capacity or the potential conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the potential implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments.

Regional Haze Implementation Plan at Coronado Generating Station

The March 2015 EPA-proposed *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* was approved by EPA in May 2016. On August 23, 2016, the Significant Permit Revision No. 63088 to Air Quality Control Permit No. 52639 for Salt River Project- Coronado Generating Station was initiated.

On April 27, 2017, the Environmental Protection Agency (EPA) proposed to approve a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station, owned and operated by the Salt River Project Agricultural Improvement and Power District. The EPA proposed to find that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this proposed approval, the EPA proposed to withdraw those portions of the federal implementation plan (FIP) that address BART for Coronado, and also proposed to codify the removal of those portions of the Arizona SIP that have either been superseded by previously approved revisions to the Arizona SIP or would be superseded by final approval of the SIP revision for Coronado.

During FY 2018, on November 9, 2017, the Environmental Protection Agency (EPA) approved a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station ("Coronado"), owned and operated by the Salt River Project Agricultural Improvement and Power District (SRP). The EPA determined that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, based on the criteria established in the EPA's Regional Haze Rule. In conjunction with this approval, EPA withdrew those portions of the federal implementation plan (FIP) that address BART for Coronado and codified the removal of those portions of the Arizona SIP that have either been superseded by this approval of the SIP revision for Coronado or by previously approved revisions to the Arizona SIP.

This decision effectively closed the file for the regional haze implementation plan at the Coronado Generating Station.

Regional Haze Implementation Plan at Cholla Generation Station

The June 2015, *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* received a Proposed Approval by EPA in July 2016.

On April 26, 2017, the Environmental Protection Agency (EPA) took final action to approve a source-specific revision to the Arizona state implementation plan that addresses the best available retrofit technology requirements for the Cholla Power Plant. The EPA found that the state implementation plan revision fulfills the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this final approval, the EPA took final action to withdraw the federal implementation plan provisions applicable to Cholla. This action also constituted EPA's action to address petitions for reconsideration granted by the EPA related to Cholla.

This decision effectively closed the file for the regional haze implementation plan at the Cholla Generation Station, and no further development took place in FY 2018.

Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expired in December 2019. On July 1, 2017, the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure would affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences were expected as the Navajo Generating Station and Kayenta Mine accounted for about 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners would stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018, and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners' understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones.

Fundamental economic challenges could not be resolved and on September 20, 2018, MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running. This decision would result in the closure of the NGS plant.
On November 18, 2019, Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

The loss of the Navajo Generating Station was a direct blow to the economy of the Navajo Nation, Hopi Tribe, ECO county member Navajo County and Coconino County.

Clean Power Plan

In February 2016, the US Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

On January 11, 2017 the Environmental Protection Agency denied most of the petitions for reconsideration, and all of the petitions for administrative stay the agency received on the Clean Power Plan, stating that since the February 2016 ruling, the EPA considered the variety of technical and legal issues that petitioners raised and determined that the petitions failed to satisfy one or both of the legal conditions necessary to grant reconsideration.

However, on March 28, 2017, the President of the United States signed an executive order mandating the EPA to review the plan and it is widely expected, following the President's announcement on June 1, 2017, of United States withdrawal from the Paris Agreement, that the Clean Power Plan will be eliminated.

During FY 2018, it was revealed on October 4, 2017, that the EPA under the Trump Administration was planning to end the Clean Power Plan, and on October 6, 2017, it was revealed that the President was considering alternatives to the plan through public discussion. EPA Administrator Scott Pruitt announced that the formal process to change EPA rules and repeal the plan would begin on October 10, 2017, and he signed a formal proposal that would lead to the repeal of the Clean Power Plan.

In FY 2019, on October 9, 2018, the US Supreme Court rejected any further court challenges to the Trump Administration's decision to repeal the Clean Power Plan.

This decision effectively closed the file for the Clean Power Plan.

Wind power production

Despite numerous wind research permits issued by Navajo and Apache counties over the last few years, there was no formal project to develop a utility-scale wind power farm project in Navajo or Apache County until FY 2020.

In FY 2020, Utah company S Power proposed the Chevelon Butte Wind Farm. The project is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would receive 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area at the Dry Lake Wind Farm.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was unanimously approved by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019, and by the Arizona Corporation Commission on October 22, 2019.

On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019, the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

Solar power production

Currently, the development of solar power farm projects in Graham, Greenlee or Cochise County appears to be pending on the Sun Zia line completion now expected in 2026.

Potential conversion of a unit at the Cholla power plant to burn biomass

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019, to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Retention of the thermal electricity industry in the ECO Counties

The dialog with the utilities operators on the potential conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties is on-going. However, the cost of potential conversion of end-of-life coal power plants to gas and the cost of construction of the necessary pipelines make the issue extremely difficult.

The securing of the Cholla and Coronado generating stations' future achieved by ECO and its partners during FY 2019 in Program 6, Energy was a success, but a significant setback was also suffered with the upcoming closure of the Navajo Generating Station, and much remains to be done in FY 2022 and beyond, to ensure the maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030.

ECO remains committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW "carve out" for 20 years through either the construction of a new facility, or the potential conversion of one unit at the Cholla power plant, as appropriate based on the outcome of the 4FRI RFP.

Strategic Objectives Moving Forward

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, a significant setback was also suffered with the upcoming closure of the Navajo Generating Station.

ECO is committed to:

1) The continuation of operations at the Cholla, Coronado, Springerville and Apache generating stations until the end of their operational life in 2025 / 2030.

2) The development and implementation of renewable energy production facilities in the ECO Counties.

3) The monitoring of potential new developments on the *Regional Haze Implementation P*lan and *Clean Power Plan*.

4) Continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties and the potential conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units;

5) The potential conversion to biomass of one unit at the Cholla power plant, as appropriate based on the progress of the implementation of 4FRI.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;

- Support the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) and the Arizona Department of Environmental Quality (ADEQ) in their work on the *Regional Haze Implementation Plan*, and *Clean Power Plan*;
- Engage with utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) to continue the dialog on the potential conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties;
- Engage with wind and solar industry investors to support and contribute to the development of utility-scale wind power farms in Navajo and Apache County, and solar power farms in Graham, Greenlee and Cochise County;
- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 6: *Energy.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 6 Energy	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 6, *Energy*, ECO seeks the following outcomes:

1) Maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030:

2) Continuation of the existing 30 MW biopower capacity at Novo Biopower, and potential addition of new capacity on the “West Side” or potential conversion to biomass of one unit at the Cholla Power Plant), in order to dispose of the approximately 1 to 1.5 million green tons of biomass

annually produced by the implementation of 4FRI forest and watershed restoration mechanical thinning treatments.

3) Development of at least one solar power farm project in Graham, Greenlee or Cochise County.

4) Construction of the Chevelon Butte Wind Farm.

5) Continuation of the dialog with utilities operators on the potential conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties.

6) Monitoring of potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan*.

Navajo County Supervisors (from left) Jonathan Nez, David Tenney, Dawnafe Whitesinger and Sylvia Allen are joined by Rep. Ann Kirkpatrick (second from left) for the May 28, 2013, ribbon cutting of the Navajo County solar array, visible in the background.

Cholla Generating Station in Joseph City, Navajo County.

Dry Lake Wind Power Project in Navajo County. Arizona's first utility-scale wind farm.

Program 7: Natural Resources Planning

Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

Background

Coordination with Federal agencies

The statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process were meant by Congress to imply more than a perfunctory review process resulting in a "check mark in the coordination box." The Federal statutes and regulations imply a meaningful and proactive resolution effort by the Federal agencies to reduce and resolve potential planning conflicts, during the NEPA process, between the action proposed by a Federal agency and the objectives expressed in local governments' plans and policies; such as, but not limited to, those relevant to forested ecosystems restoration and catastrophic wildfire prevention; watershed restoration; rangelands resources management; or, natural resources-based recreation management and public lands access objectives.

Under A.R.S. § 11-804.A the Arizona Counties are required to develop a Comprehensive Plan (CP) "so as to conserve the natural resources of the County." In addition to being responsible for the health of the natural resources they depend on, Arizona Counties also have a statutory responsibility under A.R.S. § 11-251 to ensure the socioeconomic well-being of their residents and to protect their tax base. Further, subsequent to Senate Bill 1398 (2010) – *Local Coordination*, the Counties have the statutory obligation under A.R.S. § 11-269.09 to engage in coordination with Federal agencies to resolve inconsistencies with existing local plans and laws whenever a new Federal regulation or proposed action is inconsistent with a less restrictive local law, plan or policy.

In order to meet their statutory responsibility to protect their tax base; ensure the socioeconomic well-being of their residents; ensure the health of the natural resources they depend on; coordinate with Federal agencies; and, request resolution of inconsistencies between local plans and proposed Federal actions, Arizona Counties are likely to benefit from developing Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the national forests or public lands within the County, and all natural resources within the County that are not tied to land ownership but still managed by Federal agencies (e.g. endangered or threatened species), so that Federal agencies know what the County's vision and laws are when they engage in Federal planning, and so that they can ensure to the greatest possible extent consistency between Federal and County planning.

Arizona FY 2014 Natural Resources Study Grant

Under the leadership of the late Senator Chester Crandell, the Arizona FY 2014 budget included a supplemental appropriation for a "county resource management plans; economic and resource values study" defined as follows:

> "As session law, appropriate $100,000 from the state general fund to the Arizona State Forester in fiscal year 2013 - 2014 for a study that examines the resource management plans of counties selected by the Arizona Natural Resources Review Council. The study will identify whether those plans include specific desired outcomes of the county regarding the management of animal species deemed threatened or endangered by a federal agency, travel management rules and regulations of a federal agency, and forest health, including desired tree densities and management strategies to reduce the risk of wildfire utilizing private industry. Among eligible counties, a multi-county collaboration may apply for a grant to perform the study. Applications for funds must include a detailed scope of work and have identified qualified vendors to perform the study. Approval of a grant shall be determined by the Arizona Natural Resources Review Council. The scope of the study may be adjusted according to available resources and the study's projected cost."

ECO competed for and was awarded the completion of the *Arizona FY 2014 Natural Resources Study.* In addition to the original planning gap analysis envisioned by the Legislature, at the request of the Arizona Natural Resources Review Council (NRRC), and building on the ECO match funding, the scope of the study was extended to include a comprehensive research of the Federal legal framework; the role of local governments within this framework; the available local governments engagement mechanisms; and, the Arizona Counties natural resources planning authority.

ECO completed the study and filed the report *Arizona Rim Counties Natural Resources Management Gap Analysis* with the NRRC on June 30, 2014.

During FY 2015, the Arizona Natural Resources Review Council requested from ECO the development of a comprehensive set of implementation tools to increase the efficiency and effectiveness of the Arizona Counties' involvement in the Federal process of public lands and natural resources management planning. Further building on the ECO match funding, the scope of the study was again extended, to include the design of a comprehensive set of implementation tools, including:

1. County Natural Resources Management Planning Practitioner's Guide;
2. County Natural Resources Management Planning Flowchart;
3. County Natural Resources Management Plan Blueprint;
4. Natural Resource Management Template;
5. County Natural Resources Management Plan Checklist.

Issues and Progress

Although authorized, specific natural resources management planning is not required under the Arizona Counties' mandated Comprehensive Plan. The only requirement is that "the comprehensive plan shall be developed so as to conserve the natural resources of the County" (A.R.S. § 11-804.A).

Consequently:

1) Substantial gaps exist in the natural resources management plans of the ECO Counties. Some Counties have developed a Land Use Resources Plan (LURP); some have not. Some Counties have developed elaborated resources-specific management plans, policies and/or objectives; some have not.

2) ECO Counties' staffs may not have experience or expertise with the NEPA process and may not avail themselves of the coordination and cooperation opportunities provided by law.

3) ECO Counties' plans may not include specific natural resources management objectives, plans or policies, hence may not allow for a formal planning conflicts resolution and/or inconsistencies resolution process.

4) ECO Counties may lack the resources to develop comprehensive Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the County.

In order to support the meaningful implementation of the statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process, ECO

1. conducts annually an Arizona Legislature Field Trip to inform Representatives and Senators of current issues;
2. engages in all relevant Federal agencies public land management actions;
3. stands as a resource to its County Members on all issues of natural resources management and planning.

ECO 2015 Legislative Field Trip

The ECO 2015 (FY 2016) Legislative Field Trip took place on May 13, 14, 15 and 16, in Apache, Navajo and Gila counties. Over 40 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:

- C.C. Cragin Watershed Protection Project;
- 4FRI planning & implementation;
- Bridge the Gap program;
- ECO/USFS Burro Stewardship Agreement;
- Black River watershed stewardship project;
- wood industry development and support;
- ECO/ADOT Healthy Forest Initiative Pilot Project;
- public lands natural resources planning collaboration, cooperation and coordination.

ECO 2016 Legislative Field Trip

The ECO 2016 (FY 2017) Legislative Field Trip took place on May 11, 12 and 13, in Gila County, Graham County and Greenlee counties. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:

- mining;
- irrigated agriculture;
- Gila River health;
- watershed restoration;
- regulatory impacts on resources management and natural resources industries;
- balancing the environmental, social and economic impacts of natural resources industries;
- overall impacts of regulatory requirements on the custom, culture and economic well-being of the rural Eastern Arizona Counties.

ECO 2017 Legislative Field Trip

The ECO 2017 (FY 2018) Legislative Field Trip took place on October 5, 6 and 7, in Gila County and Navajo County. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

ECO and the US Forest Service coordinated activities so that the Forest Service national review team for the Collaborative Forest Landscape Restoration Program (CFLRP) joined the Arizona Legislators for a working lunch designed to allow the Legislators to share directly their experience, expertise, feedback and suggestions with the Washington DC-based Forest Service CFLRP team. Over 100 people attended the lunch.

The field trip had a specific in-depth focus on:
- CC Cragin Watershed Protection Project;
- breaking the biomass bottleneck for forest, watershed and grassland restoration;
- drone and tablet digital technologies as enablers of landscape scale restoration;
- conversion of the Healthy Forest Initiative Pilot Project into a permanent program;
- 4FRI planning and contracting.

ECO 2018 New Legislator Seminar

In 2018 (FY 2019), ECO decided to not conduct a field trip after the Arizona legislative session in order to not conflict with the electoral campaign of the November 2018 elections, but to instead organize and host a New Legislators seminar after the elections, on December 12, 2018.

The purpose this work sessions was to educate new legislators on the issues of natural resources planning and public lands management. During this seminar:
- Supervisor Jason Whiting, Chair of ECO presented on ECO, rural counties, “fire & water,” the ECO partnerships and why they have mattered.
- Brad Worsley, President, Novo BioPower presented on forest industry perspectives.
- Clayton Crowder, Chief, Habitat, Evaluation & Lands Branch, AZ Game & Fish presented on wildlife perspectives.
- Jesse Gutierrez, Deputy State Engineer, ADOT presented on transportation perspectives.
- David Tenney, Director, RUCO, DFFM presented on energy, fire management, forestry, and forest & watershed restoration perspectives.
- Ethan Aumack, Executive Director, Grand Canyon trust presented on conservation perspectives.
- Richard Bark, Director, Freeport Mc MoRan presented on mining perspectives.
- Craig Sullivan, Executive Director, Counties Supervisors Association presented on local government perspectives.

- Gila County Supervisor Tommie Martin presented on land management and natural resources planning perspectives.
- Graham County Supervisor Paul David presented on infrastructures, Gila River and post-fire floods perspectives.
- Greenlee County Supervisor Richard Lunt presented on Travel Management Rule, recreation, ranching, and mining perspectives.
- Speaker Rusty Bower presented on the Arizona House of Representatives perspectives.
- President Karen Fann presented on the Arizona Senate perspectives.

ECO 2019 Legislative Field Trip

The 2019 (FY 2020) ECO Legislative Field Trip was organized for October 2 & 3, 2019 in Cochise County with a focus on:

- economic development (vineyards and dairy);
- border issues;
- water conservation and recharge in the San Pedro system.

However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019, took precedence, and the fieldtrip had to be postponed until the Fall of 2020.

ECO 2020 and 2021 Legislative Field Trip

The 2021 and 2021 ECO Legislative Fieldtrip could not be conducted due to the COVID-19 pandemic.

The next ECO fieldtrip is expected to take place in the Fall of 2022.

Western Interstate Region Board of Directors

On October 12, 2018, ECO was invited to present to the Western Interstate Region Board of Directors on forest and watershed restoration. Eco's presentations focused on landscape scale restoration and its bottlenecks:

- Landscape scale NEPA;
- Biomass removal and utilization;
- Landscape scale acres preparation;
- Landscape scale implementation;
- Lessons learned from the 4FRI Phase 1 contract

ECO Counties comprehensive Natural Resources Management Plans (NRMPs)

In FY 2015, as an outcome of the ECO *Arizona Rim Counties Natural Resources Management Gap Analysis,* ECO developed a framework for ECO Counties comprehensive Natural Resources Management Plans (NRMPs) as follows:

1. *Catastrophic Wildfire Prevention Objectives* addressing issues such as, but not limited to, protection of Counties' residents and visitors; protection of collective and individual real properties; protection of transportation, energy and water collection and distribution infrastructures.

2. *Forested Ecosystems Restoration and Management Objectives* addressing issues such as, but not limited to ecological restoration of forested ecosystems; local scale restoration projects; landscape-scale restoration projects; social license required for the non-conflictual and non-litigious implementation of restoration efforts; industry development required to implement and fund restoration efforts through economically viable utilization of the wood products; and, long-term guarantees of wood supply necessary to attract private investments in a small diameter utilization infrastructure in northeastern Arizona.

3. *Watershed Restoration and Management Objectives* addressing issues such as, but not limited to, ecological restoration of watersheds; protection and development of water collection and distribution infrastructures; monetization of watershed ecosystem services; downstream consumption contribution to upstream production investments and maintenance; and, interactions between watershed functions and multiple use functions.

4. *Rangelands Resources Management Objectives* addressing issues such as, but not limited to, grazing availability, suitability, sustainability; ecological, economic and social carrying capacity; access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

5. *Endangered and Threatened Animal and Vegetal Species Management Objectives* addressing issues such as, but not limited to, non-native animal and vegetal species; introduced species; reintroduced species; recovered species; potential negative ecological, economic and social impacts; potential conflict with Counties safety, customs, culture and economic well-being concerns.

6. *Special Management Areas Designation Objectives* addressing issues such as, but not limited to, the nomination, designation, and management of inventoried roadless areas (which are technically not management areas per se but are an administrative designation); wilderness areas, primitive areas, research natural areas, wildlife quiet areas; wild and scenic rivers; effects on socioeconomic resources; and, impacts on the other County objectives.

7. *Forest Products Resources Management Objectives* addressing issues such as, but not limited to, logging availability, suitability, sustainability, productivity, access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

8. *Mineral and Energy Resources Management Objectives* addressing issues such as, but not limited to, the availability, suitability, sustainability, productivity, access, and contribution to rural economic development of solid, liquid or gaseous mineral resources, and solar, wind, hydropower, geothermal and other natural renewable energy resources.

9. *Natural Resources-Based Recreation Management Objectives* addressing issues such as, but not limited to, motorized access; motorized travel; motorized big game retrieval; motorized dispersed camping; motorized gathering of firewood; motorized access to dispersed fishing; motorized recreation opportunities; inventoried roadless areas; wilderness area designation; motorized access to grazing and logging opportunities; contribution of motorized access, recreation and travel to rural economic development; and, contribution to ECO Counties Western custom and culture.

In FY 2016 the ECO Board agreed that the development by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs) is a decision to be made individually by each ECO county member.

Tonto National Forest Land Management Plan Revision

On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

On March 11, 2020, ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:

1. identifying issues with:
    a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
    b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant.

Strategic Objectives Moving Forward

ECO is committed to:

1) Organize annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Participate in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), as requested by individual County Members.

3) Participate in the natural resources planning of all public lands in the ECO footprint.
4) Operate as a technical resource to the Arizona Legislature on issues of Natural Resources Planning.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue its engagement with the Federal, State and legal partners who contributed to the completion of the Arizona FY 2014 Natural Resources Study;
- Continue its engagement with the ECO Counties staff who contributed to the completion of the Arizona FY 2014 Natural Resources Study;
- Provide technical expertise and support to the ECO Counties for the development and implementation of comprehensive Natural Resources Management Plans (NRMPs);
- Explore funding options with the Arizona Legislature to allow resources-strapped rural counties to develop Natural Resources Management Plans (NRMPs).

Allocated Resources

ECO plans to expend 10% of its resources on Program 7: *Natural Resources Planning.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 7 - Natural Resources Planning	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 7: *Natural Resources Planning*, ECO seeks the following outcomes:

1) Organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Participation in the natural resources planning of all public lands in the ECO footprint.

ECO 2015 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2016 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2017 Natural Resources Planning field trip for the Arizona Legislature.

Program 8: Public Lands

Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

Background

The continued expansion of Federal public lands use restrictions, and the continued uncertainty of Federal funding of the Secure Rural Schools and Community Self-Determination Act (SRS) and the Payments in Lieu of Taxes (PILT) pursuant to Chapter 69, Title 31 of the United States Code, evidence the growing need for an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

During FY 2015, members of the Arizona Legislature asked ECO to conduct a comprehensive analysis of all public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The purpose of the report was to produce an objective analysis of the various initiatives and outcomes in the issue of public lands transfer, as well as providing an objective identification of the socio-economic issues to be addressed.

On September 24, 2014, ECO released a comprehensive analysis of all the public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The *ECO Special Report to the Board of Directors, Public Lands Transfer Studies - Recommendations for an Arizona Study* has been widely distributed and is widely acknowledged as providing an objective analysis of the various efforts and outcomes in the issue of public lands transfer, as well as providing an objective identification of the economic issues to be addressed. It is expected that the ECO analysis will contribute to inform the Arizona Legislature's action on the issue.

During FY 2015, legislators further asked ECO to fund the inclusion of the State of Arizona in a study comparing the total management costs and revenues for BLM and USFS lands with those of state-owned lands. The purpose of this study was to provide hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

In March 2015, The Property and Environment Research Center (PERC) released the study *Divided Lands – State vs. Federal Management in the West* funded by ECO for the inclusion of the State of Arizona in the multiple-funders, multiple-states study. The study confirmed that "the federal government loses money managing valuable natural resources on federal lands, while states generate significant financial returns from state trust lands" (p. 4). This investment provided hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

Issues and Progress

Due to the presence of numerous US National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases, and Indian Reservations, the Counties of ECO face unique land use issues. An overwhelming majority of the ECO Counties' land is controlled by Federal agencies:

	USFS	BLM	NPS	DOD	Tribal	Total Federal	State	Not Taxable	Private	Population
Apache	9%	2%	0%	0%	67%	78%	9%	87%	13%	73,195
Cochise	12%	10%	0.5%	2.5%	0%	25%	35%	60%	40%	125,770
Gila	55%	2%	0%	0%	38%	95%	1%	96%	4%	53,144
Graham	13%	25%	0%	0%	36%	74%	16%	90%	10%	37,416
Greenlee	64%	14%	0%	0%	0%	78%	15%	93%	7%	8,802
Navajo	8%	1%	0%	0%	67%	76%	6%	82%	18%	107,094

This situation creates unique challenges for the ECO Counties, including:

1) Limited economic development abilities (mining, grazing, logging, energy, etc.) due to Federal control of the land.

2) Disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction.

3) Disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS).

4) Disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plans.

5) Disproportionate impact of special management area designations by Federal agencies.

6) Disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

A rational dialog is required to address the failure of the current public lands management model to fund necessary State services such as education, health and social services. Mutually acceptable and ecologically, economically and socially sustainable solutions must be developed and implemented.

In order to support the meaningful implementation of the statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands management planning process, ECO engages in all relevant Federal agencies public land management actions, and ECO functions as a resource to Arizona Legislators on public land management issues.

Grand Canyon

Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360) during the 115th Congress in FY 2018.

ECO filed comments, emphasizing its concerns on:

- preponderance of lands under Federal control;
- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the *Grand Canyon Centennial Protection Act* (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019, and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020).

The bill was not re-introduced in the 117th Congress (2020-2021) but on February 15, 2021, Congressman Raúl Grijalva (AZ-03) introduced H.R.1052 - 117th Congress (2021-2022), the *Grand Canyon Protection Act*, in the U.S. House. This bill withdraws 1,006,545 acres of federal lands in Arizona, including any land or interest in land acquired by the United States after enactment of this bill, from entry, appropriation, and disposal under the public land laws; any location, entry, and patent under the mining laws; and any operation of the mineral leasing and geothermal leasing laws and mineral materials laws.

In essence, this bill validates the ECO 2017 analysis that the January 2017 *Greater Grand Canyon Heritage National Monument Act* (H.R.360) was a proxy for a permanent uranium mining ban around the Grand Canyon.

On February 26, 2021, the *Grand Canyon Protection Act* passed in the U.S. House of Representatives, as part of a package of public lands bills put forward by Congressman Grijalva and other members of Congress.

In parallel, on February 23, 2021, Arizona Senators Kyrsten Sinema and Mark Kelly introduced S.387 — 117th Congress (2021-2022), the *Grand Canyon Protection Act*, to strengthen the state's economy by protecting the Grand Canyon and Arizona's outdoor heritage.

The bill was read twice and referred to the Committee on Energy and Natural Resources.

As of December 31, 2021, the Senate bill had not been put to a vote.

Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona

Following the introduction of Arizona House Bill 2176 Federal Land Relinquishment on January 22, 2015 and House Bill 2318 Transfer of Public Lands Compact on January 22, 2015, both passed but vetoed by Governor Ducey on April 13, 2015; and of House Bill 2658 Transfer of Federal Lands Study Committee, introduced on February 11, 2015, passed, and signed into law by Governor Ducey on April 9, 2015, ECO counties provided testimony to the Study Committee, and the written information requested by the Study Committee during FY 2016.

On January 25, 2018, Representative Mark Finchem and 30 Arizona Representatives proposed House Bill 2210 Public lands; ownership; control; litigation "directing the attorney general to commence an action to attempt to gain ownership or control of the public lands within this state." The measure would mandate legal analysis of a case Utah has prepared to challenge for public lands in that state. If the attorney general determined the case has merit, the bill would authorize Arizona to join the lawsuit expected in the fall of 2018. The bill passed the House Land, Agriculture and Rural Affairs Committee Action but did not continue to the floor.

During FY 2019, Representative Mark Finchem introduced HB 2557 public lands; federal government; study and HB 2056 federal land; management department; committee proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2020, efforts continued at the Arizona Legislature to develop and implement an ecologically, economically and socially sustainable model for the management of public lands in Arizona under the authority of the State.

During FY 2021, Representative Mark Finchem introduced HB 2702 federal government; land acquisition; consent proposing to require consent of the Governor and State Legislature before any Arizona lands transfer to a federal agency, if the transfer negatively affects state or local property tax rolls.

U.S. Forest Service National Environmental Policy Act Compliance Rule

On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019, ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

On October 7, 2021, the Council on Environmental Quality (CEQ) proposed to modify certain aspects of its regulations for implementing the procedural provisions of the National Environmental Policy Act (NEPA) to address the purpose and need of a proposed action; agency NEPA procedures for implementing CEQ's NEPA regulations; and the definition of "effects."

Strategic Objectives Moving Forward

ECO is committed to participate in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:

1) The mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona.

2) The development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services.

3) The mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.

4) Operate as a technical resource to the Arizona Legislature on issues of Public Lands.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;

- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of the management of public lands in Arizona;

Allocated Resources

ECO plans to expend 5% of its resources on Program 8: *Public Lands.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 8 Public Lands	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

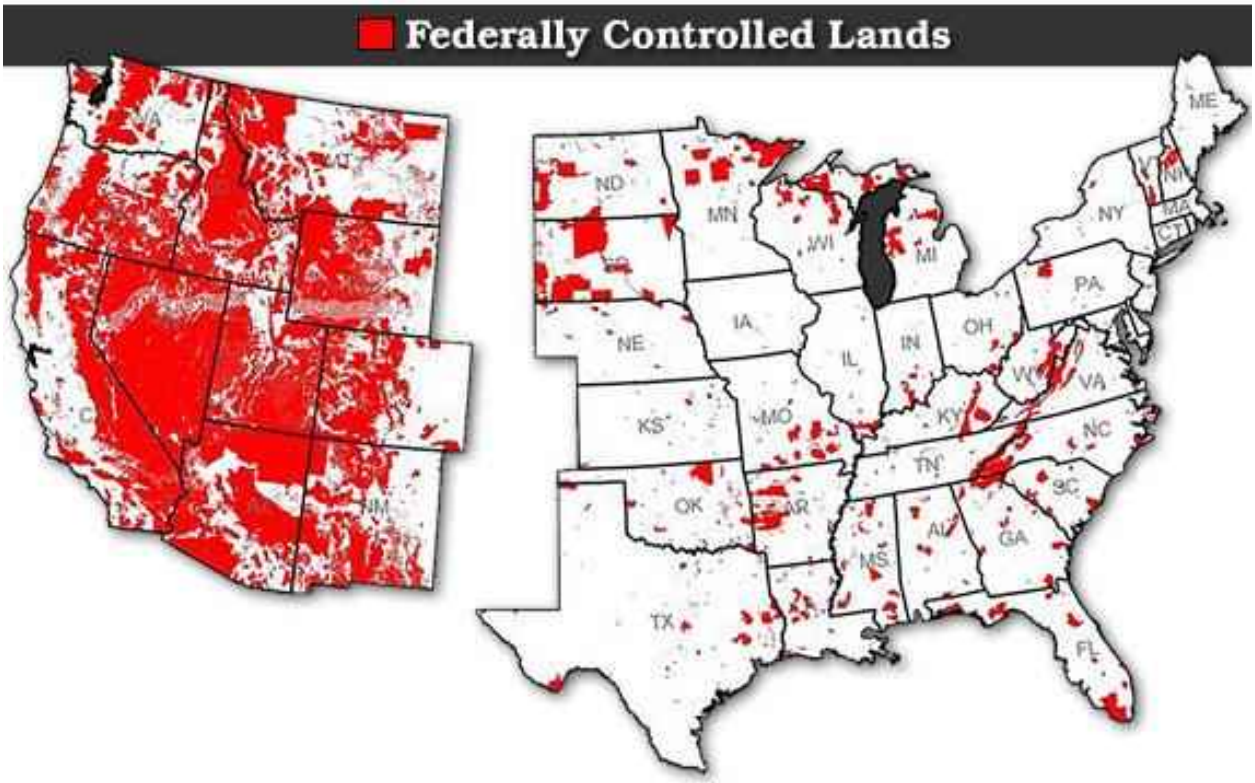
As a result of its engagement in Program 8: *Public Lands*, ECO seeks the following outcomes:

1) Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:

    a. the mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona;

    b. the development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services;

    c. the mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.



Due to the presence of numerous US National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases, and Indian Reservations, Western States face unique land use issues, including limited economic development abilities (mining, grazing, logging, energy, etc.); disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction; disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS); disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plan; disproportionate impact of special management area designations by Federal agencies; and disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

Program 9: Water

Program 9, *Water,* includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures such as the conversion from urban watered landscapes to dry desert landscapes and the conversion from agriculture flood irrigation to high efficiency irrigation techniques such as drip irrigation; the implementation of across the board augmentation measures such as the desalination of brackish water or deep aquifer water and the restoration of watersheds; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

Background

While Arizona is one of the fastest-growing states in the nation and is expected to continue to grow from over 6 million people in 2010 to 9.5 million people by 2025, the State is also one of the driest in the nation, receiving a statewide average of only 12.5 inches of rain per year. Meanwhile, rural and urban lives, as well as all economic activities such as agriculture, mining, industry, etc., rely on a dependable water supply.

According to the Arizona Department of Water Resources (ADWR) data from 2001–2005, Arizona uses over 7 million acre-feet of water annually, or 2.3 trillion gallons (1 acre-foot = 325,851 gallons). To sustain its economic growth, Arizona is confronted with meeting the challenge of balancing a decreasing resource with growing needs.

Water Sources

Arizona water is provided by three major sources: surface water, ground water and the Colorado River; plus, the reutilization of wastewater effluents.

Surface water

Surface water, including sub-flow, is mainly provided by the Gila River system. The Gila River system includes the Gila River and its main tributaries, the Salt River – itself augmented by its main tributary the Verde River; the San Francisco River - itself augmented by its main tributary the Blue River; the San Pedro River; and the Agua Fria River. The Gila River system is augmented by the land-locked Santa Cruz River in the south, the intermittent Little Colorado River in the north, and numerous ephemeral washes.

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs.

Ground water

Ground water is provided by aquifers, including the Colorado Plateau aquifers and a number of small local range and basin aquifers. Only the north-east corner of Arizona (Coconino, Navajo and Apache Counties) can rely on the continental Colorado Basin Aquifer.

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs.

Colorado River

According to a recent study, 16 million jobs and $1.4 trillion in annual economic activity across the West depend on the Colorado River. Through the Central Arizona Project (CAP), a 336-mile long system of canals, aqueducts, tunnels, pumping plants and pipelines, and the longest and costliest aqueduct in American history, from Lake Havasu near Parker to the San Xavier Indian Reservation southwest of Tucson, 1.5 million acre-feet of water from the Colorado River are distributed every year to the more than 5 million people, or more than 80% of the state's population, who live in Maricopa, Pima and Pinal counties in Central and Southern Arizona. The Central Arizona Project is Arizona's single largest resource for renewable water supplies. According to a study by the ASU W.P. Carey School of Business, over its 30 years of existence from the 1980's through 2010, CAP has generated in excess of $1 trillion of Arizona's gross state product (GSP), a nearly 20-fold increase in the state's economy over the last 50 years. However, and most importantly, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree to be the first State in line for rationing, should a water shortage occur in the Colorado River system.

In addition to providing water to the CAP, the Colorado River also provides water to the western third of the state, in Mohave, La Paz, and Yuma Counties.

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs.

Effluent

Reclaimed wastewater is treated locally to a sub-potable quality level, and is used for agriculture irrigation, golf courses and parks watering, industrial cooling, and the maintenance of wildlife areas.

Through reutilization, wastewater effluents contribute 140,000 acre-feet annually, about 2% of the Arizona water needs.

Water Uses

Arizona consumes water for three primary cultural purposes: agriculture, industry and municipalities uses, and one ecological purpose: in-stream uses for the support of aquatic and riparian ecosystems.

Agriculture

Agricultural irrigation of water-intensive crops such as cotton, almonds, alfalfa, rice, etc., is by far the largest consumer of water in Arizona, even though agricultural use has been reduced over the last few decades due to increased urbanization and investments in irrigation conservation measures.

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Industry

Despite a critically important mining sector (Arizona supplies over 60% of the nation's copper), and an important, and water-intensive, power generation sector (the thermal production of one kilowatt hour of electricity requires typically 25 gallons of water), Arizona industry is by far the smallest consumer of water in Arizona.

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Municipalities

Municipalities, especially in Maricopa, Pima and Pinal counties in Central and Southern Arizona, where more than 80% of the state's population lives in a desert environment, are the second largest consumers of water in Arizona, much of it being used to irrigate landscapes.

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Water Planning

Of the seven Planning Areas of the Arizona Department of Water Resources (ADWR), three are located in the six ECO Counties footprint:

1) Eastern Plateau

   The Eastern Plateau Planning Area includes one groundwater basin, the Little Colorado River Plateau Basin, and one river system, the Little Colorado River.

   The Little Colorado River is not a perennial river proper. Only the headwaters and the lowermost section flow year-round. Between St. Johns and Cameron, most of the river is a wide dry wash, with flowing water occurring only after snowmelt or seasonal 'monsoon' summer rains. The lower 40 miles of the Little Colorado forms one of the largest arms of the Grand Canyon, over 3,000 feet deep where the Little Colorado joins the Colorado near Desert View in the Grand Canyon National Park.

   The Eastern Plateau Planning Area covers portion of three counties, two of which are ECO Counties, including 90% of Apache County and 89% of Navajo County. The planning area also includes 41% of Coconino County. All or parts of the Hopi, Navajo, and Zuni reservations are located within the planning area.

   Population centers include Flagstaff, Show Low/Pinetop/Lakeside, Winslow and Holbrook; and Page, Tuba City, Window Rock, Chinle and Kayenta on the Navajo Reservation. The 2000 Census planning area population reached almost 250,000.

   Per the ADWR Water Atlas, an average of about 170,500 acre-feet of water per year was used annually during the period 2001-2005 in the planning area for agricultural, municipal and industrial uses (cultural water demand). The water supplies utilized to meet these demands include primarily groundwater (104,800 acre-feet), surface water from the Colorado River and other streams (50,800 acre-feet) and effluent (14,900 acre-feet).

   The planning area has a large industrial water use sector due to the presence of several thermal power generating stations and large coal mining operations. Industrial water use is the principal use, currently about 83,100 acre-feet, approximately 49% of the total use.

   The Joseph City Irrigation Non-expansion Area (INA) was designated west of Holbrook in Apache County due to insufficient groundwater to provide a reasonably safe supply for irrigation. Municipal sector average annual demand is approximately 45,000 acre-feet. Agricultural demand is relatively low by Arizona standards with an estimated annual demand of 42,400 acre-feet.

2) Central Highlands

The Central Highlands Planning Area includes five groundwater basins, two of which are located in the ECO footprint: Tonto Creek in Gila County, and Salt River in Navajo, Gila, Apache, Greenlee and Graham Counties. The Planning Area includes two main river systems, the Salt River and its main tributary, the Verde River.

The Central Highlands Planning Area covers portion of nine counties, five of which are ECO Counties, including approximately 80% of Gila County, and small portions of Navajo, Apache, Graham and Greenlee Counties. The planning area also includes portions of neighboring counties: Yavapai (approximately 80%), and small areas of Coconino, Maricopa and Pinal Counties. The Fort Apache (White Mountain Apache Tribe), San Carlos Apache, Tonto-Apache, and Yavapai-Apache Indian Reservations are located within the planning area.

The 2000 Census planning area population was approximately 143,000. Basin population ranged from about 7,500 in the Tonto Creek Basin to over 88,000 in the Verde River Basin. Payson is the largest metropolitan area with about 13,600 residents in 2000. Other population centers include Camp Verde, Cottonwood/Verde Village/Clarkdale, Globe/Miami and Sedona.

Per the ADWR Water Atlas, an average of about 83,200 acre-feet of water was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 63% was groundwater, 36% was surface water and 1% was effluent. The agricultural sector had the largest use with approximately 37,500 acre-feet, approximately 45% of the total use. Demand from the municipal sector averaged about 27,400 acre-feet and industrial demand averaged about 18,300 acre-feet.

3) Southeastern Arizona:

The Southeastern Arizona Planning Area includes 14 groundwater basins, nine of which are located in the ECO Counties footprint: Morenci and Duncan Valley in Greenlee County; Bonita Creek, Safford and Aravaipa Canyon in Graham County; and, Wilcox, Douglas, Upper San Pedro and San Bernardino Valley in Cochise County. The Planning Area includes three main river systems, the Gila River mainly in Graham County, and two of its main three tributaries, the San Francisco River in Greenlee County, and the San Pedro River mainly in Cochise County, then Pinal County (the third main tributary, the Salt River, being located in the Central Highlands).

The Southeastern Arizona Planning Area covers portion of eight counties, five of which are ECO Counties, including 100% of Cochise County; 0.1% of Apache County, 22% of Gila County, 95% of Graham County, and 92% of Greenlee County. The planning area also includes portions of neighboring counties: Pima (6%), Pinal (27%) and Santa Cruz (44%) counties. Most of the San Carlos Apache Reservation is located within the planning area.

The 2000 Census planning area population was approximately 188,300. Basin population ranged from 21 in Bonita Creek, to more than 78,000 in the Upper San Pedro. Sierra Vista is the largest metropolitan area with about 62,000 residents in the incorporated and unincorporated areas in 2006.

Per the ADWR Water Atlas, an average of 515,100 acre-feet of water (including effluent) was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 84% is groundwater. The agricultural water use sector is the largest user by far with an average annual demand of approximately 440,000 acre-feet, approximately 85% of the total use, mostly in the Douglas, Safford and Willcox basins that regroup over 88% of the total agricultural demand.

Most of the Douglas Basin was designated as the Douglas Irrigation Non-expansion Area (INA) due to insufficient groundwater to provide a reasonably safe supply for irrigation.
Average annual municipal demand in the planning area is approximately 40,500 acre-feet and industrial demand is approximately 34,550 acre-feet.

Water Rights

Public Water Code / surface water rights

Arizona surface water rights and surface water laws are based on the doctrine of "prior appropriation." This doctrine is based on the tenet of "first in time, first in right," where the person who first puts the water to a "beneficial use" acquires a right that is senior to later junior rights to the water. Historically, a user acquired a surface water right by applying the water to a "beneficial use" and posting a notice of the appropriation at the point of diversion. On June 12, 1919, the Arizona surface water code, now known as the Public Water Code, was enacted. The law provides that a user must apply for and obtain a permit in order to appropriate surface water.

Arizona General Stream Adjudication – the "Water Case"

In order to resolve conflicting water rights to the Salt River and Verde River systems, the Salt River Valley Water Users' Association, responsible for the management of the Salt River Project (SRP), filed two petitions with the Arizona State Land Department to adjudicate the water rights of the Salt River Watershed (April 1974) and Verde River Watershed (February 1976). Subsequently, the Phelps Dodge Corporation filed a petition with the Arizona State Land Department to address the determination of water rights in portions of the Lower Gila River Watershed and the Upper Gila River Watershed (February 1978), then supplemented the February petition to include additional lands in both the Lower Gila River and Upper Gila River watersheds (April 1978). In turn, the Buckeye Irrigation Company filed a motion to intervene and two petitions to enlarge the scope of the adjudication of the Gila River Watershed to the Agua Fria River Watershed and other portions of the Lower Gila River Watershed (December 1980), and to include portions of the Santa Cruz River Watershed in the Gila River Adjudication (October 1985). In the meantime, in order to resolve conflicting water rights to the Little Colorado River System, the Phelps Dodge Corporation filed a separate petition with the Arizona State Land Department (February 1978), and ASARCO Inc. filed a petition with the State Land Department for the adjudication of the San Pedro River Watershed (April 1978).

In April 1979 the Arizona Legislature amended the general adjudication statutes and the cases were transferred from the State Land Department to the superior court in the counties where the original petitions were filed. The Salt River, Verde River, and Gila River adjudications were transferred to the Maricopa County Superior Court, and the San Pedro River adjudication was transferred to the Cochise County Superior Court. In November 1981, the Arizona Supreme Court consolidated the adjudications of the Salt, Verde, Gila and San Pedro Rivers and ordered the case conducted in the superior court in the county having the largest number of potential claimants. This resulted in the consolidated *General Adjudication of All Rights to Use Water in the Gila River System and Source* being transferred to the superior court in Maricopa County. Meanwhile, in 1979, the *General Adjudication of All Rights to Use Water in the Little Colorado River System and Source* was transferred from the State Land Department to the Apache County Superior Court. In October 2000, the Arizona Supreme Court linked the two cases by appointing a "Water Judge," Judge Edward

Ballinger, to preside over both the Gila River and Little Colorado River adjudications. Judge Edward Ballinger was later replaced in October 2012 by Judge Mark Brain.

Summons were served on all persons listed in the property tax assessments in each watershed and on all persons in the watershed who had, at the time, any kind of water rights filing, groundwater or surface water, on record with the Arizona Department of Water Resources. As of June 30, 2015, over 26,000 water users, in 14 of Arizona's 15 counties, had filed 83,876 claims in the Gila River Adjudication, and 14,654 claims in the Little Colorado River Adjudication. Claimants include the United States, the State of Arizona, Indian tribes, municipalities, mining operations, farmers, cattle growers, water providers, and domestic well users. The case is ongoing, with one of the latest developments being the replacement of Special Master George Schade upon his retirement in June 2015. The Special Master organizes the objections and issues of broad legal significance into contested cases, hears evidence, and submits a report and recommended final decree to the court. The Arizona Department of Water Resources acts as the court's technical adviser, investigates all claims, prepares technical reports, maintains a central information repository, and conducts the service of summons.

The adjudication process will identify and rank the rights to use surface water for the users in the Gila River System and Source and the Little Colorado River System and Source, that is to say approximately 75% of Arizona with the exception of the western quarter of the State served by the Colorado River. Neither groundwater nor Central Arizona Project water is subject to the "Water Case."

Indian water rights settlements

Concurrently with the Arizona Water Case, parties have engaged in negotiations to resolve Indian and federal reserved water rights by settlement. These efforts have resulted in the Maricopa County Superior Court's approval, following Congressional approval, of a number of settlement agreements of Indian reserved rights. Recent congressionally-approved settlements include the June 2003 *Zuni Indian Tribe Water Rights Settlement Act*; the December 2004 *Arizona Water Settlements Act* (Tohono O'odham Nation and Gila River Indian Community); and, the December 2010 *Claims Resolution Act of 2010* (White Mountain Apache Tribe) sponsored by Senator Kyl.

Among pending Indian water rights issues in Arizona, the Navajo Nation claims in the Lower Basin of the Colorado River, including the Little Colorado River, remain unresolved following the rejection by the Navajo Nation of the *Navajo-Hopi Little Colorado River Water Rights Settlement Act of 2012* sponsored by Senator Kyl. The September 2014 settlement between the United States and the Navajo Nation, which will pay the Navajo Nation $554 million to settle claims that the U.S. government mismanaged funds and natural resources on the Navajo reservation for decades, does not include water rights claims.

Groundwater Management Code / sub-surface water rights

In parallel with the enactment of the June 1919 Arizona surface water code, Arizona lawmakers attempted, unsuccessfully, to limit groundwater pumping. This resulted in groundwater "overdraft," water being pumped faster than it was replaced naturally, depletion of the aquifers, increased costs of deeper drilling and pumping, degradation of water quality as deeper water typically contains more salts and minerals, and escalating conflicts between the various interests relying on groundwater.

In August 1976, the Arizona Supreme Court ruled in *Farmers Investment Company v. Bettwy* that the private pecan growers' company could impose a limit on how much groundwater the municipality of Tucson and the copper mining companies Anaconda Company and Amax Copper Mines could pump. The cities and the mines demanded relief from the Arizona Legislature. The Legislature formed a 25-member groundwater commission to write a new groundwater law. Agriculture always had been the biggest groundwater user, and farmers, interested in maximizing the value of their land, proposed that anyone who wanted to initiate pumping should have to purchase an existing right from a farm. The mining industry counter-proposed that each acre in a groundwater basin should receive a "quantified right" to water. To resolve the gridlock, Governor Bruce Babbitt convinced the U.S. Secretary of the Interior, Cecil Andrus, to subordinate the construction of the Central Arizona Project to the enactment by Arizona of tough groundwater laws. Consequently, Governor Babbitt was able to mediate the agricultural, industrial and municipal interests, and in June 1980 the Groundwater Management Code was enacted. In 1986, the Arizona Groundwater Management Code was recognized by the Ford Foundation and Harvard University as one of the 10 most innovative programs in state and local government.

Beside creating the Arizona Department of Water Resources (ADWR), and centralizing all responsibilities for water planning and regulation, except water quality, in the agency, the Groundwater Management Act aimed at controlling severe overdraft occurring in many parts of the state; providing a method to allocate the state's limited groundwater resources to most effectively meet the changing needs of the state; and augmenting Arizona's groundwater through water supply development.

Active Management Areas (AMAs)

Most significantly, the Act established Active Management Areas (AMAs) in parts of the state where groundwater pumping is heaviest. Five AMAs currently exists: the Prescott, Phoenix, Pinal, Tucson, and Santa Cruz AMAs.

The five AMAs are subject to specific regulations. In the Phoenix, Prescott, and Tucson AMAs, the primary management goal is "safe-yield" (balance between annual water consumption and replenishment) by the year 2025. In the Pinal AMA, where the economy is primarily agricultural, the management goal is to preserve agriculture for as long as feasible, while considering the need to preserve groundwater for future non-irrigation uses. In the Santa Cruz AMA the management goal is to maintain a safe-yield condition and to prevent local water tables from experiencing long-term declines.

ADWR applies stringent regulations in the AMAs, including the prohibition of irrigation of any new agricultural lands; the requirement for a secured physical, legal, and continuous access to a 100-year supply of water prior to any industrial or urban development; the metering and reporting of water pumped from all large wells; and the completion and implementation of five water management plans, up to 2025, designed to create and implement a comprehensive system of conservation objectives and methods in the agricultural, industrial and municipal sectors. In the AMAs, users are required to hold a permit to pump groundwater, unless the well is an "exempt" well with a maximum pump capacity of 35 gallons per minute, and is not used for agricultural irrigation purpose.

Irrigation Non-expansion Areas (INAs)

The 1980 Groundwater Management Act also established Irrigation Non-Expansion Areas (INAs) in areas where there is insufficient groundwater to provide a reasonably safe supply for irrigation. Three INAs currently exists: the Joseph City, Douglas, and Harquahala INAs.

ADWR applies restrictions on increasing the number of irrigated acres in the INAs.

Since groundwater use in AMAs and INAs is regulated, groundwater pumping in these areas requires a permit from ADWR. Groundwater use outside AMAs and INAs is not regulated and does not require a permit. However, drilling a well anywhere in the state requires that a Notice of Intent to Drill be filed with ADWR.

Colorado River Compact - the "Law of the River"

In 1917, Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada formed the League of the Southwest to promote development along the Colorado River. In 1921, Congress authorized the states to enter into a compact for the allocation of the river water. The Colorado River Compact was signed by the seven States and approved by Congress in 1922. However, Arizona contested the lower basin allotment and refused to ratify the agreement until 1944. The specific allotments were disputed until Arizona won the case with the United States Supreme Court upholding Arizona's right to 2.8 million acre-feet-annually in the 1963 decision *Arizona v. California*. This cleared the way for the Central Arizona Project, authorized by Congress in September 1968.

The Colorado River Compact allocates 15 million acre-feet-annually between the seven states. In addition to the Compact, a 1944 international treaty allocates 1.5 million acre-feet annually to Mexico.

Arizona's allocation of 2.8 million acre-feet annually far exceeded the pre-Central Arizona Project 1.3 million acre-feet annual consumption by the State, as consumption was limited to Arizona Counties located along the Colorado River, mainly in Mohave, La Paz, and Yuma Counties. However, since the completion of the Central Arizona Project in 1993, Arizona's consumption of Colorado River water has steadily increased, and since 2000 the State has been distributing 1.5 million acre-feet of water from the Colorado River every year to Maricopa, Pima and Pinal counties in Central and Southern Arizona, therefore using its full 2.8 million acre-feet annual allocation.

Most importantly, as a condition to be allowed to build the Central Arizona Project , Arizona had to agree to be the first State in line for rationing should a water shortage occur in the Colorado River system.

Issues and Progress

ECO is fully conscious that the Arizona water issues include National, Tribal, State, and local industrial, municipal, agricultural, political, and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, organizations such as the Salt River Project (SRP) or Central Arizona Project (CAP), as well as the Legislature, and the Courts through the adjudication process, truly lead the action, with the Arizona Department of Water

Resources (ADWR), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 9, *Water,* and despite the constant political engagement by the ECO counties and their elected Supervisors in the Arizona water issues. Results, therefore, are achieved through a team effort.

Arizona water issues can be summarized as attempting to balance a decreasing resource with growing needs, under competing and conflicting rights.

In simplistic terms: at 45% of capacity Lake Powell is more than half-empty; dropping about 7 feet per year, Lake Mead is at its lowest historical level, the first time ever below 1,080 feet above sea level, with a June 2015 low point of 1,073 feet, 2 feet below the mandated January 1,075 feet trigger for a shortage declaration; the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint; the reservoirs of Roosevelt Lake and the Salt and Verde rivers are being depleted; and, the Colorado River is so low that most years it does not reach the sea anymore.
For the first time in Arizona's history, in the spring of 2015 there was a real prospect that the Colorado River would be officially declared in "shortage" for the year of 2016, and that Arizona would face its first water-supply cuts. According to the Bureau of Reclamation's Colorado River operations office, the current projections, factoring in both the ongoing drought and the systemic over-allocation, are almost guaranteeing a shortage in the coming few years. Barring a sudden unexpected end to the drought, official shortage conditions are likely for the indefinite future.

In the meantime, despite widespread emerging conservation efforts in Arizona major cities, most private lawns and golf courses, and public parks continue to be abundantly watered; and despite some investments in drip and subterraneous irrigation, many Arizona irrigated fields continue to be irrigated using flood irrigation techniques with only 40% to 50% efficiency.

Decreasing supply

Surface water

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs and is in steady decline as a direct result of the prolonged drought. Arizona receives a statewide average of only 12.5 inches of rain per year, and because of the desert climate, the precipitations, and the amount of surface water available, can vary dramatically from year to year, season to season, and place to place.

Surface water utilization and distribution is maximized by storage reservoirs and delivery systems built throughout the state to capture spikes in runoff during occasional wet years. These include preeminently the reservoir storage systems located on the Salt, Verde, Gila and Agua Fria rivers. However, few, if any, opportunity remain in Arizona to expand the surface water management system since virtually all of the natural surface water in Arizona has already been developed.

The 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade river flows were reduced down to less than two-thirds of their 20th century level. Because the Arizona snowpack, when it falls, is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from

solid to gas through evaporation, without going through the liquid stage and flowing downhill to rivers and lakes, scientific models project a reduction of surface water flows between 5% and 35% by 2050.

Ground water

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs. However, as the surface water decreased progressively over the last two decades, agricultural and municipal users have increased the pumping of ground water. Throughout the 20th and beginning of the 21st centuries, groundwater has been pumped out more rapidly than it has been replenished, creating a situation of overdraft. In the last 10 years, the Colorado Basin aquifers have been reduced by as much as 15.6 cubic miles of subsurface freshwater, raising concerns about their long-term sustainability. Similarly, the Wilcox aquifer has dropped as much as 143 feet over the past 20 years, and continues to lose an average of three feet per year, threatening the agricultural economy of the basin, as well as municipal supplies since there is no alternative source of water. Five city wells have gone dry since 2008. Payson, which aquifer sub-basin has suffered the largest drop in the state, must turn to pumping water from the C.C. Cragin (previously Blue Ridge) reservoir on the Mogollon Rim to sustain its water supply. And the North Central Arizona Water Supply Study (which includes Flagstaff and part of the Eastern Plateau Planning Area, and the Western Plateau Planning Area) concluded that by 2050 the region current groundwater pumping will not be sustainable.

Conversely, in the sub-basins along the Central Arizona Project and below the Phoenix metro area, aquifers have seen average increases of 20 feet, and up to about 60 feet in some limited areas, over the past 20 years, as water consumption shifted from ground water to Colorado River water delivered by the CAP since the late 1990's.

However, in general, the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint, and even though a large amount of water remains stored in Arizona's aquifers, its availability is limited by location, depth and quality, and the continued overdraft of the state groundwater supplies compromises a sustainable water supply for the future.

Colorado River

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs, but the river is so over-allocated that most years it does not reach the sea anymore.

At the root of the problem, research indicates that the 1922 Colorado River compact that governs how Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada allocated the Colorado River water, happened to have been negotiated during the wettest 10-year period in the last 1,000 years. As a consequence, the 1922 Colorado Compact, and the 1944 international treaty with Mexico, allocate 16.5 million acres feet annually, while during the last 110 years the river has only flowed an average of approximately 15 million acres feet annually, with many years at only about 10 million acres feet. Consequently, in many years, the law allocates up to 25% more water than flows.

To compound the problem, water flows in the Colorado River watershed have been in steady decline as a direct result of the prolonged drought over the last few decades. The same factors that affect surface water in Arizona affect the entire Colorado Basin. As previously stated for other surface waters, the 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple

of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade the river flow was reduced down to less than two-thirds of its 20th century level. Because the Rocky Mountain snowpack is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to the river, scientific models project a reduction of the Colorado River flow between 5% and 35% by 2050, and the 2060 annual shortfall for the Colorado River is predicted to be 1 trillion gallons of water.

As a consequence, the water level in Lake Mead, the largest freshwater reservoir in the nation when full, has dropped more than 100 feet since 2000, and Lake Mead is now only filled to about half capacity. And the water level keeps falling. The 2014 low was 7 feet higher than the 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration. Upstream, Lake Powell is in even worse shape. Filled at only 45% of capacity Lake Powell is more than half-empty. The two reservoirs continue to capture spikes in runoff during occasional wet years such as 2011 when the runoff was 20 million acre-feet, but rare wet years do not compensate for more frequent dry years such as 2013 when the runoff was only about 10 million acre-feet.

As the Colorado River already provides in average 10% less water than is allocated annually, based on various climate model projections for the Colorado River watershed, the U.S. Bureau of Reclamation projects that by 2050 the Colorado River flow will be further reduced by 9%. By 2060, the need will outstrip the resource by about 3 million acre-feet annually.

Colorado River water rights

Although the systemic over-allocation of the Colorado River has been identified for decades, up to the early 2000's several states, including Arizona, were not using their full allocation and other states, such as Nevada, compensated using more than their allocation by progressively draining Lake Mead - which acted as the system's buffer - to approximately half capacity.

However, with the level of Lake Mead dropping to a 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration, the very real prospect of a shortage was envisioned for 2016. Abundant precipitations in "Miracle May" 2015 prevented a 2016 shortage, but the Bureau of Reclamation's Colorado River operations office expects that the current projections, factoring in both the ongoing drought and the systemic over-allocation, place the probability of a shortage in the upcoming years at almost 75%.

A Colorado River official shortage declaration will have disproportionate economic impacts on Arizona since, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree in 1968 to be the first State in line for rationing, with Nevada and Mexico also facing smaller cuts, should a water shortage occur in the Colorado River system.

If by January of any year, the water level in Lake Mead is below 1,075 feet, the U.S. Bureau of Reclamation will declare an official shortage for the first time ever and mandatory cuts in water allocation, contractually agreed-upon in the December 2007 Interim Guidelines, will be imposed on the Lower Basin states of Arizona, California and Nevada. In such "Light Shortage" condition Arizona will lose 320,000 acre-feet every year that the water level remains below 1,075 feet. Should Lake Mead drop an additional 25 feet to below 1,050 feet, a "Heavy Shortage" condition, Arizona would lose another 80,000

acre-feet for a total of 400,000 acre-feet. In "Extreme Shortage" condition, with Lake Mead water level dropping below 1,025 feet, Arizona would lose yet another 80,000 acre-feet, for a total of almost 0.5 million acre-feet annually.

Colorado River Drought Contingency Plans

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the Drought Contingency Plans (DCPs) for the Upper and Lower Basins, on April 16, 2019, in the Colorado River Drought Contingency Plan Authorization Act (P.L. 116-14). The DCP was approved by the Arizona Legislature and signed by Governor Ducey. Its implementation offsets potentially deeper cuts in Arizona's Colorado River allocation beyond the 192,000 acre-feet that the State has stored annually in Lake Mead for several years.

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans); commit the Bureau of Reclamation to additional water conservation efforts; and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

However, on August 16, 2021, the Department of the Interior declared the first-ever Colorado River Basin water shortage. Arizona and Nevada, which combined generate nearly $6 billion in agricultural receipts, will be directly impacted by additional cuts to water allocation. Continued drought conditions risk additional cuts across the Colorado River Basin, jeopardizing thousands more farm and ranch operations' access to vital water resources.

The shortage declaration will trigger Tier 1 curtailments under DCPs and Interim Guideline requirements in the 2022 water year, which began on October 1, 2021. Arizona will be most impacted because of its junior water rights, losing 18% of its annual allocation, or 512,000 acre-feet of water, which translates to 8% of the state's water use.

In 2021, the River was operating in a "Tier Zero" status, requiring the State to contribute 192,000 acre-feet of Arizona's 2.8 million acre-foot annual entitlement to Lake Mead. This contribution is coming entirely from the Central Arizona Project system.

Based on the current hydrology, there is a very high likelihood of Tier 1 reductions in 2022 and 2023, as well as an increased risk of Tier 2 conditions in the near future.

Rapidly increasing municipal demand

Even though according to data from the Arizona Department of Water Resources and the Arizona Municipal Water Users Association, per capita water usage has leveled or even dropped in many central Arizona municipalities following the implementation of conservation efforts over the past five years, the typical Valley resident still consumes approximately 160 gallons per day.

With the Arizona population expected to grow from 6 million people in 2010 to 9.5 million people by 2025, with most of the growth concentrated in metro Arizona, at the current rate of consumption municipal demand in central Arizona will predictably increase by 560 million gallons per day, over 200 billion gallons per year, or over 0.6 million acre-feet annually.

Insufficient conservation

In December 2014, the Central Arizona Project signed an agreement with the Bureau of Reclamation and water providers for Southern California and Nevada to collectively reduce the Colorado River lower basin demand by 740,000 acre-feet annually over the next three years, through reduced consumption and improved efficiencies.

Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for almost half of the total reduction, 345,000 acre-feet annually.

However, such conservation is likely to provide less than a third of the new water needed by 2060, given the Arizona population growth projection on one end, and the projections of continued ground water, surface water and Colorado River water decreases on the other end.

Agriculture

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Per a 2014 University of Arizona's Eller College of Management study, there were 33,613 farmers in Arizona operating 20,005 farms on 26.2 million acres in 2012. Of the $3.7 billion total value of agricultural products sold in the state, crop sales account for $2.1 billion (56%) and livestock sales account for $1.6 billion (43%). Over 50% of the farms in the state are located in Apache, Navajo and Coconino counties and consist primarily of small farms. Conversely, over 78% of the $3.7 billion total value of agricultural products sold in the state, come from Maricopa, Yuma and Pinal Counties, with Yuma County alone being the fourth highest agricultural producer county in the Nation with $1.3 billion in crop sales. This is because, per the U.S. Department of Agriculture *Western Irrigated Agriculture* study, irrigated farms in the West are generally more profitable than non-irrigated farms, averaging $1,427 per irrigated harvested acre versus $643 per non-irrigated acres (USDA National Agricultural Statistics Service, 2007 Census of Agriculture). Of the 20,005 Arizona farms, only 5,839 (29%) practice irrigation, and of the 26.2 million acres of Arizona farmland, only 880,613 (33%) are irrigated. Of these, 4,830 farms cultivate harvested crops on 854,515 irrigated acres (97% of irrigated acres), and 1,308 farms irrigate 26,098 acres of pastureland (USDA National Agricultural Statistics Service, 2012 Census of Agriculture - County Data).

Farm irrigation technologies vary widely in their efficiency potential defined as the relative amount of applied water that gets taken up through plant consumptive-use. Uncontrolled flood irrigation is widely

recognized as the least efficient irrigation system, generally below 50% but potentially as low as 35%. In general, gravity-based irrigation efficiencies range from 35 to 80%, with higher efficiencies for improved gravity systems such as furrows, between borders, or within basin irrigation, in combination with lined or piped field water-delivery systems, surge-flow water application, or with the use of gravity water-management practices, such as tail water reuse pits, furrow-diking, alternate-row irrigation, or limited-irrigation set times. Pressure or sprinkler-based system efficiencies range from 50 to 90% efficiency depending on type, wind and evaporation. Low-pressure, low-energy precision application (LEPA), and subsurface drip systems are capable of efficiencies as high as 85 to 95% (USDA Economic Research Service, *Western Irrigated Agriculture*). Drip irrigation can reduce water demand by 25% to 50%, typically in Arizona from 1 to several acre-feet per irrigated acre annually, but costs typically from $1,000 to $2,500 per acre to install, and limits crop rotation flexibility.

Despite major water-saving efficiencies, drip irrigation adoption varies by area, and is generally limited. For example, it accounts for only 33% of the 600 irrigated acres in the Lower San Pedro basin; 25% of the 1,000 irrigated acres in the Upper San Pedro basin; 8% of the 13,150 irrigated acres in the Douglas basin; 2% of the 50,600 irrigated acres in the Wilcox basin; 0% of the 28,300 irrigated acres in the Safford basin; and, 0% of the 3,450 irrigated acres in the Duncan basin.

General adoption of agricultural fields laser levelling and high efficiency irrigation techniques has the potential by itself to reduce Arizona agriculture water demand by approximately 1 million acre-feet annually, and to balance the State water budget for several decades.

Municipalities

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Despite conservation efforts implemented in many central Arizona municipalities over the past five years, the typical metro resident in central Arizona still consumes approximately 160 gallons per day.

Not only this is over 1.5 times more than the average Arizona resident (100 gallons per day), but this is also higher than the average Las Vegas resident (124 gallons per day when returns to river are factored in) or Los Angeles resident (129 gallons per day).

Municipal water is used for drinking and sanitary purposes, but most of the central Arizona municipal demand is still consumed by landscape watering.

General conversion from watered lawns to desert landscaping in metro Arizona has the potential by itself to reduce Arizona municipal water demand by approximately 0.5 million acre-feet annually, and to offset the increased water demand of urban expansion for several decades.

Industry

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Although increase in industry efficiencies, especially in the mining sector, can contribute to reduce the overall Arizona water demand, the relative low consumption by industry (6% of the entire State

consumption) makes even large efficiency gains by industry, relatively minor in the overall Arizona water balance.

Slow General Adjudication

In addition to the decreasing supply and the increasing demand, competition and conflicts over the ownership of the supply, the water rights, have still not been fully resolved as the General Adjudication process is still on-going after 42 years of legal proceedings since April 24, 1979, with no clear end in sight.

As a consequence of cities, industry, agriculture, water providers such as SRP, tribes, etc. not knowing who definitely will have the right to what, and how much of it, investments in water development, and water collection and distribution structures are stifled.

The uncertainty about water rights, until the General Adjudication is completed and possibly appealed all the way to the U.S. Supreme Court, further complicates and slows down balancing sustainably the overall Arizona water budget.

The Arizona Department of Water Resources (ADWR) Adjudications Section serves as the technical advisor to the adjudication court. The Section investigates claims for water rights, publishes comprehensive Hydrographic Survey Reports for watersheds and Federal reservations, and prepares technical reports on other matters as requested by the adjudication court. ADWR continues to actively manage a database of more than 100,000 individual water rights claims to support the adjudication process. Program administrators process, maintain and update information related to Statements of Claimant (SOCs) filed by water users. The program mails New Use Summonses to new water users to notify them that the adjudication proceedings are underway and to provide information about how to participate in the court process.

In FY 2019 and FY 2020, ADWR developed more than 70 reports and maps for the court, provided expert testimony at multiple hearings, and continued field investigation of various water uses in several areas of the state.

During FY 2021, ADWR mailed more than 1,451 New Use Summonses and additional educational information to persons who may have initiated new water uses within the last year; developed more than 37 reports and maps for the court, provided expert testimony at multiple hearings, and conducted field investigations of various water uses in several areas of the state; completed more than 66 court-ordered actions; reviewed more than 206 abstracts and provided numerous reports and maps for the Special Master regarding individual proposed water rights; and improved the use of technologies to streamline processes, including:

- Completion of Phase II of the Adjudications Information System (AIS), which allows teams to access and analyze water rights information more efficiently;
- Implementation of processes and distribution of equipment necessary to expedite remote GIS work;
- Creation of online tools to support more efficient survey and field reports;
- Verified over 4,300 individual Statement of Claimant (SOC) forms, ensuring that information on the scanned SOC matches the contents of the database;
- Increased ability to track SOC amendments and invalid mailing addresses.

In addition, during FY 2021, ADWR continued to provide technical support for ongoing court proceedings surrounding the legal concept of subflow in the San Pedro River watershed; continued their work on subflow zone mapping for the Verde River watershed; and continued to prepare a Preliminary Hydrographic Survey Report (PHSR) for the Lower Little Colorado River system (LLCR) subwatershed.

Disproportionate impact on agriculture

In the end, a critical issue for the Eastern Arizona Counties Organization (ECO) and its six rural and agricultural counties is that, by any measure, balancing sustainably the overall Arizona water budget will have the highest impact on the farming community.

The simple facts are that: the water supply is shrinking; the water demand is rising; agriculture is by far the largest user and consumes approximately 70% of the Arizona water; cities have become more efficient at a quicker pace than agriculture at saving water; and, Arizona law prioritizes cities, industry, and tribal interests above agriculture. Therefore, farmers will likely face the biggest cuts.

In the current availability forecasts, the only possible way to balance sustainably the overall Arizona water budget is to increase conservation efforts across the board; to increase augmentation efforts across the board; and, to reduce agriculture's consumption by adopting efficient irrigation techniques across the board, switching to less water-intensive crops, and, likely, decreasing the total acreage devoted to irrigated agriculture.

For example, the Central Arizona Project was built largely to meet urban water needs in metro Arizona. The farmers who have used what until recently was excess water have the lowest legal priority. Should the brunt of a Colorado River allocation reduction be imposed on the Central Arizona Project that receives 1.5 million acre-feet from the Colorado River, and which rights are junior to those of the western counties that pump directly from the river, central Arizona farmers could see the amount of Colorado water available to them reduced approximately by 50% in "Light Shortage" condition; 75% in "Heavy Shortage" condition; and, completely shut down in "Extreme Shortage" condition.

While it is expected that a "Light Shortage" condition can be mitigated at least for a few years by increased pumping from the central Arizona aquifers that have been recharged since the 1990's by increased Colorado River water consumption, long-term "Heavy Shortage" conditions and even medium-term "Extreme Shortage" conditions would probably trigger at least a temporary end to large-scale farming in central Arizona. Meanwhile, municipalities like Phoenix, Mesa and Scottsdale would likely lose some of the canal water they're currently buying from excess Indian tribes' water.

Because Arizona agriculture consumes 4.8 million acre-feet annually, even a modest 10% reduction would reduce the demand by almost 0.5 million acre-feet annually, a significant number. A 20% reduction would yield 1 million acre-feet annually, a game-changer. Comparatively, reducing industry water consumption by 10% would only save 40,000 acre-feet annually, an important but essentially irrelevant amount in the overall Arizona picture.

As Arizona is likely to manage a change in water status quo within the next few decades, ECO's concern is that the change cannot be made at the sole expense of the farming community.

For example, Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for the largest reduction, 345,000 acre-feet annually, in the

December 2014 agreement with the Bureau of Reclamation and water providers for Southern California and Nevada. The implementation plan projects nearly half of the demand reduction to be achieved in irrigation districts. However, CAP will compensate the affected farmers with a $5 million cash payment. As a result, farmers currently using low efficiency flood irrigation could fund the conversion of between 3,000 and 5,000 acres to high efficiency irrigation, such as drip irrigation; and/or, farmers engaged in the most water-intensive crops like cotton, rice, alfalfa, and almonds, would have a financial incentive to divert their water to people and businesses willing to pay more for it than the economic value of the water-intensive crops.

Water of the US rule (WOTUS)

The Clean Water Act (CWA) of 1972 is the central federal legislation regulating water pollution in the United States. In 2001, in Solid Waste Agency of Northern Cook County (SWANCC) v. U.S. Army Corps of Engineers, the US Supreme Court ruled that the authority granted by CWA did not extend to abandoned gravel pits with seasonal ponds. In 2006, in Rapanos v. United States, the US Supreme Court voided lower court rulings against the plaintiffs, but did not reach a majority decision on the substance of the case (the filling of 22 acres of wetland on Rapanos' private property). These two decisions created uncertainty about the protection status of non-navigable waters, streams and wetlands.

In April 2011, the EPA proposed a new set of guidelines and engaged into several rounds of public comment periods and numerous meetings with state entities, public and private stakeholders. In 2014, the EPA proposed a new rule defining the scope of "Waters of the United States" protected under the Clean Water Act (CWA).

In FY 2014, ECO filed comments on the Office of Research and Development of the Environmental Protection Agency paper *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, outlining its concerns with the proposed definition of "connectivity" and its implications for rural residents and local governments.

In FY 2015 ECO filed comments on the Environmental Protection Agency and U.S. Army Corps of Engineers *Proposed Rule on the Definition of "Waters of the United States" Under the Clean Water Act (CWA)*, outlining its concerns with the proposed definition of "Waters of the United States" and its implications for rural residents and local governments.

On May 27, 2015, the EPA published its Clean Water Rule, set to become effective in August, but upon litigation by 13 States, the regulatory definition of "Waters of the United States" was stayed by the U.S. Court of Appeals for the Sixth Circuit on October 9, 2015. In response to this stay, the EPA, Department of Army, and Army Corps of Engineers resumed nationwide use of the agencies' prior regulations defining the term "Waters of the United States."

On February 28, 2017, newly elected President Trump issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017, the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS) and called for public comments.

On June 14, 2017, ECO filed comments outlining its concerns with the 2015 Rule and upcoming rules:

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule before the release of the science report;
- flawed agency's cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;
- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator and the senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018, EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018, the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule. This final rule became effective on December 23, 2019, but was replaced by the Navigable Waters Protection Rule that became effective on June 22, 2020.

However, on August 30, 2021, the U.S. District Court for the District of Arizona issued an order vacating and remanding the Navigable Waters Protection Rule in the case of Pascua Yaqui Tribe v. U.S. Environmental Protection Agency. In light of this order, the agencies have halted implementation of the Navigable Waters Protection Rule and are interpreting "waters of the United States" consistent with the pre-2015 regulatory regime until further notice.

Meanwhile, on June 9, 2021, the U.S. Environmental Protection Agency and the Department of the Army announced their intent to revise the definition of "waters of the United States." This process includes two rulemakings:

- a foundational rule to restore longstanding protections in place for decades until 2015, updated to be consistent with relevant Supreme Court decisions; and
- an anticipated second rule that builds on that regulatory foundation.

Arizona Water Initiative - Governor's Water Augmentation, Innovation and Conservation Council

On December 16, 2015, Governor Ducey signed Executive Order 2015-13 creating the Arizona Water Initiative. The initiative was intended to continue the legacy of cooperative long-term strategic water planning in Arizona by furthering the work and recommendations established in the ADWR report *Arizona's Next Century: A Strategic Vision for Water Supply Sustainability* that was published in 2014.

The order established the Governor's Water Augmentation Council and the Planning Area Process. The goal of the Water Initiative is to continue the Arizona legacy of proactive strategic water planning by working with key stakeholders statewide.

- The Governor's Water Augmentation Council (GWAC) is investigating long-term water augmentation strategies and other opportunities to secure water supplies for the future.

- The Planning Area Process allows local stakeholders to participate in the development of better water demand information and a consensus-driven set of solutions for future water supply and demand imbalances. Through the Planning Area Process, the Arizona Department of Water Resources (ADWR) will identify and prioritize within five years the 22 planning areas identified in the Strategic Vision report, beginning with rural areas.

Arizona Water Initiative 2016 Progress

In FY 2016, the first year of the Initiative, 29 members were appointed by the Governor to the Water Augmentation Council (GWAC) to represent the water-use sectors of the state. The Council met three times and developed a set of recommendations for the following fiscal year.

During FY 2016, ADWR initiated the Planning Area Process in three areas among the regions of the state with intensifying water-related issues:

- West Basins Planning Area;
- Cochise Planning Area;
- Northwest Basins Planning Area.

Four public meetings were held to initiate the process.

Arizona Water Initiative 2017 Progress

Planning Area Process

During FY 2017, the Planning Area Process continued in the West Basins, Cochise, and Northwest Basins planning areas with a total of 13 public meetings. ADWR identified four common themes from the public input:

1. limits on irrigation;
2. need to increase natural recharge;
3. mandatory metering & reporting of water use;
4. current groundwater management tools may not suit needs.

Water Augmentation Council

In FY 2017, the Water Augmentation Council (GWAC) met 4 times and created four committees:

Desalination Committee
The Desalination Committee is tasked with evaluating areas for the feasibility of a desalination project; collaborating with local and regional stakeholders within the identified project area; discussing funding opportunities with the Finance Committee; and, securing land and water contracts with the approval of the Arizona Department of Water Resources (ADWR).

Recycled Water Committee
The Recycled Water Committee is tasked with recommending that the Arizona Department of Environmental Quality (ADEQ) end the prohibition on direct potable reuse; evaluating the need for amendment to current law that provides that 50 percent of effluent stored in managed underground storage facilities shall be credited to a storer's long-term storage account; reviewing and evaluating the statute related to a 2025 sunset clause on the ability to create long-term credits from effluent; and , discussing the potential for changing the term "effluent" to "recycled water."

Long-term Water Augmentation Committee
The Long-term Water Augmentation Committee is tasked with considering projected Planning Areas with the greatest imbalances; creating a budget proposal for a project to establish a portfolio of statewide augmentation options; discussing the proposed portfolio in each Planning Area to determine if the augmentation options identified are desirable; and, providing project oversight until completion.

Finance Committee
The Finance Committee is tasked with Identifying financing barriers/limitations for water augmentation projects; proposing general funding options; and proposing funding options for specific projects identified by other committees.

Arizona Water Initiative 2018 Progress

Planning Area Process

During FY 2018, ADWR field services conducted a well sweep within four of the groundwater basins that make up the Northwest Basins Planning Area: Meadview, Hualapai Valley, Detrital Valley, and Sacramento Valley. The term "well sweep" refers to a procedure undertaken by the ADWR Hydrology Division, in which Field Services requests permissions to survey private well water-levels.

In addition, during FY 2018 the USGS was contracted by ADWR to document trends in statewide water use, and to evaluate current and future water needs.

Governor Water Augmentation Council (GWAC)

During FY 2018, the four Committees of the Governor Water Augmentation Council (GWAC) continued actions initiated during FY 2017:

1. ADWR partnered with the Water Infrastructure Finance Authority of Arizona (WIFA) to pilot a targeted water loss control program based on the American Water Works Association's Manual for Water Audits and Loss Control Programs, also known as Manual 36 or M36. Through this pilot effort, six municipal and private water systems outside of AMAs received training on comprehensive water auditing procedures. The training helped the pilot systems determine the source of water losses and the cost to reduce those losses.

2. The Recycled Water Committee (RWC) was tasked with exploring opportunities across Arizona for new reclaimed water projects to augment local water supplies. The two topics discussed with respect to possible statutory changes were: accounting associated with underground storage of effluent water in managed facilities; and removal of the current statutory limitation (A.R.S. § 45-802.01(22)) regarding the ability to earn long-term storage credits for recharging effluent beyond 2025.

3. The Finance Committee, in charge of researching and identifying possible funding sources for projects proposed by the GWAC did not meet during FY 2018 for lack of specific project requiring funding.

4. The goal of the Desalination Committee was to prepare a brackish groundwater project proposal to be submitted to the GWAC for approval no later than the end of FY 2018.

5. The goal of the Long-Term Water Augmentation Committee was to facilitate a statewide analysis of short-term and long-term augmentation opportunities. During FY 2018, the Long-Term Water Augmentation Committee achieved several objectives in furtherance of this goal, including education and information gathering, revision of water demand numbers, development and execution of a scope of work for a consultant to complete an assessment of the feasibility of augmentation options, and submittal of a federal grant application.

Governor's Water Augmentation, Innovation and Conservation Council

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which created the Governor's Water Augmentation, Innovation and Conservation Council and stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation, and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

The Long-Term Water Augmentation Committee presented its report *Long-Term Water Augmentation Options for Arizona* to the Council in August 2019.

Desalination Committee

During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Active Management Areas Committee and Non-Active Management Area Groundwater Committee**.**

Two new Council committees began their work in FY 2020: the Active Management Areas Committee and the Non-Active Management Area Groundwater Committee**.**

Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

During FY 2021, the Council and Committees progressed in their work:

- The Long-Term Water Augmentation Committee researched additional augmentation options and presented information to the Council on forest management and weather modification efforts in the state.
- The Desalination Committee investigated, discussed, and produced a document summarizing legal and regulatory limitations to the use of brackish groundwater.
- The Post-2025 AMAs Committee met five times over the year, working to identify and describe water management challenges and opportunities facing the most populous areas of the state.

The Committee produced a set of six issue briefs that were presented to the Council. The Council tasked the Committee to begin work to identify and develop potential strategies and solutions.
- The Non-AMAs Groundwater Committee discussed proposed legislation that would make it possible to establish Rural Management Areas.
- A half-day special meeting of the Council enabled representatives of nine of the 22 federally recognized tribal nations within Arizona to share their experiences and perspectives on tribal water rights and water rights settlements with Council members.

During FY 2018 and again on February 20, 2019, the Board of Director of ECO was briefed extensively by David Brown, of Brown & Brown Law Offices, P.C.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation.

As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2022.

Watersheds production preservation and augmentation through forests restoration

CC Cragin Watershed Protection Project

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support

of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work.

During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In June 2020, the U.S. Forest Service and the National Wild Turkey Federation (NWTF) offered for bid a service contract for the 1,000 acres Baker Butte Integrated Resource Service Contract (IRSC). Bids were received in August 2020, but no award took place due to the fact that the bids were significantly higher that the Forest Service appraisal.

During FY 2021 ECO worked with the National Wild Turkey Federation to re-design the RFPs published for the CC Cragin Watershed Restoration Project, including the Baker IRSC, in order to make them attractive to the local forest product industry with which forest restoration funds itself, fully or partially, through the value of the logs removed, as opposed to trying to attract purely service proposals where no value is derived from the timber, and the entire cost of the project must be subsidized.

In parallel, on July 27, 2021, the Coconino National Forest and the Arizona Department of Forestry and Fire Management (AZDFFM) signed a Good Neighbor Authority (GNA) agreement for the Baker project, in collaboration with the Salt River Project and the Town of Payson, which are contributing necessary funds to ensure the forest thinning treatments can be implemented. NWTF issued a new RFP for the project, and by September 2021, a contract was awarded to Arizona's premier logging contractor TriStar in cooperation with NovoBiopower for the disposal of the project slash and biomass.

In addition, during 2021 the other projects of the CC Cragin Watershed Protection Project were developed to be offered in 2022 and the coming years:

- Gifford (2,700 ac.) was included in the 4FRI Phase 2 RFP.
- Roosevelt (2,300 ac.) and McCarty (1,200 ac.) were in contract development stage and timber cruise stage respectively, and are planned for an RFP offer in April 2022.
- Kinder (3,300 ac.) was at the marking stage.
- Kehl (3,100 ac.) was at the layout phase.
- Clover, Windfall, Coldwater, and Moqui were at the early planning stages.

See Program 2 – *Watershed Restoration* for more details.

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Black River Watershed Protection Project

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020, and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remained to be worked out, the project regained wide support from the stakeholders.

ECO filed comments on November 4, 2020, providing support for Alternative 3 to allow:

- balance between the different values involved, such as catastrophic fire risk mitigation, forest health and silviculture soundness, habitat improvement, species conservation, riparian and water resources focus, social consensus balance, etc.
- addressing specific issues such as mistletoe management, large tree and old growth management, openness, canopy density, Mexican Spotted Owl recovery, etc. to meet the purpose and need of the project.

ECO also identified shortcomings such as specific stands data and Specialists Reports not being made available to the public until the last few days of the comment period, and requested that the Apache-Sitgreaves National Forest add to the Black River Restoration Project final Environmental Assessment

and decision, the action of removing feral and stray horses and cattle as appropriate to meet the desired conditions.

Finally ECO entered on record concerns about the legal viability, and potential implementation issues, of the new USFS Condition Based Management and Flexible Toolbox Approach in the Black River Project (see *4FRI Rim Country EIS* section).

During FY 2021, the Apache-Sitgreaves National Forests developed a new Biological Assessment adapted to the adoption of Alternative 3, to re-submitted to the US Fish and Wildlife at the end of October 2021 with a final Environmental Assessment and Finding of No Significant Impact (FONSI) expected during Q1 2022.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

See Program 1 – *Forest Restoration* for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of Forest Restoration in Northern Arizona from Federal FY 2010 to Federal FY 2021:

Federal Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Fiscal Year 2021 (Oct 1, 2020 to Sept 30, 2021)	22,163
Total FY 2010 to 2020	166,850

See Program 1 – *Forest Restoration* for more details.

Clean Water Act § 404 permitting

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting.
The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two-tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

Strategic Objectives Moving Forward

Thanks to long-term visionary policies such as the 1980 Groundwater Management Code or the Central Arizona Project; to the replenishment over the last 2 decades of the central Arizona aquifers due to the shift of agricultural water consumption to then excess water from the CAP; and, to private enterprise, market-driven, agricultural water consumption management efforts, in particular in the Yuma basin, the Arizona water situation has not reached crisis level, and it is not anticipated that draconian measures, as witnessed in California in FY 2015, will be required in Arizona in FY 2022.

However, the current precarious balance, and the planned forced balancing by offsetting a potential Colorado River "Light Shortage" with increased pumping from the replenished central Arizona aquifers are clear indicators of the fundamental need for Arizona to develop and implement a long-term, sustainable water balance calculated on the probability of shortage conditions for an indefinite future.

ECO is committed to participate in the development and implementation of a long-term, sustainable overall Arizona water balance that ensures:

1) The implementation of across-the-board water conservation measures in Arizona, specifically including:
    a. General conversion of urban watered landscape to 'desert' dry landscape;
    b. General conversion of flood irrigation to high efficiency irrigation techniques;

c. General implementation of the use of recycled effluents for industrial consumption, as appropriate.

2) Acceleration of across-the-board augmentation efforts in Arizona, specifically including:
   a. Increased efficiencies in recycling and treatment of used water;
   b. Desalination of brackish waters;
   c. Desalination and demineralization of deep aquifers water;

3) The preservation of rural agricultural interests in the Arizona Water Initiative discussions, including:
   a. Fair incorporation of the agricultural interests in the completion of the Arizona General Adjudication;
   b. Fair compensation of the farming community in the implementation of across-the-board conservation measures;
   c. Fair compensation of the farming community in the implementation of potential Colorado River shortages;
   d. Fair compensation of the farming community in the application of the State water priorities.

4) The rapid conclusion of the Arizona General Adjudication so as to lift the water rights uncertainties and allow for water providers investments in water infrastructures modernization and optimization.

5) Participation in the potential regulation of ground water pumping outside AMAs and INAs.

6) Support for ECO counties solutions to specific local water shortage such as in northern Gila County (Payson) or northern Cochise County (Wilcox).

7) Direct lobbying of the Arizona Legislature on water issues strategic to ECO Counties rural economy.

8) Continued engagement in the Governor's Water Augmentation, Innovation and Conservation Council through CSAA.

9) Continued engagement with the Governor's office on the Colorado River Drought Contingency Plans (DCPs) for the Upper and Lower Basins.

10) Implementation of watersheds production preservation and augmentation through forests restoration.

11) Continued monitoring of, and engagement in the evolution of WOTUS.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;

- Continue to develop bilateral relationship with the water utilities, especially the Salt River Project (SRP);
- Actively engage in and when necessary, initiate the appropriate work with the Federal, State and local agency, community, university, industry, farming and environmental constituency partners;
- Attend, participate in, and when necessary, host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of a long-term, sustainable overall Arizona water balance.

Allocated Resources

ECO plans to expend 10% of its resources on Program 9: *Water.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 9 Water	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Measurable Desired Outcomes

As a result of its engagement in Program 9: *Water*, ECO seeks the following outcomes:

1) Fair compensation of the farming community in the implementation of a long-term, sustainable overall Arizona water balance.

2) Augmentation of 0.25 million acre-feet annually through the general acceleration of recirculation in Arizona by 2025.

3) Augmentation of approximately 5% (Robles et al., 2014) of the yield of the eastern and northern Arizona forested watersheds through general restoration of the Mogollon Rim national forests by 2035.

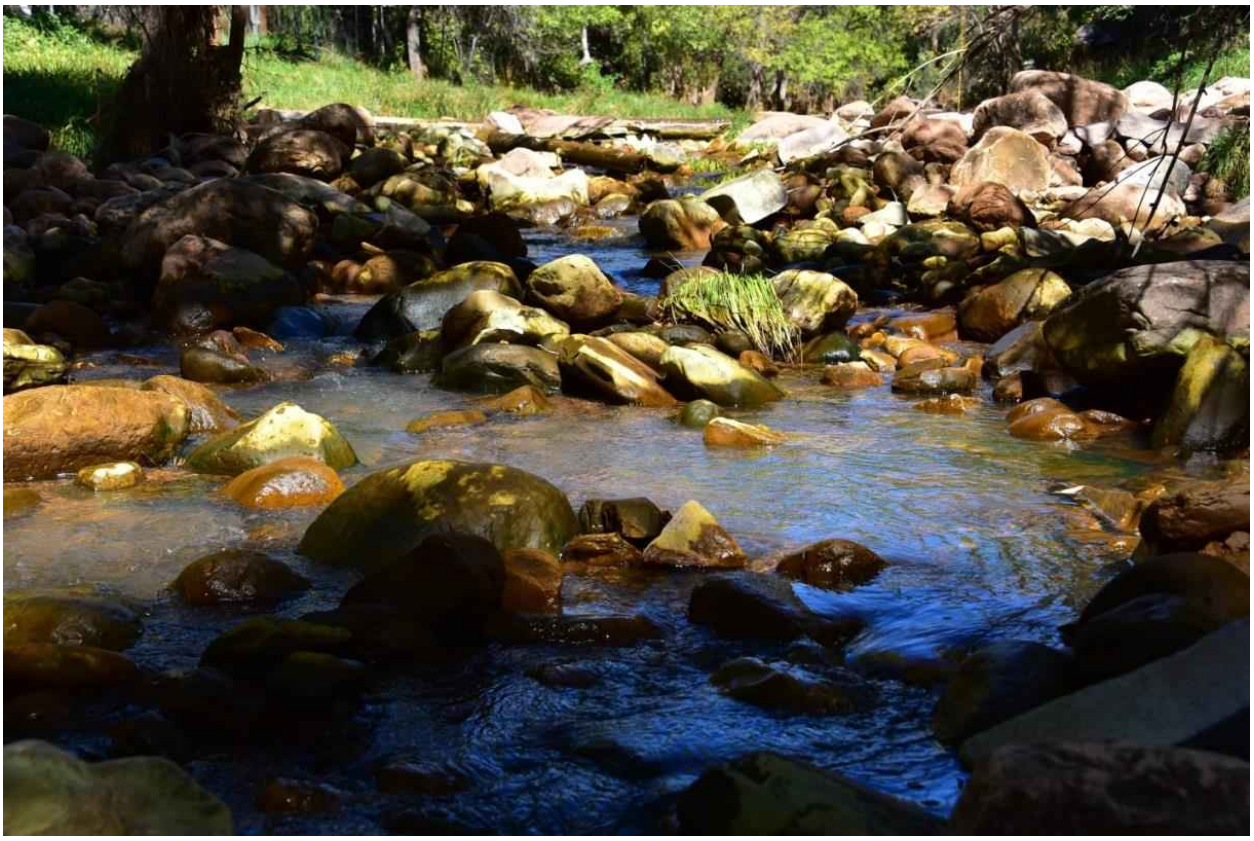
4) Conservation of 0.5 million acre-feet annually through the general conversion from watered lawns to desert landscaping in metro Arizona by 2025.

5) Conservation of 1 million acre-feet annually through the general conversion from flood irrigation to high efficiency irrigation techniques by 2025.

6) Implementation of the CC. Cragin watershed restoration project starting in FY 2022.

7) Implementation of the Black River watershed restoration project in Apache and Greenlee County starting in FY 2022.

8) Development and implementation of a sustainable water supply model in northern Cochise County.



Where it all begins, a healthy mountain stream fed from watersheds protected by forest restoration.

Irrigated culture in Graham County

Irrigation canal in Graham County

Program 10: Emerging Issues

Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

Background

As progress continues on the nine ECO programs, issues and opportunities heretofore unforeseen may emerge, or new issues unrelated to the nine ECO programs may require an engagement by ECO, as determined by the County Supervisors on the ECO Board of Directors.

Issues and Progress

Participation of ECO to the U.S. Forest Service 4FRI RFP design process

During FY 2019, FY 2020 and FY 2021 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believes is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award was expected by March 2021.

However, on March 17, 2021, the Forest Service issued Amendment 11 that reduced the contract quantities from 605,000 acres, with option for 818,000 acres, to 520,000 acres; changed the road maintenance Schedule of Items; changed requirements related to required submittals during contract performance; changed requirements related to plans and schedules for contract execution; and changed requirements related to Emergency Fire Precautions.

Then, on September 14, 2021, after a total of 13 amendments, the Forest Service decided to cancel the solicitation and re-assess the Government requirements.

ECO fully intends to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forests and watersheds in FY 2022 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

See Program 1 – *Forest Restoration* for more details.

Heber Wild Horse Territory Management Plan

On January 23, 2020, the Apache-Sitgreaves National Forests released a Proposed Action for the Heber Wild Horse Territory Management Plan and called for public comments.

On March 16, 2020, ECO, through its county member Navajo County, filed comments to:

1. clarify that there is no historical precedent for the horse population occupying the area prior to the 1960's; that it likely not wild but descended from the turned-out Army remount horses or other turned-out horses in the 1930s; that this original population died off in the late 1960's; that the current horse population dating from the 1990's appears to be a mixture of horses from the Fort Apache Reservation and other unidentified stray or feral horses;
2. request that the Forest Service make a clear determination whether horses inside or around the Heber Wild Horse Territory are direct descendants of the designated herd;
3. express strong support for the timely, responsible, and appropriate management of the Heber Wild Horse Territory, should horses inside or around the Heber Wild Horse Territory be determined to be direct descendants of the designated herd and, therefore, true wild horses;
4. request coordination between the Forest Service Heber Wild Horse Territory Management Plan Proposed Action and the Navajo County public land management objectives, and Cooperating Agency status in the NEPA process.

On September 29, 2020, the Apache-Sitgreaves National Forests invited Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA process. Navajo County accepted and designated the ECO Executive Director as their representative.

Allocated Resources

ECO plans to expend 5% of its resources on Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Operating Budget FY 2022	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 10 Emerging Issues	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

Issues / Strategic Objectives / Execution Strategy / Measurable Desired Outcomes

As a result of its engagement in Program 10, *Emerging Issues,* ECO will identify and engage in emerging issues as appropriate and define strategies and outcomes as appropriate.

Additional roles

In addition to running its programs, ECO will continue to provide services to Arizona and the Eastern Arizona rural communities by being:

- Co-Chair of the 4FRI Stakeholders Group (SHG);
- Chair of the Natural Resources Working Group (NRWG);
- Chair of the 4FRI Planning Workgroup;
- Co-Chair of the 4FRI Industry Workgroup;
- Co-Chair of the 4FRI FEIS Workgroup;
- Member of the State 4FRI RFP Team;
- Director on the Board of the Northern AZ Wood Products Association (NAWPA);
- Cooperating Agency in the SEIS for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j);
- Member of the Mexican Spotted Owl Leadership Forum;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves Heber Wild Horse Territory Management;
- Member of the Governor's Forest Health Council;
- Member of the Mexican Wolf Executives;
- Member of the Mexican Wolf Management Team;
- Etc.

Fiscal Year 2021 Budget

The ECO total operating budget for Fiscal Year 2021 identified the expenditure of up to $258,000 funded by $250,000 of Counties appropriation and $8,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$25,186	$1,125	$5,400	$3,180	$3,750	$38,641
Program 2 Endangered Species	15%	$25,186	$1,125	$5,400	$3,180	$3,750	$38,641
Program 3 Watershed Restoration	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 4 Infrastructures	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 5 Recreation	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 6 Energy	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 7 - Natural Resources Planning	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 8 Public Lands	5%	$8,395	$375	$1,800	$1,060	$1,250	$12,880
Program 9 Water	10%	$16,791	$750	$3,600	$2,120	$2,500	$25,761
Program 10 Emerging Issues	5%	$8,395	$375	$1,800	$1,060	$1,250	$12,880
Total	100%	$167,909	$7,500	$36,000	$21,200	$25,000	$258,000

Fiscal Year 2021 Regular Operating Expenses

The recapitulating last page of the ECO *Detailed General Ledger Report* as 06-30-2021 establishes that ECO expended during FY 2021 a total of $254,039.21 in regular operating expenses. This ledger establishes that the entire $250,000 state appropriation was expended (as planned) in regular operating costs.

As planned, additional expenses over the $250,000 state appropriation were funded by Eastern Arizona Counties Organization (ECO) other funding sources, such as counties annual dues.

Expense Ledger Summary Listing

From Date: 7/1/2020 - To Date: 6/30/2021

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Actual
G/L Account Number: 280468.002.431.99 Other aid & contributions						Fiscal YTD:	$0.00
				Month Total: July 2020			$0.00
				Account Total: Other aid & contributions			$0.00
G/L Account Number: 280468.002.434.30 Dues, memberships & subscriptns						Fiscal YTD:	$0.00
				Month Total: July 2020			$0.00
				Month Total: November 2020			$366.28
				Month Total: February 2021			$149.90
				Month Total: March 2021			$8.39
				Month Total: April 2021			$20.00
				Month Total: May 2021			$282.33
				Account Total: Dues, memberships & subscriptns			$826.90
G/L Account Number: 280468.002.434.61 Training expenses						Fiscal YTD:	$0.00
				Month Total: July 2020			$0.00
				Account Total: Training expenses			$0.00
G/L Account Number: 280468.002.434.63 Meeting / conference registration & fees						Fiscal YTD:	$0.00
				Month Total: July 2020			$0.00
				Account Total: Meeting / conference registration & fees			$0.00
G/L Account Number: 280468.002.454.50 Information systems & software						Fiscal YTD:	$0.00
				Month Total: July 2020			$3,646.95
				Account Total: Information systems & software			$3,646.95
				Department Total: BOS/Administration			$254,039.21
				Fund Total: ECO - Operating Fund			$254,039.21
				Grand Total:			**$254,039.21**

Fiscal Year 2022 Budget

The ECO total operating budget for Fiscal Year 2022 is similar to the FY 2021 budget and identifies the expenditure of up to $256,000 funded by $250,000 of Counties appropriation and $6,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Program 2 Endangered Species	15%	$25,186	$1,125	$5,400	$3,705	$3,000	$38,416
Program 3 Watershed Restoration	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 4 Infrastructures	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 5 Recreation	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 6 Energy	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 7 - Natural Resources Planning	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 8 Public Lands	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Program 9 Water	10%	$16,791	$750	$3,600	$2,470	$2,000	$25,611
Program 10 Emerging Issues	5%	$8,395	$375	$1,800	$1,235	$1,000	$12,805
Total	100%	$167,909	$7,500	$36,000	$24,700	$20,000	$256,000

AZ-COCHISE-22-0985-A-000709

Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2020).

Despite the COVID pandemic, Fiscal Year 2021 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes.

Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

However, much remains to be accomplished, and critical objectives are set for FY 2022 and beyond.

For example:

- concluding the 2nd 4FRI NEPA analysis timely without conflict will mean that restoration logging can expand on the ground in Eastern Arizona and jobs can be created;
- continuing to control the expansion of the Mexican Wolf through a rational and balanced management of the Experimental Population will mean that ranching jobs and way of life are protected;
- expanding forest restoration treatments in the Salt River basin will mean that water will continue to flow to metro Arizona through improved watershed health, function, and productivity;
- maximizing the operational life to at least 2025 of the Coronado and Cholla generating stations will mean 1,500 megawatts of electricity for the State, 400 jobs with annual payroll of more than $50 million in economic activity and $30 million in state, local, and federal taxes;
- implementing the CC Cragin Watershed Protection Program will mean securing a water supply for Payson and several upper Gila Tribal communities;
- implementing 4FRI at landscape-scale and at a rate of at least 35,000 acres/year will mean protecting the forest, watershed and rangelands of Arizona against catastrophic forest fire; protecting the watershed functions on which metro Arizona depends; and protection the $13.5 billion recreation economy on the Mogollon Rim;
- breaking the biomass bottleneck will mean that logging slash biomass can be disposed of responsibly without the massive emissions that would be caused by the field piling and burning of over one million ton of biomass per year;
- etc.

ECO is fulfilling its mission to develop and implement county environmental programs impacting economic development in the counties.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, health, and safety.

ECO Report on FY 2020 Activities - Executive Summary

Although its second half was deeply affected by the COVID 19 pandemic, Fiscal Year 2020, from July 1, 2019 to June 30, 2020, was extremely productive for the Eastern Arizona Counties Organization (ECO), with game-changing, tangible accomplishments that create practical, high-impact, on-the-ground outcomes. Simply put, the funding of ECO is money well spent. ECO is getting results that have real-life positive, direct, and measurable impact in rural Eastern Arizona, and make a difference in the life of its people by supporting their custom, culture, economic well-being, recreation, health, and safety.

Key results that the Eastern Arizona Counties Organization is proud to report for Fiscal Year 2020 are listed here under for each program that ECO committed to implement in FY 2020 in its *Plan for Receipt and Expenditure of Monies for Fiscal Year 2020*.

Program 1: Forest Restoration

Although Arizona has been fortunate since 2011 to not experience another landscape-scale catastrophic fire, the massive fires in California during 2018, 2019 and 2020 serve as a vivid reminder of the urgency of the clear and present danger Arizona faces in its Forests, as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the forefront of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of its engagement in Program 1, *Forest Restoration*, ECO and its partners achieved the following results:

1) ***15,000 annual "Bridge the Gap" program***.
   Following:
   - ECO's creation of the Bridge the Gap program in 2014 with the Apache-Sitgreaves National Forests;
   - ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
   - ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
   - ECO's constant engagement with the Apache-Sitgreaves National Forests;

   the ramp-up of the "Bridge the Gap" program that provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

   A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest to the White Mountain industry in "Bridge the Gap" projects outside of the first 4FRI contract, confirming the success of the program. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest, the second 4FRI RFP offers up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP has the potential to provide material to new industry, but it also has the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP, and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, but now expected to March 2021, is that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. have been put on hold starting mid-2019 and until contracts are issued, now likely in mid-2021.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP is known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers financing capacities have been sharply curtailed as unpredictability of their economic future past 2023 looms, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.
2. Because Arizona loggers already have three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 were not purchased since until the second 4FRI RFP outcomes are known, there is no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~12,000 to ~15,000 acres per year resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the Bridge the Gap Program for at least FY 2021 and 2022, with the expectation that a new landscape scale 4FRI contract and new industry players in Northern Arizona will not compromise the viability of the existing industry and replace it but will add to it. What Arizona needs is not shifting capacity from existing to new industry, but adding new capacity to existing capacity.

2) ***Industry / Forest Service Roundtable***.
In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019

of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP requires the removal of a minimum of 50% of the logging slash and will not consider bids "satisfactory" unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP "satisfactory" guideline of 70% removal, 875,000 tons of slash will need to be removed and disposed off annually.

Currently, the only facility available to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:

- disposal of 400,000 green tons / year of only the lowest value "hog fuel" dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of smallest diameter trees as firewood;
- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watershed restoration and water augmentation;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;

- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

3) ***Black River***.
On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

4) ***Rim Country EIS***.
By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS and FEIS Workgroups, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

In FY 2018, 2019, and 2020 under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- concerns with the uncertainties associated with the implementation of condition-based management;
- support for the 4FRI collaborative workgroup comments that it contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.

During the balance of FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

5) ***4FRI Contract RFP.***

As analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure during FY 2020. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 711 acres during federal FY 2020. This continues and amplifies the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); and FY 2019 (2,065 acres).

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP/NLFP's claims on

NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the *Vision 17* strategic plan. *Vision 17* was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP/NLFP contract in whatever form it evolves into with new partners or change in ownership as happened with the new entity NewLife Forest Products.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new 4FRI RFP for at least 200,000 acres was expected by December 2017.

However, FY 2018 closed without a new RFP being issued by the Forest Service.

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award is expected by March 2021.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2021 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

6) ***Digital technologies***.
In FY 2019 and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" with the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units' boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO worked with other partners such as ATICA, the company that managed the White Mountain Apache Timber Company (WMATCO) to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work such as tree marking, with unmanned aerial surveys, and allow resource characterization, timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be

completed much faster and much cheaper, so that acres preparation ("Prep") can catch up with NEPA planning without requiring massive new resources from the Forest Service.

Digital technologies 'Prep' costs savings can represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

7) ***Biomass Bottleneck.***

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the *Healthy Forests, Vibrant Economy Conference*. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the *Vision 17* implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017, the ACC organized a workshop, to which ECO presented. On January 30, 2018 Arizona Corporation Commissioner Andy Tobin proposed an *Arizona's Energy Modernization Plan* that included new biomass energy requirement. On March 13, 2018, the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018 Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018 and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the *Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138.* Decision 77045 *Policy Statement Regarding the Role of Forest Bioenergy in Arizona* stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions

for a successful U.S. Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, has also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and has made it clear that it will not consider the issue until the second 4FRI RFP outcomes are known. This likely postpones any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the Bridge the Gap program in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

Much was accomplished by ECO and its partners during FY 2020 in Program 1, *Forest Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the implementation of the new Forest Service 4FRI RFP;
- renewal of the existing 28 MW biopower Power Purchase Agreements;
- timely conclusion of the 4FRI 2nd EIS planning;
- continued prioritization of the 15,000 acres/year Bridge the Gap program for at least 2 years;
- timely conclusion of the Black River project EA;
- completion of new 60 to 75 MW biopower Power Purchase Agreements, if appropriate based on the 4FRI RFP outcomes.

Program 2: Threatened and Endangered Species

As a result of its engagement in Program 2, *Threatened and Endangered Species*, ECO and its partners achieved the following results:

1) ***Payment of the depredation and coexistence compensation claims***.
   All the FY 2016 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $73,826 in depredation compensation; and $105,000 in "pay-for-presence" cohabitation compensation were processed in FY 2017 for FY 2016.

   All the FY 2017 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $59,213 in depredation compensation; and $107,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2017.

   All the FY 2018 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $109,123 in depredation compensation; and $117,000 in "pay-for-presence" cohabitation compensation were processed in FY 2019 for FY 2018.

   All the FY 2019 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of ~$100,000 in depredation compensation; and ~$100,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2019.

   All the FY 2020 depredation compensation claims filed with the Coexistence Council are in the process of being paid. Depredation compensation and "pay-for-presence" cohabitation compensation payments will be reported in FY 2021.

   These amounts continue the increasing trend in compensation recorded over the last few years as a reaction by the U.S. Fish & Wildlife Service to the action of ECO, the Arizona Cattle Growers Association (ACGA) and various partners:

Fiscal Year	Depredation payments	Cohabitation payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019	~$100,000	~100,000	~$200,000
FY 2020	In process	In process	In process

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

2) ***Discontinuation of the initial release of adult "naïve" wolves***.

ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10j Management Team, were successful again in FY 2020 in preventing the initial release of adult "naïve" wolves.

In FY 2016, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona. Additionally, one set of two pups was fostered into the "Sheep Herders Ball" pack in New Mexico in FY 2016.

In FY 2017, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild population.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

3) ***Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))***.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015 U.S. Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintiffs:

- the court found that the 2015 10(j) rule is not compliant with the ESA, provides only for short-term survival of the species, and fails to further the long-term recovery of the Mexican wolf in the wild;
- the court found that the revised rule does not need to be the product of an agreement with state and private stakeholders;
- the court found that the U.S. Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation is not based upon the best available information and is arbitrary and capricious;
- the court remanded the rule to the U.S. Fish & Wildlife Service to modify:
    1. population cap of 300-325 wolves,
    2. limitation on dispersal north of I-40,
    3. take in response to unacceptable impacts to wild ungulate herds,
    4. perform a new essentiality determination;
- the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that serves no purpose and requested

that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long-term recovery strategy over a short-term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

The court ruling threatens many of the gains realized by ECO since FY 2014 in the revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)), especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

Since the March 2018 ruling, ECO has engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings - facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one-page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020 the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for

the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020 ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.
2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.
3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Take on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Take on Federal land (§ 17.84(k)(7)(v)(A));
    c. Take in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi));

    and are not replaced with a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gives ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

4) ***Mexican Wolf Recovery Plan Revision***.

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the U.S. Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally ensuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the U.S. Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall

recovery plan is now essentially focused on the experimental 10(j) area and the experimental population.

In July 2017, the U.S. Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017 the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue is whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's Continued Existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat;

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

5) ***Jaguar Draft Recovery Plan***.
In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016 a *Jaguar Draft Recovery Plan.*

The *Jaguar Draft Recovery Plan* acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that - as for the Mexican Wolf Recovery Plan:

- no formal consultation took place with local government;
- a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas;
- the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States;
- the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States;
- the recovery criteria in the plan are not binding; and,
- the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

6) ***Ocelot Final Recovery Plan***.

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016 an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and demonstrates that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670) and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (*Ocelot Recovery Plan* p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (Ocelot Recovery Plan p. 206).

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

7) Mexican Spotted Owl

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised, with new biological opinions, between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020 the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July

8, 2020 announcing a new understanding between the parties and the decision by CBD to not litigate.

Further work led on October 27, 2020 to a stipulation of voluntary dismissal of the WEG litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Previous gains were sustained by ECO and its partners during FY 2019 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* was a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern.

Conversely, ECO's success in preventing Mexican Spotted Owl Region-wide litigation in FY 2020, and ECO's participation as a cooperating agency to the Supplemental Environmental Impact Statement that is at work to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j)) are very encouraging for the future of the Mexican Spotted Owl and Mexican Wolf recovery within a framework of landscape scale forest restoration in Arizona.

Much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

FY 2021 will be focused on:

- continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council and the Arizona Livestock Loss Board;
- continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation;
- participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j));
- continued participation in the Mexican Spotted Owl Leadership Forum;
- continued monitoring of the litigation of the Mexican Wolf recovery plan revision;
- continued work with all relevant partners to mitigate the socio-economic impacts of the *Jaguar Draft Recovery Plan* and *Ocelot Recovery Plan – Revision 1*, and other species listing, and critical habitat designations on rural Arizona counties residents and the ranching community.

Program 3: Watershed Restoration

As a result of its engagement in Program 3, *Watershed Restoration*, ECO and its partners achieved the following results:

1) ***CC Cragin Watershed Protection Project***.
   During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

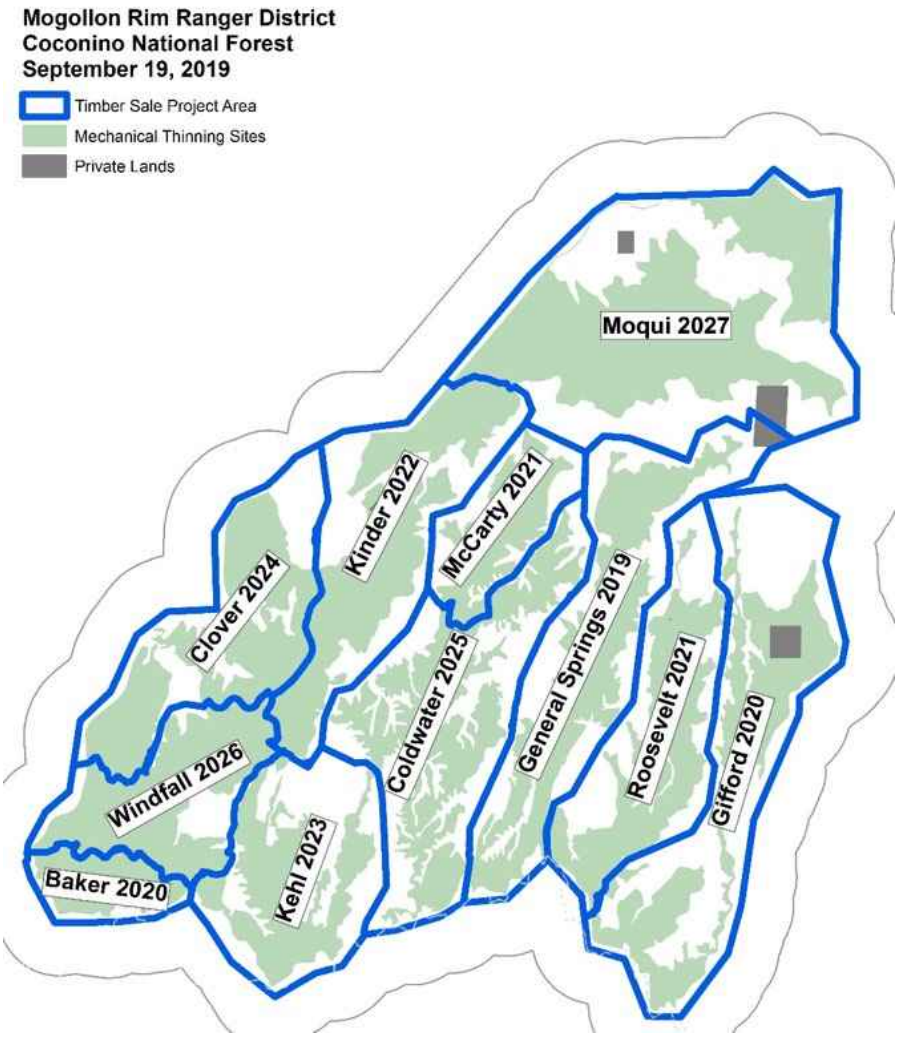
The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2018 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.



2) ***Black River project***.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully. See Program 1 – Forest Restoration for more details.

3) ***Rim Country EIS***.
As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019 opening the period of review and comments by the public and stakeholders.

In January 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified concerns with the uncertainties associated with the scale of future mechanical thinning, the uncertainties associated with the removal of woody biomass, the uncertainties associated with the implementation of condition-based management; and supported the 4FRI collaborative workgroup comments that it contributed to write, including concerns with the flexible toolbox approach, the degree of openness pre- and post-treatment, old growth protection and large tree retention, management of ponderosa pine dwarf mistletoe, description of pre-treatment conditions, collaborative role in implementation, and adaptive management and monitoring.

During FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins. See Program 1 – Forest Restoration for more details.

4) ***Prioritization and funding of watersheds restoration***.
To provide further momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 in the 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

The Comprehensive Implementation Workgroup, initially chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 3, *Watershed Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

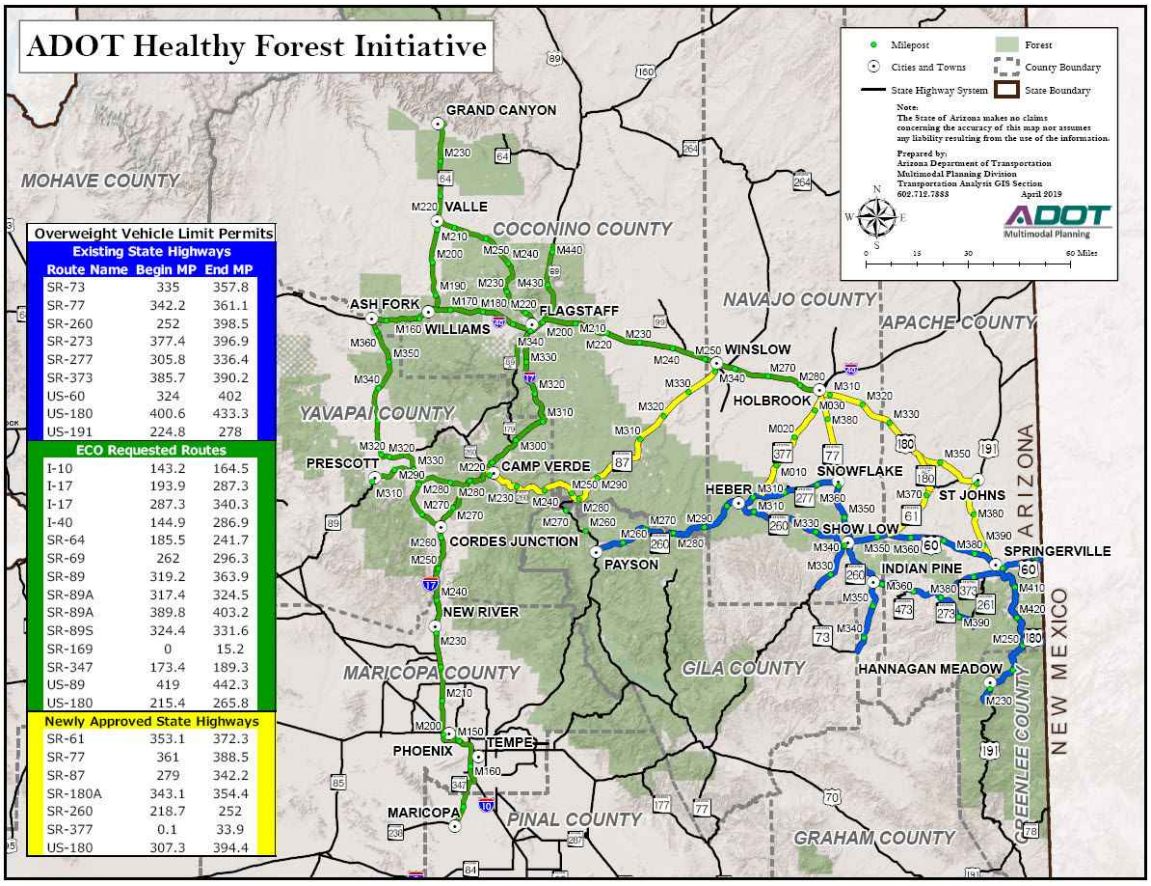
- implementation of the CC Cragin Watershed Protection Project;
- implementation of spring restoration projects in the Coconino, Kaibab and Apache-Sitgreaves National Forests;
- completion of the Black River NEPA analysis;
- completion of the Rim Country NEPA analysis.

Program 4: Infrastructures

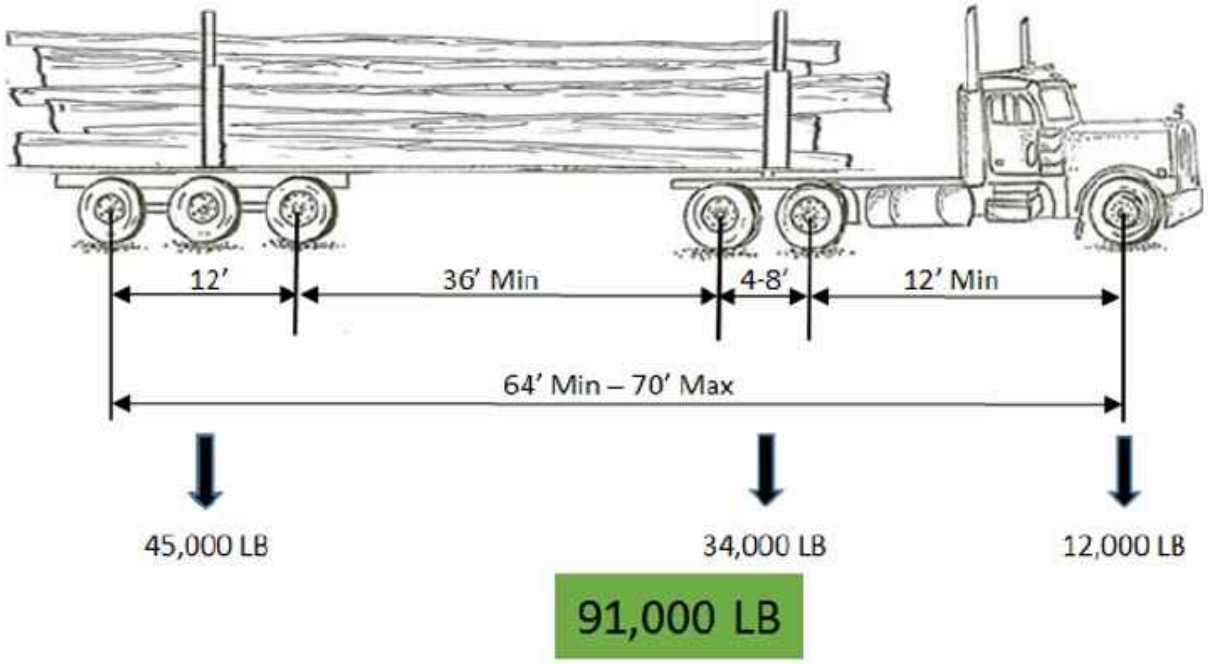
As a result of its engagement in Program 4, *Infrastructures*, ECO and its partners achieved the following results:

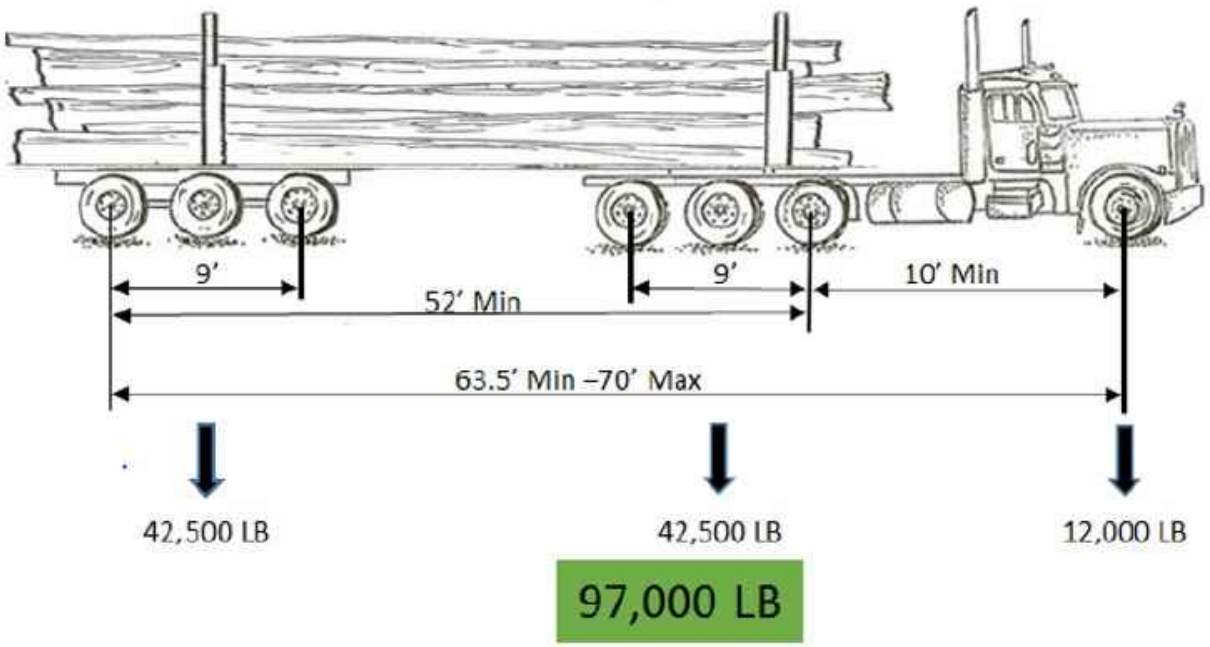
1) ***"Healthy Forest Initiative" pilot program***.
   During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim (blue roads) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads).

   During FY 2020 ECO collaborated with ADOT to include the entire "West Side" of 4FRI to the program, and to work with the federal authorities to allow the use specific sections of Interstate 40 and Interstate 17 in Camp Verde (green roads).

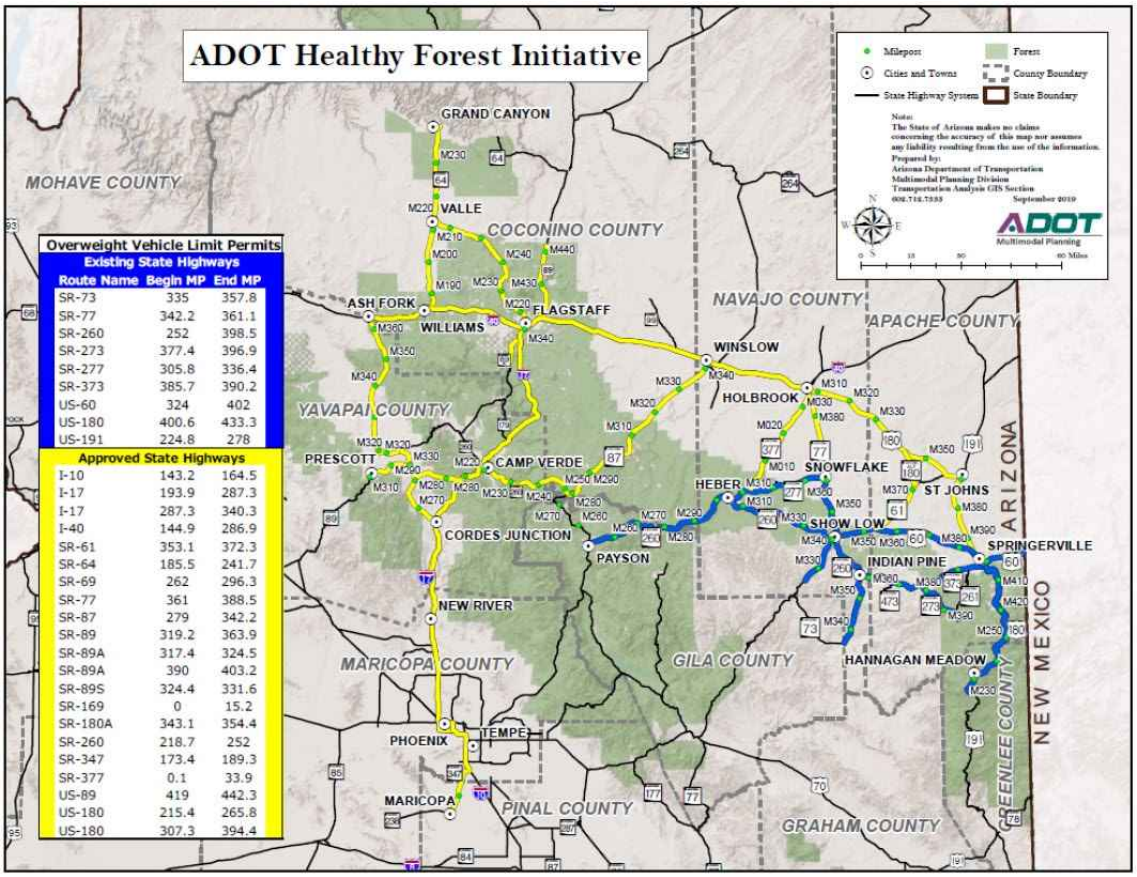


As a result of ECO's work with ADOT, on October 20, 2019, ADOT made the program permanent, and allowed movement up to 97,000 lbs. on tridem axle configurations:





In addition, all additional roads requested by ECO were approved:



The collaborative work between ECO and ADOT was a major success for Arizona in FY 2020:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program;
2. the increased maximum weight of 97,000 lbs., and
3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix;

are contributing significantly to the conditions required for successful implementation of landscape scale forest and watershed restoration in Arizona.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 73,000 acres in the White Mountains and the removal of over 1.9 million tons of log and 1.6 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	287,592
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	327,405
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	276,644
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	204,700
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336283
Total	73,390	1,908,140	1,687,970

In addition to the substantial accomplishment of over 73,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $80 million in wages over the 6 years of the pilot project and contributed $294 million in total economic activity to the rural economy.

2) ***ADOT 2018–2022 Five Year Plan***.

On May 23, 2017 ECO filed comments on the *Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program*.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 Five Year Plan:

- the rural characteristics of the ECO Counties, their transportation network and their economy;
- the overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management;
- the dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 Five Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate pavement preservation schedule for rural state highways.
- Completion of the Lion Springs section of U.S. Highway 260.

- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116, South of Safford;
    - State Route 90 north of Sierra Vista.

3) ***SunZia***.

During FY 2017 and 2018, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico was also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018 Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the property surrounding its proposed route, and there are two sections of property through which the company has yet to secure easements. The commission denied the route without prejudice, which means SunZia can come back with a new proposal for two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expects that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintains that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north does not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis is expected to add 2 years to the project but will not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy

resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy and Arizona solar energy to be distributed in California.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 4, *Infrastructures* but significant challenges remain for 2021 and beyond, such as the completion of the Lion Springs section of U.S. Highway 260; the modernization of U.S. Highway 260 over the Mogollon Rim to Heber; and the resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe, U.S. Highway 191 MP 110 – 116, South of Safford, and State Route 90 north of Sierra Vista.

Program 5: Recreation

As a result of its engagement in Program 5, *Recreation*, ECO and its partners achieved the following results:

1) ***Tonto National Forest Travel Management Rule***.
Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). The DROD resulted in prohibiting dispersed motorized camping on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking will be limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified. A number of other undue motorized travel and access restrictions were also included in the DROD.

During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 the Tonto NF conducted internal Forest Service work and analysis.

On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;

- Three additional permit zones;
- Motor vehicles use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate on the Tonto National Forest some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

2) ***Apache-Sitgreaves National Forests Travel Management Rule.***
As a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a Cooperating Agency and a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- motorized dispersed camping within 300 foot of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.);
- motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above);
- motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements;
- continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas;
- retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e., entering into the administrative system well established, long existing physical roads); the location of

approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.

4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

On August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the Apache-Sitgreaves Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval, and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.
3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through FY 2020, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2020 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

3) ***Arizona back country Off Highway Vehicles (OHV) connected trails system***.
After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was resolved through the Maverick Trail.

4) ***Rim Country Sustainable Recreation Trails Working Group***.
During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, FY 2019 and FY 2020.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 5, *Recreation*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the Apache-Sitgreaves NF Travel Management Rule including the ECO priorities of retention of acceptable motorized travel; motorized dispersed camping; motorized big game retrieval; and motorized collection of firewood;
- implementation of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

Program 6: Energy

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

1) ***Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station***.

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expires in December 2019. On July 1, 2017 the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure will affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences are to be expected as the Navajo Generating Station and Kayenta Mine account for about 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018 and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners' understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones. Fundamental economic challenges could not be resolved and on September 20, 2018 MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running. This decision is expected to result in the closure of the NGS plant.

On November 18, 2019 Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

2) ***Wind and solar production***.
On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019 the Navajo County Board of Supervisors unanimously approved special use permit for the Chevelon Butte Wind Gen-Tie Project.

Proposed by Utah company S Power, the Chevelon Butte Wind Farm is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would have 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was previously unanimously approved by the Arizona Corporation Commission on October 22, 2019, and by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019.

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, FY 2021 will be focused on:

- monitoring potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan;*
- continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties;
- implementation of the new 60 MW "carve out" for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, if appropriate based on the outcome of the new 4FRI RFP.

Program 7: Natural Resources Planning

As a result of its engagement in Program 7: *Natural Resources Planning*, ECO and its partners achieved the following results:

1) ***ECO Legislative Field Trip***
   The FY 2020 ECO Legislative Field Trip was organized for October 2 & 3, 2019 with a focus on:
   - economic development (vineyards and dairy);
   - border issues;
   - water conservation and recharge in the San Pedro system;

   in Cochise County.

   However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019 took precedence, and the fieldtrip had to be postponed until the Fall of 2020. In the meantime, the COVID-19 pandemic struck, and the Fall 2020 fieldtrip could not be conducted. The next ECO fieldtrip is expected to take place in the Fall of 2021.
2) ***Tonto National Forest Land Management Plan Revision***
   On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

   On March 11, 2020 ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:
   1. identifying issues with:

a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);

2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant;

Program 8: Public Lands

As a result of its engagement in Program 8, *Public Lands*, ECO and its partners achieved the following results:

1) ***Greater Grand Canyon Heritage National Monument Act***.
Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360).

ECO filed comments, emphasizing its concerns on:
- preponderance of lands under Federal control;
- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R.

1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020). It is expected that the bill will be re-introduced in the 117th Congress (2020-2021).

2) ***U.S. Forest Service National Environmental Policy Act Compliance Rule***
On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019 ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

3) ***Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona***.
During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2020, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2021.

Program 9: Water

As a result of its engagement in Program 9: *Water*, ECO and its partners achieved the following results:

1) ***Colorado River water rights***
   Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

   Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, on April 16, 2019 in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14).

   Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans); commit the Bureau of Reclamation to additional water conservation efforts; and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

   During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

2) ***Water of the U.S. (WOTUS) rule***
   On February 28, 2017, newly elected President Trump issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017 the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS) and called for public comments.

   On June 14, 2017, ECO filed comments outlining its concerns with the 2015 Rule and upcoming rules:
   - lack of agency consultation with state and local partners;
   - federalism concerns;
   - direct and indirect costs;
   - release of the proposed rule before the release of the science report;
   - flawed agency's cost-benefit analysis assumptions and methodologies;
   - unclear critical proposed definitions and exemptions;
   - exclusion of upland ditches;
   - Section 404 permits for ditch maintenance and storm water activities;
   - green infrastructure exemption;
   - water reuse, reclamation and supply clarification;

- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator, Scott Pruitt, along with Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018 EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018 the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule.

3) ***Arizona Water Initiative*****.**

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which created the Governor's Water Augmentation, Innovation and Conservation Council and stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the newly created Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42

members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

The Long-Term Water Augmentation Committee presented its report *Long-Term Water Augmentation Options for Arizona* to the Council in August 2019.

Desalination Committee

During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Two new Council committees began their work in FY 2020:

Post-2025 Active Management Areas Committee

Non-Active Management Area Groundwater Committee.

Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

4) ***Clean Water Act § 404 permitting***

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting. The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

AZ-COCHISE-22-0985-A-000746

ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two-tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation, Innovation and Conservation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2021.

Program 10: Emerging Issues

As a result of its engagement in Program 10, *Emerging Issues*, ECO, with its partners, produced the following results:

1) ***Participation of ECO to the U.S. Forest Service 4FRI RFP design process***.
   During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

   As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period is open until February 2020.

   ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2020 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

   See Program 1 – Forest Restoration for more details.

2) ***Heber Wild Horse Territory Management Plan***
   On January 23, 2020, the Apache-Sitgreaves National Forests released a Proposed Action for the Heber Wild Horse Territory Management Plan and called for public comments.

   On March 16, 2020 ECO, through its county member Navajo County, filed comments to:
   1. clarify that there is no historical precedent for the horse population occupying the area prior to the 1960's; that it likely not wild but descended from the turned-out Army

remount horses or other turned-out horses in the 1930s; that this original population died off in the late 1960's; that the current horse population dating from the 1990's appears to be a mixture of horses from the Fort Apache Reservation and other unidentified stray or feral horses;

2. request that the Forest Service make a clear determination whether horses inside or around the Heber Wild Horse Territory are direct descendants of the designated herd;
3. express strong support for the timely, responsible, and appropriate management of the Heber Wild Horse Territory, should horses inside or around the Heber Wild Horse Territory be determined to be direct descendants of the designated herd and, therefore, true wild horses;
4. request coordination between the Forest Service Heber Wild Horse Territory Management Plan Proposed Action and the Navajo County public land management objectives;
5. request Cooperating Agency status in the NEPA process.

On September 29, 2020, the Apache-Sitgreaves National Forests invited Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA process. Navajo County accepted and designated the ECO Executive Director as their representative.

Additional roles

In addition to running its programs, ECO provides services to Arizona and the Eastern Arizona rural communities by being:

- Co-Chair of the 4FRI Stakeholders Group (SHG);
- Chair of the Natural Resources Working Group (NRWG);
- Chair of the 4FRI Planning Workgroup;
- Co-Chair of the 4FRI Industry Workgroup;
- Co-Chair of the 4FRI FEIS Workgroup;
- Member of the State 4FRI RFP Team;
- Director on the Board of the Northern AZ Wood Products Association (NAWPA);
- Cooperating Agency in the SEIS for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j);
- Member of the Mexican Spotted Owl Leadership Forum;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves Heber Wild Horse Territory Management;
- Member of the Governor's Forest Health Council;
- Member of the Mexican Wolf Executives;
- Member of the Mexican Wolf Management Team;
- Etc.

Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has

been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018, and 2019).

Fiscal year 2020 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes. Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, recreation, health, and safety.

From:	James Candland
To:	Jason Whiting; Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Election and Update
Date:	Friday, August 5, 2022 11:45:26 AM
Attachments:	August 5, 2022.pdf 2022 General Election Candidates - August 5, 2022.pdf

CAUTION: EXTERNAL EMAIL*

Morning!

Please see the attached reports outlining the results from the primary election as well as a recap and state update. It has been a hectic and crazy primary with lots of changes happening in our state. I have connected with all of the new winners for the state legislature, of which many I already knew, and am happy to provide any information on each of them. Of course there is a general coming up, and we shall see how that shakes out, but there will be some great leaders in our legislature this next session. I hope you have a great weekend and I look forward to talking with you soon.

James

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Election Bills

55th Legislature - 2nd Regular Session, 2022 Thursday, Apr 14 2022 11:34 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2492 (Chapter 99): VOTER REGISTRATION; VERIFICATION; CITIZENSHIP	Any application for voter registration, including on a form prescribed by the U.S. Election Assistance Commission, is required to contain an appropriate mark in the "yes" box next to the question regarding citizenship as a condition of being properly registered to vote as either a voter who is eligible to vote a full ballot or a voter who is eligible to vote only with a ballot for federal offices. Any application for voter registration that does not include all of the information required to be on the registration form and any application that is not signed is incomplete, and the county recorder is required to notify the applicant and is prohibited from registering the voter until all of the information is returned. Except for a form produced by the U.S. Election Assistance Commission, any application for voter registration is required to be accompanied by satisfactory evidence of citizenship, and the county recorder or other officer in charge of elections is required to reject any application for registration that is not accompanied by satisfactory evidence of citizenship. A county recorder or other officer in charge of elections who knowingly fails to reject an application for registration in these circumstances is guilty of a class 6 (lowest) felony. Within 10 days after receiving an application that is not accompanied by satisfactory evidence of citizenship, the county recorder or other officer in charge of elections is required to use all available resources to verify the citizenship status of an applicant for voter registration, and is required to record the efforts made to verify an applicant's citizenship status. If the county recorder or other officer in charge of elections fails to attempt to verify the citizenship status of an	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			3/30 signed by governor. Chap. 99, Laws 2022. message

	applicant and knowingly causes the applicant to be registered, and it is later determined that the applicant was not a U.S. citizen at the time of registration, the county recorder or other officer in charge of elections is guilty of a class 6 (lowest) felony. A person who registers to vote is required to provide an identifying document that establishes proof of location of residence. A valid and unexpired Arizona driver license or nonoperating identification number that is properly verified by the county recorder satisfies this requirement. A person who has registered to vote and who has not provided satisfactory evidence of citizenship is not eligible to vote in presidential elections. A person who has not provided satisfactory evidence of citizenship and who is eligible to vote only for federal offices is not eligible to receive an early ballot by mail. The Secretary of State and each county recorder are required to make available to the Attorney General a list of all individuals who are registered to vote and who have not provided satisfactory evidence of U.S. citizenship. The Attorney General is required to use all available resources to verify the citizenship status of the applicant, and is required to prosecute individuals who are found to not be U.S. citizens. When the county recorder receives information that a person is not a U.S. citizen, the county recorder is required to cancel the person's voter registration. By March 31, 2023, the Attorney General is required to submit a report to the Secretary of State and the Legislature detailing all findings relating to the citizenship status of individuals who are registered to vote and who have not provided satisfactory evidence of citizenship. Severability clause. AS SIGNED BY GOVERNOR				
H2839 (Chapter 3): CANDIDATE NOMINATIONS; SIGNATURES; REDISTRICTING	If new boundaries for supervisorial districts, justice precincts, or election precincts are adopted after January 2 of the year of a general election and before the last date for filing of nomination petitions for the elective office, district, or precinct, the basis for determining the required number of nomination petition signatures is the number of qualified signers in the elective office, district, or precinct on the effective date of the new district or precinct. The number of signatures	First sponsor: Rep. Bowers (R - Dist 25)			3/3 signed by governor. Chap. 3, Laws 2022. message

	required for a 2022 legislative candidate's or congressional candidate's nomination petition is the lesser of the average of the number of qualified signers needed for all 2020 legislative or congressional districts for that candidate's political party using the voter registration report for January 2, 2022, or the required number of signatures as prescribed in statute if the basis for the percentage is the number of qualified signers in the voter registration report for January 2, 2022 in the 2020 numbered legislative or congressional district with the same numeral and the district that the candidate proposes to represent. Session law establishes requirements for nomination papers and petitions for candidates for election in 2022 to an office other than a federal, statewide, or legislative office. Session law also establishes requirements for nomination papers for candidates for precinct committeeman for the 2022 election and requires the county board of supervisors to appoint political party precinct committeemen from names submitted by the county political party committee. Emergency clause. AS SIGNED BY GOVERNOR				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
To the Ballot					
SCR1012: VOTING; VOTER IDENTIFICATION	The 2022 general election ballot is to carry the question of whether to amend state statute to modify the type of identification that a voter may present in order to receive a ballot to require one valid and unexpired form of identification that includes a photograph, and to require a second form of identification if the photo identification does not have an address or the address does not match the address in the precinct register. The Department of Transportation is prohibited from charging a fee for issuing a nonoperating identification license if a person attests on the application that the person has applied for the license in order to comply with any legal requirements related to registering to vote or voting. Early ballot affidavits must require the voter to	First sponsor: Sen. Mesnard (R - Dist 17)			2/28 substituted in House for identical bill HCR2025. Passed House 31-26; to secretary of state for placement on the 2022 general election ballot.

	provide the voter's "early voter identification" (defined as the voter's Arizona driver license or nonoperating identification number, the last four digits of the voter's social security number, or the unique identifying number in the statewide electronic voter registration database as assigned by the Secretary of State) number and the voter's date of birth and signature. Any qualified Arizona voter has standing to file a special action to require any official to enforce the requirements of this legislation if the official has a legal duty to do so, and to file a declaratory judgment action to determine the proper construction of this legislation. Applies to elections beginning no later than the 2024 primary election. Severability clause. AS SENT TO SECRETARY OF STATE				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Bills of Interest					
H2170: ELECTION MAILINGS; THIRD-PARTY DISCLOSURES	Any nongovernmental person or entity that mails, sends by email, or provides an electronic or digital link to an official election-related document from the county recorder, county officer in charge of elections, or the Secretary of State, including a voter registration application or an early ballot request, is required to include the words "not from a government agency" in boldfaced, clearly legible print on the outside of the envelope or prominently placed in the electronic or digital message. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			3/22 from Senate rules okay.
H2236: VOTER REGISTRATION; REQUEST REQUIRED	An agency, department or division of Arizona or any person acting on its behalf and any political subdivision of Arizona or any person acting on its behalf are prohibited from registering a person to vote unless the person affirmatively requests to register to vote.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			3/22 from Senate rules okay.

H2237: SAME DAY VOTER REGISTRATION; PROHIBITION	An agency, department or division of Arizona or any person acting on its behalf, and any political subdivision or any person acting on its behalf are prohibited from registering a person to vote on an election day and deeming that person eligible to vote in that election. Any person who violates this section is guilty of a class 6 (lowest) felony. Does not apply to a person who properly registers to vote while temporarily absent from Arizona as provided for in statute.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			3/15 from Senate rules okay.
H2238: BALLOT DROP BOXES; PROHIBITION	A county recorder or other officer in charge of elections is prohibited from using an unmonitored drop box for receipt of voted early ballots. Does not apply to a ballot drop box located inside a polling place, voting center, county recorder's office, or other location at which election staff is present and monitoring the drop box. For a location where it is not practicable for election staff to be present, the county is required to provide and maintain 24-hour video surveillance. AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			3/22 from Senate gov do pass.
H2243: VOTER REGISTRATION; STATE RESIDENCY; CANCELLATION	The voter registration form is required to contain a statement that if the registrant permanently moves to another state after registering to vote in Arizona, the registrant's voter registration will be canceled.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			3/15 from Senate rules okay.
H2289: CHALLENGERS; POLLING PLACES; TABULATION OBSERVATION	The county chairman of each political party is required, instead of allowed, to designate a party agent or representative who may act as challengers for the party. One challenger for each political party is required to be present at each voting place, and the party representative is required to remain in the polling place until completion of the tabulation of votes and transmittal or delivery of the results to the county recorder or other officer in charge of elections. The election process is required to continue even if the challengers or party representatives are not present. AS PASSED HOUSE	First sponsor: Rep. Fillmore (R - Dist 16)		General Comments (all lists): STRIKER: ELECTIONS; IDENTIFICATION; REVISIONS; TABULATION; MAIL-IN	3/22 from Senate gov with amend #4809.

H2378: ELECTION LAWSUITS; SETTLEMENTS; APPROVALS	If a proposed settlement of an election-related civil action by the Secretary of State materially affects a county recorder or other officer in charge of elections, the Secretary of State cannot settle or otherwise compromise that civil action without consulting the county recorders or other officers in charge of elections. A county recorder or other officer in charge of elections is authorized to object to the settlement based on the difficulty or impracticability of its requirements, and is authorized to demonstrate or otherwise provide evidence regarding that difficulty or impracticability. If the evidence is sufficient, the Secretary of State's settlement cannot be approved without the consent of the county recorder or other officer in charge of elections. A county recorder or other officer in charge of elections is authorized to join in any election-related civil action that materially affects the county recorder or officer.	First sponsor: Rep. Bolick (R - Dist 20)			3/15 from Senate rules okay.
H2379: ELECTION PROCEDURES MANUAL; STATUTORY CONFLICT	The election instructions and procedures manual is required to provide for transparency and election security to the maximum extent allowed by law. If any provision of the manual conflicts with any statute, the provision of the instructions and procedures manual is unenforceable and the statute prevails.	First sponsor: Rep. Bolick (R - Dist 20)			3/15 from Senate rules okay.
H2493: ELECTION INTEGRITY FUND	Appropriates $12 million from the general fund in FY2022-23 to the newly established Election Integrity Fund, to be used to pay county recorders for election security, and cybersecurity measures and improvements, including additional staffing. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.] AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16)			3/31 from Senate appro with amend #4892.
H2494: VOTER REGISTRATION EVENTS; POSTING	The Secretary of State and each county recorder is required to post on their public websites a list of each event that the Office of the Secretary of State or the county recorder attends and provides voter registration services. [Capitol Reports Note: These provisions were originally signed	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22)			3/22 from Senate rules okay.

	into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.] AS PASSED HOUSE				
H2602: POLLING PLACES; EMERGENCY VOTING CENTERS	County boards of supervisors are allowed to authorize the use of emergency voting centers only on occurrence of a genuine emergency such as war, civil unrest, or natural disaster, that makes it likely that large numbers of voters will be substantially impaired in their ability to vote on election day as compared to other elections. AS PASSED HOUSE	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Nguyen (R - Dist 1)			3/29 from Senate rules okay.
H2617: VOTER REGISTRATION; CANCELLATIONS; CAUSES	When a county recorder receives information that a registered voter is not a U.S. citizen, has been issued a driver license or nonoperating identification license from another state, or is otherwise not qualified to vote, the county recorder is required to cancel the person's voter registration. Before cancelling the registration, the county recorder is required to notify the person that the registration will be canceled in 90 days unless the person provides satisfactory evidence that the person is qualified. If the person does not provide satisfactory evidence within 90 days, the county recorder is required to cancel the registration and notify the county attorney and Attorney General for possible investigation. Each month the Secretary of State is required to compare the voter registration database to the driver license database, and to notify the appropriate county recorder if a person who is registered to vote in that county has changed the person's residence address or is not a U.S. citizen. Each month the county recorder is required to compare the voter registration database to the Social Security Administration database and other government databases to ensure that registered voters are qualified to vote. AS PASSED HOUSE	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Sen. Rogers (R - Dist 6), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			3/29 from Senate rules okay.
H2703: SECURE ONLINE SIGNATURE COLLECTION	The Secretary of State is required to continue operating and maintain full functionality and availability of the secure internet portal and related systems for online signature collection and submittal of clean elections qualifying	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep.			3/29 from Senate rules okay.

	contributions for candidates for federal, statewide, legislative, county, or municipal offices and is prohibited from removing, closing down, or otherwise limiting access to that portal or system. Emergency clause. AS PASSED HOUSE	Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21)			
H2710: REGISTRATIONS; COUNTING PROCEDURES; OBSERVERS; VERIFICATION	Various changes relating to election observers. The county chairperson of each political party may designate a party representative for a polling place, a voting center, a location at which electronic processing of ballots occurs, and a location used by any third-party vendor for physical or electronic processing of ballot materials, including ballot envelopes. If the county party chairperson fails to appoint a party representative for a location, the state party chairperson may make those appointments, and if the state party chairperson fails to appoint a party representative, the legislative district chairperson in the area in which the polling place, voting center or other location is located may make those appointments for a location. The county officer in charge of elections is required to publish the procedures for a hand count, including the times and locations, on the county's website no later than the Tuesday before Election Day. If the county party chairperson fails to designate a sufficient number of board workers to assist with a hand count, the state party chairperson is required to designate qualified electors to be board workers. If the state party chairperson fails to designate a sufficient number of board workers, the legislative district chairperson of the district in which the hand count is to occur is required to designate qualified electors to be board workers. The selection of persons to perform the hand count must ensure when practicable that not more than 75 percent of the persons conducting the hand count are members of the same political party, except that if a recognized political party provides an insufficient number of qualified electors or no qualified electors, the hand count is required to proceed without regard to the political party affiliations of the qualified electors conducting the hand count. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			3/29 from Senate rules okay.

H2780: VOTER LISTS; IMAGES; VOTING RECORDS	Ten days before the primary and general election, the county recorder is required to publish a list of all voters who are eligible to vote in the election, including persons who are on the inactive voter list, and post this information on the county recorder's website with personally identifying information redacted. Five days before the county canvass, the county recorder or other officer in charge of elections is required to publish and post in digital format on the county's website a list of all persons who voted and their method of voting, all ballot images, and the cast vote record in a sortable format. The county recorder or other officer in charge of elections is required to provide for an identifying indicator to be linked to ballots and/or ballot images, that when combined with access to the cast vote record allows a person a reasonable basis to independently confirm tabulation results by batch of ballots. The officer in charge of elections is required to ensure that paper ballots are sorted and stored in a manner that allows for convenient retrieval. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Osborne (R - Dist 13), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			3/22 from Senate gov with amend #4806.
H2786: VOTER REGISTRATIONS; BALLOT REQUESTS; SOURCE	Only a political party, county recorder, or election official is authorized to distribute early ballot request forms to voters. For any signed preprinted request to amend a voter's registration information or request for an early ballot, the county recorder is prohibited from using that signature of the voter as the sole exemplar for subsequent comparison if the submittal is on a printed document, card or other form that is not an official form printed by the county recorder or other officer in charge of elections. AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			3/22 from Senate gov with amend #4803.
S1008: ELECTIONS; RECOUNT MARGIN	Modifies the criteria that triggers an automatic election recount to require a recount when the margin between the two candidates receiving the greatest number of votes for a particular office, or between the number of votes cast for and against a measure or proposition, is less than or equal to 0.5 percent of the number of	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			4/12 from House rules okay.

	votes cast for both candidates or on the measure or proposition. Previously, the difference in votes that triggered an automatic recount was the lesser of 0.1 percent or either a specified number of votes based on the office to be filled or 200 votes for a measure or proposition.				
S1255: LIEUTENANT GOVERNOR; DUTIES; BALLOT	No later than 60 days before the date of the general election, a candidate for Governor is required to submit to the Secretary of State the name of a person who will be the joint candidate for Lieutenant Governor with that gubernatorial candidate and whose name will appear on the general election ballot jointly with that candidate. The Governor is required to appoint the Lieutenant Governor to serve as the Director of the Arizona Department of Administration (ADOA) or to fill any position for which the Governor is otherwise authorized by law to make an appointment. Conditionally enacted on the state Constitution being amended by the voters at the 2020 general election by passage of an SCR1024 relating to the establishment of the office of Lieutenant Governor. Applies beginning with elections for the term of office that starts in 2027. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17) Others: Sen. Bowie (D - Dist 18)			3/16 from House gov-elect do pass.
S1259: RECOUNTS; REQUESTS; PROCEDURES; AUDITS	The number of precincts in each county that must be randomly selected for a hand count after each election is changed to 5 percent of the precincts in the county or the number of precincts that is required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 1 percent based on the total number of ballots cast in that county on election day, whichever is greater, from two percent or two precincts. Voting centers are deemed to be a precinct for the purposes of the hand counts. For a county with a population of 800,000 persons or more (Maricopa and Pima), the chairmen of the political parties entitled to continued representation on the ballot or the chairmen's designees are required to randomly select for a manual audit either 10,000 early ballots or the number of early ballots required to achieve a statistical significance of a 99 percent	First sponsor: Sen. Mesnard (R - Dist 17)			3/24 from House gov-elect do pass.

	confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county, whichever is greater. For other counties, the chairmen or the designee's are required to randomly select for a manual audit the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 3 percent based on the total number of early ballots cast in that county. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, the Attorney General, the Secretary of State, or the Legislative Council is authorized to request a recount of the total number of votes cast in the election or at any precinct, voting center, jurisdiction, or any combination of those portions of an election. The expenses of the requested recount will be a state charge. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, any person is authorized to file an action for a recount in any election that is not subject to an automatic recount if the person files a bond with the superior court in an amount determined by the court to be sufficient to fully reimburse the costs of conducting the recount. Recount request or filing provisions do not apply to elections for precinct committeemen, school boards, fire district boards or other special district boards.				
S1260: REGISTRATIONS; EARLY VOTING; MOVE NOTICE	A county recorder is required to cancel a voter registration when the county recorder receives confirmation from another county recorder that the person registered has registered to vote in that other county. A person who receives an early ballot at an address at which another person formerly resided is required to write "not at this address" on the envelope and place the mail piece in a U.S. Postal Service collection box or other mail receptacle. If the county recorder receives credible information that a person has registered to vote in a different county, the county recorder is required to confirm the person's voter registration with that other county and, on confirmation, remove that person from the	First sponsor: Sen. Mesnard (R - Dist 17)			3/21 from House rules okay.

	county's active early voting list. It is a class 5 (second lowest) felony to knowingly provide a mechanism for voting to another person who is registered in another state, including by forwarding an early ballot addressed to the other person. AS PASSED SENATE				
S1329: EARLY BALLOTS; TABULATING	The Department of Education is required to attempt to identify the characteristics of the top 15 ranked states and the bottom 15 ranked states, increased from the top 10 and bottom 10, on the national ranking study of the performance of each state's schools.	First sponsor: Sen. Boyer (R - Dist 20)			3/29 from House rules okay.
S1362: EARLY BALLOT ON-SITE TABULATION	County recorders and other officers in charge of elections are allowed to provide for a qualified voter who appears at his/her designated polling location or at a voting center on election day with his/her voted early ballot to have the voter's early ballot tabulated. A qualified voter who appears at a voting center or designated polling place that allows for on-site tabulation of early ballots with his/her voted early ballot is required to present identification as required by law. If the voter does not present identification, the voter is required to either deposit the voted early ballot in an official drop box or surrender the early ballot to the election board and vote a provisional ballot. If the voter presents sufficient identification and the affidavit is complete, the voter may sign the signature roster and proceed to the tabulating equipment to insert the ballot into a tabulating machine. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			4/12 from House rules okay.
S1411: EARLY BALLOTS; TRACKING SYSTEM	Effective January 1, 2024, for a county that uses early ballots, the county recorder or other officer in charge of elections is required to provide on the county's website an early ballot tracking system that indicates whether the voter's early ballot has been received and whether the early ballot has been verified and sent to be tabulated or rejected. Appropriates $250,000 from the general fund in FY2022-23 to the Secretary of State for enhancements to the Arizona voter information database to provide for early ballot tracking. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			3/24 from House gov-elect do pass.

S1460: ELECTION LAW AMENDMENTS	Various changes relating to election law. The Secretary of State is required to provide a secure online signature collection system for all filing offices in Arizona, and candidates whose filing office participates in the system are allowed to collect any or all of the required nomination petition signatures by use of the system. Establishes regulations for adjustment of precinct boundaries based on redistricting. If a voter surrenders an early ballot to the precinct inspector, presents identification as required by statute, and is not otherwise required to be issued a provisional ballot, the voter must be issued a standard ballot. Modifies various deadlines. Allows the notice of election to be posted online and at other locations where a government body regularly posts public notices, if there is not a newspaper of general circulation in the election district. More. AS PASSED SENATE	First sponsor: Sen. Shope (R - Dist 8)			3/29 from House rules okay.
S1477: VOTER REGISTRATION; FELONIES; CLERK; DATABASE	Each month the clerk of the superior court is required to transmit to the Secretary of State without charge a record of every felony conviction in that county within the preceding month. The Secretary of State is required to use the record for the sole purpose of canceling the names of convicted felons from the statewide voter registration database and must notify the appropriate county recorder. The county recorder is required to cancel the voter registration of the convicted felon.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22)			3/29 from House rules okay.
S1638: EARLY BALLOTS; VISUALLY IMPAIRED VOTERS	Early voting is required to include voting by the use of a remote accessible vote by mail option for persons who are blind or have a visual impairment. AS PASSED SENATE	First sponsor: Sen. Pace (R - Dist 25) Others: Rep. Shah (D - Dist 24)	Calendar: 4/18 Senate Final Reading		4/11 House COW approved with amend #4837 and flr amend #4929. Passed House 32-25; returned to Senate for concurrence in House amendments.
SCR1032: PLENARY LEGISLATIVE AUTHORITY; ELECTIONS	The members of the Legislature reaffirm the Legislature's plenary power with respect to elections and oppose any attempt by the federal government to usurp or otherwise interfere with the state legislative sovereign authority over the management, control and administration of elections.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist		General Comments (all lists): STRIKER: ELECTION LAW REVISIONS	3/24 from House gov-elect do pass.

		22), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6)			

Election Bills

55th Legislature - 2nd Regular Session, 2022 Friday, Jun 10 2022 8:51 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
Enacted					
H2236 (Chapter 259): VOTER REGISTRATION; REQUEST REQUIRED	An agency, department or division of Arizona or any person acting on its behalf and any political subdivision of Arizona or any person acting on its behalf are prohibited from registering a person to vote unless the person affirmatively requests to register to vote.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			5/27 signed by governor. Chap. 259, Laws 2022. message
H2237 (Chapter 252): SAME DAY VOTER REGISTRATION; PROHIBITION	An agency, department or division of Arizona or any person acting on its behalf, and any political subdivision or any person acting on its behalf are prohibited from registering a person to vote on an election day and deeming that person eligible to vote in that election. A person who violates this section is guilty of a class 6 (lowest) felony. Does not apply to a person who properly registers to vote while temporarily absent from Arizona as provided for in statute. AS SIGNED BY GOVERNOR	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			5/23 signed by governor. Chap. 252, Laws 2022. message
H2492 (Chapter 99): VOTER REGISTRATION; VERIFICATION; CITIZENSHIP	Any application for voter registration, including on a form prescribed by the U.S. Election Assistance Commission, is required to contain an appropriate mark in the "yes" box next to the question regarding citizenship as a condition of being properly registered to vote as either a voter who is eligible to vote a full ballot or a voter who is eligible to vote only with a ballot for federal offices. Any application for voter registration that does not include all of the information required to be on the registration form and any application that is not signed is incomplete, and the county recorder is required to notify the applicant and is prohibited from registering the voter until all of the information is returned. Except for a form produced by the U.S.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)			3/30 signed by governor. Chap. 99, Laws 2022. message

Election Assistance Commission, any application for voter registration is required to be accompanied by satisfactory evidence of citizenship, and the county recorder or other officer in charge of elections is required to reject any application for registration that is not accompanied by satisfactory evidence of citizenship. A county recorder or other officer in charge of elections who knowingly fails to reject an application for registration in these circumstances is guilty of a class 6 (lowest) felony. Within 10 days after receiving an application that is not accompanied by satisfactory evidence of citizenship, the county recorder or other officer in charge of elections is required to use all available resources to verify the citizenship status of an applicant for voter registration, and is required to record the efforts made to verify an applicant's citizenship status. If the county recorder or other officer in charge of elections fails to attempt to verify the citizenship status of an applicant and knowingly causes the applicant to be registered, and it is later determined that the applicant was not a U.S. citizen at the time of registration, the county recorder or other officer in charge of elections is guilty of a class 6 (lowest) felony. A person who registers to vote is required to provide an identifying document that establishes proof of location of residence. A valid and unexpired Arizona driver license or nonoperating identification number that is properly verified by the county recorder satisfies this requirement. A person who has registered to vote and who has not provided satisfactory evidence of citizenship is not eligible to vote in presidential elections. A person who has not provided satisfactory evidence of citizenship and who is eligible to vote only for federal offices is not eligible to receive an early ballot by mail. The Secretary of State and each county recorder are required to make available to the Attorney General a list of all individuals who are registered to vote and who have not provided satisfactory evidence of U.S. citizenship. The Attorney General is required to use all available resources to verify the citizenship status of the applicant, and is required to prosecute individuals

	who are found to not be U.S. citizens. When the county recorder receives information that a person is not a U.S. citizen, the county recorder is required to cancel the person's voter registration. By March 31, 2023, the Attorney General is required to submit a report to the Secretary of State and the Legislature detailing all findings relating to the citizenship status of individuals who are registered to vote and who have not provided satisfactory evidence of citizenship. Severability clause. AS SIGNED BY GOVERNOR. In his signing statement, the Governor stated this legislation is a balanced approach that honors Arizona's history of making voting accessible without sacrificing election security.				
H2703 (Chapter 266): SECURE ONLINE SIGNATURE COLLECTION	The Secretary of State is required to continue operating and to maintain full functionality and availability of the secure internet portal and related systems for online signature collection and submittal of clean elections qualifying contributions for candidates for federal, statewide, legislative, county, or municipal offices. The Secretary of State is allowed to temporarily remove, close down, or otherwise limit access to the portal or system as necessary for updates, and is required to provide notice to candidates if the portal or system will be unavailable. AS PASSED SENATE	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21)			5/27 signed by governor. Chap. 266, Laws 2022. message
H2839 (Chapter 3): CANDIDATE NOMINATIONS; SIGNATURES; REDISTRICTING	If new boundaries for supervisorial districts, justice precincts, or election precincts are adopted after January 2 of the year of a general election and before the last date for filing of nomination petitions for the elective office, district, or precinct, the basis for determining the required number of nomination petition signatures is the number of qualified signers in the elective office, district, or precinct on the effective date of the new district or precinct. The number of signatures required for a 2022 legislative candidate's or congressional candidate's nomination petition is the lesser of the average of the number of qualified signers needed for all 2020 legislative or congressional districts for that candidate's political party using the voter registration report for January 2, 2022, or the required number of signatures as prescribed	First sponsor: Rep. Bowers (R - Dist 25)			3/3 signed by governor. Chap. 3, Laws 2022. message

	in statute if the basis for the percentage is the number of qualified signers in the voter registration report for January 2, 2022 in the 2020 numbered legislative or congressional district with the same numeral and the district that the candidate proposes to represent. Session law establishes requirements for nomination papers and petitions for candidates for election in 2022 to an office other than a federal, statewide, or legislative office. Session law also establishes requirements for nomination papers for candidates for precinct committeeman for the 2022 election and requires the county board of supervisors to appoint political party precinct committeemen from names submitted by the county political party committee. Emergency clause. AS SIGNED BY GOVERNOR				
S1008 (Chapter 230): ELECTIONS; RECOUNT MARGIN	Modifies the criteria that triggers an automatic election recount to require a recount when the margin between the two candidates receiving the greatest number of votes for a particular office, or between the number of votes cast for and against a measure or proposition, is less than or equal to 0.5 percent of the number of votes cast for both candidates or on the measure or proposition. Previously, the difference in votes that triggered an automatic recount was the lesser of 0.1 percent or either a specified number of votes based on the office to be filled or 200 votes for a measure or proposition. AS SIGNED BY GOVERNOR	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			5/20 signed by governor. Chap. 230, Laws 2022. message
S1013 (Chapter 268): SECRETARY OF STATE; FEDERAL FORM	By December 31, 2022, the Secretary of State is required to submit to the U.S. Election Assistance Commission a request that the Commission include on the federal voter registration form Arizona's state-specific instructions to provide proof of citizenship. [Capitol Reports Note: This requirement was originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget) with a deadline of December 31, 2021, but was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Sen. Townsend (R - Dist 16)			6/6 signed by governor. Chap. 268, Laws 2022. message

S1260 (Chapter 270): REGISTRATIONS; EARLY VOTING; MOVE NOTICE	A county recorder is required to cancel a voter registration when the county recorder receives confirmation from another county recorder that the person registered has registered to vote in that other county. A person who receives an early ballot at an address at which another person formerly resided is required to write "not at this address" on the envelope and place the mail piece in a U.S. Postal Service collection box or other mail receptacle. If the county recorder receives credible information that a person has registered to vote in a different county, the county recorder is required to confirm the person's voter registration with that other county and, on confirmation, remove that person from the county's active early voting list. It is a class 5 (second lowest) felony to knowingly provide a mechanism for voting to another person who is registered in another state, including by forwarding an early ballot addressed to the other person. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			6/6 signed by governor. Chap. 270, Laws 2022. message
S1329 (Chapter 232): EARLY BALLOTS; TABULATING	If practicable, the county recorder or other officer in charge of elections is required to count the number of early ballots that are returned at voting locations on election day and is required to post on its website those totals with the last unofficial results that are released on election night. Beginning the day following the election, the county recorder or other officer in charge of elections is required to enter into the county's ballot tracking system, if established, early ballots that were returned at the voting location on election day. AS SIGNED BY GOVERNOR	First sponsor: Sen. Boyer (R - Dist 20)			5/20 signed by governor. Chap. 232, Laws 2022. message
S1362 (Chapter 271): EARLY BALLOT ON-SITE TABULATION	County recorders and other officers in charge of elections are allowed to provide for a qualified voter who appears at his/her designated polling location or at a voting center on election day with his/her voted early ballot to have the voter's early ballot tabulated. A qualified voter who appears at a voting center or designated polling place that allows for on-site tabulation of early ballots with his/her voted early ballot is required to present identification as required by law. If the voter does not present identification, the voter is required to either deposit the voted early ballot in an official drop	First sponsor: Sen. Mesnard (R - Dist 17)			6/6 signed by governor. Chap. 271, Laws 2022. message

	box or surrender the early ballot to the election board and vote a provisional ballot. If the voter presents sufficient identification and the affidavit is complete, the voter may sign the signature roster and proceed to the tabulating equipment to insert the ballot into a tabulating machine. AS PASSED SENATE				
S1460 (Chapter 277): ELECTION LAW AMENDMENTS	Various changes relating to election law. Establishes regulations for adjustment of precinct boundaries based on redistricting. If a voter surrenders an early ballot to the precinct inspector, presents identification as required by statute, and is not otherwise required to be issued a provisional ballot, the voter must be issued a standard ballot, and the precinct inspector is required to retain the surrendered early ballot, unopened in its affidavit envelope. Modifies various deadlines. Allows the notice of election to be posted online and at other locations where a government body regularly posts public notices, if there is not a newspaper of general circulation in the election district. The lists of persons that may request that persons be prohibited from accessing the person's residential address and telephone number contained in voter registration public records is expanded to include a "public official" (defined). AS PASSED HOUSE	First sponsor: Sen. Shope (R - Dist 8)			6/7 signed by governor. Chap. 277, Laws 2022. message
S1477 (Chapter 251): VOTER REGISTRATION; FELONIES; CLERK; DATABASE	Each month the clerk of the superior court is required to transmit to the Secretary of State without charge a record of every felony conviction in that county within the preceding month. The Secretary of State is required to use the record for the sole purpose of canceling the names of convicted felons from the statewide voter registration database and must notify the appropriate county recorder. The county recorder is required to cancel the voter registration of the convicted felon. AS SIGNED BY GOVERNOR	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22)			5/23 signed by governor. Chap. 251, Laws 2022. message
S1638 (Chapter 174): EARLY BALLOTS; VISUALLY IMPAIRED VOTERS	Early voting is required to include voting by the use of an accessible vote by U.S. mail option for persons who are blind or have a visual impairment. Delays the effective date of Laws 2022, Chapter 99, which requires satisfactory evidence of citizenship for voter registration, to January 1, 2023,	First sponsor: Sen. Pace (R - Dist 25) Others: Rep. Shah (D - Dist 24)			4/22 signed by governor. Chap. 174, Laws 2022. message

	instead of the general effective date. AS SIGNED BY GOVERNOR				

BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
To the Ballot					
SCR1012: VOTING; VOTER IDENTIFICATION	The 2022 general election ballot is to carry the question of whether to amend state statute to modify the type of identification that a voter may present in order to receive a ballot to require one valid and unexpired form of identification that includes a photograph, and to require a second form of identification if the photo identification does not have an address or the address does not match the address in the precinct register. The Department of Transportation is prohibited from charging a fee for issuing a nonoperating identification license if a person attests on the application that the person has applied for the license in order to comply with any legal requirements related to registering to vote or voting. Early ballot affidavits must require the voter to provide the voter's "early voter identification" (defined as the voter's Arizona driver license or nonoperating identification number, the last four digits of the voter's social security number, or the unique identifying number in the statewide electronic voter registration database as assigned by the Secretary of State) number and the voter's date of birth and signature. Any qualified Arizona voter has standing to file a special action to require any official to enforce the requirements of this legislation if the official has a legal duty to do so, and to file a declaratory judgment action to determine the proper construction of this legislation. Applies to elections beginning no later than the 2024 primary election. Severability clause. AS SENT TO SECRETARY OF STATE	First sponsor: Sen. Mesnard (R - Dist 17)			2/28 substituted in House for identical bill HCR2025. Passed House 31-26; to secretary of state for placement on the 2022 general election ballot.

Vetoed

H2617: VOTER REGISTRATION; CANCELLATIONS; CAUSES	When a county recorder received information that a registered voter was not a U.S. citizen, had been issued a driver license or nonoperating identification license from another state, or was otherwise not qualified to vote, the county recorder would have been required to cancel the person's voter registration. Before cancelling a voter registration, the county recorder would have been required to notify the person that the registration would be canceled in 90 days unless the person provided satisfactory evidence that the person was qualified. If the person did not provide satisfactory evidence within 90 days, the county recorder would have been required to cancel the registration and notify the county attorney and Attorney General for possible investigation. Each month the Secretary of State would have been required to compare the statewide voter registration database to the driver license database, and to notify the appropriate county recorder if a person who was registered to vote in that county changed the person's residence address or was not a U.S. citizen. Each month the county recorder would have been required to compare the county's voter registration database to the Social Security Administration database and other government databases to ensure that registered voters were qualified to vote. AS VETOED BY GOVERNOR. In his veto message, the Governor stated that implementation of this legislation is vague and lacks guidance for how a county recorder would confirm information that a registered voter was not qualified to vote. He expressed support for other provisions in the legislation and stated his hope that those provisions will be returned to his desk this session.	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Sen. Rogers (R - Dist 6), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			5/27 VETOED message.

Bills of Interest

H2170: ELECTION MAILINGS; THIRD-PARTY DISCLOSURES	Any nongovernmental person or entity that mails, sends by email, or provides an electronic or digital link to an official election-related document from the county recorder, county officer in charge of elections, or the Secretary of State, including a voter registration application or an early ballot request, is required to include the words "not from a government agency" in boldfaced, clearly legible print on the outside of the envelope or prominently placed in the electronic or digital message. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23)			5/17 FAILED Senate 15-13.
H2238: BALLOT DROP BOXES; PROHIBITION	A county recorder or other officer in charge of elections is prohibited from using an unmonitored drop box for receipt of voted early ballots. Does not apply to a ballot drop box located inside a polling place, voting center, county recorder's office, or other location at which election staff is present and monitoring the drop box. For a location where it is not practicable for election staff to be present, the county is required to provide and maintain 24-hour video surveillance. AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			5/23 Senate COW approved. FAILED Senate 14-15.
H2243: VOTER REGISTRATION; STATE RESIDENCY; CANCELLATION	The voter registration form is required to contain a statement that if the registrant permanently moves to another state after registering to vote in Arizona, the registrant's voter registration will be canceled.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			3/15 from Senate rules okay.
H2289: CHALLENGERS; POLLING PLACES; TABULATION OBSERVATION	The county chairman of each political party is required, instead of allowed, to designate a party agent or representative who may act as challengers for the party. One challenger for each political party is required to be present at each voting place, and the party representative is required to remain in the polling place until completion of the tabulation of votes and transmittal or delivery of the results to the county recorder or other officer in charge of elections. The election process is required to continue even if the challengers or party representatives are not present. AS PASSED HOUSE	First sponsor: Rep. Fillmore (R - Dist 16)		General Comments (all lists): STRIKER: ELECTIONS; IDENTIFICATION; REVISIONS; TABULATION; MAIL-IN	3/22 from Senate gov with amend #4809.

H2378: ELECTION LAWSUITS; SETTLEMENTS; APPROVALS	If a proposed settlement of an election-related civil action by the Secretary of State materially affects a county recorder or other officer in charge of elections, the Secretary of State cannot settle or otherwise compromise that civil action without consulting the county recorders or other officers in charge of elections. A county recorder or other officer in charge of elections is authorized to object to the settlement based on the difficulty or impracticability of its requirements, and is authorized to demonstrate or otherwise provide evidence regarding that difficulty or impracticability. If the evidence is sufficient, the Secretary of State's settlement cannot be approved without the consent of the county recorder or other officer in charge of elections. A county recorder or other officer in charge of elections is authorized to join in any election-related civil action that materially affects the county recorder or officer.	First sponsor: Rep. Bolick (R - Dist 20)			5/23 Senate COW approved with flr amend #5002. FAILED Senate 15-14.
H2379: ELECTION PROCEDURES MANUAL; STATUTORY CONFLICT	The election instructions and procedures manual is required to provide for transparency and election security to the maximum extent allowed by law. If any provision of the manual conflicts with any statute, the provision of the instructions and procedures manual is unenforceable and the statute prevails.	First sponsor: Rep. Bolick (R - Dist 20)			4/18 Senate COW approved with flr amend #4933.
H2493: ELECTION INTEGRITY FUND	Appropriates $12 million from the general fund in FY2022-23 to the newly established Election Integrity Fund, to be used to pay county recorders for election security, and cybersecurity measures and improvements, including additional staffing. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.] AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16)			3/31 from Senate appro with amend #4892.
H2494: VOTER REGISTRATION EVENTS; POSTING	The Secretary of State and each county recorder is required to post on their public websites a list of each event that the Office of the Secretary of State or the county recorder attends and provides voter registration services. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22)			3/22 from Senate rules okay.

	the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.] AS PASSED HOUSE				
H2602: POLLING PLACES; EMERGENCY VOTING CENTERS	County boards of supervisors are allowed to authorize the use of emergency voting centers only on occurrence of a genuine emergency such as war, civil unrest, or natural disaster, that makes it likely that large numbers of voters will be substantially impaired in their ability to vote on election day as compared to other elections. AS PASSED HOUSE	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Nguyen (R - Dist 1)			5/23 Senate COW approved with amend #4802. FAILED Senate 15-14.
H2710: REGISTRATIONS; COUNTING PROCEDURES; OBSERVERS; VERIFICATION	Various changes relating to election observers. The county chairperson of each political party may designate a party representative for a polling place, a voting center, a location at which electronic processing of ballots occurs, and a location used by any third-party vendor for physical or electronic processing of ballot materials, including ballot envelopes. If the county party chairperson fails to appoint a party representative for a location, the state party chairperson may make those appointments, and if the state party chairperson fails to appoint a party representative, the legislative district chairperson in the area in which the polling place, voting center or other location is located may make those appointments for a location. The county officer in charge of elections is required to publish the procedures for a hand count, including the times and locations, on the county's website no later than the Tuesday before Election Day. If the county party chairperson fails to designate a sufficient number of board workers to assist with a hand count, the state party chairperson is required to designate qualified electors to be board workers. If the state party chairperson fails to designate a sufficient number of board workers, the legislative district chairperson of the district in which the hand count is to occur is required to designate qualified electors to be board workers. The selection of persons to perform the hand count must ensure when practicable that not more than 75 percent of the persons conducting the hand count are members of the same political party, except that if a recognized	First sponsor: Rep. Kavanagh (R - Dist 23)			5/23 Senate COW approved with amend #4804 and flr amend #5004.

	political party provides an insufficient number of qualified electors or no qualified electors, the hand count is required to proceed without regard to the political party affiliations of the qualified electors conducting the hand count. AS PASSED HOUSE				
H2780: VOTER LISTS; IMAGES; VOTING RECORDS	Ten days before the primary and general election, the county recorder is required to publish a list of all voters who are eligible to vote in the election, including persons who are on the inactive voter list, and post this information on the county recorder's website with personally identifying information redacted. Five days before the county canvass, the county recorder or other officer in charge of elections is required to publish and post in digital format on the county's website a list of all persons who voted and their method of voting, all ballot images, and the cast vote record in a sortable format. The county recorder or other officer in charge of elections is required to provide for an identifying indicator to be linked to ballots and/or ballot images, that when combined with access to the cast vote record allows a person a reasonable basis to independently confirm tabulation results by batch of ballots. The officer in charge of elections is required to ensure that paper ballots are sorted and stored in a manner that allows for convenient retrieval. AS PASSED HOUSE	First sponsor: Rep. Kavanagh (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Osborne (R - Dist 13), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			5/31 from Senate rules okay.
H2786: VOTER REGISTRATIONS; BALLOT REQUESTS; SOURCE	Only a political party, county recorder, or election official is authorized to distribute early ballot request forms to voters. For any signed preprinted request to amend a voter's registration information or request for an early ballot, the county recorder is prohibited from using that signature of the voter as the sole exemplar for subsequent comparison if the submittal is on a printed document, card or other form that is not an official form printed by the county recorder or other officer in charge of elections. AS PASSED HOUSE	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			3/22 from Senate gov with amend #4803.

S1255: LIEUTENANT GOVERNOR; DUTIES; BALLOT	No later than 60 days before the date of the general election, a candidate for Governor is required to submit to the Secretary of State the name of a person who will be the joint candidate for Lieutenant Governor with that gubernatorial candidate and whose name will appear on the general election ballot jointly with that candidate. The Governor is required to appoint the Lieutenant Governor to serve as the Director of the Arizona Department of Administration (ADOA) or to fill any position for which the Governor is otherwise authorized by law to make an appointment. Conditionally enacted on the state Constitution being amended by the voters at the 2020 general election by passage of an SCR1024 relating to the establishment of the office of Lieutenant Governor. Applies beginning with elections for the term of office that starts in 2027. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17) Others: Sen. Bowie (D - Dist 18)			3/16 from House gov-elect do pass.
S1259: RECOUNTS; REQUESTS; PROCEDURES; AUDITS	The number of precincts in each county that must be randomly selected for a hand count after each election is changed to 5 percent of the precincts in the county or the number of precincts that is required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 1 percent based on the total number of ballots cast in that county on election day, whichever is greater, from two percent or two precincts. Voting centers are deemed to be a precinct for the purposes of the hand counts. For a county with a population of 800,000 persons or more (Maricopa and Pima), the chairmen of the political parties entitled to continued representation on the ballot or the chairmen's designees are required to randomly select for a manual audit either 10,000 early ballots or the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county, whichever is greater. For other counties, the chairmen or the designee's are required to randomly select for a manual audit the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 3 percent based	First sponsor: Sen. Mesnard (R - Dist 17)			3/24 from House gov-elect do pass.

	on the total number of early ballots cast in that county. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, the Attorney General, the Secretary of State, or the Legislative Council is authorized to request a recount of the total number of votes cast in the election or at any precinct, voting center, jurisdiction, or any combination of those portions of an election. The expenses of the requested recount will be a state charge. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, any person is authorized to file an action for a recount in any election that is not subject to an automatic recount if the person files a bond with the superior court in an amount determined by the court to be sufficient to fully reimburse the costs of conducting the recount. Recount request or filing provisions do not apply to elections for precinct committeemen, school boards, fire district boards or other special district boards.				
S1411: EARLY BALLOTS; TRACKING SYSTEM	Effective January 1, 2024, for a county that uses early ballots, the county recorder or other officer in charge of elections is required to provide on the county's website an early ballot tracking system that indicates whether the voter's early ballot has been received and whether the early ballot has been verified and sent to be tabulated or rejected. Appropriates $250,000 from the general fund in FY2022-23 to the Secretary of State for enhancements to the Arizona voter information database to provide for early ballot tracking. AS PASSED SENATE	First sponsor: Sen. Mesnard (R - Dist 17)			3/24 from House gov-elect do pass.
SCR1032: PLENARY LEGISLATIVE AUTHORITY; ELECTIONS	The members of the Legislature reaffirm the Legislature's plenary power with respect to elections and oppose any attempt by the federal government to usurp or otherwise interfere with the state legislative sovereign authority over the management, control and administration of elections.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6)		General Comments (all lists): STRIKER: ELECTION LAW REVISIONS	3/24 from House gov-elect do pass.

Election Bills

55th Legislature - 2nd Regular Session, 2022 Friday, Feb 11 2022 9:08 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
H2023: ELECTRONIC BALLOT IMAGES; PUBLIC RECORD	After the polls are closed, the officer in charge of elections is required to make available to the public an online copy of any digital images of ballots in a manner that allows the images to be searchable by precinct but that precludes any alteration of the images. States that the digital images of the ballots are public records.	First sponsor: Rep. Finchem (R - Dist 11) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Payne (R - Dist 21)			
H2041: BALLOT FRAUD COUNTERMEASURES; PAPER; INK	Any vendor that provides fraud countermeasures that are contained in and on the paper used for ballots is required to be ISO 27001 certified, ISO 17025 certified, or ISO 9001:2015 certified. Ballot fraud countermeasures are required to include all of a list of 19 specified features, including watermarking, secure holographic foil, security inks, invisible ultraviolet microtext, a serialized black QR code, and a paper receipt for the voter. The Legislature is required to appropriate sufficient monies to the State Treasurer to provide counties with the ballot paper prescribed by this legislation. Applies to the regular general election in 2022 and all elections held in 2024 and later. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the State Treasurer for the purchase of antifraud ballot paper meeting these requirements. [Capitol Reports Note: Some of these provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Chaplik (R - Dist 23), Rep. Finchem (R - Dist 11), Rep. Nguyen (R - Dist 1)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		

H2059: EARLY VOTING; BOXES; OBSERVERS; ELECTIONEERING	County recorders or other officers in charge of elections are prohibited from using an unmonitored drop box for receiving voted early ballots. For any drop boxes that are used to receive voted early ballots, the county board of supervisors is required to furnish three notices that electioneering is prohibited within 75 feet of the drop box. Voters who have delivered their ballots are required to promptly move outside the 75-foot limit. Increases the criminal classification of a list of unlawful acts by voters, including electioneering within the 75-foot limit, hindering the voting of others, and voting in a county in which the voter no longer resides, to a class 6 (lowest) felony, from a class 2 (mid-level) misdemeanor.	First sponsor: Rep. Blackman (R - Dist 6) Others: Rep. Bolick (R - Dist 20)			1/18 referred to House gov-elect.
H2071: EARLY BALLOTS; POSTMARK DATE; RECEIPT	An early ballot and affidavit that is postmarked by U.S. mail on or before the sixth day before election day is valid and eligible to be counted if received no later than five days after election day. Effective January 1, 2023.	First sponsor: Rep. Cook (R - Dist 8)			2/7 referred to House gov-elect.
H2076: PRESIDENTIAL PREFERENCE ELECTION; INDEPENDENT VOTERS	Voters registered without a political party designation may vote in the presidential preference election and may select the ballot of any political party at that election.	First sponsor: Rep. Pawlik (D - Dist 17) Others: Sen. Bowie (D - Dist 18), Rep. Dalessandro (D - Dist 2), Rep. Epstein (D - Dist 18), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Sen. Marsh (D - Dist 28), Rep. Powers Hannley (D - Dist 9), Rep. Schwiebert (D - Dist 20)			
H2077: CANDIDATES; SCHOOL; LOCAL; ELECTRONIC SIGNATURES	The list of candidates that may gather petition signatures through a secure internet portal system provided by the Secretary of State is expanded to include candidates for school board office and any office for which a county administers the election.	First sponsor: Rep. Pawlik (D - Dist 17) Others: Sen. Bowie (D - Dist 18), Rep. Butler (D - Dist 28), Rep. Chavez (D - Dist 29), Rep. Dalessandro (D - Dist 2), Rep. Epstein (D - Dist 18), Rep. A. Hernandez (D - Dist 3), Rep. D. Hernandez (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Sen. Marsh (D - Dist 28), Rep. Powers Hannley (D - Dist 9), Rep. Schwiebert (D - Dist 20), Rep. Shah (D - Dist 24), Rep. Sierra (D - Dist 19), Rep. Solorio (D - Dist 30)			

H2078: INITIATIVE; REFERENDUM; SIGNATURES; ELECTRONIC SUBMITTAL	The Secretary of State is required to provide a system for qualified electors to sign initiative and referendum petitions by way of a secure internet portal. The system is required to verify the qualified elector's identity and allow only qualified electors who are eligible to sign the initiative or referendum petition to do so. The person or organization that files the application for initiative or referendum petition may choose to collect up to one-half of the number of signatures required by use of the online signature collection system.	First sponsor: Rep. Pawlik (D - Dist 17) Others: Sen. Bowie (D - Dist 18), Rep. Butler (D - Dist 28), Rep. Dalessandro (D - Dist 2), Rep. A. Hernandez (D - Dist 3), Rep. D. Hernandez (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Sen. Marsh (D - Dist 28), Rep. Powers Hannley (D - Dist 9), Rep. Schwiebert (D - Dist 20), Rep. Shah (D - Dist 24), Rep. Sierra (D - Dist 19), Rep. Solorio (D - Dist 30)			
H2079: COUNTIES; PRECINCT SIZE; MAXIMUM	County boards of supervisors are prohibited from establishing an election precinct that contains more than 1,500 registered voters on the date the boundaries are established. All ballots voted at a voting center or emergency voting center are required to be segregated by election precinct before official tabulation.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Pingerelli (R - Dist 21)			1/19 referred to House gov-elect.
H2080: HAND COUNT; ELECTRONIC TABULATION VERIFICATION	For the regular primary and general elections, all ballots are required to be counted by hand, and machines or devices for electronic tabulation of ballots can be used only for quality control checks or to otherwise verify the hand count of ballots. When the court orders a recount of votes that were tabulated by hand, the recount must be a hand count and the court is allowed to order the use of tabulating equipment to verify the results of the hand recount. Effective January 1, 2023.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Pingerelli (R - Dist 21)			
H2092: BALLOT MEASURE AMENDMENTS	Various changes to statutes relating to initiative and referendum measures. Repeals statute requiring constitutional and statutory requirements for statewide initiative measures to be strictly construed and requiring persons using the initiative process to strictly comply with those constitutional and statutory requirements. At any time before a person or organization submits an application for initiative petition or referendum petition, a political committee that intends to file that application is allowed to submit the proposed description of the principal provisions of the measure to the Attorney General for a determination of whether	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Cano (D - Dist 3), Rep. Dalessandro (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Sen. Mendez (D - Dist 26), Sen. Terán (D - Dist 30)			

	the description is lawful and sufficient. The Attorney General is required to approve or reject the description within ten days after submittal. If rejected, the Attorney General must state the reasons for the rejection. If approved, any challenge to the description must be filed in the superior court within ten days after the Attorney General's approval. Repeals statute allowing a political committee that intends to support or oppose an initiative or referendum measure to submit a copy of the text of the proposed law, referral or constitutional amendment to the director of the Legislative Council to prepare recommendations to improve the text of the proposed measure. Contains a legislative intent clause.				
H2094: EARLY BALLOT COLLECTION; LIMITATIONS; REPEAL	It is no longer a class 6 (lowest) felony to knowingly collect voted or unvoted early ballots from another person.	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Cano (D - Dist 3), Rep. Dalessandro (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Sen. Mendez (D - Dist 26), Sen. Terán (D - Dist 30)			
H2170: ELECTION MAILINGS; THIRD-PARTY DISCLOSURES	Any nongovernmental person or entity that mails, sends by electronic or digital means, or provides an electronic or digital link to an official election-related document from the county recorder, county officer in charge of elections, or the Secretary of State, including a voter registration application or an early ballot request, is required to include the words "not from a government agency" in boldfaced, clearly legible print on the outside of the envelope or prominently placed in the electronic or digital message.	First sponsor: Rep. Kavanagh (R - Dist 23)			1/26 from House gov-elect with amend #4019.
H2236: VOTER REGISTRATION; REQUEST REQUIRED	An agency, department or division of Arizona or any person acting on its behalf and any political subdivision of Arizona or any person acting on its behalf are prohibited from registering a person to vote unless the person affirmatively requests to register to vote.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			2/8 from House rules okay.

H2237: SAME DAY VOTER REGISTRATION; PROHIBITION	An agency, department or division of Arizona or any person acting on its behalf, and any political subdivision or any person acting on its behalf are prohibited from registering a person to vote on an election day and deeming that person eligible to vote in that election. Any person who violates this section is guilty of a class 6 (lowest) felony. Does not apply to a person who properly registers to vote while temporarily absent from Arizona as provided for in statute.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			1/26 from House gov-elect do pass.
H2238: BALLOT DROP BOXES; PROHIBITION	A county recorder or other officer in charge of elections is prohibited from using an unmonitored drop box for receipt of voted early ballots.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			1/26 from House gov-elect with amend #4020.
H2239: ELECTRONIC BALLOT ADJUDICATION; PROHIBITION	The county board of supervisors and officer in charge of elections are prohibited from using an electronic vote adjudication. A duplicate copy of a damaged or defective ballot must be made by hand.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/10 referred to House gov-elect.
H2240: ELECTIONS; VOTING CENTERS PROHIBITED	County boards of supervisors and any officer in charge of elections are prohibited from authorizing, establishing or using a voting center at which a voter who is a registered voter and resident anywhere in that county is allowed to receive the appropriate ballot for that specific voter.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/20 referred to House gov-elect.
H2241: EARLY BALLOT DROP OFF; IDENTIFICATION	For any voter or voter's agent who delivers one or more voted early ballots in affidavit envelopes at any polling place or voting center, the election board must require the person to present identification for his/her own early ballot, and to attest in writing that he/she is the voter's family member, household member or caregiver for another person's early ballot. Knowing violations are a class 6 (lowest) felony.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			2/8 from House rules okay.

H2242: VOTER REGISTRATIONS; VALIDATION REQUIREMENT	After receiving a voter registration form, the county recorder is required to verify that the name, address, date of birth and driver license number of the registrant are valid and accurate. After receiving voter registration information for the statewide database, the Secretary of State is required to verify that the name, address, date of birth and driver license number of the registrant are valid and accurate. A person who willfully fails to comply with these requirements is guilty of a class 6 (lowest) felony.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Grantham (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/20 referred to House gov-elect.
H2243: VOTER REGISTRATION; STATE RESIDENCY; CANCELLATION	The voter registration form is required to contain a statement that if the registrant permanently moves to another state after registering to vote in Arizona, the registrant's voter registration will be canceled.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			1/26 from House gov-elect do pass.
H2244: AUDITOR GENERAL; ELECTION SYSTEMS; AUDITS	The Auditor General is required to conduct systems and procedures audits of offices conducting the general election. Appropriates $800,000 from the general fund in FY2022-23 to the Auditor General for these audits.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Parker (R - Dist 16)			1/20 referred to House gov-elect, appro.
H2245: IN-PERSON EARLY VOTING; TIME PERIOD	On-site early voting locations, voting centers, and emergency voting centers may be used for in-person early voting only during the period beginning on the Saturday before election day for a primary or general election and continuing through the Monday before election day for a primary or general election and cannot be used for in-person early voting for any other election or time period.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Parker (R - Dist 16)			1/20 referred to House gov-elect.
H2259: VOTING RIGHTS; FELONIES; AUTOMATIC RESTORATION	A person's right to vote is automatically restored on the person's discharge of probation or absolute discharge from imprisonment.	First sponsor: Rep. Espinoza (D - Dist 19) Others: Rep. Dalessandro (D - Dist 2), Rep. Solorio (D - Dist 30)			
H2270: OFFICIALS; POLITICAL ACTION COMMITTEE PROHIBITION	An individual who is an election officer or employee or who oversees any significant aspect of election operations is prohibited from being a chairperson, treasurer or other member of a political action committee. Does	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Blackman (R - Dist 6), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Nguyen (R -			

	not apply to an individual's membership in a candidate committee for that individual's own candidacy.	Dist 1)			
H2283: POLLING PLACES; SCHOOLS; DISTRICT BOARDS	The officer in charge of elections is required to prioritize public schools and fire stations as polling places. School district governing boards and the governing board or body that supervises the fire stations are required to assist the county board of supervisors and the officer in charge of elections in selecting and coordinating schools and fire stations to be used as polling places. School principals are no longer authorized to deny a request to provide space for use as a polling place in specified circumstances.	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Carroll (R - Dist 22)			1/20 referred to House gov-elect.
H2287: PRECINCTS; COMBINATION; PROHIBITION	For the purpose of establishing polling places, adjacent precincts are prohibited from being combined.	First sponsor: Rep. Fillmore (R - Dist 16)			1/20 referred to House gov-elect.
H2288: EMERGENCY VOTING; REGISTRATION UPDATE; PROHIBITION	County boards of supervisors are no longer allowed to authorize the use of emergency voting centers. County recorders and other officers in charge of elections are no longer authorized to provide for emergency balloting for person who experience an emergency immediately preceding an election.	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Carter (R - Dist 8)			1/20 referred to House gov-elect.
H2289: CHALLENGERS; POLLING PLACES; TABULATION OBSERVATION	The county chairman of each political party is required, instead of allowed, to designate a party agent or representative who may act as challengers for the party. One challenger for each political party is required to be present at each voting place, and the party representative is required to remain in the polling place until completion of the tabulation of votes and transmittal or delivery of the results to the county recorder or other officer in charge of elections.	First sponsor: Rep. Fillmore (R - Dist 16)			2/10 from House gov-elect do pass.
H2295: ELECTION DAY; CELEBRATION	The first Tuesday after the first Monday in November in every even-numbered year must be observed as Election Celebration Day, which is not a legal holiday.	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Parker (R - Dist 16)			1/18 referred to House gov-elect.

H2296: GOVERNMENT-ISSUED VOTER IDENTIFICATION; REQUIREMENT	Deletes the option for a voter to present, in order to receive a ballot and in lieu of government-issued photo identification, two different items that contain the name and address of the voter that reasonably appear to be the same as the name and address in the precinct register, including a utility bill, a bank or credit union statement, a valid Arizona vehicle registration, an Arizona vehicle insurance card, an Indian census card, tribal enrollment card or other form of tribal identification, a property tax statement, a recorder's certificate, a voter registration card, a valid government-issued identification, or any mailing that is labeled as "official election material." Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.	First sponsor: Rep. Fillmore (R - Dist 16)			1/20 referred to House gov-elect.
H2357: ELECTION BOARD CLERKS; PARTY AFFILIATION	A person who has changed their political party affiliation or their no party preference affiliation since the last preceding general election is no longer eligible to serve as an election board clerk.	First sponsor: Rep. Biasiucci (R - Dist 5) Others: Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Finchem (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			1/20 referred to House gov-elect.
H2376: ELECTION PROCEDURES; REVIEW; COMMISSION	Establishes a 13-member Election Integrity Commission and requires the Commission to biennially conduct a review of election laws and procedures to ensure statewide election integrity, beginning in 2023. The Commission is required to submit a report of its findings and recommendations to the Governor, the Secretary of State, and the Legislature by December 1 of each odd-numbered year. The Commission terminates on July 1, 2032.	First sponsor: Rep. Bolick (R - Dist 20)			1/24 referred to House gov-elect.
H2377: VOTING; SEVENTY-FIVE FOOT LIMIT; PHOTOGRAPHS	While within the 75-foot limit of the polls, a person is allowed to take photographs or videos of him/herself, his/her own ballot, and any election worker.	First sponsor: Rep. Bolick (R - Dist 20)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/24 referred to House gov-elect.

H2378: ELECTION LAWSUITS; SETTLEMENTS; APPROVALS	If a proposed settlement of an election-related civil action by the Secretary of State materially affects a county recorder or other officer in charge of elections, the Secretary of State cannot settle or otherwise compromise that civil action without consulting the county recorders or other officers in charge of elections. A county recorder or other officer in charge of elections is authorized to object to the settlement based on the difficulty or impracticability of its requirements, and is authorized to demonstrate or otherwise provide evidence regarding that difficulty or impracticability. If the evidence is sufficient, the Secretary of State's settlement cannot be approved without the consent of the county recorder or other officer in charge of elections. A county recorder or other officer in charge of elections is authorized to join in any election-related civil action that materially affects the county recorder or officer.	First sponsor: Rep. Bolick (R - Dist 20)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/9 House gov-elect no action.
H2379: ELECTION PROCEDURES MANUAL; STATUTORY CONFLICT	The election instructions and procedures manual is required to provide for transparency and election security to the maximum extent allowed by law. If any provision of the manual conflicts with any statute, the provision of the instructions and procedures manual is unenforceable and the statute prevails.	First sponsor: Rep. Bolick (R - Dist 20)			2/8 from House rules okay.
H2380: EARLY BALLOTS; DELIVERY; PENALTIES	The criminal classification for knowingly collecting voted or unvoted early ballots from another person is increased to a class 4 (lower mid-level) felony, from a class 6 (lowest) felony. Any person is allowed to submit a complaint to the Election Integrity Unit of the Office of the Attorney General regarding a possible violation of the prohibition on collected early ballots. The Attorney General is authorized to investigate the complaint and make findings, including a determination on whether to file charges. The Attorney General is required to report on these activities to the Governor and the Legislature by February 1 each year.	First sponsor: Rep. Bolick (R - Dist 20)			1/24 referred to House gov-elect.

H2385: AUDITOR GENERAL; VOTER REGISTRATION DATABASE	The Auditor General is required to review the processes and statutory requirements for maintaining the statewide voter registration database, county early voting lists and county voter registration databases. The Secretary of State and county recorders are required to provide specified information to the Auditor General. The Auditor General is required to report its findings to the Legislature by June 30 of each even-numbered year. Appropriates $500,000 from the general fund in FY2022-23 to the Auditor General for this purpose. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Rep. Kaiser (R - Dist 15)			1/24 referred to House gov-elect.
H2402: AUTOMATIC VOTER REGISTRATION; SAME DAY	A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election. Every person who is applying for a driver license or renewal, including a nonoperating identification license or renewal, or who is making changes to drive license information and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register. A person who is not qualified to register to vote and who unknowingly registers under this provision is not guilty of false registration or false swearing. Effective January 1, 2023.	First sponsor: Rep. Solorio (D - Dist 30) Others: Rep. Blackwater-Nygren (D - Dist 7), Rep. Bolding (D - Dist 27), Rep. Longdon (D - Dist 24), Rep. Pawlik (D - Dist 17), Rep. Quiñonez (D - Dist 27), Sen. Stahl Hamilton (D - Dist 10), Sen. Terán (D - Dist 30)			

H2430: SECRETARY OF STATE; NONPARTISAN OFFICE	The election for the office of Secretary of State is moved to the nonpartisan section of the ballot, and signature requirements are modified to reflect the change. Effective January 1, 2023.	First sponsor: Rep. Shah (D - Dist 24)			1/24 referred to House gov-elect.
H2435: COUNTY RECORDER; NONPARTISAN OFFICE	The election for the office of county recorder is moved to the nonpartisan section of the ballot, and signature requirements are modified to reflect the change.	First sponsor: Rep. Shah (D - Dist 24)			1/24 referred to House gov-elect.
H2443: CAMPAIGN FINANCE; CONTRIBUTIONS LIMITS	Various changes to campaign contribution limits. Decreases campaign contribution limits to $390 to a candidate committee for municipal, county or district office, to $488 to a candidate committee for legislative office, and to $1,010 to a candidate committee for statewide office, all from $6,250, from an individual or political action committee without mega PAC status. Campaign contribution limits apply as an aggregate total for the combined primary and general election, instead of per "election cycle" (defined). Individuals are prohibited from contributing more than an aggregate total of $5,610 in a calendar year to state and local candidate committees and political action committees that contribute to candidate committees. Partnerships are prohibited from contributing monies in the name of the partnership. Candidate committees are prohibited from accepting contributions from all political action committees other than a political party as an aggregate total for the combined primary and general election of more than $10,020 to a candidate committee for municipal, county or district office, $16,150 to a candidate committee for legislative office, and $100,110 to a candidate for statewide office. A candidate committee for a candidate that is a political party nominee is prohibited from accepting contributions as an aggregate total for the combined primary and general election from a political party of more than $10,020 to a candidate committee for an office other than a statewide office, and $100,110 to a candidate	First sponsor: Rep. Powers Hannley (D - Dist 9) Others: Sen. Gonzales (D - Dist 3), Rep. Solorio (D - Dist 30), Sen. Terán (D - Dist 30)			

	committee for a statewide office.				
H2444: CLEAN ELECTIONS; COUNTY CANDIDATES	Applies clean elections laws to candidates for county board of supervisors, county assessor, county attorney, county recorder, county school superintendent, county sheriff and county treasurer. Establishes primary election spending limits for candidates for county offices based on county population. Due to voter protection, this bill requires a 3/4 vote of each house of the Legislature for enactment.	First sponsor: Rep. Powers Hannley (D - Dist 9) Others: Sen. Gonzales (D - Dist 3), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Rep. Schwiebert (D - Dist 20), Rep. Solorio (D - Dist 30), Sen. Stahl Hamilton (D - Dist 10), Sen. Terán (D - Dist 30)			1/24 referred to House gov-elect.
H2469: EARLY BALLOTS; POLLING PLACE; TABULATION	A voter who has the envelope containing the completed early ballot and completed affidavit, who appears at that voter's designated polling location on election day and whose identification is verified and confirmed is allowed to remove the completed ballot from the envelope and deposit the ballot in the ballot tabulation equipment in that polling place and to discard the envelope and completed affidavit.	First sponsor: Rep. Carroll (R - Dist 22) Others: Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Sen. Gowan (R - Dist 14), Rep. Hoffman (R - Dist 12), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			2/8 from House rules okay.
H2476: PRESIDENTIAL ELECTORS; CONGRESSIONAL DISTRICTS; AT-LARGE	Each political party that is qualified for representation on an official party ballot at the primary election and accorded a column on the general election ballot is required to designate one presidential elector for each congressional district and two presidential electors as at-large presidential electors. A presidential elector who is designated for a congressional district is not required to be a resident of that congressional district. Presidential electors who are designated for a congressional district are required to cast their electoral college votes for the candidates for president and vice president who jointly received the highest number of votes in that congressional district as prescribed in the statewide canvass. The two at-large presidential electors are required to cast their electoral college votes for the candidates for president and vice-president who jointly received the highest number of votes from an aggregate vote of all the members of the State Legislature voting as a single body.	First sponsor: Rep. Carroll (R - Dist 22) Others: Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Wilmeth (R - Dist 15)			

H2491: ELECTIONS; SIGNATURE MATCHING REQUIREMENTS	The county recorder or other officer in charge of elections is required to apply an unspecified factor (blank in original) signature verification process as prescribed in the Secretary of State's election procedures manual. A person who violates this requirement is guilty of a class 5 (second-lowest) felony.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/24 referred to House gov-elect.
H2492: VOTER REGISTRATION; VERIFICATION; CITIZENSHIP	Except for a form produced by the U.S. Election Assistance Commission, any application for voter registration is required to be accompanied by satisfactory evidence of citizenship, and the county recorder or other officer in charge of elections is required to reject any application for registration that is not accompanied by satisfactory evidence of citizenship. A county recorder or other officer in charge of elections who fails to reject an application for registration in these circumstances is guilty of a class 6 (lowest) felony. The county recorder or other officer in charge of elections is required to use all available resources to verify the citizenship status of an applicant for voter registration. A person who registers to vote is required to provide an identifying document that establishes proof of location of residence. A person who has registered to vote and who has not provided satisfactory evidence of citizenship is not eligible to vote in presidential elections. A person who has not provided satisfactory evidence of citizenship and who is eligible to vote only for federal offices is not eligible to receive an early ballot by mail.	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22), Rep. Wilmeth (R - Dist 15)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/24 referred to House gov-elect.
H2493: ELECTION INTEGRITY FUND	Appropriates $12 million from the general fund in FY2022-23 to the newly established Election Integrity Fund, to be used to pay county recorders for election security, cybersecurity measures and improvements, and reimbursements for postelection hand tabulations. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16)			2/3 from House gov-elect do pass.

H2494: VOTER REGISTRATION EVENTS; POSTING	The Secretary of State and each county recorder is required to post on their public websites a list of each event that the Office of the Secretary of State or the county recorder attends and provides voter registration services. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Toma (R - Dist 22)			2/3 from House gov-elect with amend #4074.
H2557: SCHOOL DISTRICT CANDIDATES; BALLOTS	The names of candidates for school district governing board must appear on the ballot with partisan or independent designation, instead of without partisan or other designation.	First sponsor: Rep. Griffin (R - Dist 14)			1/24 referred to House educ.
H2567: NOMINATING PETITIONS; MULTIPLE PETITION SIGNATURES	Signers of nomination petitions are allowed to sign an unlimited number of candidate petitions, instead of being limited to signing only one petition for the same office.	First sponsor: Rep. Carter (R - Dist 8)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/24 referred to House gov-elect.
H2571: EARLY VOTING; LIMITATIONS; HAND COUNT	Qualified electors are only allowed to vote by early ballot if the elector expects to be absent from the precinct at the time of the election, the elector cannot attend the polls on election day because of the tenets of his/her religion, or the elector is an absent uniformed services voter or overseas voter or the spouse or household member of the absent uniformed services voter or overseas voter. County recorders are no longer authorized to establish on-site early voting locations. All ballots are required to be counted by hand, and electronic tabulating machines or equipment are prohibited. Effective January 1, 2023.	First sponsor: Rep. Blackman (R - Dist 6)			1/24 referred to House gov-elect.
H2577: VOTER IDENTIFICATION; BALLOTS; DELIVERY; PROCESS	A county recorder or other officer in charge of elections is prohibited from using an unmonitored drop box for receiving voted early ballots. A qualified elector is required to request any early or absentee ballot and a county recorder or other officer in charge of elections is prohibited from providing an early or absentee ballot without a	First sponsor: Rep. Blackman (R - Dist 6) Others: Rep. Payne (R - Dist 21)			1/24 referred to House gov-elect.

	specific request from the voter for a single specific election. A qualified elector is required to vote in a polling place or voting center, except that an elector with an early or absentee ballot may return the ballot by mail or deliver the ballot in person to a polling place or voting center. Modifies the list of accepted forms of identification for voting. Due to voter protection, the voter identification changes require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.				
H2581: STATE CANDIDATES; NOMINATION; FEE	For any person who holds a statewide or legislative office and who submits a nomination paper for reelection to that same office, the person may pay a $250 fee to the office of the Secretary of State for deposit in the general fund and the person is not required to submit a nomination petition or signatures.	First sponsor: Rep. Cook (R - Dist 8)			1/24 referred to House gov-elect.
H2596: ELECTIONS; REVISIONS; MAIL-IN; IDENTIFICATION; TABULATION	For all primary and general elections, a voter is prohibited from receiving or voting a ballot unless the voter has presented valid state-issued identification. All voting is required to occur on election day only, except for absentee ballots. Voters are allowed to vote by absentee ballot only for one of a list of specified reasons. All ballots are required to be cast in person by the voter at the voter's election precinct polling place. All ballots are required to be paper ballots that include a hologram, an identifiable sequence marking or another similar system for preventing fraud, and must allow a voter to receive a uniquely marked or numbered ballot. All ballots must be counted by hand and canvassed and the returns made within 24 hours after the polls are closed. Repeals the active early voting list and all statutes relating to voting by mail. Deletes all references to electronic tabulation and prohibits the use of electronic voting systems other than for accessible voting technology. County boards of supervisors are prohibited from changing a polling place unless the voters in that precinct are notified by mail at least two years in advance. County boards of supervisors are prohibited from requiring a voter or any	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Rep. Hoffman (R - Dist 12), Sen. Leach (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			2/1 referred to House hel-hu ser, educ, mil-pub safety, com, gov-elect, jud, trans, land-agri-rural affairs, ways-means, nat res-energy-water, appro.

	other person to wear a facial mask at a polling place or be vaccinated against or tested for a virus as a condition of entering a polling place. The Legislature is required to call itself into session to review the ballot tabulating process for the regular primary and general elections and to accept or reject the election results. If the Legislature rejects the election results, any qualified voter is authorized to file an action in the superior court to request that a new election be held. The Legislature is authorized to conduct an audit of election results for any regular primary or general election. More.				
H2602: POLLING PLACES; EMERGENCY VOTING CENTERS	County boards of supervisors are allowed to authorize the use of emergency voting centers only on occurrence of a genuine emergency that makes it likely that large numbers of voters will be substantially impaired in their ability to vote on election day as compared to other elections.	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Nguyen (R - Dist 1)			2/10 from House gov-elect do pass.
H2617: VOTER REGISTRATION; CANCELLATIONS; CAUSES	When a county recorder receives information that a registered voter is not a U.S. citizen, has been issued a driver license from another state, or is otherwise not qualified to vote, the county recorder is required to cancel the person's voter registration. The county recorder is required to notify the person that the registration has been canceled and send the information to the county attorney and Attorney General for possible investigation. Each month the Secretary of State and the county recorder are required to compare the voter registration database to other government databases, including the driver license database and Social Security Administration database.	First sponsor: Rep. Chaplik (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Sen. Rogers (R - Dist 6), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)			2/10 from House gov-elect do pass.
H2621: CONSENT DECREE; PROHIBITED	In any state court proceeding in which the constitutionality, legality or application of any provision of Title 16 (Elections) is challenged and a government entity is named as the defendant, the court is prohibited from approving or signing a consent decree. In any federal court proceeding in which the constitutionality, legality or	First sponsor: Rep. Parker (R - Dist 16) Others: Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Hoffman (R - Dist 12), Rep. Nguyen (R - Dist 1), Sen. Petersen (R - Dist 12), Rep. Pingerelli (R - Dist 21)	Hearing: House Judiciary (Wednesday 02/16/22 at 8:00 AM, House Rm. 4)		1/31 referred to House jud.

	application of any provision of Title 16 (Elections) is challenged, the state and any party representing the state are prohibited from entering into or signing a consent decree.				
H2640: CANDIDATE NOMINATION SIGNATURE REQUIREMENTS	Cuts in half the number of signatures required on nomination petitions for candidates for U.S. Senate, state offices, U.S. Congress, state legislature, county office, superior court judge, justice of the peace, constable, mayor or other citywide office, and various other specified offices.	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Fernandez (D - Dist 4), Rep. Parker (R - Dist 16)			2/3 referred to House gov-elect.
H2641: CANDIDATE NOMINATION PETITIONS; SIGNATURES; COUNTY	A candidate for a statewide or legislative office is not required to state on the nomination petition the county of residence of the qualified electors who sign the candidate's petition or separate the nomination petitions by county when submitting petitions to the Secretary of State and may submit signatures from qualified electors from more than one county on the same nomination petition without penalty.	First sponsor: Rep. Carter (R - Dist 8) Others: Rep. Bolick (R - Dist 20), Rep. Fernandez (D - Dist 4), Rep. Toma (R - Dist 22)			2/3 referred to House gov-elect.
H2643: SIGNATURES; SUPERIOR; JUSTICE COURT; CONSTABLE	The list of candidates that may gather petition signatures through a secure internet portal system provided by the Secretary of State is expanded to include candidates for superior court judge, justice of the peace, and constable. Emergency clause.	First sponsor: Rep. Diaz (R - Dist 14) Others: Rep. Blackman (R - Dist 6), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/3 referred to House gov-elect.
H2644: NOMINATION PETITIONS; SIGNATURES; CITY OFFICE	The number of signatures required on nomination petitions for candidates for mayor or other citywide office is reduced to between two and five percent, instead of between five and ten percent.	First sponsor: Rep. Diaz (R - Dist 14) Others: Rep. Blackman (R - Dist 6), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/3 referred to House gov-elect.
H2680: VOTER REGISTRATION; SAME DAY	A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is	First sponsor: Rep. D. Hernandez (D - Dist 2) Others: Rep. Blackwater-Nygren (D - Dist 7), Rep. Chavez (D - Dist 29), Rep. A. Hernandez (D - Dist 3), Rep. Powers Hannley (D - Dist 9), Rep. Shah (D - Dist 24), Rep. Solorio (D - Dist 30)			2/7 referred to House gov-elect.

	otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election.				
H2703: AUDITOR GENERAL; AUDITS; COUNTY ELECTIONS	The Auditor General is required to establish an audit team to perform election integrity audits of county recorder offices and county elections departments. Each election cycle, the Auditor General is required to choose through random selection two counties that have a population of less than one million persons and perform an election integrity audit on those counties. The Auditor General is required to perform an election integrity audit of each county with a population of one million or more persons (Maricopa and Pima) each election cycle. For the purpose of election integrity audits, the Auditor General is required to have access to any personnel and data from the county recorder's office and any county elections department, the Department of Transportation, and the Secretary of State that the Auditor General deems necessary to perform the audit, including voter registration data, and is required to have access to polling places, voting centers and central counting centers. The Auditor General is required to report election integrity audit findings and recommendations to the Governor, the Legislature, and the Secretary of State. These requirements self-repeal January 1, 2030. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the Auditor General for election integrity audits. All provisions other than the appropriation become effective January 1, 2023.	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Carter (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/7 referred to House gov-elect, appro.
H2710: REGISTRATIONS; COUNTING PROCEDURES; OBSERVERS; VERIFICATION	Various changes relating to election observers. The county chairperson of each political party may designate a party representative for a polling place, a voting center, a location at which electronic processing of ballots occurs, and a location used by any third-party vendor	First sponsor: Rep. Kavanagh (R - Dist 23)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/7 referred to House gov-elect.

	for physical or electronic processing of ballot materials, including ballot envelopes. If the county party chairperson fails to appoint a party representative for a location, the state party chairperson may make those appointments, and if the state party chairperson fails to appoint a party representative, the legislative district chairperson in the area in which the polling place, voting center or other location is located may make those appointments for a location. If the county party chairperson fails to designate a sufficient number of board workers to assist with a hand count, the state party chairperson is required to designate qualified electors to be board workers. If the state party chairperson fails to designate a sufficient number of board workers, the legislative district chairperson of the district in which the hand count is to occur is required to designate qualified electors to be board workers. If there are fewer than two persons for each audited precinct available to participate on behalf of each recognized political party after the county officer in charge of elections substitutes additional electors from any political party, the county officer in charge of elections is required to provide a sufficient number of permanent or temporary county employees to serve as board members for purposes of the hand count. Election observers are authorized to observe hand count locations and the electronic vote adjudication board's activities.				
H2743: ELECTIONS; IDENTIFICATION; REVISIONS; MAIL-IN; TABULATION	For all primary and general elections, a voter is prohibited from receiving or voting a ballot unless the voter has presented valid state-issued identification. All voting is required to occur on election day only, except for absentee ballots. Voters are allowed to vote by absentee ballot only for one of a list of specified reasons. All ballots are required to be cast in person by the voter at the voter's election precinct polling place. All ballots are required to be paper ballots that include a hologram, an identifiable sequence marking or another similar system for preventing fraud, and must allow	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Barton (R - Dist 6), Rep. Blackman (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Pingerelli (R - Dist 21)			2/9 referred to House gov-elect.

	a voter to receive a uniquely marked or numbered ballot. All ballots must be counted by hand and canvassed and the returns made within 24 hours after the polls are closed. Repeals the active early voting list and all statutes relating to voting by mail. Deletes all references to electronic tabulation and prohibits the use of electronic voting systems other than for accessible voting technology. County boards of supervisors are prohibited from changing a polling place unless the voters in that precinct are notified by mail at least two years in advance. County boards of supervisors are prohibited from requiring a voter or any other person to wear a facial mask at a polling place or be vaccinated against or tested for a virus as a condition of entering a polling place. More.				
H2744: EARLY BALLOT PICK-UP; MAIL RETURN	Various changes relating to elections. The county recorder may only establish one on-site early voting location at the recorder's main office. Repeals the active early voting list. A voter wishing to vote by mail is required to appear personally at the on-site early voting location to pick up a mail-in ballot. Except for an absent uniformed services voter or overseas voter, a voter is only allowed to return a voted early ballot by mail, and the county recorder's office is prohibited from accepting a voted early ballot that is returned by in-person delivery. County boards of supervisors are prohibited from establishing voting centers, which allow any voter in that county to receive the appropriate ballot for that voter on election day.	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Barton (R - Dist 6), Rep. Burges (R - Dist 1), Rep. Nguyen (R - Dist 1), Rep. Pingerelli (R - Dist 21)			2/9 referred to House gov-elect.
H2754: PERMANENT EARLY VOTING LIST	The active early voting list is renamed the permanent early voting list. The county recorder is no longer required to remove a voter from the list if the voter fails to vote using an early ballot in all regular primary and general elections for two consecutive election cycles.	First sponsor: Rep. Bolding (D - Dist 27) Others: Rep. Abraham (D - Dist 10), Rep. Andrade (D - Dist 29), Rep. Blackwater-Nygren (D - Dist 7), Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. Chavez (D - Dist 29), Rep. DeGrazia (D - Dist 10), Rep. Espinoza (D - Dist 19), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Rep. Longdon (D - Dist 24), Rep. Mathis (D - Dist 9), Rep. Meza (D - Dist 30), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D -			2/9 referred to House gov-elect.

		Dist 9), Rep. Quiñonez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Sierra (D - Dist 19), Rep. Solorio (D - Dist 30)			
H2768: EARLY VOTING; WEEKEND HOURS	On-site early voting locations, including the locations at the county recorder's office, are required to be open until 7:00PM on the Saturday, Sunday and Monday immediately preceding election day.	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Butler (D - Dist 28), Rep. Epstein (D - Dist 18), Rep. Fernandez (D - Dist 4), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Rep. Powers Hannley (D - Dist 9), Rep. Schwiebert (D - Dist 20)			
H2770: VOTING CENTERS; BOARD OF SUPERVISORS	Only on a specific resolution of the county board of supervisors, the board is permitted to authorize the use of additional types of voting locations by using voting centers and early voting drop-off centers. A voting center is deemed to be a polling place on election day, and may be used as an early voting location. When an election is ordered and voting centers are used, the county board of supervisors is required to appoint a voting center election board for each voting center consisting of at least one inspector, one marshal and as many judges or clerks as needed. Requires there to be an equal number of inspectors in the various voting centers in the county who are members of the two largest political parties. The board of supervisors is authorized to appoint a minor who is at least 16 years of age to serve as a clerk of elections if a list of specified circumstances apply. School districts and charter schools cannot be required to reduce average daily membership for any student who is absent as a result of service on a voting center election board, and cannot count the absence against any mandatory attendance requirements for the student. County recorders are authorized to make changes to the approved early voting locations and are required to notify the public as soon as practicable.	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Epstein (D - Dist 18), Rep. Fernandez (D - Dist 4), Rep. Powers Hannley (D - Dist 9)			
H2771: ELECTION PROCEDURES; REGISTRATIONS; CAMPAIGN FINANCE	Numerous changes to statutes relating to elections. For every person who provides proof of U.S. citizenship when applying for, renewing or replacing a driver license or nonoperating identification license, or updating the person's existing residence	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Butler (D - Dist 28), Rep. Fernandez (D - Dist 4), Rep. M. Hernandez (D - Dist 26), Rep. Liguori (D - Dist 28), Rep. Powers Hannley (D - Dist 9)			

address or name on file with the Arizona Department of Transportation (ADOT), ADOT is required to electronically collect and transmit voter registration information to the Secretary of State for the purpose of registering the person to vote or updating an existing voter registration record. The Secretary of State and ADOT Director, after consulting with all county recorders, are required to adopt rules to implement a secure automatic electronic voter registration system that collects and transmits voter registration information. The Secretary of State is required to evaluate implementation of a secure automatic electronic voter registration system at other agencies, including the Arizona Health Care Cost Containment System (AHCCCS). By December 31, 2022, any agency that allows a person to affirmatively register to vote or to update the person's registration through the internet must allow the person to complete the registration without a driver license or nonoperating identification license and with any proof of citizenship that is valid under Arizona law. Eliminates the requirement for a voter to live in the boundaries of an election district for 29 days prior to an election to be eligible to vote in that election. By the 2022 primary election and for each election thereafter, each county recorder is required to designate at least one election official at each polling place, voting center or early voting location in the county to serve as a registration clerk to facilitate and enable eligible persons to register to vote on site on election day or during early voting. A registration clerk must be present for all hours during which a polling place, voting center or early voting location is open. Every qualified voter in Arizona has the right, after registering to vote, to vote a secret ballot in all elections for which that voter is eligible to vote. By December 31, 2024, the Secretary of State, county recorders and other officers in charge of elections are required to evaluate incorporating "risk-limiting audit" (defined) protocols into ballot hand count procedures. Reduces individual

	and political action committee contributions limits to $1,000 to candidates for legislative, county, municipal or district office, from $6,250, and to $2,500 for candidates for statewide office, from $6,250. Much more. Due to voter protection, several sections of this legislation require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage				
H2772: BALLOT MEASURES; FOREIGN CONTRIBUTIONS; PROHIBITION	A political action committee that is formed for the purpose of supporting or opposing a ballot measure or that makes a ballot measure expenditure is prohibited from soliciting or accepting a contribution from a "foreign national" (defined). A foreign national is prohibited from contributing to a political action committee that is formed for the purpose of supporting or opposing a ballot measure or that makes a ballot measure expenditure.	First sponsor: Rep. Butler (D - Dist 28)			2/9 referred to House gov-elect.
H2777: ELECTIONS; AUDITOR GENERAL; ATTORNEY GENERAL	On request of the House of Representatives or the Senate, the Auditor General is required to conduct one or more audits of county elections for state and federal offices. The audits may include reviews of voter rolls, election systems and processes, voting equipment, and certification of ballot tabulation equipment and recordkeeping equipment. Appropriates $800,000 from the general fund in FY2022-23 to the Auditor General for these purposes. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the Office of the Attorney General for funding four additional attorneys for the election integrity unit.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Fillmore (R - Dist 16), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			2/8 referred to House gov-elect, appro.
H2778: ELECTRONIC REGISTRATION INFORMATION CENTER; PROHIBITION	The Secretary of State and the county recorder are prohibited from using an electronic voter registration information center.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Fillmore (R - Dist 16), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21)			2/8 referred to House gov-elect.

H2780: VOTER LISTS; IMAGES; VOTING RECORDS	Ten days before the primary and general election, the county recorder is required to publish a list of all voters who are eligible to vote in the election, including persons who are on the inactive voter list, and post this information on the county recorder's website with personally identifying information redacted. Five days before the county canvass, the county recorder or other officer in charge of elections is required to publish and post in digital format on the county's website a list of all persons who voted and their method of voting, all ballot images with the unique identifying number from the ballot, and the cast vote record in a sortable format. Early and provisional ballot tabulators are required to imprint a unique identification number on each early ballot tabulated so as to allow the ballot image to be linked to the physical ballot. Ballots are required to be separated, tabulated, and stored by precinct.	First sponsor: Rep. Kavanagh (R - Dist 23) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Bowers (R - Dist 25), Rep. Burges (R - Dist 1), Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Cobb (R - Dist 5), Rep. Cook (R - Dist 8), Rep. Diaz (R - Dist 14), Rep. Dunn (R - Dist 13), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Osborne (R - Dist 13), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/9 referred to House gov-elect.
H2783: ELECTION LAW VIOLATIONS; PROCEDURES MANUAL	Increases the criminal classification for violations of any rule adopted by the Secretary of State as part of the election instructions and procedures manual, to a class 1 (highest) misdemeanor, from a class 2 (mid-level) misdemeanor. A person who violates statue in Title 16 (Elections) is guilty of a class 6 (lowest) felony, unless the statute defining the offense provides for a different classification.	First sponsor: Rep. Bolick (R - Dist 20) Others: Rep. Carroll (R - Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Fillmore (R - Dist 16), Rep. Hoffman (R - Dist 12), Rep. Kavanagh (R - Dist 23), Rep. Nguyen (R - Dist 1)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/9 referred to House gov-elect.
H2785: ATTORNEY GENERAL; ELECTION COMPLAINTS	The Attorney General is authorized to enforce Title 16 (Elections) for any election for members of Congress, U.S. Senator, or presidential elector. Establishes a list of powers the Attorney General is authorized to exercise in order to carry out the duties of election law enforcement for any elected office, including issuing subpoenas and examining any computer, document, or record.	First sponsor: Rep. Biasiucci (R - Dist 5)			2/10 referred to House gov-elect.
H2786: VOTER REGISTRATIONS; BALLOT REQUESTS; SOURCE	Only a political party, county recorder, or election official is authorized to distribute early ballot request forms to voters. For any signed preprinted request to amend a voter's registration information or request for an	First sponsor: Rep. Hoffman (R - Dist 12) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Carroll (R -	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		2/9 referred to House gov-elect.

	early ballot, the county recorder is prohibited from using that signature of the voter as the most recent exemplar for subsequent comparison if the submittal is on a printed document, card or other form that is not an official form printed by the county recorder or other officer in charge of elections.	Dist 22), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Dunn (R - Dist 13), Rep. Finchem (R - Dist 11), Rep. Grantham (R - Dist 12), Rep. Griffin (R - Dist 14), Rep. Kavanagh (R - Dist 23), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Pingerelli (R - Dist 21), Rep. Wilmeth (R - Dist 15)			
H2798: VOTER REGISTRATION; SOCIAL SECURITY LIST	Beginning 90 days before each primary election day and each general election day and continuing once each week until election day, the Secretary of State is required to obtain the full file of death information from the social security administration for the sole purpose of canceling the names of deceased persons from the statewide voter registration database. The name of each deceased person is required to promptly be canceled from the statewide voter registration database. The Secretary of State is required to notify the appropriate county recorder and the recorder is required to cancel the name of the person from the register.	First sponsor: Rep. John (R - Dist 4)			2/9 referred to House gov-elect.
H2801: WRITE-IN CANDIDATES; FILING DATE	The deadline for filing a nomination paper to be a write-in candidate is moved to 5PM on the 76th day before the election, from 5PM on the 40th day before the election.	First sponsor: Rep. Diaz (R - Dist 14) Others: Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Carroll (R - Dist 22), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Parker (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/9 referred to House gov-elect.
HCR2011: U.S. SENATE CANDIDATES; LEGISLATURE	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require candidates for U.S. Senator to be selected by the members of each political party caucus of the Arizona House of Representatives and the Arizona Senate. After a public hearing to meet with a consider potential candidates, the members of each caucus are required to designate by a majority vote of the assembled members two nominees for each political party, and those two nominees will appear on the primary election ballot as candidates for U.S. Senator.	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Blackman (R - Dist 6), Rep. Grantham (R - Dist 12), Rep. Hoffman (R - Dist 12), Rep. Martinez (R - Dist 11)			

HCR2025: GOVERNMENT-ISSUED VOTER IDENTIFICATION	The 2022 general election ballot is to carry the question of whether to amend state statute to delete the option for a voter to present, in order to receive a ballot and in lieu of government-issued photo identification, two different items that contain the name and address of the voter that reasonably appear to be the same as the name and address in the precinct register, including a utility bill, a bank or credit union statement, a valid Arizona vehicle registration, an Arizona vehicle insurance card, an Indian census card, tribal enrollment card or other form of tribal identification, a property tax statement, a recorder's certificate, a voter registration card, a valid government-issued identification, or any mailing that is labeled as "official election material."	First sponsor: Rep. Fillmore (R - Dist 16) Others: Rep. Biasiucci (R - Dist 5), Rep. Blackman (R - Dist 6), Rep. Bolick (R - Dist 20), Rep. Burges (R - Dist 1), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Finchem (R - Dist 11), Rep. Kaiser (R - Dist 15), Rep. Kavanagh (R - Dist 23), Sen. Leach (R - Dist 11), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Rep. Pingerelli (R - Dist 21), Rep. Toma (R - Dist 22), Rep. Weninger (R - Dist 17), Rep. Wilmeth (R - Dist 15)	Hearing: House Government & Elections (Wednesday 02/16/22 at 8:00 AM, House Rm. 1)		1/31 referred to House gov-elect.
HCR2033: DECERTIFYING ARIZONA'S 2020 ELECTORS	The members of the Legislature notify the President of the U.S. Senate, the Speaker of the U.S. House of Representatives, and the members of Congress from Arizona that it is the justifiable position of the Arizona State Legislature to set aside the results of the Maricopa, Pima and Yuma County elections as irredeemably compromised and reclaim the 2020 presidential electors due to the irredeemably flawed nature of these elections that prevent the declaration of a clear winner of said presidential electors.	First sponsor: Rep. Finchem (R - Dist 11) Others: Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Carter (R - Dist 8), Rep. Chaplik (R - Dist 23), Rep. Diaz (R - Dist 14), Rep. Fillmore (R - Dist 16), Rep. Martinez (R - Dist 11), Rep. Nguyen (R - Dist 1), Rep. Parker (R - Dist 16), Sen. Rogers (R - Dist 6), Sen. Townsend (R - Dist 16)			
HCR2035: CONSTITUTIONAL RIGHT TO VOTE	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to declare that the right to vote is a fundamental right. Any law or regulation that burdens a citizen's fundamental right to vote is required to be narrowly tailored to further a compelling governmental interest. Deletes the prohibition on a person convicted of a felony being qualified to vote at any election.	First sponsor: Rep. Salman (D - Dist 26) Others: Rep. Fernandez (D - Dist 4), Rep. M. Hernandez (D - Dist 26), Rep. Powers Hannley (D - Dist 9)			
HCR2037: CAMPAIGN FINANCE; SOURCE DISCLOSURE	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require any person that makes campaign expenditures of more than $10,000, or $20,000 for	First sponsor: Rep. Liguori (D - Dist 28) Others: Rep. Andrade (D - Dist 29), Rep. Blackwater-Nygren (D - Dist 7), Rep. Butler (D - Dist 28), Rep. Cano (D - Dist 3), Rep. Dalessandro (D - Dist 2), Rep.			

	statewide campaigns, in a two-year election cycle to promptly disclose the identity of all "original sources" of "major contributions" (both defined) used to fund that expenditure, and to grant the Citizens Clean Elections Commission the authority to establish penalties to enforce this requirement. Severability clause. If approved by the voters, the amendment applies to all elections occurring after January 1, 2024.	Fillmore (R - Dist 16), Rep. D. Hernandez (D - Dist 2), Rep. M. Hernandez (D - Dist 26), Rep. Jermaine (D - Dist 18), Rep. Longdon (D - Dist 24), Rep. Mathis (D - Dist 9), Rep. Pawlik (D - Dist 17), Rep. Powers Hannley (D - Dist 9), Rep. Quiñonez (D - Dist 27), Rep. Schwiebert (D - Dist 20), Rep. Solorio (D - Dist 30)			
S1008: ELECTIONS; RECOUNT MARGIN	Modifies the criteria that triggers an automatic election recount to require a recount when the margin between the two candidates receiving the greatest number of votes for a particular office, or between the number of votes cast for and against a measure or proposition, is less than or equal to 0.5 percent of the number of votes cast for both candidates or on the measure or proposition. Previously, the difference in votes that triggered an automatic recount was the lesser of 0.1 percent or either a specified number of votes based on the office to be filled or 200 votes for a measure or proposition.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/9 Senate COW approved. Passed Senate 17-12; ready for House.
S1010: SCHOOL DISTRICTS; PROTESTING; PARTISAN ELECTIONS	All elections for school district governing board members in Arizona are required to be conducted using a partisan primary election followed by a general election. This requirement applies to school district governing board elections held on or after January 1, 2023. Also, a school district is prohibited from ejecting from school property or from the vicinity of any location where a school meeting is taking place, and from taking any other adverse action against a person or a group of people engaging in "peaceful protesting" (defined) after school hours. Peaceful protesting on school property after school hours or in the vicinity of any location where a school meeting is taking place after school hours is not a violation of interference with or disruption of an educational institution. A school district cannot require a person or a group of people to apply, request a permit or secure any other form of authorization to engage	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			1/25 FAILED Senate educ 4-4.

	in peaceful protesting on school property after school hours or in the vicinity of any location where a school meeting is taking place after school hours.				
S1012: REGISTRATION DATABASE; FEDERAL VOTERS; REPORT	Requires the Secretary of State to provide access to the statewide voter registration database to a person or entity that is designated by the Legislature and to the Election Integrity Unit of the Attorney General's Office for the purpose of determining whether voter registration list maintenance procedures comply with federal law with respect to federal-only voters. The person or entity designated by the Legislature is required to be qualified in more than one state to analyze a state's voter registration rolls for compliance with federal law, and is required to report its findings to the Legislature, the Attorney General, and the Secretary of State. Each county recorder is required to submit an annual report to the Legislature regarding federal-only voters, and information that must be included in the report is specified. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Sen. Townsend (R - Dist 16)			2/9 Senate COW approved. Passed Senate 16-13; ready for House.
S1027: ELECTION BUREAU; COMPLAINT; INVESTIGATION	Establishes the Bureau of Elections in the Office of the Governor to investigate allegations of fraud in any state, county, or local government election. Any qualified elector is permitted to submit a complaint to the Bureau. Establishes powers and duties of the Bureau, including impounding records, issuing subpoenas, and conducting hearings. The Bureau is required to publicly report is findings and conclusions and make any appropriate referrals to a prosecutorial agency. Appropriates $5 million from the general fund in FY2022-23 to establish the Bureau.	First sponsor: Sen. Rogers (R - Dist 6)			1/10 referred to Senate appro, gov.

S1028: BALLOT PAPER; SECURITY MEASURES	Any vendor that provides fraud countermeasures that are contained in and on the paper used for ballots is required to be ISO 27001 certified, ISO 17025 certified, or ISO 9001:2015 certified. Ballot fraud countermeasures are required to include at least three of a list of ten specified features, including watermarking, security inks and unique barcodes. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]	First sponsor: Sen. Rogers (R - Dist 6)			1/24 Senate gov held.
S1054: ELECTION EQUIPMENT; SECURITY; LEGISLATIVE REVIEW	Beginning in 2022 and every two years thereafter, the committee appointed by the Secretary of State to investigate and test the various types of vote recording or tabulating machines or devices is required to provide for a detailed review of election equipment security for counties with a population of more than 500,000 persons that focuses on the actual equipment, software and other systems used in the most recent general election. An additional person who is an expert in election equipment security must conduct or assist with the review. On completion, the review must be presented to the standing committees of the Legislature with jurisdiction over election issues at a public meeting that is held by August 1 following the general election.	First sponsor: Sen. Townsend (R - Dist 16)			2/8 from Senate rules okay.
S1055: ELECTION PROCESS; CONTRACTORS AND CONTRACTS	A contractor that enters into a contract with Arizona or any county to provide election-related equipment or services and that fails to perform its obligations under the terms of the contract is liable for liquidated damages in an amount equivalent to the amount paid under the contract, and is guilty of a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)			2/1 from Senate gov do pass.
S1056: MISPLACED BALLOTS; INVALIDITY; MISDEMEANOR; DAMAGES	Any ballots that are misplaced and not included in the initial tally at a polling place or counting center are invalid ballots and are prohibited from being counted. A person who misplaces a ballot is guilty of a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)			2/1 from Senate gov do pass.

	If a provisional or early ballot that identifies the voter on the face of the affidavit or envelope is misplaced and cannot be counted, the voter of that misplaced ballot is authorized to file an action for damages against the governmental body administering the election for the loss of the right to vote.				
S1058: DRIVE-UP VOTING; PROHIBITION	The county recorder or officer in charge of elections is prohibited from allowing a voter to receive a ballot and vote from a vehicle or other conveyance, and from using a ballot drop box except inside a polling place or voting center or the county recorder's or election department's offices. Appropriately trained election workers are required to monitor ballot drop boxes.	First sponsor: Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.
S1119: ELECTRONIC BALLOT IMAGES; PUBLIC RECORD.	After the polls are closed, the officer in charge of elections is required to make available to the public an online copy of any digital images of ballots in a manner that allows the images to be searchable by precinct but that precludes any alteration of the images. States that the digital images of the ballots are public records.	First sponsor: Sen. Borrelli (R - Dist 5) Others: Rep. Biasiucci (R - Dist 5), Rep. Chaplik (R - Dist 23), Sen. Fann (R - Dist 1), Rep. Finchem (R - Dist 11), Sen. Townsend (R - Dist 16)			2/1 from Senate rules okay.
S1120: BALLOT FRAUD COUNTERMEASURES; PAPER; INK.	Any vendor that provides fraud countermeasures that are contained in and on the paper used for ballots is required to be ISO 27001 certified, ISO 17025 certified, or ISO 9001:2015 certified. Ballot fraud countermeasures are required to include all of a list of 19 specified features, including watermarking, secure holographic foil, security inks, invisible ultraviolet microtext, a serialized black QR code, and a paper receipt for the voter. The Legislature is required to appropriate sufficient monies to the State Treasurer to provide counties with the ballot paper prescribed by this legislation. Applies to the regular general election in 2022 and all elections held in 2024 and later. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the State Treasurer for the purchase of antifraud ballot paper meeting these requirements. [Capitol Reports Note: Some of these provisions were originally signed into law as Laws 2021,	First sponsor: Sen. Borrelli (R - Dist 5) Others: Sen. Barto (R - Dist 15), Rep. Biasiucci (R - Dist 5), Rep. Chaplik (R - Dist 23), Sen. Fann (R - Dist 1), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Petersen (R - Dist 12), Sen. Shope (R - Dist 8), Sen. Townsend (R - Dist 16)			2/2 from Senate appro with amend #4045.

	chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]				
S1133: SCHOOLS; CITIES; ALL MAIL PROHIBITED	Municipalities and school districts are prohibited from conducting a mail ballot election. Effective January 1, 2023.	First sponsor: Sen. Rogers (R - Dist 6)			1/25 from Senate gov do pass.
S1149: COUNTYWIDE ELECTIONS; VOTE BY MAIL	On approval of the county board of supervisors and if 60 percent or more of the county's registered voters are on the permanent early voting list, a county is authorized to conduct a mail ballot election for all elections administered by that county, including elections for federal and state offices and measures, and elections for county, municipal, school district and special districts. Counties that conduct mail ballot elections are required to report specified information about the election to the Legislature by January 1 of each year following a mail ballot election.	First sponsor: Sen. Bowie (D - Dist 18) Others: Rep. Espinoza (D - Dist 19), Sen. Gabaldon (D - Dist 2), Sen. Gonzales (D - Dist 3), Rep. Jermaine (D - Dist 18), Sen. Otondo (D - Dist 4), Rep. Pawlik (D - Dist 17), Sen. Terán (D - Dist 30)			1/12 referred to Senate gov.
S1255: LIEUTENANT GOVERNOR; DUTIES; BALLOT	No later than 60 days before the date of the general election, a candidate for Governor is required to submit to the Secretary of State the name of a person who will be the joint candidate for Lieutenant Governor with that gubernatorial candidate and whose name will appear on the general election ballot jointly with that candidate. The direction, operation and control of the Department of Administration is the responsibility of the Lieutenant Governor. Conditionally enacted on the state Constitution being amended by the voters at the 2020 general election by passage of an unspecified SCR (blank in original) relating to the establishment of the office of Lieutenant Governor. Applies beginning with elections for the term of office that starts in 2027.	First sponsor: Sen. Mesnard (R - Dist 17) Others: Sen. Bowie (D - Dist 18)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/20 referred to Senate gov.
S1259: RECOUNTS; REQUESTS; PROCEDURES; AUDITS	The number of precincts in each county that must be randomly selected for a hand count after each election is changed to 5 percent of the precincts in the county or the number of precincts that is required to achieve a statistical significance	First sponsor: Sen. Mesnard (R - Dist 17)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/20 referred to Senate gov.

of a 99 percent confidence level with a margin of error of 1 percent based on the total number of ballots cast in that county on election day, whichever is greater, from two percent or two precincts. Voting centers are deemed to be a precinct for the purposes of the hand counts. For a county with a population of 800,000 persons or more (Maricopa and Pima), the chairmen of the political parties entitled to continued representation on the ballot or the chairmen's designees are required to randomly select for a manual audit either 10,000 early ballots or the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county, whichever is greater. For other counties, the chairmen or the designee's are required to randomly select for a manual audit the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 3 percent based on the total number of early ballots cast in that county. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, the Attorney General, the Secretary of State, or the Legislative Council is authorized to request a recount of the total number of votes cast in the election or at any precinct, voting center, jurisdiction, or any combination of those portions of an election. The expenses of the requested recount will be a state charge. Within 5 days after completion of the canvass, for any election that does not require an automatic recount, any person is authorized to file an action for a recount in any election that is not subject to an automatic recount if the person files a bond with the superior court in an amount determined by the court to be sufficient to fully reimburse the costs of conducting the recount. Recount request or filing provisions do not apply to elections for precinct committeemen, school boards, fire district boards or other special district boards.

S1260: REGISTRATIONS; EARLY VOTING; MOVE NOTICE	County recorders are required to cancel a voter registration when the county recorder receives confirmation from another county recorder that the person registered has registered to vote in that other county. A person who receives an early ballot at an address at which another person formerly resided is authorized to indicate on the outside of the envelope that the person has moved and mail the ballot back to the county recorder. If the county recorder receives credible information that a person has registered to vote in a different county, the county recorder is required to confirm the person's voter registration with that other county and, on confirmation, remove that person from the county's active early voting list.	First sponsor: Sen. Mesnard (R - Dist 17)			2/1 from Senate gov do pass.
S1285: ELECTIONS MANUAL; LEGISLATIVE COUNCIL	The official election instructions and procedures manual prepared by the Secretary of State is required to be approved by the Attorney General and the Legislative Council, instead of the Governor and the Attorney General.	First sponsor: Sen. Ugenti-Rita (R - Dist 23)			2/1 from Senate gov do pass.
S1329: ARIZONA NATIONAL RANKINGS; RANKED STATES	The Department of Education is required to attempt to identify the characteristics of the top 15 ranked states and the bottom 15 ranked states, increased from the top 10 and bottom 10, on the national ranking study of the performance of each state's schools.	First sponsor: Sen. Boyer (R - Dist 20)	Hearing: Senate Education (Tuesday 02/15/22 at 2:00 PM, Senate Rm. 1)	General Comments (all lists): STRIKER: COUNTIES; TABULATION; POSTING	1/25 referred to Senate educ.
S1335: ELECTION DAY VOTING; EARLY VOTING	Qualified electors are only allowed to vote by early ballot if the elector is physically unable to go to the polls due to illness, hospitalization, or other confinement, or the elector is an absent uniformed services voter or overseas voter or the spouse or household member of the absent uniformed services voter or overseas voter. County boards of supervisors and any officer in charge of elections are prohibited from authorizing, establishing or using a voting center at which a voter who is a registered voter and resident anywhere in that county is allowed to receive the appropriate ballot for that specific voter. County recorders are no longer authorized to establish on-site early voting locations.	First sponsor: Sen. Rogers (R - Dist 6)			1/25 referred to Senate gov.

S1338: PAPER BALLOTS; HAND COUNT; PRECINCTS	County boards of supervisors and any officer in charge of elections are prohibited from authorizing, establishing or using a voting center at which a voter who is a registered voter and resident anywhere in that county is allowed to receive the appropriate ballot for that specific voter. County boards of supervisors and any officer in charge of elections are prohibited from allowing the use of electronic or other tabulating equipment and all counting is required to be done by hand. Ballots must be organized and remain segregated by precinct, both before and after counting. Electronic voting and electronic or other tabulating devices may only be used to comply with statute requiring voting systems for persons who are blind or visually impaired. For all other uses, for state, county, and municipal elections, only paper ballots may be used.	First sponsor: Sen. Rogers (R - Dist 6)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/25 referred to Senate gov.
S1343: EARLY BALLOTS; PROVISIONALS; PRECINCT TALLIES	All early ballots, provisional ballots and conditional provisional ballots are required to be separated by precinct and category of ballot, tabulated by precinct and category of ballot and included as separate line items by category of ballot in the vote totals for the voter's precinct, without regard to whether the ballot was voted or received at an early voting center, election day voting center, emergency voting center, polling place or office of the county recorder. After tabulation, early ballots, provisional ballots and conditional provisional ballots must remain separated by category of ballot and precinct.	First sponsor: Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.
S1348: ELECTIONS; HAND COUNT; TABULATORS PROHIBITED	For all state, county, and municipal elections, all ballots are required to be tabulated by hand. County boards of supervisors or other officers in charge of elections are prohibited from allowing the use of electronic or other tabulating equipment. Ballots must be organized and remain segregated by precinct, both before and after counting. Effective January 1, 2023.	First sponsor: Sen. Rogers (R - Dist 6)			1/25 referred to Senate gov.

S1351: EARLY VOTING LIST; RENEWAL	An early voter is eligible to receive an early ballot for a two-year period, after which the voter is required to renew the voter's request to receive an early ballot or the voter will be removed from the early voting list.	First sponsor: Sen. Rogers (R - Dist 6)			1/25 referred to Senate gov.
S1357: ELECTION EQUIPMENT; CERTIFICATION; RESULTS	Any machine or device used at any election for federal, state, or county offices that is certified by a laboratory that was not accredited at the time of the certification is deemed unapproved for use in Arizona and not officially certified. Any election conducted with that machine or device while it is not officially certified is nullified, and the vote tallies from that machine must be removed from the official canvass of the election.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6)			2/8 from Senate gov with amend #4101.
S1358: HAND COUNTS; PRECINCTS; PROCEDURES MANUAL	For a county that uses voting centers, the ballots from each voting center are required to be separated by precinct before the random selection of precincts for a hand count occurs and every ballot from a precinct must be grouped with the other ballots from that precinct.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Cook (R - Dist 8), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6)			2/8 from Senate gov do pass.
S1359: ELECTION WORKERS; UNIQUE PASSWORDS	For any election system or activity that requires an employee, contractor or volunteer to log in to the system, each employee, contractor or volunteer is required to have a unique password that cannot be disclosed to any other person. Each employee, contractor or volunteer is required to establish a new unique password every two weeks. Violations are a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.
S1360: ELECTION OBSERVERS; ACCESS	Election observers are required to be allowed uniform access to all stages of the election process, beginning with ballot design through tabulation of the final vote. Election observers must be allowed to document observations and ask questions of election officers and must receive timely responses. Election observers must be allowed to be in proximity to the process closely enough to observe whether the process is being conducted correctly. Election observers may only be ejected for significant concerns on the approval of the inspector and the marshal.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22), Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.

S1362: EARLY BALLOT ON-SITE TABULATION	A qualified voter who appears at a voting center or designated polling place with his/her voted early ballot is required to present identification as required by law. If the voter does not present identification, the voter is required to either deposit the voted early ballot in an official drop box or surrender the early ballot to the election board and vote a provisional ballot. If the voter presents sufficient identification and the affidavit is complete, the voter may sign the signature roster and proceed to the tabulating equipment to insert the ballot into a tabulating machine. Appropriates an unspecified amount (blank in original) from the general fund in each of FY2022-23 and FY2023-24 to the newly established Early Ballot On-Site Tabulation Fund for the costs of on-site tabulation as required by this legislation.	First sponsor: Sen. Mesnard (R - Dist 17)	Hearing: Senate Appropriations (Tuesday 02/15/22 at 2:00 PM, Senate Rm. 109)		2/8 from Senate gov do pass.
S1380: VOTER REGISTRATION ROLLS; MAINTENANCE	The county recorder is required to use change of address information supplied by the postal service to identify registered voters whose address may have changed on a monthly basis instead of at least once every election cycle. If a notice of change in registration status sent by the recorder is not returned, the registrant must be required to provide confirmation of the registrant's address in order to vote.	First sponsor: Sen. Rogers (R - Dist 6)			2/10 Senate gov do pass; report awaited.
S1404: ELIGIBILITY; EARLY VOTING; LIST	Repeals the active early voting list. Qualified electors are only allowed to vote by early ballot if the elector expects to be absent from the precinct at the time of the election, the elector is physically unable to go to the polls, the elector is 65 years of age or older, the elector's residence is more than 15 miles from the polling place, the elector is unable to attend the polls on election day because of the tenets of his/her religion, the elector has a visual impairment, or the elector is an absent uniformed services voter or overseas voter or the spouse or household member of the absent uniformed services voter or overseas voter. County recorders are no longer authorized to establish on-site early voting locations.	First sponsor: Sen. Gowan (R - Dist 14)			2/8 from Senate gov do pass.

S1411: EARLY BALLOTS; TRACKING SYSTEM	Effective January 1, 2024, in counties with a population of more than 100,000 persons that use early ballots, the county recorder or other officer in charge of elections is required to provide on the county's website an early ballot tracking system that indicates whether the voter's early ballot has been received and whether the early ballot has been verified and tabulated. Appropriates $700,000 from the general fund in FY2022-23 to the Secretary of State for establishing a grant program for counties to establish the tracking systems.	First sponsor: Sen. Mesnard (R - Dist 17)	Hearing: Senate Appropriations (Tuesday 02/15/22 at 2:00 PM, Senate Rm. 109)		2/8 from Senate gov do pass.
S1432: VOTED BALLOTS; CUSTODY; IN-STATE	The county recorder or other officer in charge of elections, the county board of supervisors, any state elected official and any employee, contractor or vendor of those persons are prohibited from removing from the state any one or more of the ballots cast for an election.	First sponsor: Sen. Mendez (D - Dist 26) Others: Sen. Quezada (D - Dist 29)			1/26 referred to Senate gov.
S1433: VOTERS; FALSE COMMUNICATION; ENTERPRISES; ENFORCEMENT	It is a class 5 (second lowest) felony for an enterprise to knowingly communicate to a registered voter by any means false information that is intended to impede the voter in exercising the voter's right to vote. A registered voter to whom false information is communicated is authorized to file a civil action for relief, including an application for a permanent or temporary injunction, restraining order or other order against the person communicating the false information.	First sponsor: Sen. Mendez (D - Dist 26)			1/26 referred to Senate gov.
S1453: AUTOMATIC VOTER REGISTRATION; SAME DAY	A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election. Every	First sponsor: Sen. Quezada (D - Dist 29) Others: Sen. Gonzales (D - Dist 3), Sen. Terán (D - Dist 30)			1/27 referred to Senate gov.

	person who is applying for a driver license or renewal, including a nonoperating identification license or renewal, or who is making changes to drive license information and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register. A person who is not qualified to register to vote and who unknowingly registers under this provision is not guilty of false registration or false swearing. Effective January 1, 2023.				
S1454: POLLING PLACES; DROP BOXES; CAMPUSES	The board of supervisors of each county is required to designate at least one polling place or voting center on the main campus of each state university in that county and is required to provide for at least one early ballot dropbox at each state university satellite location and each community college campus and community college satellite location in that county.	First sponsor: Sen. Quezada (D - Dist 29) Others: Sen. Gonzales (D - Dist 3), Sen. Terán (D - Dist 30)			1/27 referred to Senate gov.
S1455: EARLY VOTING LOCATIONS	A county recorder or other officer in charge of elections is permitted to make changes to the approved early voting locations and must notify the public and the board of supervisors regarding the changes as soon as is practicable. A county recorder or other officer in charge of elections who establishes early voting locations may continue to operate those early voting locations during the three-day period immediately preceding election day, except that on-site early voting is required to end as needed to ensure that precinct registers and other election materials are revised for use on election day to indicate which voters have requested an early ballot, which voters have already voted and which voters are on the inactive voter list.	First sponsor: Sen. Quezada (D - Dist 29) Others: Sen. Gonzales (D - Dist 3), Sen. Terán (D - Dist 30)			1/27 referred to Senate gov.
S1456: PRESIDENTIAL PREFERENCE CAUCUSES; INDEPENDENT VOTERS	Presidential preference elections are repealed and replaced with presidential preference caucuses, which must be held on the Tuesday immediately following March 15 of each year in which the President of the United States is elected to give qualified voters the opportunity to express their preference for the presidential	First sponsor: Sen. Quezada (D - Dist 29) Others: Sen. Gonzales (D - Dist 3)			1/27 referred to Senate gov.

	candidate of the political party of their choosing. Presidential preference caucuses are required to allow participation by persons who are registered independent or no party preference. The operation of the caucuses and the selection of delegates to the political party national conventions shall be as provided in the bylaws of each state party.				
S1457: VOTING MACHINES; HARDWARE; SOFTWARE; ACCESS	The Secretary of State is required to ensure that vote recording and vote tabulating machines and devices approved for use in Arizona meet a list of specified requirements, including having all operating systems and software configured to the appropriate level of security, not having hardware installed that supports internet connectivity, supporting tracking of users based on unique credentials, and logging any deletions of ballot images, windows event logs and results files.	First sponsor: Sen. Borrelli (R - Dist 5) Others: Sen. Barto (R - Dist 15), Rep. Barton (R - Dist 6), Rep. Biasiucci (R - Dist 5), Rep. Chaplik (R - Dist 23), Sen. Fann (R - Dist 1), Rep. Fillmore (R - Dist 16), Rep. Finchem (R - Dist 11), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Rep. Hoffman (R - Dist 12), Rep. Kaiser (R - Dist 15), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Rep. Parker (R - Dist 16), Rep. Payne (R - Dist 21), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8), Sen. Townsend (R - Dist 16), Rep. Wilmeth (R - Dist 15)			2/8 from Senate gov with amend #4102.
S1460: ELECTION LAW AMENDMENTS	Various changes relating to election law. Establishes options for candidate nomination petitions for candidates for election to an office immediately following redistricting, which do not apply to candidates for a federal, statewide or legislative office. Establishes regulations for adjustment of precinct boundaries based on redistricting. If a voter surrenders an early ballot to the precinct inspector and presents the required identification, the voter must be issued a standard ballot. Modifies various deadlines. Allows the notice of election to be posted online and at other locations where a government body regularly posts public notices, if there is not a newspaper of general circulation in the election district. More.	First sponsor: Sen. Shope (R - Dist 8)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/27 referred to Senate gov.
S1465: VOTING EQUIPMENT; REQUIREMENTS; RECORDS; ORIGIN	No later than the August 2024 primary election, the Secretary of State is required to revoke the certification for vote recording, vote aggregation and vote tabulating machines and devices used for elections for federal, state or county offices unless the machines and devices comply	First sponsor: Sen. Rogers (R - Dist 6)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/27 referred to Senate gov.

	with a list of specified requirements, including being manufactured in the United States, meeting certain security standards, not having hardware installed that supports internet connectivity, supporting the usage and tracking of user accounts attributable to a specific individual, and providing a printed record of a voter's choices in a human-discernible format.				
S1474: VOTING; ELECTION DAY ONLY; HOLIDAY	The primary election day and the general election day are legal holidays. Voters are authorized to be absent from employment on election day and cannot be held liable for any penalty or have salary or wages deducted due to the absence. Statute authorizing early voting is repealed.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16)			2/8 from Senate gov do pass.
S1475: VOTER REGISTRATION; CITIZENSHIP; FALSIFICATION; PENALTIES	It is a class 2 (second highest) felony to knowingly and falsely claim U.S. citizenship while registering to vote. It is a class 2 (second highest) felony to register another person to vote and to knowingly and falsely claim that the potential registrant may register as a voter who is eligible to vote only for federal offices when the potential registrant is not a U.S. citizen.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22)		General Comments (all lists): STRIKER: ELECTION COMPLAINTS; ATTORNEY GENERAL	2/10 Senate gov amended; report awaited.
S1476: PUBLIC MEETINGS; IN-PERSON ATTENDANCE	All meetings of any public body are required to accommodate in-person attendance and are prohibited from being held completely online or remotely.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)	General Comments (all lists): STRIKER: BALLOTS: IDENTIFICATION	1/27 referred to Senate gov.
S1477: VOTER REGISTRATION; FELONIES; CLERK; DATABASE	Each month the clerk of the superior court is required to transmit to the Secretary of State without charge a record of every felony conviction in that county within the preceding month. The Secretary of State is required to use the record for the sole purpose of canceling the names of convicted felons from the statewide voter registration database and must notify the appropriate county recorder. The county recorder is required to cancel the voter registration of the convicted felon.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Livingston (R - Dist 22)			2/10 Senate gov do pass; report awaited.

S1478: ELECTIONS; COUNTY SUPERVISORS; BALLOT; MARKERS	For elections for which the county board of supervisors is responsible, the board of supervisors is prohibited from requiring that a specific marking pen be used on paper ballots and from providing for use on ballots any pen that creates marks that are visible on the reverse side of the paper ballot or that otherwise may damage or cause a ballot to be spoiled.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/27 referred to Senate gov.
S1503: REGISTRATION; VOTING; JAILS; CONFINEMENT	Every person who is otherwise eligible to register to vote and who is in the custody of the State Department of Corrections (DOC) or a county jail must be provided the opportunity to register to vote on release from confinement. DOC and county jails are required to provide a state mail in voter registration form to persons who are eligible to register and to transmit completed forms to the appropriate county recorder within five days after receipt. In a county with a population of more than 300,000 persons, the county recorder is required to provide for a voting center at the county jail for persons who are temporarily in custody and awaiting trial, which must provide for any person who is otherwise eligible to vote in that county to receive the appropriate ballot for that person's residence. A county recorder is required to provide a request for an early ballot to each qualified elector who is in the custody of the county jail or DOC in that county and who is otherwise eligible to vote. After the county recorder receives a completed request for an early ballot, the county recorder is required to provide an early ballot to the qualified elector.	First sponsor: Sen. Quezada (D - Dist 29)			1/31 referred to Senate gov.
S1504: VOTING RIGHTS; FELONIES; AUTOMATIC RESTORATION	A person's right to vote is automatically restored on the person's discharge of probation or absolute discharge from imprisonment.	First sponsor: Sen. Quezada (D - Dist 29)			1/31 referred to Senate gov.
S1543: ELECTION AND ETHICS; COMMISSION; DUTIES	Establishes the Arizona Election and Ethics Commission consisting of six members who are appointed by the Governor and other specified elected officials and who meet specified requirements. Beginning in 2023, the Commission succeeds to the duties of the Secretary of State with respect to acting as the	First sponsor: Sen. Quezada (D - Dist 29)			1/31 referred to Senate gov.

	investigatory, compliance and enforcement officer for political committees supporting or opposing candidates for state offices and members of the Legislature and statewide initiative or referendum measures appearing on a state general election ballot. Powers and duties of the Commission are established, including receiving any ethics complaint filed against candidates or elected officials of state government. The Commission terminates on July 1, 2032.				
S1570: ELECTION EQUIPMENT; SECURITY; RESULTS; TABULATION	Any voting equipment used in a polling place or voting center and any tabulation equipment used in a central counting center or other tabulation center are prohibited from having internet access and must prohibit access by any means to any data or results until used by authorized election personnel only. Any accessible ports must be locked with a tamper-proof seal and logged in the chain of custody document when broken or accessed. Violations are a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1571: BALLOT DROP BOXES; SURVEILLANCE; APPROPRIATION	Establishes requirements for any ballot drop box used in Arizona to receive voted early ballots, including logging the receipt of each ballot, generating a paper receipt, and including a functioning camera or video recorder that photographs or video records each person who deposits one or more early ballots. Voted early ballots are prohibited from being mailed to the county recorder and may only be returned by hand delivery. Makes a supplemental appropriation of an unspecified amount (blank in original) from the general fund in FY2021-22 to the Secretary of State to procure, install, operate, and maintain 24-hour per day photo and video surveillance for each ballot drop box in Arizona.	First sponsor: Sen. Townsend (R - Dist 16)			2/1 referred to Senate gov, appro.
S1572: VOTING LIST; IMAGES; CAST VOTES	Ten days before the primary and general election, the county recorder is required to publish a list of all voters who are eligible to vote in the election, including persons who are on the inactive voter list, and post this information on the county recorder's website with personally	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.

	identifying information redacted. Five days before the county canvass, the county recorder or other officer in charge of elections is required to publish and post in digital format on the county's website all ballot images, and the cast vote record in a sortable format. Early and provisional ballot tabulators are required to imprint a unique identification number on each early ballot tabulated so as to allow the ballot image to be linked to the physical ballot. Ballots are required to be separated, tabulated, and stored by precinct.				
S1573: HAND COUNT; POLITICAL PARTIES; EMPLOYEES	The number of precincts in each county that must be randomly selected for a hand count after each election is changed to 5 percent of the precincts in the county or five precincts, whichever is greater, from two percent or two precincts. If one or more of the political parties do not provide members to select the precincts for a hand count, the county recorder is required to select a county employee who is a member of the designated political party to participate in selecting the precincts. Prohibits the canvass of the election from being completed unless the hand count is conducted and the results are conspicuously posted on the county recorder's website.	First sponsor: Sen. Townsend (R - Dist 16)			2/10 Senate gov do pass; report awaited.
S1574: VOTING IRREGULARITIES; REPORT; LEGISLATIVE REVIEW	The county recorder or other officer in charge of elections is required to maintain a record of all voting irregularities that occur during early voting, emergency voting and election day voting. Information that must be described in the record is listed. Within 30 days after election day, the county recorder or other officer in charge of elections is required to provide the record to the Legislature. Records on the chain of custody for all election equipment and ballots during early voting through the completion of provisional voting tabulation are public records and are subject to legislative subpoena. Violating any of these requirements is a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.

S1576: TABULATING EQUIPMENT; FRACTIONAL VOTES; MANUAL	Ballot tabulating equipment that is capable of registering fractional votes or that is susceptible to manipulation by an algorithm that would allow the equipment to register fractional votes is prohibited from being used for an election in Arizona. County recorders or other officers in charge of elections are required to post conspicuously on the county's website the operating manual for any tabulating equipment used by the county. If the posted manual does not accurately describe all of the capabilities of the equipment, the county is prohibited from entering into a contract with the tabulating equipment provider, or if a contract has already been executed, the contract with the tabulating equipment provider is canceled.	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1577: ELECTIONS; ADJUDICATED BALLOTS; CATEGORIES	For any ballots that are required to be duplicated and adjudicated, whether electronically or manually, the county recorder or other officer in charge of elections is required to separate the ballots by type of defect or damage and type of ballot, maintain that separation and post on the county's website the number, type and category of defective or damaged ballots processed by the county. Violations are a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1578: LEGISLATIVE DISTRICT COMMITTEES; COMMITTEE MEMBERSHIP	Deletes the requirement for a legislative district committee, for the purpose of meeting to reorganize according to new legislative district boundaries, to consist of all precinct committeemen residing in the district who were serving in that position at least 30 days before the enactment of reapportionment legislation.	First sponsor: Sen. Leach (R - Dist 11)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1603: ELECTIONS; AUDITOR GENERAL	On request of the House of Representatives or the Senate or at the Auditor General's discretion, the Auditor General is required to conduct one or more audits of county elections for state and federal offices. The audits may include reviews of voter rolls, election systems, voting equipment and ballot tabulation equipment and may review compliance with state law and the instructions and procedures manual.	First sponsor: Sen. Townsend (R - Dist 16) Others: Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16)			2/1 referred to Senate gov.

S1608: PRECINCT TABULATION; VERIFICATION; ELECTIONS	For a county with a population of more than 500,000 persons (Maricopa and Pima), all ballots are required to be tabulated at the polling place and verified by two persons who are not members of the same political party. At the central counting center, the ballots from that polling place must be tabulated again and verified by two different persons who are not members of the same political party. If the tallies do not match, the ballots must be counted again by hand to obtain a final total. The hand count is required to be verified by two different persons who are not members of the same political party.	First sponsor: Sen. Townsend (R - Dist 16)			2/1 referred to Senate gov.
S1609: ELECTION CONTESTS; INVALIDATED ELECTION; SANCTIONS	If the court determines that the initial person declared elected or declared the nominee at a primary election or that the contested measure, constitutional amendment or other question or proposal that was declared carried did not in fact receive the highest number of votes or a sufficient number of votes to prevail, the court is required to order that portion of the election to be repeated. The new election is required to be conducted within 90 days after the court's order and to conform as nearly as practicable to the laws that otherwise would apply to an election. Any person determined by the court to be responsible for misconduct, fraud or illegal votes is liable for the costs of the court-ordered second election and is guilty of a class 2 (mid-level) misdemeanor.	First sponsor: Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1612: ELECTION EQUIPMENT; PROHIBITED PROVIDERS	For any election in Arizona, election equipment, software, or systems are prohibited from being from Dominion Voting Systems, Election Systems & Software and Hart Intercivic. For any election in Arizona, election equipment, software, or systems are prohibited from containing any hardware component that is manufactured or assembled outside of the U.S., containing any line of code for any software that is written by a person who is not a U.S. citizen, and containing any line of code that has ever been reviewed by any person or entity from a foreign country.	First sponsor: Sen. Rogers (R - Dist 6)			2/1 referred to Senate gov.

S1629: REGISTRATION; VERIFICATION; IMAGES; AUDITS; BOXES	Makes numerous changes related to elections and voting. The Secretary of State is required to establish and administer training for signature verification on early ballots. Establishes a list of requirements for ballot drop boxes, including continuous monitoring and chain of custody documentation. For any election for which there is a federal race on the ballot, the officer in charge of elections is required, within 48 hours after delivery of the official canvass, to make available to the public a central database with an online digital copy of the ballot images, which must be searchable by precinct and meet other specified requirements. The Auditor General is required to establish an audit team to perform election integrity audits of county recorders' offices and county elections departments. Audit requirements are specified. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the Secretary of State to create and maintain a ballot image portal.	First sponsor: Sen. Borrelli (R - Dist 5) Others: Sen. Barto (R - Dist 15), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8), Sen. Townsend (R - Dist 16)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
S1638: EARLY BALLOTS; VISUALLY IMPAIRED VOTERS	Early voting is required to include voting by the use of a remote accessible vote by mail system for persons with a visual impairment.	First sponsor: Sen. Pace (R - Dist 25) Others: Rep. Shah (D - Dist 24)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		2/1 referred to Senate gov.
SCR1005: FEDERAL BALLOT VOTERS; IDENTIFICATION	The 2022 general election ballot is to carry the question of whether to amend state statute to require federal-only voters to provide proof of citizenship by presenting one of a list of specified forms of identification in order to receive a ballot.	First sponsor: Sen. Townsend (R - Dist 16)			2/1 from Senate gov do pass.
SCR1012: LEGISLATURE; NINETY HOUSE DISTRICTS	The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require one member of the House of Representatives to be elected from each of 90 House districts, 3 of which must be contained within the boundaries of each of the 30 Senate districts. Applies to legislative terms of office that begin in 2033 and later.	First sponsor: Sen. Mesnard (R - Dist 17)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)	General Comments (all lists): STRIKER: VOTER IDENTIFICATION	1/10 referred to Senate gov.

SCR1032: PLENARY LEGISLATIVE AUTHORITY; ELECTIONS	The members of the Legislature reaffirm the Legislature's plenary power with respect to elections and oppose any attempt by the federal government to usurp or otherwise interfere with the state legislative sovereign authority over the management, control and administration of elections.	First sponsor: Sen. Townsend (R - Dist 16) Others: Sen. Borrelli (R - Dist 5), Rep. Burges (R - Dist 1), Rep. Fillmore (R - Dist 16), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6)	Hearing: Senate Government (Monday 02/14/22 at 2:00 PM, Senate Rm. 1)		1/25 referred to Senate gov.
SCR1037: CONDUCT OF ELECTIONS; VOTERS' RIGHTS	The 2022 general election ballot is to carry the question of whether to amend state statute to enact a voters' bill of rights, declaring that Arizona voters have a right to register to vote without facing unnecessary barriers, participate in fair elections in which elected officials are not choosing their own voters, vote by mail or in person and know that their votes will count, have equal access to the ballot no matter where in Arizona they live, what language they speak or what physical abilities they possess, propose and enact laws when elected officials fail to act, and know that when they elect someone, the elected official will work for the voters, not donors or lobbyists.	First sponsor: Sen. Quezada (D - Dist 29) Others: Sen. Gonzales (D - Dist 3), Sen. Terán (D - Dist 30)			1/27 referred to Senate gov.
SCR1046: VOTER IDENTIFICATION; ARIZONA CARD	The 2022 general election ballot is to carry the question of whether to amend state statute to delete the option for a voter to present, in order to receive a ballot and in lieu of government-issued photo identification, two different items that contain the name and address of the voter that reasonably appear to be the same as the name and address in the precinct register, including a utility bill, a bank or credit union statement, a valid Arizona vehicle registration, an Arizona vehicle insurance card, an Indian census card, tribal enrollment card or other form of tribal identification, a property tax statement, a recorder's certificate, a voter registration card, a valid government-issued identification, or any mailing that is labeled as "official election material." Expands the list of acceptable voter identification to include a U.S. passport, U.S. military identification card, employee identification card for a government employee, student or employee identification card	First sponsor: Sen. Borrelli (R - Dist 5) Others: Sen. Barto (R - Dist 15), Sen. Fann (R - Dist 1), Sen. Gowan (R - Dist 14), Sen. Gray (R - Dist 21), Sen. Kerr (R - Dist 13), Sen. Leach (R - Dist 11), Sen. Livingston (R - Dist 22), Sen. Mesnard (R - Dist 17), Sen. Pace (R - Dist 25), Sen. Petersen (R - Dist 12), Sen. Rogers (R - Dist 6), Sen. Shope (R - Dist 8), Sen. Townsend (R - Dist 16)			2/1 referred to Senate gov.

	for a postsecondary school, and an Arizona voter photo identification card. The Secretary of State is required to issue an Arizona voter identification card to registered voters who meet specified requirements. An Arizona voter identification card is valid only as identification for voting purposes.				

The legislative session is barreling ahead, and this week committee hearings began early and ended late in the evening. The week began with Monday's deadline for new bill introductions and headlines from some of the bills revealed just before that deadline – including a bipartisan effort to expand anti-discrimination laws, enhanced scrutiny of police shootings, and a bill to divide Maricopa County into four counties.

Over the first four days of the week, lawmakers considered more than 200 bills in committee and voted to send another 50 proposals to the second chamber of the legislature for consideration.

There were unusual moments of bipartisan opposition to Republican proposals. In the House, legislators failed to pass bills that required smartphone filters to block minors from accessing some content, prohibited big tech companies from requiring app developers to use specific payment systems, changed the way cities post official notices, and asked voters to get rid of cash bail. In the Senate, a committee voted against a proposal that banned gender transition procedures for minors.

Other bills passed on party lines, with enough Republican support to advance despite Democratic opposition. House committees banned COVID-19 vaccination requirements and mask mandates for school attendance, allowed guns on college campuses, required high schools to teach about political ideologies, and partially reversed an Arizona Supreme Court decision that banned jury challenges.

In Senate committees, Republican majorities approved bills to reduce access to early voting, expand the state's Empowerment Scholarship Account program, direct how the state can consider religion in adoption decisions, and require private employers to provide a religious exemption from any COVID-19 vaccine mandate.

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Many bills, though, passed with bipartisan support. House committees voted to increase the monthly stipend for foster homes that care for someone in their family, deposit $1 million in the Water Protection Fund, and ask Maricopa County voters to extend the sales tax for transportation priorities. They banned most cat declawing, allowed more time to raise money for a Frances Willard Munds Arizona Women Suffrage memorial, and agreed to ask Arizona voters to change the process for ballot initiatives.

Senate committees voted to give local governments limited authority over short-term rental properties, study the use of hydrogen in Arizona and the installation of cable median barriers on roadways, create an adult workforce diploma program, and ask federal officials to rename parts of the Grand Canyon.

During floor sessions, legislators were divided on proposals to expand access to the voter registration database and penalize schools that don't display the U.S. flag, but a bipartisan majority agreed to create a license plate for beekeepers and use $60 million to widen I-10.

House and Senate members gathered to honor former Arizona Attorney General Grant Woods and celebrate African American Legislative Day.

What's Next?

There were 1,672 bills, memorials, and resolutions introduced this year. More than 300 bills are scheduled for hearings next week, but Friday is the last day for proposals to make it through their first committee assignments. Hundreds of bills will reach the end of the line because they didn't get a committee hearing.

Prop. 208 Fight Continues in the Courts and at the Capitol

For more than a month, many at the Capitol have been awaiting a Superior Court ruling that will determine the fate of the income tax surcharge enacted in Proposition 208. The judge heard arguments on the case early in January, and the ruling has big implications for the education funding mechanism. This week, state officials got impatient and asked the judge to hurry up with his verdict. He declined to prioritize this case over others that are waiting for his ruling.

Legislative leaders aren't happy with that answer, and late this week they asked the Arizona Supreme Court to take back the case. "Prompt resolution is needed so the legislative and executive branches will know where they stand and can take such action as they determine necessary relative to budgetary matters," a state attorney wrote.

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So why is everyone in such a hurry to get a Superior Court ruling? Because the decision about Prop. 208 is the culmination of a long political fight and a hurdle that's blocking legislative action on a spending cap that could force schools to cut their budgets.

Democrats supported Prop. 208, and they hope the Superior Court case will allow the education funding mechanism to advance despite an Arizona Supreme Court ruling last year. Legislative Republicans, who opposed Prop. 208, hope the ruling will completely close the door on that income tax surcharge. Because the case centers on a question about how the funding mechanism relates to the state's constitutional spending cap for school districts, legislative leaders say it is unwise to lift that cap on school spending this year.

With the clock ticking toward a March 1 deadline to raise that spending cap, political pressure is rising. House Speaker Rusty Bowers (R-Mesa) said there's no need to worry, but schools around the state are frustrated by the uncertainty.

In the Elections

There are a lot of proposed election changes at the Capitol this year. Representative Mark Finchem (R-Oro Valley) thinks the state can overturn the certification of the 2020 election results; House Speaker Rusty Bowers (R-Mesa) disagrees. The Secretary of State and the Attorney General took their disagreement over the state's online signature gathering system to court. Two longtime lawmakers aren't running for re-election to their legislative seats.

In the Courts

A federal court ruled against Arizona's effort to stop federal immigration policies at the border. Another federal judge doesn't agree with the state that environmental laws should force the federal government to restart building a border wall. A U.S. Court of Appeals will allow family planning clinics to continue abortion referrals while it considers a challenge from Arizona and 11 other states.

In the News

It's not clear how key legislators feel about Governor Ducey's proposed tax credit for low-income Arizonans. This group wants the NFL to object to Arizona's proposed changes to voting laws by taking away the Super Bowl next year. These Arizona Senate Republicans oppose a federal change to prescription drugs. The Arizona Attorney General says the state can engage in war at the border. The Arizona Department of Housing wants to help Arizonans access federal housing aid. Legislators from both parties are mourning the loss of former Arizona Senator Olivia Cajero Bedford (D-Tucson).

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Political fights took center stage again this week at the Arizona Capitol, where divisions between and within political parties seem to grow every day.

The Senate started the week with a vote on a resolution declaring the Maricopa County Board of Supervisors in contempt of the Senate because the Board has not turned over all the sensitive election information the Senate demands. It failed to pass when Senator Paul Boyer (R-Glendale) surprised his colleagues by voting against the measure, calling for more time to seek an "amicable" resolution. Unless Boyer changes his mind, the proposal is stalled while the dispute about Senate access to sensitive ballot information goes back into the courts.

The Senate concluded its week with a meeting of the Senate Ethics Committee, which is investigating Senator Wendy Rogers' (R-Flagstaff) alleged abuse of a staff member. The Committee extended the deadline for the investigation until next month, citing schedule conflicts because of the busy pace of the legislative session.

The House Ethics Committee met to adopt a code of ethics and rules that will govern the Committee's work this year. It did not address a resolution from House Democrats seeking to expel Representative Mark Finchem (R-Tucson) for his role in events at the U.S. Capitol on January 6.

Amidst the political excitement at the Capitol, a new legislator stepped in to represent Legislative District 7. Jasmine Blackwater-Nygren (D-Red Mesa), an attorney, will fill the seat vacated by Representative Arlando Teller, who resigned last week for a new job at the U.S. Department of Transportation.

House, Senate Advance Bills Toward Governor's Desk

The House and Senate debated and voted on dozens of bills this week.

In the House, lawmakers authorized county attorneys to establish criminal justice diversion programs, allowed county treasurers to waive interest on delinquent property taxes, increased punishments for those who leave the scene of an accident, broadened access to telemedicine,

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required the Secretary of State to compare death records with voter registrations, changed laws for environmental quality programs, added funding to the Arizona State Parks Heritage Fund, and outlawed driving below the speed limit in the fast lane.

The Senate approved new rules for neighborhood electric shuttles, created new access to information from the Controlled Substances Prescription Monitoring Program, took political party information off early ballot envelopes, increased reporting on complex trauma experienced by children in foster care, and agreed to ask voters to end a Governor's state of emergency proclamation after 30 days. It gave preliminary approval to a new tax credit for individuals and corporations that use forest products.

Senators failed to pass a proposal to outlaw the unlicensed and unauthorized practice of behavioral health.

Governor Ducey signed his fifth new law of the year, enacting changes to insurance statutes. Another 24 await his signature or veto – including changes to air quality laws, a suspension of school letter grades, changes to calculations for groundwater reserves at the Central Arizona Groundwater Replenishment District, and funding for child care programs.

Committees Rush to Approve Bills Before Deadline

Legislators spent long hours in committee hearings this week as they advanced more than 160 proposals in five days.

In the Senate, policy committees voted to add more legislators, provide funding for emergency shelter beds for seniors, block abortions based on genetic abnormalities that cause Down syndrome, ask voters to repeal the state's English language learner laws, prevent lawsuits against agricultural businesses, and keep nicknames off the ballot.

House committees sparked a debate about gender identification in government documents, legalized take-out cocktails from Arizona restaurants, added some restrictions to Airbnb rentals, allowed guns in government buildings, and expanded gambling options in Arizona.

What's Next?

Last Monday marked the last day for bill introductions, and legislators need special permission from the Rules Committees to add any new proposals to the process. The House and Senate introduced a total of 1,820 proposals this year – higher than any other year on record.

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More than 1,200 bills still await committee approvals, including proposals that would change standards for citizen initiatives, rename State Route 260, release prisoners during a pandemic, increase penalties for prison escapees, and alter groundwater management rules.

Superintendent Hoffman Reviews State of Special Education

Superintendent of Public Instruction Kathy Hoffman gave an update on special education in Arizona to the House Education Committee this week, highlighting successful programs around the state but emphasizing the significant challenges COVID-19 has held for students with special needs. She called on the state to provide more funding for schools so special education programs have more resources and expressed support for SB 1189, which would increase special education funding, and HB 2015, which would increase funding for preschool programs.

Legislators Have Lots of Tax Policy Ideas

Republicans at the state Capitol seem to agree on one thing: They want to pass new tax cuts this year. They're just not sure yet which taxes to cut. Governor Ducey's budget proposal sets aside $200 million a year for tax cuts, increasing to $600 million by 2024. The Senate Republican budget framework designates $200 million a year for tax cuts, along with $250 million for one-time tax reductions this year. Neither budget plan identifies which taxes – or which Arizonans – should be impacted.

Legislators have their own ideas, though. Some of the bills they have introduced contain small changes that would have minimal impact on tax revenues, but others are big-picture policy changes that would shift Arizona's tax landscape. Two bills have already received committee approval:

- SB 1108 (tax omnibus) would make a variety of changes to Arizona property and income taxes, and taxation of electric vehicles. Legislative economists estimate the package would reduce state revenues by $66.1 million this year – the amount would increase to an estimated $201.8 million within three years.

  The bill passed the Senate Finance Committee last week by a vote of 7-3.

- When it was first introduced, SB 1252 (corporate income tax; phase-out) would have gradually eliminated the state's income tax for corporations – a change that would have reduced income tax revenues by approximately $1 billion by the time it was fully implemented. A revised version of the bill removes the first $100,000 from a corporation's Arizona gross income for purposes of calculating the taxes the business owes to the state.

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The bill's sponsor said he changed the proposal in response to feedback from other Republican senators; legislative economists are still working on an estimate of how this would impact state revenues.

The bill passed the Senate Finance Committee on a party-line vote of 5-4 this week.

Several other large-scale tax policy changes are still waiting for committee hearings. SB 1783 (small businesses; alternate income tax) would create a new small business income tax category. SCR 1019 (constitutional property tax exemptions) would ask voters to approve a rewrite of the state's property tax laws, and SCR 1040 (state income tax; phase-out) would gradually eliminate the individual income tax.

Some Democrats are willing to consider changes to tax policy, but most have signaled concern about any bill that would reduce revenues for the state. They say the state should direct its budget surplus toward other programs – like education or social services. Republicans say the tax cuts will create a longer-term boost to the economy overall.

State, Local Health Departments Continue Fight against COVID-19

COVID-19 statistics are improving in Arizona, and more than one million doses of the COVID-19 vaccine have been given. Public health officials continue to add vaccination sites across the state – including a new state vaccination site at the University of Arizona. This week, the State and Maricopa County released new data about the populations that have received COVID-19 vaccinations.

In the Courts

These legislators want the Attorney General to say Pima County's eviction protections are illegal. This legislator wants the Attorney General to block Governor Ducey from changing the Arizona Gaming Compact. Proposition 208 advocates won another round in court. The Arizona Supreme Court said government subsidies must have a real public benefit. A federal court said election officials followed the right timeline for voter registration in 2016.

In the News

The federal government is making changes to AHCCCS work requirements. The President and Vice President looked to Arizona for ideas about mass vaccination sites. Arizona's not the only state considering changes to voting laws and procedures. This study has dark forecasts for Colorado River water supplies. The Trump campaign paid this legislator as a consultant. The state launched an

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Emergency Rental Assistance Program to help Arizona renters. The Super Bowl drew attention to how Arizona cities are addressing electric vehicles. This legislator wants to increase funding for community colleges. This legislator says students are still learning, but the pandemic has slowed some progress. These Arizonans could get new jobs. Arizona has a birthday this weekend.

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Today marks a big milestone for the 2021 legislative session – it's the last day for bills to make their way through policy committee hearings in the chamber where they were introduced. Legislators have worked long days and into the nights. Some committees suspended their hearings late in the evening and resumed the next day; one committee brought its members back to the Capitol today for a rare Friday hearing.

Their efforts paid off for the sponsors of more than 300 proposals that received committee approval this week. More than 1,000 other bills and resolutions, however – nearly 57% of the measures introduced this session – will not advance this year unless their sponsors can amend them onto other legislation.

Legislators will not be bored as they move past the first committee deadline, though. Hundreds of bills are still awaiting their turn for debate and votes, and next month policy committees will start considering proposals that already made it through the first half of the legislative process.

Tempers Still Hot in Senate

Senators' floor debates repeatedly turned into emotional arguments this week, as they operated under tension caused by last week's passionate discussion of a contempt declaration against the Maricopa County Board of Supervisors. Republicans' frustration with Senator Paul Boyer (R-Glendale) boiled over when he joined with Democrats to kill a bill that would prevent inactive voters from automatically receiving an early ballot. The sponsor of that bill, Senator Michelle Ugenti-Rita (R-Scottsdale), used a procedural motion to force another vote on Boyer's bill to expand the Empowerment Scholarship Account program. That controversial measure passed the Senate early this week but now must go through additional votes before it can go to a House committee hearing.

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The visible anger on the Senate floor extended to other bills, as well, sparking debates between and within political parties. This level of emotion is unusual for the Senate, which is often viewed as calmer than the House, which has twice as many members.

The growing divisions in the Senate Republican caucus are significant and could overshadow legislative leaders' efforts to build support for a state budget. It remains to be seen whether the Republicans' frustration with each other will lead to a budget plan that can find bipartisan support.

Legislators Show They Can Agree

Despite the disagreement on several high-profile bills, senators found bipartisan support for many bills this week. They advanced $2 million for the Medical Student Loan Fund and $1 million for a SNAP produce incentive program, created a new State Permitting Director position to facilitate government approvals for some new infrastructure projects, and recognized the importance of outdoor experiences. They passed a bill to penalize the unlicensed practice of behavioral health, which failed to pass last week, after the sponsor agreed to work on amendments.

The House unanimously agreed it should be easier to get out of a gym membership and drivers with aggravated DUI shouldn't keep their licenses. A bipartisan majority of the House approved bills to penalize businesses that sell tobacco products to minors, allow some inmates to do their time under house arrest, and prevent non-medical DNA tests from assuming ownership of customers' genetic information.

The House and Senate fast-tracked several bills to the Governor's desk, including guidance on injection well oversight, new penalties for people who facilitate animal fighting, and more options for those who want to renew their application to use state lands.

Governor Ducey has signed 31 bills into law this year, including a suspension of schools' letter grades this year, authority for mobile home residents to have a live-in caregiver, and funding for child care services.

Committees Consider Policy Changes

Legislative committees addressed a dizzying variety of policies this week as they rushed to move bills through hearings before today's deadline.

In the House, committees voted to allow people to rescue animals after their owner dies or is incapacitated, allow drivers to keep loaded guns in their cars on school grounds, authorize Arizona businesses to ignore mask mandates, alter state authority over surface waters, require Arizona

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students to say the Pledge of Allegiance or reflect on moral reasoning daily, raise unemployment benefits, and increase penalties for people who harm property or other individuals during protests.

Senate committees authorized pharmacists to provide birth control to customers, voted to ask Arizona voters to rethink the state ban on in-state tuition for Arizona high school students, and prohibit government employers from asking about criminal convictions early in their hiring processes.

The Senate Transportation and Technology Committee said government entities should be banned from using social media because Senator Michelle Ugenti-Rita (R-Scottsdale) worries those platforms could censor the content. The Senate Judiciary Committee continued Senator Warren Petersen's (R-Gilbert) efforts to audit Maricopa County election machines and ballots, approving a bill to expand legislative subpoena authority over election materials on a party-line vote.

Not everything received support in committee hearings, though. Legislators failed to pass a ban on photo radar cameras and limits on local governments' ability to prohibit conversion therapy, and did not advance bills to create ranked-choice voting and charge drug dealers with homicide if their drugs cause a user's death.

What's Next?

Next week, policy committees take a break as Appropriations Committees convene to process more bills. Though the committees are responsible for considering budget-related bills, next week they will also hear amendments that would revive proposals that have failed to advance on other bills.

Governor Orders Study on COVID-19's Impact on Student Learning

Citing a recent study on student setbacks last year, this week Governor Ducey ordered the State Board of Education to study the impact the COVID-19 pandemic has had on Arizona students' learning. "Getting kids caught up and on track needs to be a top focus of ours," the Governor said.

The executive order requires the Board to use assessment data and other academic data to compare students' performances this year with other years, focusing on the impacts in various demographics. The report is due by November 1.

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In the Courts

The U.S. Supreme Court will consider a challenge to Arizona's voting laws. The pandemic slowed the court systems, and that reduced Arizona's prison population. Attorney General still thinks the Governor's pandemic rules can't treat bars differently than restaurants.

In the News

The Governor thinks the federal government should consult local officials about border policy. Representative Mark Finchem (R-Tucson) filed an ethics complaint against his Democratic colleagues because of their ethics complaints against him. Representative Jennifer Pawlik (D-Chandler) is the new State Director for Women in Government. More delays at the U.S. Census Bureau will further slow Arizona's independent redistricting. The Arizona Latino Legislative Caucus asked the Governor to prioritize COVID-19 vaccinations to communities of color. The state announced transportation infrastructure priorities. This study says the East Valley is a great place to work from home. Companies and people keep moving to Arizona. There's lots of speculation about what Doug Ducey will do after his time as Governor ends.

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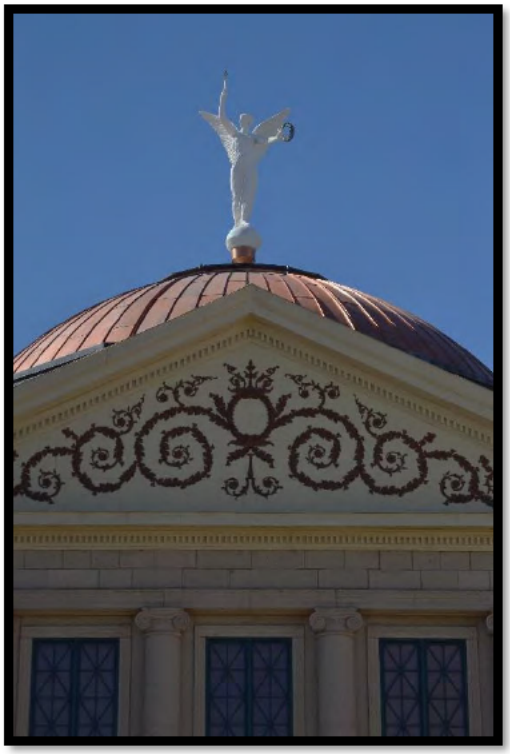
This week held some surprises at the Capitol – especially in the House, which had two members injured in car accidents. Representative Frank Pratt (R-Casa Grande), who was hit by a car in a Post Office parking lot, left for the hospital after voting all day on Wednesday; Representative Judy Burges (R-Skull Valley) voted remotely from a hospital bed where she is recovering from her car accident.

For the most part, though, legislators set aside the political and interpersonal drama that has shaped the 2021 session and dedicated long hours to floor sessions and voting.

Most committee hearings were canceled to allow more time for legislators to consider bills that are waiting to move to the second chamber for committee hearings. The House and Senate debated and voted on almost 300 proposals this week, approving most of them.

Many of the bills earned bipartisan support – including income tax credits for small businesses that employ Arizonans who are seriously mentally ill, legalized use of fentanyl strips, four-year degree programs at community colleges, increased access to birth control at the pharmacist, extended time students can enroll in career technical education districts (CTEDs), clergy visits to hospitalized patients, and new standards for labeling and advertising marijuana products.



Other proposals were more divisive – like bills to reduce the Corporation Commission's authority over renewable energy, allow guns in public buildings and school carpool lines, add more seats to urban counties' board of supervisors, provide civil liability protection for health care facilities and businesses during a pandemic, outlaw abortions performed because of genetic abnormalities, and waive rabies vaccine requirements for pets.

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Legislators advanced funding to boost unemployment payments, provide fresh produce incentives, create a tax credit for using forest products, increase preschool development grants and resources for home and community-based services, enhance housing assistance, and research the medical use of marijuana.

They failed to pass tax breaks for ranchers' watering equipment, limits on the Department of Transportation's employees' ability to enforce motor vehicle laws, and authority for local governments to create tourism marketing authorities.

The House Appropriations Committees approved bills to change the way big technology companies sell apps, study whether northern Arizona should get a new county, and create a Clean Energy Technology Improvement Grant Program.

The Senate Appropriations Committee voted to enhance regulations on sales of tobacco and vaping products. Public health advocates and the tobacco industry will continue their negotiations on the proposal; the bill's sponsor pledged to keep the measure from progressing unless stakeholders can agree about whether the bill should allow local governments to enact stricter standards on marketing and sales of tobacco and vaping products.

The Senate Appropriations Committee canceled votes on a measure that would have increased the legislature's role in selecting U.S. presidential electors, a bill to limit Arizona governments' ability to ban conversion therapy, and a proposal to expand gambling options in Arizona. (The gambling bill is one of Governor Ducey's policy goals this year, and supporters say they'll find another way to move the discussion forward.)

What's Next?

Monday will be the 50th day of the legislative session – the halfway mark, according to House and Senate rules, and there are almost 800 bills, memorials, and resolutions still eligible for consideration. Though it's unlikely the legislature will wrap up its work in 100 days, there are just four more weeks of committee hearings scheduled. That timeline means legislators have a renewed focus on getting their priority bills to the Governor's desk as quickly as possible.

Many of the big policy goals for the year – including tax cuts and new education programs – still await serious consideration. There's no evident progress toward a legislative budget proposal, and Senate leaders say they're waiting for the House to identify its spending priorities.

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In some ways, the session has settled into a productive rhythm. Legislators and advocates have grown slightly more comfortable with online committee hearings and COVID-19 protocols, and bills are moving through the legislative process. There's an underlying tension, however, that threatens to interrupt progress. This week demonstrated the fragility of Republicans' majority in the House and the Senate; one legislator's health problems or schedule conflicts can disrupt legislative plans and sideline any controversial proposals. There's great potential for bipartisan cooperation, of course, but also an ever-present concern that interpersonal or policy divisions could block the path to a smooth conclusion of the legislative session.

Budget Update: Surplus Keeps Growing

Legislative economists released the first information from 2021 state revenues, and it brings good news: In January, the state took in $1.29 billion – 9.4% more than it did at the start of 2020.

Arizona shoppers get much of the credit for the good news since sales taxes helped boost the surplus: They rose 9.2% last month, boosted by holiday shopping and new building projects. Those categories brought in $588.5 million last month and helped offset sharp losses from restaurants and bars, whose sales were down another 13.8% last month.

Individual income tax payments grew by more than 36%, as well, signaling that some Arizonans expect to earn more this year. Corporate income taxes reached the highest monthly level they've seen in more than 20 years and grew 12.9% over what they were last January.

Arizonans spent $173.8 million on Lottery tickets last month – 75% more than they did last January, likely inspired by hopes of winning two big jackpots in Lottery games.

Economists will continue to closely monitor a variety of indicators to understand the state's economy, including:

- **Unemployment**
  The newest Arizona unemployment rate won't be available until March, but new and continued unemployment claims continue to come at a much higher pace than usual.

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AZ-COCHISE-22-0985-A-000841

- **AHCCCS (Arizona Health Care Cost Containment System)**
  Unemployment has caused an increase in AHCCCS enrollment, which is normal – AHCCCS membership grows during economic downturns, then drops as more people go back to work. Enrollment grew 1% last month and is up 16% compared to last year.
- **SNAP (Supplemental Nutrition Assistance Program)**
  SNAP provided 908,914 people with food stamp assistance in December – 2.1% more than the previous month. SNAP enrollment is 14.2% higher than it was a year ago.
- **Tourism**
  Arizona's tourism industry continues to struggle. Hotel occupancy is down, and the price per hotel room dropped almost 14% last month.
- **Flights**
  In December, the number of travelers at Phoenix Sky Harbor Airport increased by 3.7%, but ridership is 54.9% lower than before the COVID-19 pandemic.
- **State Parks**
  The number of people visiting Arizona's state parks is 17.6% higher than in 2019, though not as many people went to state parks over the holidays.
- **Prisons**
  Arizona's inmate population is 11.9% lower than it was a year ago.
- **Child Safety**
  The number of reports of child maltreatment dropped 7.1% over the last year. The number of children in the Department of Child Safety's out-of-home care is 1.5% higher than it was in November 2019.

In the Courts

Maricopa County and Arizona Senate Republicans are back in court over access to sensitive information from the 2020 election. A federal judge fined Arizona's prison system for its health care problems. The U.S. Supreme Court rejected a challenge to Arizona's Presidential election results. The Arizona Supreme Court made it easier to find information on court funding and statistics.

In the News

Governor Ducey shared his thoughts about Arizona's COVID-19 vaccine rollout. The state and the nation mourned lives lost to COVID-19. Gun rights advocates rallied at the Capitol. Technical difficulties in Arizona's prisons have big impacts on some inmates. Technical difficulties in the Department of Child Safety have big impacts on some foster families. The debate over reopening schools is shaping the discussion about school choice policies. The House Ethics Committee said "no thanks" to Representative Mark Finchem's (R-Tucson) ethics complaint against his Democratic

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colleagues that was a response to their ethics complaints against him. This legislator thinks the state needs civil asset forfeiture reform. This legislator does not want Arizona schools to use *The 1619 Project* in their instruction. This legislator wants more COVID-19 vaccines for Arizona. The government is focused on cybersecurity.

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From:	pberlioux easternarizonacounties.us
To:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Liz Castillo; Nelson Davis; pberlioux easternarizonacounties.us; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	FINAL as filed - ECO Report for Fiscal Year 2021 and Plan for Fiscal Year 2022 for Receipt and Expenditure of Monies
Date:	Tuesday, January 25, 2022 9:48:40 PM
Attachments:	image001.jpg ECO Report for Fiscal Year 2021 and Plan for Fiscal Year 2022 for Receipt and Expenditure of Monies.pdf

CAUTION: EXTERNAL EMAIL*

Hello;

Thank you for a very good discussion during the last ECO meeting.

I have modified the Annual Report and Plan per the suggestions emerged during the discussion:

1. I changed the structure so that the Executive Summary is now indeed an Executive Summary and is now 7 pages.

2. I have written this Executive Summary to "tell the story" in some very short bullet points supported by data.

Please see attached.

THANK YOU for this candid and good humored discussion, I really believe that it made the product better

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
600 N. 9th Place
Show Low, AZ 85901
pberlioux@easternarizonacounties.us
Cell: (928) 637 3037

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From: MSG Jack Dona US Army RET
To: KFann@azleg.gov
Cc: dgowan@azleg.gov; "Judy M. Burges"; "Thomas Shaw"; info@twpundit.com; "MSG Jack Dona US Army RET"; "Don Jenkins"; "Sonny Borrelli"; "Wendy Rogers"; kw-news@az.kelliward.com; Crosby, Tom; [redacted]
Subject: FW: Fwd: *****Please SUPPORT the CONCURRENT RESOLUTION to end the "STATE OF EMERGENCY"
Date: Thursday, January 27, 2022 10:28:07 PM
Attachments: image001.jpg

CAUTION: EXTERNAL EMAIL*

Dear Honorable President of the Arizona Senate, Karen Fann,

My name is Fernando Jack Dona, a retired Master Sergeant of the U.S. Army, and a four decade member of the intelligence community. I am a Citizen of the United States, a resident of Cochise County, AZ., and a registered Republican.

I have included you on many of my emails, and to date, have not received any reply. Therefore I have included Congresswoman Burges, Wendy Rogers, and Senator Gunny Borrelli who are colleagues of yours at the State Capitol. They have answered my emails, perhaps they can forward this email to you.

Senator, myself and Colonel Don W. Jenkins (Retired) have been writing a series of opinion and research articles on the issue of the Intergovernmental Agency Agreements signed by counties in this state, as well as Governor Ducey's Executive Order regarding "COVID Surveillance". You have also been included on my email list for these articles. Colonel Jenkins was once a long time resident of Cochise County, and is a retired Army Pilot and Intelligence Officer.

On the advice of my attorney, Mr. Thomas Shaw, I am forwarding the below email to you that I received from a person alleging to be Mr. Steve Daniels. This persona on Telegram has claimed that the below email attributed to you, was sent out in reply to his email to the legislature regarding the "State of Emergency" in Arizona. It was allegedly sent on, Thu, Apr 30, 2020, 6:57 AM. The Colonel and myself plan to cite this email below in our final article set to be published soon with The Washington Pundit. I would like to ask if you could verify its veracity, and provide any comment before our article goes to publication. You have my solemn word of honor that any explanation you provide, in full and un-redacted format, will be cited in the article, at the end, with no commentary to your reply.

Hopefully this email will reach you or someone on your staff that understands

that the general public, at least those I am in interaction with across this state, and now other states, are deeply concerned about their very Freedoms being at stake. These IGA documents and the Governors EO must be addressed by our elected leadership, if only to assure the public that our elected leaders in the GOP, will NOT allow any of the measures contained in these documents to go into effect.

I can be reached at this email or my cell phone at: [redacted].

I am Very Sincerely and Respectfully,

Jack

Jack Dona
Master Sergeant
U.S. Army (Retired)
Civilian Email: [redacted]
Secure Email: [redacted]
"Call to Duty|Boots on the Ground "
cid:image001.jpg@01D28A94.137DA540

------- Original Message -------
On Wednesday, January 26th, 2022 at 7:53 PM, Steve Daniels [redacted]> wrote:

---------- Forwarded message ---------
From: **Karen Fann** <KFann@azleg.gov>
Date: Thu, Apr 30, 2020, 6:57 AM
Subject: Re: *****Please SUPPORT the CONCURRENT RESOLUTION to end the "STATE OF EMERGENCY"
To: Mark Finchem <MFinchem@azleg.gov>
Cc: Steve Daniels <[redacted]>, Leo Biasiucci <LBiasiucci@azleg.gov>, Joanne Osborne <JOsborne@azleg.gov>, Richard Andrade <RAndrade@azleg.gov>, Isela Blanc <iblanc@azleg.gov>, Reginald

Bolding <RBolding@azleg.gov>, Kelli Butler <kbutler@azleg.gov>, Andres Cano <ACano@azleg.gov>, Cesar Chavez <cchavez@azleg.gov>, Domingo DeGrazia <DDeGrazia@azleg.gov>, Kirsten Engel <kengel@azleg.gov>, Mitzi Epstein <mepstein@azleg.gov>, Diego Espinoza <DEspinoza@azleg.gov>, Charlene Fernandez <CFernandez@azleg.gov>, Randy Friese <RFriese@azleg.gov>, Rosanna Gabaldon <rgabaldon@azleg.gov>, Daniel Hernandez <DHernandez@azleg.gov>, Alma Hernandez <AHernandez@azleg.gov>, Jennifer Jermaine <JJermaine@azleg.gov>, Jennifer Longdon <JLongdon@azleg.gov>, Robert Meza <rmeza@azleg.gov>, Jennifer Pawlik <JPawlik@azleg.gov>, Pamela Powers Hannley <ppowershannley@azleg.gov>, Diego Rodriguez <DRodriguez@azleg.gov>, Athena Salman <asalman@azleg.gov>, Amish Shah <AShah@azleg.gov>, Lorenzo Sierra <LSierra@azleg.gov>, Arlando Teller <ATeller@azleg.gov>, Raquel Terán <RTeran@azleg.gov>, Myron Tsosie <MTsosie@azleg.gov>, John Allen <jallen@azleg.gov>, Nancy Barto <NBarto@azleg.gov>, Walter Blackman <WBlackman@azleg.gov>, Shawnna Bolick <SBolick@azleg.gov>, Russell Bowers <RBowers@azleg.gov>, Noel Campbell <NCampbell@azleg.gov>, Frank Carroll <FCarroll@azleg.gov>, Regina Cobb <RCobb@azleg.gov>, David Cook <dcook@azleg.gov>, Tim Dunn <TDunn@azleg.gov>, John Fillmore <JFillmore@azleg.gov>, Travis Grantham <TGrantham@azleg.gov>, Gail Griffin <GGriffin@azleg.gov>, John Kavanagh <JKavanagh@azleg.gov>, Anthony Kern <AKern@azleg.gov>, Jay Lawrence <JLawrence@azleg.gov>, Becky Nutt <bnutt@azleg.gov>, Kevin Payne <kpayne@azleg.gov>, Tony Rivero <TRivero@azleg.gov>, Bret Roberts <BRoberts@azleg.gov>, Thomas T.J. Shope <tshope@azleg.gov>, David Stringer <DStringer@azleg.gov>, Bob Thorpe <bthorpe@azleg.gov>, Ben Toma <btoma@azleg.gov>, Michelle Udall <mudall@azleg.gov>, Jeff Weninger <JWeninger@azleg.gov>, Sonny Borrelli <sborrelli@azleg.gov>, Paul Boyer <PBoyer@azleg.gov>, Kate Brophy McGee <KBrophyMcGee@azleg.gov>, Heather Carter <HCarter@azleg.gov>, Eddie Farnsworth <EFarnsworth@azleg.gov>, David Farnsworth <DFarnsworth@azleg.gov>, David Gowan <dgowan@azleg.gov>, Rick Gray <RGray@azleg.gov>, Sine Kerr <SKerr@azleg.gov>, Vince Leach <VLeach@azleg.gov>, David Livingston <dlivingston@azleg.gov>, J.D. Mesnard <JMesnard@azleg.gov>, Tyler Pace <TPace@azleg.gov>, Frank Pratt <FPratt@azleg.gov>, Michelle Ugenti-Rita <mugenti-rita@azleg.gov>, Lela Alston <LAlston@azleg.gov>, Sean Bowie <sbowie@azleg.gov>, David Bradley <dbradley@azleg.gov>, Lupe Contreras <lcontreras@azleg.gov>, Andrea Dalessandro <adalessandro@azleg.gov>, Sally Ann Gonzales <SGonzales@azleg.gov>, Juan Mendez <jmendez@azleg.gov>, Tony Navarrete <tnavarrete@azleg.gov>, Lisa Otondo <lotondo@azleg.gov>, Jamescita Peshlakai <jpeshlakai@azleg.gov>, Martin Quezada <MQuezada@azleg.gov>, Rebecca Rios <RRios@azleg.gov>, Victoria Steele <vsteele@azleg.gov>

Before everyone weighs in on this email, I would like to relay some information we found out yesterday from legal counsel. If this resolution passes, the Governor's emergency declaration will end. That means Arizona will get to keep the Covid money we have received to date but will NOT be entitled to all the millions of FEMA or DEMA funds. In addition, all of the emergency declarations the governor has passed over the past few weeks will end immediately.... these

include things like state income tax deferral to July 15th; protections for our constituents from evictions, etc., etc.....etc.

Sent from my iPad

> On Apr 30, 2020, at 6:12 AM, Mark Finchem <MFinchem@azleg.gov> wrote:
>
> I'm already a Yea.
>
> Rep. Mark Finchem, LD-11
> 520-808-7340
>
> Get Outlook for iOS
>
> ---
>
> **From:** Steve Daniels [redacted]>
> **Sent:** Thursday, April 30, 2020 12:17:56 AM
> **To:** Leo Biasiucci <LBiasiucci@azleg.gov>; Joanne Osborne <JOsborne@azleg.gov>; Richard Andrade <RAndrade@azleg.gov>; Isela Blanc <iblanc@azleg.gov>; Reginald Bolding <RBolding@azleg.gov>; Kelli Butler <kbutler@azleg.gov>; Andres Cano <ACano@azleg.gov>; Cesar Chavez <cchavez@azleg.gov>; Domingo DeGrazia <DDeGrazia@azleg.gov>; Kirsten Engel <kengel@azleg.gov>; Mitzi Epstein <mepstein@azleg.gov>; Diego Espinoza <DEspinoza@azleg.gov>; Charlene Fernandez <CFernandez@azleg.gov>; Randy Friese <RFriese@azleg.gov>; Rosanna Gabaldon <rgabaldon@azleg.gov>; Daniel Hernandez <DHernandez@azleg.gov>; Alma Hernandez <AHernandez@azleg.gov>; Jennifer Jermaine <JJermaine@azleg.gov>; Jennifer Longdon <JLongdon@azleg.gov>; Robert Meza <rmeza@azleg.gov>; Jennifer Pawlik <JPawlik@azleg.gov>; Pamela Powers Hannley <ppowershannley@azleg.gov>; Diego Rodriguez <DRodriguez@azleg.gov>; Athena Salman <asalman@azleg.gov>; Amish Shah <AShah@azleg.gov>; Lorenzo Sierra <LSierra@azleg.gov>; Arlando Teller <ATeller@azleg.gov>; Raquel Terán <RTeran@azleg.gov>; Myron Tsosie <MTsosie@azleg.gov>; John Allen <jallen@azleg.gov>; Nancy Barto <NBarto@azleg.gov>; Walter Blackman <WBlackman@azleg.gov>; Shawnna Bolick <SBolick@azleg.gov>; Russell Bowers <RBowers@azleg.gov>; Noel Campbell <NCampbell@azleg.gov>; Frank Carroll

<FCarroll@azleg.gov>; Regina Cobb <RCobb@azleg.gov>; David Cook <dcook@azleg.gov>; Tim Dunn <TDunn@azleg.gov>; John Fillmore <JFillmore@azleg.gov>; Mark Finchem <MFinchem@azleg.gov>; Travis Grantham <TGrantham@azleg.gov>; Gail Griffin <GGriffin@azleg.gov>; John Kavanagh <JKavanagh@azleg.gov>; Anthony Kern <AKern@azleg.gov>; Jay Lawrence <JLawrence@azleg.gov>; Becky Nutt <bnutt@azleg.gov>; Kevin Payne <kpayne@azleg.gov>; Tony Rivero <TRivero@azleg.gov>; Bret Roberts <BRoberts@azleg.gov>; Thomas T.J. Shope <tshope@azleg.gov>; David Stringer <DStringer@azleg.gov>; Bob Thorpe <bthorpe@azleg.gov>; Ben Toma <btoma@azleg.gov>; Michelle Udall <mudall@azleg.gov>; Jeff Weninger <JWeninger@azleg.gov>

Cc: Sonny Borrelli <sborrelli@azleg.gov>; Paul Boyer <PBoyer@azleg.gov>; Kate Brophy McGee <KBrophyMcGee@azleg.gov>; Heather Carter <HCarter@azleg.gov>; Karen Fann <KFann@azleg.gov>; Eddie Farnsworth <EFarnsworth@azleg.gov>; David Farnsworth <DFarnsworth@azleg.gov>; David Gowan <dgowan@azleg.gov>; Rick Gray <RGray@azleg.gov>; Sine Kerr <SKerr@azleg.gov>; Vince Leach <VLeach@azleg.gov>; David Livingston <dlivingston@azleg.gov>; J.D. Mesnard <JMesnard@azleg.gov>; Tyler Pace <TPace@azleg.gov>; Frank Pratt <FPratt@azleg.gov>; Michelle Ugenti-Rita <mugenti-rita@azleg.gov>; Lela Alston <LAlston@azleg.gov>; Sean Bowie <sbowie@azleg.gov>; David Bradley <dbradley@azleg.gov>; Lupe Contreras <lcontreras@azleg.gov>; Andrea Dalessandro <adalessandro@azleg.gov>; Sally Ann Gonzales <SGonzales@azleg.gov>; Juan Mendez <jmendez@azleg.gov>; Tony Navarrete <tnavarrete@azleg.gov>; Lisa Otondo <lotondo@azleg.gov>; Jamescita Peshlakai <jpeshlakai@azleg.gov>; Martin Quezada <MQuezada@azleg.gov>; Rebecca Rios <RRios@azleg.gov>; Victoria Steele <vsteele@azleg.gov>

Subject: *****Please SUPPORT the CONCURRENT RESOLUTION to end the "STATE OF EMERGENCY"

AZ IS WATCHING YOU....AND WE WILL REMEMBER IN AUGUST/NOVEMBER.

Please vote in SUPPORT of the Concurrent Resolution to end the "State of Emergency" so we can go back to work and feed our families, in accordance with A.R.S. 26-303

Please reply directly to this email by 5pm on 4/30/2020 with your vote, either YAY, or, NAY.

Thank you

Steve Daniels
m: [redacted]

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From: Mattix, Timothy
To: Judd, Peggy
Cc: Karwaczka, Richard; Gilman, Sharon
Subject: FW: Public Records Request (AZ-COCHISE-22-0985)
Date: Monday, September 12, 2022 10:27:24 AM
Attachments: AZ-COCHISE-22-0985.pdf
image001.png

Good morning Supervisor Judd,

Please see the attached public records request.

IT will search the County email system for responsive records. Please provide any other responsive records to me, or advise me if you have none.

To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other Board of Supervisor members. Board Members may reply to this message, but they should not send a copy of the reply to other Board Members.

Thank you,

Tim Mattix
Clerk of the Board

From: Gonzales, Dawn <DGonzales@cochise.az.gov>
Sent: Monday, September 12, 2022 9:42 AM
To: Mattix, Timothy <TMattix@cochise.az.gov>; Casey, Joe <JCasey@cochise.az.gov>
Subject: FW: Public Records Request (AZ-COCHISE-22-0985)

Please process the attached request for records. Please let me know if there are no responsive records.

Thank you,
Dawn Panagiota Gonzales

Public Record Request Coordinator
Paralegal III
Cochise County Attorney's Office
150 Quality Hill Road
P.O. Drawer CA
Bisbee, AZ 85603
Phone: (520) 432-8756
Fax: (520) 432-8778

From: AO Records <records@americanoversight.org>
Sent: Friday, September 9, 2022 2:25 PM
To: Johnson, Tiffany <tjohnson@cochise.az.gov>; Townsend, Debora <DTownsend@cochise.az.gov>

Subject: Public Records Request (AZ-COCHISE-22-0985)

CAUTION: EXTERNAL EMAIL*

Dear Public Records Officer:

Please find attached a request for records under Arizona's Public Records Act.

Sincerely,
Eva Mayanja (she/her)
Paralegal
American Oversight
records@americanoversight.org
www.americanoversight.org | @weareoversight

PRR: AZ-COCHISE-22-0985

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From: Mattix, Timothy
To: Crosby, Tom
Cc: Karwaczka, Richard; Gilman, Sharon
Subject: FW: Public Records Request (AZ-COCHISE-22-0985)
Date: Monday, September 12, 2022 10:27:25 AM
Attachments: AZ-COCHISE-22-0985.pdf
image001.png

Good morning Supervisor Crosby,

Please see the attached public records request.

IT will search the County email system for responsive records. Please provide any other responsive records to me, or advise me if you have none.

To ensure compliance with the Open Meeting Law, recipients of this message should not forward it to other Board of Supervisor members. Board Members may reply to this message, but they should not send a copy of the reply to other Board Members.

Thank you,

Tim Mattix
Clerk of the Board

From: Gonzales, Dawn <DGonzales@cochise.az.gov>
Sent: Monday, September 12, 2022 9:42 AM
To: Mattix, Timothy <TMattix@cochise.az.gov>; Casey, Joe <JCasey@cochise.az.gov>
Subject: FW: Public Records Request (AZ-COCHISE-22-0985)

Please process the attached request for records. Please let me know if there are no responsive records.

Thank you,
Dawn Panagiota Gonzales

Public Record Request Coordinator
Paralegal III
Cochise County Attorney's Office
150 Quality Hill Road
P.O. Drawer CA
Bisbee, AZ 85603
Phone: (520) 432-8756
Fax: (520) 432-8778

From: AO Records <records@americanoversight.org>
Sent: Friday, September 9, 2022 2:25 PM
To: Johnson, Tiffany <tjohnson@cochise.az.gov>; Townsend, Debora <DTownsend@cochise.az.gov>

Subject: Public Records Request (AZ-COCHISE-22-0985)

CAUTION: EXTERNAL EMAIL*

Dear Public Records Officer:

Please find attached a request for records under Arizona's Public Records Act.

Sincerely,
Eva Mayanja (she/her)
Paralegal
American Oversight
records@americanoversight.org
www.americanoversight.org | @weareoversight

PRR: AZ-COCHISE-22-0985

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From: Crosby, Tom
To: tom crosby
Subject: FW: Update - Primary Election Results - County Supervisors Association
Date: Wednesday, August 3, 2022 6:35:00 PM
Attachments: Primary Election Results_8_3_140PM.pdf

From: Jacob Emnett <jacobe@countysupervisors.org>
Sent: Wednesday, August 3, 2022 4:20 PM
Cc: craigs <craigs@countysupervisors.org>; Penny Adams <pennya@countysupervisors.org>; Robin Hillyard <robinh@countysupervisors.org>; VanessaF <VanessaF@countysupervisors.org>; Yvonne Ortega <yvonneo@countysupervisors.org>; Intern <intern@countysupervisors.org>
Subject: Update - Primary Election Results - County Supervisors Association

CAUTION: EXTERNAL EMAIL*

Good morning, supervisors and professional staff,

This email is the first update we'll be sending out as counties begin making their way through cast ballots.

NOTE: Please note that the vote totals reported in this email and this email's attachment are NOT FINAL and are dated to August 3rd at 1:40 P.M. Vote totals may change in coming hours and days as further ballots are counted. Current leaders are indicated with ORANGE HIGHLIGHT. Anyone wishing to view up-to-date information can do so at the Secretary of State's website by clicking HERE.

While most county elections took place in 2020, there are still a few county-specific races on this year's ballot. Justices of the Peace and constables, alongside the three County Supervisors who were appointed between this election and the 2020 election, will stand for election in 2022. Speaking of which, congratulations to Supervisor Christensen, Supervisor Vasquez, and Supervisor Galvin! All three Supervisors won their primary election. We hope you're all getting some well-deserved rest!

Please find a selection of races we've been watching closely, along with some notes on their importance, below. **You can also find a spreadsheet with all the results attached to this email.**

- **COMPETITIVE STATEWIDE/FEDERAL REPUBLICAN PRIMARIES.**
  - There are several incredibly competitive statewide/federal Republican primaries this cycle, with a number of State Legislators and notable Republicans lining up for a spot in the '22 General Election. The competitive primaries we're looking at include:
    - The Gubernatorial race, which features former Regent Karrin Taylor Robson running against former FOX 10 anchor Kari Lake in a matchup that has seen a wide variety of published polling outcomes.

		Republican Primary			
Statewide	Governor	Lake, Kari	REP	**294,260**	**46.22%**
		Neely, Scott	REP	20,532	3.23%
		Taylor Robson, Karrin&	REP	282,936	44.45%
		Tulliani-Zen, Paola "Z"	REP	13,762	2.16%

    - The equally competitive race for Secretary of State, which features three State Legislators – Rep. Mark Finchem, Rep. Shawnna Bolick, and Sen. Michelle Ugenti-Rita – running against the Ducey-endorsed outsider Beau Lane.

		Republican Primary			
Statewide	Secretary of	Bolick, Shawnna#	REP	113,797	19.16%
		Finchem, Mark#	REP	**243,405**	**40.99%**

	State	Lane, Beau	**REP**	145,598	24.52%
		Ugenti-Rita, Michelle#	**REP**	91,003	15.33%

- The interesting race for State Treasurer, which initially featured only Rep. Jeff Weninger before Treasurer Yee abandoned her nascent Gubernatorial bid for a chance at a second term.

		Republican Primary			
Statewide	**Treasurer**	Lettieri, Robert	**REP**	96,731	16.77%
		Weninger, Jeff#	**REP**	156,321	27.10%
		Yee, Kimberly*	**REP**	**323,800**	**56.13%**

- A primary for the Republican nomination for U.S. Senate that includes Attorney General Mark Brnovich, former Arizona National Guard Adjutant General Mick McGuire, Trump-endorsed Blake Masters, Corporation Commissioner Justin Olson, and Jim Lamon.

		Republican Primary			
Statewide	**U.S. Senate**	Brnovich, Mark#	**REP**	113,854	18.30%
		Lamon, Jim	**REP**	179,237	28.81%
		Masters, Blake	**REP**	**242,881**	**39.04%**
		McGuire, Michael "Mick"&	**REP**	54,279	8.73%
		Olson, Justin #	**REP**	31,849	5.12%

- **COMPETITIVE STATEWIDE DEMOCRATIC PRIMARIES.**
  - There aren't nearly as many interesting statewide/federal races on the Democratic side, but we expect to see an interesting Gubernatorial race between Secretary of State Katie Hobbs and former Nogales mayor Marco Lopez. While Hobbs is expected to win, we're interested in seeing how many votes Lopez can take away.

	Democratic Primary			
Governor	Hobbs, Katie#	**DEM**	**350,851**	**72.79%**
	Lopez, Marco	**DEM**	106,991	22.20%

  - We're also keeping an eye on the Secretary of State race, where sitting House Minority Leader Reginald Bolding faces off against former Maricopa County Recorder Adrian Fontes in a race that shows the two polling closely.

	Democratic Primary			
Secretary of State	Bolding, Reginald#	**DEM**	220,203	47.18%
	Fontes, Adrian^	**DEM**	**246,525**	**52.82%**

- **IS THE INCUMBENCY ADVANTAGE ENOUGH?**
  - In several state legislative races, incumbents face strong challenges from well-positioned primary opponents. In two of these races, sitting State Representatives Russell "Rusty" Bowers and Joanne Osborne look to make the jump to the State Senate. In another race, sitting State Senator Tyler Pace looks to fend off a challenge from his right and secure another term. Finally, in one of the primary's marquee moments, sitting State Sen. Wendy Rogers will face fellow State Senator Kelly Townsend in a new district that hews closer to Rogers' old district than Townsend's.

    - State Senate, LD 7
      - Sen. Kelly Townsend v. Sen. Wendy Rogers

Vote Spread: **21.43%; Favors Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Rogers, Wendy*	**REP**	**16,929**	**59.03%**
		Townsend, Kelly*	**REP**	11,749	40.97%

- State Senate, LD 9
  - Sen. Tyler Pace v. Robert Scantlebury

Vote Spread: **2.60%; Favors Democrats; Highly competitive**	**Senate** (one seat)	**Republican Primary**			
		Pace, Tyler*	**REP**	4,738	33.76%
		Scantlebury, Robert	**REP**	**9,297**	**66.24%**

- State Senate, LD 10
  - Speaker Russell "Rusty" Bowers v. past-Sen. David Farnsworth

Vote Spread: **22.66%; Favors Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Bowers, Russell W. "Rusty" #	**REP**	10,280	35.98%
		Farnsworth, David Christian^	**REP**	**18,294**	**64.02%**

- State Senate, LD 29
  - Rep. Joanne Osborne v. Janae Shamp

Vote Spread: **13.30%; Favors Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Eldridge, Ryan	**REP**	3,920	15.61%
		Osborne, Joanne#	**REP**	8,121	32.34%
		Shamp, Janae	**REP**	**13,070**	**52.05%**

- **OTHER PRIMARIES OF NOTE**
  - A few of the primaries we're watching don't fit cleanly into any specific narrative, but will be interesting, nonetheless. Among these are:
    - **The CD 2 Republican Primary.** Sitting Rep. Tom O'Halleran saw his reelection prospects become much more difficult when the Independent Redistricting Committee redrew his district with a less favorable partisan lean earlier this year. A number of hopefuls, including State Rep. Walt Blackman, are competing for the chance to unseat him later this year.

U.S. House – CD 2	Vote Spread **7.20%; Favors Republicans; Non-competitive**	**Republican Primary**			
		Blackman, Walter "Walt" #	**REP**	19,127	24.18%
		Crane, Eli	**REP**	**26,824**	**33.90%**
		Deluzio, Mark	**REP**	14,186	17.93%
		Krystofiak, Steven	**REP**	4,465	5.64%
		Moore, John#	**REP**	5,743	7.26%
		Watkins, Ron	**REP**	2,999	3.79%
		Yates, Andy	**REP**	5,772	7.30%

- **The CD 6 Republican and Democratic Primaries.** The former CD 2, much like Rep. O'Halleran's former CD 1, became much more competitive with the IRC's redistricting. Rep. Ann Kirkpatrick, who has served two terms since her election in '18, is retiring and leaving the Democratic primary wide-open. Similarly, Republicans are looking to field a competitive candidate in a district that has become much more favorable.

U.S. House – CD 6	Vote Spread **2.37%;** Favors **Republicans; Highly competitive**	**Republican Primary**			
		Ciscomani, Juan	**REP**	**34,560**	**46.53%**
		Free, Lucretia	**REP**	3,399	4.58%
		Martin, Brandon	**REP**	15,814	21.29%
		Mayberry, Young	**REP**	6,733	9.06%
		Winn, Kathleen	**REP**	13,776	18.55%
		Democratic Primary			
		Anderson, Avery	**DEM**	4,148	6.08%
		Engel, Kirsten^	**DEM**	**40,632**	**59.53%**
		Hernandez, Daniel#	**DEM**	23,471	34.39%

- **The LD 3 State Senate Republican Primary,** where longtime State Legislator John Kavanagh is facing stiff competition from the better-funded Jan Dubauskas.

Vote Spread: **25.64%;** Favors **Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Dubauskas, Jan	**REP**	20,845	48.55%
		Kavanagh, John#	**REP**	**22,094**	**51.45%**

We will continue to send out updates as ballots are processed and results are posted. Please feel free to reach out to us if you have questions on any specific race!

Sincerely,

Jacob
Jacob Emnett
Legislative Liaison
County Supervisors Association of Arizona
Office #: (602) 452 – 4501
E-mail: jacobe@countysupervisors.org
Address: 1905 W. Washington St., Suite 100
Phoenix, AZ 85009

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From: tom crosby
To: Crosby, Tom
Subject: Fwd: ARIZONA: Voter Fraud Allegations Against Cochise County
Date: Tuesday, August 17, 2021 6:38:14 AM
Attachments: Tom-and Robert in the PArk 2014.jpg

CAUTION: EXTERNAL EMAIL*

plimperis@mpfmlaw.com

Dear Mr. Limperis,

All the way at the bottom attached is a 2014 photo of myself, and Robert Montgomery, Republican County Chairman, and Arizona 2020 presidential elector . Robert pushed back traffic cameras almost single-handedly. That year I was running for Sierra Vista Mayor, but I lost in the primary. We both think the future of the world depends on the Maricopa audit.

Mark Finchem gave a very good presentation at the LD 14 meeting last Saturday. Among many points, if you hear officials say, "There's nothing we can do. There's no mechanism in place to recall the electors." The answer is the "unenumerated powers" of the 10th Amendment. Just as the rightful powers of the federal government are "enumerated" in Art. 1 Sec. 8, all other powers belong to the State as per the 10th Amendment.

The governor does not have to call the legislature into session (although the legislature could have foreseen this, and recessed rather than adjourn as I advised our State Senator). Since the US Constitution places the selection of presidential electors in the State legislature, that's where it stays.

FInchem said the next county to be audited is Pima, which is a much bigger fish to fry than Cochise. Months ago we confirmed that the electronic numbers that Cochise sent to the Sec of State matched what the Sec of State received. Nonetheless, I'm on record saying, "The legislature can audit Cochise County every day of the week and twice on Sundays". In fact, my opinion is that the legislature doesn't even have to ask, because the County is a political subdivision of the State.

Sincerely,
Tom Crosby

---------- Forwarded message ---------
From: **Crosby, Tom** <TCrosby@cochise.az.gov>
Date: Mon, Aug 16, 2021 at 5:40 PM
Subject: RE: ARIZONA: Voter Fraud Allegations Against Cochise County
To: Peter T. Limperis <plimperis@mpfmlaw.com>, [redacted]
[redacted]>

Dear Mr. Limperis,

If the State Legislature wants to audit Cochise County's elections they may do so. The County is a political subdivision of the State.

Sincerely,

Tom Crosby

County Supervisor Dist #1

From: Peter T. Limperis <plimperis@mpfmlaw.com>
Sent: Tuesday, August 10, 2021 3:22 PM
To: Peter Limperis <plimperis@mpfmlaw.com>
Cc: Board <Board@cochise.az.gov>; Crosby, Tom <TCrosby@cochise.az.gov>; English, Ann S <AEnglish@cochise.az.gov>; Judd, Peggy <PJudd@cochise.az.gov>; Elections <elections@cochise.az.gov>; MayorandCouncil@sierravistaaz.gov; Harry Strain [redacted]>; Robert Wellborn [redacted]>; Brian Jones <brian.jones@sierravistaaz.gov>; Kaleb Mauzy <KMauzy@fryfiredistrict.com>; Matt Warwick [redacted]>; Don Jenkins [redacted]>; Jason Bradley [redacted]>; Bruce Avilla <bavilla@dataventures.biz>; Chris Cihlar [redacted] dan herrin [redacted]>; john.gloyd [redacted]; Jason Guthrie [redacted]>; Keith Bennett <kbennett@molexcompany.com>; MARY TACKETT [redacted]>; Todd Warner [redacted]; Clay Doggett <rep.clay.doggett@capitol.tn.gov>; Chris Morris [redacted] Bud [redacted]>; Shane Reeves <sen.shane.reeves@capitol.tn.gov>; Ann and Jeff Klein [redacted]>; Judy M. Burges <jburges@azleg.gov>; AGInfo@azag.gov; wrogers@azleg.gov; kfann@azleg.gov; sborrelli@azleg.gov; mfinchem@azleg.gov; ktownsend@azleg.gov
Subject: Re: ARIZONA: Voter Fraud Allegations Against Cochise County

CAUTION: EXTERNAL EMAIL*

Again, my firm is in no way involved in any of this. Thanks.

Very Truly Yours,

Peter Timoleon Limperis

Miller, Pitt, Feldman & McAnally, P.C.

Tucson, AZ 85701

(520) 792-3836

(520) 624-5080 (fax)

plimperis@mpfmlaw.com

visit https://l.antigena.com/l/rOIihI0255nesob3odmfyvEN~2LLJPTheeInmi0_OAwmXu-HlmCH~gelinQ~Gsn5ZBZhc27eg1cL75EOLZcYO1sAr~BhzhmY6h2NciEvmxCab74 for more information about our firm

PLEASE NOTE MY NEW EMAIL ADDRESS: plimperis@mpfmlaw.com

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On Aug 10, 2021, at 3:15 PM, MSG Jack Dona US Army RET [redacted]> wrote:

All,

I have received a lot of questions regarding the below email from my attorney. Let me clarify:

Mr. Peter Limperis Esq., is my personal attorney and has been for the past 17

years. He's one of the good guys and has represented me successfully on multiple civil cases. I was informed that this matter of voter fraud is currently in litigation with the law firm Haralson, Miller, Pitt representing another client that involves the alleged voter fraud in Cochise County. I was NOT bringing any lawsuit against the County, I was merely courtesy copying my attorney for the record. He advised me he cannot have any involvement with the alleged fraud presented because it would be a conflict of interest for him and his firm as another attorney at his firm is already assigned to the case.

Since the matter is currently being pursued by someone else, who I do not know and have no details on, I have full faith in the law firm to get to the truth of this matter.

I hope that clears up the questions. I am however still requesting, as a tax paying citizen, a reply from our elected leaders within the state particularly the elected officials of Cochise County. What are they doing about this?

V/R,

MSG FJD

From: MSG Jack Dona US Army RET [mailto:[redacted]]
Sent: Tuesday, August 10, 2021 11:09 AM
To: 'board@cochise.az.gov'; 'tcrosby@cochise.az.gov'; 'aenglish@cochise.az.gov'; 'pjudd@cochise.az.gov'; 'elections@cochise.az.gov'; 'MayorandCouncil@sierravistaaz.gov'; 'Harry Strain'; 'Robert Wellborn'; 'Brian Jones'; 'Kaleb Mauzy'; 'Matt Warwick'; 'Don Jenkins'; 'Jason Bradley'; 'Bruce Avilla'; 'Chris Cihlar'; 'dan herrin'; 'john.gloyd'; 'Jason Guthrie'; 'Keith Bennett'; 'MARY TACKETT'; 'Todd Warner'; 'Clay Doggett'; 'Chris Morris'; 'Bud'; 'Shane Reeves'; 'Ann and Jeff Klein'; 'Judy M. Burges'; 'AGInfo@azag.gov'; 'wrogers@azleg.gov'; 'kfann@azleg.gov'; 'sborrelli@azleg.gov'; 'mfinchem@azleg.gov'; 'ktownsend@azleg.gov'; 'Peter T. Limperis'; 'Don Jenkins'; 'Jason Bradley'; 'Bruce Avilla'; 'Chris Cihlar'; 'Don Jenkins'; 'dan herrin'; 'john.gloyd'
Subject: RE: ARIZONA: Voter Fraud Allegations Against Cochise County
Importance: High

All,

I received a phone call from my attorney, Mr. Limperis below. This matter is already under current litigation by another attorney at the below law firm. I was

unaware of this.

I am still requesting an answer from the responsible elected officials of Cochise County regarding this matter. What is going to be done to address these allegations of a fraudulent attack on our voting systems?!

Very respectfully,

Jack

Jack Dona
Master Sergeant

U.S. Army (Retired)
Cell: [redacted]
Civilian Email: [redacted]
Secure Email [redacted]
"Call to Duty|Boots on the Ground "

<image001.jpg>

From: Peter T. Limperis [mailto:plimperis@mpfmlaw.com]
Sent: Tuesday, August 10, 2021 9:43 AM
To: MSG Jack Dona US Army RET
Cc: board@cochise.az.gov; tcrosby@cochise.az.gov; aenglish@cochise.az.gov; pjudd@cochise.az.gov; elections@cochise.az.gov; MayorandCouncil@sierravistaaz.gov; Harry Strain; Robert Wellborn; Brian Jones; Kaleb Mauzy; Matt Warwick; Don Jenkins; Jason Bradley; Bruce Avilla; Chris Cihlar; dan herrin; john.gloyd; Jason Guthrie; Keith Bennett; MARY TACKETT; Todd Warner; Clay Doggett; Chris Morris; Bud; Shane Reeves; Ann and Jeff Klein
Subject: Re: ARIZONA: Voter Fraud Allegations Against Cochise County

I do not represent Mr. Dona and I am not affiliated with this in any way.

Very Truly Yours,

Peter Timoleon Limperis

Miller, Pitt, Feldman & McAnally, P.C.

Tucson, AZ 85701

(520) 792-3836

(520) 624-5080 (fax)

plimperis@mpfmlaw.com

visit
https://l.antigena.com/l/rOIihI0255nesob3odmfyvEN~2LLJPTheeInmi0_OAwmXu-HlmCH~gelinQ~Gsn5ZBZhc27eg1cL75EOLZcYO1sAr~BhzhmY6h2NciEvmxCab74 for more information about our firm

PLEASE NOTE MY NEW EMAIL ADDRESS: plimperis@mpfmlaw.com

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On Aug 10, 2021, at 1:10 AM, MSG Jack Dona US Army RET [redacted]> wrote:

> Dear Respectable Members of the Cochise County Board of Supervisors and the Honorable Lisa Marra, Director of Elections for Cochise County,
>
> Submitted for your immediate review is the attached video analysis, and link, by Captain Seth Keshel formerly of the US Army Intelligence Center at Fort Huachuca. Also submitted below is a link by the 45th President of the United States endorsing CPT Keshel.

https://www.donaldjtrump.com/news/news-nafpdj7ena481

https://t.me/RealSKeshel/844

<image003.jpg>

These allegations of voter fraud have now hit Cochise County. This was sent out last night by former Captain Seth Keshel, military intelligence officer once assigned to the United States Army Intelligence Center at Fort Huachuca. I think all our city and county elected leaders should see this. I fully intend to bring this up at the next Sierra Vista City Council meeting. These allegations must be proven either true or false. If a former President of the United States endorses the mathematical analysis of a former Intelligence Captain, whom I know personally, and served at Fort Huachuca, our Cochise County Board of Supervisors and the County Director of Elections should immediately look in to it! I know Captain Keshel, and he would not knowingly send something like this out without it having some teeth.

The bottom line is we cannot have these kinds of messages being sent out by a former President going unanswered by people he is endorsing! It is now affecting our County. Telegram is now the new Twitter due to the censorship, and this is getting wide traction in our County of Cochise! YOU elected leaders better get ahead of it, before it gets ahead of all of us! It's time we do an audit in Cochise County, so this can be quickly put to rest. To leave it unanswered will only cause more damage to our system of government.

Please feel free to share this email and contact info with any elected official in Cochise County. I would like an answer from the responsible person whomever they may be. My contact info is below. FYI, a copy of this email of my official correspondence is also being sent to my legal counsel, Mr. Peter Limperis, solely for his preservation at this time.

Very respectfully,

Jack

Jack Dona
Master Sergeant

U.S. Army (Retired)
Cell [redacted]
Civilian Email: [redacted]
"Call to Duty|Boots on the Ground "

<image001.jpg>

<Seth Keshel Cochise County Analysis.mp4>

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From: Kit Judd
To: Judd, Peggy
Subject: Fwd: CCRC March 2022 Monthly Meeting
Date: Sunday, March 6, 2022 2:08 59 PM
Attachments: CCRC Agenda Mar2022.docx
CCRC Minutes February 2022.docx

CAUTION: EXTERNAL EMAIL*

Sent from my iPhone

Begin forwarded message:

From: Cochise County Republican Committee <cochisecountyrepublicans@gmail.com>
Date: March 4, 2022 at 8:41:18 AM MST
To: Cochise County Republican Committee <cochisecountyrepublicans@gmail.com>
Subject: CCRC March 2022 Monthly Meeting

We will meet at CCRC Headquarters for our monthly meeting on Monday, March 7th at 5:30 PM.

Please see attached minutes and agenda.

Mark Amsdell and Cochise County Republicans are inviting you to a scheduled Zoom meeting.

Topic: CCRC monthly meeting March 2022
Time: Mar 7, 2022 05:30 PM Arizona

Join Zoom Meeting
https://us02web.zoom.us/j/82194422887?pwd=V0cxdnozRHhkR2Yvd3NoaWNRRjcrdz09

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From: Francesca Camacho
Subject: Fwd: Explosive News re Election Integrity, etc.
Date: Saturday, April 10, 2021 7:56:14 PM

CAUTION: EXTERNAL EMAIL*

Please see Donna's email below!! As she states "YOUR EFFORTS ARE MAKING A HUGE DIFFERENCE FOR FREEDOM!" Keep it up!!

---------- Forwarded message ----------
From: **Donna O'Daniel** [redacted]>
Date: Friday, April 9, 2021
Subject: Explosive News re Election Integrity, etc.
To: Donna O'Daniel [redacted]>

Dear Chapter Leaders and Secretaries,

I heard some explosive statements re ending AZ's state of emergency and election integrity today on the Garret Lewis radio show. Please forward this e-mail to your members for their info and action.

Garret stated that Rep. Mark Finchem was told by a legislative liaison in Gov. Ducey's office earlier this week that the reason why the Gov. does not end the state of emergency is that "it would jeopardize access to federal funds." So it is NOT about restoring freedom for Arizonans. ***AZ has a surplus of $2 billion so we do not need (nor want!) federal funds!***

PLEASE BOMBARD GOV. DUCEY'S PHONE (602-542-4331) AND E-MAIL (https://azgovernor.gov/engage/form/contact-governor-ducey), DEMANDING AN END TO THE UNCONSTITUTIONAL STATE OF EMERGENCY.

Also. Garret interviewed Rep. Mark Finchem and AZ Repub Chair Kelli Ward.

Rep. Finchem (who is now running for AZ Sec't. of State) stated that he is for fraud-free elections and is willing to "***work w/anyone***" to ensure that. He stated that the e-mails he has received are in favor 100-1 of total election integrity being restored in AZ, including the use of paper ballots, ending vote by mail (except for legitimate reasons w/trackability), holographic marking of all ballots, and ending the use of voting machines.

He has "reasonable belief that fraud took place" in the Nov. 2020 elections and is totally supportive of the present auditing company lined up to do the forensic audit, which company is being attacked by the ones who don't want the truth to be revealed. Finchem also stated that Ducey should end the state of emergency which does not exist in reality, anyway.

When Kelli Ward was interviewed, she talked around the issues, obfuscated, and refused to endorse the recall effort of Ducey. ***She also lambasted the Patriot Party and Daniel McCarthy, calling them "not good people" which concentrate on "minutiae."***

PLEASE CONTINUE TO CONTACT ALL THE STATE SENATORS, URGING THEM TO

SUPPORT THE FORENSIC AUDIT, RESTORATION OF ELECTION INTEGRITY IN AZ, AND REPEAL OF AZ STATE STATUTE 36-787.

YOUR EFFORTS ARE MAKING A HUGE DIFFERENCE FOR FREEDOM! THANK YOU!!

For Freedom,

Donna O'Daniel
JBS Section Leader - AZ & NM
[redacted]

--
God Bless,
Francesca Camacho

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From: Charles Curtis
Subject: Fwd: Fw: State Party Election Audit
Date: Thursday, February 4, 2021 1:34:00 PM
Attachments: Ward Letter from Legislators 02.03.21 Picture.JPG

CAUTION: EXTERNAL EMAIL*

---------- Forwarded message ---------
From: **Katie Miller** [redacted]>
Date: Thu, Feb 4, 2021 at 9:36 AM
Subject: Fw: State Party Election Audit
To: Charles Curtis [redacted]>, Joanne Daley [redacted]>, Peggy Judd [redacted]>, Angie Allred <[redacted]>, Enid CCRC Reinhart [redacted]>, Ron & Pauline Hart [redacted]>, Wanda PC Pike [redacted]>, Lupe Diaz [redacted]>, Young Mayberry [redacted]>, Lori Kilpatrick [redacted]>, Bob Kern [redacted]>, Bob Denton [redacted]>

Give me some feed back please on your thoughts. Or contact Bill Beard directly. Thanks.

Katie Miller
"You aren't defined by what you did in your past but what you will do in your future" -Gabe Murfitt
"Finish each day and be done with it. You have done what you could. Some blunders and absurdities have no doubt crept in; forget them as soon as you can. Tomorrow is a new day. You shall begin it serenely and with too high a spirit to be encumbered with your old nonsense". Ralph Waldo Emerson

---

On Thursday, February 4, 2021, 07:50:52 AM MST, William Beard [redacted] wrote:

Senator Paul Boyer sent verification to add his name shortly after the email was sent to Chair Ward.

----- Original message -----
From: Kevin Payne <kpayne@azleg.gov>
To: "kelli.ward@azgop.org." <kelli.ward@azgop.org>
Cc: Rick Gray <RGray@azleg.gov>, "Thomas T.J. Shope" <tshope@azleg.gov>, Vince Leach <VLeach@azleg.gov>, Frank Carroll <FCarroll@azleg.gov>, Shawnna Bolick <SBolick@azleg.gov>, Regina Cobb <RCobb@azleg.gov>, Tim Dunn <TDunn@azleg.gov>, John Fillmore <JFillmore@azleg.gov>, Mark Finchem <MFinchem@azleg.gov>, Quang Nguyen <QNguyen@azleg.gov>, Becky Nutt <bnutt@azleg.gov>, Joanne Osborne <JOsborne@azleg.gov>, Kevin Payne <kpayne@azleg.gov>, Beverly Pingerelli <BPingerelli@azleg.gov>, Bret Roberts <BRoberts@azleg.gov>, Ben Toma <btoma@azleg.gov>, Justin Wilmeth <JWilmeth@azleg.gov>
Subject: State Party Election Audit
Date: Wednesday, February 03, 2021 6:01 PM

Dear Chairwomen Ward,

Please find the attached letter from some of AZ Legislators

Kevin Payne
Chairman Military Affairs & Public Safety
Arizona House of Representatives | District 21
1700 West Washington St. | Phoenix, Arizona | 85007-2844 |
(602) 926-4854 | kpayne@azleg.gov

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From:	James Candland
To:	Jason Whiting; Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	General Election Candidates
Date:	Tuesday, August 23, 2022 4:49:33 PM
Attachments:	2022 General Election Candidates.pdf

CAUTION: EXTERNAL EMAIL*

Good Afternoon,

The Secretary of State canvassed the Primary Election results yesterday, and this list is revised to include a surprising number of write-in candidates that received enough support to advance to the General Election ballot:

- Jeff Silvey (R) in the LD 5 Senate race, agains Lela Alston (D).
- Jennifer Treadwell (R) in the LD 5 House race, against Jennifer Langdon (D) and Amish Shah (D).
- Alan Smith (D) in the LD 15 Senat race, against Jake Hoffman (R).
- Jim Cleveland (R) in the LD 21 Senate race, against Rosanna Galbadon (D).
- Damien Kennedy (R) and Deborah McEwen (R) in the LD 21 House race, against Consuelo Hernandez (D) and Stephanie Stahl Hamilton (D).
- Michele Pena (R) in the LD 23 House race, agains Jesus Logo, Jr. (D) and Mariana Sandoval (D).
- Brittani Barraza (D) in the LD 27 Senate race, against Anthony Kern (R).
- Don Kissinger (D) in the LD 27 House race, against Kevin Payne (R) and Ben Toma (R).
- David Raymer (D) in the LD 29 Senate race, against Janae Shamp (R).

Attached is the updated report for you to reference as we move to the General Election in November. Please let me know if you have any questions or concerns. I have met most of the new candidates and am happy to provide you with any information.

Best!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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E
C
O
Eastern Arizona Counties Organization
Economy - Ecology
Land - People - Future

After weeks of closed-door negotiations, Governor Ducey and Republican legislative leaders have a budget deal – they just don't have the votes to pass it. While most Republican lawmakers say they could support the proposal, several Republicans staunchly oppose it because they believe it spends too much or too little. Democrats say they can't support it because it does not include their priorities, including more education funding and a new earned income tax credit.

Negotiations will continue, though it's unclear how Senate President Karen Fann (R-Prescott) and House Speaker Rusty Bowers (R-Mesa) can address the diverging demands from their Republican colleagues. In addition to the budget agreement, the negotiations will also include new proposals that would significantly alter education funding and expand access to Empowerment Scholarship Accounts.

There are just three weeks left in the state's fiscal year.

Legislators convened short floor sessions this week to advance bills that are not connected to the budget talks. Their votes were complicated by ongoing absences; attendance will continue to pose logistical challenges as several lawmakers leave town for other commitments.

Some bills that advanced were controversial – including proposals to require high schools to teach about political ideologies, collect DNA from anyone arrested for a felony offense, change school transportation options, and allow large housing properties to qualify for an affordable rental housing property tax exemption.

Not everything was divisive, though. Legislators of both political parties voted to seal eviction records if the eviction doesn't happen, create a new license plate for beekeepers, and designate the month of May as Asian American and Pacific Islander Month.

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What's Next?

There is no clear path to the successful end of this legislative session, which remains overshadowed by interpersonal feuds and significant policy disagreements. Fewer than 100 bills await final action in the House and Senate, apart from those connected to budget talks. Republican leaders will continue to talk with their colleagues to find a way to enact a budget and close the legislative session.

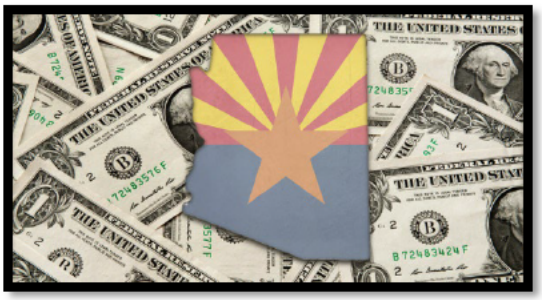
This is the 152nd day of the session, and it is tied for the 12th longest session in Arizona.

Arizona's New Laws

Governor Ducey signed 16 new laws this week. He has enacted 283 bills so far this year and vetoed one.

Budget Update: What's In the Proposed Spending Plan

The Republican leaders' $15.1 billion spending plan includes some big priorities, like tax cuts and a one-time $425 million deposit in the state's savings account. It pays off $1.3 billion in state debt and retiree pension shortfalls. It directs $322 million toward state building improvements and repairs and invests nearly $1 billion in transportation projects.



Many of the details are still unclear, since the legislature has not introduced budget bills, but summaries of the proposal show that it includes:

Tax Cuts

The proposal eliminates the statewide equalization tax rate – a property tax that is part of the state's complicated education funding system. The state General Fund would backfill more than $330 million a year that was previously generated through that property tax.

The budget also expands the School Tuition Organization tax credits. It assumes enactment of several small tax changes still advancing through the legislative process – including tax breaks for apprenticeships, agricultural machinery, aircraft, and the sale of alcoholic beverages, and altered fees for real estate licensure. It creates a property tax exemption for veterans with service-related disabilities (this policy would likely depend on Arizona voters approving a change to the state Constitution). It adjusts the cap on tax credits for charitable contributions, increasing the limits to account for inflation.

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It does not include the new earned income tax credit that Governor Ducey proposed earlier this year.

Courts and Criminal Justice

The budget adds more than $16 million a year for the state's contract with private prisons and $70 million more a year for state prison inmate healthcare. It also expands substance abuse treatment for inmates and adds more resources to the state's second chance centers.

It adds six new appeals court judges and increases funding for judicial salaries, juror compensations, and some court and probation staff positions, and provides a one-time investment of $10 million for prosecution diversion programs in rural counties.

Economic Development

The budget proposal continues funding for trade offices in Israel and Germany and adds new trade offices in Taiwan and South Korea. It adds funding for marketing and attracting new economic development, promotion of Arizona wines, and a Southern Arizona Sports, Tourism & Film Authority.

Education

The budget adds a 2.5% increase to school funding but eliminates the teacher experience index and teacher compensation funds. It boosts special education funding by $100 million – an amount that will grow in future years – and adds $30 million a year in additional assistance for both charter schools and school districts.

It allocates funding for new staff and operating priorities at the State Board for Charter Schools.

The proposal directs $50 million more each year for school resource officers in school buildings and provides a one-time $20 million for a School Safety Interoperability Fund.

It eliminates the K-12 rollover budgeting tactic for school districts with up to 4,000 students and adds funding for a code writers initiative, adult education programs, and education programs in jails.

The plan has some one-time funding for community colleges and state universities and allocates one-time funding to specific programs and priorities at the universities. It creates tuition waivers for spouses of military veterans and adds $12.5 million to the Arizona Promise Program tuition assistance.

Elections

The budget allocates $1.5 million for election security measures – including ballot box monitoring and ballot paper testing – and $250,000 for an early ballot tracking system.

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Emergency Management

The proposal increases funding for the state's readiness centers – funding that will increase federal dollars, as well – and provides $13.3 million to address a maintenance backlog at the readiness centers. It also allocates $1.8 million for increased construction costs at the Tucson readiness center.

Health and Human Services

The budget increases AHCCCS services to include chiropractic care and postpartum care, and allows KidsCare members to remain eligible for one year. It expands funding for the Healthy Families Program, beginning with $12.5 million this year and growing to $15 million in the next fiscal year. It includes a total of $3 million this year for the family health pilot program and $500,000 for services to homeless women who are pregnant.

It expands funding for adult protective services, food banks, and area agencies on aging, and increases Alzheimer's disease research funding by $2.5 million annually. It provides $1.2 million a year for a three-year monitoring program at group homes for individuals with developmental disabilities, $25 million for secure behavioral health facilities, and $100,000 for the health innovation trust fund. It also dedicates $12 million to healthcare interoperability grants.

Homelessness

The plan adds $30 million to the Housing Trust Fund (with a requirement that $10 million of the funding go to rural areas of the state) and designates $10 million in matching grant funds for local governments that create homeless service programs. It provides $5 million for alternative homeless transition services, with a ban on camping, and sets aside $2.4 million for homeless veteran housing at Fort Whipple.

Kinship and Foster Care

The legislative budget, like Governor Ducey's proposal, increases the daily stipend for those who provide foster care for members of their own family. It also adds $2.6 million a year to the compensation for independent living programs for children in foster care and provides $10 million for foster youth transitional housing.

Law Enforcement

The budget focuses on priorities near the U.S.-Mexico border, allocating funds for more Border Strike Task Force staff and pay increases. It shifts $544 million in state sales taxes for one-time border security initiatives – including $355 million for a border fence.

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It provides $600,000 a year for regional law enforcement task forces to address major incidents and adds $11 million for new Department of Public Safety officers. It allocates one-time funding for vehicle and aircraft purchases and repairs at the Department of Public Safety.

Legislature

The House and Senate would each receive a one-time $5 million payment for unspecified operating costs. Senate President Karen Fann said the Senate would use its funding for repairs and upgrades to the Capitol facilities. The budget also includes $5.7 million for renovations at the Capitol.

State Employees

The budget includes a 10% increase in pay for state employees and targeted resources for higher salary increases to state agencies with high employee turnover – including law enforcement and public safety officials.

Technology

The budget provides funding and some new staff positions for IT priorities – including federal IT regulatory compliance, IT infrastructure, and IT security upgrades at some state agencies. It appropriates the first portion of a $60 million investment in a statewide personnel IT system. It sets aside $10 million a year for grants to local governments and school districts for cybersecurity efforts and provides $2 million for state cybersecurity controls.

Water and Natural Resources

The plan follows Governor Ducey's request to set aside $334 million this year for water initiatives – the first installment of a $1 billion investment in water supplies. Lawmakers are still negotiating the details of the plan, which could direct the funding through existing water agencies instead of creating a separate water oversight entity like the Governor proposed.

The proposal also directs $10 million to the Water Infrastructure Finance Authority for grants in eastern Arizona, gives the Arizona Department of Water Resources $3.5 million for a water needs assessment, and allocates $350,000 for a study of New River flood insurance. It provides $6.4 million for the Solid Waste Fee Fund, $3 million for direct potable reuse of treated wastewater, and $5 million to eradicate invasive species in the Gila River.

The budget allocates funding for vehicles and personnel at the Department of Forestry & Fire Management, directs $75 million for wildfire expenses, and provides $6.1 million for fire incident management system grants to cities and fire districts. It dedicates $1 million to the Water Protection Fund and includes resources for the State Mine Inspector to find and close abandoned mines.

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It provides $2.5 million for the Arizona State Parks Heritage Fund and $38 million for capital projects in Arizona state parks.

Workforce

The budget increases reimbursement rates for medical professionals who provide care in a variety of settings to patients who are enrolled in AHCCCS or programs at the Department of Economic Security. It allocates $5 million a year in federal funding for behavioral health worker training and $27 million a year in federal funding for clinical rotations.

It proposes $1 million a year for a loan repayment program for behavioral health students (with an additional $1 million this year) and increases salaries and bonuses for some members of the Arizona State Hospital staff. It follows Governor Ducey's plan for a $50 million investment in accelerated nursing degrees at Creighton University, provides $15 million a year for a three-year nurse education investment pilot program, and $500,000 a year for a three-year preceptor grant program for graduate students.

It also provides $6 million for loan assistance for veterinary students who commit to practicing for at least four years in Arizona after graduation.

Under the budget plan, the state would end the next fiscal year with a $1.3 billion cash balance.

In the Elections

Arizona's 2022 elections matter on a national scale. Some legislative races are especially interesting this year. The Senate's ballot recount has cost almost $5 million. This survey shows Arizonans care about more than campaign talking points.

In the Courts

A Mohave County Superior Court judge rejected the Arizona Republican Party's effort to end mail-in voting. Representative Mark Finchem (R-Oro Valley) still wants courts to block the use of electronic voting machines; election officials say his lawsuit is "legally and factually flawed." The judicial complaint process is hard to follow.

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In the News

Arizona's getting more electric vehicle charging stations. School Superintendent Kathy Hoffman (D) wants legislators to address mental health and school safety. Arizona isn't the only state with a budget surplus, but it's one of the few still in legislative session. The Arizona Corporation Commission wants private briefings. These rural county supervisors want the legislature to change water laws. Arizona's minimum wage could go up next year. Arizonans are still betting big on sporting events. AZ On Track Summer Camps are starting. There are still good signs about Arizona's economy. Frank Lloyd Wright had lofty ideas for the state Capitol buildings.

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AZ-COCHISE-22-0985-A-000880

Arizona's fight against wildfires took a big step forward this week, as legislators from both parties rallied around a proposal to allocate $99.5 million new dollars for wildfire response and mitigation efforts. The bill, introduced during a special session of the legislature, directs $75 million to the Arizona Department of Forestry and Fire Management's wildfire suppression and projects intended to prevent post-fire flooding and damage; up to $10 million of that amount is for assistance to private landowners. The remaining $24.5 million will go toward firefighting personnel and operating costs and for contracted removal of plants that could fuel wildfires. Governor Ducey is expected to sign the bill soon, and it will immediately go into effect.

Legislators from around the state hailed the bill as an investment that will help address one of Arizona's most significant challenges. There were heated debates, though, about the role that climate change plays in wildfire threats and whether the state should do more to address those factors. There was also disagreement about whether the state should provide funding for small businesses that are impacted by wildfires. Despite the disagreement, the wildfire funding passed with near-unanimous bipartisan support.

While the three-day special session unfolded, the regular legislative session was almost completely ignored – legislators did not advance any regular session bills all week. On Thursday, there was renewed hope for a budget agreement, but the optimism was premature. Once again, House and Senate Republicans were unable to get the votes they need.

An adapted budget proposal, which is not yet available to the public, would address the concerns of two key Republicans by connecting tax cuts to specific levels of state revenue and paying off more state debt, as well as allocating more resources to ensure city budgets are not impacted by the changes to the income tax rates. Those changes weren't enough to get every member of the House and Senate Republican caucuses on board, though, and budget negotiations continue.

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What's Next?

No one can predict what comes next in this unusual legislative session. House and Senate Republican leaders say they'll continue to negotiate the budget within their own caucuses, trying to walk a tightrope between Republicans who want different things for the state's financial plan. Governor Ducey is trying to rally support for the tax cuts from outside the legislature. His pledge to veto any bills that reach his desk prevents legislators from passing any non-budget legislation, so there's very little the legislature can do until there are votes to pass the budget.

Both the House and Senate reconvene on Monday afternoon, with hopes that they can negotiate a budget agreement over the weekend. If there's no agreement by Tuesday, House Speaker Rusty Bowers (R-Mesa) plans to introduce a "skinny budget" to continue current funding for state government into the next fiscal year. This would prevent a state government shutdown but would delay negotiations on tax cuts and other funding priorities, and therefore extend the legislative session.

Legislature Expands Use of Remote Voting

While many Arizona workers are navigating a return to their offices after months of working from home, a growing number of state lawmakers are doing the opposite.

Prior to the COVID-19 pandemic, neither the House nor the Senate offered any option for voting away from the Capitol – lawmakers had to be in committee or at their desk to vote. Some legislative attorneys believe the Arizona Constitution requires in-person participation. There was an outcry last year when the House first proposed remote voting because of the pandemic, and strong opposition this year, when legislative leaders proposed rule changes to allow lawmakers to vote via Zoom from their offices because of COVID-19 protocols. The fight over the proposed change even delayed Governor Ducey's State of the State address on the first day of the session.

Those concerns have gradually dissipated, and there was less opposition in March when the Senate changed its rules to allow legislators to vote from home only if they had COVID-19 or received permission from Republican and Democratic leaders. In May, there was little discussion when the Senate voted to ignore that rule and allow anyone to vote remotely without permission.

In the beginning, the discussion about remote voting was really a debate about COVID-19 mitigation efforts and whether they were necessary. Now, convenience has overcome concerns as the session stretches on and lawmakers see remote voting as a way to stay connected to the Capitol without canceling their other plans. A growing number of lawmakers from both political parties are using Zoom to vote from their offices, their homes, or their vacations.

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AZ-COCHISE-22-0985-A-000882

One legislator cast her votes from a hospital bed earlier this year. This week, one House member cast his committee vote while driving a car and another texted in his vote from an airplane while he fulfilled his duties as a pilot with the Arizona National Guard. (The texted vote was later disqualified when House Democrats objected.)

Technology has altered many jobs lately, and the legislature is no exception. Legislative staff has adapted longstanding procedures to include Zoom as an official part of the House and Senate operations. It remains to be seen whether this option will continue, though, and how it will impact lawmakers' ability to work together in the future. It also isn't clear whether remote participation will impact legislators' fight for higher *per diem* payments intended to offset the costs of traveling to and from the Capitol.

Recall Efforts Fall Short

A months-long effort to recall House Speaker Rusty Bowers appears to have failed after its supporters failed to follow the necessary recall procedures. There is an ongoing review, so the decision might not be final. Speaker Bowers expressed relief and surprise, since his opponents have been very active in his Mesa legislative district. The effort is led by the right-wing Patriot Party of Arizona, which believes Bowers should have challenged Governor Ducey's COVID-19 prevention measures and should support the Senate's recount of the 2020 Maricopa County ballots.

The Patriot Party of Arizona is also trying to recall Senator Paul Boyer (R-Glendale); it's not clear whether they have the signatures to do so by this weekend's deadline. An earlier effort to recall Sen. Boyer failed to collect enough signatures to advance, as did an attempt to recall Governor Ducey.

A politically progressive group's efforts to recall Representative Mark Finchem also fell short this week. Organizers objected to Rep. Finchem's presence at the Capitol on January 6 but conceded they did not have the signatures to force a recall election.

Governor Slaps Down ASU COVID-19 Mitigation Policies

Governor Ducey and several legislative Republicans expressed outrage this week over Arizona State University's plans for COVID-19 mitigation in the new academic year. ASU said the announcement was just a continuation of practices already in place – practices similar to those the Governor had praised last year – and that an *expectation* of vaccination does not equal a *mandate* for vaccination. The Governor disagreed, and framed the policy as an unnecessary mandate that is "bad policy, with no basis in public health."

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He issued an executive order that bans any public university or community college from mandating a COVID-19 vaccine or limiting attendance for those who do not want to get the vaccine or wear a mask. (It does not apply to other vaccination requirements.) The order limits COVID-19 testing mandates only to circumstances where a significant COVID-19 outbreak poses a risk in a shared student housing setting.

The Governor's action infuriated legislators who represent ASU's Tempe district: They said the Governor had "placed political considerations above the safety of the students, staff and faculty." ASU and the Arizona Board of Regents, which governs all three public state universities, said they would follow the Governor's executive order.

This discussion isn't over. Governor Ducey pledged support for Senator T.J. Shope's (R-Coolidge) efforts to establish his executive order in statute. Other Republicans heralded the executive order but said it's not enough to focus only on higher education institutions and pledged to continue their push to ban all vaccine mandates in Arizona. Their bill has run into bipartisan opposition in the Senate.

In the Elections

The Senate's ballot recount is wrapping up, but some of the Maricopa County election data is in Montana. The Arizona Attorney General warned the U.S. Attorney General to stay out of Arizona's ballot recount.

Some people in Yavapai County are pretending to be election workers, and some real election officials don't feel safe in their jobs.

Former Congressman Matt Salmon joined the Republican race for Governor. House Minority Leader Reginal Bolding (D-Laveen) and former Maricopa County Recorder Adrian Fontes jumped into the Democratic race for Secretary of State. Lacy Cooper, a former border security section chief, joined the race against Representative Diego Rodriguez, former Arizona Supreme Court Justice Andrew Gould, and former Congressional candidate Tiffany Shedd to be the next Arizona Attorney General.

In the Courts

The U.S. Supreme Court upheld the Affordable Care Act. A Maricopa County Superior Court judge threw out some challenges to Proposition 208, the education funding mechanism that voters approved last year. He did not rule on whether the initiative violates school spending limits. The Arizona Supreme Court is still considering another challenge to the proposal.

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AZ-COCHISE-22-0985-A-000884

In the News

This legislator is challenging ADOT fees. Senator Kelly Townsend wants an audit of the votes on Proposition 208. Senate President Karen Fann (R-Prescott) is pushing back against Republicans who oppose increased unemployment benefits. Governor Ducey says Arizona's housing prices are better than the alternative. There's money to help renters pay their utility bills. The Arizona Department of Gaming wants to know what you think about their rules on sports betting.

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AZ-COCHISE-22-0985-A-000885

From: Kori Lorick
Cc: Christine Dyster; Amy Chan
Subject: Legal Challenge: Hansen v. Finchem
Date: Thursday, April 7, 2022 6:06:15 PM

CAUTION: EXTERNAL EMAIL*

Dear Recorders and Members of the Board of Supervisors:

A lawsuit challenging Mark Finchem's candidate nomination petition signatures was filed in Maricopa County Superior Court, case number CV2022-004321. The complaint is available here: Hansen v. Finchem

As your agent to receive service of process pursuant to A.R.S. 16-351 and *Graham v. Tamburri*, 240 Ariz. 126, 130, ¶ 9, (2016), this email will constitute the Secretary of State's official notification of the lawsuit.

No signatures are being challenged at this time. However, the statement of interest, nomination paper, petitions and other relevant candidate filing documents can be found at this link if needed: 2022-SOS-Finchem-M

Please refer to A.R.S. 16-351 and Chapter 6 of the 2019 EPM for additional information and contact your county attorney if you need legal advice.

Please let me know if you have any questions or have difficulty accessing the files.

Thank you,
Kori

Kori Lorick
State Elections Director
Arizona Secretary of State's Office

This E-mail is from an **EXTERNAL** address. DO NOT click on links or open attachments unless you trust the sender and know the content is safe. If you suspect this message to be phishing, please report it using the Phish Alert Button at the top of the email, or forward to cochise.az.gov@missedspam.com or contact IT support at 520-432-8301.

This week, the Senate changed its rules to allow its members to vote from home if they have COVID-19 – a change that received approval when the Senate Appropriations Chairman caught the virus.

The Senate Ethics Committee opted to dismiss a workplace harassment complaint against Senator Wendy Rogers (R-Flagstaff) because Republican members of the panel believe their investigation did not provide enough evidence to pursue punishment. After the Ethics Committee decision, the former employee sued the Senate for wrongful termination.

A dispute between legislators moved to the courts when Representative Mark Finchem (R-Oro Valley) and former Representative Anthony Kern (R-Glendale) sued Representative Charlene Fernandez (D-Yuma), claiming that she defamed their character by asking the FBI to investigate their activities at the U.S. Capitol on January 6.

These headline-grabbing stories were just a small part of the week, though. Most of the time was focused on policy work as legislators divided their long days between committee hearings and floor debates.

In the House

Bipartisan coalitions in the House voted to create a small business grant program to help Arizona businesses struggling during the COVID-19 pandemic, legalize take-home cocktails, allow local governments to develop new mechanisms to fund tourism marketing, broaden gambling options, expand the Arizona Teachers Academy to include future teachers who will serve students with disabilities, increase county officials' salaries, add more data verification to the fraud prevention process for unemployment benefits, study Arizona's transportation funding, and prohibit the use of marijuana in public places.

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AZ-COCHISE-22-0985-A-000887

Other proposals were more divisive and passed the House by very narrow margins – including bills to assert legislative authority over renewable energy policy, allow loaded weapons on school grounds, allow businesses to ignore mask mandates, prohibit governments from taking private money for conducting an election or registering voters, block counties from requiring a survey before approving land divides or issuing building permits, ban online traffic school, and raise the bar for enacting citizens' initiatives.

House Republicans sent Congress a note expressing their opposition to D.C. statehood.

An unusual mix of Republicans and Democrats supported a bill to change Arizona's laws on big tech companies' app policies. Supporters of the bill say it's an important step to keep costs low and encourage app development in Arizona; opponents say it's a flawed attempt to protect one out-of-state company.

In the Senate

Senators gave bipartisan support to some limits on short-term rentals, increase the disease screenings given to newborns, facilitate cooperation on communicable disease tracking, and establish an annual Fred Korematsu Day of Civil Liberties and the Constitution.

The Senate proclaimed March 3, 2021 as World Hearing Day and invited students from the Arizona Schools for the Deaf and Blind to virtually lead the Pledge of Allegiance in sign language.

The Senate narrowly approved other proposals on sharply divided party lines – including a new small business income tax option, limits on school sex education programs, lower penalties for speedy drivers, more restrictions on abortions, tighter control on public health officials' ability to issue mandates to prevent the spread of disease, and increased judicial review over Arizona Corporation Commission decisions. Republican senators voted to designate gun stores as essential businesses during a state of emergency and require voters to re-register for the early voting list if they fail to vote in two election cycles.

Policy Committees Continue Steady Progress

This week, House and Senate policy committees started their consideration of bills that are in the second half of the legislative process.

House committees approved almost 70 proposals this week – including funding for another year of CTED programs for students, authorized AHCCCS to spend federal funding for its programs, created

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a maternal mental health study committee, and supported new mental health policies and instruction for students.

Thirty bills received committee approval in the Senate this week – including permission for counties to waive interest on late property tax payments, expanded graduate medical education programs in community health centers and rural health clinics, and fewer requirements for rural providers that work in Indian Health Services or tribal health facilities to participate in the Primary Care Provider Loan Repayment Program.

What's Next?

The House and Senate used this week's floor sessions to debate and vote on bills that are still in the first half of the legislative process. More than 120 proposals still await a final vote in the first legislative chamber, and time is running out as policy committees shift their focus to bills that already received approval from the chamber where they were introduced.

Almost 700 bills are still eligible for consideration in policy committees. With just three more weeks to hold hearings, committee agendas will grow longer and legislators will feel more pressure to find agreement on final amendments to their priority bills.

Legislature Debates Pandemic Powers

As Arizona's COVID-19 vaccination numbers climb and case numbers drop, state legislators are still focused on what happens in case of the next pandemic or other long-term state emergency. The House and Senate introduced 23 proposed changes to the duration and handling of emergencies – most of them designed to limit a Governor's ability to act unilaterally during a public health emergency.

Just two of the proposals would end the current COVID-19 state of emergency that Governor Ducey declared on March 11, 2020, and neither is expected to pass. Though many legislative Republicans want to immediately stop the limits on businesses that are in place now, there's bipartisan opposition to overriding the Governor's handling of this pandemic and concern about what that would mean for federal COVID-19 aid funding. Even if the legislature did end the COVID-19

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emergency declaration, the Arizona Attorney General warned that the Governor could immediately issue another one – or local governments could issue their own emergencies and public health rules.

Legislators haven't given up on their efforts to change the rules for future emergencies, though, and they're advancing five proposals that would ask the voters to enact new laws that would call the legislature into session when a Governor declares an emergency or shortly thereafter.

Other bills would end state emergencies after three months unless the legislature extends it (without asking voters to approve the change, limit the Governor's authority to require preventative public health actions, and require the Governor to consult with the State Emergency Council.

Legislators are addressing other factors associated with life during a long-term emergency, as well. A Senate bill would waive civil liability for businesses, health care workers, and health care facilities during the COVID-19 pandemic, and a House bill would require courts to consider probable cause for every claim from someone who sues an entity because they caught an illness during a public health pandemic. The House and Senate are advancing bills to allow businesses in Arizona to ignore government mask mandates and prevent business and occupational licenses from expiring during a state of emergency.

This week, the House failed to pass a bill that would prevent governments from revoking a business license because a business refused to comply with a state of emergency order but could revive the proposal for another vote.

Arizona's not the only state having this conversation. The COVID-19 pandemic has lasted much longer than most emergency declarations, and policymakers in both parties are using their feelings about this experience to reshape the balance of power if another situation like this occurs.

Governor Orders Schools to Offer In-Person Education

On Wednesday, Governor Ducey issued a new executive order that requires Arizona schools to reopen by March 15 or after their scheduled spring break. The order outlines adjustments for schools that are in high or substantial transmission metrics. Virtual learning options will continue for parents that are not comfortable sending their students back to in-person learning, the Governor tweeted, but schools must be open for those who want their students to return to the classroom.

Some Republican legislators applauded the Governor's decision but called on him to lift restrictions on business operations, as well. Some Democratic legislators criticized the Governor's decision to force classrooms to open and to override plans that local school governing bodies have put in place.

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In the Courts

Legislative Democrats want the Maricopa County Board of Supervisors to appeal a judge's decision that the county must turn over ballots to the Senate Republicans. The Board chose not to appeal and sent a "you've got mail" notice to the Senate, but Senate Republicans aren't sure where to keep the ballots they got through a subpoena. The U.S. Supreme Court heard arguments in two cases about Arizona's voting laws. Several prominent health care organizations asked the Arizona Supreme Court to uphold Governor Ducey's authority to impose limits on bar operations as part of his public health protections. The Arizona Supreme Court is trying to combat disinformation.

In the News

Rural Arizona voters still believe education is the top issue facing Arizona. Governor Ducey got his COVID-19 vaccine. The Arizona Auditor General said teacher salaries might not reach the 20% promised increase because the funding is going elsewhere. The state directed more federal funds to help Arizonans facing homelessness and counties fighting COVID-19. These bipartisan legislators support an increase in unemployment benefits. This bipartisan group of legislators wants to know whether prison technology is delaying inmate releases. The pandemic has made it harder to use the legislature's Request to Speak system. Governor Ducey shared his thoughts about several important topics facing Arizona.

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AZ-COCHISE-22-0985-A-000891

A high-profile tug-of-war over political ideals played out at the Arizona Capitol this week, highlighting the Republican majority's sharply divided views. There was no compromise or happy ending, and the week ended with a legislative session – and political alliances – in limbo.

The week began with optimism, as Republican leaders introduced the budget they'd negotiated with Governor Ducey's office and prepared to wrap up the legislative session. The budget proposal spends a total of $12.8 billion in the next fiscal year, including many of Governor Ducey's budget priorities and investments some legislative Republicans had requested. It directs more funding to special education programs, state universities, and community colleges. It invests in new school buildings, prioritizes hundreds of millions of dollars for transportation and road-building projects around the state, pays down state debt, and increases salaries for some state employees.

It also includes significant tax changes that would cut taxes by an estimated $2.9 billion over the next three years. The details of those cuts, however, sparked passionate disagreement. Many legislative Republicans support the tax plan, which they believe will spur more economic growth. Others believe the cuts are too big or will impact city budgets too much. Some object to the budget's targeted tax credits designed to benefit specific industries. A small coalition of conservative Republicans had no problem with the tax cuts but objected to the level of spending and refused to vote for the budget unless it prohibited school districts from requiring students to wear masks.

Democrats, who were never included in budget negotiations, say they cannot support the tax cuts and believe the state should invest its current revenue surplus in other priorities and programs. They also disagreed with many of the policies wrapped into the budget, including changes to Secretary of State Katie Hobbs' (D) authority.

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AZ-COCHISE-22-0985-A-000892

As tension built and the necessary votes were increasingly out of reach, Republican leaders used the escape chute they invented last year as they faced the growing uncertainty of a global pandemic: They suspended the session and went home.

This is not a normal part of the legislative process. Most years, budget negotiations intensify until an agreement falls into place; the legislature works long hours to pass a budget and wrap up work on the remaining bills before adjourning until the next year.

The procedural move used to suspend the session, both this year and last, is deliberately vague. It gives great authority to the Speaker of the House and the President of the Senate, the only individuals who can determine when the session will reconvene. Though the motion says the legislature will return on June 10, the Speaker and President can call the legislature back to work at any time with 24 hours' notice before or after that date. It requires public notice when the legislature reconvenes but does not specify where or how that notice must be given, and it does not require coordination with the Governor or Democratic legislative leaders. Governor Ducey was out of town this week and has not commented on the legislature's decision to hit "pause" on their work.

Republicans say they are not giving up and will continue to talk with their colleagues about an amended version of the budget that can pass. Those negotiations will occur behind closed doors as the public waits for a sign that legislators are ready to enact a financial plan before the end of the fiscal year on June 30.

Legislators Debate Pay Increases, Early Ballot Procedures

Before they adjourned, legislators advanced almost 40 bills this week. Many passed with bipartisan support – including funding for medical marijuana research, changes to alcohol delivery requirements, shelter beds for homeless seniors in western Maricopa County, and new oversight for the Arizona State Hospital.

Other bills were more divisive and passed on narrow margins – including new requirements for political party representatives at polling places, a prohibition against sending an early ballot to someone who hasn't requested one, changes to the definition of human remains, and new authority for legislators to seek a legal review of a U.S. President's executive order.

Legislators advanced bills to raise their pay and increase evaluation of the signatures on early ballots.

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The Senate narrowly approved a ban on local government training that presents any form of blame or judgment based on race, ethnicity, or sex, but failed to pass guidance on how teachers must present controversial topics. Senators also voted down new laws on marijuana sponsorships and advertisements. The House failed to pass more stringent voter identification requirements for early ballots.

What's Next?

Legislators are in a holding pattern as they wait for the Senate President and House Speaker to call them back to the Capitol to finish the session. Apart from the budget, there are approximately 100 bills that could advance to a final vote before the legislature adjourns for the year.

Arizona's New Laws

Governor Ducey signed ten bills into law this week – including disclosure requirements on campaign signs and new options for overdose and disease prevention programs. He has signed 381 new laws this year and vetoed five; another 28 bills await his action.

In the Election

Ballot counting continued at the Arizona State Fairgrounds this week, and the Cyber Ninjas got a different IT partner. Leaders of the effort say they're on track to finish by the end of June, but the Senate might start another recount. Maricopa County officials prepared to sue the Senate about some claims their contractors have made.

This week, Senator Michelle Ugenti-Rita (R-Scottsdale) jumped into the race to be the next Secretary of State; she will run against Representative Mark Finchem (R-Oro Valley), who announced his candidacy earlier this year.

Click here for a list of the potential candidates running for election in 2022 with a political party, and click here for the potential candidates who are independent of a political party.

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In the News

The Arizona Together Initiative directed $550,000 to mental health services. The former U.S. Surgeon General thinks Arizona handled COVID-19 well. The Arizona Corporation Commission took a step toward new rules on clean energy. Arizona's small businesses faced big challenges during the pandemic. Arizona updated its crisis care standards to address complaints. Governor Ducey kept his role as leader of the Republican Governors Association. These lawyers want the federal government to investigate religious rights in Arizona prisons, and these legislators want the state to investigate the prisons' kitchens. This survey gauged Arizonans' experiences with travel, hunger, and telehealth. Former Governor Jan Brewer has some thoughts about the legislature's budget proposal. Warnings about groundwater are drawing renewed attention to water policy. The federal government approved Arizona's new gaming agreements.

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IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF ARIZONA

Center for Biological Diversity, et al., Plaintiffs, vs. Deb Haaland, et al., Defendants, and New Mexico Department of Game and Fish, Defendant-Intervenor.	No: 4:18-CV-00047-TUC-JGZ (Lead) **ORDER**
WildEarth Guardians, *et al.*, Plaintiffs, vs. Deb Haaland, et al., *et al*., Defendants, and New Mexico Department of Game and Fish, Defendant-Intervenor.	No. 4:18-CV-00048-TUC-JGZ (Member)

In November 2017, the United States Fish and Wildlife Service ("FWS" or "the Service") issued a revised recovery plan for the Mexican gray wolf, pursuant to Section 4(f) of the Endangered Species Act ("ESA" or "the Act"), 16 U.S.C § 1533(f). The "Mexican Wolf Recovery Plan First Revision" ("Plan" or "Revised Plan") is meant to serve as the Service's roadmap for the conservation and survival of the Mexican wolf, a

subspecies of the gray wolf. In the litigation presently before the Court, seven Plaintiffs[1] allege that, in developing the Plan, the Service violated Section 4(f) of the Endangered Species Act, 16 U.S.C § 1533(f)(1)(B), by failing to include (1) site-specific management actions necessary for conservation, and (2) objective, measurable criteria necessary for delisting the Mexican wolf. Plaintiffs ask the Court to remand the Plan to the Service for amendment in compliance with the ESA.

Pending before the Court are the parties' cross-motions for summary judgment, which are fully briefed.[2] The parties have also filed notices of supplemental authority and responses to the notices. (CV-18-47 Docs. 71, 74, 75; CV-18-48 Docs. 54, 55.) After consideration of the parties' briefing and the administrative record, the Court will grant, in part, Plaintiff Center for Biological Diversity's motion for summary judgment, deny Plaintiff WildEarth Guardians's motion for summary judgment, and deny, in part, Defendants' cross-motions for summary judgment.

I. STATUTORY BACKGROUND

Passed in 1973, Congress enacted the Endangered Species Act, 16 U.S.C. § 1531, to protect and conserve endangered species. Described by the Supreme Court as "the most comprehensive legislation for the preservation of endangered species ever enacted by any nation," the ESA reflects Congress's desire "to halt and reverse the trend toward species extinction, whatever the cost." *Tenn. Valley Auth. v. Hill*, 437 U.S. 153, 180, 184 (1978).

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[1] In this consolidated case, Plaintiffs include the Center for Biological Diversity, Defenders of Wildlife, Endangered Wolf Center, David R. Parsons, Wolf Conservation Center, WildEarth Guardians, and Western Watersheds Project (collectively "the Plaintiffs"). The Defendants include the Secretary of the Interior, Deb Haaland; United States Fish and Wildlife Service; FWS's Southwest Regional Director, Amy Leuders; United States Department of the Interior, Acting Director of FWS, Martha Williams; and Intervenor-Defendant New Mexico Department of Game and Fish (collectively "the Defendants"). The named public officials are the current holders of the offices. *See* Fed. R. Civ. P. 25(d) (providing for automatic substitution of public official's successor).

[2] The cross-motions for summary judgment, memoranda, and statements of facts in Case No. 18-CV-00047-TUC-JGZ are filed at Docs. 48, 56, 64 (Plaintiff CBD); 58, 59, 67 (Federal Defendants); and 61, 62, 69 (Intervenor-Defendant New Mexico Department of Game and Fish). The cross-motions for summary judgment, memoranda and statement of facts in case No. 18-CV-00048-TUC-JGZ are filed at Docs. 41, 42, 43, 50 (WildEarth Guardians); 44, 45, 52 (Federal Defendants); and 47, 48 (Defendant-Intervenor New Mexico Department of Game and Fish).

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"Under the ESA, the Secretary of the Interior[] must identify endangered species, designate their 'critical habitats,' and develop and implement recovery plans." *Nat. Res. Def. Council, Inc. v. U.S. Dept. of Interior*, 13 Fed. App'x 612, 615 (9th Cir. July 5, 2001) (citation omitted). The Secretary's duties under the ESA are delegated to the Service pursuant to 50 C.F.R. § 402.01(b).

Congress pronounced the purpose of the ESA to be the conservation of listed species and the ecosystems upon which they depend, 16 U.S.C. § 1531(b), and declared a policy that all federal agencies "shall utilize their authorities in furtherance" of this purpose. *Id.* § 1531(c)(1). Conservation is defined as "the use of all methods and procedures which are necessary to bring any endangered species or threatened species to the point at which the measures provided [by the ESA] are no longer necessary." *Sierra Club v. U.S. Fish & Wildlife Serv.*, 245 F.3d 434, 438 (5th Cir. 2001) (citing 16 U.S.C. § 1532(3)).

Reflecting this conservation mandate, Section 4(f) of the ESA directs the Secretary to "develop and implement [recovery] plans . . . for the conservation and survival" of a species listed as endangered. 16 U.S.C. § 1533(f)(1). In doing so, the Secretary "may procure the services of appropriate public and private agencies and institutions, and other qualified persons." *Id.* § 1533(f)(2). The 1998 amendments to the ESA further require that the Secretary, in developing and implementing recovery plans, incorporate in each plan, "to the maximum extent practicable":

> (i) a description of such site-specific management actions as may be necessary to achieve the plan's goal for the conservation and survival of the species;
>
> (ii) objective, measurable criteria which, when met, would result in a determination, in accordance with the provisions of this section, that the species be removed from the list; and
>
> (iii) estimates of time required and the cost to carry out those measures needed to achieve the plan's goal and to achieve intermediate steps toward that goal.

Id. § 1533(f)(1)(B)(i)–(iii). Further, the Secretary must "provide public notice and an opportunity for public review and comment on such plan," and then "consider all information presented during the public comment period prior to approval of the plan." *Id.*

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§ 1533(f)(4), (5).

"The recovery plan, once prepared, provides [a] 'basic road map to recovery, i.e., the process that stops or reverses the decline of a species and neutralizes threats to its existence.'" *Ctr. for Biological Diversity v. Kempthorne*, 607 F. Supp. 2d 1078, 1088 (D. Ariz. 2009) (quoting *Defs. of Wildlife v. Babbitt*, 130 F. Supp. 2d 121, 131 (D.D.C. 2001)). "Any such plan is supposed to . . . provide a means for achieving the species' long-term survival in nature." *Fund for Animals v. Babbitt*, 903 F. Supp. 96, 103 (D.D.C. 1995). Yet, despite the requirements of Section 4(f), the recommendations contained within a recovery plan are not binding upon the agency, and the Secretary retains discretion over the methods to use in species conservation. *Conservation Congress v. Finley*, 774 F.3d 611, 620 (9th Cir. 2014).

Section 11 of the ESA authorizes citizen suits "against the Secretary where there is alleged a failure of the Secretary to perform any act or duty under [Section 4] of this title which is not discretionary with the Secretary." 16 U.S.C. § 1540(g)(1)(C). To raise a viable claim under this section of the ESA citizen-suit provision, a plaintiff must allege that the Secretary failed to perform a non-discretionary duty mandated by Section 4. *Bennett v. Spear*, 520 U.S. 154, 173 (1997); *Coos Cnty. Bd. of Cnty. Comm'rs v. Kempthorne*, 531 F.3d 792, 809 (9th Cir. 2008).

II. FACTUAL AND PROCEDURAL BACKGROUND

The Mexican gray wolf is native to the American Southwest. (AR D008960.) Although the Mexican wolf population once hovered in the thousands, by the 1970s, the wolves were believed to be extinct in the wild. (AR D008957-58.) In 1976, the Mexican gray wolf was listed as an endangered subspecies under the ESA and, in 1982, the Service released a "recovery plan" for the wolf. (*Id.*; AR D015046.) At that time, the recovery team could not foresee full recovery and eventual delisting of the species due to its dire status. (CV 18-47 Doc. 59 at ¶ 16; CV-18-48 Doc. 51 at ¶ 16.)

In 2010, the Service appointed a Mexican Wolf Recovery Team with a Science and Planning Subgroup to draft an updated draft recovery plan. (AR D001234-35.) This

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proposed plan was never finalized under Section 4(f) of the ESA. (AR D014103.)

In 2014, Plaintiffs sued the Service, alleging it had failed to complete a recovery plan for the Mexican gray wolf that complied with the requirements of Section 4(f). *See Defs. of Wildlife v. Jewell*, No. CV-14-02472-TUC-JGZ, 2015 WL 11182029, at *1 (D. Ariz. Sept. 30, 2015). The Court determined that Plaintiffs stated a claim that the Service failed to issue a revised plan that complied with the post-1988 requirements of Section 4(f), 16 U.S.C § 1533(f). *Defs. of Wildlife*, 2015 WL 11182029, at *9. The parties ultimately settled the case, and the Service agreed to produce a revised plan. *Defs. of Wildlife v. Jewell*, No. CV-14-02472-TUC-JGZ, 2016 WL 7852469 (D. Ariz. Oct. 18, 2016).

The revised plan, "Mexican Wolf Recovery Plan, First Revision," was completed in November 2017. (AR D009169.) In 2018, in this consolidated case, Plaintiffs filed suit challenging the Plan on various grounds. The Court dismissed the counts that were, "in essence, disagreements with the Service's determination as to how to best provide for the conservation and survival of the Mexican gray wolf," reasoning that these were "determinations within the agency's discretion and therefore unreviewable under the ESA's citizen-suit provision." *Ctr. for Biological Diversity v. Zinke*, 399 F. Supp. 3d 940, 946-949 (D. Ariz. 2019). The Court allowed the Plaintiffs to proceed with the counts that alleged the Service failed to include in the Plan, objective, measurable criteria and site-specific-management actions to address threats, or otherwise failed to offer a reason why it was not practicable for the agency to do so. *Id.* at 949-50.

III. STANDARDS OF REVIEW

A. Summary Judgment

Summary judgment is appropriate if the pleadings and supporting documents "show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law." Fed. R. Civ. P. 56(c); *Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). A court presented with cross-motions for summary judgment should review each motion separately, giving the nonmoving party for each motion the benefit of all reasonable inferences from the record. *Ctr. for Bio-Ethical Reform, Inc. v. Los Angeles*

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Cnty. Sheriff Dep't, 533 F.3d 780, 786 (9th Cir. 2008). "Summary judgment is a particularly appropriate tool for resolving claims challenging agency action." *Defs. of Wildlife v. Salazar*, 729 F. Supp. 2d 1207, 1215 (D. Mont. 2010). In such cases the district court's role is not to resolve facts, but to "determine whether or not as a matter of law the evidence in the administrative record permitted the agency to make the decision it did." *Occidental Eng'g Co. v. INS*, 753 F.2d 766, 769 (9th Cir. 1985).[3]

B. ESA Citizen-Suit Provision and APA Standard of Review

The district court's review of the Plan is limited under the ESA's citizen-suit provision, to claims that the Service did not fulfill its non-discretionary duties. 16 U.S.C. § 1540(g)(1)(C). Allegations that are, "in essence, disagreements with the Service's determination as to how to best provide for the conservation and survival of the Mexican gray wolf . . . are determinations within the agency's discretion and therefore unreviewable under the ESA's citizen-suit provision." *Ctr. for Biological Diversity*, 399 F. Supp. 3d at 946-949. The Service is not necessarily obligated "to include any one particular suggestion that any given person deems important for species conservation." *Id*. at 949. Further, the Service's duty to satisfy the requirements of § 1533(f) in developing a recovery plan need not be based on the "best available science." *Id*.

Although "FWS has discretion as to the content of recovery plans, that does not necessarily mean that there are no circumstances under which review of a plan might be appropriate." *Id*. at 948. "A citizen may still bring suit under § 1540(g) when the [the Service] fails to incorporate, to the maximum extent possible, one of the requirements from § 1533(f)(1)(B) in a given recovery plan." *Id*. (citation omitted). A challenge to a recovery plan is, therefore, reviewable if the challenge asserts that the agency failed to include site-specific management actions and objective criteria "to address a problem the agency itself

[3] Several parties filed controverting statements of facts. (*See* Docs. 60, 63, 65, and 66 in 18-CV-00047-TUC-JGZ, and Docs. 46, 49, and 51 in 17-CV-00048-TUC-JGZ.) Upon review, the Court concludes that, although the parties disagree about the legal significance, the underlying content and accuracy of the administrative record is not in dispute. Thus, this case is appropriate for resolution by summary judgment. *See Occidental Eng'g Co.*, 753 F.2d at 769-70 (noting that in its review of an administrative proceeding the district court decides legal question of whether the agency could reasonably have found the facts as it did).

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identified, without offering an explanation as to why it was not practicable for the agency to do so." *Id*. at 950.

Here, Plaintiffs' allegations that the Service failed to satisfy the requirements of § 1533(f)(1)(B) are reviewable. The arguments raised by the Plaintiffs necessarily require the Court to determine whether, as a matter of law, the proposed actions and criteria constitute "site-specific management actions" and "objective, measurable criteria," and whether, based on the record, the actions and criteria address the threats recognized by the Service. If the required elements are omitted, the Court must further determine whether the Service has provided a reason for the omissions, explaining why it is impractical to include the statutory requirements.

"Because ESA contains no internal standard of review," the APA standard of review governs. *W. Watersheds Project v. Kraayenbrink*, 632 F.3d 472, 496 (9th Cir. 2011) (applying APA to failure to consult claim brought under ESA citizen-suit provision) (citation omitted); 5 U.S.C. § 706(2)(A). (Doc. 48-1 at 19-20; Doc. 58-1 at 18; Doc. 61 at 6.) The core inquiry is whether there is a rational connection between the site-specific actions and criteria chosen and the threats they are intended to address. *See Forest Guardians v. U.S. Forest Serv.*, 329 F.3d 1089, 1099 (9th Cir. 2003) (requiring rational connection between facts found and choice made). Further, if a reasonable basis exists, the court must accept a agency's explanation on why it was impracticable to include site-specific actions and criteria. *See Kern Cty. Farm Bureau v. Allen*, 450 F.3d 1072, 1076 (9th Cir. 2006) (affirming agency action if reasonable basis exists). A court's review is "limited to the explanations offered by the agency in the administrative record." *Arrington v. Daniels*, 516 F.3d 1106, 1113 (9th Cir. 2008).

IV. DISCUSSION

A. Plaintiffs Have Article III Standing

The ESA's citizen suit provision permits "any person" to commence a civil suit—"an authorization of remarkable breadth when compared with the language Congress ordinarily uses." *Bennett v. Spear*, 520 U.S. 154, 164-65 (1987). This provision allows

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standing to the fullest extent permitted by Article III. *Id.* at 164-66*; Amer. Soc. for Prevention of Cruelty to Animals v. Feld Entm't, Inc.*, 659 F.3d 13, 19 (D.C. Cir. 2011).

An organization has Article III standing to bring suit on behalf of its members when "its members would otherwise have standing to sue in their own right."[4] *Hunt v. Wash. State Apple Advert. Comm.*, 432 U.S. 333, 343 (1977). To have standing to sue in one's own right, a member "must have (1) suffered an injury in fact, (2) that is fairly traceable to the challenged conduct of the defendant, and (3) that is likely to be redressed by a favorable judicial decision." *Sierra Club v. Trump*, 963 F.3d 874, 883 (9th Cir. 2020). Here the Service challenges only the first requirement. Thus, the Court must determine whether the members of WEG and CBD have suffered an injury in fact.

Plaintiffs are asserting that the Service violated the ESA's procedural requirement that a recovery plan include site-specific management actions and objective, measurable criteria; Plaintiffs are not permitted by law to challenge the substance of the plan. *See* 16 U.S.C § 1540(g)(1)(C); *see also Ctr. for Biological Diversity*, 399 F. Supp. 3d at 946-949. Plaintiffs allege the Service's alleged error is a procedural one. Therefore, Plaintiffs must prove a procedural injury. (CV-18-48 Doc. 52 at 6; Doc. 50 at 7; CV-18-47 Doc. 48-1 at 16.)

"In order to establish an injury in fact in the context of a claimed procedural error

[4] An organizational plaintiff must also show that the interests it seeks to protect are germane to the organization's purpose, and neither the claim asserted nor the relief requested requires the participation of individual members in the lawsuit. *Hunt*, 432 U.S. at 343. Although these two requirements are not challenged in this action, "it is well established that the court has an independent obligation to assure that standing exists, regardless of whether it is challenged by any of the parties." *See Summers v. Earth Island Institute*, 555 U.S. 488, 499 (2009). Here, Plaintiffs have set forth sufficient facts by declaration to establish both requirements. Plaintiffs are organizations that are committed to conserving, protecting, and restoring the Mexican wolf and other imperiled species. Some of the Plaintiffs have been dedicated, through legal action and otherwise, to conserving the Mexican wolf since the 1990s. Plaintiffs' interest in ensuring the Mexican wolf recovery plan complies with the ESA is therefore germane to their purpose. Plaintiffs seek relief in the form of a remand of the recovery plan to the FWS for the purpose of incorporating the statutory requirements under the ESA. Other than drafting declarations in support of their respective organization's standing, neither the claim that FWS violated the ESA, nor the relief requested, requires the participation of any of the members.

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in an agency's decisionmaking process, a plaintiff must show that '(1) the [agency] violated certain procedural rules; (2) these rules protect [a plaintiff's] concrete interests; and (3) it is reasonably probable that the challenged action will threaten their concrete interests.'" *Friends of Santa Clara River v. U.S. Army Corps of Eng'rs.*, 887 F.3d 906, 918 (9th Cir. 2018) (citation omitted) (alterations in original). "That is, for Article III purposes, [a court] may recognize a 'procedural injury' when a procedural requirement has not been met, so long as the plaintiff also asserts a 'concrete interest' that is threatened by the failure to comply with that requirement." *City of Sausalito v. O'Neill*, 386 F.3d 1186, 1197 (9th Cir. 2004). In the environmental context, "the desire to use or observe an animal species, even for purely esthetic purposes, is undeniably a cognizable interest for the purpose of standing." *Lujan v. Defs. of Wildlife*, 504 U.S. 555, 562-63 (1992); *see also Friends of Earth, Inc. v. Laidlaw Envir. Servs. (TOC), Inc.*, 528 U.S. 167, 183 (2000) ("We have held that environmental plaintiffs adequately allege injury in fact when they aver that they use the affected area and are persons 'for whom the aesthetic and recreational values of the area will be lessened' by the challenged activity." (quoting *Sierra Club v. Morton*, 405 U.S. 727, 735 (1972))).

Applying these standards, the Court concludes Plaintiffs have Article III standing to challenge the Service's failure to incorporate into the Plan the required site-specific management actions and objective, measurable criteria.[5] First, Plaintiffs adequately assert a violation of a procedural rule. Second, the requirement that site-specific actions and objective, measurable criteria be included in a recovery plan was created to assist the agency in ameliorating the threats to the Mexican wolf, thereby protecting Plaintiffs' aesthetic interests in viewing the wolf. *See Kempthorne*, 607 F. Supp. 2d at 1088 (noting that a recovery plan is a roadmap for the Service to use to neutralize threats to a species' existence); *see also Fund for Animals*, 903 F. Supp. at 103 ("It is supposed to provide a

[5] Because the organizational Plaintiffs have associational standing to sue on behalf of their members, the Court need not also consider whether Plaintiff David R. Parsons has standing, although it appears from his declaration that he does. *See Friends of Santa Clara River*, 887 F.3d at 918 (stating when there are multiple plaintiffs, only one plaintiff must have standing).

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means for achieving the species' long-term survival in nature.") Third, because the recovery plan is supposed to be the process that neutralizes the recognized threats to the wolf's existence, the Service's alleged failure to identify actions and criteria in response to those threats creates a reasonable probability that Plaintiffs' interests in viewing the wolf in the future are threatened.

The Service does not cite any authority in support of its assertion that there can be no injury from a procedurally deficient plan because recovery plans are non-binding statements of intention and there is no assurance that any of the sought-after elements will actually be implemented.[6] A plaintiff is not required to demonstrate that a procedurally-proper recovery plan will necessarily protect their concrete interest in the species. *See City of Sausalito*, 386 F.3d at 1197 (plaintiffs are not required to show a procedurally proper EIS would protect their interests in the area); *Cantrell v. City of Long Beach*, 241 F.3d 674, 682 (9th Cir. 2001) ("[P]laintiffs asserting procedural standing need not demonstrate that the ultimate outcome following proper procedures will benefit them."); *Seattle Audubon Soc. v. Espy*, 998 F.2d 699, 703 (9th Cir. 1993) ("Speculation that . . . redrafting the EIS might not change the Secretary's decision . . . is not relevant to standing."). Indeed this Court has previously held that a plaintiff has "standing to challenge the Secretary's failure to comply with ESA in developing the recovery plan although the incorporation of delisting objectives and criteria into the recovery plan may not necessarily result in . . . full recovery." *Sw. Ctr. for Biological Diversity v. Babbitt*, 1999 WL 33438081, *3-4 (D. Ariz. Sept. 3, 1999); *see also Ctr. for Biological Diversity v. Bernhardt*, 480 F. Supp. 3d 69, 74-75 (D.D.C. 2020) (finding Center of Biological Diversity had standing to challenge recovery plan).

//

[6] Plaintiffs assert that Defendants' argument may be a redressability argument. To the extent it is a redressability argument, it is misplaced. Redressability is satisfied when "the relief requested—that the agency follow the correct procedures—*may* influence the agency's ultimate decision." *Salmon Spawning & Recovery All. v. Gutierrez*, 545 F.3d 1220, 1226 (9th Cir. 2008) (emphasis added). Although the ESA does not mandate compliance with recovery plans, FWS looks to the Plan as an advisory document, which may influence their decisions in conserving the Mexican wolf.

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B. Site-Specific Management Actions to Address Human-Caused Mortality

Plaintiffs assert that the Service's Plan violates the ESA because it does not contain site-specific management actions to address the recognized threat of illegal killing of Mexican wolves. Plaintiffs argue that the Plan provides only the vague goal that the Service, state agencies, and Mexico "[r]educe human-caused mortality of Mexican wolves." Plaintiffs assert that the Plan leaves out any specifics of how to meet this goal, any practical steps for how these agencies might reduce human-caused mortality, and fails to explain why it is impracticable or unnecessary to recommend such action. The Court agrees.

Having recognized human-caused mortality as a threat to the wolf, the Service acknowledges that it was required to incorporate in the Plan, to "the maximum extent practicable," a description of site-specific management actions as may be necessary to address the threat and achieve the goal of conservation and survival of the wolf. (CV-18-47 Doc. 58-1 at 27.) The Service claims that the Plan provides numerous site-specific management as may be necessary to achieve the Plan's goal, in the Recovery Action Table at the end of the Plan. (*Id.* at 23, 27.)

Section VI of the Plan, titled "Actions Needed," addresses "[r]ecovery actions, which were developed for each objective, [to] guide site-specific activities to address threats and achieve the recovery criteria." (AR D009208.) Section VI directs the reader to the Recovery Action Table for "[r]ecovery actions, organized by recovery objective." (AR D009208.) The Recovery Action Table lists 24 "site-specific management actions," organized under the applicable recovery objective. (AR D009211-14.) Each site-specific action also identifies which of three threats to the species the management action is meant to address.[7] (*Id.*) According to the Service, 16 of the 24 management actions listed in the Table address the threat of mortality of the species. But review of the recovery actions

[7] The threat numbering system is: 1) loss of gene diversity; 2) extinction risk/demographic stochasticity; and 3) exceeding threshold mortality rate. Each action is assigned a numerical priority (1, 2, or 3) to highlight the relative contribution the action makes toward species recovery. (AR D009214.)

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shows that few relate to human-caused mortality. Further, many of the listed actions are so vague as to not constitute an action at all.

Under the umbrella of the Plan Objective to increase the size of the wolf populations, site-specific actions 1.1 and 1.2 call for surveying and monitoring the wolves to determine their population status. (AR D009211.) The Plan does not relate how this action is tied to or will address human-caused killings. Similarly, actions 1.3 and 1.4 call only for monitoring the wolves on certain tribal lands. (*Id.*)

Site-specific actions 1.6 and 1.7, which call for reduction of human-caused mortality, do not identify any particular action that management intends to take to address the threat. (*Id.*) The "action"—reducing human-caused mortality—is identical to the objective—reducing human-caused mortality. Restatement of the threat does not constitute a management action which will address the threat. Similarly, site-specific action numbers 1.8 and 1.9 call for a reduction in Mexican wolf-livestock conflicts in the U.S. and Mexico, but fail to identify any management action which might be employed to reduce such conflicts. (AR D009211-12.)

Under the umbrella of the Plan Objective to ensure adequate habitat, site-specific action 3.4 pertains to maintaining or improving the status of native prey populations of Mexican wolves. (AR D009213.) Any link between this action and human threats is unstated. More importantly, no specific management actions are specified that would improve the status of native prey. Likewise, site-specific action 2.4 falls under the Plan Objective of improving gene diversity and maintaining the health of Mexican wolves. Action 2.4 calls for monitoring and managing Mexican wolf health. (AR D009212.) It does not identify an action which would address the threat of illegal killing.

Specific-site actions 5.1, 5.2 and 6.4 are the closest that the Plan gets to including management actions to address the threat of human-caused mortality. Action 6.4 calls for developing adequate regulations and management and monitoring plans to maintain viable Mexican wolf populations after delisting. (AR D009214.) Actions 5.1 and 5.2 call for conducting education and outreach programs on Mexican wolf conservation in the U.S.

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and Mexico. (AR D009213.) The stated actions are so vague, however, that one must speculate and guess what educational action or regulatory development might be taken which would pertain to reducing human-caused mortality.

The Court acknowledges that "[i]t is not necessary for a recovery plan to be an exhaustively detailed document." *See Fund for Animals*, 903 F. Supp. at 106 (noting that the term "specific" modifies the term site, not the term "actions"). Nonetheless, "[a] recovery plan that recognizes specific threats to the conservation and survival of a threatened or endangered species, but fails to recommend corrective action or explain why it is impracticable or unnecessary to recommend such action, would not meet the ESA's standard." *Id.* at 108. Here, the Service does not assert that it would be impracticable to include site-specific management actions addressing human-caused killing in the Plan. Rather, the Service claims that the actions included in the Plan are sufficient, and asserts that the ESA provides neither a definition nor parameters for "site-specific management actions." (CV 18-47 Doc. 52 at 12.) But the ESA requires inclusion of site-specific management actions "to the maximum extent practicable." 16 U.S.C. § 1533(f)(4). "[T]he phrase 'to the maximum extent practicable' does not permit an agency unbridled discretion." *Fund for Animals*, 903 F. Supp. at 107. Under the statute, the agency has a "clear duty . . . to fulfill the statutory command to the extent that it is feasible or possible." *Id.*

The Service's separate Recovery Implementation Strategy demonstrates that site-specific actions can be included in the Plan. The Strategy "provides additional detailed, site-specific near-term activities needed to implement the actions identified in the recovery plan." (AR D009208.) It lists actions specifically tied to the threat of human-caused mortality, including actions listed under a category specifically addressed to reducing this threat. For example, site-specific action 1.6.1 proposes to conduct education and outreach "to improve public tolerance of wolves," including education on techniques to reduce conflicts with livestock for school children, communities, landowners, livestock producers, and the general public. (AR D009235.) Site-specific action 1.6.2 is similarly identified as

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a management action to reduce human-caused mortality. Action 1.6.2 provides for increasing law enforcement presence by hiring Conservation Law Enforcement Officers to assist in educating the public, in particular hunters and recreationists, to assist with investigations of wolf mortalities, and to coordinate with law enforcement from other agencies. (*Id*.) The Implementation Strategy identifies several other concrete actions to address the threat of human-killings, including the installation of enhancements to facilitate Mexican wolf movement across existing and new roads to help reduce vehicle collisions with Mexican wolves (action 1.6.4); reducing wolf-livestock conflicts with proactive measures, increased monitoring, hazing, translocations and removal (action 1.8.3); compensating livestock producers for losses due to wolves (action 1.8.4); and providing funding for wolf presence on or near livestock operations (action 1.8.5). (AR D009235, D009237.)

The Service recognizes the Implementation Strategy is not a substitute for the Plan itself, but suggests that the Court consider the Strategy as further evidence that the Plan addresses the threat of human-caused mortality to the species through site-specific actions. (CV-18-48 Doc. 52 at 14.) However, the Service does not claim that it would be impracticable to include the management actions contained in the Implementation Strategy in the Plan. While the Service states that it is impracticable to include in the Plan "specific sites" for proposed management actions, the Service does not argue that, and the record does not provide any rationale to explain why, the management actions contained in the Implementation Strategy could not be included in the Plan. (*See* AR D009208) (noting that "[p]lan does not provide more specific locations for actions for which locations cannot be determined until future conditions are known" and that the Service anticipates "being able to provide a *greater degree of site-specificity* in the implementation strategy than the recovery actions in the recovery plan" (emphasis added)).

Because the Court concludes that the Plan does not include site-specific actions and the Service has failed to offer an explanation as to why it was impracticable to include such actions in the Plan, the Court will remand this matter to the Service for a recovery plan that

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complies with 16 U.S.C. § 1533(f)(1)(B).

C. Objective and Measurable Criteria

Plaintiffs assert that the Revised Plan fails to include objective, measurable criteria to assess the threat of human-caused mortality; the threat from inadequate regulatory mechanisms; genetic threats; and threats to habitat. Plaintiffs argue that, because the Service failed to address a problem that the agency itself identified, without offering an explanation as to why it was not practicable for the agency to do so, the Plan violates the ESA. (CV-18-47 Doc. 64 at 18 (citing *Ctr. for Biological Diversity*, 399 F. Supp. 3d at 950)).

1. Human-Caused Mortality Criteria

The Service has recognized that human-caused mortality, including illegal killings, is a continuing threat to the Mexican wolf. (AR D009189.) Thus, the ESA requires the Service, in developing and implementing the Recovery Plan, to include objective, measurable criteria which, when met, would measure the extent of human-caused mortality and whether that threat is being ameliorated. *See Ctr. for Biological Diversity*, 399 F. Supp. 3d at 949-50. The Court concludes that the Service fulfilled its statutory duty to address in the Plan the threat of human-caused mortality and that there is a rational connection between the Plan criteria and the threat of human killing.

The Recovery Plan addresses the threat of human-caused mortality in its objective and measurable criteria pertaining to abundance and the adequacy of regulatory mechanisms. With respect to criteria pertaining to abundance, the Plan provides that the Mexican wolf will be considered for delisting when:

> (1) a minimum of two populations meet all abundance [] criteria as follows:
>
> (a) The population average over an 8-year period is greater than or equal to 320 wolves (e.g., annual wolf abundance of 200, 240, 288, 344, 412, 380, 355, and 342 averages 320 wolves);
>
> (b) The population must exceed 320 wolves each of the last 3 years of the 8-year period; [and]
>
> (c) The annual population growth rate averaged over the 8-year period is stable or increasing (e.g., annual averages of 1.2, 1.2, 1.2, 1.2, 1.2, 0.9, 0.9, and 1.0 averages 1.1).

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(AR D009199.) The Service explained in the section of the Plan entitled "Rationale for Recovery Criteria," that the Service adopted the population abundance criteria to "ensure that populations are resilient and the threats . . . of human-caused mortality have been ameliorated." (AR D009200.) According to the Plan, "[m]ortality rates will need to be sufficiently low to achieve recovery criteria because they are a primary indicator of wolf population trajectory." (*Id.*) The Plan cites a population viability analysis for the Mexican wolf showing that "population performance is highly sensitive to relatively small changes in adult mortality rate." (AR D009201.) The analysis concludes that mean adult mortality rates would need to be "less than 25%, combined with mean sub-adult mortality rates less than 33% and mean pup mortality . . . less than 13%" for there to be an "increasing population that meet[s] the population abundance recovery criteria." (*Id.*) Based, in part, on the population viability analysis, the Service considers these mortality rates to be acceptable and an appropriate measurement of whether, based on the population criteria, the human-caused mortality threat has been ameliorated. (*Id.*)

Plaintiffs assert the Service must create criteria that directly measure the appropriate rate of human-caused mortality and state that the population criteria does not *adequately* measure success in alleviating the threat of human-caused mortality. Plaintiffs assert that using population abundance criteria as a substitute violates the ESA.[8] The Plaintiffs cite to the Service's Recovery Planning Guidance, which provides that population parameters may not have been accurate in assessing threats in some cases. (AR D014199.)

The Court concludes that these arguments challenge the Service's determination of how to best provide for conservation of the Mexican wolf, which is a determination within the agency's discretion, and therefore unreviewable. *See Ctr. for Biological Diversity*, 399 F. Supp. 3d at 949. In addition, the fact that population criteria sometimes do not

[8] In support, Plaintiffs cite *Fund for Animals*, 903 F. Supp. at 112, and *Defs. of Wildlife v. Babbitt*, 130 F. Supp. 2d 121, 133 (D.D.C. 2001). However, in these cases the Service failed to explain how the population abundance criteria addressed the threats to the species. In contrast, in the case at bar, the Service clearly explained how the population abundance criteria and human-caused moralities are directly related, and how the abundance criteria consider and measure the human-caused mortality rate the Service deems appropriate.

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adequately measure success, does not mean that use of such criteria in the present case is arbitrary or capricious. That fact that more accurate measurements may be available is not a factor the Court can consider. The Court concludes that the Service has established a rational connection between the population criteria and the threat of human-caused mortality, and thus has fulfilled its statutory obligation.

2. Inadequate Regulatory Mechanisms Criteria

The Service states that its criteria addressing inadequate regulatory mechanisms address not only that threat but also the threat of human-caused mortality. (CV-18-47 Doc. 58-1 at 29.) That delisting criterion provides:

> States and Tribes will ensure regulatory mechanisms are in place to prohibit or regulate human-caused mortality of Mexican wolves in those areas necessary for recovery such that the Service determines that at least 320 Mexican wolves are likely to be maintained in the United States in the absence of Federal ESA protection.

(AR D009199-9200.)

Plaintiffs argue that the criterion is neither objective nor measurable, as it relies on the Service's subjective determination as to the adequacy of unspecified regulatory mechanisms. In addition, Plaintiffs argue that the criterion is insufficient because the measure responds only to the threat of inadequate regulatory mechanisms to limit post-delisting mortality under listing factor 4(a)(1)(D), and therefore fails to address the Service's finding that the Mexican wolf is threatened (under ESA listing factor 4(a)(1)(C)), "[b]ased on the continuous occurrence of illegal shooting taking place while the Mexican wolf is protected by the Act." (Doc. 64 at 24.) Plaintiffs conclude that the regulatory criterion violates the ESA because it is based on future plans that States and Tribes will take after delisting. Plaintiffs cite *Fund for Animals*, 903 F. Supp. at 113, and *Oregon Natural Resources Council v. Daley*, 6 F. Supp. 2d 1139, 1154-55 (D. Or. 1998), in support.

The Court disagrees with Plaintiffs' characterization of the criterion. The criterion is objective and measurable because it requires regulations to be implemented that will maintain a wolf population of 320 wolves. (AR D009200.) The Plan also requires that regulations be in place so that the population abundance criteria is retained. (AR D009204.)

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In fact, Plaintiffs acknowledge that the Service can objectively measure the success of regulations by looking to population data.[9] (CV-18-48 Doc. 42 at 26.) Further, the regulations, although providing a general directive, are not completely lacking in specificity as Plaintiffs suggest. The criterion requires that the proposed regulations "prohibit or regulate human-caused mortality of Mexican wolves." (AR D009200.) Lastly, the criterion does not provide that States and Tribes may ignore the current threat of inadequate regulations by developing regulations *after* delisting. The criterion requires that States and Tribes "will ensure regulatory mechanisms *are in place* to prohibit or regulate human-caused mortality of Mexican Wolves in those areas necessary for recovery." (AR D009200.) And the Plan's Rationale for Recovery states that "*[p]rior to delisting*, [the Service] will ensure that the state and tribal agencies that will be responsible for maintaining the recovered status of the Mexican wolf have adequate regulations in place to ensure levels of human-caused mortality will enable the population to retain the population abundance specified by the abundance criterion." (AR D009204 (emphasis added).)

Plaintiffs' reliance on *Oregon Natural Resources Council* and *Fund for Animals,* for the proposition that recovery actions cannot be based on future actions, is misplaced. In *Oregon Natural Resources Council*, the court held that "the Secretary may not rely on plans for future actions to reduce threats and protect a species as a basis for deciding that listing is not currently warranted." 6 F. Supp. 2d at 1154. Future actions are not relevant to the determination of whether a species should be listed. In that context, the Service is required to consider the present status of a species. In contrast, in the context of recovery plans, a plan's purpose is to identify future actions and criteria that would result in delisting,

[9] The Court acknowledges that there are inherent difficulties in developing objective and measurable criteria to evaluate whether regulations implemented by other governmental bodies will successfully address the threat of illegal killings of wolves after the protections of the ESA are lifted, as the specific threat is inadequate regulations, absent the ESA. As explained in the Service's Recovery Planning Guidance: "[A] measurable and objective criterion may be for a state to have a management plan in place that . . . will manage the species effectively after the species is delisted. This criterion is measurable and objective (although there's some subjectivity with regard to whether the plan will be effective), without having a numerical component." (AR D014198.)

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if met. *Fund for Animals* is inapplicable because it is factually dissimilar from the present case. The *Fund for Animals* court found that a recovery plan did not satisfy the "objective, measurable criteria" requirement because the plan did not include criteria to address the inadequacy of existing regulatory mechanisms, despite having identified that inadequacy as a threat. 903 F. Supp at 113. There, the Service said that it would include the criteria in a yet to be developed Conservation Strategy. *Id.* In contrast, in the present case, the Service included criteria to address inadequate regulatory mechanisms in the recovery plan.

3. Genetic Criteria

Loss of gene diversity is identified by the Service as a threat to the Mexican wolf in the listing and in the Plan. (AR D015961, D009189.) The Plan includes one criterion to address genetic threats. The Plan provides that the Mexican wolf will be considered for delisting when a minimum of two populations meet (in addition to all abundance criteria) the following genetic criterion:

> Gene diversity available from the captive population has been incorporated into the United States population through scheduled releases of a sufficient number of wolves to result in 22 released Mexican wolves surviving to breeding age in the United States population.

(AR D009199.) "Surviving to breeding age" is defined as a pup that lives 2 years to the age of breeding or an adult or subadult that lives for a year following its release. (*Id*.) "Scheduled releases" means captive releases and translocations that achieve genetic representation, as described in the Plan's "Rationale for Recovery Criteria." (*Id*.)

The Court disagrees with Plaintiffs' contention that the Service failed to include any delisting criteria in the Plan to address genetic threats. Plaintiffs' argument is that the criterion that is included is so insufficient that it is arbitrary. Plaintiffs argue that measuring genetic diversity by the number of releases or survival to a certain age measures only the Service's efforts, and not the results of those efforts. Plaintiffs assert that the delisting criterion does not measure the wolves' actual genetic status. Finally, Plaintiffs argue that, although the Service recognizes that connectivity is an important tool for alleviating genetic threats and slowing the loss of adaptive potential, the Plan does not include any

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connectivity criteria; it merely provides that the Service will work to maintain and enhance connectivity within and between wolf populations.

The Court concludes that the criterion is not arbitrary or capricious because the Service has provided a rational explanation as to how the recovery criterion addresses the genetic threat to the Mexican wolf. In the Plan, the Service explains that the gene diversity criterion is meant to "ensure[] that Mexican wolf populations have genetic representation and that genetic threats have been ameliorated." (AR D009202.) The Service considers the degree to which wild populations contain the gene diversity available from the captive population to be an important indication of genetic representation for recovery. (*Id.*) The Service concluded "approximately 90% [gene diversity] to be reasonable for recovery because it ensures wild populations contain a high degree of the gene diversity available." (AR D009203.) The Service looked at several release scenarios and models that are able to achieve 90% gene diversity of the captive population in the wild by model year 20 (2035), even when not all released wolves incorporated into the population contribute offspring. The metric employed (number of animals that survive to breeding age), coupled model performance with performance of the wild populations. (*Id.*) Even including a low level of dispersal/connectivity (approximately 1 wolf every 12-16 years), the model predicts that at this level of release and at the predicted first year mortality rate, gene diversity will be achieved in the wild wolf population of approximately 90% of that retained in the captive population if the delisting criterion—survival of 22 wolves released—is met. (*Id.*) [10]

The Court also disagrees with Plaintiffs' assertion that "only effort, not results are required." The criterion provides that the released wolves must survive to breeding age, and the models cited by the Service contemplate both the anticipated level of release and predicted mortality rate to achieve genetic representation. (AR D009200, D009202-04.) Moreover, as the Service explained, it is not able to control breeding events in the wild. The Court understands, but is not persuaded by, Plaintiffs' argument that there are methods

[10] The Court disagrees with Plaintiffs' argument that the 90% target is not incorporated in the Plan. The genetics criterion incorporates the 90% gene diversity goal because the criterion contemplates needing to release 70 wolves in order to have 22 wolves survive to breeding age and reach the 90% target.

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that could be employed to more directly measure the wolves' genetic makeup. The Court is not authorized to determine whether the Service's means of addressing genetic threats is the best. *See Ctr. for Biological Diversity*, 399 F. Supp. 3d at 946-949 (holding that the Service is not required to include any particular suggestion that one might deem necessary for conservation of a species). In sum, the Court finds that the Plan's genetic criterion to address the threat of loss of gene diversity is not arbitrary or capricious and that the Service has fulfilled its obligation under the ESA to address this threat.

4. Habitat Criteria

Plaintiffs argue that the Service's failure to identify objective, measurable criteria related to habitat violates the ESA. Plaintiffs highlight the importance of suitable habitat for wolf recovery and argue that the future loss of habitat is a specific threat to the Mexican wolf.

In 2015, during the listing process, the Service did not identify habitat as a threat to the Mexican wolf. (AR D015951.) In the Plan, the Service explains that "habitat destruction, modification, or curtailment (Factor A) is not threatening or endangering the Mexican wolf, yet ensuring adequate habitat is available to support [the] recovered Mexican wolf population into the future is central to the recovery effort for the Mexican wolf (e.g., a potential stressor)." (AR D009189.) The Plan relies on the 2017 Biological Report, which cites a 2017 habitat suitability analysis stating, "results suggest that there is still sufficient habitat remaining . . . to support viable populations of the Mexican wolf in the wild." (AR D009157.) Because the Service considered Factor A—"the present or threatened destruction, modification, or curtailment of its habitat range," 16 U.S.C. § 1533(a)(1)(A) —and found habitat was not a threat to the Mexican wolf, and because there is a rational basis for this conclusion, the Court concludes that the Service need not develop habitat criteria. *Cf. Fund for Animals*, 903 F. Supp. at 111 (recovery plan violated ESA because it identified habitat degradation to be a threat but failed to identify criteria to assess the present or threatened destruction of habitat).

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CONCLUSION

For the foregoing reasons, **IT IS ORDERED**:

1. The Motion for Summary Judgment filed by Plaintiffs Center for Biological Diversity et al. (Doc. 41 in 18-CV-00048-TUC-JGZ) is **GRANTED IN PART AND DENIED IN PART;**

2. The Motion for Summary Judgment filed by Plaintiffs WildEarth Guardians et al. (Doc. 48 in 18-CV-00047-TUC-JGZ0) is **DENIED**;

3. Defendants' Cross-Motions for Summary Judgment (Docs. 58 & 61 in 18-CV-00047-TUC-JGZ and Docs. 44 & 47 in 18-CV-00048-TUC-JGZ) are **GRANTED IN PART AND DENIED IN PART**.

4. The Mexican Wolf Recovery Plan First Revision is **REMANDED** to the Service for further action consistent with this order. The Service must produce a draft recovery plan for public comment within six months that includes site-specific management actions, with a final plan to follow no later than six months thereafter.

Dated this 14th day of October, 2021.

Honorable Jennifer G. Zipps
United States District Judge

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Eastern Arizona Counties Organization

Economy - Ecology

Land - People - Future

MINUTES
ECO Board of Directors Zoom Meeting
Wednesday March 17, 2021, 02:00 to 04:00 PM

Present:

ECO Supervisors Members of the Board	Visiting County Supervisors	County Managers Members of the Board	Visiting County Staff	ECO Staff & Consultants
Richard Lunt (Greenlee)		Dustin Welker (Graham)	Malena Bazurto (Apache)	Pascal Berlioux
Paul David (Graham)		~~Derek Rapier (Greenlee)~~		James Candland
Steve Christensen (Gila)		Glenn Kephart (Navajo)		~~Bryan Downing~~
~~Jason Whiting (Navajo)~~		~~James Menlove (Gila)~~		
~~Nelson Davis (Apache)~~		~~Ryan Patterson (Apache)~~		
Peggy Judd (Cochise)		~~Ed Gilligan (Cochise)~~		

1. **Welcome and introductions – Richard Lunt**
   Chairman Whiting was absent and had asked Vice Chairman Lunt to lead the meeting. Vice Chairman Lunt brought the meeting to order at 2:03 PM. Introductions were made.

2. **Official welcome of Supervisor Christensen (Gila County)**
   Vice Chairman Lunt welcomed Supervisor Christensen (Gila County) to ECO.

3. **Legislative Report – James Candland**

   a. **General report**
   James Candland gave a legislative report.
   Arizona will get approximately $12.3 billion from the latest federal COVID-19 aid package. This is more than the current state budget, and almost three times the amount Arizona received from the CARES Act – the last COVID-19 aid bill. This will include $4.8 billion in "recovery funds" intended to boost the response to COVID-19 or its impacts; $2.6 billion in aid funding, distributed to Local and Tribal Governments according to population size; $3.2 billion toward K-12 and higher education in Arizona, including funding for broadband infrastructure; $1.7 billion for services through AHCCCS, the Department of Health Services (DHS), and the Department of Economic Security (DES); $979 million to Arizona agencies that provide food and economic assistance; $374 million for funding for emergency rental assistance; $199 million for homeowner assistance; $100 million for Arizona's Homeless Assistance and Supportive Services Program; $100 million for emergency housing choice vouchers for those facing homelessness or domestic violence; $522 million for urbanized areas and $160 million for rural areas mass transit grants; $160 million for Arizona airports; $187 million for Arizona critical capital projects that directly enable work, education, and health monitoring; $60 million for competitive assistance; $200 million to support Arizona

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small business financing; $145 million for Arizona PPP; $300 million for targeted small business advance loans; $500 million for Arizona restaurants.
The Governor is looking toward not duplicating the federal aid and reducing the State budget where the federal funding applies. This reduces the funding the State generally budgets for the Counties. There will not be cumulation of State aid and Federal aid. The federal aid money will not affect the expenditure limit in the Counties.
No date for sine die in sight. The budget process has only started within the leadership, it has not reached yet the members. The ECO funding is included in the DFFM budget. It is likely the session will go into May. The dynamics in the Senate are difficult. There is only a slim majority, and this is complicated by divisions within the Republican majority.

b. AZ Legislature HB2247 & SB177 Healthy Forest Production Tax Credit update
The bill passed in the House. It is likely to pass in the Senate.

c. AZ Legislature HB2248 & SB1175 Relating to Public Service Corporations update
The bills are opposed by the utilities and are likely to die in committee.

d. AZ Legislature HB2440 & SB1442 Hazardous Vegetation Removal; State Forester update.
The bill passed and was signed by the Governor.

4. Mexican Wolf Presentation – J. Devos (D/A)

Jim Devos recently retired as Assistant Director for the Arizona Game & Fish Department but is now employed as contractor Mexican Wolf Coordinator. Jim Devos articulated his presentation around the fact that there is no room in ESA to move toward delisting without achieving recovery.

1. Population: the 2020 end of year count showed a 14% increase in population from 163 in 2019 to 186 in 2020. The population growth is in steady progress over the last couple years.
2. AGFD and USFWS are preparing for the cross-foster season. Cross fostering replaces the release of prone to depredation "naïve" adult wolf and ensures the improvement of genetic diversity in the wild population. 20 pups from zoos nationwide were cross-fostered last year. The season typically starts around April 15 and goes into May.
3. The Range Riders program funded in part by ECO's $35,000 donation in 2020 and by the AZ Livestock Loss Board $18,000 donation was a huge success. 2 Ridders spent 240 days in the field. There are likely a number of factors at play, but the facts are that depredations in Arizona went down 39% from 31 in 2019 to 19 in 2020. AGFD is extremely appreciative for ECO's help. The 2021 Range Ridding season will start in April.
4. The Arizona Livestock Loss Board held meetings with ranchers and cattle growers. Funds will continue to be available for depredation compensation and avoidance measures. The funding comes from the Federal demonstration program and is divided between States and Tribes. AGFD applied for $180,000 for avoidance measures and the Livestock Loss Board still has $140,000 on hand for depredation compensations from last year funding but no fund has been disbursed since August 2020. This is due to USFWS changing the process to review and approve all claims after APHIS investigates them, due to reported abuses in New Mexico. The AZ Livestock Loss Board cannot pay claims in AZ until USFWS releases the APHIS investigation reports.
5. While the US are well on their way to recovery, progress is slow in Mexico. It is critical that Mexico succeed on their portion of recovery (90% of the Mexican Wolf habitat is in Mexico) because delisting cannot happen in the US until recovery is complete across the entire habitat, including in Mexico. The USFWS are not supportive of funding recovery in Mexico, and Mexico is not funding it enough. As a consequence, Mexico is lagging behind. The USFWS and NGOs believe that Mexico will fail its share of recovery, so they are pushing for the US to extend the program in the US to achieve species recovery alone. Conversely AGFD does not believe that delisting can happen based on recovery in the US alone, even is the

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program is expended north toward Colorado. AGFD has donated $1 million so far to help recovery in Mexico.

6. The supplemental NEPA analysis on the 10(j) Revision is moving along following the court decision to remand the rule for additional work on improving genetics and limiting "takes." Cross fostering addresses the improvement of genetics in the wild population, and USFWS is looking into reducing the number of takes and reducing the number of wolves removed from the population despite depredations. The USFWS will not meet the court March 31, 2021 deadline. They asked for an extension. NGO plaintiffs responded with unreasonable asks. USFWS is waiting on a court decision.
7. The Recovery Plan litigation is still on-going, but the courts apparently are putting it on hold until the 10(j) Revision litigation is concluded.
8. Cooperation between AGFD and ECO has been instrumental to the success of the Range Ridder program; replacing the releases of naïve adult wolves prone to depredations with pups' cross-fostering; containing the 10(j) Revision litigation to very limited changes; funding of the AZ Livestock Loss Board, etc. Jim Devos expressed his appreciation and the Department's appreciation to the ECO Board and praised the work performed by ECO Executive Director Berlioux.

Supervisor David asked Jim Devos to discuss the social acceptance and its effect on illegal kills. Jim Devos stated that there were 26 illegal kills in 2020. This is 17.2% of the population. This has two effects. It, of course, slows the progress toward recovery because it slows the population growth. It can also have a tremendously negative effect on the genetic diversity objective, as illegal killing can remove extremely valuable wolves from a genetic diversity perspective. To support social acceptance Arizona is compensating at twice the rate New Mexico is, but New Mexico is still typically running out of funding in the middle of the year. AGFD has been very aggressive in applying for depredation compensation grants.

Vice Chairman Lunt thanked Jim Devos for his presentation.

5. Approval of the February 17, 2021 meeting minutes – Richard Lunt (D/A)

The minutes of the February 17, 2021 meeting were distributed electronically prior to the meeting. Motion to approve the February 17, 2021 meeting minutes by Supervisor David. Seconded by Supervisor Judd. Unanimous vote approving the motion.

6. Financial report – Pascal Berlioux (D/A)

The ECO Fund 280468 Balance Sheet; the ECO Fund 280468 Income Statement; and the ECO Budget & Cash Flow Tracking Sheet as of March 16, 2021 were distributed electronically prior to the meeting. Executive Director Berlioux presented the financial report. Motion to approve the Financial Report by Supervisor Christensen. Seconded by Supervisor David. Unanimous vote in favor.

~~7. Discussion of a potential ECO social media – Jason Whiting / Richard Lunt (D/A)~~ Postponed to April meeting when both Chairman Jason Whiting and Vice-Chairman Richard Lunt are in attendance.

Considering Chairman Whiting's absence, the Board discussed informally the general pros & cons of ECO potentially engaging in social media and postponed the item to a meeting when both Chairman Whiting and Vice Chairman Lunt will be in attendance.

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8. **Supervisors' reports (D/A)**

- **Supervisor Christensen**
  Supervisor Christensen has been in office for two months. He is happy to be on the ECO Board, and is getting up to speed.

- **Supervisor David**
  Supervisor David reported that with COVID restriction neither BLM nor USFS are staffed and essentially everything is on hold. However, Graham County is commenting on the BLM grazing rules although it is not clear if the BLM will move forward on this due to the change in administration.
  Supervisor David reported that there is a 2,800-acre land transfer in the work in Klondike. This would unlock access to 30,000 BLM acres. The County PILT would be increased to compensate for the loss of tax revenues.
  The AZ-NM Coalition of Counties is concerned about the push to increase public lands to 30% of the nation. This could create pressure for even more public lands in the West and in the ECO counties that already host a lot of public land.
  There is bad news for the Resolution Copper project. The White House Advisory Council on Historic Preservation (ACHP) refused to sign the Programmatic Agreement, and Congressman Grijalva is attempting to run a legislation to reverse the land transfer.
  The continued rotation of USFS personnel at the District level continues to be frustrating as there is little continuity in the work and many gaps in the knowledge and understanding of issues.

- **Supervisor Davis**
  District Director Malena Bazurto had no report for Supervisor Davis.

- **Supervisor Judd**
  Supervisor Judd confirmed that the Wilcox Water Project has a basic website that acts as repository for documents but does not provide any information about the stakeholders.
  The San Juan recharge project will probably be expanded. A coalition of AZ water stakeholders is interested in raising funding for it. The NRCD for example is looking into direct funding. It is possible too that federal funding may become available.
  The Cochise County Board of Supervisor renewed its commitment to support mining and agriculture.
  Cochise County has a new County Administrator. Richard Karwaczka was already a County employee and was promoted by the Board. Supervisor Judd will invite him to join the ECO Board and asked that Executive Director Berlioux add him to the distribution list.

- **Supervisor Lunt**
  Vice Chairman Lunt reported that he has been engaged in the various committees established by the Governor to address the water situation in Arizona. As cities continue to need more and more water, such water can only come from the rural areas, and the cities financial means as well as political clout will likely weigh heavily against the rural water-rights holders. Vice Chairman Lunt encouraged the ECO Supervisors to engage in the issue and participate to the water committees meetings.

- **Supervisor Whiting**
  County Manager Kephart had no report for Chairman Whiting.

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9. **Additional instructions to the Executive Director – Jason Whiting (D/A)**
   No additional instructions to the Executive Director.

10. **Future meetings schedule:**
    - **Wednesday April 14, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – Zoom**
    - **Wednesday May 19, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – Zoom**
    - **June 2021 – TBD Wednesday June 16, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **July 2021 – TBD Wednesday July 21, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **August 2021 – TBD Wednesday August 18, 2021 – Board of Directors meeting – 2:00 to 4:00 pm**
    - **Wednesday September 15, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday October 20, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday November 17, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday December 8, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

    Note: all face-to-face meetings will be replaced by telephone and/or Zoom meetings during the COVID 19 pandemic, until the Board decides to resume face to face meetings.

11. **Call to the public**
    No public participation.

12. **Adjourn**
    The meeting was adjourned at 3:49 pm.

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AZ AHP

Arizona will get approximately $12.3 billion from the latest federal COVID-19 aid package, according to legislative economists. That's more than the current state budget, and almost three times the amount Arizona received from the CARES Act – the last COVID-19 aid bill.

It will take time for official totals to arrive, but early estimates show that the bill will provide funding for specific priorities:

- General Assistance

  The state will receive $4.8 billion in "recovery funds" intended to boost the response to COVID-19 or its impacts. That includes economic impacts, essential worker salaries, lost revenues, and critical infrastructure. It cannot be used to cut taxes or pay pensions.

- Local and Tribal Governments

  Arizona cities and counties will receive an estimated $2.6 billion in aid funding, distributed according to population size.

  The federal legislation also designates a total of $2 billion nationwide for the Local Assistance and Tribal Consistency Fund. Counties may receive funding if they experienced revenue losses because of changes to federal programs and may be used for any governmental purpose except lobbying.

- Education

  The legislation directs an estimated $3.2 billion toward K-12 and higher education in Arizona, including funding for broadband infrastructure.

- Health

  The federal legislation provides $1.7 billion for services through AHCCCS, the Department of Health Services (DHS), and the Department of Economic Security (DES).

  That includes funding for AHCCCS programs:

  - Grants for teaching centers that operate Graduate Medical Education ($7 million)
  - Community mental health services block grants ($30 million)
  - Substance abuse prevention treatment block grants ($30 million)
  - Local substance use disorder services ($600,000) and local behavioral health needs ($1 million)

  The bill provides a 100% match for Medicaid and KidsCare COVID-19 vaccines, authorizes states to provide coverage to uninsured for COVID-19 vaccines and treatment without cost-sharing, and a 100% federal match through the public health emergency.

March 11, 2021

It allows states to extend Medicaid eligibility to women for 12 months postpartum (for five years), raises the federal match to 85% for mobile crisis intervention services, provides a 100% match for services to beneficiaries under Urban Indian Organizations, and provides a temporary 10% federal match for states to make improvements to Medicaid Home and Community Based Services for one year.

It eliminates the cap on drug rebates, which will increase Arizona's Prescription Drug Rebate Funds by approximately $13 million.

The funding also includes these resources for Arizona:

- $150 million for vaccine grants
- $960 million for COVID-19 testing, contact tracing, and mitigation
- $153 million for state and local public health departments to recruit and train public health workers
- $152 million for community health centers.
- $2 million for mental and behavioral health training for health care workers and public safety officers
- $800,000 to promote mental and behavioral health to health professionals
- $5 million for nursing facilities strike teams
- $170 million to rural health care providers for health care-related expenses and lost revenues resulting from the pandemic
- $10 million for emergency rural development grants to cover rural health care, including vaccine distribution and lost revenues

The bill provides subsidies for workers that are eligible for continuation coverage under COBRA because they were fired or had their hours reduced at work and provides refundable payroll tax credits for employers and health plans to get reimbursed for the full cost of COBRA premiums.

- Human Services

The bill allocates $979 million to Arizona agencies that provide food and economic assistance, including the Supplemental Nutritional Assistance Program (SNAP), the Women Infants and Children (WIC) food program, and services to older Americans. It allocates funding to child care programs and family abuse prevention programs and to the Low-Income Home Energy Assistance Program.

- Housing

The bill has funding for emergency rental assistance ($374 million), homeowner assistance ($199 million), and housing counseling ($2 million). It directs $100 million to Arizona's Homeless Assistance and Supportive Services Program, $100 million for emergency housing choice vouchers for those facing homelessness or domestic violence, and $2 million in emergency assistance for rural households that have lost income.

It allocates $10 million for low-income Arizonans who need assistance with drinking water and wastewater expenses.

March 11, 2021

- Infrastructure

  The bill directs mass transit grants to specific areas and populations of Arizona – including $522 million for urbanized areas, $160 million for rural areas, and $1 million for seniors and individuals with disabilities.

  Arizona airports will get $160 million to spend until September 30, 2024.

  Arizona will receive approximately $187 million for critical capital projects that directly enable work, education, and health monitoring – including remote options. The U.S. Treasury Secretary will establish an application process to distribute the funding.

  $60 million will go toward competitive assistance to regions of the state that are experience adverse economic impacts and need money for technical planning, public works, and infrastructure assistance.

- Businesses

  The bill reauthorizes the State Small Business Credit Initiative Act of 2010 and directs $200 million to support Arizona small business financing. It allows most non-profits to qualify for the Paycheck Protection Program and puts another $7.25 billion into the PPP – legislative economists predict that Arizona's share could be $145 million.

  There's an estimated $300 million for targeted small business advance loans, and $500 million for assistants to Arizona restaurants.

- Taxes

  The bill provides tax breaks for specific businesses and populations – including a $1,400 payment for individuals that earn less than $75,000. There's a fully refundable child tax credit of $3,000 ($3,600 for children under six) and more access to the Earned Income Tax Credit. There are tax benefits for child and dependent care, paid sick and family leave, and employee retention. Individuals that earn up to 400% of the federal poverty level can quality fo the refundable Health Insurance Premium Tax Credit for two years.

  The bill exempts all restaurant revitalization grants and COVID-related student loan relief from taxes and provides a tax exemption for $10,200 in unemployment insurance benefits for households that earn up to $150,000.

- Unemployment Insurance

  The government provides another $300 a week in federal pandemic unemployment compensation and extends federal funding for unemployment benefits and unemployment assistance to a variety of impacted unemployment categories. It increases the employer reimbursement subsidies and continues reimbursement until September 6, 2021.

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Eastern Arizona Counties Organization

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MINUTES
ECO Board of Directors Meeting
Wednesday November 17, 2021, 01:00 to 3:00 PM
County Supervisors Association of Arizona
1905 W. Washington, Suite 100, Phoenix, Arizona
Conference call attendance at 1-877-820-7831 passcode 691102#

Present:

ECO Supervisors Members of the Board	Visiting County Supervisors	County Managers Members of the Board	Visiting County Staff	ECO Staff & Consultants
Richard Lunt (Greenlee)		~~Dustin Welker (Graham)~~	Rochelle Lacapa (Navajo)	Pascal Berlioux
Paul David (Graham)		~~Derek Rapier (Greenlee)~~		James Candland
Steve Christensen (Gila)		Glenn Kephart (Navajo)		
Jason Whiting (Navajo)		~~James Menlove (Gila)~~		
Nelson Davis (Apache)		~~Ryan Patterson (Apache)~~		
Peggy Judd (Cochise)		~~Rich Karwaczka (Cochise)~~		

1. **Welcome and introductions – Jason Whiting**
   Chairman Whiting brought the meeting to order at 1:02 PM. Introductions were made.

2. **Legislative report – James Candland**
   James Candland gave the legislative report. The calendar of the session will be driven by the fact that the Primary Election will be held in the first week of August and Legislators want to have enough time to campaign and do not want a long session. Work is starting on the budget. The budget will be interesting due to the fact that the State has a lot of cash in its coffers. Water and schools will be the top issues. The Legislature will also likely try to dictate to the Counties how to run the elections. The Speaker and President are not running again. House Member Michelle B. Ugenti-Rita has resigned from her committee to campaign. House Member Becky Nutt has resigned to move to Texas. Thye next Senate President will likely be Senator J.D. Mesnard. The next Speaker will likely be Representative Ben Toma or Travis Grantham. The redistricting will change some of the dynamics. It is possible that the Republican will pick up 2 to 4 seats. House Member Mark Finchem is running for Arizona Secretary of State.

3. **Approval of the September 15, 2021, meeting minutes – Jason Whiting (D/A)**
   The minutes of the September 15, 2021 meeting were distributed electronically prior to the meeting. Motion to approve the September 15, 2021, meeting minutes by Supervisor Davis. Motion seconded by Supervisor Christensen. Unanimous vote approving the motion.

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4. **Financial report – Pascal Berlioux (D/A)**
The ECO Fund 280468 Balance Sheet; the ECO Fund 280468 Income Statement; and the ECO Budget & Cash Flow Tracking Sheet as of November 12, 2021, were distributed electronically prior to the meeting. Executive Director Berlioux presented the financial report. Motion to approve the Financial Report by Supervisor Christensen. Seconded by Supervisor David. Unanimous vote in favor.

5. **Forest Service 4FRI RFP update 4FRI update / Chief of USFS decisions – Pascal Berlioux (D/A)**
Executive Director Berlioux reported on the Announcement made by the USFS Chief at a special event held in Flagstaff on November 9, 2021.

Subsequent to the cancellation of the 4FRI Phase 2 RFP, the USFS has adopted a redesigned strategy:

1. Immediately prioritize and expand highest-priority, partnership projects to significantly reduce the risk of catastrophic wildfire to communities on approximately 135.000 acres. These projects are critical to partners through expanded Good Neighbor Authority (GNA) and Master Stewardship Agreements (MSA) (Bill Williams Mountain, Flagstaff Watershed Protection, CC Cragin, Sierra Anchas).

2. Immediately implement 5-vear plans which provide 295,000 acres over 20 years to maintain existing industry. This plan sets aside on average 270,000 acres over 20 years for eastside industry on the Apache Sitgreaves National Forest (12,000-1 5,000 acres/year), 16,500 for existing industry on the Tonto National Forest (approximately 800-1,000 acres/year) with some product removal, and 18,500 acres on the Coconino and Kaibab NFs for westside industry for FY 2022 only.

3. Treat approximately 86,000 acres using prescribed fire and non-commercial thinning (over 20 years) from Tonto and Kaibab NFs. These acres were originally included in the Phase 2 RFP but later determined not viable due to limited timber availability.

4. Conduct a rapid assessment and optimization effort using best available science including priority fire sheds on the Coconino and Kaibab NFs. Approximately 300,000-350.000 acres (over 20 years) will be assessed to prioritize which acres to treat to reduce the risk of wildfire the quickest beginning with FY2023 treatments.

5. Focus on resolving enabling conditions for industry success (incentives, cost and risk reduction, market conditions, availability of raw material, transportation plans, fire liability risks).

In terms of funding, in FY 2022, the Agency is committing $54 million to accelerate the needs for implementing high priority projects, annual road maintenance, and address the backlog on deferred maintenance on roads and bridges. These funds support approximately 35,000 acres in mechanical thinning in FY 2022.

Overall summaries of costs needed to implement 4FRI program of work over the next 5 years (2022-2026) are:

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4FRI 5-yr timber and fuels program costs by forest including high priority partner projects

Forest annual needs for 4FRI projects (includes high priority projects)	FY22	FY23	FY24	FY25	FY26	Totals
Apache-Sitgreaves NFs						
* Discretionary costs- timber and hazardous fuels	$5,189,095	$5,676,408	$5,618,774	$5,883,892	$5,793,237	$28,161,406
** S&E -salary needs	$9,300,000	$9,765,000	$10,253,250	$10,765,912	$11,304,208	$51,388,370 [a]
Coconino NF						
* Discretionary costs- timber and hazardous fuels	$12,618,244	$12,618,244	$14,403,279	$16,516,833	$12,482,492	$68,639,092 [d]
** S&E -salary needs	$9,922,921	$10,915,213	$11,460,974	$12,034,022	$12,635,724	$56,968,854
Kaibab NF						
* Discretionary costs- timber and hazardous fuels	$10,058,000	$7,656,700	$8,805,205	$10,125,986	$11,644,884	$48,290,775
** S&E -salary needs	$5,078,957	$5,455,141	$5,632,468	$5,810,956	$5,990,620	$27,968,142
Tonto NF						
* Discretionary costs- timber and hazardous fuels	$4,541,155	$15,265,399 [b]	$7,042,635	$13,818,446	$11,473,434	$52,141,069
** S&E -salary needs	$4,487,916	$4,712,312	$4,947,927	$5,195,324	$5,455,090	$24,798,569 [c]
Totals	$61,196,288	$72,064,417	$68,164,512	$80,151,371	$76,779,689	$358,356,277

* Discretionary costs include timber and hazardous fuels (contracts, GNA, fleet, materials/supplies, surveys/prep/timber admin- outside of force account) – road maintenance costs are covered in table 6 so not included here

** Salary costs include full salary needs including seasonal employees (any and all forest staff time spent on 4FRI in total)

a. NFSE funding represents only salaries that support 4FRI activities. Adjustment of 5% per annum applied to NFSE for ASNFs to account for inflation @ 2.5% and salary COLA @ 2.5%.
b. FY23 for the Tonto includes the high cost of Pine Canyon treatments
c. salary needs include 5% annual adjustment
d. FY24-26 are estimates and could be higher due to cost increases

Summary of annual road and bridges maintenance costs and total backlog costs across 4FRI landscape.

Roads and Bridges	Total Costs
Annual maintenance -roads	$6-10M/year ($200M over 20 years)
Annual maintenance –bridges	$3.25M/year ($65M over 20years)
Road backlog	$41,000,000
Bridge backlog	$24,000,000

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6. **Mexican Gray Wolf revised recovery plan ruling – Pascal Berlioux (D/A)**
   Executive Director Berlioux reported that the AZ District Court Judge remanded the Recovery Plan back to USFWS on October 15, 2021. This is a narrow remand to develop site specific management actions related to human-caused mortality. The recovery criteria were not remanded, which means that USFWS can continue moving forward with the SEIS of the revision of the 10(j) unimpeded by the remanding of the Recovery Plan. An amended Recovery Plan draft is due in 6 months, with a final 6 months later.

7. **Potential need/options for ECO administrative staffing – Jason Whiting (D/A)**
   Chairman Whiting reported that NAU Ecological Restoration Institute is going to stop providing administrative staffing to 4FRI. Specifically, minutes taking during the meetings. This could be an opportunity for Eco to increase its role by providing such services at ECO already does for the NRWG.
   Additionally, this could also be an opportunity for ECO to have a note taker for the ECO meetings, which would relieve the Executive Director from having to do it.
   Executive Director Berlioux suggested that the workload would not be full time for a note taker to attend remotely ECO, 4FRI and NRWG meetings. One option could be a shared position with Navajo County that already provides Fiscal Agent services to ECO and host Eco's payroll.
   Chairman Whiting will consult with Navajo County and report at the next ECO meeting.

8. **2022 NACo Legislative Conference February 12 - 16, 2022 in Washington DC – Jason Whiting (D/A)**
   The Board discussed the 2022 NACo Legislative Conference. At this stage, Supervisors Richard Lunt (Greenlee), Jason Whiting (Navajo), Nelson Davis (Apache), and Peggy Judd (Cochise) are planning to attend. Meetings will be scheduled with the Congressional delegation and Administration officials in January. ECO talking points will be developed for joint ECO meetings by the Executive Director.

9. **Supervisors' reports (D/A)**

   - **Supervisor Christensen – Gila County**
     No update.

   - **Supervisor David – Graham County**
     Supervisor David reported on his work with the AZ-NM Coalition of Counties. Environmental NGOs are pushing for the Gila River to be designated as a Wild & Scenic River. This, in addition to numerous Wilderness Areas designation is having a negative effect on property rights of Arizona farmers and ranchers.

   - **Supervisor Davis – Apache County**
     No update.

   - **Supervisor Judd – Cochise County**
     Supervisor Judd reported that the Cochise County farmers are very happy that the County set up a Water District Subcommittee and are asking for the creation of a Public Water District.

   - **Supervisor Lunt – Greenlee County**
     Supervisor Lunt reported that Supervisor Campbell is involved with Executive Director Berlioux in the Mexican Wolf 10(j) and Recovery Plan processes. They are attempting together to mitigate the economic impact of the program on rural Arizona.

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- **Supervisor Whiting – Navajo County**
  No update.

10. **Additional instructions to the Executive Director – Jason Whiting (D/A)**
    No additional instructions to the Executive Director.

11. **Future meetings schedule:**
    - **Wednesday December 8, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

    Note: all face-to-face meetings are replaced by Zoom meetings during the COVID 19 pandemic, until the Board decides to resume face to face meetings.

12. **Call to the public.**
    No public participation.

13. **Adjourn**
    Chairman Whiting adjourned the meeting at 3:01 PM.

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Eastern Arizona Counties Organization

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MINUTES
ECO Board of Directors Zoom Meeting
Wednesday September 15, 2021, 02:00 to 04:00 PM

Present:

ECO Supervisors Members of the Board	Visiting County Supervisors	County Managers Members of the Board	Visiting County Staff	ECO Staff & Consultants
~~Richard Lunt (Greenlee)~~		Dustin Welker (Graham)	Rochelle Lacapa (Navajo)	Pascal Berlioux
Paul David (Graham)		Derek Rapier (Greenlee)		James Candland
Steve Christensen (Gila)		Glenn Kephart (Navajo)		
Jason Whiting (Navajo)		James Menlove (Gila)		
~~Nelson Davis (Apache)~~		Ryan Patterson (Apache)		
Peggy Judd (Cochise)		~~Rich Karwaczka (Cochise)~~		

1. **Welcome and introductions – Jason Whiting**
   Chairman Whiting brought the meeting to order at 2:03 PM. Introductions were made.

2. **Legislative report – James Candland**
   James Candland gave the legislative report. AZ filed a lawsuit against the Biden administration mandate for COVID vaccine. Likely to go to US Supreme Court. Legislature may act also on COVID. Priorities for next legislative session will be water. Rep Griffin will be spearheading some of these legislations. 17 vacated seats after next year. Folks running for higher office and a few resigning to take private positions. Regina Cobb will be leading a dental association. Some rumblings that Mr. Blackman may step down to seek a US Congress seat. House Speaker and Senate President looking into the redistricting taking place. They think it may yield 2 more seats for the Republicans. Water discussion happening next week at the legislature. Mark Finchem running for Sec of State and trying to keep the election recount issue alive as long as possible. 15 new legislators this year. 17 next year will be quite a turn around. 1/3 of state legislators will be new. Hard in COVID time to get to know them.

3. **Approval of the May 19, 2021, meeting minutes – Jason Whiting (D/A)**
   The minutes of the May 19, 2021, meeting were distributed electronically prior to the meeting. Motion to approve the May 19, 2021, meeting minutes by Supervisor David. Motion seconded by Supervisor Judd. Unanimous vote approving the motion.

4. **Financial report – Pascal Berlioux (D/A)**
   The ECO Fund 280468 Balance Sheet; the ECO Fund 280468 Income Statement; and the ECO Budget & Cash Flow Tracking Sheet as of September 13, 2021, were distributed electronically prior to the meeting. Executive Director Berlioux presented the financial report. Motion to approve the Financial Report by Supervisor Christensen. Seconded by Supervisor Judd. Unanimous vote in favor.

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5. **Forest Service 4FRI RFP update – Pascal Berlioux (D/A) --- Implications on Forest Industries – Jason Whiting (D/A)**
   Executive Director Berlioux reported on the cancellation of the RFP. It is hard not to see it as a failure. Most people do. At this stage USFS has no idea what comes next. Senators Kelly and Sinema, and Congressman O'Halleran will likely engage USFS to take action and either re-issue a new RFP or implement an alternative strategy. The NGOs will push congress toward landscape scale pyro-silviculture. This is likely not the end of 4FRI, USFS cannot allow that, but the 4FRI collaboration can implode if USFS refuse to consider extended use of prescribed fires, while not ramping up mechanical treatments. USFS should explain to the public what went wrong: the RFP was generally good, so if no award was possible, what went wrong on the offerors' side?

6. **Mexican Wolf DEIS and Proposed 10j Rule update – Pascal Berlioux (D/A)**
   Executive Director Berlioux reported on the Mexican Wolf DEIS and Proposed 10j Rule and on the announcement (September 15, 2021) by the U.S. Fish and Wildlife Service that they have completed the initial review of two petitions filed to list gray wolves in the western U.S. as threatened or endangered under the Endangered Species Act (ESA); that they found that the petitions present substantial, credible information indicating that a listing action may be warranted; and that they will initiate a comprehensive status review of the gray wolf in the western U.S. A filing would result in a lower ability of ECO and Local Governments to influence the management of the Mexican Wolf experimental population.

7. **Next ECO Legislative Fieldtrip – Jason Whiting (D/A)**
   Supervisor Judd believes that it will be tough to have a Fall or Winter ECO fieldtrip. No time to do it before Thanksgiving, and COVID is a curtailing issue. The Board discussed that a field Trip in May 2022 about forest issues is likely best. 2022 will be an election year, the legislative session will likely end in April, it might be strategic to explore the possibility of a forest conversation in May. Supervisor Judd discussed the possibility of an event / gift basket for new members at the beginning of the session. Supervisors Christensen and David like the idea. The Board agreed to keep the possibility open and see how things evolve with COVID etc.

8. **NACo Western Interstate Region (WIR) update and conference October 13-15, 2021, in Salt Lake County, Utah – Richard Lunt (D/A)**
   Supervisor Lunt was not on the Zoom meeting. County Manager Derek Rapier did not have an update to share.

9. **2022 NACo Legislative Conference February 12 - 16, 2022 in Washington DC – Jason Whiting (D/A)**
   Chairman Whiting noted that there is no sign-up so far. The dates are still penciled in. The Board will monitor as the situation evolves.

10. **Supervisors' reports (D/A)**

- **Supervisor Christensen – Gila County**
  Big fires in Gila County, then a lot of flooding and mud slides. The county is receiving some of the State funds from the new legislation.

- **Supervisor David – Graham County**
  The BLM are rolling out their TMR. The Forest Service Burned Area Emergency Response (BAER) program in the Pacific Northwest seems to be much more comprehensive than what is done in AZ. Hopefully USFS will realize that the backend costs can be mitigated by front end prevention.

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- **Supervisor Davis – Apache County**
  Supervisor Davis was not on the Zoom meeting. County Manager Ryan Patterson did not have an update to share.

- **Supervisor Judd – Cochise County**
  Lot of water work going on. The county is working against a setting up a new AMA. Trying to help folks whose wells are going dry. County supports the creation of a Public Water District South of Dry Lake. District residents are starting a steering committee. Big opportunity for the area.

- **Supervisor Lunt – Greenlee County**
  Supervisor Lunt was not on the Zoom meeting. County Manager Derek Rapier shared that the county is still working on run off issues on burn scars from this summer. Roads are battered.

- **Supervisor Whiting – Navajo County**
  Supervisor Whiting commented jokingly that the Feds are "growing the money tree and that all financial problems are over." Navajo county is trying to make sure the spending will actually benefit the communities.

11. **Additional instructions to the Executive Director – Jason Whiting (D/A)**
    No additional instructions to the Executive Director.

12. **Future meetings schedule:**
    - **Potential meeting during CSA Legislative Summit Sept 29 to Oct 1 (?)**
      The Board decided to have an ECO meeting or gathering during the CSA Legislative Summit if possible. Chairman Whiting will brainstorm with James and Pascal and see if there are openings in the schedule.

    - **Wednesday October 20, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
      The Board decided that this will depend on whether there is an ECO meeting or gathering during the CSA Legislative Summit.

    - **Wednesday November 17, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**
    - **Wednesday December 8, 2021 – Board of Directors meeting – 2:00 to 4:00 pm – CSAA Phoenix**

    Note: all face-to-face meetings are replaced by Zoom meetings during the COVID 19 pandemic, until the Board decides to resume face to face meetings.

13. **Call to the public.**
    No public participation.

14. **Adjourn**
    Chairman Whiting adjourned the meeting at 3:21 PM.

Eastern Arizona Counties Organization 550 N. 9th Place Show Low, AZ 85901 (928) 537-3733

From: JJ Tenney
Subject: My thoughts on the Primary election on Republican side
Date: Tuesday, July 19, 2022 12:43:14 PM

CAUTION: EXTERNAL EMAIL*

I have looked at the candidates we will be voting for in the primary election on August 2nd. Here are my thoughts on some of he major ones.

When you see a candidate being personally attacked instead of discussing their political philosophy & ideas, it makes me believe the one being attacked personally is much closer to what the majority of the people would want. So the only way for the opposition to go after them is to attack them personally.

The governors race is between these 2 Women:

1. My choice is Kari Lake as the outsider who is willing to really fight for our individual rights, border security & will actively fight to over turn the progressive actions that have caused high inflation that is moving us into a recession. She is the one being personally attacked!
2. Karren Taylor Robsin who is part of the old guard Republican candidate. These individuals are not aggressive in your face fighters but historically tell you what they are going to do but once elected are more go along get along part of the club when it come to fighting for our rights & security.

Senate race is between these 2 men:

1. I have been supporting Jim Lamon because he has the support of Border patrol, law enforcement & sheriffs. I believe he is a real fighter as well.
2. Blake Masters has been getting more & more of my attention & I am getting much more comfortable with him. He is the one being personally attacked! An extensive of opposition research by far-left media outlet Mother Jones combs through the venture capitalist turned politician's past, interviewing over a dozen individuals who have known Masters and are willing to dish unflattering gossip on the candidate, including the best man at his wedding who disagreed with his now former-friend on COVID vaccine mandates.

I would say either of these candidates would be good but it appears that Kelly is much more worried about Blake Masters but that could be because he is in the lead in the poles.

Secretary of state:

- Mark Finchem is my pick because he has been out in front

in the fight to audit the Arizona election. He has bee a real fighter in this battle to get to the truth! He has a solid plan to make AZ ballots much more tamper proof & impossible to duplicate.

Attorney General: Abraham (Abe) Hamadeh

Superintendent of public instruction:

- Tom Horn was there before & has been in some elected position for many years. He part of the old guard republican party. We need a new real fighter with new ideas.

- shirysapir.com Shiry Sapir's longshot campaign is focused on combating what she calls indoctrination: critical race theory, anti-police books and comprehensive sexuality education, according to her campaign website. I think she would be the best one to run this department.

- michelleudall.com Michelle Udall cites school closures during the pandemic and critical race theory as reasons for entering the race. The state representative has been a strong advocate for school choice at the Arizona Legislature, but has been cautious against voting for universal access to school vouchers – an issue Arizona voters rejected via referendum in 2018. She is my second pick.

State Treasurer: Kimberly Yee has done a reasonably good job to date.

District 6 congressional house seat: Young Mayberry

Jim
J L (Jim) Tenney
Tenney's 4U Land & Real Estate LLC
[redacted]

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This week, Governor Ducey defended his administration's approach to COVID-19 and announced $25 million for hospitals to hire and reward medical teams who are at the frontlines of Arizona's fight against the pandemic. He urged Arizonans to wear masks to help prevent the increasing spread of the virus but said he disagrees with some mayors and education officials who want a statewide mask mandate. The Governor said it's unnecessary; local decisions help with local buy-in to those mandates, he said, and approximately 90% of Arizona is under a mask mandate already.

The state is increasing its actions on COVID-19 in several areas:

- The Department of Health Services is working with Arizona's major airports to set up COVID-19 testing sites with rapid results, so travelers flying into the state can get tested. Testing will not be required, and travelers will not have to self-isolate when they enter Arizona.

- The state is preparing for the big task of distributing a COVID-19 vaccine when it is available. Governor Ducey issued a new Enhanced Surveillance Advisory that will help track the number of vaccines administered to Arizonans by medical professionals around the state.

- Though Arizona schools are already required to implement a mask policy for staff and students, this week the Department of Health Services issued an emergency order that requires schools to mandate masks on campuses, school buses, and during school activities.

Legislators Divided on Election Process

Voting is over, but Arizona's election process is still in the news – and the debate is dividing state legislators. Though Arizona courts have dismissed several lawsuits that challenged election procedures, some Republican legislators believe the Governor should call a special session to give the legislature a role in the issue. They are publicly criticizing the leaders of their own party who do not wholeheartedly back their efforts, and Representative Mark Finchem (R-Oro Valley) continues to try to earn the support he needs to revive his bid to unseat House Speaker Rusty Bowers (R-Mesa).

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It's clear that the impact of this debate will not end when election officials certify the results of the General Election. As the legislature prepares for a session with many uncertainties and inconveniences, the division between and within political parties will overshadow and complicate every policy discussion at the Capitol.

House and Senate Announce Committee Lineups

The legislature has released details about the new policy committees that will consider legislative proposals next year. The House has established full details about the committee membership; the Senate announced committee leaders but is still assigning legislators to serve on the committees.

Both the House and Senate reduced the number of policy committees by reassigning the topics each committee will cover. The House did add one new policy committee topic, creating a committee dedicated entirely to criminal justice reform bills.

The House plans to hold committee hearings just three days a week, rather than four.

Visit the legislature's website for full details on Senate committees and House Republican and Democratic committee assignments.

In the Courts

This court information says some Arizonans were evicted in spite of federal rules. The Arizona Attorney General accused Prop. 208 signature collectors of violating state law. Arizona's getting some Apple money.

In the News

The Department of Health Safety provided guidance about how to celebrate Thanksgiving without spreading the COVID-19 virus. Another legislator has COVID-19. Indigenous legislators and county supervisors want a stronger partnership. The Tonto Creek bridge-building process started. The pandemic continues to spread in Arizona's prisons. The Colorado River basin faces uncertainties. This report says hate crimes have increased dramatically in Arizona. There's a deficit in the state's funding for the football stadium. Here's how the new marijuana laws could affect the workplace. COVID-19 could impact Arizona's A-F school grading system.

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From:	James Candland
To:	Jason Whiting; Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Primary Election
Date:	Wednesday, August 3, 2022 8:43:20 AM

CAUTION: EXTERNAL EMAIL*

Good Morning,

There's a long way to go until we know final results from Tuesday's Primary Election, and many races are still too close to call – including the Republican gubernatorial contest between Kari Lake and Karrin Taylor Robson. Taylor Robson led the race early last night, but Lake took the lead as more votes were tallied early this morning. The Democrat candidate for Governor, Katie Hobbs, handily won her race against Marco Lopez.

Representative Mark Finchem won the Republican nomination for Secretary of State. In the Democrat race for Secretary of State, former Maricopa County Recorder Adrian Fontes is currently ahead of House Minority Leader Reginald Bolding. Kimberly Yee defeated Representative Jeff Weninger in her pursuit of another term as State Treasurer; she will face Senator Martin Quezada, the Democrat nominee, in November. Tom Horne defeated two challengers – including Representative Michelle Udall – to run for his hold job as Superintendent of Public Instruction. He'll face current Superintendent Kathy Hoffman in November.

Republican races for Attorney General and Corporation Commission remain too close to call.

Even without final results, it is clear that the legislature will be more conservative next year. It was a bad night for legislative incumbents, especially in races that were a fight between factions of the Republican party. Trump-backed candidates have a big lead over the more moderate legislators they seek to defeat, including:

- House Speaker Rusty Bowers lags far behind former Senator David Farnsworth in the LD 10 Senate race.
- Senator Tyler Pace is losing his race against Robert Scantlebury by a 66-34 margin in the LD9 Senate race..
- Representative Joanne Osborne is behind Janae Shamp in a race for the Senate seat in LD29.
- Senator Wendy Rogers is way ahead of Senator Kelly Townsend in the Senate race for LD7. The competition has consistently been framed as as a fight over the tone of political debate in Arizona.

Other incumbents are currently behind challengers from within their own political party, including:

- Representative Judy Burges in the LD1 House race.
- Representative John Fillmore in the LD7 House race.
- Senator Vince Leach in the LD17 Senate race.
- Representative Morgan Abraham in the LD18 Senate race.
- Representative Lorenzo Sierra in the LD22 House race.
- Representative César Chávez in the LD24 Senate race.
- Representative Joel John in the LD25 House race.
- Representative Christian Solorio on the LD26 House race.

Representative Diego Espinoza is ahead of Representative Richard Andrade in the competition between two Democratic House members for a LD22 Senate seat. Representative Sarah Ligouri lags behind her colleagues Amish Shah and Jennifer Longdon in the LD 5 House race where three lawmakers are vying for two seats.

Election officials continue to process ballots – including early ballots that were dropped off at the polls yesterday. Visit the Secretary of State's site for updates on federal, state, and legislative races.

I will be sending out an in-depth report this Friday of election results, hoping tha they will all be in! In the meantime, I hope you are well, and am available to talk if you have any questions or concerns.

James

James Candland
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Subject:	Primary Election Candidates
Date:	Tuesday, April 5, 2022 3:12:42 PM
Attachments:	2022 Arizona Primary Election Candidates.pdf

CAUTION: EXTERNAL EMAIL*

Good Afternoon,

The deadline to submit signatures for candidates running for the legislature and statewide offices was yesterday. Attached is a report providing details on each district and office. Please let me know if you have any thoughts or questions. Thanks!

James

James Candland
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STATEWIDE RACES - '22 Primary Election

District	Demographics	Office	Candidates	Party	Primary Elec. Results	
					Votes	Pct. of Total
N/A	Statewide	Governor	**Republican Primary**			
			Lake, Kari	REP	**294,260**	**46.22%**
			Neely, Scott	REP	20,532	3.23%
			Taylor Robson, Karrin[&]	REP	282,936	44.45%
			Tulliani-Zen, Paola "Z"	REP	13,762	2.16%
			Democratic Primary			
			Hobbs, Katie[#]	DEM	**350,851**	**72.79%**
			Lopez, Marco	DEM	106,991	22.20%
N/A	Statewide	Secretary of State	**Republican Primary**			
			Bolick, Shawnna[#]	REP	113,797	19.16%
			Finchem, Mark[#]	REP	**243,405**	**40.99%**
			Lane, Beau	REP	145,598	24.52%
			Ugenti-Rita, Michelle[#]	REP	91,003	15.33%
			Democratic Primary			
			Bolding, Reginald[#]	DEM	220,203	47.18%
			Fontes, Adrian^	DEM	**246,525**	**52.82%**
N/A	Statewide	Attorney General	**Republican Primary**			
			Cooper, Lacy	REP	53,540	8.83%
			Glassman, Rodney	REP	144,277	23.80%
			Gould, Andrew^	REP	103,238	17.03%
			Grove, Dawn	REP	76,903	12.68%
			Hamadeh, Abraham "Abe"	REP	**194,682**	**32.11%**
			Shedd, Tiffany	REP	33,666	5.55%
			Democratic Primary			
			Mayes, Kris^	DEM	**451,164**	**100.00%**
N/A	Statewide	Treasurer	**Republican Primary**			
			Lettieri, Robert	REP	96,731	16.77%
			Weninger, Jeff[#]	REP	156,321	27.10%
			Yee, Kimberly*	REP	**323,800**	**56.13%**
			Democratic Primary			
			Quezada, Martin[#]	DEM	**449,124**	**100.00%**
N/A	Statewide	Superintendent of Public Instruction	**Republican Primary**			
			Horne, Tom^	REP	**251,660**	**42.83%**
			Sapir, Shiry	REP	186,476	31.74%
			Udall, Michelle[#]	REP	149,439	25.43%
			Democratic Primary			
			Hoffman, Kathy*	DEM	**457,266**	**100.00%**
N/A	Statewide	Corporation Commissioner	**Republican Primary**			
			Myers, Nicholas "Nick"	REP	**276,118**	**32.76%**
			Owens, Kim	REP	246,715	29.27%
			Thompson, Kevin[#]	REP	**320,006**	**37.97%**
			Democratic Primary			
			Kennedy, Sandra*	DEM	**397,254**	**54.24%**
			Kuby, Lauren[#]	DEM	**335,115**	**45.76%**
N/A	Statewide	State Mine Inspector	**Republican Primary**			
			Marsh, Paul*	REP	**515,381**	**100.00%**

* Inc., ^ Fmr. Elec. Off. # Oth. Elec. Off., AZ Exec.

Upd: 8/3; 1:40 P.M.

FEDERAL RACES - '22 Primary Election

District	Demographics	Office	Competitiveness	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
N/A	Statewide	U.S. Senate	N/A	**Republican Primary**			
				Brnovich, Mark#	REP	113,854	18.30%
				Lamon, Jim	REP	179,237	28.81%
				Masters, Blake	REP	**242,881**	**39.04%**
				McGuire, Michael "Mick"&	REP	54,279	8.73%
				Olson, Justin #	REP	31,849	5.12%
				Libertarian Primary			
				Victor, Marc	LBT	**2,458**	**100.00%**
				Democratic Primary			
				Kelly, Mark*	DEM	**476,763**	**100.00%**
District 1	Maricopa	U.S. House	Vote Spread 2.60%; Favors Republicans; Highly competitive	**Republican Primary**			
				Barnett, Josh	REP	22,400	23.22%
				Norton, Elijah	REP	32,254	33.44%
				Schweikert, David^	REP	**41,798**	**43.34%**
				Democratic Primary			
				Hodge, Jevin	DEM	**38,784**	**61.39%**
				Metzendorf, Adam	DEM	24,389	38.61%
District 2	Yavapai, Coconino, Navajo, Apache, Gila, Graham, Pinal, Maricopa, Mohave	U.S. House	Vote Spread 7.20%; Favors Republicans; Non-competitive	**Republican Primary**			
				Blackman, Walter "Walt" #	REP	19,127	24.18%
				Crane, Eli	REP	**26,824**	**33.90%**
				Deluzio, Mark	REP	14,186	17.93%
				Krystofiak, Steven	REP	4,465	5.64%
				Moore, John#	REP	5,743	7.26%
				Watkins, Ron	REP	2,999	3.79%
				Yates, Andy	REP	5,772	7.30%
				Democratic Primary			
				O'Halleran, Tom*	DEM	**55,390**	**100.00%**
District 3	Maricopa	U.S. House	Vote Spread 52.92%; Favors Democrats; Non-competitive	**Republican Primary**			
				Zink, Jeff	REP	**11,415**	**100.00%**
				Democratic Primary			
				Gallego, Ruben*	DEM	**39,345**	**100.00%**
District 4	Maricopa	U.S. House	Vote Spread 7.02%; Favors Democrats; Competitive	**Republican Primary**			
				Cooper, Kelly	REP	**16,509**	**29.52%**
				Davison, Jerone	REP	6,908	12.35%
				Giles, Dave	REP	10,797	19.31%
				Lopez, Rene#	REP	7,942	14.20%
				Wheeless, Tanya Contreras	REP	13,760	24.61%
				Democratic Primary			
				Stanton, Greg*	DEM	**51,163**	**100.00%**
District 5	Maricopa, Pinal	U.S. House	Vote Spread 18.05%; Favors Republicans; Non-competitive	**Republican Primary**			
				Biggs, Andy*	REP	**72,486**	**100.00%**
				Democratic Primary			
				Ramos, Javier	DEM	**41,137**	**100.00%**
District 6	Cochise, Pima, Pinal, Greenlee, Graham	U.S. House	Vote Spread 2.37%; Favors Republicans; Highly competitive	**Republican Primary**			
				Ciscomani, Juan	REP	**34,560**	**46.53%**
				Free, Lucretia	REP	3,399	4.58%
				Martin, Brandon	REP	15,814	21.29%
				Mayberry, Young	REP	6,733	9.06%
				Winn, Kathleen	REP	13,776	18.55%
				Democratic Primary			
				Anderson, Avery	DEM	4,148	6.08%
				Engel, Kirsten^	DEM	**40,632**	**59.53%**
				Hernandez, Daniel#	DEM	23,471	34.39%

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FEDERAL RACES - '22 Primary Election

District	Demographics	Office	Competitiveness	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 7	Pima, Santa Cruz, Pinal, Maricopa, Yuma	U.S. House	Vote Spread 35.42%; Favors Democrats; Non-competitive	**Republican Primary**			
				Becker, Nina "La Nina"	REP	6,916	32.42%
				Pozzolo, Luis	REP	**14,416**	**67.58%**
				Democratic Primary			
				Grijalva, Raul*	DEM	**47,126**	**100.00%**
District 8	Mohave, Maricopa	U.S. House	Vote Spread 15.26%; Favors Republicans; Non-competitive	**Republican Primary**			
				Lesko, Debbie*	REP	**80,546**	**100.00%**
District 9	Maricopa, La Paz	U.S. House	Vote Spread 26.00%; Favors Republicans; Non-competitive	**Republican Primary**			
				Dowling, Sandra E ^	REP	7,605	9.35%
				Gosar, Paul*	REP	**53,043**	**65.18%**
				Kutz, Randy	REP	10,558	12.97%
				Morgan, Adam	REP	10,171	12.50%

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STATE LEGISLATIVE RACES - '22 Primary Election

New District	Geography	Competitiveness	Chamber	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 1	Prescott, Prescott Valley, Black Canyon City, Camp Verde, Cottonwood	Vote Spread: 27.8%; Favors: Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Bennett, Ken^	REP	21,510	50.12%
				Zipperman, Steve	REP	21,406	49 88%
				Democratic Primary			
				Fogel, Mike	DEM	17,192	100.00%
			House (two seats)	**Republican Primary**			
				Bliss, Selina	REP	18,408	26.97%
				Burges, Judy*	REP	15,589	22 84%
				Cadigan, Ryan	REP	6,640	9 73%
				Nguyen, Quang*	REP	27,629	40.47%
				Democratic Primary			
				Ransom, Cathy	DEM	15,703	54.20%
				Sinclair, Neil	DEM	13,267	45.80%
District 2	North Phoenix (Deer Valley Airport)	Vote Spread: 3.8%; Favors Republicans; Highly competitive	Senate (one seat)	**Republican Primary**			
				Kaiser, Steve#	REP	17,118	100.00%
				Democratic Primary			
				Casteen, Jeanne	DEM	14,114	100.00%
			House (two seats)	**Republican Primary**			
				Lamar, Christian	REP	9,045	34.70%
				Waychoff, Pierce	REP	7,479	28 69%
				Wilmeth, Justin*	REP	9,545	36.61%
				Democratic Primary			
				Schweibert, Judy*	DEM	14,238	100.00%
District 3	Fountain Hills, Cave Creek, Carefree, Fort McDowell Yavapai Nation Reservation	Vote Spread: 25.64%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Dubauskas, Jan	REP	20,845	48 55%
				Kavanagh, John#	REP	22,094	51.45%
				Democratic Primary			
				Dugger, Thomas	DEM	18,153	100.00%
			House (two seats)	**Republican Primary**			
				Anderson, Ernest	REP	5,263	8 13%
				Cantelme, Nicole	REP	9,790	15 13%
				Chaplik, Joseph*	REP	25,100	38.79%
				Kolodin, Alexander	REP	13,724	21.21%
				Mitchell, Darin^	REP	10,835	16 74%
District 4	Paradise Valley, North Scottsdale	Vote Spread: 3.42%; Favors Republicans; Highly competitive	Senate (one seat)	**Republican Primary**			
				Barto, Nancy*	REP	28,012	100.00%
				Democratic Primary			
				Marsh, Christine*	DEM	22,113	100.00%
			House (two seats)	**Republican Primary**			
				Arnold, John	REP	7,871	15 30%
				Bowers, Kenneth R , Jr	REP	3,975	7 73%
				Gebran, Vera	REP	9,141	17 77%
				Gress, Matt&	REP	12,982	25.24%
				Jackson, Jana	REP	4,386	8 53%
				Syms, Maria^	REP	13,087	25.44%
				Democratic Primary			
				Terech, Laura	DEM	21,901	100.00%
District 5	Central Phoenix	Vote Spread: 38.1%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Alston, Lela*	DEM	13,119	58.11%
				Jones, Al	DEM	2,292	10 15%
				Tyree, Sarah	DEM	7,166	31 74%
			House (two seats)	**Democratic Primary**			
				Liguori, Sarah*	DEM	7,501	18 59%
				Longdon, Jennifer*	DEM	9,973	24.72%
				Marquez, Aaron	DEM	4,222	10 46%
				Shah, Amish*	DEM	13,079	32.42%
				Westbrook, Brianna	DEM	5,571	13 81%

* Inc , ^ Fmr Elec Off # Oth Elec Off , AZ Exec

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STATE LEGISLATIVE RACES - '22 Primary Election

New District	Geography	Competitiveness	Chamber	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 6	North Flagstaff, Tuba City, Kayenta, Eagar, St Johns, San Carlos Reservation, Fort Apache Reservation, Zuni Reservation, Hualapai Indian Reservation, Navajo Nation Reservation, Hopi Reservation	Vote Spread: 34.82%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Hatathlie, Theresa*	DEM	22,711	100.00%
			House (two seats)	**Democratic Primary**			
				Peshlakai, Mae	DEM	13,935	42.97%
				Scott, Deydrek	DEM	4,852	14 96%
				Tsosie, Myron*	DEM	13,643	42.07%
District 7	South Flagstaff, Payson, Globe	Vote Spread: 21.43%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Rogers, Wendy*	REP	16,929	59.03%
				Townsend, Kelly*	REP	11,749	40 97%
				Democratic Primary			
				Nitschke, Kyle	DEM	12,346	100.00%
			House (two seats)	**Republican Primary**			
				Cook, David*	REP	15,301	38.40%
				Fillmore, John*	REP	11,960	30 01%
				Marshall, David, Sr	REP	12,590	31.59%
District 8	South Scottsdale, North Tempe, Salt River Reservation	Vote Spread: 27.26%; Favors Democrats; Non-competitive	Senate (one seat)	**Republican Primary**			
				Holzapfel, Roxana	REP	9,153	100.00%
				Democratic Primary			
				Mendez, Juan*	DEM	14,426	100.00%
			House (two seats)	**Republican Primary**			
				Darrow, Caden	REP	6,721	47.70%
				Loughrige, Bill	REP	7,368	52.30%
				Democratic Primary			
				Hernandez, Melody*	DEM	12,114	50.46%
				Salman, Athena*	DEM	11,891	49.54%
District 9	Central Mesa	Vote Spread: 2.60%; Favors Democrats; Highly competitive	Senate (one seat)	**Republican Primary**			
				Pace, Tyler*	REP	4,738	33 76%
				Scantlebury, Robert	REP	9,297	66.24%
				Democratic Primary			
				Burch, Eva	DEM	11,135	100.00%
			House (two seats)	**Republican Primary**			
				Mendoza, Mary Ann	REP	8,704	47.24%
				Pearce, Kathy	REP	9,722	52.76%
				Democratic Primary			
				Austin, Lorena	DEM	9,989	57.16%
				Blattman, Seth	DEM	7,485	42.84%
District 10	East Mesa	Vote Spread: 22.66%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Bowers, Russell W "Rusty" #	REP	10,280	35 98%
				Farnsworth, David Christian^	REP	18,294	64.02%
			House (two seats)	**Republican Primary**			
				Heap, Justin	REP	19,342	52.12%
				Parker, Barbara	REP	17,767	47.88%
				Democratic Primary			
				Hunter, Helen	DEM	13,852	100.00%
District 11	South Phoenix, Laveen, Guadalupe	Vote Spread: 53.9%; Favors Democrats; Non-competitive	Senate (one seat)	**Republican Primary**			
				Brannies, Maryn	REP	4,082	100.00%
				Democratic Primary			
				Cavero, Junelle	DEM	3,723	25 91%
				Miranda, Catherine^	DEM	7,007	48.77%
				Wood, Janelle	DEM	3,637	25 31%
			House (two seats)	**Republican Primary**			
				Pena M , Tatiana	REP	4,145	100 00%
				Democratic Primary			
				Abussamad, Shams	DEM	2,006	8 46%
				Butts, Michael	DEM	2,929	12 35%
				De Los Santos, Oscar	DEM	6,418	27.06%
				Leasy, Wesley "Wes"	DEM	2,632	11 10%
				Quinonez, Marcelino*	DEM	5,281	22.27%
				Ross, Naketa	DEM	4,452	18 77%
District 12	South Tempe, Ahwatukee	Vote Spread: 14.7%; Favors Democrats; Non-competitive	Senate (one seat)	**Republican Primary**			
				Richardson, David	REP	10,109	52.11%
				Sharer, Suzanne	REP	9,289	47 89%
				Democratic Primary			
				Epstein, Mitzi#	DEM	21,756	100.00%

* Inc , ^ Fmr Elec Off # Oth Elec Off , AZ Exec

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STATE LEGISLATIVE RACES - '22 Primary Election

New District	Geography	Competitiveness	Chamber	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 12	South Tempe, Ahwatukee	Vote Spread: 14.7%; Favors Democrats; Non-competitive	House (two seats)	**Republican Primary**			
				Chaston, James "Jim"	REP	12,021	48.03%
				Roe, Terry	REP	13,006	51.97%
				Democratic Primary			
				Contreras, Patricia "Patty"	DEM	11,018	28.02%
				Huang, Sam	DEM	3,597	9 15%
				Kurdoglu, Ajlan "A J "	DEM	5,715	14 53%
				Travers, Anastasia "Stacey"	DEM	10,756	27.35%
				Weich, Paul	DEM	8,240	20 95%
District 13	Chandler, West Gilbert	Vote Spread: 1.56%; Favors Republicans; Highly competitive	Senate (one seat)	**Republican Primary**			
				Mesnard, J D *	REP	20,619	100.00%
				Democratic Primary			
				Hans, Cynthia "Cindy"	DEM	10,246	64.41%
				Morris, Michael	DEM	5,662	35 59%
			House (two seats)	**Republican Primary**			
				Askey, Josh	REP	5,069	14 02%
				Hardin, Ron	REP	6,403	17 70%
				Harris, Liz	REP	11,268	31.16%
				Maes, Don	REP	5,002	13 83%
				Willoughby, Julie	REP	8,423	23.29%
				Democratic Primary			
				Pawlik, Jennifer*	DEM	16,162	100.00%
District 14	East Gilbert	Vote Spread: 17.94%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Petersen, Warren*	REP	21,238	100.00%
			House (two seats)	**Republican Primary**			
				DiBernardo, Natalie	REP	4,978	12 57%
				Grantham, Travis*	REP	16,473	41.60%
				Hendrix, Laurin	REP	12,904	32.59%
				Lunt, Suzanne	REP	5,241	13 24%
				Democratic Primary			
				Reese, Brandy	DEM	12,108	100.00%
District 15	Queen Creek, San Tan Valley	Vote Spread: 27.42%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Hoffman, Jake#	REP	21,165	100.00%
			House (two seats)	**Republican Primary**			
				Carter, Neal*	REP	16,200	48.46%
				Parker, Jacqueline*	REP	17,227	51.54%
District 16	Casa Grande, Eloy, Coolidge, Sacaton, Florence	Vote Spread: 3.62%; Favors Republicans; Highly competitive	Senate (one seat)	**Republican Primary**			
				Shope, T J *	REP	12,303	100.00%
				Democratic Primary			
				Kerby, Taylor	DEM	10,054	100.00%
			House (two seats)	**Republican Primary**			
				Hudelson, Rob	REP	9,170	51.52%
				Martinez, Teresa	REP	8,628	48.48%
				Democratic Primary			
				Seaman, Keith	DEM	9,940	100.00%
District 17	Marana, Oro Valley, Catalina	Vote Spread: 8.34%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Barr, Robert	REP	6,232	24 34%
				Leach, Venden "Vince"*	REP	9,098	35 53%
				Wadsack, Justine	REP	10,275	40.13%
				Democratic Primary			
				Nickerson, Mike	DEM	21,658	100.00%
			House (two seats)	**Republican Primary**			
				Fiehler, Kirk	REP	7,353	18 53%
				Jones, Rachel	REP	9,853	24.83%
				McGarr, Cory	REP	9,849	24.82%
				Orth, Anna	REP	7,553	19 03%
				Young, Sherrlyn	REP	5,081	12 80%
				Democratic Primary			
				Allmond, Dana	DEM	19,812	55.12%
				Radford, Brian	DEM	16,134	44.88%
District 18	North-east Tucson	Vote Spread: 20.40%; Favors Democrats; Non-competitive	Senate (one seat)	**Republican Primary**			
				Caine, Stan	REP	14,693	100.00%
				Democratic Primary			
				Abraham, Morgan#	DEM	12,650	47 09%
				Sundareshan, Priya	DEM	14,213	52.91%

* Inc , ^ Fmr Elec Off # Oth Elec Off , AZ Exec
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STATE LEGISLATIVE RACES - '22 Primary Election

New District	Geography	Competitiveness	Chamber	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 18	North-east Tucson	Vote Spread: 20.40%; Favors Democrats; Non-competitive	House (two seats)	**Republican Primary**			
				Evans, Linda	REP	14,445	100.00%
				Democratic Primary			
				Davis, Nathan	DEM	9,273	19 67%
				Gutierrez, Nancy	DEM	16,155	34.26%
				Mathis, Christopher*	DEM	10,422	22.10%
				Stratford, Kat	DEM	9,326	19 73%
				Verdin, Charles "Charlie"	DEM	1,976	4 19%
District 19	Sierra Vista, Vail, Morenci, Safford, Willcox, Benson, Tombstone	Vote Spread: 22.18%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Gowan, David*	REP	25,728	100.00%
			House (two seats)	**Republican Primary**			
				Diaz, Lupe*	REP	18,637	44.78%
				Griffin, Gail*	REP	22,985	55.22%
				Democratic Primary			
				Clark, Sanda	DEM	15,930	100.00%
District 20	Central and South Tucson	Vote Spread: 53.26%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Gonzales, Sally Ann*	DEM	17,004	100.00%
			House (two seats)	**Democratic Primary**			
				Cano, Andres*	DEM	13,393	50.43%
				Hernandez, Alma*	DEM	13,165	49.57%
District 21	South-east Tucson, Sahuarita, Nogales, Bisbee	Vote Spread: 30.52%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Gabaldon, Rosanna*	DEM	14,450	100.00%
			House (two seats)	**Democratic Primary**			
				Hernandez, Consuelo	DEM	10,469	45.70%
				Oyegbola, Akanni "Oye"	DEM	4,969	21 69%
				Stahl Hamilton, Stephanie#	DEM	7,471	32.61%
District 22	Tolleson, Avondale, Goodyear	Vote Spread: 37.36%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Andrade, Richard#	DEM	4,551	47 48%
				Espinoza, Diego#	DEM	5,034	52.52%
			House (two seats)	**Democratic Primary**			
				Chavez, Natcha	DEM	3,227	20 62%
				Chavira Contreras, Lupe#	DEM	4,443	28.39%
				Sierra, Lorenzo*	DEM	3,801	24 29%
				Sun, Leezah	DEM	4,179	26.70%
District 23	Yuma, San Luis, Somerton, Goodyear, Avondale, Tohono O'odham Nation Reservation, Gila Bend	Vote Spread: 16.89%; Favors Democrats; Non-competitive	Senate (one seat)	**Republican Primary**			
				Garcia Snyder, Gary	REP	8,594	100.00%
				Democratic Primary			
				Fernandez, Brian#	DEM	10,526	100.00%
			House (two seats)	**Democratic Primary**			
				Lugo, Jesus, Jr	DEM	6,971	44.10%
				Sandoval, Mariana	DEM	8,837	55.90%
District 24	Glendale, Maryvale	Vote Spread: 33.54%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Chavez, Cesar#	DEM	4,064	44 00%
				Hernandez, Anna	DEM	5,173	56.00%
			House (two seats)	**Democratic Primary**			
				Abeytia, Anna	DEM	2,827	18 55%
				Hernandez, Lydia^	DEM	3,335	21.88%
				Jaramillo, Hector	DEM	1,421	9 32%
				Lopez, Pedro	DEM	1,361	8 93%
				Ortiz, Analise	DEM	6,296	41.31%
District 25	Yuma, Wellton, Buckeye	Vote Spread: 25.70%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Sine Kerr*	REP	21,411	100.00%
			House (two seats)	**Republican Primary**			
				Carbone, Michael	REP	11,368	34.16%
				Dunn, Tim*	REP	14,383	43.22%
				John, Joel*	REP	7,524	22 61%

* Inc , ^ Fmr Elec Off # Oth Elec Off , AZ Exec

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STATE LEGISLATIVE RACES - '22 Primary Election

New District	Geography	Competitiveness	Chamber	Candidates	Party	Primary Elec. Results	
						Votes	Pct. of Total
District 26	West Phoenix	Vote Spread: 39.38%; Favors Democrats; Non-competitive	Senate (one seat)	**Democratic Primary**			
				Teran, Raquel*	DEM	8,348	100.00%
				Democratic Primary			
				Aguilar, Cesar	DEM	4,312	31.23%
				Bravo, Flavio	DEM	3,975	28.79%
				Hacohen, Gil	DEM	1,838	13 31%
				Solorio, Christian*	DEM	3,681	26 66%
District 27	Peoria, North Glendale, North Phoenix	Vote Spread: 8.94%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Kelly, Jamie	REP	6,498	32 36%
				Kern, Anthony^	REP	13,585	67.64%
			House (two seats)	**Republican Primary**			
				Griffin, Jay	REP	2,561	7 83%
				Morris, Brian	REP	3,670	11 22%
				Payne, Kevin*	REP	13,103	40.06%
				Toma, Ben*	REP	13,378	40.90%
District 28	Sun City, Sun City West, Lake Pleasant	Vote Spread: 24.97%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Carroll, Frank#	REP	26,407	71.33%
				Van Steenwyk, Clair	REP	10,616	28 67%
				Democratic Primary			
				Sandoval, David	DEM	19,756	100.00%
			House (two seats)	**Republican Primary**			
				Black, Susan	REP	14,762	24 65%
				Livingston, David#	REP	21,280	35.54%
				Pingerelli, Beverly*	REP	23,840	39.81%
				Democratic Primary			
				Holbrook, Stephanie	DEM	19,555	100.00%
District 29	Surprise, Litchfield Park, Luke Air Force Base	Vote Spread: 13.30%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Eldridge, Ryan	REP	3,920	15 61%
				Osborne, Joanne#	REP	8,121	32 34%
				Shamp, Janae	REP	13,070	52.05%
			House (two seats)	**Republican Primary**			
				Montenegro, Steve^	REP	14,148	36.76%
				Nguyen, Hop	REP	5,264	13 68%
				Smith, Austin	REP	11,673	30.33%
				Terry, Trey	REP	7,405	19 24%
				Democratic Primary			
				Podeyn, Scott	DEM	13,002	100.00%
District 30	Lake Havasu City, Kingman, Bullhead City, Wickenburg, Quartzsite, La Paz County	Vote Spread: 48.74%; Favors Republicans; Non-competitive	Senate (one seat)	**Republican Primary**			
				Borrelli, Sonny*	REP	31,583	100.00%
			House (two seats)	**Republican Primary**			
				Biasiucci, Leo*	REP	22,755	46.25%
				Gillette, John	REP	8,647	17.58%
				Hardt, William "Bill"	REP	3,513	7 14%
				McCoy, Donna	REP	6,948	14 12%
				Rosen, Nohl	REP	3,041	6 18%
				Salem, Marianne	REP	4,294	8 73%

* Inc , ^ Fmr Elec Off # Oth Elec Off , AZ Exec

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Date	Document	Page	Type of redaction	Reason withheld
7.20.22	An update to my primary vote vhoices	3	Address, Phone number, Email	Personal Identifiable Information
5.17.21	ECO Fund 280468 Expense Ledger Summary List 05-17-2021	1-7	Account Number	Account Information
1.27.22	FW_ FWD_ Please SUPPORT the CONCURRENT RESOLUTION to end the_ STATE OF EMEGENCY	1	Email	Personal Identifiable Information
1.27.22	FW_ FWD_ Please SUPPORT the CONCURRENT RESOLUTION to end the_ STATE OF EMEGENCY	2	Phone number & Email	Personal Identifiable Information
1.27.22	FW_ FWD_ Please SUPPORT the CONCURRENT RESOLUTION to end the_ STATE OF EMEGENCY	4	Email	Personal Identifiable Information
1.27.22	FW_ FWD_ Please SUPPORT the CONCURRENT RESOLUTION to end the_ STATE OF EMEGENCY	6	Phone Number	Personal Identifiable Information
8.17.23	Fwd_ ARIZONA_ Voter Fraud Allegations Against Cochise County	1-4	Email	Personal Identifiable Information

8.17.23	Fwd_ ARIZONA_ Voter Fraud Allegations Against Cochise County	5	Phone number & Email	Personal Identifiable Information
8.17.23	Fwd_ ARIZONA_ Voter Fraud Allegations Against Cochise County	6	Email	Personal Identifiable Information
8.17.23	Fwd_ ARIZONA_ Voter Fraud Allegations Against Cochise County	8	Phone number & Email	Personal Identifiable Information
4.10.21	Fwd_ Explosive News re Election Integrity, etc.	1	Email	Personal Identifiable Information
4.10.21	Fwd_ Explosive News re Election Integrity, etc.	2	Phone number	Personal Identifiable Information
4.4.21	Fwd_ Fw_ State Party Election Audit	1	Email	Personal Identifiable Information
7.19.22	My thoughts on the Primary election on Republican side	2	Address, Phone number, Email	Personal Identifiable Information
3.9.22	RE_ Arizona Senate Bill SB1167 and HB 2100 (2)	1-3, 5, 7-8, 10-11	Email	Personal Identifiable Information
3.9.22	RE_ Arizona Senate Bill SB1167 and HB 2100 (2)	13	Email & Phone number	Personal Identifiable Information
8.22.22	RE_ Need advise	1	Phone number & Email	Personal Identifiable Information

Privileged Information Log

Plan for
Receipt and Expenditure of Monies for
County Environmental Programs
Impacting Economic Development
For Fiscal Year 2021

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Foreword #1

Recognizing that the words "*collaboration*," "*cooperation*," "*coordination*," "*contribution*" or "*consultation*" and their associated words such as "*collaborator*," "*cooperator*" or "*contributor*" may have specific legal meanings under the National Environmental Policy Act (NEPA), the Collaborative Forest Landscape Restoration Act (CFLRA) or other acts, or specific regulatory meanings in U.S. Department of Agriculture (USDA) or U.S. Department of the Interior (USDI) regulatory texts, or may be value laden, the Board of Directors of the Eastern Arizona Counties Organization has elected to use the word "*participation*" to characterize its action, in order to avoid unintended interpretations or possible misinterpretations.

Foreword #2

Virtually all issues in which the Eastern Arizona Counties Organization is engaged, in a leading or supporting role, are multi-constituencies issues in which numerous other Federal, State and Local Government agencies are engaged, as well as a large number of community collaborative groups, industry groups, non-governmental organizations (NGOs), advocacy and interest groups, private and public corporations, private citizens, etc. The Board of Directors of the Eastern Arizona Counties Organization wants to emphasize that the ECO Annual Report is not intended to claim various accomplishments or progress as Eastern Arizona Counties Organization (ECO) single successes, but as collaborative successes to be credited to many, among whom ECO has endeavored to participate and contribute as leader, follower, and, always, servant of the people of the Eastern Arizona Counties.

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Introduction

State budget appropriation to Apache, Gila, Graham, Greenlee and Navajo Counties for the planning and implementation of specific environmental programs impacting economic development in those Counties

In October 1993, the longtime collaboration between Apache, Gila, Graham, Greenlee, and Navajo Counties ("the Counties") was formalized under A.R.S. 11-952 by an Intergovernmental Agreement (IGA) between the Counties to create the Eastern Arizona Counties Organization (ECO) and to "participate in, support and endorse its actions and decisions which are in compliance with the adopted bylaws of the organization." The initial purpose of the Counties was to implement Presidential Executive Order 12372 (PEO 12372) related to the clearinghouse process for review of Federal programs which affect the custom, culture and economic well-being of the Counties.

Arizona Governor's Executive Orders 83-6 and 90-21 established the six Councils of Government (COG) in Arizona as area-wide clearinghouses, and the Arizona Department of Commerce as State Clearinghouse, for the Single Point of Contact (SPOC) clearinghouse process of review of Federal programs in Arizona. The *Procedures for Arizona Single Point of Contact Review Process According to Presidential Executive Order 12372* established the five Counties of ECO (Apache, Gila, Graham, Greenlee and Navajo) as County Official Reviewers (COR).

Since 1994, the ECO Counties have progressively developed a leading role in natural resources and public lands management issues in Eastern Arizona, such as their critical role in 1997 in the creation of the *Ecosystem Management Pilot Testing Project Cooperative Agreement Between USDA Forest Service, Apache-Sitgreaves, Coronado & Tonto National Forests, US Fish And Wildlife Service, Arizona Game And Fish Commission, Office Of The Governor, Arizona Board Of Regents On Behalf of University Of Arizona College Of Agriculture, and Eastern Arizona Counties Organization*, which has served as a template and baseline for every subsequent collaborative natural resources management or ecological restoration project in Arizona.

In May 1999, in acknowledgement and support of the leading role performed by the ECO Counties in state-wide issues of natural resources-based economic development and environmental programs, the Governor signed into law Senate Bill 1222, appropriating the sum of $250,000 for each of the fiscal years 2000 and 2001 from the State general fund to the State Land Department for equal distribution to Apache, Gila, Graham, Greenlee, and Navajo Counties to fund the "planning and implementation of specific environmental programs impacting economic development in those Counties." The Counties tasked ECO to execute the planning and implementation of the environmental programs through an agreement to provide services under A.R.S. 11-952.

In September 1999, the ECO Counties submitted for approval to the State Land Department their first annual plan for the implementation of a comprehensive set of environmental programs including research, demonstration projects, educational forums, and public information dissemination efforts that promoted and demonstrated the stewardship-based utilization of natural resources throughout Arizona.

Throughout fiscal years 2000 to 2020, the State Budget included appropriations disbursed equally by the State Land Department, then the State Forestry Division, then the Department of Forestry and Fire Management to Apache, Gila, Graham, Greenlee and Navajo Counties, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in those Counties, performed directly or through agreements to provide services with individual Counties or the Eastern Arizona Counties Organization.

For Fiscal Year 2021 (FY 2021), the State Budget includes a $250,000 appropriation to be disbursed to the Eastern Arizona Counties Organization fiscal agent Navajo County, through a 5 year intergovernmental agreement between Navajo County, acting as fiscal agent for ECO, and the Department of Forestry and Fire Management, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in the ECO Counties, subject to the submittal to, and approval by the Department of Forestry and Fire Management of a proposed *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development for FY 2021* ("Plan"), and subject to the submittal of a report on the completion of the programs.

A critical development since FY 2016 is the addition of Cochise County to ECO. Effective July 1, 2015, the Inter-Governmental Agreement (IGA) between the ECO counties was amended to include Cochise County. The addition of Cochise County expands the focus of ECO toward the southern part of Eastern Arizona and brings in sharp focus additional management issues such as the impact of the designated habitat for the jaguar and potential habitat for the ocelot, water rights and management issues, solar renewable energy development, etc.

In FY 2021, Apache, Cochise, Gila, Graham, Greenlee and Navajo Counties continue to pool resources and to task the Eastern Arizona Counties Organization (ECO) to plan and implement specific environmental programs impacting economic development in those Counties.

FY 2021 plan for receipt and expenditure of monies for county environmental programs impacting economic development in those counties

The ECO FY 2021 *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development* proposes the continuation of priorities previously approved by the Department of Forestry and Fire Management for planning and implementation:

- Continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC).

- Continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Continued participation in the Mexican Gray Wolf recovery program and experimental population program, and in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Continued support for, and participation in the protection, development and management of the eastern Arizona infrastructures.

- Continued support for, and participation in the development, implementation and retention of natural resources-based recreation opportunities, including the retention of existing motorized recreation, and the retention of a natural resources-based recreation economy.

- Continued support for, and participation in the protection and restoration of the eastern Arizona watersheds.

- Continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs).

- Continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Continued support for, and participation in the development, implementation and retention of traditional and renewable energy infrastructures and, energy-based economic retention and development.

- Continued support for, and participation in the development and implementation of effective planning and execution strategies for a sustainable Arizona water balance, across the board augmentation measures and preservation of rural and agricultural Arizona interests and economies in the implementation of water rights.

- Participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2021 programs

In consequence, the ECO FY 2021 Plan is articulated in ten distinct but mutually complementary programs:

- Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

- Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

- Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

- Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

- Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

- Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Program 9, *Water*, includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures; the implementation of across the board augmentation measures; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

- Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2021 plan implementation

The ECO FY 2021 Plan covers activities to be performed by the Eastern Arizona Counties Organization on behalf of Apache, Gila, Graham, Greenlee, Navajo and Cochise Counties. These activities are scheduled to take place during FY 2021, from July 1, 2020 to June 30, 2021.

ECO FY 2021 operating budget

The ECO total operating budget for Fiscal Year 2021 identifies the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding as follows:

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Program 1: Forest Restoration

Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and, continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

Background

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres in the White Mountains of eastern Arizona. The devastation of the Arizona forests, unprecedented in historical times; the large scale community evacuations that it triggered; and, the loss of approximately 400 homes and structures crystalized the threat addressed in the visionary 1997 ECO *Ecosystem Management Pilot Testing Project Cooperative Agreement* with the U.S. Forest Service (USFS), Fish & Wildlife Service, Arizona Game & Fish Department and University of Arizona. The ECO Counties and the White Mountains communities accelerated the completion of community fire plans spanning seamlessly the wildland urban interface (WUI) across the White Mountains. In addition, the White Mountains Natural Resources Working Group (NRWG) provided a forum for a broad range of stakeholders to provide collaborative input to the USFS and to create the social consensus necessary to experiment with a large scale, long-term stewardship contract as authorized by the 2003 Healthy Forest Restoration Act.

White Mountains area

In the White Mountains area, between Show Low, Springerville and Alpine, the USFS initiated work under the White Mountains Stewardship Contract (WMSC) on the Apache-Sitgreaves National Forests in August 2004. The stewardship authority allowed the USFS to exchange the value of the material harvested during the restoration treatments against the cost of the restoration services provided, and to subsidize the restoration costs when not fully offset by the valuation of the material. The WMSC was at the time the largest 10 year stewardship contract in the nation. It allowed for the treatment of up to 15,000 acres per year, and up to 150,000 acres over 10 years. The stewardship contract was intended to facilitate the development of a wood products industry better suited to market the small-diameter trees harvested during the implementation of restoration mechanical treatments.

However, as the WMSC contract proceeded, industry efficiencies were not realized as hoped for, and the USFS routinely had to subsidize the work at the rate of an average of $500 to $800 per acre. Budgetary constraints prevented the agency from funding the implementation of the full objectives of the contract. Instead of the 15,000 acres per year authorized, the WMSC implemented an average of 7,000 acres per year, and the model failed to demonstrate the ability to scale up from local to landscape-scale even though it was successful at local scale.

The 2011 White Mountains Stewardship Project Economic Assessment report credited the WMSC for supporting 445 full time equivalent (FTE) jobs tied directly or indirectly to 12 companies contributing $18.7 million to the White Mountains local economy. The final program report, published in April 2016, confirmed the positive economic impact of the WMSC. The WMSC is widely credited for being instrumental in creating the conditions that allowed fire fighters to save several White Mountains communities such as Alpine and Greer during the 2011 Wallow Fire.

San Francisco Peaks area

In the San Francisco Peaks area, around Flagstaff, the Grand Canyon Forest Partnership was created in 1998 as an alliance of environmental, governmental, and business organizations dedicated to researching and demonstrating approaches to forest ecosystem restoration in the ponderosa pine forests surrounding Flagstaff. The Partnership evolved into the Greater Flagstaff Forests Partnership (GFFP) in 2002 with the three primary goals of restoring natural ecosystem structures, function, and composition of ponderosa pine forests; managing forest fuels to reduce the probability of catastrophic fire; and, researching, testing, developing and demonstrating key ecological, economic, and social dimensions of restoration efforts.

GFFP was instrumental in the development of the Greater Flagstaff Community Wildfire Protection Plan (CWPP), which was approved in January 2005. From there, collaborative work progressed from 2006 to 2008 under the auspices of the Arizona Governor's Forest Health Council (GFHC) and local collaborative groups, to develop a new model of accelerated, landscape-scale, consensus based, industry supported community protection, forest restoration and fire management across northern and eastern Arizona.

In April 2009 the USFS and the GFHC co-hosted a Four Forests Initiative Forum that led to the creation of the USFS Four Forest Restoration Initiative (4FRI); the formalization of the collaborative effort in the 4FRI Stakeholders Group; and, the beginning of the agency and stakeholders' work on a 4FRI planning and contracting project. A Proposed Action (PA) was published under the National Environmental Protection Act (NEPA) in March 2011, and an industry Request for Proposal (RFP) was published under the Stewardship Authority of the Healthy Forest Restoration Act in June 2011.

The ECO Counties provided critical leadership to the process, with all five Counties passing Board of Supervisors resolutions of support, and providing sustained political support for the effort, at the local, state, regional and Federal levels.

In May 2012, the USFS awarded Pioneer Forest Products LLC the stewardship contract for the first analysis area of 4FRI ("1st 4FRI contract") on the Coconino, Kaibab, Tonto and Apache-Sitgreaves national forests. This contract is still at the time of this writing the largest stewardship contract in the nation. The contract required the mechanical treatment of at least 30,000 acres per year, and at least 300,000 acres over 10 years. The 1st 4FRI contract was intended to allow a $200 to $300 million investment in the creation of a new appropriate-scale industry capable of utilizing profitably small diameter logs and residual biomass, and to support up to 1,000 new jobs.

From May 2012 to June of 2013 Pioneer Forest Products LLC were unable to finance their operation, and failed to execute their investment and to implement treatments at a meaningful scale. In January 2013, Pioneer Forest Products LLC publicly announced their failure to fund their business plan over the 6 months since contract awarding.

In June 2013, the US Forest Service announced that Pioneer Forest Products LLC had requested the approval of a transfer of the 4FRI contract to a new contractor, Good Earth Power (GEP). The transfer was approved in September 2013 and the new contractor committed to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; to implement 15,000 acres of treatments during calendar year 2014; and to be profitable within 3 months.

On April 17, 2015, the Forest Supervisors of the Coconino and Kaibab national forests signed the 4FRI 1st EIS Record of Decision (ROD) following a successful objections resolution process. The ROD was briefly litigated by Steve Dewhurst, a professor of forestry at NAU. Dewhurst filed a case, making a "vague" (footnote 1 of dismissal order) argument that the ROD violated NEPA because the USFS didn't consider a full range of restoration alternatives, and because the USFS made changes to the ROD through the objection process. The court ruled on September 13, 2016 that Dewhurst lacked standing to bring the case. Dewhurst's alleged harm of having a hard time explaining NEPA, including the objection process, to his students because of the USFS purportedly failing to address "science-based ecological restoration" was rejected by the court. The court stated that "Explaining government actions to students is precisely what educators in a variety of disciplines are tasked with doing every day—even when those actions are ones they find perplexing," and that "Without asserting some harm to the environment from which his alleged injuries arose, Dewhurst cannot establish standing to sue under NEPA."

The dismissal of the Dewhurst lawsuit marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments. The ECO Counties provided critical resources, leadership, and political support for the planning process, at the local, state, regional and Federal levels, by staffing several co-Chairs with the 4FRI Stakeholders Group, the Chair of the 4FRI Planning Workgroup, a co-Chair of the Industry Workgroup, and by leading numerous meetings at the Southwestern Regional and National levels.

Issues and Progress

Post White Mountains Stewardship Contract (WMSC) challenges

For most of the WMSC duration (2004 to 2012), it was expected that the WMSC would expire with the award of the last task orders in August 2014, and that treatments implemented with the last task orders would continue on the ground and supply logs and residual biomass to the local industry well into 2015. It was further expected that, after the completion of the WMSC task orders, some 60,000+ acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests would provide material to the White Mountains industry for a number of years, until the NEPA analysis was completed for the second 4FRI analysis area.

However, a legal opinion was issued during 2013 by the USFS legal branch that stated that the WMSC would expire with the closure – as opposed to the award - of the last task orders in August 2014. Therefore, treatments implemented with the last task orders would cease on the ground, and the supply of round wood and residual biomass to the local industry would end in August 2014.

Further, 56,000 acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests were burnt in the Wallow Fire from May to July 2011. This wiped out most of the 2014 – 2018 planned supply of material for the White Mountains industry.

As a result of the closure of the WMSC task orders earlier than expected, and the loss of the NEPA-ready acres in the Wallow Fire, the White Mountains industry was likely to face a severe shortage of logs and biomass as early as FY 2016, and no long-term mechanism existed as of the beginning of FY 2015 to further the restoration work on the ground at landscape-scale, and to provide a predictable wood supply to the White Mountains industry.

Bridge the Gap Program

Successful collaboration between the Apache-Sitgreaves National Forest and ECO during FY 2015, and the work of ECO with the Arizona Delegation to the U.S. Congress resulted in the implementation of the "Bridge the Gap" project aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI). The NEPA analysis of over 86,000 acres of restoration treatments was planned and approximately 10,000 acres of Timber Sales were offered to the market, insuring a short-term wood supply for the White Mountain industry in the first half of FY 2015.

However, toward the end of FY 2015, the White Mountain industry was operating with less than one month log supply in average, and often as little as a few days, and the predictability of supply for FY 2016 and beyond was unclear as the Forest Service had not completed any multi-year plan.

In consequence, ECO implemented vigorous action in FY 2015 and FY 2016, working with the Apache-Sitgreaves National Forest and the Arizona Delegation to the U.S. Congress to alleviate this situation, and very significant progress was made. On February 12, 2016, the Forest Service 4FRI Chief Executive announced that the implementation of 4FRI would be completely restructured and that a major funding effort would be made to accelerate it in FY 2016. In a reversal of the FY 2015 72% of the offerings being issued as Task Orders for the 4FRI Phase 1 Contract and 28% being offered as "Bridge the Gap" projects to other industries, in FY 2016, 32% of the total offerings were issued as Task Orders under the Phase 1 Contract and 68% were offered as "Bridge the Gap" regular timber sales and stewardship contracts to other industries. This reversal ensured an adequate supply to the White Mountains wood industry, in addition to continuing to offer more acres for the Phase 1 Contract than the contractor (GEP) actually cut.

As further result of ECO's engagement with Senators Flake's and McCain's offices, and of ECO's action with the national Forest Service leadership in Washington DC and the regional Forest Service leadership in Albuquerque, starting in FY 2016, 4FRI received additional funding for implementation. In the FY 2016 budget the additional funding was $10 million, to be used to accelerate the preparation work for mechanical thinning and prescribed fires on the "East Side" of 4FRI. The new funding was allocated to ramp up the preparation of "Bridge the Gap" projects and the overall acceleration of implementation of forest restoration on the footprint of 4FRI, and 18 new local USFS jobs were created, further contributing to the local economy.

Following:

- ECO's creation of the Bridge the Gap program in 2014 with the Apache-Sitgreaves National Forests;
- ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
- ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
- ECO's constant engagement with the Apache-Sitgreaves National Forests;

the ramp-up of the "Bridge the Gap" program that provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest to the White Mountain industry in "Bridge the Gap" projects outside of the first 4FRI contract, confirming the success of the program. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest, the second 4FRI RFP offers up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP has the potential to provide material to new industry, but it also has the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP, and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, but now expected to March 2021, is that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. have been put on hold starting mid-2019 and until contracts are issued, now likely in mid-2021.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP is known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers financing capacities have been sharply curtailed as unpredictability of their economic future past 2023 looms, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.
2. Because Arizona loggers already have three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 were not purchased since until the second 4FRI RFP outcomes are known, there is no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~12,000 to ~15,000 acres per year resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the Bridge the Gap Program for at least FY 2021 and 2022, with the expectation that a new landscape scale 4FRI contract and new industry players in Northern Arizona will not compromise the viability of the existing industry and replace it but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

Burro Stewardship Agreement

In parallel to its work to develop the Bridge the Gap program, ECO signed in September 2014 the Burro Stewardship Agreement with the Forest Service in order to demonstrate the counties' ability to become directly engaged in the implementation and management of field restoration projects. Despite its limited size of approximately 1,000 acres, the Burro Stewardship served successfully its purpose of being a feasibility demonstrator and a learning tool for both ECO and the Forest Service.

The Burro Stewardship contract was issued by ECO and its fiduciary agent, Navajo County, to the local forest restoration industry and contributed approximately 1,000 acres to the critically low supply of woody material during FY 2015 and FY 2016.

In FY 2017 and beyond, the experience gained by ECO with the Burro Stewardship Agreement proved invaluable to guide discussions with multiple potential partners for the design of a Master Stewardship Agreement for the implementation of the 4FRI 1st EIS.

Industry Roundtable

To foster open communication and collaboration between industry and Forest Service, ECO convened on February 8, 2016 a White Mountains Industry / Forest Service Roundtable in order to provide a platform for a group of representative White Mountains industry partners to provide information to the Forest Service on the challenges faced by the Arizona White Mountains industry, and to discuss the critical factors to be considered to maximize the implementation of forest restoration in the White Mountains. The Roundtable provided information necessary to the Forest Service to optimize the offerings of woody material by the Apache-Sitgreaves National Forests (A/S) and the Four Forest Restoration Initiative (4FRI) to the industry that funds and performs the restoration treatments. The Roundtable was a resounding success and generated a letter to the Chief of the Forest Service that outlined the requirements to convert the ad hoc Bridge the Gap program into a predictable five year rolling plan.

As a consequence of ECO's initiative, during FY 2017, the USFS initiated a 5 year plan for offering 15,000 timber acres per year outside of 1st 4FRI contract, to be awarded to the White Mountain industry.

Following the huge success of the FY 2016 Roundtable, ECO's convened the 2017 Industry / Forest Service Roundtable on April 11, 2017. The objectives of the Roundtable were to resolve technical issues of restoration implementation such as road packages; biomass removal; supply chain management; annual offering schedule; Pinion Juniper restoration; contracting mechanisms; digital technologies; and designation by prescription (DxP). 25 specific items were identified for resolution.

On March 19, 2018, ECO convened the third annual Industry / Forest Service Roundtable.
The purposes of the Industry Roundtable were to:

- facilitate the sharing of operational information and concerns;
- provide a forum for collaborative resolution of implementation operational challenges;

- provide a forum for the creation of implementation efficiencies and for implementation continuous improvement.

On March 18, 2019, ECO convened the fourth annual Industry / Forest Service Roundtable.
The objectives of the Industry Roundtable were to resolve technical issues of restoration implementation such as:

- road packages;
- biomass removal;
- supply chain management;
- annual offering schedule;
- Pinion Juniper restoration;
- contracting mechanisms;
- digital technologies;
- designation by prescription (DxP)
- etc.

Items identified for continued work have been:

- coordinate with USFS the ADOT's increase of maximum weight limit Pilot Program;
- develop flexibility for USFS appraisal system to use a "most adapted facility" or "highest market value" criterion instead of a "closest facility" criterion. Alternatively develop a process to remove the impact of selecting an appraisal facility/destination from the appraisal process;
- include ecosystem restoration value in appraisal process;
- include byproducts other than logs (i.e. biomass) in appraisal process;
- convert road packages to "stewardship" items in all contracts, including timber sales;
- develop a single standard for weight and volumes;
- develop increased authority (over 30,000 CCF) for Contracting Officers in order to increase projects size;
- develop process to include slash in 6 and 6T sales, subject to agreement with the contractor, and adjust /re-appraise the sale's cost accordingly;
- increase annual acreage offered by the A/S to 20,000 acres;
- update all 4FRI forests bidder lists to include all 4FRI purchasers;
- verify availability of certified scales in the Williams area and explore opportunities to use existing scales for third party transactions;
- reform the load accountability / branding / painting process to reduce administrative constraints on low value logs;
- move all timber sales to scaled sales as the most efficient way to provide load accountability;
- accelerate implementation of the Holden project in the Williams WUI. (Perkins to offer GEP to subcontract and USFS to explore opportunities to incentivize GEP to subcontract to Perkins.);
- Coconino and Kaibab NF to start including optional biomass removal in order to support potential new biomass investment on the West side subsequent to a new Vision 17 RFP and contract(s);
- explore Sierra Ancha potential for Bridge the Gap sales in support of A/S annual 15,000 acres commitment;
- accelerate Vision 17 new RFP / contract(s) implementation in order to create a biomass market solution on West side;
- increase the duration of 6 and 6T contracts in order to support industry investments;

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- create a 1 to 3 year “investment window” prior to “starting the clock” on 10 year stewardship contracts, in order to allow a full 10 year return on investment (ROI) period, AFTER the completion of investments;
- remove “Bacon-Davis” wage requirements from stewardship contracts;
- increase maximum stewardship contracts duration to 20 years;
- reform US Forest Service due diligence process on bidders and bids for all size sales and contracts;
- accelerate the roll out of digital prescription technology;
- explore possibility of limited road closures for recreational use in high traffic restoration project areas.

In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019 of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP requires the removal of a minimum of 50% of the logging slash and will not consider bids “satisfactory” unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP “satisfactory” guideline of 70% removal, 875,000 tons of slash will need to be removed and disposed off annually.

Currently, the only facility available to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:
- disposal of 400,000 green tons / year of only the lowest value “hog fuel” dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of smallest diameter trees as firewood;

- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watershed restoration and water augmentation;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;
- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

Overall, the FY 2021 challenge for the post White Mountains Stewardship Contract strategy, remains to provide a minimum of 15,000 acres to the White Mountains industry, and to expand the program up to 2023 in a rolling five-year permanent program until long-term, large-scale projects such as the 2nd 4FRI EIS or the Black River Watershed Restoration Project are ready for implementation. ECO's continued action will undoubtedly prove critical to achieve these objectives.

Development of a Memorandum of Understanding with the White Mountain Apache Tribe

In order for the White Mountain Apache Timber Company (WMATCO) to log the large diameter trees that the White River sawmill is designed to process, they must also remove small diameter trees that are not economical for them to process. Conversely, non-tribal small diameter log industries are interested in the tribal small diameter log supply in order to increase their productivity.

To seize on this synergy of economic interests, ECO and WMATCO initiated discussions during FY 2017 that evolved into the design of an "all lands / all hands" Memorandum of Understanding (MOU) between ECO, the White Mountain Apache Tribe, the US Forest Service, and the Arizona Department of Forestry and Fire Management. The purpose of the MOU is to share data and plans, and to coordinate actions between the federal, state, tribal and local government agencies to design a supply chain management system that creates new economic growth opportunities for both tribal and non-tribal enterprises.

During FY 2018, the MOU was reviewed by Tribal legal and forestry staff and was presented in October 2017 for approval to the Tribal Council as resolution 10-2017-244. On January 25, 2018 Tribal Chairman Ronnie Lupe signed the resolution authorizing the signature of the MOU.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

During Fiscal Year 2018 and 2019 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.

- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.

A draft Environmental Assessment (EA) was expected in the Spring of 2019, and a Finding of No Significant Impact (FONSI) was expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

Four Forest Restoration Initiative (4FRI)

Two conditions are necessary for the success of 4FRI during FY 2021: success in planning, and success in contracting.

Planning

At the beginning of FY 2015, the implementation of the 4FRI project relied on the treatment of approximately 70,000+ NEPA-ready acres in the Coconino, Kaibab and Apache-Sitgreaves National Forests. This was sufficient to provide logs and biomass material to the contractor for three years,

assuming the treatment of ~15,000 acres in 2014, and ~30,000 acres in 2015 and 2016 as required in the 1st 4FRI contract.

However, the implementation of the full 300,000 acres of the 1st 4FRI contract still depended on the completion by the USFS of the necessary NEPA Environmental Impact Statement (EIS) for the first 4FRI analysis area. This, in turn, required the continued collaboration between the USFS and the 4FRI Stakeholders Group, as required under law by the Collaborative Forest Landscape Restoration Act (CFLRA), and the continuation of the social license necessary to proceed with industry-funded landscape-scale restoration mechanical treatments on public lands.

The ECO counties played a critical role in creating a dialog between industry, local government and the environmental community, and in fostering this dialog into a historic agreement that became the basis for the 4FRI social consensus. Through numerous visits to Congress, the Department of Agriculture, and the Forest Service national office, ECO further provided the political momentum necessary for the Forest Service to move forward with the largest restoration EIS in the country's history at the time.

The Draft EIS for the 1st 4FRI planning area was released by the USFS in February 2013 and NEPA comments were filed by the Stakeholders Group in May 2013. As of the beginning of FY 2015 critical planning issues were still not resolved. Specific issues or potential conflict included old growth protection; large trees retention; canopy closure; forest openings; Mexican Spotted Owl monitoring; etc.

ECO took the initiative to request the intervention of the Governor of Arizona's Office in the deadlock, and the "Governor's Group" was created to provide a unique forum for the Forest Service and the environmental constituency to resolve the pending issues, with the help of the ECO and Governor's Office facilitation.

The successful completion of the EIS objections resolution process during FY 2015 finished resolving the issues. Subsequently, the April 2015 signing of the 4FRI 1st EIS Record of Decision (ROD), and the subsequent dismissal of the Dewhurst litigation in September 2016, marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments.

However, since the acreage cleared during the 4FRI 1st EIS is mostly located on the "West side" of the Mogollon Rim, in the Coconino and Kaibab national forests, and since the Forest Service has proven reluctant to allocate a significant number of acres from the 4FRI 1st EIS to the White Mountain industry, the rapid completion of the 4FRI 2nd EIS is critical to assure the continuation of 4FRI toward the White Mountains, to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains and to secure a long-term wood supply to the White Mountain industry.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS Workgroup, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2018 and 2019, under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- concerns with the uncertainties associated with the implementation of condition-based management;
- support for the 4FRI collaborative workgroup comments that it contributed to write, including concerns with:
    - the flexible toolbox approach;
    - the degree of openness pre- and post-treatment;
    - old growth protection and large tree retention;
    - management of ponderosa pine dwarf mistletoe;
    - description of pre-treatment conditions;
    - collaborative role in implementation; and
    - adaptive management and monitoring.

During the balance of FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The challenge for FY 2021 will be to maintain the planning work on schedule. ECO's co-leadership of the 4FRI Stakeholders Group, and ECO's leadership of the 4FRI Planning Workgroup are likely, again, to prove critical to accomplishing these objectives.

Contracting

Although, upon the failure of the first 4FRI contractor, Pioneer Associates, the second 4FRI contractor, Good Earth Power (GEP), committed repeatedly through the fall and winter of 2013, and through FY 2014, FY 2015, and FY 2016 to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; and, to implement 15,000 acres of treatments during

calendar year 2014, then 30,000 acres in FY 2015, FY 2016, FY 2017, FY 2018, etc., as of the beginning of FY 2021 promises have not materialized.

Nine months after the contract transfer to GEP, as of the beginning of FY 2015 no discernable investment had been made; promises made to Arizona loggers had been recanted; and, treatments had only been implemented at the rate of approximately 1,000 acres per year, leading ECO to analyze and project that only approximately 2,000 acres could be realistically treated during calendar year 2014, less than 3,000 acres in FY 2015, and less than 5,000 acres in FY 2016, and FY 2017 as opposed to the 15,000 then 30,000 annual acres committed. Further, the absence of construction and operation permits filed with the Arizona Department of Environmental Quality (ADEQ) during FY 2014, FY 2015 and FY 2016, was leading ECO to deduct that no large scale investment in appropriate scale industry would be taking place in 2014, 2015, 2016 or the whole of FY 2017.

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP's claims on NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the Vision 17 strategic plan. Vision 17 was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP contract in whatever form it evolves into with new partners or change in ownership as recently happened with the new entity NewLife Forestry.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new 4FRI RFP for at least 200,000 acres was expected by December 2017.

However, FY 2018 closed without a new RFP being issued by the Forest Service.

As analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure during FY 2020. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 711 acres during federal FY 2020. This continues and amplifies the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); and FY 2019 (2,065 acres).

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award is expected by March 2021.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2021 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

Development of a Master Stewardship Agreement with the Forest Service

In order to provide an independent authority for the new 4FRI RFP envisioned in the Vision 17 implementation plan, that would guaranty that due diligence and contract awarding meet the necessary professional , technical and financial requirements, in FY 2017 ECO initiated negotiations with a number of partners, such as the Arizona Department of Forestry and Fire Management (DFFM), the Salt River Project (SRP), the Forest Service, and others, to design and execute a Master Stewardship Agreement (MSA) with the Forest Service.

Building on the success of the Burro Stewardship Agreement between ECO and the Forest Service, the MSA is expected to expand ECO's direct management of on-the-ground restoration projects through:

- joint design of a landscape-scale RFP with the Forest Service;
- joint analysis and due diligence of the bidders' responses to the RFP;
- consensus award to the appropriate bidder(s);
- joint management of the new landscape scale contract(s);
- management of the field Task Orders by the USFS;
- joint monitoring and adaptive management in collaboration with the 4FRI Collaborative.

Developing a Master Stewardship Agreement with the Forest Service was a critical step to ensure that local government's industry expertise is integrated in the RFP design, due diligence and award, in order to prevent the repeat of the flawed due-diligence and contract award that caused the implementation failure of the 1st EIS contract.

During FY 2019 ECO shifted strategy and decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the US Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Digital Technologies

In FY 2017, ECO joined forces with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" in the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO is working with other partners such as ATICA (the company that manages the White Mountain Apache Timber Company –WMATCO) and Northern Arizona University to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work

such as tree marking, with unmanned aerial surveys, and allow timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("prep") can catch up with NEPA planning without requiring massive new resources for the Forest Service.

In FY 2018, 2019, and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies.

Digital technologies 'Prep' costs savings represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20 year program.

ECO / AZ Game & Fish Department Joint 4FRI Position

On April 6, 2016, ECO signed a Memorandum of Understanding with the AZ Game & Fish Department (AGFD) to cooperatively develop and seek funding for a 2-year technical associate position tasked with expediting planning and implementation of forest restoration and related efforts undertaken under 4FRI. This new initiative consolidated the joint work of State and local Government in 4FRI, and contributes to accelerate the completion of the Rim Country EIS.

The joint position was staffed during FY 2017 and FY 2018 and allowed ECO and AGFD to give, in collaboration with other 4FRI partners such as the Grand Canyon Trust, a new impetuous to the implementation of 4FRI, with the creation of the Comprehensive Implementation Workgroup.

The new Comprehensive Implementation Workgroup, originally chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities other than mechanical thinning and fire, such as riparian and spring restoration, habitat projects etc.

Biomass Bottleneck

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the Healthy Forests, Vibrant Economy Conference. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

Every time an acre is thinned in northern Arizona, 20 to 30 green tons of logs are produced, and 10 to 30 green tons of logging slash (branches, tree tops, etc.) are also produced. This logging biomass must be removed from the field in order to accomplish the restoration and fire risk mitigation objectives. For forest, watershed and grassland restoration to ramp up to landscape-scale, biomass disposal investments need to catch up with the log utilization investments that have been made in the last 10 years. If the biomass disposal capacity is not increased 3.5 fold, it will be impossible to meet the 50,000 acres annual objective of 4FRI. This is the biomass bottleneck.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the Vision 17 implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017 the ACC organized a workshop, to which ECO presented. On January 30, 2018 Arizona Corporation Commissioner Andy Tobin proposed an Arizona's Energy Modernization Plan that included new biomass energy requirement. On March 13, 2018 the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018 Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018 and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, has also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and has made it clear that it will not consider the issue until the second 4FRI RFP outcomes are known. This likely postpones any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the Bridge the Gap program in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

As FY 2021 started, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, as appropriate based on the outcomes of the 4FRI RFP.

Senator Flake's Healthy Forest Advisory Council

In FY 2017 ECO was invited to participate to the work of Senator Flake's newly established Healthy Forest Advisory Council. ECO fulfilled its usual role of providing data and information, as subject-matter expert on the issues of forest restoration and forest industry, including input on:

- biomass bottleneck;
- 4FRI implementation;
- Vision 17 reset of 1st EIS implementation;
- Senator Flake's forestry bill;
- increased weight limit on Interstate highways in Arizona for the transportation of forest restoration products;
- digital technologies applicable to forest restoration;
- Forest Service efficiencies.

ECO continued to participate to the work of Senator Flake's Healthy Forest Advisory Council until the Senator resigned from his seat in the US Senate.

Strategic Objectives

ECO has three strategic objectives for Program 1, *Forest Restoration*:

1) Recognizing that the Bridge the Gap program remains a short-term strategy, ECO is committed to continue to participate in the development and implementation of a long-term successor strategy to the WMSC to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied over the long-term with round wood and residual biomass in an ecologically and economically viable and sustainable manner.

2) ECO is committed to support and facilitate the completion of the 4FRI 2nd analysis area EIS, the Rim Country EIS; and the issuance of a Record of Decision that includes the full resolution of all NEPA planning challenges by the end of FY 2021.

3) ECO is committed to continue to support and participate in the effective implementation of the 1st 4FRI contract, and the issuance of a 2nd 4FRI landscape scale contract(s) by the end of 2020, in order to ensure that:

    a. The restoration treatments proposed in 4FRI are actually implemented by the contractors at the contracted scale (up to 40,000 acres annually) and per the contracted schedule;

    b. The large investment in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern and eastern Arizona is actually executed by the contractors;

    c. The economic impact projected by the contractors for 4FRI (creation of 1,000 jobs) actually takes place.

Execution Strategy

Post-WMSC / Bridge the Gap strategy

Several models are conceivable to execute the strategic objective of insuring that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner:

- Continuation and acceleration of small and medium scales "Bridge the Gap" NEPA projects to compensate the "loss" of 56,000 NEPA-ready acres in the Wallow Fire;
- Timely implementation of the Four Forest Restoration Initiative (4FRI) 2nd analysis area planning and contracting in the White Mountains;
- Development of another large scale and long-term stewardship contract or stewardship agreement in the White Mountains, such as the Black River project;

- Development of several smaller and shorter stewardship contracts or agreements in the White Mountains;
- Development of traditional timber sales in the White Mountains;
- A sequential or parallel combination of the above.

Any of these solutions entails considerable planning and contracting work and requires significant agency funding and major political support by the ECO Counties.

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issue;
- Make the issue a priority item with the State and Federal partners and elected officials;
- Provide technical and political support in the selection of an appropriate successor model;
- Provide technical and political support for the timely development and implementation of the selected successor model;
- Lobby the Regional and National U.S. Forest Service and the U.S. Department of Agriculture for additional funding to the Apache-Sitgreaves National Forests to complete timely "Bridge the Gap" NEPA projects;
- Develop with the Regional USFS leadership the Black River project.

4FRI strategy

To ensure the success of both planning and contracting tracks in 4FRI, it is the strategy of ECO to:

- Continue its participation in the activities of the 4FRI Stakeholders Group;
- Continue its work with the USFS and U.S. Department of Agriculture;
- Develop its work with the USFS Regional leadership and the Arizona Governor's office in order to facilitate planning conflicts resolution;
- Increase its role as a consensual leadership provider in the 4FRI NEPA process in order to facilitate a resolution of the NEPA planning conflicts between the USFS and the stakeholders, and ensure the timely completion of the final Environmental Impact Analysis (EIS) and Record of Decision (ROD);
- Continue its work with private industry representatives and investors;
- Provide technical support as requested by the contractors in order to facilitate the location, permitting and construction of new industrial facilities;
- Enforce fairly but firmly accountability on all agency and non-agency stakeholders in the planning and contracting tracks as required for the successful and timely execution of 4FRI defined as: treatments being implemented on the ground per the contracted schedule.

Post-WMSC and 4FRI strategies execution

ECO will execute its post-WMSC and 4FRI strategies by:

- Actively engaging in and when necessary initiating the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attending, participating in, and when necessary hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;

- Providing political advocacy for an appropriate successor strategy to the (WMSC) with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 1: *Forest Restoration.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 15% of its activities to Program 1: *Forest Restoration.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

Although Arizona has been fortunate since 2011 not to experience another landscape-scale catastrophic fire, the massive fires in California during 2017 serve as a vivid reminder of the urgency of the clear and present danger Arizona faces in its Forests as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the fore front of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of its engagement in Program 1, *Forest Restoration*, ECO seeks the following outcomes:

1) Publication of a Black River Watershed Restoration Finding of No Significant Impact (FONSI) by September 30, 2021.

2) Offering in FY 2021 of 15,000 timber acres of small and medium scale “Bridge the Gap” projects, aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI).

3) Appropriate funding of the Apache-Sitgreaves National Forests by the US Forest Service Southwest Regional Office (R3) for the timely completion of the NEPA process for medium scale "Bridge the Gap" projects aimed at securing the medium-term supply of fiber for the existing White Mountains wood industry.

4) Continued disconnection of the "Bridge the Gap" projects from the 1st 4FRI contract and specific exclusive allocation of these projects to providing round wood and biomass to the existing White Mountains wood industry.

5) Continuation by the Apache-Sitgreaves National Forests of a five-year rolling plan for the steady offering of a minimum of 15,000 timber acres in FY 2021 and FY 2022.

6) Completion of the 4FRI 2nd Final EIS and Record of Decision (ROD) by December 2021.

7) Issuance of (a) new landscape-scale, long-duration 4FRI contract(s) by June 2021 for up to 40,000 acres and 20 years.

8) Adoption by the Forest Service of digital restoration technologies at landscape scale during FY 2021.

9) Resolution of the Biomass Bottleneck by the end of FY 2021:
   - completion of a new 60 MW biopower Power Purchase Agreement (PPA) if appropriate based on 4FRI RFP outcomes;
   - renewal of the existing 30 MW biopower Power Purchase Agreement (PPA).

Allen Reidhead, Vice President of TriStar Logging, is dwarfed by mountains of biomass. 4FRI will generate annually between 1 and 1.5 million tons of biomass. The Biomass Bottleneck (acres cannot be restored if the logging biomass is not removed from the forest and disposed of responsibly), first identified and analyzed by ECO, is one of the critical factors that limit the implementation of forest restoration at landscape scale.

Forest Restoration – Canyon Creek Logging feller-buncher hot saw on Fulton Timber Sale.

Grassland Restoration – Tri Star grinder on Wool House Project.

Program 2: Threatened and Endangered Species

Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

Background

Mexican wolf

In March 1997, the Secretary of the Interior signed a Record of Decision (ROD) approving the release of captive-reared Mexican gray wolves (Canis lupus baileyi) in the Blue Range Wolf Recovery Area (BRWRA) located in Greenlee County, and an adjacent area of New Mexico. In January 1998 the U.S. Fish & Wildlife Service (USFWS) published the *Final Rule, Establishment of a Nonessential Experimental Population of the Mexican Gray Wolf in Arizona and New Mexico*, and in March 1998, Mexican gray wolves were released for the first time in the Blue Range Wolf Recovery Area. The Blue Range reintroduction project is managed by the USFWS in collaboration with the Arizona Game and Fish Department (AGFD), the USFS, USDA-APHIS Wildlife Services, the White Mountains Apache Tribe (WMAT), and the Eastern Arizona Counties Organization (ECO), operating together under a formal Memorandum of Understanding (MOU) which enables the signatories to develop a mutually-agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves in Arizona and New Mexico within the Mexican Wolf Experimental Population Area (MWEPA).

The non-essential experimental population program projected a population of 18 breeding pairs and 102 wolves by the end of 2006. As of FY 2012, the current population was believed to be six breeding pairs and 58 wolves currently in the wild. The official count as of December 31, 2012 indicated that the population had increased to a minimum of 75 confirmed animals. The official count as of December 31, 2013 indicated a further population increase to a minimum of 83 confirmed animals, indicating a clear progress toward the official goal of at least 100 animals in the MWEPA. The official count as of December 31, 2014 indicated another population increase to a minimum of 109 confirmed animals. The official count as of December 31, 2015 indicated a minimum of 97 confirmed animals, plus 11 animals “fate unknown”. These numbers met and exceeded the official goal of the nonessential experimental population project.

In parallel to the American government recovery efforts, the Mexican government released five Mexican wolves, three females and two males, into the Sierra San Luis in the State of Sonora in October 2011. Although four of these wolves were illegally killed within months, the Mexican government conducted additional releases in 2012 and informed the USFWS of their plans to continue releasing Mexican wolves during 2013 and 2014 in the northern area in the Sierra Madre Occidental, and to potentially initiate releases in the Mexico State of Nuevo Leon.

On June 13, 2013, the USFWS published a proposed action for *Removing the Gray Wolf (Canis lupus) From the List of Endangered and Threatened Wildlife and Maintaining Protections for the Mexican Wolf (Canis lupus baileyi) by Listing It as Endangered*, and a *Proposed Revision to the Nonessential*

Experimental Population of the Mexican Wolf, proposing to considerably revise and expand the experimental population program.

In August 2013 ECO initiated work with an informal ad hoc coalition of Arizona industry and recreation stakeholders, together representing 28 different organizations, and the Arizona Game and Fish Department, to develop an *Arizona Cooperating Agencies Alternative* to the proposed revision of the 10(j) Mexican Wolf non-essential experimental population.

In December 2013 ECO filed comments on the *Proposed Revision to the Nonessential Experimental Population of the Mexican Wolf* (the "10(j) rule revision") identifying multiple deficiencies in the proposed action: public and cooperating agencies engagement and scoping deficiency; management plan outside of the MWEPA deficiency; recovery plan deficiency; scientific peer review deficiency; bi-national collaboration plan deficiency; mitigation measures (depredations compensation and cohabitation measures) funding deficiency; scientific deficiencies; negative potential economic impact analysis deficiencies; and, NEPA process deficiencies (pre-decisional deficiency; connected actions deficiency; purpose and needs deficiency). Additionally, ECO developed a credible Mexican Wolf population growth projection that vigorously challenged the USFWS projection.

On April 15, 2014, the ECO Counties formally submitted the *Arizona Cooperating Agencies Alternative* to the USFWS at the Mexican Wolf EIS Interdisciplinary Planning Team (IPT) meeting. The ECO and ad hoc coalition of Arizona industry and recreation stakeholders-proposed NEPA alternative was formally endorsed by the Arizona Game & Fish Commission. The *Arizona Cooperating Agencies Alternative* included the capping of the wolf population to 150 / 160 wolves in Arizona; the capping of the depredation on wild ungulates to 15%; the geographical capping of releases and transfers to historical habitat with adequate prey density; and, the inclusion of 'take' provisions in defense of domestic animals, all of which represented fundamental changes over the original USFWS proposed action.

On January 06, 2015 the Regional Director for the U.S. Fish & Wildlife Service (USFWS) Southwest Region signed the Record of Decision (ROD) for the final Environmental Impact Statement (EIS) for the *Proposed Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf*. ECO's proposed NEPA alternative and population projection were endorsed by the Arizona Game & Fish and formed the basis of the USFWS Record of Decision. This included: capping of the wolf population to 150 / 160 wolves in Arizona; capping of the depredation on wild ungulates to 15%; geographical capping of releases and transfers to historical habitat with adequate prey density; 5 year and 8 year review process; and, inclusion of 'take' provisions in defense of domestic animals.

However, as of the beginning of FY 2016 the U.S. Fish & Wildlife Service still had not resumed the completion of the revision of the 1982 *Mexican Wolf Recovery Plan*, which triggered litigation by the Center for Biological Diversity, soon joined by Arizona Game and Fish Department. Under a Court-approved settlement, the U.S. Fish & Wildlife Service expected to publish a draft revised recovery plan for public and peer-review early in calendar year 2017, with a final recovery plan by the end of November 2017.

Jaguar

In April 2012 the USFWS Jaguar (Panthera onca) Recovery Team completed a *Jaguar Recovery Outline* to provide a preliminary strategy for jaguar conservation. In August 2012, the USFWS proposed to designate 838,000 acres in Pima, Santa Cruz, and Cochise Counties, AZ and Hidalgo County, NM as

critical habitat for the jaguar under the Endangered Species Act (ESA). In November 2012 a male jaguar was photographed in the northern Santa Ritas Mountains of Arizona, about 40 miles southeast of Tucson near the proposed Rosemont Mine site.

In May 2013, the USFWS released a *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar*, and in June 2013 an *Economic Analysis of Critical Habitat Designation for the Jaguar* which estimated specific potential negative economic impacts on the mining, ranching, and general economic development of the areas proposed for critical habitat designation from up to $30 billion and 4,000 jobs lost at the local level, to up to $60 billion and 10,000 jobs lost at the national level, over the next two decades.

In August 2013, the ECO Counties filed comments on the *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar* identifying multiple deficiencies in the proposed action: legal deficiency with ESA and NEPA; scientific deficiency; modeling deficiency; usefulness deficiency; disproportionate potential negative economic impact; balanced multiple use management deficiency; adverse potential effects on jaguar conservation.

Nonetheless, in March 2014, the USFWS announced the final designation of approximately 764,000 acres of critical habitat for the jaguar.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal recovery plan for the jaguar, but this is generally the next step in the ESA process.

Ocelot

Endangered status was extended to ocelots in the U.S. portion of the species' range with a final rule published on July 21, 1982 (47 FR 31670). In that rule, the U.S. Fish & Wildlife Service "made a determination that the designation of critical habitat was not prudent because such a designation would not be in the best interests of conservation of the species." The ocelot is listed as endangered by the State of Texas and is protected from hunting and live collection in Arizona where it is listed as a species of "special concern."

In November 2012 the AGFD obtained photographs of an ocelot that had apparently persisted in the Huachuca Mountains since February 2011.

In January 2013 the USFWS announced that they were initiating a five year status review of the endangered ocelot under the Threatened and Endangered Species Act, as well as a new review of the threatened Mexican spotted owl.

In April 2014, a remote camera operated by the University of Arizona detected a lone male ocelot in the Santa Rita Mountains, within the action area of the Rosemont Mine.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal revision of the original 1990 recovery plan for the ocelot, although the *5-Year Status Reviews of Ocelot and Mexican Spotted Owl in the Southwest Region* has been on-going since February 2013. Consequently, ECO expected a formal revision of the Ocelot Recovery Plan in FY 2017 or FY 2018.

Other species

Gartersnake

In July 2013 the USFWS proposed the listing as "Threatened" and the designation of critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) and narrow-headed gartersnake (Thamnophis rufipunctatus) in Arizona and New Mexico. The proposed designation identified 14 habitat units totaling 421,000 riparian acres in most Arizona watersheds for the northern Mexican gartersnake, and 6 habitat units totaling 210,000 riparian acres for the narrow-headed gartersnake.

In July 2014, the USFWS announced the Final Rule listing the northern Mexican gartersnake and narrow-headed gartersnake as "Threatened," including a special rule under section 4(d) of the ESA to exempt operation and maintenance of livestock tanks on private, state and tribal lands from the prohibitions on "take" of listed species, and further announced that it will finalize the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

New Mexico meadow jumping mouse

In June 2013, the USFWS proposed the listing as "Endangered" and the designation of critical habitat for the New Mexico meadow jumping mouse (Zapus hudsonius luteus) in New Mexico, Colorado and eastern Arizona. In April 2014, the USFWS re-opened the comment period on the proposed designation of 193 river miles and 14,000 acres of critical habitat, divided in 8 units. Although "99 percent of the total proposed critical habitat designation, are currently unoccupied by the species," they were deemed "essential for the conservation of the species" (79 FR 19307-19313).

In June 2014, the USFWS announced the Final Rule listing of the New Mexico Meadow Jumping Mouse as "Endangered," and further announced that it will finalize the designation of critical habitat for the New Mexico Meadow Jumping Mouse in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

Western yellow-billed cuckoo

In October 2013, the USFS proposed to list as "Threatened" the western distinct population segment (DPS) of the yellow-billed cuckoo (Coccyzus americanus) in the western United States, Canada, and Mexico. In the U.S., the western yellow-billed cuckoo is known to occur in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah, Wyoming, Montana, Oregon, and Washington. In April 2014, the comment period was re-opened for the proposed designation.

In October 2014 the USFWS announced the Final Rule listing of the western distinct population segment (DPS) of the yellow-billed cuckoo as "Threatened," and further announced that it will finalize the designation of critical habitat for the western yellow-billed cuckoo in 80 separate units in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah and Wyoming in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat final designation had been made.

Issues and Progress

The proliferation of threatened and endangered species, designated critical habitats, recovery programs and status reviews create inevitable detrimental socio-economic impacts that affect the custom, culture, economic well-being, and when involving top predators, the safety of rural Counties such as the ECO Counties.

Mexican wolf

The significant increase of the experimental Mexican Wolf population and significant expansion of the experimental population area inevitably affect negatively ranching in Eastern Arizona, as well as potentially affect negatively the recreation and tourism-based industry, and also the potential safety of residents. "Naïve" Mexican Wolves have a documented history of predating on livestock, attacking domestic animals, and showing habituation to humans.

Even though the negative impacts were deemed "not significant" by USFWS analysts from a national perspective, the loss of even one head of livestock may be economically crippling for small rural ranching operations, and the brutal loss of a domestic animal may be emotionally devastating to its owner.

Payment of the depredation and coexistence compensation claims

Thanks to the continued action of ECO, the Arizona Cattle Growers Association, New Mexico local government efforts, and the Arizona Game & Fish Department, annual Livestock Demonstration Project Grants and Proactive Nonlethal Measures Grants, as well as NGO's match donations, have been secured for the Mexican Wolf Experimental Population program over the life of the program.

In order to ensure the equitable evaluation and compensations of the claims filed by injured parties, ECO participated with the US Fish & Wildlife Service and other stakeholders in the creation of the Coexistence Council in April 2011. The Mexican Wolf / Livestock Coexistence Council is an 11-member volunteer group of livestock producers, tribes, environmental groups, and counties that directs the disbursement of the Mexican Wolf / Livestock Trust Fund to qualified applicants. The Trust Fund is administered by the non-profit National Fish and Wildlife Foundation.

Further, during FY 2015 ECO supported the passing and signing into law of SB 1466 *Livestock Loss Board / Compensation Fund* in order to codify into law the compensation of Arizona ranchers negatively impacted by Mexican Wolf depredation.

As a result, depredation compensations and, starting in FY 2013, "Pay-for-Presence" cohabitation compensations have been paid to Arizona and New Mexico ranchers who bear the brunt of the economic impact of the recovery effort.

All of the FY 2016 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $73,826 in depredation compensation, and $105,000 in "pay-for-presence" cohabitation compensation were processed in FY 2017 for FY 2016.

All of the FY 2017 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $59,213 in depredation compensation, and $107,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2017.

All of the FY 2018 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $109,123 in depredation compensation, and $117,000 in "pay-for-presence" cohabitation compensation were processed in FY 2019 for FY 2018.

All the FY 2019 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of ~$100,000 in depredation compensation; and ~$100,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2019.

All the FY 2020 depredation compensation claims filed with the Coexistence Council are in the process of being paid. Depredation compensation and "pay-for-presence" cohabitation compensation payments will be reported in FY 2021.

Fiscal Year	Depredation payments	Cohabitation payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019	~$100,000	~$100,000	~$200,000
FY 2020	In process	In process	In process

These payments continue the increasing trend in compensation recorded over the last few years as a reaction by the US Fish & Wildlife Service to the action of ECO, the Arizona Cattle Growers Association, the Arizona Game & Fish Department, and various partners.

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

Discontinuation of the initial release of adult "naïve" wolves

In FY 2016, ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10(j) Experimental Population Management Team, were successful in preventing the initial release of adult "naïve" wolves.

Instead, in FY 2016 two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona, and one set of 2 pups was fostered into the "Sheep Herders Ball" pack in New Mexico.

In FY 2017, two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild population.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

However, the so-called "translocation" of adult wolves that are held at the Sevilleta Wolf Management Facility for long periods of time after capture, are likely to increase depredation incidents well past the

concepts of sustainable yield and multiple uses. Data suggests that over the last 5 years there has been a growing trend of depredation.

Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf

In FY 2016 and 2017 ECO completed a full review of all the program's Standard Operating Procedures (SOPs) and submitted comments to the US Fish & Wildlife Service. The finalization of the review of the SOPs is currently underway with the US Fish & Wildlife Service.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015 US Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintive:

- the court found that the 2015 10(j) rule is not compliant with the ESA, provides only for short-term survival of the species, and fails to further the long-term recovery of the Mexican wolf in the wild;
- the court found that the revised rule does not need to be the product of an agreement with state and private stakeholders;
- the court found that the US Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation is not based upon the best available information and is arbitrary and capricious;
- the court remanded the rule to the US Fish & Wildlife Service to modify:
    I. population cap of 300-325 wolves,
    II. limitation on dispersal north of I-40,
    III. take in response to unacceptable impacts to wild ungulate herds,
    IV. perform a new essentiality determination;
- the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that serves no purpose and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court ruling threatens many of the gains realized by ECO since FY 2014 in the revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)), especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long term recovery strategy over a short term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

Since the March 2018 ruling, ECO has engaged with both Arizona Game & Fish Department and US Fish & Wildlife Service to ensure that Local Government will continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings – facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020, the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020 ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.
2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the

addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.

3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Take on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Take on Federal land (§ 17.84(k)(7)(v)(A));
    c. Take in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi));

    and are not replaced with a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gives ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

Experimental Population statistics

Mexican Wolf Population Statistics	End 2012	End 2013	End 2014	End 2015	End 2016	End 2017	End 2018
Minimum population	80	88	110	97	113	114	131
Illegal mortalities	4	5	7	8	7	6	13
Other mortalities	5	4	12	9	10	10	16
All mortalities	11%	10%	17%	18%	15%	14%	22%
Fate unknown	1	5	3	2	2	3	4
	1.3%	5.7%	2.7%	2.1%	1.8%	2.6%	3.1%
Investigations of depredation	50	61	64	90	78	88	180
Confirmed & probable depredations	20	34	44	67	56	43	110
% of confirmed depredations	40%	56%	69%	74%	72%	49%	61%
Depredations per 100 wolves	25	39	40	69	50	38	84

Funding of Mexican Wolf genetic study

Genetic studies of Mexican wolves have concluded that hybridization with dogs has been negligible to nonexistent. While this result initially appeared robust, the question remained to what extent this could be an artifact of sampling because researchers sampled European dog breeds rather than American dogs (i.e. those derived from dogs brought to North America by native people who crossed the Bering Land Bridge).

In order to answer this question, ECO partnered with the Pima NRCD, the Arizona Cattle Growers Association (ACGA), and a number of Arizona stakeholders to fund a comprehensive genetic study during FY 2017.

In the study, three data sets of 172,000 single nucleotide polymorphisms per data set (SNP, Fitak 2014; Cronin et al. 2015; and Shannon et al. 2015) were combined. The results were consistent with previous studies: living Mexican wolves are not derived from hybridization with Native American dogs. The results also did not indicate recent hybridization between Mexican wolves and coyotes.

Mexican Wolf Recovery Plan Revision

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the US Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally insuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the US Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially limited to the experimental 10(j) area and the experimental population.

In July 2017, the US Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017 the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue is whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's Continued Existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat;

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and US Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

Other listed species

Jaguar

Although the US Fish & Wildlife Service (USFWS) argued that the designated habitat for the Jaguar and potential habitat for the ocelot vastly overlap other wildlife designations, detrimental economic impacts are inevitable.

While, for FY 2015, the Jaguar designated critical habitat was outside the area of the ECO Counties, the addition of Cochise County to ECO, effective July 1, 2015 moved the designated habitat for the Jaguar into the ECO footprint. Further, since the nation's last known female jaguar was legally killed near Big Lake in Apache County in September 1963, it is expected that other ECO Counties will be concerned by a full jaguar recovery plan.

In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016 a Jaguar Draft Recovery Plan.

The Jaguar Draft Recovery Plan acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that – as for the Mexican Wolf Recovery Plan – no formal consultation took place with local government; a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas; the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States; the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States; the recovery criteria in the plan are not binding; and, the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish Department and US Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the US Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2021 and beyond.

Ocelot

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016 an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and evidences that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670), and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (Ocelot Recovery Plan p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

It is therefore unclear at this stage how the Ocelot Recovery Plan would impact the ECO counties and their residents.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (p. 206).

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish and US Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the US Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2021 and beyond.

Gartersnake

It is expected that the final rule for the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake throughout their range will place further restriction on land use in Greenlee, Graham, Apache, La Paz, Mohave, Yavapai, Navajo, Gila, Coconino, Cochise, Santa Cruz, Pima, and Pinal Counties in Arizona, as well as in Grant and Catron Counties in New Mexico.

As of the beginning of FY 2021 no critical habitat designation had been proposed. ECO will monitor proposed designations as they occur.

New Mexico meadow jumping mouse

ECO expected that the final rule for the designation of critical habitat for the New Mexico meadow jumping mouse throughout its range would place further restriction on land use in Apache and Greenlee Counties.

On March 16, 2016, the US Fish & Wildlife Service (USFWS) designated an area of approximately 13,973 acres along 169.3 miles of flowing streams, ditches, and canals as critical habitat in eight units within Colfax, Mora, Otero, Sandoval, and Socorro Counties in New Mexico; Las Animas, Archuleta, and La Plata Counties in Colorado; and Greenlee and Apache Counties in Arizona.

Unit 5 consists of 6,046 acres along 72.4 miles of streams within eight subunits on private lands and areas owned by the Forest Service and the State of Arizona within Greenlee and Apache Counties, Arizona, of which 68 acres (1.1%) are considered occupied at the time of listing.

The USFS stated that "the economic analysis found that no significant economic impacts are likely to result from the designation of critical habitat for the jumping mouse," (50 CFR Part 17 p. 14275), but also identified that "the economic analysis estimated $9,940,000 of incremental costs for grazing and all other consultation activities in Unit 5, that would only be associated with Forest Service lands" (p. 14278), although "federal actions not affecting listed species or critical habitat, and actions on State, tribal, local, or private lands that are not federally funded or authorized, do not require section 7 Consultation" (p. 14306).

Western yellow-billed cuckoo

ECO expects that the final rule for the designation of critical habitat for the western distinct population segment of the yellow billed cuckoo is likely to affect over 500,000 riparian acres across the West, including Arizona and the ECO Counties.

As of the beginning of FY 2021 no critical habitat designation had been finalized. ECO will monitor proposed designations as they occur.

Mexican Spotted Owl

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised, with new biological opinions, between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy

their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020 the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020 announcing a new understanding between the parties and the decision by CBD to not litigate.

Further work led on October 27, 2020 to a stipulation of voluntary dismissal of the WEG litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Draft ESA Compensatory Mitigation Policy

On September 2, 2016, the U.S. Fish and Wildlife Service (USFWS) announced the availability of a draft Endangered Species Act (ESA) Compensatory Mitigation Policy.

ECO filed comments outlining its concerns that:

- the draft policy exceeds the U.S. Fish & Wildlife Service ESA statutory authority;
- the U.S. Fish & Wildlife Service did not consult with those affected by the regulation, especially State, local, and tribal governments, as required by regulation.

"Domino effect" of ESA listings, designations and reviews

In a text-book example of the "domino effect" of ESA listings, designations and reviews, following the July 2013 proposed designation of critical habitat for the northern Mexican gartersnake; the October 2013 proposed listing as "Threatened" of the yellow-billed cuckoo; the March 2014 final designation of approximately 764,000 acres of critical habitat for the jaguar; and the April 2014 photographing of an ocelot in the Santa Rita Mountains, the USFWS announced in May 2014 the reversal of the favorable Biological Opinion (BO) that they had issued in July 2013 and confirmed in October 2013 for the Rosemont copper mine project, and the re-initiation of formal consultation.

In a confirmation of an analysis often characterized as paranoid by the USFWS, it is interesting to observe that facts verified ECO's warning to the Service in its comments on the listing of critical habitat for the Jaguar: "The designation of critical habitat for the jaguar in Arizona and New Mexico is therefore likely to be used to trigger the USFWS reversal of its draft favorable biological opinion on the Rosemont Copper project" (ECO, Aug 2, 2013).

Strategic Objectives

Previous gains were sustained by ECO and its partners during FY 2018 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* is a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern. Much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

ECO is committed to continue to participate in the Mexican Gray Wolf recovery program and experimental population program, and to participate in the NEPA analyses of other species listings, habitat designations or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc. in order to ensure that threatened and endangered species management efforts do not create unsustainable constraints on the custom, culture, economic well-being, and safety of the Counties.

Specifically, ECO is committed to:

1) Continue to work with the Mexican Wolf Cooperators MOU signatories (USFWS, AGFD, USDA APHIS and WMAT) to develop a mutually agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves within the Mexican Wolf experimental population area.

2) The continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council ("Coexistence Council") and the Arizona Livestock Loss Board as vehicles to:

    I. Disburse funds to compensate livestock owners for eligible conservation activities in the form of interdiction and incentives, including activities that address Mexican wolf and livestock interaction management, grazing strategies, monitoring and other needs; conflict resolution; compensation for damages that include depredation; other types of economic loss; education; outreach activities; and similar undertaking;
    II. Draft positive coexistence plans that recognize the wolf-livestock nexus that is critical to a successful reintroduction program.

3) The full inclusion of the ECO Counties' safety, custom, culture and economic well-being concerns in the NEPA analyses about the jaguar, ocelot, and other vegetal or animal species located within the ECO Counties' area of interest.

4) Continue to work with all relevant partners to mitigate the socio-economic impacts of the Jaguar Draft Recovery Plan and Ocelot Recovery Plan – Revision 1, on rural Arizona counties residents and the ranching community.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue and expand its bilateral work with the Arizona Game and Fish Department;
- Continue its bilateral work with the U.S. Fish and Wildlife Service;
- Continue its work with the signatories of the Mexican Wolf Cooperators MOU;
- Actively engage in the appropriate work on the Mexican wolf, jaguar, ocelot and other species issues with the Federal, State and local agency, community, university, livestock industry, and environmental constituency partners;
- Attend and participate in the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Increase and expand its bilateral work with the conservation and livestock constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational species management perspectives;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy with local, State and Federal executives and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 15% of its resources on Program 2: *Threatened and Endangered Species.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 15% of its activities to Program 2: *Threatened and Endangered Species.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 2 Endangered Species	15%	12	9	1	7	12	41
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 2, *Threatened and Endangered Species*, ECO seeks the following outcomes:

1) Satisfactory and timely resolution and disbursement by the Coexistence Council and Livestock Loss Board of all FY 2020 and FY 2021 compensation claims for grazing management constraints, interdiction, damage, and depredation.

2) Full funding of the Coexistence Council compensation budget for FY 2021.

3) Full funding of the Arizona Livestock Loss Board for FY 2021.

4) Continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation.

5) Effective participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j));

6) Continued participation in the Mexican Spotted Owl Leadership Forum;

7) Continued monitoring of the litigation of the Mexican Wolf recovery plan revision.

8) Discontinuation of the initial release and translocation of adult "naïve" wolves in the Mexican Wolf Experimental Area (MWEPA), and replacement of these releases with cross-fostering of captive born pups generally less than 3 weeks old.

9) Participation in the ESA and NEPA analyses of other species listing, habitat designation or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc.

10) Continued work with all relevant partners to mitigate the socio-economic impacts of the *Jaguar Draft Recovery Plan and Ocelot Recovery Plan – Revision 1*, and other species listing, and critical habitat designations on rural Arizona counties residents and the ranching community.

Ocelot Photographed in southern Arizona.

Jaguar photographed by a trail camera in southern Arizona.

Mexican wolf wearing a tracking collar.

Capture of a Mexican wolf.

Program 3: Watershed Restoration

Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

Background

Uncharacteristic landscape-scale forest crown fires in eastern Arizona have a demonstrated negative impact on the conservation and function of the watersheds in which they take place. In addition to the damages caused to communities and ecosystems by the fires themselves, the most common negative effects on watersheds documented after the Rodeo-Chediski Fire, some areas of the Wallow Fire, and the Schultz Fire, among others, are: uncharacteristic runoffs; catastrophic flooding; accelerated and aggravated soil erosion; streams and reservoirs sedimentation; mechanical and chemical pollution of the water; and, long-term severe disturbance of the watershed functions and production.

The ECO Counties area constitutes a large portion of the watersheds (Verde River, Salt River, Black River and Upper Gila River basins) that contribute significantly to the water supply of the greater Phoenix area. The threat of additional uncharacteristic landscape-scale forest crown fires in eastern Arizona, especially on the south slopes of the Mogollon Rim in the ECO Counties, raises serious concern about the conservation and operations of the eastern Arizona watersheds. Additionally, the specific threat to the East Clear Creek and the C.C. Cragin Reservoir (previously known as the Blue Ridge Reservoir) watersheds in the Rim Country at the northern end of Gila County poses an existential threat to the water supply of several eastern Arizona communities.

With the growing realization that uncharacteristic landscape-scale forest crown fires affect the conservation and operation of the watersheds in which they take place, efforts to protect watersheds have been recently initiated in the Southwest. Several of these efforts focus on the monetization of the ecosystem services provided by the watersheds, and on an attempt to enroll the financial contribution of the downstream beneficiaries of the services (water consumers) to the financial costs of protecting the upstream provider areas and the utility corridors delivering the services (forests and watersheds at risks of catastrophic fires). Such efforts were pioneered by the Denver *Forest to Faucet* project in Colorado, or the Santa Fe municipal watershed protection project in New Mexico, among others. In Arizona, an effort to create the Arizona Watersheds Investment Fund (AWIF) has been underway, and in Flagstaff, Ballot Question #405 received electors' approval in November 2012 for the issuance of a $10 million municipal bond to finance the restoration of high threat areas in the Rio de Flag and Lake Mary watersheds to provide greater protection to the community from the impacts of fires and floods.

C.C. Cragin Reservoir Watershed Protection Project

Watershed restoration efforts intensified during FY 2015. In July 2014, SRP signed an MOU for the Restoration of the C.C. Cragin Reservoir Watersheds with the U.S. Forest Service, the Department of the Interior Bureau of Reclamation, the National Forest Foundation, the Town of Payson, and Gila County – one of the ECO Counties – to start a 64,000 acre restoration project.

The MOU designated the area as a High Priority Watershed under the Western Watershed Enhancement Partnership and aimed at developing a Proposed Action and beginning the NEPA Process by the end of 2015; publishing a Finding of No Significant Impact (FONSI) by the late spring / early summer of 2017; and, starting on the ground implementation of the restoration thinning treatments soon thereafter.

During FY 2016, ECO participated in the NEPA analysis process for the C.C. Cragin Reservoir Watershed Protection Project (CWPP). On February 24, 2016, six months behind schedule, the US Forest Service released the Scoping Letter and the Proposed Action for the project.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

Issues and Progress

Three watershed issues are of particular concern to the ECO Counties:

1) After years of collaborative debate, the model of industry supported restoration is recognized by most stakeholders as the only model that has the economic capability to be scaled up to landscape-scale. However, the sole implementation of this model is insufficient, in as much as industry supported restoration is not applicable in areas where:
    I. the merchantable material yield is insufficient for mechanical treatments to be economically viable;
    II. access by mechanical harvesting equipment is restricted, such as in steep slopes, high erosion areas, riparian areas, etc.

    Mechanical treatments implemented in low productivity areas, and non-mechanical treatments such as fire-as-a-first-entry or hand-thinning, are therefore candidate for ecosystem services funding, and systematized ecosystem services monetization is required in order to contribute to the overall funding of landscape-scale restoration of the watersheds.

2) Conversely, despite the logic of its concept; despite the keen interest of some stakeholders weary of a dominant role of industry in the relationship with the Forest Service; and, despite the momentum that the monetization of ecosystem services in general, and watershed services in particular, is expected to gain, the monetization of watershed services is unlikely to be able to bear the full cost of restoration estimated to be approximately $1,000 per acre in eastern Arizona, resulting in an estimated total cost of approximately $1 billion for the one million acres requiring thinning and burning restoration treatments.

   Continued education is therefore required to ensure simultaneously that neither the model of ecosystem services monetization funding is viewed as an alternative to the model of industry supported funding, nor the model of industry supported funding is viewed as an alternative to the model of ecosystem services monetization funding. Both models, simultaneously, and possibly others, must be viewed as necessary to the implementation of landscape scale restoration in Arizona's watersheds.

3) The restoration of forested ecosystems – Ponderosa Pine-dominated and mixed conifer dominated – in the watersheds of the south slopes of the Mogollon Rim in the ECO Counties is an objective priority, after the direct protection of communities and infrastructures, among other areas in northern and eastern Arizona also in need of restoration treatments.

   However, the 4FRI 1st analysis EIS included virtually no treatment in the critical watersheds of the Salt River and Upper Gila River basins or in the East Clear Creek and C.C. Cragin Reservoir watersheds, with most of the 4FRI 1st contract treatments located in the north-facing slopes of the Mogollon Rim in the Little Colorado River basin, and some treatments located at the head of the Verde River watershed.

CC Cragin

Progress on the CC Cragin Watershed Protection Project (CWPP) has been slow. During FY 2017, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. Although the analysis of the NEPA Alternatives has been delayed and the Finding of No Significant Impact (FONSI) scheduled for May 2017 has not been issued, the project is continuing to progress slowly. A FONSI was expected in FY 2018.

In addition, the ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically-viable implementation of the project.

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding Of No Significant Impact (FONSI).

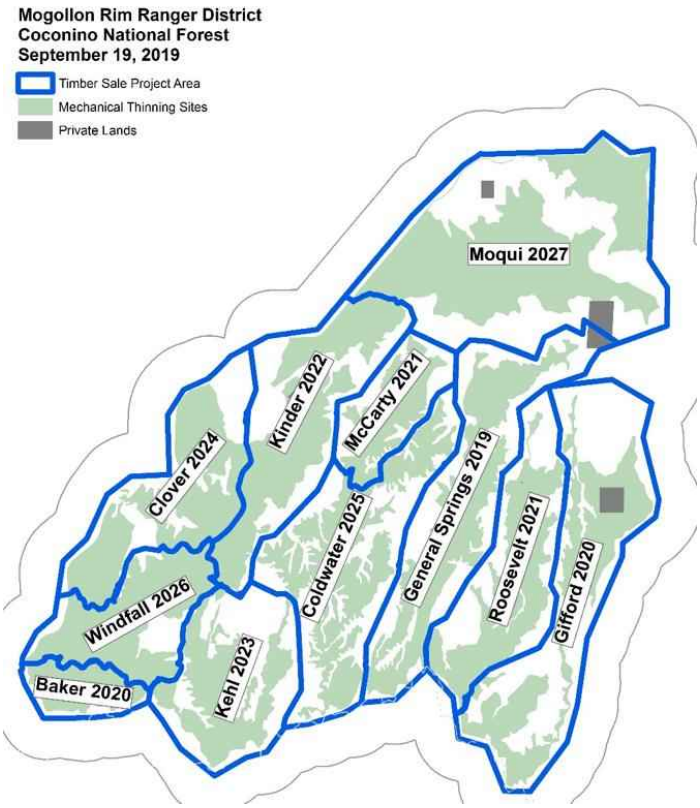
The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.



Black River

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats. A Draft Proposed Action will be presented in September 2017, and a Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

During Fiscal Year 2018 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.

- The Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, operated in FY 2018 as the collaborative body of record for the project.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.
- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.
- A draft Environmental Assessment (EA) is expected in the Spring of 2019.
- A Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National that the project was delayed. The draft Environmental Assessment (EA) was expected early 2020 and the Finding of No Significant Impact (FONSI) was expected by summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully. See Program 1 – Forest Restoration for more details.

2nd 4FRI Analysis – Rim Country EIS

By staffing the Chair of the 4FRI Planning Workgroup and the co-Chair of the 4FRI Industry Workgroup, ECO provided leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS. Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2017, FY 2018, and FY 2019 under ECO's Chairmanship of the 4FRI Planning Workgroup and co-Chairmanship of the DEIS Workgroup, significant progress was achieved with the satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics; satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe; implementation of fire treatments in Mexican Spotted Owl (MSO) habitat; development of the water resources "flexible toolbox;" and, progress on the design of the mechanical thinning "flexible toolbox."

As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019 opening the period of review and comments by the public and stakeholders.

In January 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified concerns with the uncertainties associated with the scale of future mechanical thinning, the uncertainties associated with the removal of woody biomass, the uncertainties associated with the implementation of condition-based management; and supported the 4FRI collaborative workgroup comments that it contributed to write, including concerns with the flexible toolbox approach, the degree of openness pre- and post-treatment, old growth protection and large tree retention, management of ponderosa pine dwarf mistletoe, description of pre-treatment conditions, collaborative role in implementation, and adaptive management and monitoring.

During FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins. See Program 1 – Forest Restoration for more details.

Prioritization and funding of watersheds restoration

To provide further momentum to the prioritization and funding of watershed restoration, ECO participated in FY 2017 in the creation of the new 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acre 4FRI landscape.

The Comprehensive Implementation Workgroup, chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

In FY 2018, the pilot project begun in FY 2017 at the T Six Spring in the Coconino National Forest was completed. Several additional on-the-ground watershed restoration projects were initiated in FY 2018 and completed in FY 2019:

- Rosilda Spring was completed in Oct 2018 with the well filled, 8-ft exclosure built, 32 coyote willows planted, and a small rock dam built.
- East and West Elk Springs were completed in summer 2018.
- Houston Draw was scheduled to be completed by the end of 2019 with the removal of failing fence, channel restoration for approximately three to five actively eroding sections. A flow gauge was installed below the restoration target area for before/after monitoring.

In FY 2019, additional sites in the 4FRI National Forests that have already been analyzed under NEPA were identified for restoration the 20 year 4FRI implementation:

- Big Spring, Kaibab NF - Williams RD
- Little Elden Spring, Coconino NF - Peaks RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Ritter Spring, Coconino NF - Mormon Lake RD
- Sawmill Spring, Kaibab NF - Williams RD
- Seven Anchor Spring, Coconino NF - Mogollon Rim RD
- Sheep Spring, Coconino NF - Mormon Lake RD
- Barbershop Springs, Coconino NF - Mogollon Rim RD
- Big Moqui Spring, Coconino NF - Mogollon Rim RD
- Crackerbox Spring, Coconino NF - Mogollon Rim RD
- Dane Spring, Coconino NF - Mogollon Rim RD
- Hi Fuller Spring, Coconino NF - Mogollon Rim RD
- Kehl Spring, Coconino NF - Mogollon Rim RD
- Maple Spring, Coconino NF - Mogollon Rim RD
- Mashed Potato Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Meadow Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Spring, Coconino NF - Mogollon Rim RD
- Spikerush Spring, Coconino NF - Mogollon Rim RD
- Twin Tanks, Coconino NF - Mogollon Rim RD
- Mint Spring, Coconino NF - Mormon Lake RD
- Clark Well, Coconino NF - Mormon Lake RD
- Upper Hull Spring, Coconino NF - Peaks RD
- Lower McDermit Spring, Kaibab NF - Williams RD
- Hoxworth Springs, Coconino NF - Mormon Lake RD
- Griffiths Spring, Coconino NF - Mormon Lake RD
- Willard Spring, Coconino NF - Mormon Lake RD
- Babbitt Spring, Coconino NF - Mormon Lake RD
- Curley Seep, Coconino NF - Peaks RD
- Lockwood Spring, Coconino NF - Mormon Lake RD
- Smith Spring, Coconino NF - Mormon Lake RD
- Lockwood Spring, Coconino NF - Mogollon Rim RD
- Railroad Spring, Coconino NF - Mormon Lake RD

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- Upper McDermit Spring, Kaibab NF - Williams RD
- Mud Spring, Coconino NF - Mogollon Rim RD
- Tree Spring, Coconino NF - Mormon Lake RD
- Pat Spring, Coconino NF - Peaks RD
- Wild Horse Spring, Kaibab NF - Williams RD
- Van Deren Spring, Coconino NF - Mormon Lake RD
- Mineral Spring, Kaibab NF - Williams RD
- Hat Tank lower, Kaibab NF - Williams RD
- Hat Tank upper, Kaibab NF - Williams RD
- Fues Spring, Kaibab NF - Williams RD
- Rocky Tule spring, Kaibab NF - Williams RD
- Bear Springs, Kaibab NF - Williams RD
- Bootlegger Spring, Coconino NF - Mormon Lake RD
- Stewart Spring, Kaibab NF - Williams RD
- Dairy Spring, Coconino NF - Mormon Lake RD
- Weimer Spring, Coconino NF - Mormon Lake RD
- Double Springs, Coconino NF - Mormon Lake RD
- Comp, Coconino NF - Mormon Lake RD
- Poison Springs, Coconino NF - Peaks RD
- Chimney Spring , Coconino NF - Peaks RD
- Thomas Spring, Coconino NF - Mormon Lake RD
- Tinny Spring, Coconino NF - Mormon Lake RD
- Kendrick Spring, Coconino NF - Peaks RD
- Dove Spring, Coconino NF - Mogollon Rim RD
- Willow Spring, Kaibab NF - Williams RD
- Spitz Spring lower, Kaibab NF - Williams RD
- Spitz Spring upper, Kaibab NF - Williams RD
- Sawmill Springs, Coconino NF - Mogollon Rim RD
- Scott Spring, Coconino NF - Mormon Lake RD

To provide continued momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 in the 4FRI Comprehensive Implementation Workgroup,

Strategic Objectives

ECO is committed to participate in the development and implementation of the protection and restoration of the eastern Arizona watersheds, in order to ensure:

1) The continued and simultaneous development of all models of restoration funding (industry funding, ecosystem services funding, municipal bonds funding, etc.).

2) The prioritization of treatments in the watersheds, after the direct protection of communities and infrastructures, on the south-facing slopes of the Mogollon Rim in the ECO Counties.

3) The implementation of treatments in the East Clear Creek and C.C. Cragin Reservoir watersheds.

4) The development of the 90,000 acre project in the entire Black River watershed located in the upper Salt River Basin.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue to develop bilateral relationship with the watersheds operators, especially the Salt River Project (SRP);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the prioritization of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties;
- Continue and expand collaboration with the USFS and SRP to prioritize treatments in the East Clear Creek and C.C. Cragin watersheds in the Rim Country at the northern end of Gila County;
- Continue and expand collaboration with the USFS Southwestern Region, the Apache-Sitgreaves National Forest, and watershed, industry and utility stakeholders Salt River Project (SRP), Arizona Public Services Co. (APS), and Freeport-McMoRan Inc. (FMI) to develop the Black River project;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the development of watersheds protection and restoration funding with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 3: *Watershed Restoration.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 3: *Watershed Restoration.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 3, *Watershed Restoration,* ECO seeks the following outcomes:

1) Prompt implementation of the East Clear Creek restoration treatments under the 4FRI contract.

2) Prompt implementation of the CC Cragin Watershed Protection Project (CWPP).

3) Completion of the Black River NEPA Environmental Impact Statement (EIS) initiated by the Apache-Sitgreaves National Forests, and publication of a Record of Decision (ROD) by the end of 2021.

4) Continuation and simultaneous expansion of all the models of industry-funded, ecosystem services-funded, municipal bonds-funded, etc. watershed restoration efforts.

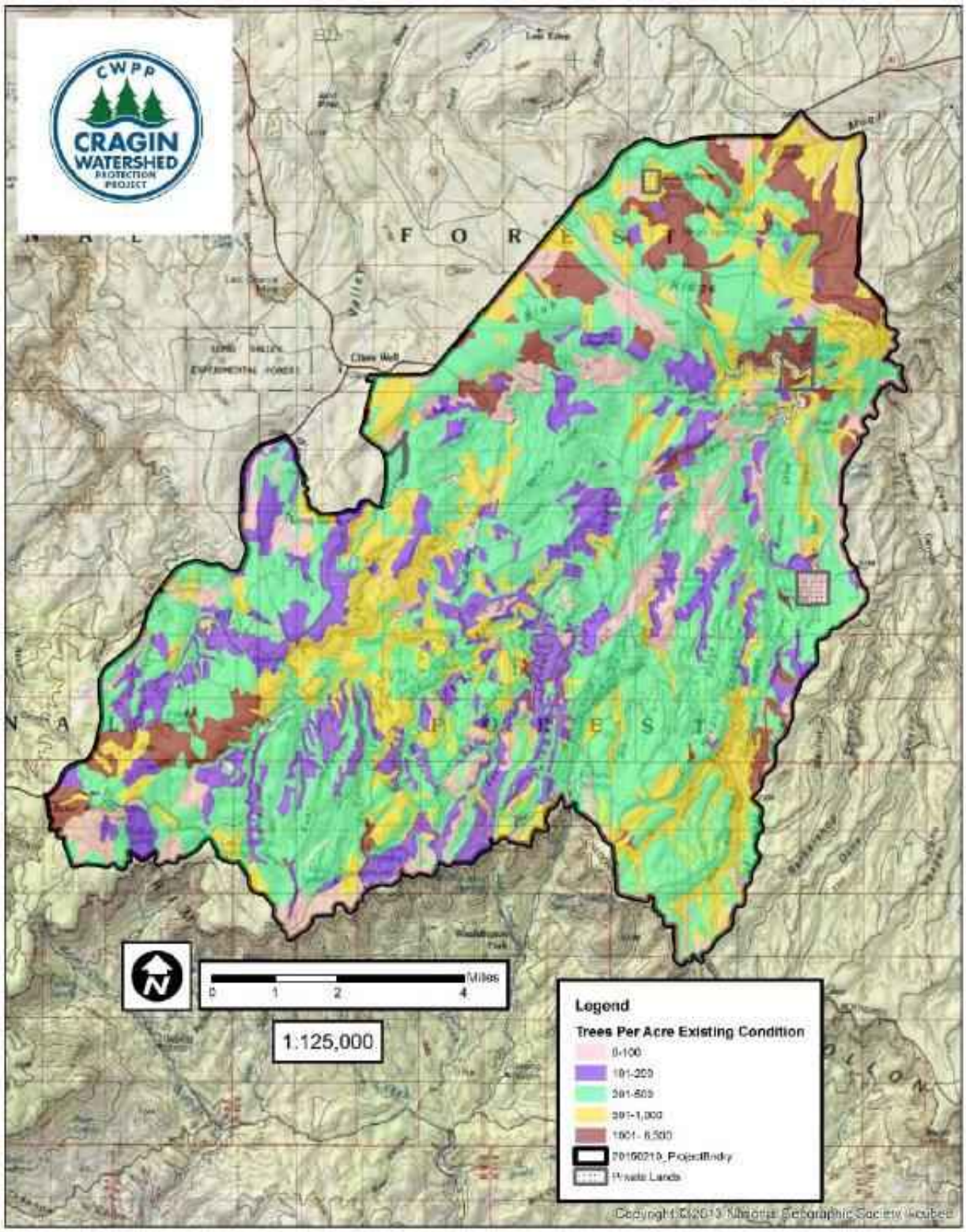
5) Prioritization by the USFS of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties.

6) Completion of the 2nd 4FRI EIS, the Rim Country EIS, by December 2021.

7) Implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects by the Comprehensive Implementation Workgroup.

Spring restoration work (photo courtesy Grand Canyon Trust)

C.C. Cragin watershed.



Most of the acres in the CC Cragin watershed have between 300 and 1,000 tree per acres.

Post catastrophic fire watershed erosion.

Program 4: Infrastructures

Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

Background

All infrastructures

In addition to their threats to the communities and ecosystems, the continued risk of catastrophic wildfires in the forests of eastern Arizona threatens the infrastructures delivering the electrical power generated in eastern Arizona to the urban centers of central and southern Arizona; the infrastructures collecting and delivering the water provided by the eastern Arizona watersheds to metro Arizona; and, the transportation infrastructures necessary to the economic well-being of the ECO Counties.

Roads

The long-term progressive decline and ultimately the virtual disappearance of the logging and wood industry in eastern Arizona over the last 30 years, as a result of the "timber wars" of the 1980's and 1990's, has affected the requirements for the rebuilding and maintenance of the road transportation infrastructures in eastern Arizona. As a result, several Federal highways, State roads and County roads necessary to the implementation of industry-supported landscape-scale restoration may not have been rebuilt or maintained to the specifications required by continuous commercial use for heavy logging traffic.

Conversely, the implementation of restoration logging in eastern Arizona creates new demands on the eastern Arizona road transportation infrastructure, and the acceleration of the restoration efforts to landscape-scale, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, will result in the transportation on Federal highways, State roads and County roads of approximately 1.7 million tons of logs and up to 1.5 million tons of residual biomass annually, which equates to over 100,000 annual truck runs, or approximately 400 daily truck runs. Such increased heavy commercial traffic on Federal highways, State roads and County roads will thoroughly tax the financial ability of the Arizona Department of Transportation (ADOT) and the ECO Counties to fund the adequate maintenance of the road transportation infrastructure.

Healthy Forest Initiative Pilot Project

As of the beginning of FY 2015 the Arizona road transportation maximum gross weight of 80,000 lbs. was lower than the maximum weight allowed in several neighboring states such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Nevada (129,000 lbs.), and other wood producing western states such as Wyoming (117,000 lbs.), Idaho (105,500 lbs.), or Washington (105,500 lbs.). This put the Arizona wood industry at a competitive disadvantage.

During FY 2015, ECO designed, developed and submitted to ADOT the *Healthy Forest Initiative Pilot Project* to increase the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on US Highway 60,

State Route 77, US Highway 180, State Route 260 and State Route 277 between Payson and the New Mexico State border, and on all relevant feeder roads in the White Mountains.

On November 17, 2014 the Arizona Department of Transportation (ADOT) partnered with Arizona State Forestry and ECO to announce a new *Healthy Forest Initiative Pilot Project* to help loggers clear Wallow Fire burn area; improve commerce; and, maintain healthy forest in the White Mountains region. The two-year pilot project allowed timber industry trucks to carry additional weight on several state highways in the White Mountains region.

The *Healthy Forest Initiative Pilot Project* increased transportation weight efficiency by 20%, and significantly contributes to the economic viability of the forest restoration treatments and the economic competitiveness of the Arizona wood industry. ADOT started issuing the permits for the new program in November 2014.

However, the "Healthy Forest Initiative" pilot project was only effective for a period of two years, until the end of calendar year 2016, and a permanent solution needs to be implemented.

Local short line railroads

Two interstate rail lines cross Arizona from East to West: the Burlington Northern Santa Fe Railway (BNSF) through Flagstaff in the northern third of the State; and, the Union Pacific Railroad (UP) through Tucson and Yuma in the southern third of the State. Both BNSF and UP provide a connection to Phoenix.

A total of 61 local short line railroads were constructed historically in Arizona to support economic activities, mostly the ranching, logging and mining industries; and, more recently, to serve specific heavy industrial sites.

As of the beginning of FY 2021, two touristic passenger short lines are operated in Arizona:

- Grand Canyon Railway between Williams and the Grand Canyon;
- Verde Canyon Railroad between Clarkdale and Perkinsville.

As of the beginning of FY 2021, ten commercial short lines are operated in Arizona:

- Apache Railway (APA): connecting BNSF at Holbrook to the site of the Snowflake paper mill;
- BNSF Springerville Spur: connecting BNSF at Navajo (Chambers) to the Springerville power plant;
- Arizona & California Railroad (ARZC): connecting BNSF at Cadiz (CA) to BNSF at Matthie (Wickenburg);
- Arizona Central Railroad (AZCR): connecting BNSF at Drake to Clarkdale;
- Arizona Eastern Railway (AZER) Clifton Spur: connecting UP at Lordsburg (NM) to Clifton;
- Arizona Eastern Railway (AZER) Miami Spur: connecting UP at Bowie to Miami;
- Copper Basin Railway (CBRY): connecting UP at Magma to Winkelman;
- San Pedro & Southwestern Railroad (SPSR): connecting UP at Benson to Curtiss;
- Black Mesa & Lake Powell Railroad (BLKM): connecting the Kayenta coal mine to the Page power plant;
- UP Nogales Spur: connecting UP at Tucson to Nogales.

The Apache Railway (APA) is a 38 mile short-line railroad that operates from a connection with the BNSF Railway (BNSF) at Holbrook to the Snowflake Mill near Snowflake. The APA was acquired by Catalyst Paper from Abitibi Consolidated in 2008. When the Snowflake paper mill shut down permanently on September 30, 2012, the Town of Snowflake along with various other local, state and federal leaders

worked with various potential buyers to try and come up with a long-term solution for the acquisition and future operation of the railway.

ECO and Navajo County worked tirelessly with State and Congressional leaders to develop a financial plan that would allow preventing the dismantlement for scrap of the railroad, and during FY 2016, the railway was purchased out of bankruptcy by a group including Aztec Land & Cattle Company, thereby avoiding a shutdown and destruction of the line. The railway continues to operate, and its revenues are driven primarily by car repair and storage. The railway's freight revenues have not yet recovered from the shutdown of the Snowflake paper mill then owned by Catalyst, although efforts to enhance them continue.

The retention of the local short line railroads provides an economic competitive advantage to Arizona businesses in making the import of raw material (coal) or the long distance export of products (copper, cement, wood products, etc.) price-competitive compared to highway transportation.

Power lines

A critical bottleneck for the development of remotely located solar and wind renewable energy power plants is the existence of the power lines required to connect them to the power grid.

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m^2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project includes two 500-kilovolt transmission lines, substations, and ancillary facilities to be located on Federal, State, and private lands between central New Mexico and central Arizona. The SunZia project was initiated in 2006, with NEPA analysis starting in 2009, to connect 11,000 megawatts of class 4 wind energy with a capacity factor of 45% to 47% landlocked in central New Mexico to the California market as well as the Phoenix metro market. The SunZia lines planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in Graham, Greenlee and Cochise Counties.

However, in June 2013, the Department of Defense (DOD) White Sands Missile Range rejected the route selected in the BLM Final EIS for the project, based on the concern that aerial power lines in an area north of White Sands Missile Range known as the Northern Call-Up Area (NCUA) would be detrimental to military readiness and operations of the range.

Further, in June 2013 The Wilderness Society (TWS) also opposed the FEIS on the ground that while they support responsible renewable energy and transmission development, and they support some of the SunZia proposed alternate routes, they consider that the proposed route preferred by the BLM raises serious concerns about impacts to the sensitive San Pedro Valley, and does not offer an acceptable tradeoff between the need for energy transportation and the need for sensitive ecosystems conservation. TWS is concerned that the proposed route through the San Pedro Valley would require 360 towers, averaging 130 feet in height, and necessitate a clear-cut road paralleling the lines with access roads to every tower. The San Pedro Valley's highly erodible soils would greatly accentuate the environmental impact of these roads. The San Pedro Valley is also a principal flyway for over 4 million

birds each year, including more than 350 species. The principal danger to birds would be flying into wires. Finally, the San Pedro Valley hosts one of the longest and richest archaeological records in North America, with sites dating back nearly 13,000 years - the earliest evidence of human occupation on the continent - that could be compromised by towers and roads construction work or subsequent erosion.

In May 2014, SunZia initiated the Arizona permitting process with a presentation to the Arizona Corporate Commission (ACC). During the presentation, SunZia stated that DOD is expected to propose mitigation measures, possibly involving the burial of 3 segments of the transmission line totaling 5 miles in the NCUA in June 2014, in which case it is likely that the BLM will conduct an environmental assessment (EA) of the proposed mitigation. SunZia also stated that the segment of Route Group 4 (Willow Substation to Pinal Central Substation) that includes the San Pedro Valley, has alternative routes proposed North of Mount Graham and through Sulphur Spring Valley, as well as south through Tucson although the latest is considered marginally practical owing to existing urban development.

On January 23, 2015, the Bureau of Land Management (BLM) issued a Record of Decision (ROD) approving a right-of-way (ROW) for the SunZia Southwest Transmission Line Project, from the proposed SunZia East Substation in Lincoln County, NM, to the existing Pinal Central Substation in Pinal County, AZ. The transmission line in the preferred alternative is 515 miles long. Three segments, totaling five miles of the Project will be buried in order to mitigate impacts to military operations at White Sands Missile Range. The impacts of burial have been analyzed in a Mitigation Proposal Environmental Assessment (EA) that has also been approved.

Following the completion of the Re-Study with the Modified Plan of Service (POS) and the submission of the Re-Study Report to Western Electricity Coordination Council (WECC) on January 14, 2015, the WECC Planning Coordination Committee (PCC) confirmed on January 27, 2015 the SunZia Project's Accepted Rating of 3,000 MW with the Modified POS. In parallel, the BLM issued a Record of Decision on January 23, 2015 approving SunZia's request for right-of-way on federal lands managed by the BLM.

In February 2016, the Arizona Corporation Commission approved the Certificate of Environmental Compatibility (CEC) for the SunZia project and SunZia has applied for state permits issued by the Arizona Corporation Commission and New Mexico Public Regulation Commission.

Energy pipelines

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, *The June 2014 - Clean Power Plan Proposed Rule* (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and

that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing EPA rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties, or converted to another energy source, most likely natural gas.

A critical bottleneck for the conversion of remotely located coal-fired power plants to natural gas is the existence of the energy pipelines required to connect them to the natural gas grid.

Issues and Progress

Six infrastructure issues are of particular concerns to the ECO Counties:

1) The expected implementation of landscape-scale forest and watershed restoration in eastern Arizona will create wear and tear unprecedented in recent decades on some Federal highways, State roads and County roads. As a consequence, additional funding will be required to maintain some portions of the eastern Arizona road transportation infrastructure expected to be used intensively by the logging transportation fleet.

2) Although the FY 2015 ECO / ADOT Healthy Forest Initiative increased the maximum gross weight legally allowed for timber industry trucks on several state highways in the White Mountains to 90,800 lbs., the Pilot Project was only effective for a period of two years, and a permanent solution must be implemented to permanently remove the competitive disadvantage for the Arizona wood industry compared to the wood industry operating in most western States. A permanent solution is required.

3) Water collection and distribution infrastructures, and power distribution infrastructures in eastern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of eastern Arizona.

4) The potential dismantlement of local short line railroads would compromise the competitiveness of Arizona businesses by increasing the costs of import of raw material and long distance export of products (copper, cement, wood products, etc.).

5) Until the construction of a new power line is completed, important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – remain landlocked in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

6) The connection of the Cholla Power Plant in Joseph City; Coronado Generating Station in St John; and, Springerville Generating Station to the Transwestern natural gas pipeline, are strategic requirements to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

"Healthy Forest Initiative" Pilot Project

Due to priorities setting, ADOT was not able to conduct the technical infrastructure impact analysis of the increase of the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on select state highways in the White Mountains during FY 2016. In consequence ADOT decided to extend the pilot project until the end of calendar year 2017.

During FY 2017, ADOT, in consultation with ECO, installed four weigh-in-motion scales (WIMS) at different locations to collect data to determine long-term impacts to pavement due to the higher gross vehicle weights of 90,800 lbs. The locations were selected based on the most common destination points or routes to the biomass processing centers or sawmills. The total cost for ADOT to install these WIMS was approximately $400,000.

During FY 2018, ADOT monitored the four weigh-in-motion scales (WIMS).

Per data collected at the four WIMS in FY 2018, the program is very successful in reducing transportation costs for the low value forest restoration products:

Route Milepost (MP)	Class 9 Vehicles	Class 9 Overweight	% Overweight
SR 260 EB / MP 334.5	13,279	1,620	12.20%
SR 260 WB / MP 335	7,994	1,790	22.39%
SR 277 NB / MP 316	11,254	3,981	35.37%
US 180 WB / MP 419	1,004	162	16.14%
Totals	33,531	7,553	22.53%

In addition, per the data collected by ADOT for the first three years of the program, some HURF revenues are generated by the program:

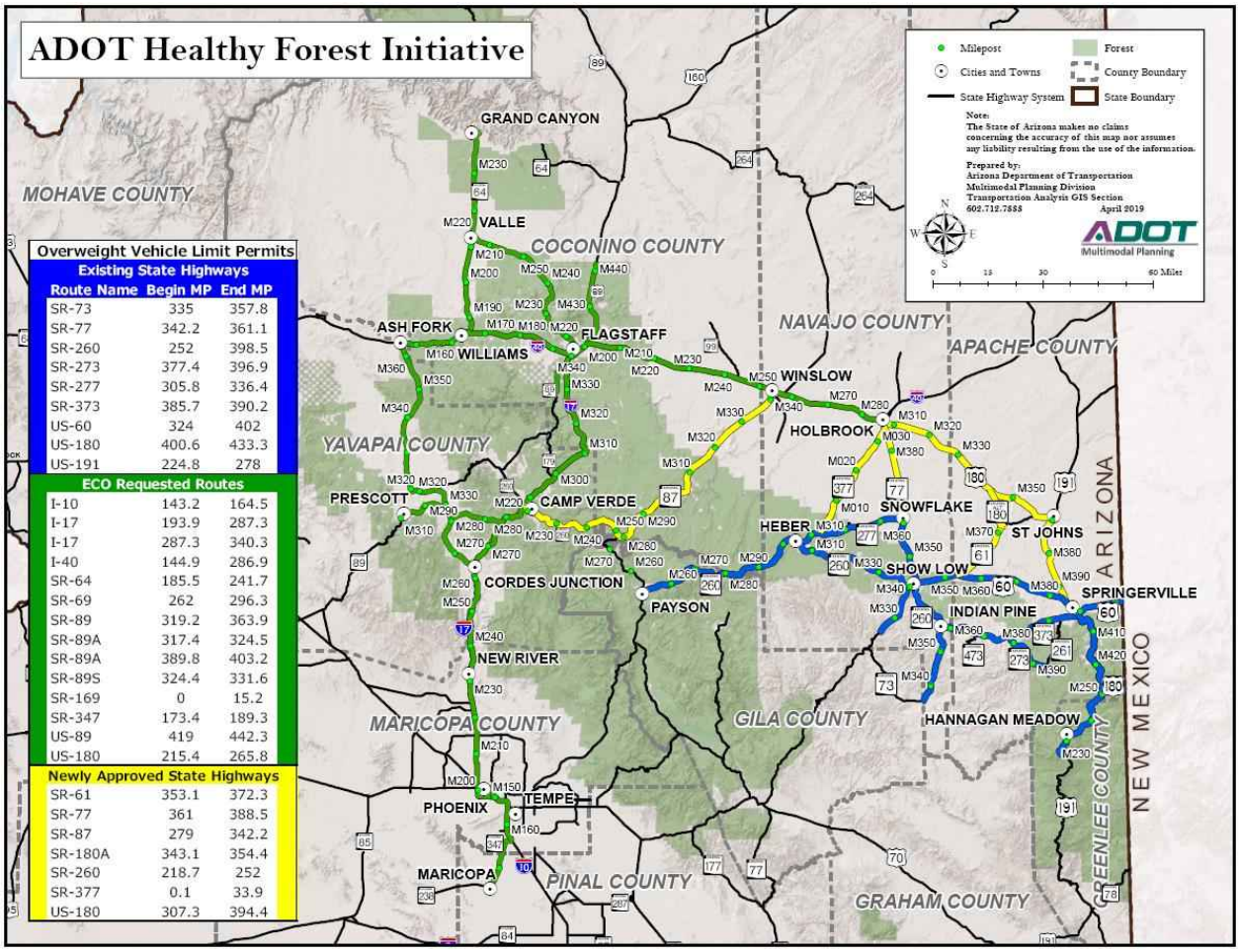
Calendar Year	Number of Permits	Total Permit HURF Revenue	State Highway Share
2015	215	$16,125	$ 8,143
2016	343	$25,725	$12,991
2017	318	$23,850	$12,044
Total	876	$65,700	$33,178

In FY 2019, the pilot program continued to be very successful in terms of:

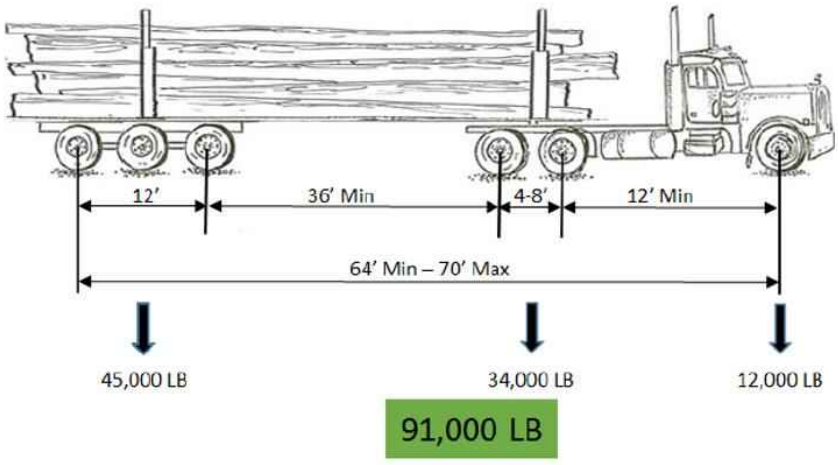
- expanding the operations radius for both logging and biomass removal;
- retaining forestry jobs; and
- accelerating the implementation of landscape-scale forest restoration, the mitigation of catastrophic fires, and the preservation of watershed functions.

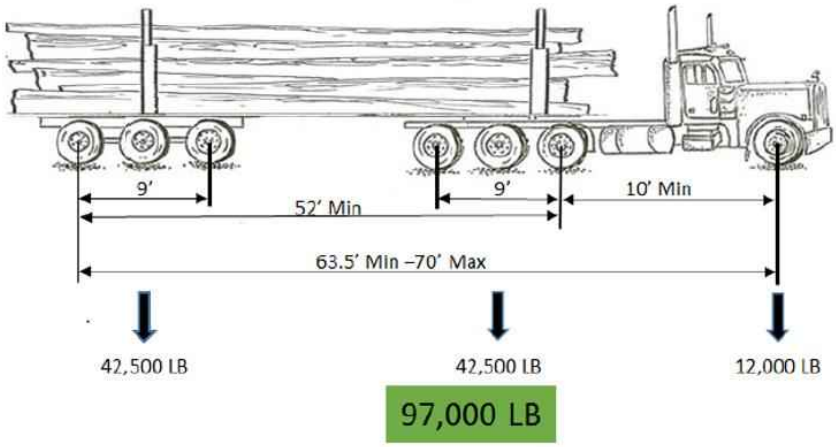
During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim (blue roads) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads).

During FY 2020 ECO collaborated with ADOT to include the entire “West Side” of 4FRI to the program, and to work with the federal authorities to allow the use specific sections of Interstate 40 and Interstate 17 in Camp Verde (green roads).

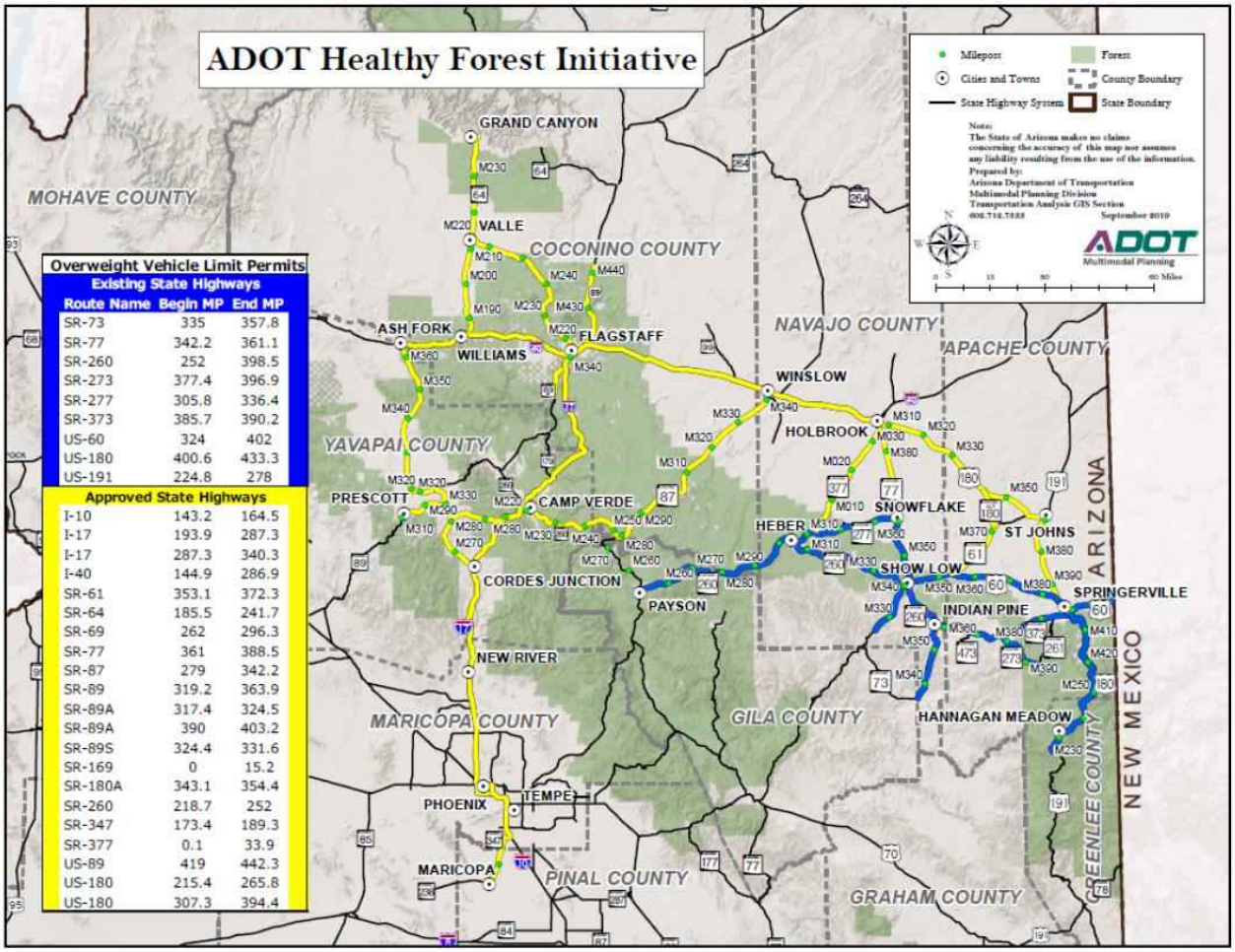


As a result of ECO’s work with ADOT, ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:





As a result of ECO's work with ADOT, all additional roads requested by ECO were approved:



The collaborative work between ECO and ADOT was a major success for Arizona in FY 2020:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program;
2. the increased maximum weight of 97,000 lbs., and

3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix;

are contributing significantly to the conditions required for successful implementation of landscape scale forest and watershed restoration in Arizona.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 73,000 acres in the White Mountains and the removal of over 1.9 million tons of log and 1.6 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	287,592
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	327,405
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	276,644
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	204,700
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336283
Total	73,390	1,908,140	1,687,970

In addition to the substantial accomplishment of over 73,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $80 million in wages over the 6 years of the pilot project and contributed $294 million in total economic activity to the rural economy.

As a result of its success, on October 20, 2019 ADOT converted the "Healthy Forest Initiative" pilot project into a permanent program.

Rural transportation infrastructures

As an appointed member of the ADOT Freight Advisory Committee (FAC), ECO has been participating in FY 2017 and FY 2018 in the revision of the ADOT *State Freight Plan*, including its rural transportation component.

On November 15, 2017 the ADOT *State Freight Plan was completed*, with the implementation phase starting thereafter.

ADOT 2018–2022 Five Year Plan

On May 23, 2017 ECO filed comments on the Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 5 Year Plan:

- The rural characteristics of the ECO Counties, their transportation network and their economy.
- The overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management.
- The dependence of the rural counties economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 5 Year Plan:

- Repair/Replace the rubble retaining walls on US 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate Pavement Preservation Schedule For Rural State Highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116 South of Safford;
    - State Route 90 N of Sierra Vista.

SunZia

During FY 2017, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico is also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018 Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the property surrounding its proposed route, and there are two sections of property through which the company has yet to secure easements. The commission denied the route without prejudice, which means SunZia can come back with a new proposal for two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

As of the end of FY 2019 the timetable for the project was as follows:

- 2020-2021: finalize right-of-way acquisitions and finalize engineering design
- 2020-2022: finalize permits
- 2022-2023: procuring materials for construction
- 2022-2024: construction
- 2025: commercial operation

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expects that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintains that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north does not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis is expected to add 2 years to the project but will not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy to be distributed in Arizona and California. As of the end of FY 2010, the previous timetable for the project was likely to be pushed back 2 years

Strategic Objectives

ECO is committed to participate in the protection, development and management of the eastern Arizona infrastructures, in order to ensure:

1) The systematic verification in FY 2021 that all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration are certified for, or rebuilt to, heavy commercial use specifications.

2) The funding in FY 2021 by Federal and State partners of the rebuilding (if necessary) and appropriate maintenance (as required) of all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration.

3) The prioritization of treatments in the power and water infrastructures corridors, after the direct protection of communities and watersheds, in all the ECO Counties.

4) The retention of the local short line railroads.

5) The construction by 2024 of the SunZia power line and the unlocking of the solar energy potential in Graham, Greenlee and Cochise Counties.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;

- Make them priority items with the State and Federal partners;
- Continue and expand its bilateral relationships with the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP);
- Continue and expand its bilateral relationship with the Arizona Department of Transportation (ADOT);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the protection of power and watershed infrastructures, and the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Continue its engagement and work with the Governor's office to facilitate multiagency coordination of the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 4: *Infrastructures.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 4: *Infrastructures.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 4 Infrastructures	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 4, *Infrastructures,* ECO seeks the following outcomes:

1) The completion of rural infrastructure projects listed in the ECO comments on the proposed ADOT 2018-2022 5 Year Plan:
    a. completion of the Lion Springs section of U.S. Highway 260;
    b. modernization of U.S. Highway 260 over the Mogollon Rim to Heber;
    c. resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe;
    d. resolution of local bottlenecks on U.S. Highway 191 MP 110 – 116, South of Safford;
    e. resolution of local bottlenecks on State Route 90 north of Sierra Vista.

2) The continuation of a dialog with Federal and State partners to fund the maintenance of the Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration in eastern Arizona, especially through the new *State Freight Plan*.

3) The completion of the SunZia power line by the end of FY 2026.

Canyon Creek Logging truck loaded to the new 90,800 lbs. State maximum weight.

Program 5: Recreation

Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and, recreation-based economic development.

Background

Importance of dispersed motorized travel and recreation for the ECO Counties

The number of off-highway vehicles (OHVs) used in Arizona has risen dramatically. Almost 500,000 households within the State have at least one OHV, and as many as 30,000 new ATVs and motorcycles are purchased annually (Arizona State Parks, 2009).

While the use of OHVs is increasing statewide, OHV recreation is disproportionally important to the economy of rural counties such as the ECO Counties. A survey conducted in 2003 by the Arizona State Parks identified the recreation impact of OHV recreation on the ECO Counties as follows.

OHV use

OHV Use	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Households owning OHV	34%	24%	36%	34%	48%	36%
Arizona OHV trip destinations	6%	4%	8%	5%	5%	7%
Annual OHV Recreation Days	896,479	435,134	1,262,607	209,712	88,926	744,630
Internal to County	153,125 (17%)	180,697 (42%)	228,071 (18%)	66,020 (31%)	32,787 (37%)	438,831 (59%)
From visitors to County	743,354 (83%)	254,437 (58%)	1,034,536 (82%)	143,694 (69%)	56,139 (63%)	305,798 (41%)
Households satisfied with their OHV experience	70%	72%	60%	82%	79%	73%

OHV economic impact

OHV Economic Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Fuel/Gasoline	$11.8 M	$8.2 M	$16.7 M	$3.4 M	$1.5 M	$15.3 M
Lodging/Campgrounds	$8.6 M	$3.4 M	$12 M	$1.8 M	$0.7 M	$4.9 M
Restaurants/Bars	$8.1 M	$5.0 M	$11.5 M	$2.2 M	$0.9 M	$8.9 M
Groceries/Liquor	$9.4 M	$6.2 M	$13.3 M	$2.7 M	$1.2 M	$11.5 M
Event fees/souvenirs/etc.	$9.7 M	$4.9 M	$13.6 M	$2.3 M	$0.97 M	$8.1 M
Total OHV recreation trips expenditures	$47.6 M	$27.7 M	$67.1 M	$12.4 M	$5.3 M	$48.7 M
Expenditures on off-highway vehicles	$13.3 M	$25.4 M	$16.9 M	$6.7 M	$2.2 M	$25.9 M
Expenditures on tow-vehicles and trailers	$10.6 M	$12.7 M	$9.4 M	$2.6 M	$0.1 M	$7.4 M
Expenditures on OHV equipment	$22.6 M	$32.7 M	$27.1 M	$10.6 M	$4.1 M	$32.9 M
Total OHV expenditures	$94.1 M	$98.5 M	$120.5 M	$32.3 M	$11.7 M	$114.9 M

In summary, the total OHV economic impact on the ECO Counties, including multiplier effect, represents a $535 million annual contribution to the local economy, the sustenance of 4,670 jobs and the payment of $81.8 million annually in salaries and wages:

OHV Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Total Economic Impact	$102 M	$116 M	$138 M	$38 M	$12 M	$129 M
Jobs Supported	842	1,009	1,322	348	50	1,099
Salaries and wages	$12.8 M	$19.6 M	$22.3 M	$6.2 M	$0.8 M	$20.1 M

While the study is aging (2003), the trends that it represents are constant, and the growing importance of motorized travel and recreation in Arizona, and in the eastern Arizona Counties is obvious. Admittedly, the economic growth for the 5 years after the study was conducted (2003 to 2008), and its positive influence on recreation activities, were offset by the economic slump over the following 5 years (2008 to 2013), and its negative influence on recreation activities. However, for all practical purposes, the 2003 data may reflect fairly accurately the 2019 situation. Certainly, in any economy 4,670 jobs are significant, and in the current economy they are critical.

Overall, 73% of the motorized recreational activities reported in the study involved some level of dispersed access to the lands:

Dispersed Access	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Camping	19%	7%	12%	14%	13%	22%
Fishing	15%	0%	10%	10%	14%	8%
Sightseeing	12%	15%	15%	11%	11%	9%
Picnicking	2%	4%	0%	10%	10%	5%
Hunting	11%	11%	14%	9%	11%	12%
Back roading	7%	15%	13%	10%	5%	11%
Trail riding	6%	17%	10%	12%	4%	12%
Total	72%	69%	74%	76%	68%	79%

The fact that over 73% of the motorized recreational activities involved some level of dispersed access to the land illustrates the need to maintain motorized travel on the USFS and BLM public roads, as well as some level of authorized cross-country travel for reasonably dispersed activities.

Preponderance of Federal lands

In the State of Arizona, the Federal government directly owns over 32.4 million acres of the 72.6 million acres total area of the State, through the Bureau of Land Management (13.1 M), Forest Service (12.9 M), Department of Defense (3.6 M), National Park Service (1.4 M) and Bureau of Reclamation (1.4 M). This represents over 44% of the land in the State.

When adding the 21.5 million acres of Indian reservations managed by the Federal Bureau of Indian Affairs, a total of 53.9 million acres, or over 74% of the land in the State are controlled by Federal agencies.

The percentage of land controlled by the Federal government is even higher in some Arizona Counties. For example, among the six ECO Counties, Federal agencies control in average 80% of the land in five of the counties:

Land Control	Forest Service	Bureau Land Management	Tribal / BIA	Department of Defense	Federal Control
Apache County	9%	2%	67%	0%	78%
Cochise County	12%	10%	0%	3%	25%
Gila County	55%	2%	38%	0%	95%
Graham County	13%	25%	36%	0%	74%
Greenlee County	64%	14%	0%	0%	78%
Navajo County	8%	1%	67%	0%	76%

As a consequence, regulations severely restricting the motorized access to, motorized travel through, or motorized recreation on public lands can have a disproportionate impact on the custom, culture and economic well-being of the ECO Counties.

Travel Management Rule (TMR)

In 2003, the Department of Interior (DOI) *Strategic Plan* set as the first of three key recreation goals to "establish a comprehensive approach to travel planning and management."

In May 2003, the Bureau of Land Management (BLM) *Priorities for Recreation and Visitor Services* implemented travel management through national motorized, mechanized, and non-motorized recreation strategies.

In December 2005, the U.S. Forest Service (USFS) issued the *Travel Management Rule* (TMR), developed in response to the increasing effects of OHV recreation and the potential for OHV use to adversely affect forest and grassland resource.

Indiscriminate OHV use, especially unrestricted cross country motorized travel, can adversely impact natural resources such as forests, grasslands, watersheds, riparian areas, sensitive soils, habitats, etc. and cultural resources. Therefore, the growing popularity of motorized recreation requires appropriate regulations in order to maintain a well-considered balance between the enjoyment of the public lands visitors, and the need to preserve and conserve the resources of these lands for the enjoyment of future generations.

However, misdirected implementation of travel management may result in overly restrictive regulations and undue restriction of motorized access and motorized recreation on the BLM and USFS public lands that can be harmful to the Counties custom, culture and economic well-being.

Issues and Progress

Six motorized travel and motorized recreation issues are of particular concern to the ECO Counties:

1) Retention of adequate motorized road travel in the public lands.

2) Retention of motorized dispersed camping consistent with the reasonable enjoyment of safety, privacy, comfort, custom and culture, allowing the parking of motorized vehicles and/or trailers at a distance of 300 feet from the closest legally open road or trail. Access to dispersed camping sites previously used and established in the local custom and culture as demonstrated by tangibles evidences of previous use such as fire pits, improvements, etc. must continue to be allowed.

3) Retention of motorized big game retrieval for all species of game meeting the definition of ‘big game’ in the Arizona Game and Fish Department hunting regulations, or alternatively for all ‘big game’ animals requiring a hunting tag, with the exception of turkeys, allowing one trip each way from the downed animal to the closest legally open road or trail, regardless of distance, by the

most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

4) Retention of motorized dispersed collection of firewood allowing the minimum number of trips each way, as defined based on the transport capacity of the vehicle and the trailer, from the downed tree to the closest legally open road or trail, regardless of distance, in the authorized firewood collection area, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

5) Implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations. Indiscriminate cross-country travel consists of traveling cross-country in a motorized vehicle not intended to reach a specific dispersed camp site, downed animal, downed tree in an authorized firewood collection area, or terrain feature used as a shooting backstop, or not required for an emergency response to a specific justifiable circumstance such as danger to limb or life. Motorized scouting for a site is considered different from reaching a specific site.

6) Retention of the possibility for future consideration of new motorized recreation areas and trails over at least 75% of the public lands in the ECO Counties.

Tonto National Forest Travel Management Rule

Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). As a consequence of not being allowed to be a member of the IDT, ECO was unsuccessful at getting its objectives fully included in the NEPA analysis. Specifically:

- Instead of the 300 foot corridors that were requested by ECO and that were part of the draft Environmental Impact Statement (EIS), the Final Environmental Impact Statement (FEIS) and the Draft Record of Decision (DROD) designates certain motorized routes for dispersed camping and outlaws it everywhere else. As a result, motor vehicle use for dispersed camping is authorized on only approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried, existing, dispersed camping sites on the Tonto National Forest, but it is now prohibited on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking is now limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified.

- Motor vehicle use for big game retrieval is allowed up to 1 mile on both sides of all designated roads and motorized trails solely for retrieving legally harvested elk and bear in game management units 21, 22, 23, 24A, 24B, and 37B. This decision results in approximately 1,905,300 acres where motorized retrieval is permitted. However, contrarily to ECO's request, motor vehicle use for big game retrieval of deer is prohibited.

- Motor vehicle use for gathering personal use fuelwood will continue to be permitted and will not be distance-limited if the user is within the designated fuelwood cutting permitted area and not causing resource damage. However, as part of the formal consultation process with the U.S. Fish and Wildlife Service in compliance with the Endangered Species Act, approximately 36,000 acres will not be designated for fuelwood gathering using a motor vehicle to minimize impacts to habitat for yellow-billed cuckoo, Chiricahua leopard frog, narrow-headed gartersnake, northern Mexican gartersnake, and hedgehog cactus.

During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 the Tonto NF conducted internal Forest Service work and analysis.

On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicle use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

Apache-Sitgreaves National Forests Travel Management Rule

As a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule (TMR) NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- Motorized dispersed camping within 300 foot of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.).
- Motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above).
- Motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements.
- Continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas.
- Retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e. entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

On August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the A/S Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain

open and which ones can be closed, even if such additions may require a Forest Plan amendment.

3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300 foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through FY 2020, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2020 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

ECO will continue to be engaged in the Apache-Sitgreaves NF TMR in FY 2021.

Arizona back country Off Highway Vehicles (OHV) connected trails system

After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was recently resolved through the Maverick Trail.

Rim Country Sustainable Recreation Trails Working Group

In February 2017, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the US Forest Service and other stakeholders convened the first meeting of the Rim Country Sustainable Recreation Trails Working Group. The purpose of the new working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision.

During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the US Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, 2019 and 2020.

Strategic Objectives

As a result of its engagement in recreation issues, ECO is committed to:

1) The retention of motorized travel and motorized recreation on public lands.

2) The implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations.

3) The development of an Arizona back country OHV connected trails system along the Mogollon Rim.

4) The establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Engage in all TMR related Federal agencies proposed actions and NEPA analyses within the ECO Counties;
- Develop relationship and collaborative work with the relevant OHV and motorized recreation non-governmental organization (NGO) stakeholders;
- Develop an executable project and establish a proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim;
- Develop an executable project for the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 5: *Recreation.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 5: *Recreation.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 5 Recreation	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 5, *Recreation*, ECO seeks the following outcomes:

1) Retention of acceptable motorized dispersed camping; motorized big game retrieval; motorized collection of firewood; OHV recreation; etc. in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

2) Implementation of appropriate restrictions on indiscriminate cross-country travel in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

3) Development of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

4) Development of a draft project and proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim and the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Former ECO Director, and former Navajo County Supervisor, DFFM Director David Tenney using motorized big game retrieval after a successful elk hunt.

Former ECO Director and former Graham County Supervisor, State Representative Drew John snowmobiling with family in Arizona national forests.

ECO Chair, Navajo County Supervisor Jason Whiting and son Jason Crew taking Jason Crew‘s first elk in Arizona national forests.

Program 6: Energy

Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and, energy-based economic retention and development.

Background

Coal

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, The June 2014 - Clean Power Plan Proposed Rule (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

The Eastern Arizona Counties Organization (ECO) is uniquely affected by the proposed promulgation of the *Regional Haze Federal Implementation Plan* and the *June 2014 - Clean Power Plan Proposed Rule* in as much as the Cholla Power Plant in Joseph City, Navajo County; the Coronado Generating Station in St John, Apache County; the Springerville Generating Station in Springerville, Apache County; and, the Apache Generating Station in Cochise, Cochise County, are all located within the footprint of the ECO County Members. Further, since the Four Corners Generating Station in Fruitland (NM) burns coal from the Farmington Navajo mine, and the Navajo Generating Station in Page (AZ) burns coal from the Kayenta Peabody Western Coal mine, these two plants have a massive impact on the coal extraction economy in the Navajo Nation and Hopi Tribe, where these revenues represent approximately 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues. Considering that both Navajo Nation and Hopi Tribe are located in part in the two ECO County Members Navajo County and Apache County, the economic impact of tribal coal extraction has a critical effect on the ECO Counties economic prosperity.

Arizona coal-fired electricity generation

Six coal-fired power plants currently supply electricity to Arizona as of the beginning of FY 2021:

- Apache Generating Station in Cochise, burning coal for the El Segundo and Lee Ranch mines (NM):
  - Unit 1: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC);
  - Unit 2: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC).
- Cholla Power Plant in Joseph City, burning coal from the McKinley mine (NM):
  - Unit 1: 114 MW commissioned in 1962, owned by Arizona Public Service Company (APS);
  - Unit 2: 289 MW commissioned in 1978, owned by Arizona Public Service Company (APS);
  - Unit 3: 312 MW commissioned in 1980, owned by Arizona Public Service Company (APS);
  - Unit 4: 414 MW commissioned in 1981, owned by PacifiCorp (PAC).
- Coronado Generating Station in St John, burning coal from the McKinley mine (NM):
  - Unit 1: 411 MW commissioned in 1979, owned by Salt River Project (SRP);
  - Unit 2: 411 MW commissioned in 1980, owned by Salt River Project (SRP).
- Four Corners Generating Station in Fruitland (NM), burning coal from the Farmington Navajo mine:
  - Unit 1: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 2: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 3: 220 MW commissioned in 1964, owned by Arizona Public Service Company (APS);
  - Unit 4: 745 MW commissioned in 1969] owned by Southern California Edison (SCE) 48%, APS 15%
  - Unit 5: 745 MW commissioned in 1970] P.S.C. (NM) 13%, SRP 10%, TEP 7%, El Paso Electric 7%.
- H. Wilson Sundt Generating Station in Tucson, burning coal from the McKinley mine (NM):
  - Unit 1: 173 MW commissioned in 1967, owned by Tucson Electric Power Company (TEP).
- Springerville Generating Station; in Springerville, burning coal from El Segundo Mine (NM) and the Powder River Basin (WY):
  - Unit 1: 380 MW commissioned in 1985, owned by Tucson Electric Power Company (TEP);
  - Unit 2: 380 MW commissioned in 1990, owned by Tucson Electric Power Company (TEP);
  - Unit 3: 400 MW commissioned in 2006, owned by Tri-State Generation and Transmission;
  - Unit 4: 400 MW commissioned in 2009, owned by Salt River Project (SRP).

Regional Haze Implementation Plan

In 2011, the State of Arizona submitted a State Implementation Plan (SIP) for Regional Haze that recognized the significant investments Arizona utilities had already made to reduce NOx emissions. However, in December 2012, the EPA rejected Arizona's State Implementation Plan and put forward a Federal Implementation Plan (FIP) that required Arizona utilities to install selective catalytic reduction technology (SCR) on most of the state's coal-burning power plants. If fully implemented, the EPA Federal Implementation Plan would result in an improvement in visibility of less than one deciview, which is imperceptible to the naked eye, and cost Arizona utilities and their ratepayers more than $1 billion.

Coronado Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA was the most stringent NOx emissions rate ever proposed by the agency for a coal plant retrofit project. The lowering of the NOx emission limit to 0.050 lb/MMBtu on Unit 1, and 0.080 lb/MMBtu on Unit 2 of the Coronado Generating Station in St John, Apache County, as proposed in the FIP required the investment of an additional $110 million to install a second selective catalytic reduction (SCR) system on Unit 1, in addition to the $500 million invested to implement the 2008 Coronado Emission Control Project (CECP) recently completed with the installation of an SCR system on unit 2. The significantly more stringent emissions rate mandated for Unit 1 to ensure compliance with the plant-wide NOx emissions limit of 0.065 lb/MMBtu, mandated in the November 2012 final FIP for the Coronado Generating Station, gravely compromised the economic viability of the plant.

In March 2015, the EPA proposed a *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* to replace a plant-wide Best Available Retrofit Technology (BART) compliance method and emission limit for NOx on Units 1 and 2 at the Coronado Generating Station with a single-unit compliance method and emission limit on each of the two units, specifically 0.065 lb./MMBtu for Unit 1 and 0.080 lb./MMBtu for Unit 2. This was a critical step toward insuring the economic viability of the plant, and the sustainability of the irreplaceable economic engine role that it plays in southern Apache County.

In May 2016 the EPA adopted the March 2015 Reconsideration of the Arizona Regional Haze Federal Implementation Plan for the Coronado Generating Station, and the revision of the Air Quality Control Permit was initiated in August 2016.

Four Corners Generating Station Regional Haze Implementation Plan

On June 24, 2015 the U.S. Department of Justice and the EPA announced a federal Clean Air Act settlement with the owners of the Four Corners Generating Station to follow the EPA's 2012 Regional Haze Program's Best Available Retrofit Technology (BART) determination for the Four Corners Generating Station.

The BART determination required the installation of selective catalytic reduction systems for the control of nitrogen oxides (NOx) at Units 4 and 5, to meet a 0.098 pound/million BTU NOx emission rate, achieving an additional 887 tons per year (tpy) reduction in NOx. The settlement also required sulfur dioxide (SO2) emissions reductions by continuously operating already installed flue gas desulfurization equipment to meet a 95 percent removal efficiency and to convert existing ductwork and stack configurations to eliminate the bypass of stack gas around the equipment, resulting in SO2 emissions of approximately 4,653 tpy. The total settlement required an estimated $160 million in upgrades to the plant.

The settlement also required $6.7 million to be spent on three health and environmental mitigation projects for tribal members, and payment of a $1.5 million civil penalty. EPA stated that the actions required by the settlement will reduce harmful emissions by approximately 5,540 tons per year.

Cholla Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA for the Cholla Generating Station in Joseph City, Navajo County, required the investment of another $350 million to install SCR technology at Cholla, in addition to the $300 million invested to install scrubbers and baghouses between 2007 and 2010. The cost of complying with the EPA regional haze Federal Implementation Plan rendered Cholla uneconomical, making it likely that APS would permanently close its units at the Plant. After carefully weighing all options to comply with the EPA's Federal Implementation Plan, APS put forward an alternative method of compliance.

In June 2015, Arizona Public Service (APS) submitted to the Arizona Department of Environmental Quality a *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* for the Cholla Generation Station. The proposal includes an alternative that would close unit #2 in 2016 and eliminate the use of coal by 2025.

In July 2016 the EPA proposed the approval of Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399 for the Cholla Generation Station. Comments were due by September 2016.

Navajo Generating Station Regional Haze Implementation Plan

In February 2013, the Environmental Protection Agency (EPA) issued a proposed Best Available Retrofit Technology (BART) rule for the Navajo Generating Station (NGS) under the Regional Haze Rule of the Clean Air Act. The proposed rule included a proposed BART Determination and a proposed BART Alternative. The proposed BART Determination required operation of Selective Catalytic Reduction (SCR) at NGS by 2018 whereas the BART Alternative gave the NGS owners credit for early installation of low-NOx burners at NGS and required operation of SCR at NGS by 2021-2023. A final rule was promulgated by EPA on July 28, 2014 to establish a cap in NOx emissions from NGS over 2009 to 2044 and required the operator to implement one of several alternative operating scenarios to comply with the 2009-2044 NOx Cap.

Generally, the alternative operating scenarios required NGS to close one unit by 2019, or curtail electricity generation by a similar amount, and to meet a NOx emission limit that is achievable with the installation of selective catalytic reduction (SCR) on two units by 2030.

Apache Generating Station Regional Haze Implementation Plan

On February 27, 2015 the EPA approved a source-specific revision to the Arizona State Implementation Plan (SIP) that established an alternative to Best Available Retrofit Technology (BART) for Steam Units 2 and 3 (ST2 and 3) at the Apache Generating Station. Under the BART Alternative, ST2 will be converted from a primarily coal-fired unit to a unit that combusts pipeline-quality natural gas, while ST3 will remain as a coal-fired unit and would be retrofitted with selective non-catalytic reduction (SNCR) control technology. The SIP revision also revises the emission limit for nitrogen oxides (NOx) applicable to ST1, when it is operated in combined-cycle mode with Gas Turbine 1 (GT1). EPA determined that the BART Alternative for ST2 and ST3 would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act (CAA) and EPA's Regional Haze Rule (RHR). The action withdrew those portions of the Arizona Federal Implementation Plan (FIP) that addressed BART for the Apache Generating Station.

EPA June 2014 proposed Clean Power Plan rule

In June 2014 the Environmental Protection Agency (EPA) proposed new restrictions on power plants to reduce greenhouse gas emissions. The *June 2014 - Clean Power Plan Proposed Rule* proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. The implementation of the 30% national goal would be implemented through state-specific rate-based goals for carbon dioxide emissions from the power sector, as well as guidelines for states to follow in developing plans to achieve the state-specific goals. Consequently, goals varied from State to State.

The goal set by EPA for Arizona represented essentially a 50% decrease in emissions. Arizona currently generates 1,453 pounds of carbon-dioxide emissions for every megawatt-hour generated in the state,

which represents the electricity required to power 250 homes for one hour. The EPA June 2014 proposed rule aimed to reduce the amount to 702 pounds per megawatt-hour by 2030.

The new EPA June 2014 proposed rule would likely further compromise the economic viability of the coal-fired power plants and was likely intended to accelerate the shift away from coal-fired power plants to other types of energy sources, including natural gas-fired plants, which emit about half the amount of carbon produced by those that burn coal. The consequences for Arizona were expected to be significant.

The Final Rule was expected in FY 2016, but in February 2016 the Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

Navajo Generating Station Clean Power Plan

The Los Angeles Department of Water and Power, and Nevada Energy, owners of respectively 21.2% and 11.3%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, SRP proposed to close one of the three units because no other utility company is willing to purchase the coal-generated power.

The 33% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the two remaining units could comply with the new restrictions of the Clean Power Plan. Further it was likely economically unviable to attempt to run the plant at only 66% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Four Corners Generating Station Clean Power Plan

Southern California Edison (SCE), owners of 48%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, in December 2013, APS announced that it completed a transaction with SCE to purchase their ownership in Units 4 and 5, and that, owing to a lack of demand for coal-fired energy it would close permanently the plant older, less efficient Units 1, 2 and 3.

A 25% reduction in capacity and emissions was expected to facilitate bringing the plant to compliance with the new restrictions of the Clean Power Plan, although no technical feasibility evaluation had been published as of the beginning of FY 2018, and it was likely economically challenging to run the plant at 75% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Cholla Power Plant Clean Power Plan

Independently from the investments necessary to control nitrogen-oxide (NOx) emissions to implement the Regional Haze Plan (see Regional Haze Implementation Plan section above), in 2010, EPA notified APS that the Cholla No. 2 unit would need new pollution controls to limit mercury emissions.

When added to the investment required to limit NOx emissions that contribute to haze in Units 2, 3 and 4, it was calculated that the mercury pollution control investments required to meet the EPA mandate would compromise the economic viability of the plant. APS announced that it would be

considering the permanent closing of unit #2 in 2016 and the likely permanent closing of the entire plant by 2025.

A 20% to 25% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the remaining units could comply with the new restrictions of the Clean Power Plan.

Coronado Generating Station Clean Power Plan

In May 2014, SRP completed a $470 million upgrade of the plant Unit 1 emissions-controls. These improvements brought the plant in compliance with the August 2008 U.S. Department of Justice (DOJ) and EPA complaint.

However, EPA also requested that similar emission reduction equipment be added to the plant Unit 2 for compliance with the Regional Haze Plan (see Regional Haze Implementation Plan section above). SRP officials estimated that it would cost another $100 million.

It was unpublished as of the beginning of FY 2018 if the $470 million 2008-2014 campaign of emission reductions on Unit 1 and a potential $100 million campaign of emission reductions on Unit 2 would allow the plant to comply with the new restrictions of the Clean Power Plan.

Springerville Generating Station Clean Power Plan

Although the Springerville Generating Station (SGS) won the industry's Powder River Basin Coal Users' Group (PRBCUG) 2014 Plant of the Year award for industry best practices, continual improvements and worker safety, and is the latest, and possibly last, coal-fired power plant built in Arizona, representing a $1 billion investment in state-of-the-art 1990's and 2000's technologies, it is unpublished as of the beginning of FY 2018 if the plant would comply with the new restrictions of the Clean Power Plan.

Apache Generating Station Clean Power Plan

In 2017, Arizona Electric Power Cooperative (AEPCO), the owner of the Apache Generating Station installed new selective non-catalytic reduction (SNCR) technology on Steam Unit 3 (ST3), and converting ST2 from burning coal to burning pipeline natural gas in to comply with the Regional Haze Plan (see *Regional Haze Implementation Plan* section above).

We are upgrading our two steam units to comply with new environmental regulations. By year-end 2017, we will reduce emissions from Steam Unit 3 by installing new selective non-catalytic reduction (SNCR) technology. Steam Unit 2 will be converted from burning coal to pipeline natural gas. It is unpublished as of the beginning of FY 2018 if the modified plant would comply with the new restrictions of the Clean Power Plan.

Conversion to natural gas

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing and upcoming EPA

rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

There is only limited flexibility in meeting new stricter emission rules by shutting down individual units to decrease a plant overall emission volume. It inevitably becomes economically challenging to operate plants at a fraction of their nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

The economic engine role played by the thermal electricity industry is critical to the ECO rural eastern Arizona counties. For example, the Cholla Generating Station employs nearly 250 workers with an annual payroll of more than $29 million and is responsible for $30 million in economic activity each year through the purchase of products and services to support operations at the plant, while generating more than $15 million in state, local, and federal taxes each year, providing essential revenue for education, law enforcement, and public safety.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties; or, converted to another energy source, most likely natural gas.

Wind

Large areas of Class 3 wind resources exist in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville. The area is already serviced by high power 500 kilovolt (KV) lines.

Around 2003, rancher Bill Elkins began working with Northern Arizona University scientists to erect measurement towers on his land to measure wind speeds, and study the local power grid to determine the feasibility of connecting a wind farm. His work resulted in the Dry Lake Wind Power Project.

The Dry Lake Wind Power Project phase 1 is located near Heber, and phase 2 is located near Show Low in Navajo County. The Dry Lake Wind Power Project is Arizona's first utility-scale wind farm. The project, situated on a combination of private, State and Bureau of Land Management public lands, was built by Iberdrola Renewables. Each of the two phases represent a $100 million investment and consist of 30 Suzlon S88 2.1 MW wind turbines, for a total nameplate capacity of 63 megawatts (MW). The two phases produce 127 MW of clean, renewable energy - enough electricity to power approximately 20,000 average homes. The Salt River Project (SRP) purchases 100% of the output.

Significant opportunities exist for other large scale projects in Navajo County, and between St Johns and Springerville in Apache County.

Solar

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project 500 KV transmission lines' planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in these Counties.

Issues and Progress

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

Five energy issues are of particular concerns to the ECO Counties:

1) The maximization of the operating life to at least 2025 / 2030 of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, and the retention of the economic engine role played by these plants in the local economies.

2) The under-utilization of the large areas of Class 3 wind resources in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville, despite the area being already serviced by high power 500 kilovolt (KV) lines.

3) The non-utilization of the important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

4) The conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units, is a strategic requirement to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

5) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments.

Regional Haze Implementation Plan at Coronado Generating Station

The March 2015 EPA-proposed *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* was approved by EPA in May 2016. On August 23, 2016 the Significant Permit Revision No. 63088 to Air Quality Control Permit No. 52639 for Salt River Project- Coronado Generating Station was initiated.

On April 27, 2017, the Environmental Protection Agency (EPA) proposed to approve a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station, owned and operated by the Salt River Project Agricultural Improvement and Power District. The EPA proposed to find that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this proposed approval, the EPA proposed to withdraw those portions of the federal implementation plan (FIP) that address BART for Coronado, and also proposed to codify the removal of those portions of the Arizona SIP that have either been superseded by previously approved revisions to the Arizona SIP or would be superseded by final approval of the SIP revision for Coronado.

During FY 2018, on November 9, 2017, the Environmental Protection Agency (EPA) approved a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station ("Coronado"), owned and operated by the Salt River Project Agricultural Improvement and Power District (SRP). The EPA determined that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, based on the criteria established in the EPA's Regional Haze Rule. In conjunction with this approval, EPA withdrew those portions of the federal implementation plan (FIP) that address BART for Coronado and codified the removal of those portions of the Arizona SIP that have either been superseded by this approval of the SIP revision for Coronado or by previously-approved revisions to the Arizona SIP.

This decision effectively closed the file for the regional haze implementation plan at the Coronado Generating Station.

Regional Haze Implementation Plan at Cholla Generation Station

The June 2015, *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* received a Proposed Approval by EPA in July 2016.

On April 26, 2017, the Environmental Protection Agency (EPA) took final action to approve a source-specific revision to the Arizona state implementation plan that addresses the best available retrofit technology requirements for the Cholla Power Plant. The EPA found that the state implementation plan revision fulfills the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this final approval, the EPA took final action to withdraw the federal implementation plan provisions applicable to Cholla. This action also constituted EPA's action to address petitions for reconsideration granted by the EPA related to Cholla.

This decision effectively closed the file for the regional haze implementation plan at the Cholla Generation Station, and no further development took place in FY 2018.

Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expires in December 2019. On July 1, 2017 the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure will affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences are to be expected as the Navajo Generating Station and Kayenta Mine account for about 25% of the Navajo Nation’s revenues, and 65% of the Hopi Tribe’s revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018 and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners’ understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones. Fundamental economic challenges could not be resolved and on September 20, 2018 MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running.

On November 18, 2019 Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

Clean Power Plan

In February 2016, the US Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

On January 11, 2017 the Environmental Protection Agency denied most of the petitions for reconsideration, and all of the petitions for administrative stay the agency received on the Clean Power Plan, stating that since the February 2016 ruling, the EPA considered the variety of technical and legal issues that petitioners raised and determined that the petitions failed to satisfy one or both of the legal conditions necessary to grant reconsideration.

However, on March 28, 2017 the President of the United States signed an executive order mandating the EPA to review the plan and it is widely expected, following the President's announcement on June 1, 2017, of United States withdrawal from the Paris Agreement, that the Clean Power Plan will be eliminated.

During FY 2018, it was revealed on October 4, 2017 that the EPA under the Trump Administration was planning to end the Clean Power Plan, and on October 6, 2017, it was revealed that the President was considering alternatives to the plan through public discussion. EPA Administrator Scott Pruitt announced that the formal process to change EPA rules and repeal the plan would begin on October 10, 2017 and he signed a formal proposal that would lead to the repeal of the Clean Power Plan.

In FY 2019, on October 9, 2018, the US Supreme Court rejected any further court challenges to the Trump Administration's decision to repeal the Clean Power Plan.

This decision effectively closed the file for the Clean Power Plan.

Wind power production

Despite numerous wind research permits issued by Navajo and Apache counties over the last few years, there was no formal project to develop a utility-scale wind power farm project in Navajo or Apache County until FY 2020.

In FY 2020, Utah company S Power proposed the Chevelon Butte Wind Farm. The project is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would receive 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area at the Dry Lake Wind Farm.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was unanimously approved by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019, and by the Arizona Corporation Commission on October 22, 2019.

On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019 the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

Solar power production

Currently, the development of solar power farm projects in Graham, Greenlee or Cochise County appears to be pending on the Sun Zia line completion now expected in 2026.

Conversion of a unit at the Cholla power plant to burn biomass

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful US Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Retention of the thermal electricity industry in the ECO Counties

The dialog with the utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties is on-going. However, the cost of conversion of end-of-life coal power plants to gas and the cost of construction of the necessary pipelines make the issue extremely difficult.

The securing of the Cholla and Coronado generating stations' future achieved by ECO and its partners during FY 2019 in Program 6, Energy was a success, but a significant setback was also suffered with the upcoming closure of the Navajo Generating Station, and much remains to be done in FY 2021 and beyond, to ensure the maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030.

ECO remains committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW "carve out" for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, as appropriate based on the outcome of the 4FRI RFP.

Strategic Objectives

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, a significant setback was also suffered with the upcoming closure of the Navajo Generating Station.

ECO is committed to:

1) The continuation of operations at the Cholla, Coronado, Springerville and Apache generating stations until the end of their operational life in 2025 / 2030.

2) The development and implementation of renewable energy production facilities in the ECO Counties.

3) The monitoring of potential new developments on the Regional Haze Implementation Plan and Clean Power Plan.

4) Continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties and the conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units;

5) The implementation of the AZ Corporation Commission new 60 MW to 75 MW "carve out" for 20 years through either the construction of a new biomass facility, or the conversion to biomass of one unit at the Cholla power plant, as appropriate based on the outcome of the 4FRI RFP.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Support the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) and the Arizona Department of Environmental Quality (ADEQ) alternatives to the *Regional Haze Federal Implementation Plan*, and the EPA *June 2014 - Clean Power Plan Proposed Rule*;
- Engage with utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) to initiate the dialog on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties;

- Engage with wind and solar industry investors to support and contribute to the development of utility-scale wind power farms in Navajo and Apache County, and solar power farms in Graham, Greenlee and Cochise County;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO plans to expend 10% of its resources on Program 6: *Energy*.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 6: *Energy*.

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 6 Energy	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 6, *Energy*, ECO seeks the following outcomes:

1) Maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030:

2) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments, as appropriate based on the outcome of the 4FRI RFP.

3) Development of at least one solar power farm project in Graham, Greenlee or Cochise County.

4) Continuation of the dialog with utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties.

5) Monitoring of potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan*.

Navajo County Supervisors (from left) Jonathan Nez, David Tenney, Dawnafe Whitesinger and Sylvia Allen are joined by Rep. Ann Kirkpatrick (second from left) for the May 28, 2013 ribbon cutting of the county's solar array, visible in the background.

Cholla Generating Station in Joseph City, Navajo County.

Dry Lake Wind Power Project in Navajo County. Arizona's first utility-scale wind farm.

Program 7: Natural Resources Planning

Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

Background

Coordination with Federal agencies

The statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process were meant by Congress to imply more than a perfunctory review process resulting in a check mark in a "coordination box." The Federal statutes and regulations imply a meaningful and proactive resolution effort by the Federal agencies to reduce and resolve potential planning conflicts, during the NEPA process, between the action proposed by a Federal agency and the objectives expressed in local governments' plans and policies; such as, but not limited to, those relevant to forested ecosystems restoration and catastrophic wildfire prevention; watershed restoration; rangelands resources management; or, natural resources-based recreation management and public lands access objectives.

Under A.R.S. § 11-804.A the Arizona Counties are required to develop a Comprehensive Plan (CP) "so as to conserve the natural resources of the County." In addition to being responsible for the health of the natural resources they depend on, Arizona Counties also have a statutory responsibility under A.R.S. § 11-251 to ensure the socioeconomic well-being of their residents and to protect their tax base. Further, subsequent to Senate Bill 1398 (2010) – *Local Coordination*, the Counties have the statutory obligation under A.R.S. § 11-269.09 to engage in coordination with Federal agencies to resolve inconsistencies with existing local plans and laws whenever a new Federal regulation or proposed action is inconsistent with a less restrictive local law, plan or policy.

In order to meet their statutory responsibility to protect their tax base; ensure the socioeconomic well-being of their residents; ensure the health of the natural resources they depend on; coordinate with Federal agencies; and, request resolution of inconsistencies between local plans and proposed Federal actions, Arizona Counties are likely to benefit from developing Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the national forests or public lands within the County, and all natural resources within the County that are not tied to land ownership but still managed by Federal agencies (e.g. endangered or threatened species), so that Federal agencies know what the County's vision and laws are when they engage in Federal planning, and so that they can ensure to the greatest possible extent consistency between Federal and County planning.

Arizona FY 2014 Natural Resources Study Grant

Under the leadership of the late Senator Chester Crandell, the Arizona FY 2014 budget included a supplemental appropriation for a "county resource management plans; economic and resource values study" defined as follows:

> "As session law, appropriate $100,000 from the state general fund to the Arizona State Forester in fiscal year 2013 - 2014 for a study that examines the resource management plans of counties selected by the Arizona Natural Resources Review Council. The study will identify whether those plans include specific desired outcomes of the county regarding the management of animal species deemed threatened or endangered by a federal agency, travel management rules and regulations of a federal agency, and forest health, including desired tree densities and management strategies to reduce the risk of wildfire utilizing private industry. Among eligible counties, a multi-county collaboration may apply for a grant to perform the study. Applications for funds must include a detailed scope of work and have identified qualified vendors to perform the study. Approval of a grant shall be determined by the Arizona Natural Resources Review Council. The scope of the study may be adjusted according to available resources and the study's projected cost."

ECO competed for and was awarded the completion of the *Arizona FY 2014 Natural Resources Study.* In addition to the original planning gap analysis envisioned by the Legislature, at the request of the Arizona Natural Resources Review Council (NRRC), and building on the ECO match funding, the scope of the study was extended to include a comprehensive research of the Federal legal framework; the role of local governments within this framework; the available local governments engagement mechanisms; and, the Arizona Counties natural resources planning authority.

ECO completed the study and filed the report *Arizona Rim Counties Natural Resources Management Gap Analysis* with the NRRC on June 30, 2014.

During FY 2015, the Arizona Natural Resources Review Council requested from ECO the development of a comprehensive set of implementation tools to increase the efficiency and effectiveness of the Arizona Counties' involvement in the Federal process of public lands and natural resources management planning. Further building on the ECO match funding, the scope of the study was again extended, to include the design of a comprehensive set of implementation tools, including:

1. County Natural Resources Management Planning Practitioner's Guide;
2. County Natural Resources Management Planning Flowchart;
3. County Natural Resources Management Plan Blueprint;
4. Natural Resource Management Template;
5. County Natural Resources Management Plan Checklist.

Issues and Progress

Although authorized, specific natural resources management planning is not required under the Arizona Counties' mandated Comprehensive Plan. The only requirement is that "the comprehensive plan shall be developed so as to conserve the natural resources of the County" (A.R.S. § 11-804.A).

Consequently:

1) Substantial gaps exist in the natural resources management plans of the ECO Counties. Some Counties have developed a Land Use Resources Plan (LURP); some have not. Some Counties have developed elaborated resources-specific management plans, policies and/or objectives; some have not.

2) ECO Counties' staffs may not have experience or expertise with the NEPA process and may not avail themselves of the coordination and cooperation opportunities provided by law.

3) ECO Counties' plans may not include specific natural resources management objectives, plans or policies, hence may not allow for a formal planning conflicts resolution and/or inconsistencies resolution process.

4) ECO Counties may lack the resources to develop comprehensive Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the County.

ECO 2015 Legislative Field Trip

The ECO 2015 (FY 2016) Legislative Field Trip took place on May 13, 14, 15 and 16, in Apache, Navajo and Gila counties. Over 40 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- C.C. Cragin Watershed Protection Project;
- 4FRI planning & implementation;
- Bridge the Gap program;
- ECO/USFS Burro Stewardship Agreement;
- Black River watershed stewardship project;
- wood industry development and support;
- ECO/ADOT Healthy Forest Initiative Pilot Project;
- public lands natural resources planning collaboration, cooperation and coordination.

ECO 2016 Legislative Field Trip

The ECO 2016 (FY 2017) Legislative Field Trip took place on May 11, 12 and 13, in Gila County, Graham County and Greenlee counties. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- mining;
- irrigated agriculture;
- Gila River health;
- watershed restoration;
- regulatory impacts on resources management and natural resources industries;
- balancing the environmental, social and economic impacts of natural resources industries;

- overall impacts of regulatory requirements on the custom, culture and economic well-being of the rural Eastern Arizona Counties.

ECO 2017 Legislative Field Trip

The ECO 2017 (FY 2018) Legislative Field Trip took place on October 5, 6 and 7, in Gila County and Navajo County. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

ECO and the US Forest Service coordinated activities so that the Forest Service national review team for the Collaborative Forest Landscape Restoration Program (CFLRP) joined the Arizona Legislators for a working lunch designed to allow the Legislators to share directly their experience, expertise, feedback and suggestions with the Washington DC-based Forest Service CFLRP team. Over 100 people attended the lunch.

The field trip had a specific in-depth focus on:
- CC Cragin Watershed Protection Project;
- breaking the biomass bottleneck for forest, watershed and grassland restoration;
- drone and tablet digital technologies as enablers of landscape scale restoration;
- conversion of the Healthy Forest Initiative Pilot Project into a permanent program;
- 4FRI planning and contracting.

ECO 2018 New Legislator Seminar

In 2018 (FY 2019), ECO decided to not conduct a field trip after the Arizona legislative session in order to not conflict with the electoral campaign of the November 2018 elections, but to instead organize and host a New Legislators seminar after the elections, on December 12, 2018.

The purpose this work sessions was to educate new legislators on the issues of natural resources planning and public lands management. During this seminar:
- Supervisor Jason Whiting, Chair of ECO presented on ECO, rural counties, “fire & water,” the ECO partnerships and why they have mattered.
- Brad Worsley, President, Novo BioPower presented on forest industry perspectives.
- Clayton Crowder, Chief, Habitat, Evaluation & Lands Branch, AZ Game & Fish presented on wildlife perspectives.
- Jesse Gutierrez, Deputy State Engineer, ADOT presented on transportation perspectives.
- David Tenney, Director, RUCO, DFFM presented on energy, fire management, forestry, and forest & watershed restoration perspectives.
- Ethan Aumack, Executive Director, Grand Canyon trust presented on conservation perspectives.
- Richard Bark, Director, Freeport Mc MoRan presented on mining perspectives.
- Craig Sullivan, Executive Director, Counties Supervisors Association presented on local government perspectives.
- Gila County Supervisor Tommie Martin presented on land management and natural resources planning perspectives.
- Graham County Supervisor Paul David presented on infrastructures, Gila River and post-fire floods perspectives.
- Greenlee County Supervisor Richard Lunt presented on Travel Management Rule, recreation, ranching, and mining perspectives.

- Speaker Rusty Bower presented on the Arizona House of Representatives perspectives.
- President Karen Fann presented on the Arizona Senate perspectives.

ECO 2019 Legislative Field Trip

The 2019 (FY 2020) ECO Legislative Field Trip was organized for October 2 & 3, 2019 in Cochise County with a focus on:

- economic development (vineyards and dairy);
- border issues;
- water conservation and recharge in the San Pedro system.

However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019 took precedence, and the fieldtrip had to be postponed until the Fall of 2020. In the meantime, the COVID-19 pandemic struck, and the Fall 2020 fieldtrip could not be conducted. The next ECO fieldtrip is expected to take place in the Fall of 2021.

Western Interstate Region Board of Directors

On October 12, 2018, ECO was invited to present to the Western Interstate Region Board of Directors on forest and watershed restoration. Eco's presentations focused on landscape scale restoration and its bottlenecks:

- Landscape scale NEPA;
- Biomass removal and utilization;
- Landscape scale acres preparation;
- Landscape scale implementation;
- Lessons learned from the 4FRI Phase 1 contract

ECO Counties comprehensive Natural Resources Management Plans (NRMPs)

In FY 2015, as an outcome of the ECO *Arizona Rim Counties Natural Resources Management Gap Analysis,* ECO developed a framework for ECO Counties comprehensive Natural Resources Management Plans (NRMPs) as follows:

1. *Catastrophic Wildfire Prevention Objectives* addressing issues such as, but not limited to, protection of Counties' residents and visitors; protection of collective and individual real properties; protection of transportation, energy and water collection and distribution infrastructures.

2. *Forested Ecosystems Restoration and Management Objectives* addressing issues such as, but not limited to ecological restoration of forested ecosystems; local scale restoration projects; landscape-scale restoration projects; social license required for the non-conflictual and non-litigious implementation of restoration efforts; industry development required to implement and fund restoration efforts through economically viable utilization of the wood products; and, long-term guarantees of wood supply necessary to attract private investments in a small diameter utilization infrastructure in northeastern Arizona.

3. *Watershed Restoration and Management Objectives* addressing issues such as, but not limited to, ecological restoration of watersheds; protection and development of water collection and

distribution infrastructures; monetization of watershed ecosystem services; downstream consumption contribution to upstream production investments and maintenance; and, interactions between watershed functions and multiple use functions.

4. *Rangelands Resources Management Objectives* addressing issues such as, but not limited to, grazing availability, suitability, sustainability; ecological, economic and social carrying capacity; access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

5. *Endangered and Threatened Animal and Vegetal Species Management Objectives* addressing issues such as, but not limited to, non-native animal and vegetal species; introduced species; reintroduced species; recovered species; potential negative ecological, economic and social impacts; potential conflict with Counties safety, customs, culture and economic well-being concerns.

6. *Special Management Areas Designation Objectives* addressing issues such as, but not limited to, the nomination, designation, and management of inventoried roadless areas (which are technically not management areas per se but are an administrative designation); wilderness areas, primitive areas, research natural areas, wildlife quiet areas; wild and scenic rivers; effects on socioeconomic resources; and, impacts on the other County objectives.

7. *Forest Products Resources Management Objectives* addressing issues such as, but not limited to, logging availability, suitability, sustainability, productivity, access; contribution to rural economic development; and, contribution to ECO Counties Western custom and culture.

8. *Mineral and Energy Resources Management Objectives* addressing issues such as, but not limited to, the availability, suitability, sustainability, productivity, access, and contribution to rural economic development of solid, liquid or gaseous mineral resources, and solar, wind, hydropower, geothermal and other natural renewable energy resources.

9. *Natural Resources-Based Recreation Management Objectives* addressing issues such as, but not limited to, motorized access; motorized travel; motorized big game retrieval; motorized dispersed camping; motorized gathering of firewood; motorized access to dispersed fishing; motorized recreation opportunities; inventoried roadless areas; wilderness area designation; motorized access to grazing and logging opportunities; contribution of motorized access, recreation and travel to rural economic development; and, contribution to ECO Counties Western custom and culture.

In FY 2016 the ECO Board agreed that the development by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs) is a decision to be made individually by each ECO county member.

In FY 2017, the ECO Board confirmed this agreement. No new development has taken place in FY 2018 2019, and 2020.

Tonto National Forest Land Management Plan Revision

On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

On March 11, 2020 ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:

1. identifying issues with:
    a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
    b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant.

Strategic Objectives

ECO is committed to:

1) Organize annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Participate in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), as requested by individual County Members.

3) Participate in the natural resources planning of all public lands in the ECO footprint.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Continue its engagement with the Federal, State and legal partners who contributed to the completion of the Arizona FY 2014 Natural Resources Study;

- Continue its engagement with the ECO Counties staff who contributed to the completion of the Arizona FY 2014 Natural Resources Study;
- Provide technical expertise and support to the ECO Counties for the development and implementation of comprehensive Natural Resources Management Plans (NRMPs);
- Explore funding options with the Arizona Legislature to allow resources-strapped rural counties to develop Natural Resources Management Plans (NRMPs).

Allocated Resources

ECO plans to expend 10% of its resources on Program 7: *Natural Resources Planning.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 7: *Natural Resources Planning.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 7: *Natural Resources Planning*, ECO seeks the following outcomes:

1) Organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Development of ECO Counties comprehensive Natural Resources Management Plans (NRMPs) including, among others, as requested by individual County Members.

3) Participation in the natural resources planning of all public lands in the ECO footprint.

ECO 2015 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2016 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2017 Natural Resources Planning field trip for the Arizona Legislature.

Program 8: Public Lands

Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

Background

The continued expansion of Federal public lands use restrictions, and the continued uncertainty of Federal funding of the Secure Rural Schools and Community Self-Determination Act (SRS) and the Payments in Lieu of Taxes (PILT) pursuant to Chapter 69, Title 31 of the United States Code, evidence the growing need for an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

During FY 2015, members of the Arizona Legislature asked ECO to conduct a comprehensive analysis of all public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The purpose of the report was to produce an objective analysis of the various initiatives and outcomes in the issue of public lands transfer, as well as providing an objective identification of the socio-economic issues to be addressed.

On September 24, 2014, ECO released a comprehensive analysis of all the public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The *ECO Special Report to the Board of Directors, Public Lands Transfer Studies - Recommendations for an Arizona Study* has been widely distributed and is widely acknowledged as providing an objective analysis of the various efforts and outcomes in the issue of public lands transfer, as well as providing an objective identification of the economic issues to be addressed. It is expected that the ECO analysis will contribute to inform the Arizona Legislature's action on the issue.

During FY 2015, legislators further asked ECO to fund the inclusion of the State of Arizona in a study comparing the total management costs and revenues for BLM and USFS lands with those of state-owned lands. The purpose of this study was to provide hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

In March 2015, The Property and Environment Research Center (PERC) released the study *Divided Lands – State vs. Federal Management in the West* funded by ECO for the inclusion of the State of Arizona in the multiple-funders, multiple-states study. The study confirmed that "the federal government loses money managing valuable natural resources on federal lands, while states generate significant financial returns from state trust lands" (p. 4). This investment provided hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

Issues and Progress

Due to the presence of numerous US National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases, and Indian Reservations, the Counties of ECO face unique land use issues. An overwhelming majority of the ECO Counties' land is controlled by Federal agencies:

	USFS	BLM	NPS	DOD	Tribal	Total Federal	State	Not Taxable	Private	Population
Apache	9%	2%	0%	0%	67%	78%	9%	87%	13%	73,195
Cochise	12%	10%	0.5%	2.5%	0%	25%	35%	60%	40%	125,770
Gila	55%	2%	0%	0%	38%	95%	1%	96%	4%	53,144
Graham	13%	25%	0%	0%	36%	74%	16%	90%	10%	37,416
Greenlee	64%	14%	0%	0%	0%	78%	15%	93%	7%	8,802
Navajo	8%	1%	0%	0%	67%	76%	6%	82%	18%	107,094

This situation creates unique challenges for the ECO Counties, including:

1) Limited economic development abilities (mining, grazing, logging, energy, etc.) due to Federal control of the land.

2) Disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction.

3) Disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS).

4) Disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plans.

5) Disproportionate impact of special management area designations by Federal agencies.

6) Disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

A rational dialog is required to address the failure of the current public lands management model to fund necessary State services such as education, health and social services. Mutually acceptable and ecologically, economically and socially sustainable solutions must be developed and implemented.

Greater Grand Canyon Heritage National Monument Act

Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360).

ECO filed comments, emphasizing its concerns on:

- preponderance of lands under Federal control;
- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020). It is expected that the bill will be re-introduced in the 117th Congress (2020-2021).

Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona

Following the introduction of Arizona House Bill 2176 Federal Land Relinquishment on January 22, 2015 and House Bill 2318 Transfer of Public Lands Compact on January 22, 2015, both passed but vetoed by Governor Ducey on April 13, 2015; and of House Bill 2658 Transfer of Federal Lands Study Committee, introduced on February 11, 2015, passed, and signed into law by Governor Ducey on April 9, 2015, ECO counties provided testimony to the Study Committee, and the written information requested by the Study Committee during FY 2016.

On January 25, 2018, Representative Mark Finchem and 30 Arizona Representatives proposed House Bill 2210 Public lands; ownership; control; litigation "directing the attorney general to commence an action to attempt to gain ownership or control of the public lands within this state." The measure would mandate legal analysis of a case Utah has prepared to challenge for public lands in that state. If the attorney general determined the case has merit, the bill would authorize Arizona to join the lawsuit expected in the fall of 2018. The bill passed the House Land, Agriculture and Rural Affairs Committee Action but did not continue to the floor.

During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish

programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2019 and FY 2020, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2021.

U.S. Forest Service National Environmental Policy Act Compliance Rule

On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019 ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

Strategic Objectives

ECO is committed to participate in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:

1) The mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona.

2) The development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services.

3) The mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of the management of public lands in Arizona;

Allocated Resources

ECO plans to expend 5% of its resources on Program 8: *Public Lands.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

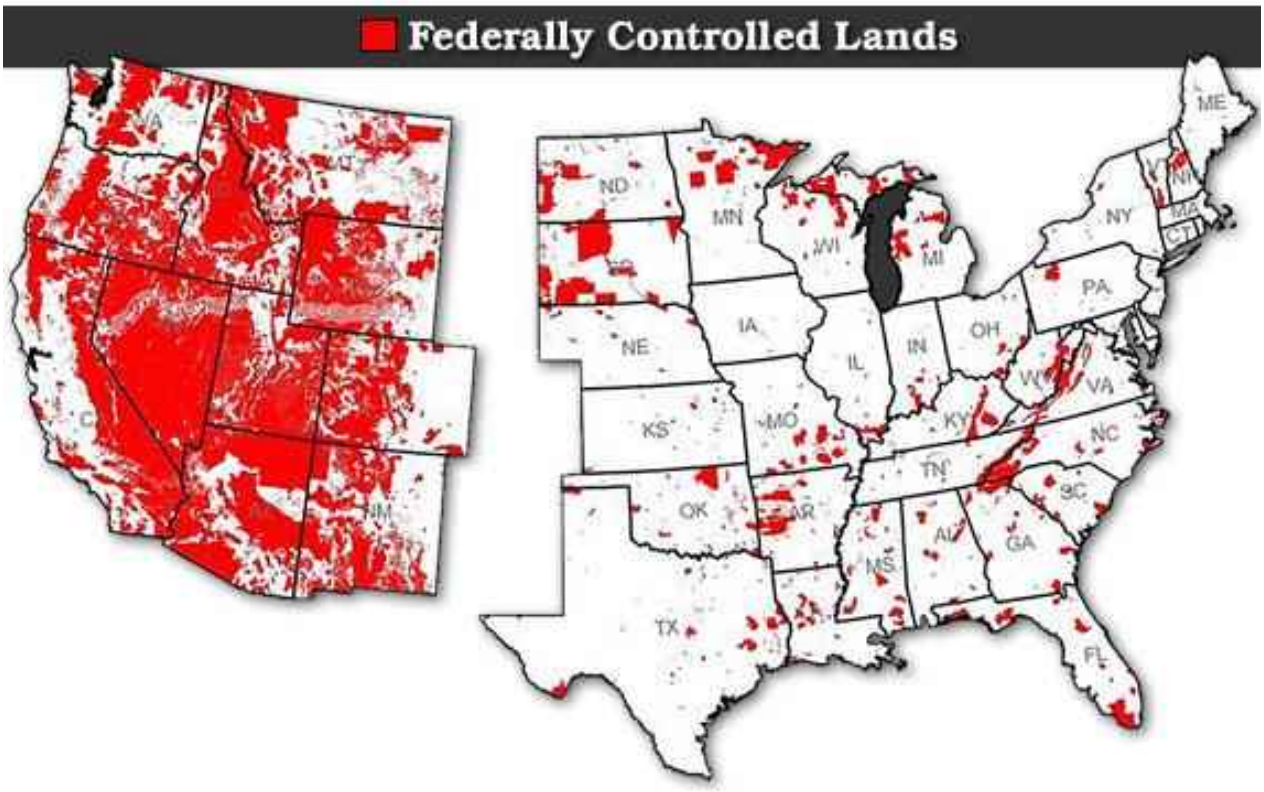
ECO plans to dedicate 5% of its activities to Program 8: *Public Lands.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 8 Public Lands	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 8: *Public Lands*, ECO seeks the following outcomes:

1) Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.


Federally Controlled Lands
ND
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Program 9: Water

Program 9, *Water,* includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures such as the conversion from urban watered landscapes to dry desert landscapes and the conversion from agriculture flood irrigation to high efficiency irrigation techniques such as drip irrigation; the implementation of across the board augmentation measures such as the desalination of brackish water or deep aquifer water and the restoration of watersheds; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

Background

While Arizona is one of the fastest-growing states in the nation, and is expected to continue to grow from over 6 million people in 2010 to 9.5 million people by 2025, the State is also one of the driest in the nation, receiving a statewide average of only 12.5 inches of rain per year. Meanwhile, rural and urban lives, as well as all economic activities such as agriculture, mining, industry, etc., rely on a dependable water supply.

According to the Arizona Department of Water Resources (ADWR) data from 2001–2005, Arizona uses over 7 million acre-feet of water annually, or 2.3 trillion gallons (1 acre-foot = 325,851 gallons). To sustain its economic growth, Arizona is confronted with meeting the challenge of balancing a decreasing resource with growing needs.

Water Sources

Arizona water is provided by three major sources: surface water, ground water and the Colorado River; plus, the reutilization of wastewater effluents.

Surface water

Surface water, including sub-flow, is mainly provided by the Gila River system. The Gila River system includes the Gila River and its main tributaries, the Salt River – itself augmented by its main tributary the Verde River; the San Francisco River - itself augmented by its main tributary the Blue River; the San Pedro River; and the Agua Fria River. The Gila River system is augmented by the land-locked Santa Cruz River in the south, the intermittent Little Colorado River in the north, and numerous ephemeral washes.

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs.

Ground water

Ground water is provided by aquifers, including the Colorado Plateau aquifers and a number of small local range and basin aquifers. Only the north-east corner of Arizona (Coconino, Navajo and Apache Counties) can rely on the continental Colorado Basin Aquifer.

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs.

Colorado River

According to a recent study, 16 million jobs and $1.4 trillion in annual economic activity across the West depend on the Colorado River. Through the Central Arizona Project (CAP), a 336-mile long system of canals, aqueducts, tunnels, pumping plants and pipelines, and the longest and costliest aqueduct in American history, from Lake Havasu near Parker to the San Xavier Indian Reservation southwest of Tucson, 1.5 million acre-feet of water from the Colorado River are distributed every year to the more than 5 million people, or more than 80% of the state's population, who live in Maricopa, Pima and Pinal counties in Central and Southern Arizona. The Central Arizona Project is Arizona's single largest resource for renewable water supplies. According to a study by the ASU W.P. Carey School of Business, over its 30 years of existence from the 1980's through 2010, CAP has generated in excess of $1 trillion of Arizona's gross state product (GSP), a nearly 20-fold increase in the state's economy over the last 50 years. However, and most importantly, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree to be the first State in line for rationing, should a water shortage occur in the Colorado River system.

In addition to providing water to the CAP, the Colorado River also provides water to the western third of the state, in Mohave, La Paz, and Yuma Counties.

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs.

Effluent

Reclaimed wastewater is treated locally to a sub-potable quality level, and is used for agriculture irrigation, golf courses and parks watering, industrial cooling, and the maintenance of wildlife areas.

Through reutilization, wastewater effluents contribute 140,000 acre-feet annually, about 2% of the Arizona water needs.

Water Uses

Arizona consumes water for three primary cultural purposes: agriculture, industry and municipalities uses, and one ecological purpose: in-stream uses for the support of aquatic and riparian ecosystems.

Agriculture

Agricultural irrigation of water-intensive crops such as cotton, almonds, alfalfa, rice, etc., is by far the largest consumer of water in Arizona, even though agricultural use has been reduced over the last few decades due to increased urbanization and investments in irrigation conservation measures.

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Industry

Despite a critically important mining sector (Arizona supplies over 60% of the nation's copper), and an important, and water-intensive, power generation sector (the thermal production of one kilowatt hour of electricity requires typically 25 gallons of water), Arizona industry is by far the smallest consumer of water in Arizona.

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Municipalities

Municipalities, especially in Maricopa, Pima and Pinal counties in Central and Southern Arizona, where more than 80% of the state's population lives in a desert environment, are the second largest consumers of water in Arizona, much of it being used to irrigate landscapes.

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Water Planning

Of the seven Planning Areas of the Arizona Department of Water Resources (ADWR), three are located in the six ECO Counties footprint:

1) Eastern Plateau
   The Eastern Plateau Planning Area includes one groundwater basin, the Little Colorado River Plateau Basin, and one river system, the Little Colorado River.
   The Little Colorado River is not a perennial river proper. Only the headwaters and the lowermost section flow year-round. Between St. Johns and Cameron, most of the river is a wide dry wash, with flowing water occurring only after snowmelt or seasonal 'monsoon' summer rains. The lower 40 miles of the Little Colorado forms one of the largest arms of the Grand Canyon, over 3,000 feet deep where the Little Colorado joins the Colorado near Desert View in the Grand Canyon National Park.
   The Eastern Plateau Planning Area covers portion of three counties, two of which are ECO Counties, including 90% of Apache County and 89% of Navajo County. The planning area also includes 41% of Coconino County. All or parts of the Hopi, Navajo, and Zuni reservations are located within the planning area.
   Population centers include Flagstaff, Show Low/Pinetop/Lakeside, Winslow and Holbrook; and Page, Tuba City, Window Rock, Chinle and Kayenta on the Navajo Reservation. The 2000 Census planning area population reached almost 250,000.

   Per the ADWR Water Atlas, an average of about 170,500 acre-feet of water per year was used annually during the period 2001-2005 in the planning area for agricultural, municipal and industrial uses (cultural water demand). The water supplies utilized to meet these demands include primarily groundwater (104,800 acre-feet), surface water from the Colorado River and other streams (50,800 acre-feet) and effluent (14,900 acre-feet).
   The planning area has a large industrial water use sector due to the presence of several thermal power generating stations and large coal mining operations. Industrial water use is the principal use, currently about 83,100 acre-feet, approximately 49% of the total use.
   The Joseph City Irrigation Non-expansion Area (INA) was designated west of Holbrook in Apache County due to insufficient groundwater to provide a reasonably safe supply for irrigation. Municipal sector average annual demand is approximately 45,000 acre-feet. Agricultural demand is relatively low by Arizona standards with an estimated annual demand of 42,400 acre-feet.

2) Central Highlands

The Central Highlands Planning Area includes five groundwater basins, two of which are located in the ECO footprint: Tonto Creek in Gila County, and Salt River in Navajo, Gila, Apache, Greenlee and Graham Counties. The Planning Area includes two main river systems, the Salt River and its main tributary, the Verde River.

The Central Highlands Planning Area covers portion of nine counties, five of which are ECO Counties, including approximately 80% of Gila County, and small portions of Navajo, Apache, Graham and Greenlee Counties. The planning area also includes portions of neighboring counties: Yavapai (approximately 80%), and small areas of Coconino, Maricopa and Pinal Counties. The Fort Apache (White Mountain Apache Tribe), San Carlos Apache, Tonto-Apache, and Yavapai-Apache Indian Reservations are located within the planning area.

The 2000 Census planning area population was approximately 143,000. Basin population ranged from about 7,500 in the Tonto Creek Basin to over 88,000 in the Verde River Basin. Payson is the largest metropolitan area with about 13,600 residents in 2000. Other population centers include Camp Verde, Cottonwood/Verde Village/Clarkdale, Globe/Miami and Sedona.

Per the ADWR Water Atlas, an average of about 83,200 acre-feet of water was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 63% was groundwater, 36% was surface water and 1% was effluent. The agricultural sector had the largest use with approximately 37,500 acre-feet, approximately 45% of the total use. Demand from the municipal sector averaged about 27,400 acre-feet and industrial demand averaged about 18,300 acre-feet.

3) Southeastern Arizona:

The Southeastern Arizona Planning Area includes 14 groundwater basins, nine of which are located in the ECO Counties footprint: Morenci and Duncan Valley in Greenlee County; Bonita Creek, Safford and Aravaipa Canyon in Graham County; and, Wilcox, Douglas, Upper San Pedro and San Bernardino Valley in Cochise County. The Planning Area includes three main river systems, the Gila River mainly in Graham County, and two of its main three tributaries, the San Francisco River in Greenlee County, and the San Pedro River mainly in Cochise County, then Pinal County (the third main tributary, the Salt River, being located in the Central Highlands).

The Southeastern Arizona Planning Area covers portion of eight counties, five of which are ECO Counties, including 100% of Cochise County; 0.1% of Apache County, 22% of Gila County, 95% of Graham County, and 92% of Greenlee County. The planning area also includes portions of neighboring counties: Pima (6%), Pinal (27%) and Santa Cruz (44%) counties. Most of the San Carlos Apache Reservation is located within the planning area.

The 2000 Census planning area population was approximately 188,300. Basin population ranged from 21 in Bonita Creek, to more than 78,000 in the Upper San Pedro. Sierra Vista is the largest metropolitan area with about 62,000 residents in the incorporated and unincorporated areas in 2006.

Per the ADWR Water Atlas, an average of 515,100 acre-feet of water (including effluent) was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 84% is groundwater. The agricultural water use sector is the largest user by far with an average annual demand of approximately 440,000 acre-feet, approximately 85% of the total use, mostly in the Douglas, Safford and Willcox basins that regroup over 88% of the total agricultural demand.

Most of the Douglas Basin was designated as the Douglas Irrigation Non-expansion Area (INA) due to insufficient groundwater to provide a reasonably safe supply for irrigation.
Average annual municipal demand in the planning area is approximately 40,500 acre-feet and industrial demand is approximately 34,550 acre-feet.

Water Rights

Public Water Code / surface water rights

Arizona surface water rights and surface water laws are based on the doctrine of "prior appropriation." This doctrine is based on the tenet of "first in time, first in right," where the person who first puts the water to a "beneficial use" acquires a right that is senior to later junior rights to the water. Historically, a user acquired a surface water right by applying the water to a "beneficial use" and posting a notice of the appropriation at the point of diversion. On June 12, 1919, the Arizona surface water code, now known as the Public Water Code, was enacted. The law provides that a user must apply for and obtain a permit in order to appropriate surface water.

Arizona General Stream Adjudication – the "Water Case"

In order to resolve conflicting water rights to the Salt River and Verde River systems, the Salt River Valley Water Users' Association, responsible for the management of the Salt River Project (SRP), filed two petitions with the Arizona State Land Department to adjudicate the water rights of the Salt River Watershed (April 1974) and Verde River Watershed (February 1976). Subsequently, the Phelps Dodge Corporation filed a petition with the Arizona State Land Department to address the determination of water rights in portions of the Lower Gila River Watershed and the Upper Gila River Watershed (February 1978), then supplemented the February petition to include additional lands in both the Lower Gila River and Upper Gila River watersheds (April 1978). In turn, the Buckeye Irrigation Company filed a motion to intervene and two petitions to enlarge the scope of the adjudication of the Gila River Watershed to the Agua Fria River Watershed and other portions of the Lower Gila River Watershed (December 1980), and to include portions of the Santa Cruz River Watershed in the Gila River Adjudication (October 1985). In the meantime, in order to resolve conflicting water rights to the Little Colorado River System, the Phelps Dodge Corporation filed a separate petition with the Arizona State Land Department (February 1978), and ASARCO Inc. filed a petition with the State Land Department for the adjudication of the San Pedro River Watershed (April 1978).

In April 1979 the Arizona Legislature amended the general adjudication statutes and the cases were transferred from the State Land Department to the superior court in the counties where the original petitions were filed. The Salt River, Verde River, and Gila River adjudications were transferred to the Maricopa County Superior Court, and the San Pedro River adjudication was transferred to the Cochise County Superior Court. In November 1981, the Arizona Supreme Court consolidated the adjudications of the Salt, Verde, Gila and San Pedro Rivers and ordered the case conducted in the superior court in the county having the largest number of potential claimants. This resulted in the consolidated *General Adjudication of All Rights to Use Water in the Gila River System and Source* being transferred to the superior court in Maricopa County. Meanwhile, in 1979, the *General Adjudication of All Rights to Use Water in the Little Colorado River System and Source* was transferred from the State Land Department to the Apache County Superior Court. In October 2000, the Arizona Supreme Court linked the two cases by appointing a "Water Judge," Judge Edward

Ballinger, to preside over both the Gila River and Little Colorado River adjudications. Judge Edward Ballinger was later replaced in October 2012 by Judge Mark Brain.

Summons were served on all persons listed in the property tax assessments in each watershed and on all persons in the watershed who had, at the time, any kind of water rights filing, groundwater or surface water, on record with the Arizona Department of Water Resources. As of June 30, 2015, over 26,000 water users, in 14 of Arizona's 15 counties, had filed 83,876 claims in the Gila River Adjudication, and 14,654 claims in the Little Colorado River Adjudication. Claimants include the United States, the State of Arizona, Indian tribes, municipalities, mining operations, farmers, cattle growers, water providers, and domestic well users. The case is ongoing, with one of the latest developments being the replacement of Special Master George Schade upon his retirement in June 2015. The Special Master organizes the objections and issues of broad legal significance into contested cases, hears evidence, and submits a report and recommended final decree to the court. The Arizona Department of Water Resources acts as the court's technical adviser, investigates all claims, prepares technical reports, maintains a central information repository, and conducts the service of summons.

The adjudication process will identify and rank the rights to use surface water for the users in the Gila River System and Source and the Little Colorado River System and Source, that is to say approximately 75% of Arizona with the exception of the western quarter of the State served by the Colorado River. Neither groundwater nor Central Arizona Project water is subject to the "Water Case."

Indian water rights settlements

Concurrently with the Arizona Water Case, parties have engaged in negotiations to resolve Indian and federal reserved water rights by settlement. These efforts have resulted in the Maricopa County Superior Court's approval, following Congressional approval, of a number of settlement agreements of Indian reserved rights. Recent congressionally-approved settlements include the June 2003 *Zuni Indian Tribe Water Rights Settlement Act*; the December 2004 *Arizona Water Settlements Act* (Tohono O'odham Nation and Gila River Indian Community); and, the December 2010 *Claims Resolution Act of 2010* (White Mountain Apache Tribe) sponsored by Senator Kyl.

Among pending Indian water rights issues in Arizona, the Navajo Nation claims in the Lower Basin of the Colorado River, including the Little Colorado River, remain unresolved following the rejection by the Navajo Nation of the *Navajo-Hopi Little Colorado River Water Rights Settlement Act of 2012* sponsored by Senator Kyl. The September 2014 settlement between the United States and the Navajo Nation, that will pay the Navajo Nation $554 million to settle claims that the U.S. government mismanaged funds and natural resources on the Navajo reservation for decades, does not include water rights claims.

Groundwater Management Code / sub-surface water rights

In parallel with the enactment of the June 1919 Arizona surface water code, Arizona lawmakers attempted, unsuccessfully, to limit groundwater pumping. This resulted in groundwater "overdraft," water being pumped faster than it was replaced naturally, depletion of the aquifers, increased costs of deeper drilling and pumping, degradation of water quality as deeper water typically contains more salts and minerals, and escalating conflicts between the various interests relying on groundwater.

In August 1976, the Arizona Supreme Court ruled in *Farmers Investment Company v. Bettwy* that the private pecan growers' company could impose a limit on how much groundwater the municipality of Tucson and the copper mining companies Anaconda Company and Amax Copper Mines could pump. The cities and the mines demanded relief from the Arizona Legislature. The Legislature formed a 25 member groundwater commission to write a new groundwater law. Agriculture always had been the biggest groundwater user, and farmers, interested in maximizing the value of their land, proposed that anyone who wanted to initiate pumping should have to purchase an existing right from a farm. The mining industry counter-proposed that each acre in a groundwater basin should receive a "quantified right" to water. To resolve the gridlock, Governor Bruce Babbitt convinced the U.S. Secretary of the Interior, Cecil Andrus, to subordinate the construction of the Central Arizona Project to the enactment by Arizona of tough groundwater laws. Consequently, Governor Babbitt was able to mediate the agricultural, industrial and municipal interests, and in June 1980 the Groundwater Management Code was enacted. In 1986, the Arizona Groundwater Management Code was recognized by the Ford Foundation and Harvard University as one of the 10 most innovative programs in state and local government.

Beside creating the Arizona Department of Water Resources (ADWR), and centralizing all responsibilities for water planning and regulation, except water quality, in the agency, the Groundwater Management Act aimed at controlling severe overdraft occurring in many parts of the state; providing a method to allocate the state's limited groundwater resources to most effectively meet the changing needs of the state; and augmenting Arizona's groundwater through water supply development.

Active Management Areas (AMAs)

Most significantly, the Act established Active Management Areas (AMAs) in parts of the state where groundwater pumping is heaviest. Five AMAs currently exists: the Prescott, Phoenix, Pinal, Tucson, and Santa Cruz AMAs.

The five AMAs are subject to specific regulations. In the Phoenix, Prescott, and Tucson AMAs, the primary management goal is "safe-yield" (balance between annual water consumption and replenishment) by the year 2025. In the Pinal AMA, where the economy is primarily agricultural, the management goal is to preserve agriculture for as long as feasible, while considering the need to preserve groundwater for future non-irrigation uses. In the Santa Cruz AMA the management goal is to maintain a safe-yield condition and to prevent local water tables from experiencing long-term declines.

ADWR applies stringent regulations in the AMAs, including the prohibition of irrigation of any new agricultural lands; the requirement for a secured physical, legal, and continuous access to a 100-year supply of water prior to any industrial or urban development; the metering and reporting of water pumped from all large wells; and the completion and implementation of five water management plans, up to 2025, designed to create and implement a comprehensive system of conservation objectives and methods in the agricultural, industrial and municipal sectors. In the AMAs, users are required to hold a permit to pump groundwater, unless the well is an "exempt" well with a maximum pump capacity of 35 gallons per minute, and is not used for agricultural irrigation purpose.

Irrigation Non-expansion Areas (INAs)

The 1980 Groundwater Management Act also established Irrigation Non-Expansion Areas (INAs) in areas where there is insufficient groundwater to provide a reasonably safe supply for irrigation. Three INAs currently exists: the Joseph City, Douglas, and Harquahala INAs.

ADWR applies restrictions on increasing the number of irrigated acres in the INAs.

Since groundwater use in AMAs and INAs is regulated, groundwater pumping in these areas requires a permit from ADWR. Groundwater use outside AMAs and INAs is not regulated and does not require a permit. However, drilling a well anywhere in the state requires that a Notice of Intent to Drill be filed with ADWR.

Colorado River Compact - the "Law of the River"

In 1917, Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada formed the League of the Southwest to promote development along the Colorado River. In 1921, Congress authorized the states to enter into a compact for the allocation of the river water. The Colorado River Compact was signed by the seven States and approved by Congress in 1922. However, Arizona contested the lower basin allotment and refused to ratify the agreement until 1944. The specific allotments were disputed until Arizona won the case with the United States Supreme Court upholding Arizona's right to 2.8 million acre-feet-annually in the 1963 decision *Arizona v. California*. This cleared the way for the Central Arizona Project, authorized by Congress in September 1968.

The Colorado River Compact allocates 15 million acre-feet-annually between the seven states. In addition to the Compact, a 1944 international treaty allocates 1.5 million acre-feet annually to Mexico.

Arizona's allocation of 2.8 million acre-feet annually far exceeded the pre-Central Arizona Project 1.3 million acre-feet annual consumption by the State, as consumption was limited to Arizona Counties located along the Colorado River, mainly in Mohave, La Paz, and Yuma Counties. However, since the completion of the Central Arizona Project in 1993, Arizona's consumption of Colorado River water has steadily increased, and since 2000 the State has been distributing 1.5 million acre-feet of water from the Colorado River every year to Maricopa, Pima and Pinal counties in Central and Southern Arizona, therefore using its full 2.8 million acre-feet annual allocation.

Most importantly, as a condition to be allowed to build the Central Arizona Project , Arizona had to agree to be the first State in line for rationing should a water shortage occur in the Colorado River system.

Issues and Progress

Arizona water issues can be summarized as attempting to balance a decreasing resource with growing needs, under competing and conflicting rights.

In simplistic terms: at 45% of capacity Lake Powell is more than half-empty; dropping about 7 feet per year, Lake Mead is at its lowest historical level, the first time ever below 1,080 feet above sea level, with

a June 2015 low point of 1,073 feet, 2 feet below the mandated January 1,075 feet trigger for a shortage declaration; the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint; the reservoirs of Roosevelt Lake and the Salt and Verde rivers are being depleted; and, the Colorado River is so low that most years it does not reach the sea anymore.
For the first time in Arizona's history, in the spring of 2015 there was a real prospect that the Colorado River would be officially declared in "shortage" for the year of 2016, and that Arizona would face its first water-supply cuts. According to the Bureau of Reclamation's Colorado River operations office, the current projections, factoring in both the ongoing drought and the systemic over-allocation, are almost guaranteeing a shortage in the coming few years. Barring a sudden unexpected end to the drought, official shortage conditions are likely for the indefinite future.

In the meantime, despite widespread emerging conservation efforts in Arizona major cities, most private lawns and golf courses, and public parks continue to be abundantly watered; and despite some investments in drip and subterraneous irrigation, many Arizona irrigated fields continue to be irrigated using flood irrigation techniques with only 40% to 50% efficiency.

Decreasing supply

Surface water

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs and is in steady decline as a direct result of the prolonged drought. Arizona receives a statewide average of only 12.5 inches of rain per year, and because of the desert climate, the precipitations, and the amount of surface water available, can vary dramatically from year to year, season to season, and place to place.

Surface water utilization and distribution is maximized by storage reservoirs and delivery systems built throughout the state to capture spikes in runoff during occasional wet years. These include preeminently the reservoir storage systems located on the Salt, Verde, Gila and Agua Fria rivers. However, few, if any, opportunity remain in Arizona to expand the surface water management system since virtually all of the natural surface water in Arizona has already been developed.

The 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade river flows were reduced down to less than two-thirds of their 20th century level. Because the Arizona snowpack, when it falls, is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to rivers and lakes, scientific models project a reduction of surface water flows between 5% and 35% by 2050.

Ground water

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs. However, as the surface water decreased progressively over the last two decades, agricultural and municipal users have increased the pumping of ground water. Throughout the 20th and beginning of the 21st centuries, groundwater has been pumped out more rapidly than it has been replenished, creating a situation of overdraft. In the last 10 years, the Colorado Basin aquifers have been reduced by as much as

15.6 cubic miles of subsurface freshwater, raising concerns about their long-term sustainability. Similarly, the Wilcox aquifer has dropped as much as 143 feet over the past 20 years, and continues to lose an average of three feet per year, threatening the agricultural economy of the basin, as well as municipal supplies since there is no alternative source of water. Five city wells have gone dry since 2008. Payson, which aquifer sub-basin has suffered the largest drop in the state, must turn to pumping water from the C.C. Cragin (previously Blue Ridge) reservoir on the Mogollon Rim to sustain its water supply. And, the North Central Arizona Water Supply Study (which includes Flagstaff and part of the Eastern Plateau Planning Area, and the Western Plateau Planning Area) concluded that by 2050 the region current groundwater pumping will not be sustainable.

Conversely, in the sub-basins along the Central Arizona Project and below the Phoenix metro area, aquifers have seen average increases of 20 feet, and up to about 60 feet in some limited areas, over the past 20 years, as water consumption shifted from ground water to Colorado River water delivered by the CAP since the late 1990's.

However, in general, the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint, and even though a large amount of water remains stored in Arizona's aquifers, its availability is limited by location, depth and quality, and the continued overdraft of the state groundwater supplies compromises a sustainable water supply for the future.

Colorado River

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs, but the river is so over-allocated that most years it does not reach the sea anymore.

At the root of the problem, research indicates that the 1922 Colorado River compact that governs how Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada allocated the Colorado River water, happened to have been negotiated during the wettest 10-year period in the last 1,000 years. As a consequence, the 1922 Colorado Compact, and the 1944 international treaty with Mexico, allocate 16.5 million acres feet annually, while during the last 110 years the river has only flowed an average of approximately 15 million acres feet annually, with many years at only about 10 million acres feet. Consequently, in many years, the law allocates up to 25% more water than flows.

To compound the problem, water flows in the Colorado River watershed have been in steady decline as a direct result of the prolonged drought over the last few decades. The same factors that affect surface water in Arizona affect the entire Colorado Basin. As previously stated for other surface waters, the 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade the river flow was reduced down to less than two-thirds of its 20th century level. Because the Rocky Mountain snowpack is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to the river, scientific models project a reduction of the Colorado River flow between 5% and 35% by 2050, and the 2060 annual shortfall for the Colorado River is predicted to be 1 trillion gallons of water.

As a consequence, the water level in Lake Mead, the largest fresh water reservoir in the nation when full, has dropped more than 100 feet since 2000, and Lake Mead is now only filled to about half capacity. And the water level keeps falling. The 2014 low was 7 feet higher than the 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration. Upstream, Lake Powell is in even worse shape. Filled at only 45% of capacity Lake Powell is more than half-empty. The two reservoirs continue to capture spikes in runoff during occasional wet years such as 2011 when the runoff was 20 million acre-feet, but rare wet years do not compensate for more frequent dry years such as 2013 when the runoff was only about 10 million acre-feet.

As the Colorado River already provides in average 10% less water than is allocated annually, based on various climate model projections for the Colorado River watershed, the U.S. Bureau of Reclamation projects that by 2050 the Colorado River flow will be further reduced by 9%. By 2060, the need will outstrip the resource by about 3 million acre-feet annually.

Colorado River water rights

Although the systemic over-allocation of the Colorado River has been identified for decades, up to the early 2000's several states, including Arizona, were not using their full allocation and other states, such as Nevada, compensated using more than their allocation by progressively draining Lake Mead - which acted as the system's buffer - to approximately half capacity.

However, with the level of Lake Mead dropping to a 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration, the very real prospect of a shortage was envisioned for 2016. Abundant precipitations in "Miracle May" 2015 prevented a 2016 shortage, but the Bureau of Reclamation's Colorado River operations office expects that the current projections, factoring in both the ongoing drought and the systemic over-allocation, place the probability of a shortage in the upcoming years at almost 75%.

A Colorado River official shortage declaration will have disproportionate economic impacts on Arizona since, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree in 1968 to be the first State in line for rationing, with Nevada and Mexico also facing smaller cuts, should a water shortage occur in the Colorado River system.

If by January of any year, the water level in Lake Mead is below 1,075 feet, the U.S. Bureau of Reclamation will declare an official shortage for the first time ever and mandatory cuts in water allocation, contractually agreed-upon in the December 2007 Interim Guidelines, will be imposed on the Lower Basin states of Arizona, California and Nevada. In such "Light Shortage" condition Arizona will lose 320,000 acre-feet every year that the water level remains below 1,075 feet. Should Lake Mead drop an additional 25 feet to below 1,050 feet, a "Heavy Shortage" condition, Arizona would lose another 80,000 acre-feet for a total of 400,000 acre-feet. In "Extreme Shortage" condition, with Lake Mead water level dropping below 1,025 feet, Arizona would lose yet another 80,000 acre-feet, for a total of almost 0.5 million acre-feet annually.

Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

Colorado River Drought Contingency Plans

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, in April 2019 in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14).

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans), commit the Bureau of Reclamation to additional water conservation efforts, and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

Despite the success of DCP negotiations, many remain concerned about the basin's long-term water supply outlook, including the need to potential for a compact call between the Lower Basin and Upper Basin that might lead to protracted legal issues.

Rapidly increasing municipal demand

Even though according to data from the Arizona Department of Water Resources and the Arizona Municipal Water Users Association, per capita water usage has leveled or even dropped in many central Arizona municipalities following the implementation of conservation efforts over the past five years, the typical Valley resident still consumes approximately 160 gallons per day.

With the Arizona population expected to grow from 6 million people in 2010 to 9.5 million people by 2025, with most of the growth concentrated in metro Arizona, at the current rate of consumption municipal demand in central Arizona will predictably increase by 560 million gallons per day, over 200 billion gallons per year, or over 0.6 million acre-feet annually.

Insufficient conservation

In December 2014, the Central Arizona Project signed an agreement with the Bureau of Reclamation and water providers for Southern California and Nevada to collectively reduce the Colorado River lower basin demand by 740,000 acre-feet annually over the next three years, through reduced consumption and improved efficiencies.

Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for almost half of the total reduction, 345,000 acre-feet annually.

However, such conservation is likely to provide less than a third of the new water needed by 2060, given the Arizona population growth projection on one end, and the projections of continued ground water, surface water and Colorado River water decreases on the other end.

Agriculture

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Per a 2014 University of Arizona's Eller College of Management study, there were 33,613 farmers in Arizona operating 20,005 farms on 26.2 million acres in 2012. Of the $3.7 billion total value of agricultural products sold in the state, crop sales account for $2.1 billion (56%) and livestock sales account for $1.6 billion (43%). Over 50% of the farms in the state are located in Apache, Navajo and Coconino counties and consist primarily of small farms. Conversely, over 78% of the $3.7 billion total value of agricultural products sold in the state, come from Maricopa, Yuma and Pinal Counties, with Yuma County alone being the fourth highest agricultural producer county in the Nation with $1.3 billion in crop sales. This is because, per the U.S. Department of Agriculture *Western Irrigated Agriculture* study, irrigated farms in the West are generally more profitable than non-irrigated farms, averaging $1,427 per irrigated harvested acre versus $643 per non-irrigated acres (USDA National Agricultural Statistics Service, 2007 Census of Agriculture). Of the 20,005 Arizona farms, only 5,839 (29%) practice irrigation, and of the 26.2 million acres of Arizona farmland, only 880,613 (33%) are irrigated. Of these, 4,830 farms cultivate harvested crops on 854,515 irrigated acres (97% of irrigated acres), and 1,308 farms irrigate 26,098 acres of pastureland (USDA National Agricultural Statistics Service, 2012 Census of Agriculture - County Data).

Farm irrigation technologies vary widely in their efficiency potential defined as the relative amount of applied water that gets taken up through plant consumptive-use. Uncontrolled flood irrigation is widely recognized as the least efficient irrigation system, generally below 50% but potentially as low as 35%. In general, gravity-based irrigation efficiencies range from 35 to 80%, with higher efficiencies for improved gravity systems such as furrows, between borders, or within basin irrigation, in combination with lined or piped field water-delivery systems, surge-flow water application, or with the use of gravity water-management practices, such as tail water reuse pits, furrow-diking, alternate-row irrigation, or limited-irrigation set times. Pressure or sprinkler-based system efficiencies range from 50 to 90% efficiency depending on type, wind and evaporation. Low-pressure, low-energy precision application (LEPA), and subsurface drip systems are capable of efficiencies as high as 85 to 95% (USDA Economic Research Service, *Western Irrigated Agriculture*). Drip irrigation can reduce water demand by 25% to 50%, typically in Arizona from 1 to several acre-feet per irrigated acre annually, but costs typically from $1,000 to $2,500 per acre to install, and limits crop rotation flexibility.

Despite major water-saving efficiencies, drip irrigation adoption varies by area, and is generally limited. For example, it accounts for only 33% of the 600 irrigated acres in the Lower San Pedro basin; 25% of the 1,000 irrigated acres in the Upper San Pedro basin; 8% of the 13,150 irrigated acres in the Douglas basin; 2% of the 50,600 irrigated acres in the Wilcox basin; 0% of the 28,300 irrigated acres in the Safford basin; and, 0% of the 3,450 irrigated acres in the Duncan basin.

General adoption of agricultural fields laser levelling and high efficiency irrigation techniques has the potential by itself to reduce Arizona agriculture water demand by approximately 1 million acre-feet annually, and to balance the State water budget for several decades.

Municipalities

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Despite conservation efforts implemented in many central Arizona municipalities over the past five years, the typical metro resident in central Arizona still consumes approximately 160 gallons per day.

Not only this is over 1.5 times more than the average Arizona resident (100 gallons per day), but this is also higher than the average Las Vegas resident (124 gallons per day when returns to river are factored in) or Los Angeles resident (129 gallons per day).

Municipal water is used for drinking and sanitary purposes, but most of the central Arizona municipal demand is still consumed by landscape watering.

General conversion from watered lawns to desert landscaping in metro Arizona has the potential by itself to reduce Arizona municipal water demand by approximately 0.5 million acre-feet annually, and to offset the increased water demand of urban expansion for several decades.

Industry

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Although increase in industry efficiencies, especially in the mining sector, can contribute to reduce the overall Arizona water demand, the relative low consumption by industry (6% of the entire State consumption) makes even large efficiency gains by industry, relatively minor in the overall Arizona water balance.

Slow General Adjudication

In addition to the decreasing supply and the increasing demand, competition and conflicts over the ownership of the supply, the water rights, have still not been fully resolved as the General Adjudication process is still on-going after 36 years of legal proceedings since April 24, 1979, with no clear end in sight.

As a consequence of cities, industry, agriculture, water providers such as SRP, tribes, etc. not knowing who definitely will have the right to what, and how much of it, investments in water development, and water collection and distribution structures are stifled.

The uncertainty about water rights, until the General Adjudication is completed and possibly appealed all the way to the U.S. Supreme Court, further complicates and slows down balancing sustainably the overall Arizona water budget.

April 2019 marked the 45th anniversary of the General Adjudication.

In FY 2019, ADWR developed more than 70 reports and maps for the court, provided expert testimony at multiple hearings, and continued field investigation of various water uses in several areas of the state.

Disproportionate impact on agriculture

In the end, a critical issue for the Eastern Arizona Counties Organization (ECO) and its six rural and agricultural counties is that, by any measure, balancing sustainably the overall Arizona water budget will have the highest impact on the farming community.

The simple facts are that: the water supply is shrinking; the water demand is rising; agriculture is by far the largest user and consumes approximately 70% of the Arizona water; cities have become more efficient at a quicker pace than agriculture at saving water; and, Arizona law prioritizes cities, industry, and tribal interests above agriculture. Therefore, farmers will likely face the biggest cuts.

In the current availability forecasts, the only possible way to balance sustainably the overall Arizona water budget is to increase conservation efforts across the board; to increase augmentation efforts across the board; and, to reduce agriculture's consumption by adopting efficient irrigation techniques across the board, switching to less water-intensive crops, and, likely, decreasing the total acreage devoted to irrigated agriculture.

For example, the Central Arizona Project was built largely to meet urban water needs in metro Arizona. The farmers who have used what until recently was excess water have the lowest legal priority. Should the brunt of a Colorado River allocation reduction be imposed on the Central Arizona Project that receives 1.5 million acre-feet from the Colorado River, and which rights are junior to those of the western counties that pump directly from the river, central Arizona farmers could see the amount of Colorado water available to them reduced approximately by 50% in "Light Shortage" condition; 75% in "Heavy Shortage" condition; and, completely shut down in "Extreme Shortage" condition.

While it is expected that a "Light Shortage" condition can be mitigated at least for a few years by increased pumping from the central Arizona aquifers that have been recharged since the 1990's by increased Colorado River water consumption, long-term "Heavy Shortage" conditions and even medium-term "Extreme Shortage" conditions would probably trigger at least a temporary end to large-scale farming in central Arizona. Meanwhile, municipalities like Phoenix, Mesa and Scottsdale would likely lose some of the canal water they're currently buying from excess Indian tribes' water.

Because Arizona agriculture consumes 4.8 million acre-feet annually, even a modest 10% reduction would reduce the demand by almost 0.5 million acre-feet annually, a significant number. A 20% reduction would yield 1 million acre-feet annually, a game-changer. Comparatively, reducing industry water consumption by 10% would only save 40,000 acre-feet annually, an important but essentially irrelevant amount in the overall Arizona picture.

As Arizona is likely to manage a change in water status quo within the next few decades, ECO's concern is that the change cannot be made at the sole expense of the farming community.

For example, Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for the largest reduction, 345,000 acre-feet annually, in the December 2014 agreement with the Bureau of Reclamation and water providers for Southern California and Nevada. The implementation plan projects nearly half of the demand reduction to be achieved in irrigation districts. However, CAP will compensate the affected farmers with a $5 million cash payment. As a result, farmers currently using low efficiency flood irrigation could fund the conversion of between 3,000 and 5,000 acres to high efficiency irrigation, such as drip irrigation; and/or, farmers engaged in the

most water-intensive crops like cotton, rice, alfalfa, and almonds, would have a financial incentive to divert their water to people and businesses willing to pay more for it than the economic value of the water-intensive crops.

Water of the US rule (WOTUS)

The Clean Water Act (CWA) of 1972 is the central federal legislation regulating water pollution in the United States. In 2001, in Solid Waste Agency of Northern Cook County (SWANCC) v. U.S. Army Corps of Engineers, the US Supreme Court ruled that the authority granted by CWA did not extend to abandoned gravel pits with seasonal ponds. In 2006, in Rapanos v. United States, the US Supreme Court voided lower court rulings against the plaintiffs, but did not reach a majority decision on the substance of the case (the filling of 22 acres of wetland on Rapanos' private property). These two decisions created uncertainty about the protection status of non-navigable waters, streams and wetlands.

In April 2011, the EPA proposed a new set of guidelines and engaged into several rounds of public comment periods and numerous meetings with state entities, public and private stakeholders. In 2014, the EPA proposed a new rule defining the scope of "Waters of the United States" protected under the Clean Water Act (CWA).

In FY 2014, ECO filed comments on the Office of Research and Development of the Environmental Protection Agency paper *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, outlining its concerns with the proposed definition of "connectivity" and its implications for rural residents and local governments.

In FY 2015 ECO filed comments on the Environmental Protection Agency and U.S. Army Corps of Engineers *Proposed Rule on the Definition of "Waters of the United States" Under the Clean Water Act (CWA)*, outlining its concerns with the proposed definition of "Waters of the United States" and its implications for rural residents and local governments.

On May 27, 2015, the EPA published its Clean Water Rule, set to become effective in August, but upon litigation by 13 States, the regulatory definition of "Waters of the United States" was stayed by the U.S. Court of Appeals for the Sixth Circuit on October 9, 2015. In response to this stay, the EPA, Department of Army, and Army Corps of Engineers resumed nationwide use of the agencies' prior regulations defining the term "Waters of the United States."

On February 28, 2017, the President of the United States issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017 the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS), and called for public comments.

On June 14, 2017, ECOO filed comments outlining concerns to be addressed in the crafting of a new definition of "Waters of the United States":

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule before the release of the science report;

- flawed agency's cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;
- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator, Scott Pruitt, along with Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018 EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018 the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule.

Arizona Water Initiative

On December 16, 2015, Governor Ducey signed Executive Order 2015-13 creating the Arizona Water Initiative. The initiative was intended to continue the legacy of cooperative long-term strategic water planning in Arizona by furthering the work and recommendations established in the ADWR report *Arizona's Next Century: A Strategic Vision for Water Supply Sustainability* that was published in 2014.

The order established the Governor's Water Augmentation Council and the Planning Area Process. The goal of the Water Initiative is to continue the Arizona legacy of proactive strategic water planning by working with key stakeholders statewide.

- The Governor's Water Augmentation Council (GWAC) is investigating long-term water augmentation strategies and other opportunities to secure water supplies for the future.

- The Planning Area Process allows local stakeholders to participate in the development of better water demand information and a consensus-driven set of solutions for future water supply and demand imbalances. Through the Planning Area Process, the Arizona Department of Water Resources (ADWR) will identify and prioritize within five years the 22 planning areas identified in the Strategic Vision report, beginning with rural areas.

Arizona Water Initiative 2016 Progress

In FY 2016, the first year of the Initiative, 29 members were appointed by the Governor to the Water Augmentation Council (GWAC) to represent the water-use sectors of the state. The Council met three times and developed a set of recommendations for the following fiscal year.

During FY 2016, ADWR initiated the Planning Area Process in three areas among the regions of the state with intensifying water-related issues:
- West Basins Planning Area;
- Cochise Planning Area;
- Northwest Basins Planning Area.

Four public meetings were held to initiate the process.

Arizona Water Initiative 2017 Progress

Planning Area Process

During FY 2017, the Planning Area Process continued in the West Basins, Cochise, and Northwest Basins planning areas with a total of 13 public meetings. ADWR identified four common themes from the public input:
1. limits on irrigation;
2. need to increase natural recharge;
3. mandatory metering & reporting of water use;
4. current groundwater management tools may not suit needs.

Water Augmentation Council

In FY 2017, the Water Augmentation Council (GWAC) met 4 times and created four committees:

Desalination Committee
The Desalination Committee is tasked with evaluating areas for the feasibility of a desalination project; collaborating with local and regional stakeholders within the identified project area; discussing funding opportunities with the Finance Committee; and, securing land and water contracts with the approval of the Arizona Department of Water Resources (ADWR).

Recycled Water Committee
The Recycled Water Committee is tasked with recommending that the Arizona Department of Environmental Quality (ADEQ) end the prohibition on direct potable reuse; evaluating the need

for amendment to current law that provides that 50 percent of effluent stored in managed underground storage facilities shall be credited to a storer's long-term storage account; reviewing and evaluating the statute related to a 2025 sunset clause on the ability to create long-term credits from effluent; and , discussing the potential for changing the term "effluent" to "recycled water."

Long-term Water Augmentation Committee
The Long-term Water Augmentation Committee is tasked with considering projected Planning Areas with the greatest imbalances; creating a budget proposal for a project to establish a portfolio of statewide augmentation options; discussing the proposed portfolio in each Planning Area to determine if the augmentation options identified are desirable; and, providing project oversight until completion.

Finance Committee
The Finance Committee is tasked with Identifying financing barriers/limitations for water augmentation projects; proposing general funding options; and proposing funding options for specific projects identified by other committees.

Arizona Water Initiative 2018 Progress

Planning Area Process

During FY 2018, ADWR field services conducted a well sweep within four of the groundwater basins that make up the Northwest Basins Planning Area: Meadview, Hualapai Valley, Detrital Valley, and Sacramento Valley. The term "well sweep" refers to a procedure undertaken by the ADWR Hydrology Division, in which Field Services requests permissions to survey private well water-levels.

In addition, during FY 2018 the USGS was contracted by ADWR to document trends in statewide water use, and to evaluate current and future water needs.

Governor Water Augmentation Council (GWAC)

During FY 2018, the four Committees of the Governor Water Augmentation Council (GWAC) continued actions initiated during FY 2017:

1. ADWR partnered with the Water Infrastructure Finance Authority of Arizona (WIFA) to pilot a targeted water loss control program based on the American Water Works Association's Manual for Water Audits and Loss Control Programs, also known as Manual 36 or M36. Through this pilot effort, six municipal and private water systems outside of AMAs received training on comprehensive water auditing procedures. The training helped the pilot systems determine the source of water losses and the cost to reduce those losses.

2. The Recycled Water Committee (RWC) was tasked with exploring opportunities across Arizona for new reclaimed water projects to augment local water supplies. The two topics discussed with respect to possible statutory changes were: accounting associated with underground storage of effluent water in managed facilities; and removal of the current statutory limitation (A.R.S. § 45-802.01(22)) regarding the ability to earn long-term storage credits for recharging effluent beyond 2025.

3. The Finance Committee, in charge of researching and identifying possible funding sources for projects proposed by the GWAC did not meet during FY 2018 for lack of specific project requiring funding.

4. The goal of the Desalination Committee was to prepare a brackish groundwater project proposal to be submitted to the GWAC for approval no later than the end of FY 2018.

5. The goal of the Long-Term Water Augmentation Committee was to facilitate a statewide analysis of short-term and long-term augmentation opportunities. During FY 2018, the Long-Term Water Augmentation Committee achieved several objectives in furtherance of this goal, including education and information gathering, revision of water demand numbers, development and execution of a scope of work for a consultant to complete an assessment of the feasibility of augmentation options, and submittal of a federal grant application.

Arizona Water Initiative 2019 Progress

Governor's Water Augmentation, Innovation and Conservation Council

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the newly created Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to

supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

Arizona Water Initiative 2020 Progress

Long-Term Water Augmentation Committee
The Long-Term Water Augmentation Committee presented its report Long-Term Water Augmentation Options for Arizona to the Council in August 2019.

Desalination Committee
During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Two new Council committees began their work in FY 2020:

Post-2025 Active Management Areas Committee
Non-Active Management Area Groundwater Committee
Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

During FY 2018 and again on February 20, 2019, the Board of Director of ECO was briefed extensively by David Brown, of Brown & Brown Law Offices, P.C.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2021.

Water augmentation through forests restoration

CC Cragin Watershed Protection Project

During FY 2017 and 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. The analysis of the NEPA Alternatives has been delayed and the Record of Decision (ROD) scheduled for May 2017 has not been issued yet, but the project is progressing. In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically viable implementation of the project.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

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The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.

See Program 2 – Watershed Restoration for more details.

Black River Watershed Protection Project

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

See Program 1 – Forest Restoration for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of water augmentation through forests restoration during federal FY 2010 to 2019:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585

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Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Total FY 2010 to 2019	144,687

See Program 1 – Forest Restoration for more details.

Clean Water Act § 404 permitting

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting.
The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

Strategic Objectives

Thanks to long-term visionary policies such as the 1980 Groundwater Management Code or the Central Arizona Project; to the replenishment over the last 2 decades of the central Arizona aquifers due to the shift of agricultural water consumption to then excess water from the CAP; and, to private enterprise, market-driven, agricultural water consumption management efforts, in particular in the Yuma basin, the Arizona water situation has not reached crisis level, and it is not anticipated that draconian measures, as witnessed in California in FY 2015, will be required in Arizona in FY 2021.

However, the current precarious balance, and the planned forced balancing by offsetting a potential Colorado River "Light Shortage" with increased pumping from the replenished central Arizona aquifers

are clear indicators of the fundamental need for Arizona to develop and implement a long-term, sustainable water balance calculated on the probability of shortage conditions for an indefinite future.

ECO is committed to participate in the development and implementation of a long-term, sustainable overall Arizona water balance that ensures:

1) The implementation of across the board water conservation measures in Arizona, specifically including:
    a. General conversion of urban watered landscape to 'desert' dry landscape;
    b. General conversion of flood irrigation to high efficiency irrigation techniques;
    c. General implementation of the use of recycled effluents for industrial consumption, as appropriate.

2) Acceleration of across the board augmentation efforts in Arizona, specifically including:
    a. Increased efficiencies in recycling and treatment of used water;
    b. Desalination of brackish waters;
    c. Desalination and demineralization of deep aquifers water;
    d. Restoration of the Arizona watersheds.

3) The preservation of rural agricultural interests in the Arizona Water Initiative discussions, including:
    a. Fair incorporation of the agricultural interests in the completion of the Arizona General Adjudication;
    b. Fair compensation of the farming community in the implementation of across the board conservation measures;
    c. Fair compensation of the farming community in the implementation of potential Colorado River shortages;
    d. Fair compensation of the farming community in the application of the State water priorities.

4) The rapid conclusion of the Arizona General Adjudication so as to lift the water rights uncertainties and allow for water providers investments in water infrastructures modernization and optimization.

5) Participation in the potential regulation of ground water pumping outside AMAs and INAs.

6) Support for ECO counties solutions to specific local water shortage such as in northern Gila County (Payson) or northern Cochise County (Wilcox).

7) Participation in the Arizona Water Initiative Planning Area Process in the six counties of ECO.

Execution Strategy

To fulfill these objectives, it is the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;

- Continue to develop bilateral relationship with the water utilities, especially the Salt River Project (SRP);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry, farming and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of a long-term, sustainable overall Arizona water balance.

Allocated Resources

ECO plans to expend 10% of its resources on Program 9: *Water.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 10% of its activities to Program 9: *Water.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 9 Water	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 9: *Water*, ECO seeks the following outcomes:

1) Fair compensation of the farming community in the implementation of a long-term, sustainable overall Arizona water balance.

2) Augmentation of 0.25 million acre-feet annually through the general acceleration of recirculation in Arizona by 2025.

3) Augmentation of approximately 5% (Robles et al., 2014) of the yield of the eastern and northern Arizona forested watersheds through general restoration of the Mogollon Rim national forests by 2035.

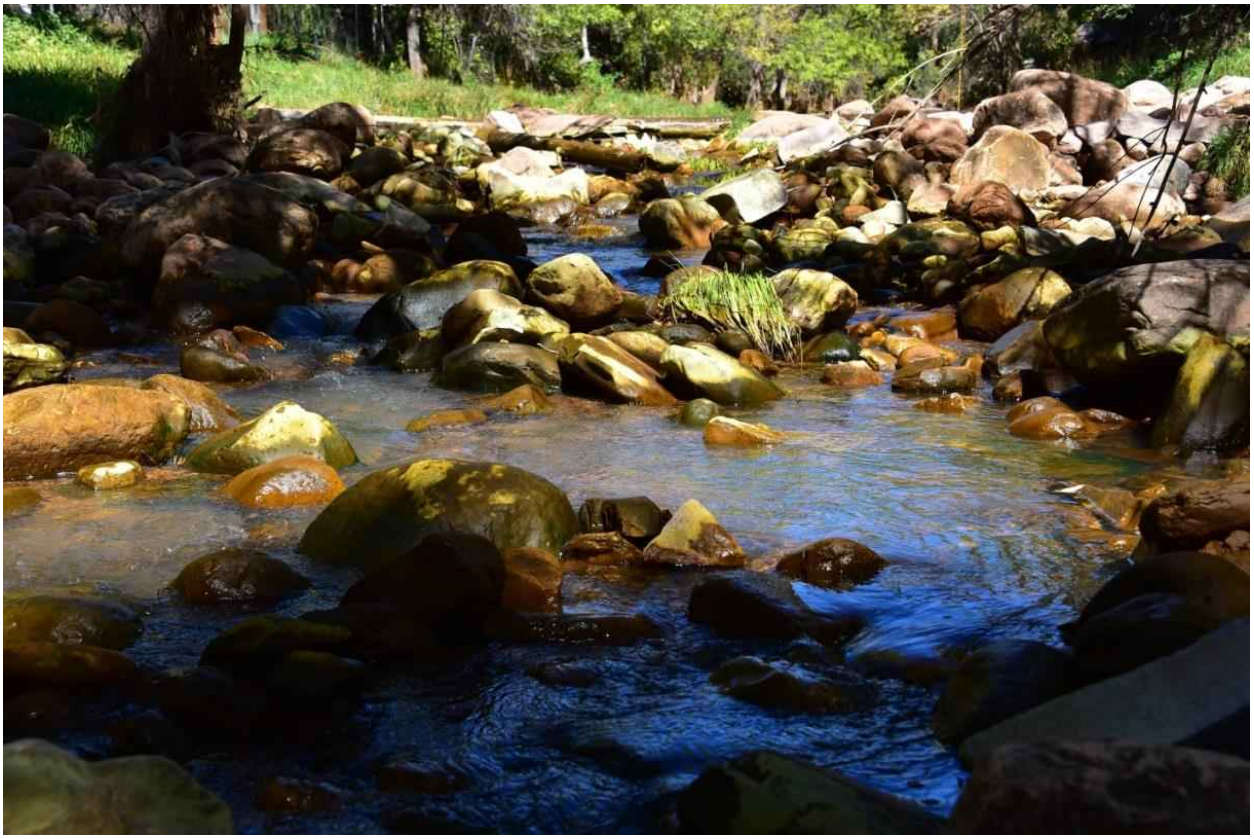
4) Conservation of 0.5 million acre-feet annually through the general conversion from watered lawns to desert landscaping in metro Arizona by 2025.

5) Conservation of 1 million acre-feet annually through the general conversion from flood irrigation to high efficiency irrigation techniques by 2025.

6) Implementation of the CC. Cragin watershed restoration project starting in FY 2021.

7) Implementation of the Black River watershed restoration project in Apache and Greenlee County starting in FY 2022.

8) Development and implementation of a sustainable water supply model in northern Cochise County.



Where it all begins, a healthy mountain stream fed from watersheds protected by forest restoration.

Irrigated culture in Graham County

Irrigation canal in Graham County

Program 10: Emerging Issues

Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

Background

As progress continues on the nine ECO programs, issues and opportunities heretofore unforeseen may emerge, or new issues unrelated to the nine ECO programs may require an engagement by ECO, as determined by the County Supervisors on the ECO Board of Directors.

Allocated Resources

ECO plans to expend 5% of its resources on Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO plans to dedicate 5% of its activities to Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Issues / Strategic Objectives / Execution Strategy / Measurable Desired Outcomes

As a result of its engagement in Program 10, *Emerging Issues,* ECO will identify and engage in emerging issues as appropriate and define strategies and outcomes as appropriate.

Fiscal Year 2021 Budget

The ECO total operating budget for Fiscal Year 2021 identifies the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2021	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Fiscal Year 2021 Performance Measures

The ECO baseline activities plan for FY 2021 identifies 300 discrete activities, including 80 Eastern Arizona activities, 60 other in-State activities, 8 out-of-State activities, 48 research, comments and position writings, and 104 stakeholders' activities.

ECO Baseline Activities FY 2021	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Program 2 Endangered Species	15%	12	9	1	7	12	41
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Program 4 Infrastructures	10%	8	6	1	5	11	31
Program 5 Recreation	10%	8	6	1	5	11	31
Program 6 Energy	10%	8	6	1	5	11	31
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Program 8 Public Lands	5%	4	3	0	2	5	14
Program 9 Water	10%	8	6	1	5	11	31
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018 and 2019).

Fiscal Year 2020 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes.

Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

However, much remains to be accomplished, and critical objectives are set for FY 2021 and beyond.

For example:

- concluding the 2nd 4FRI NEPA analysis timely without conflict will mean that restoration logging can expand on the ground in Eastern Arizona and jobs can be created;
- continuing to control the expansion of the Mexican Wolf through a rational and balanced management of the Experimental Population will mean that ranching jobs and way of life are protected;
- expanding forest restoration treatments in the Salt River basin will mean that water will continue to flow to metro Arizona through improved watershed health, function, and productivity;
- maximizing the operational life to at least 2025 of the Coronado and Cholla generating stations will mean 1,500 megawatts of electricity for the State, 400 jobs with annual payroll of more than $50 million in economic activity and $30 million in state, local, and federal taxes;
- implementing the CC Cragin Watershed Protection Program will mean securing a water supply for Payson and several Tribal communities;
- implementing 4FRI at landscape-scale and at a rate of 50,000 acres/year will mean protecting the forest, watershed and rangelands of Arizona against catastrophic forest fire; protecting the watershed functions on which metro Arizona depends; and protection the billions $ recreation economy on the Mogollon Rim;
- breaking the biomass bottleneck will mean that logging slash biomass can be disposed of responsibly without the massive emissions that would be caused by the field piling and burning of over one million ton of biomass per year;
- etc.

ECO is fulfilling its mission to develop and implement county environmental programs impacting economic development in the counties.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, health and safety.

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As decided at the November meeting, the December meeting is expected to be short and will be focused on the approval of the ECO 2020 Report and ECO 2021 Plan.

As also decided at the November meeting, the ECO 2021 will be the continuation of the ECO previous annual plans, and will therefore not depart from our current Annual Plan template.

I will distribute the draft 2020 Report and draft 2021 Plan tomorrow, as well as the November meeting minutes, but please find attached for your review the 39 pages Executive Summary of the 2020 Report, and the even more condensed 2-page ECO & partners key accomplishment for FY 2020.

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Report on
Receipt and Expenditure of Monies for
County Environmental Programs
Impacting Economic Development
For Fiscal Year 2020

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Foreword #1

Recognizing that the words "*collaboration*," "*cooperation*," "*coordination*," "*contribution*" or "*consultation*" and their associated words such as "*collaborator*," "*cooperator*" or "*contributor*" may have specific legal meanings under the National Environmental Policy Act (NEPA), the Collaborative Forest Landscape Restoration Act (CFLRA) or other acts, or specific regulatory meanings in U.S. Department of Agriculture (USDA) or U.S. Department of the Interior (USDI) regulatory texts, or may be value laden, the Board of Directors of the Eastern Arizona Counties Organization has elected to use the word "*participation*" to characterize its action, in order to avoid unintended interpretations or possible misinterpretations.

Foreword #2

Virtually all issues in which the Eastern Arizona Counties Organization is engaged, in a leading or supporting role, are multi-constituencies issues in which numerous other Federal, State and Local Government agencies are engaged, as well as a large number of community collaborative groups, industry groups, non-governmental organizations (NGOs), advocacy and interest groups, private and public corporations, private citizens, etc. The Board of Directors of the Eastern Arizona Counties Organization wants to emphasize that the ECO Annual Report is not intended to claim various accomplishments or progress as Eastern Arizona Counties Organization (ECO) single successes, but as collaborative successes to be credited to many, among whom ECO has endeavored to participate and contribute as leader, follower, and, always, servant of the people of the Eastern Arizona Counties.

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ECO & partners key accomplishment for FY 2020

Although its second half was deeply affected by the COVID 19 pandemic, Fiscal Year 2020 was extremely productive for the Eastern Arizona Counties Organization (ECO).

Program 1: Forest Restoration

- Thinning of 14,621 acres during FY 2020.
- New 4FRI RFP released on September 16, 2019 for up to 818,000 acres and 20 years of mechanical thinning.
- Second 4FRI landscape scale Draft EIS released on October 19, 2019 for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire.
- Bridge the Gap Program continued success in FY 2020 with 10,314 acres sold and 57,647 acres under contract outside of 4FRI, with the White Mountains industry.
- Engagement by ECO with APS leadership in a March 25, 2020 letter and an April 15, 2020 meeting to support the continued implementation of forest restoration in the White Mountains and the landscape scale implementation of the Forest Service 4FRI RFP, by purchasing bioelectricity.
- Development of stakeholders-supported new Alternative 3 as new Proposed Action for the Black River Restoration Project, and publication of Draft Environmental Statement on October 1, 2020.

Program 2: Threatened and Endangered Species

- ~$200,000 paid to ranchers in Mexican Wolf depredation compensation and “pay-for-presence” cohabitation compensation.
- No initial release of adult “naïve” wolves.
- Designation of ECO as a Cooperating Agency in the Supplemental Environmental Impact Statement for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)) on June 17, 2020.
- New Mexico and Arizona states-wide Mexican Spotted Owl litigation resolution with joint Forest Service / Center for Biological Diversity / AZ Forestry / NM Forestry / ECO press release on July 8, 2020 announcing CBD decision to not litigate and October 27, 2020 stipulation of voluntary dismissal of the WildEarth Guardians litigation.

Program 3: Watershed Restoration

- Signature on September 4, 2019 of a Stewardship Agreement between the U.S. Forest Service and the National Wild Turkey Federation for the General Springs area of the CC Cragin Watershed Restoration Project.

Program 4: Infrastructures

- Conversion of the ADOT “Healthy Forest Initiative” pilot project into a permanent program on October 20, 2019, allowing an increased maximum weight of up to 97,000 lbs., and adding all roads and highways, including Interstate highways, necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix.

Program 5: Recreation

- Tonto National Forest Supplemental Environmental Impact Statement for Public Motorized Travel Management Plan released on October 4, 2019. Addition of Black Bear to the list of species allowed motorized big game retrieval, and inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites.

- Apache-Sitgreaves National Forests Draft Environmental Impact Statement for Public Motorized Travel Management Plan released on August 29, 2019. Addition of Black Bear to the list of species allowed motorized big game retrieval, and addition of up to 56 camping corridors or road spurs to existing dispersed camping sites in the Clifton District.

Program 6: Energy

- Unanimous approval of the Chevelon Butte Wind Gen-Tie Project by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019; Arizona Corporation Commission on October 22, 2019; Coconino County Board of Supervisors on December 4, 2019; and Navajo County Board of Supervisors on December 10, 2019.

Program 7 Natural Resources Planning

- FY 2020 ECO Legislative Field Trip organized for October 2 & 3, 2019 with a focus on economic development, border issues, water conservation and recharge in the San Pedro system in Cochise County, but postponed to Fall 2020 due the visit to Arizona of U.S. Vice President Pence on October 3, 2019, then postponed to Fall 2021 due to COVID-19.
- Filing on March 11, 2020 of comments on the Tonto National Forest Land Management Plan Revision identifying issues with failure to coordinate with local government, and to comply with the Multiple Use Sustained Yield Act (MUSYA); opposing Alternative C – Natural Forces Predominant, additional wilderness and special designations or recommendations, additional wild and Scenic River designations or eligibility, and additional inventoried roadless areas under all Alternatives; and expressing concerns with Alternative B Proposed Action - Draft Forest Plan.

Program 8: Public Lands

- Grand Canyon Centennial Protection Act (H.R. 1373) designed to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims passed in the U.S. House of Representatives on October 30, 2019. The U.S. Senate did not act on the bill during the 116th Congress (2019-2020).
- Filing of ECO comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule on August 23, 2019, identifying issues with the proposed Conditions Based Management (CBM), Adaptive Management framework, Determination of NEPA Adequacy, removal of sensitive species consideration in Categorical Exclusion decisions, and removal of mandatory formal scoping periods for Categorical Exclusion and Environmental Assessments.

Program 9: Water

- WOTU.S. final rule published on October 22, 2019 by the Environmental Protection Agency (EPA) and the Department of the Army to repeal the 2015 Clean Water Rule and to restore the regulatory text that existed prior to the 2015 Rule.
- Decision by ADEQ on December 2, 2019, to not continue pursuing expensive state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

Program 10: Emerging Issues

- Apache-Sitgreaves National Forests invitation on September 29, 2020, for ECO/Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA process.

Executive Summary

Although its second half was deeply affected by the COVID 19 pandemic, Fiscal Year 2020, from July 1, 2019 to June 30, 2020, was extremely productive for the Eastern Arizona Counties Organization (ECO), with game-changing, tangible accomplishments that create practical, high-impact, on-the-ground outcomes. Simply put, the funding of ECO is money well spent. ECO is getting results that have real-life positive, direct, and measurable impact in rural Eastern Arizona, and make a difference in the life of its people by supporting their custom, culture, economic well-being, recreation, health, and safety.

Key results that the Eastern Arizona Counties Organization is proud to report for Fiscal Year 2020 are listed here under for each program that ECO committed to implement in FY 2020 in its *Plan for Receipt and Expenditure of Monies for Fiscal Year 2020*.

Program 1: Forest Restoration

Although Arizona has been fortunate since 2011 to not experience another landscape-scale catastrophic fire, the massive fires in California during 2018, 2019 and 2020 serve as a vivid reminder of the urgency of the clear and present danger Arizona faces in its Forests, as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the forefront of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of their engagement in Program 1, *Forest Restoration*, ECO and its partners achieved the following results:

1) ***15,000 annual "Bridge the Gap" program***.
   Following:
   - ECO's creation of the Bridge the Gap program in 2014 with the Apache-Sitgreaves National Forests;
   - ECO advocating for and receiving direct funding from the Chief of the U.S. Forest Service for the program;
   - ECO convening an Industry Roundtable in March 2016, April 2017, March 2018, March 2019, and September 2019; and
   - ECO's constant engagement with the Apache-Sitgreaves National Forests;

   the ramp-up of the "Bridge the Gap" program that provides a predictable supply of material to the industry that implements forest restoration in the White Mountains, was hugely successful.

   A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest to the White Mountain industry in "Bridge the Gap" projects outside of the first 4FRI contract, confirming the success of the program. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest, the second 4FRI RFP offers up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP has the potential to provide material to new industry, but it also has the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP, and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, but now expected to March 2021, is that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. have been put on hold starting mid-2019 and until contracts are issued, now likely in mid-2021.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP is known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers financing capacities have been sharply curtailed as unpredictability of their economic future past 2023 looms, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.
2. Because Arizona loggers already have three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 were not purchased since until the second 4FRI RFP outcomes are known, there is no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~12,000 to ~15,000 acres per year resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the Bridge the Gap Program for at least FY 2021 and 2022, with the expectation that a new landscape scale 4FRI contract and new industry players in Northern Arizona will not compromise the viability of the existing industry and replace it but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

2) ***Industry / Forest Service Roundtable***.
In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019

of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP requires the removal of a minimum of 50% of the logging slash and will not consider bids "satisfactory" unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP "satisfactory" guideline of 70% removal, 875,000 tons of slash will need to be removed and disposed off annually.

Currently, the only facility available to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:

- disposal of 400,000 green tons / year of only the lowest value "hog fuel" dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;
- disposal of smallest diameter trees as firewood;
- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watershed restoration and water augmentation;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;

- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

3) ***Black River***.
On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

4) ***Rim Country EIS***.
By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS and FEIS Workgroups, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

In FY 2018, 2019, and 2020 under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- concerns with the uncertainties associated with the implementation of condition-based management;
- support for the 4FRI collaborative workgroup comments that it contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.

During the balance of FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

5) ***4FRI Contract RFP.***

As analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest Products (NLFP), continued to be a major failure during FY 2020. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 711 acres during federal FY 2020. This continues and amplifies the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre); FY 2018 (1,562 acres); and FY 2019 (2,065 acres).

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP/NLFP's claims

on NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the *Vision 17* strategic plan. *Vision 17* was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP/NLFP contract in whatever form it evolves into with new partners or change in ownership as happened with the new entity NewLife Forest Products.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new 4FRI RFP for at least 200,000 acres was expected by December 2017.

However, FY 2018 closed without a new RFP being issued by the Forest Service.

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award is expected by March 2021.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2021 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

6) ***Digital technologies***.
In FY 2019 and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" with the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units' boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO worked with other partners such as ATICA, the company that managed the White Mountain Apache Timber Company (WMATCO) to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work such as tree marking, with unmanned aerial surveys, and allow resource characterization, timber inventories,

digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("Prep") can catch up with NEPA planning without requiring massive new resources from the Forest Service.

Digital technologies 'Prep' costs savings can represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

7) ***Biomass Bottleneck.***

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the *Healthy Forests, Vibrant Economy Conference*. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the *Vision 17* implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017, the ACC organized a workshop, to which ECO presented. On January 30, 2018 Arizona Corporation Commissioner Andy Tobin proposed an *Arizona's Energy Modernization Plan* that included new biomass energy requirement. On March 13, 2018, the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018 Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018 and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the *Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138.* Decision 77045 *Policy Statement Regarding the Role of Forest Bioenergy in Arizona* stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful U.S. Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, has also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and has made it clear that it will not consider the issue until the second 4FRI RFP outcomes are known. This likely postpones any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the Bridge the Gap program in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;

4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

Much was accomplished by ECO and its partners during FY 2020 in Program 1, *Forest Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the implementation of the new Forest Service 4FRI RFP;
- renewal of the existing 28 MW biopower Power Purchase Agreements;
- timely conclusion of the 4FRI 2nd EIS planning;
- continued prioritization of the 15,000 acres/year Bridge the Gap program for at least 2 years;
- timely conclusion of the Black River project EA;
- completion of new 60 to 75 MW biopower Power Purchase Agreements, if appropriate based on the 4FRI RFP outcomes.

Program 2: Threatened and Endangered Species

As a result of their engagement in Program 2, *Threatened and Endangered Species*, ECO and its partners achieved the following results:

1) ***Payment of the depredation and coexistence compensation claims***.
All the FY 2016 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $73,826 in depredation compensation; and $105,000 in "pay-for-presence" cohabitation compensation were processed in FY 2017 for FY 2016.

All the FY 2017 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $59,213 in depredation compensation; and $107,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2017.

All the FY 2018 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $109,123 in depredation compensation; and $117,000 in "pay-for-presence" cohabitation compensation were processed in FY 2019 for FY 2018.

All the FY 2019 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of ~$100,000 in depredation compensation; and ~$100,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2019.

All the FY 2020 depredation compensation claims filed with the Coexistence Council are in the process of being paid. Depredation compensation and "pay-for-presence" cohabitation compensation payments will be reported in FY 2021.

These amounts continue the increasing trend in compensation recorded over the last few years as a reaction by the U.S. Fish & Wildlife Service to the action of ECO, the Arizona Cattle Growers Association (ACGA) and various partners:

Fiscal Year	Depredation payments	Cohabitation payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019	~$100,000	~100,000	~$200,000
FY 2020	In process	In process	In process

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;
- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

2) ***Discontinuation of the initial release of adult "naïve" wolves***.
ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10j Management Team, were successful again in FY 2020 in preventing the initial release of adult "naïve" wolves.

In FY 2016, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona. Additionally, one set of two pups was fostered into the "Sheep Herders Ball" pack in New Mexico in FY 2016.

In FY 2017, two sets of two pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild population.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

3) ***Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))***.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015 U.S. Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintiffs:

- the court found that the 2015 10(j) rule is not compliant with the ESA, provides only for short-term survival of the species, and fails to further the long-term recovery of the Mexican wolf in the wild;
- the court found that the revised rule does not need to be the product of an agreement with state and private stakeholders;
- the court found that the U.S. Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation is not based upon the best available information and is arbitrary and capricious;
- the court remanded the rule to the U.S. Fish & Wildlife Service to modify:
    1. population cap of 300-325 wolves,
    2. limitation on dispersal north of I-40,
    3. take in response to unacceptable impacts to wild ungulate herds,

4. perform a new essentiality determination;

- the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that serves no purpose and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long-term recovery strategy over a short-term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

The court ruling threatens many of the gains realized by ECO since FY 2014 in the revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)), especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

Since the March 2018 ruling, ECO has engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency, Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation
- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings - facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one-page notice to NEPA Review Team for objections to finalizing NEPA

supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

On April 15, 2020 the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020 ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.
2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.
3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Take on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Take on Federal land (§ 17.84(k)(7)(v)(A));
    c. Take in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi));

    and are not replaced with a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gives ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

4) ***Mexican Wolf Recovery Plan Revision***.

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the U.S. Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally ensuring the full inclusion of the Counties

safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the U.S. Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially focused on the experimental 10(j) area and the experimental population.

In July 2017, the U.S. Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017 the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue is whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's Continued Existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat;

Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

5) ***Jaguar Draft Recovery Plan***.
In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016 a *Jaguar Draft Recovery Plan.*

The *Jaguar Draft Recovery Plan* acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that - as for the Mexican Wolf Recovery Plan:

- no formal consultation took place with local government;
- a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas;
- the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States;
- the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States;
- the recovery criteria in the plan are not binding; and,
- the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

6) ***Ocelot Final Recovery Plan***.
In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016 an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and demonstrates that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670) and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (*Ocelot Recovery Plan* p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (Ocelot Recovery Plan p. 206).

In FY 2018, 2019 and 2020, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

7) ***Mexican Spotted Owl***.

On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised, with new biological opinions, between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020 the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020 announcing a new understanding between the parties and the decision by CBD to not litigate.

Further work led on October 27, 2020 to a stipulation of voluntary dismissal of the WEG litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Previous gains were sustained by ECO and its partners during FY 2019 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* was a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern.

Conversely, ECO's success in preventing Mexican Spotted Owl Region-wide litigation in FY 2020, and ECO's participation as a cooperating agency to the Supplemental Environmental Impact Statement that is at work to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j)) are very encouraging for the future of the Mexican Spotted Owl and Mexican Wolf recovery within a framework of landscape scale forest restoration in Arizona.

Much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

FY 2021 will be focused on:

- continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council and the Arizona Livestock Loss Board;
- continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation;
- participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j));
- continued participation in the Mexican Spotted Owl Leadership Forum;
- continued monitoring of the litigation of the Mexican Wolf recovery plan revision;
- continued work with all relevant partners to mitigate the socio-economic impacts of the *Jaguar Draft Recovery Plan* and *Ocelot Recovery Plan – Revision 1*, and other species listing, and critical habitat designations on rural Arizona counties residents and the ranching community.

Program 3: Watershed Restoration

As a result of their engagement in Program 3, *Watershed Restoration*, ECO and its partners achieved the following results:

1) ***CC Cragin Watershed Protection Project***.
During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

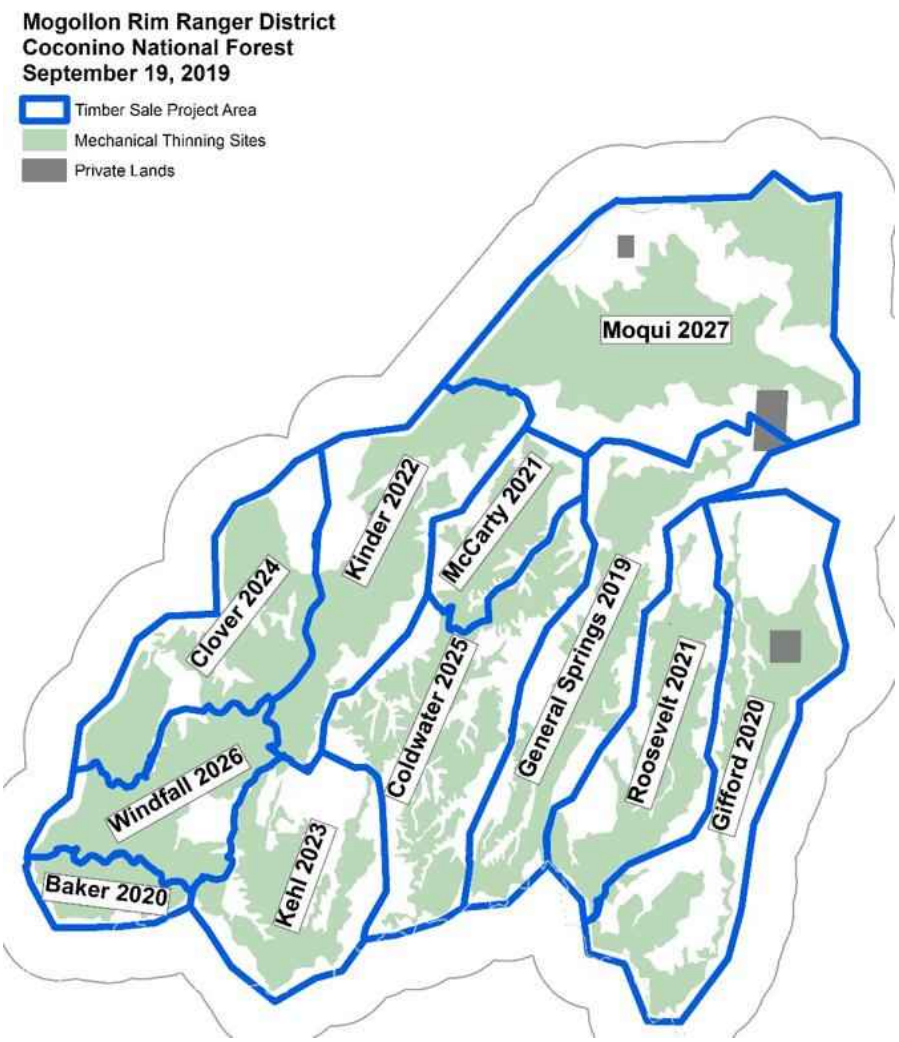
On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy*. This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but

no award took place considering that the bids were significantly higher that the Forest Service appraisal.



2) ***Black River project***.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management

(CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully. See Program 1 – Forest Restoration for more details.

3) ***Rim Country EIS***.
As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019 opening the period of review and comments by the public and stakeholders.

In January 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified concerns with the uncertainties associated with the scale of future mechanical thinning, the uncertainties associated with the removal of woody biomass, the uncertainties associated with the implementation of condition-based management; and supported the 4FRI collaborative workgroup comments that it contributed to write, including concerns with the flexible toolbox approach, the degree of openness pre- and post-treatment, old growth protection and large tree retention, management of ponderosa pine dwarf mistletoe, description of pre-treatment conditions, collaborative role in implementation, and adaptive management and monitoring.

During FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins. See Program 1 – Forest Restoration for more details.

4) ***Prioritization and funding of watersheds restoration***.
To provide further momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 in the 4FRI Comprehensive Implementation Workgroup,

tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

The Comprehensive Implementation Workgroup, initially chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 3, *Watershed Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

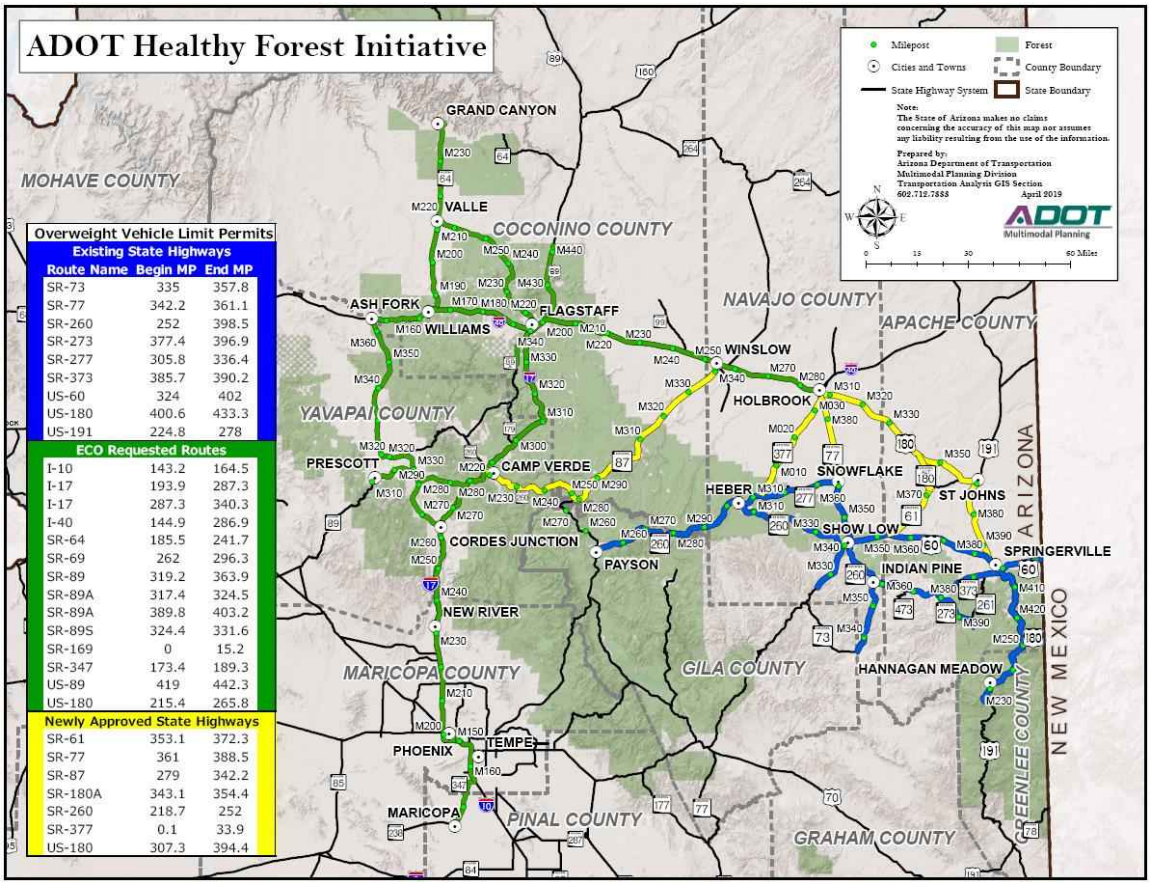
- implementation of the CC Cragin Watershed Protection Project;
- implementation of spring restoration projects in the Coconino, Kaibab and Apache-Sitgreaves National Forests;
- completion of the Black River NEPA analysis;
- completion of the Rim Country NEPA analysis.

Program 4: Infrastructures

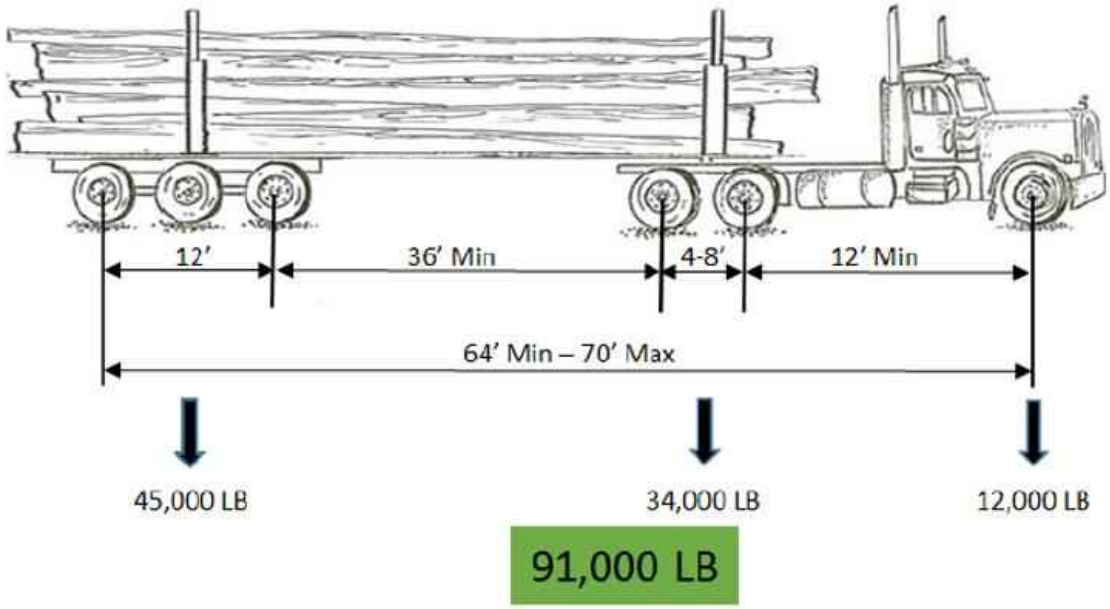
As a result of their engagement in Program 4, *Infrastructures*, ECO and its partners achieved the following results:

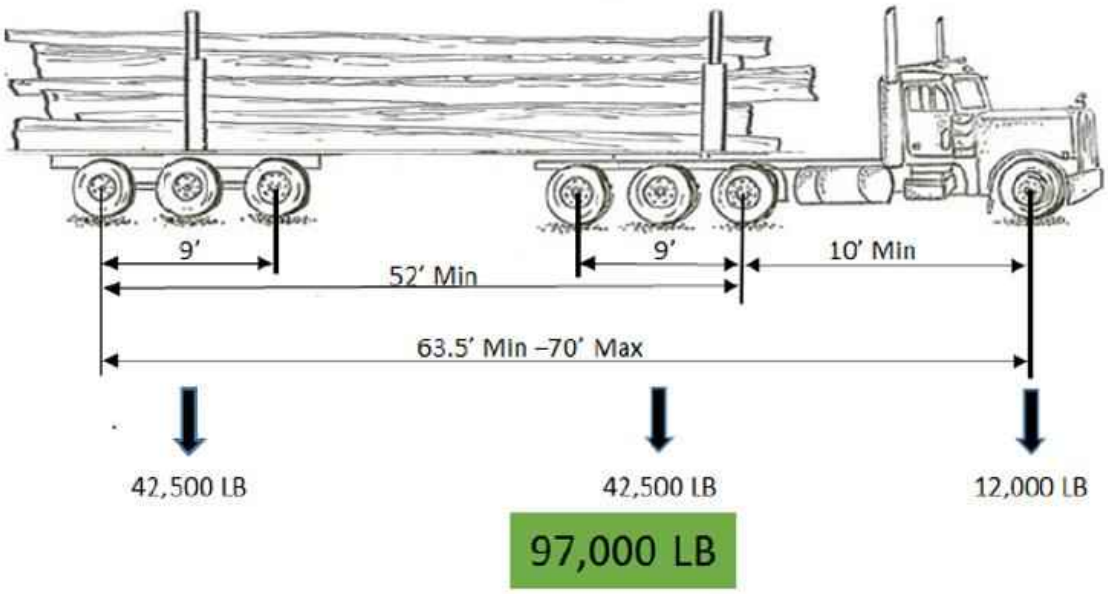
1) ***"Healthy Forest Initiative" pilot program***.
   During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim (blue roads) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads).

   During FY 2020 ECO collaborated with ADOT to include the entire "West Side" of 4FRI to the program, and to work with the federal authorities to allow the use specific sections of Interstate 40 and Interstate 17 in Camp Verde (green roads).

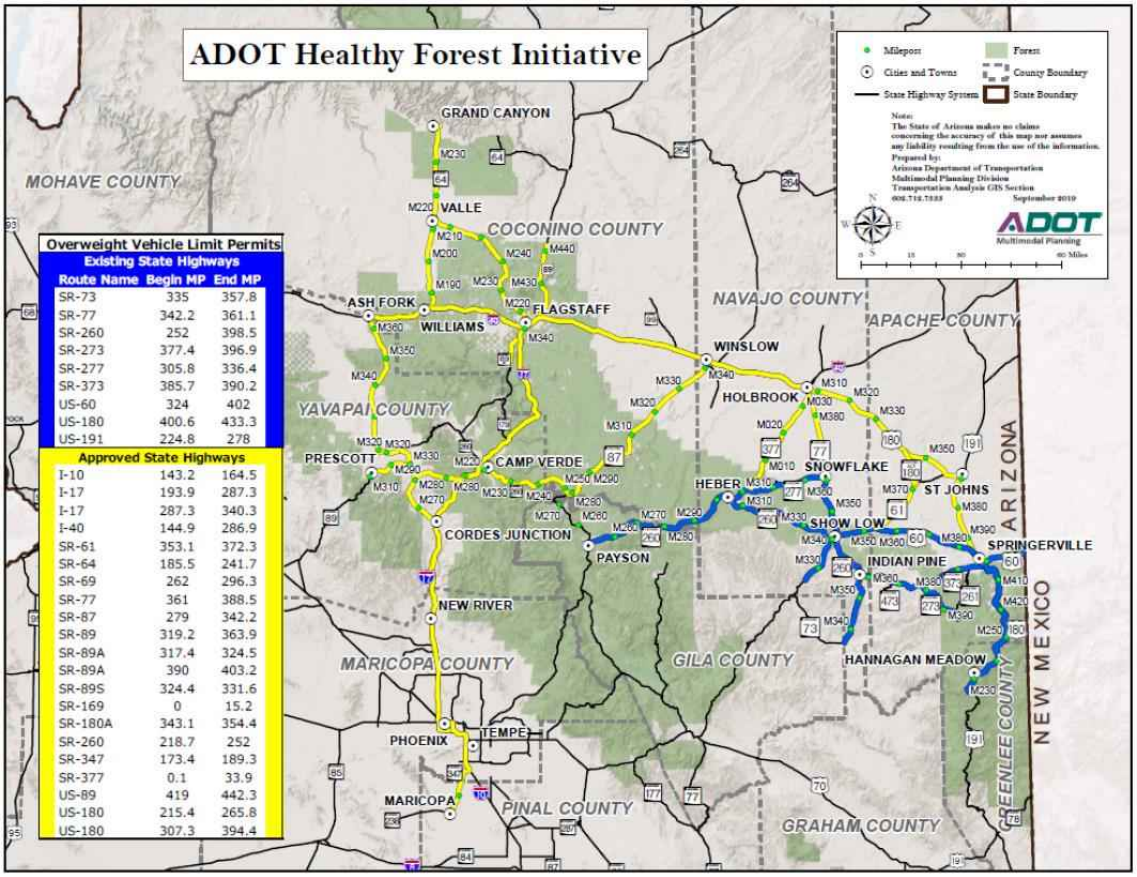


As a result of ECO's work with ADOT, ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:





In addition, all additional roads requested by ECO were approved:



The collaborative work between ECO and ADOT was a major success for Arizona in FY 2020:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program;
2. the increased maximum weight of 97,000 lbs., and
3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix;

are contributing significantly to the conditions required for successful implementation of landscape scale forest and watershed restoration in Arizona.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 73,000 acres in the White Mountains and the removal of over 1.9 million tons of log and 1.6 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	287,592
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	327,405
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	276,644
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	204,700
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336283
Total	73,390	1,908,140	1,687,970

In addition to the substantial accomplishment of over 73,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $80 million in wages over the 6 years of the pilot project and contributed $294 million in total economic activity to the rural economy.

As a result of its success, on October 20, 2019 ADOT converted the "Healthy Forest Initiative" pilot project into a permanent program.

2) ***ADOT 2018–2022 Five Year Plan***.

On May 23, 2017 ECO filed comments on the *Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program*.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 Five Year Plan:

- the rural characteristics of the ECO Counties, their transportation network and their economy;
- the overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management;
- the dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 Five Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.

- Shoulder widening /paving along state highways.
- Accelerate pavement preservation schedule for rural state highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116, South of Safford;
    - State Route 90 north of Sierra Vista.

3) ***SunZia***.

During FY 2017 and 2018, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico was also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018 Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the property surrounding its proposed route, and there are two sections of property through which the company has yet to secure easements. The commission denied the route without prejudice, which means SunZia can come back with a new proposal for two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expects that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintains that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north does not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis is expected to add 2 years to the project but will not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy and Arizona solar energy to be distributed in California.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 4, *Infrastructures* but significant challenges remain for 2021 and beyond, such as the completion of the Lion Springs section of U.S. Highway 260; the modernization of U.S. Highway 260 over the Mogollon Rim to Heber; and the resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe, U.S. Highway 191 MP 110 – 116, South of Safford, and State Route 90 north of Sierra Vista.

Program 5: Recreation

As a result of their engagement in Program 5, *Recreation*, ECO and its partners achieved the following results:

1) ***Tonto National Forest Travel Management Rule***.
   Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

   In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). The DROD resulted in prohibiting dispersed motorized camping on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking will be limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified. A number of other undue motorized travel and access restrictions were also included in the DROD.

   During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

   On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

   During FY 2018 the Tonto NF conducted internal Forest Service work and analysis.

   On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the

Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicles use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate on the Tonto National Forest some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

2) ***Apache-Sitgreaves National Forests Travel Management Rule.***
As a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a Cooperating Agency and a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- motorized dispersed camping within 300 foot of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.);
- motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above);
- motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements;
- continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas;
- retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

1. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.

2. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
3. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e., entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
4. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
5. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

On August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the Apache-Sitgreaves Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval, and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.
3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through FY 2020, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2020 that the work performed by ECO will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

3) ***Arizona back country Off Highway Vehicles (OHV) connected trails system***.
After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was resolved through the Maverick Trail.

4) ***Rim Country Sustainable Recreation Trails Working Group***.
During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, FY 2019 and FY 2020.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 5, *Recreation*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the Apache-Sitgreaves NF Travel Management Rule including the ECO priorities of retention of acceptable motorized travel; motorized dispersed camping; motorized big game retrieval; and motorized collection of firewood;
- implementation of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

Program 6: Energy

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

1) ***Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station***.

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expires in December 2019. On July 1, 2017 the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure will affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences are to be expected as the Navajo Generating Station and Kayenta Mine account for about 25% of the Navajo Nation’s revenues, and 65% of the Hopi Tribe’s revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018 and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners’ understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones. Fundamental economic challenges could not be resolved and on September 20, 2018 MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running. This decision is expected to result in the closure of the NGS plant.

On November 18, 2019 Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

Nonetheless, as a result of their engagement in Program 6, *Energy*, ECO and its partners achieved the following results:

2) ***Wind and solar production***.
On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019 the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

Proposed by Utah company S Power, the Chevelon Butte Wind Farm is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would have 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area.

The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

The Chevelon Butte Wind Gen-Tie Project was previously unanimously approved by the Arizona Corporation Commission on October 22, 2019, and by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019.

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, FY 2021 will be focused on:

- monitoring potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan;*
- continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties;
- implementation of the new 60 MW “carve out” for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, if appropriate based on the outcome of the new 4FRI RFP.

Program 7: Natural Resources Planning

As a result of their engagement in Program 7: *Natural Resources Planning*, ECO and its partners achieved the following results:

1) ***ECO Legislative Field Trip***
The FY 2020 ECO Legislative Field Trip was organized for October 2 & 3, 2019 with a focus on:
   - economic development (vineyards and dairy);
   - border issues;

- water conservation and recharge in the San Pedro system;

in Cochise County.

However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019 took precedence, and the fieldtrip had to be postponed until the Fall of 2020. In the meantime, the COVID-19 pandemic struck, and the Fall 2020 fieldtrip could not be conducted. The next ECO fieldtrip is expected to take place in the Fall of 2021.

2) ***Tonto National Forest Land Management Plan Revision***
On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

On March 11, 2020 ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:

1. identifying issues with:
    a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
    b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
2. opposing Alternative C – Natural Forces Predominant;
3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
7. supporting Alternative D – Human Forces Predominant;

Program 8: Public Lands

As a result of their engagement in Program 8, *Public Lands*, ECO and its partners achieved the following results:

1) ***Greater Grand Canyon Heritage National Monument Act***.
Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360).

ECO filed comments, emphasizing its concerns on:

- preponderance of lands under Federal control;
- limitation on State agencies management;

- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;
- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

During FY 2020, the bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

The Senate did not act on the bill during the 116th Congress (2019-2020). It is expected that the bill will be re-introduced in the 117th Congress (2020-2021).

2) ***U.S. Forest Service National Environmental Policy Act Compliance Rule***

On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

On August 23, 2019 ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local

Governments engagement if local Line Officers are not intent on discretionary collaboration.

3) ***Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona***.
During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2020, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2021.

Program 9: Water

As a result of their engagement in Program 9: *Water*, ECO and its partners achieved the following results:

1) ***Colorado River water rights***
Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, on April 16, 2019 in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14).

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans); commit the Bureau of Reclamation to additional water conservation efforts; and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

2) ***Water of the U.S. (WOTUS) rule***
On February 28, 2017, newly elected President Trump issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017 the Administration announced its intent to

rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS) and called for public comments.

On June 14, 2017, ECO filed comments outlining its concerns with the 2015 Rule and upcoming rules:

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule before the release of the science report;
- flawed agency's cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;
- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator, Scott Pruitt, along with Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018 EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018 the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule.

3) ***Arizona Water Initiative*.**

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which created the Governor's Water Augmentation, Innovation and Conservation Council and stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the newly created Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

The Long-Term Water Augmentation Committee presented its report *Long-Term Water Augmentation Options for Arizona* to the Council in August 2019.

Desalination Committee

During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Two new Council committees began their work in FY 2020:

Post-2025 Active Management Areas Committee

Non-Active Management Area Groundwater Committee.

Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

4) ***Water augmentation through forests restoration***

CC Cragin Watershed Protection Project

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.

See Program 2 – Watershed Restoration for more details.

Black River Watershed Protection Project

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

See Program 1 – Forest Restoration for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of water augmentation through forests restoration during federal FY 2010 to 2019:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653

Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Total FY 2010 to 2019	144,687

See Program 1 – Forest Restoration for more details.

5) ***Clean Water Act § 404 permitting***

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting. The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

On November 13, 2019, ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two-tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation, Innovation and Conservation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2021.

Program 10: Emerging Issues

As a result of their engagement in Program 10, *Emerging Issues*, ECO, with its partners, produced the following results:

1) ***Participation of ECO to the U.S. Forest Service 4FRI RFP design process***.
During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

   As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period is open until February 2020.

   ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2020 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

   See Program 1 – Forest Restoration for more details.

2) ***Heber Wild Horse Territory Management Plan***
On January 23, 2020, the Apache-Sitgreaves National Forests released a Proposed Action for the Heber Wild Horse Territory Management Plan and called for public comments.

   On March 16, 2020 ECO, through its county member Navajo County, filed comments to:
   1. clarify that there is no historical precedent for the horse population occupying the area prior to the 1960's; that it likely not wild but descended from the turned-out Army remount horses or other turned-out horses in the 1930s; that this original population died off in the late 1960's; that the current horse population dating from the 1990's appears to be a mixture of horses from the Fort Apache Reservation and other unidentified stray or feral horses;
   2. request that the Forest Service make a clear determination whether horses inside or around the Heber Wild Horse Territory are direct descendants of the designated herd;
   3. express strong support for the timely, responsible, and appropriate management of the Heber Wild Horse Territory, should horses inside or around the Heber Wild Horse Territory be determined to be direct descendants of the designated herd and, therefore, true wild horses;
   4. request coordination between the Forest Service Heber Wild Horse Territory Management Plan Proposed Action and the Navajo County public land management objectives;
   5. request Cooperating Agency status in the NEPA process.

   On September 29, 2020, the Apache-Sitgreaves National Forests invited Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA

process. Navajo County accepted and designated the ECO Executive Director as their representative.

Additional roles

In addition to running its programs, ECO provides services to Arizona and the Eastern Arizona rural communities by being:

- Co-Chair of the 4FRI Stakeholders Group (SHG);
- Chair of the Natural Resources Working Group (NRWG);
- Chair of the 4FRI Planning Workgroup;
- Co-Chair of the 4FRI Industry Workgroup;
- Co-Chair of the 4FRI FEIS Workgroup;
- Member of the State 4FRI RFP Team;
- Director on the Board of the Northern AZ Wood Products Association (NAWPA);
- Cooperating Agency in the SEIS for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j);
- Member of the Mexican Spotted Owl Leadership Forum;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves Heber Wild Horse Territory Management;
- Member of the Governor's Forest Health Council;
- Member of the Mexican Wolf Executives;
- Member of the Mexican Wolf Management Team;
- Etc.

Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018, and 2019).

Fiscal year 2020 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes. Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, recreation, health, and safety.

Introduction

State budget appropriation to Apache, Gila, Graham, Greenlee and Navajo Counties for the planning and implementation of specific environmental programs impacting economic development in those Counties

In October 1993, the longtime collaboration between Apache, Gila, Graham, Greenlee, and Navajo Counties ("the Counties") was formalized under A.R.S. 11-952 by an Intergovernmental Agreement (IGA) between the Counties to create the Eastern Arizona Counties Organization (ECO) and to "participate in, support and endorse its actions and decisions which are in compliance with the adopted bylaws of the organization." The initial purpose of the Counties was to implement Presidential Executive Order 12372 (PEO 12372) related to the clearinghouse process for review of Federal programs which affect the custom, culture and economic well-being of the Counties.

Arizona Governor's Executive Orders 83-6 and 90-21 established the six Councils of Government (COG) in Arizona as area-wide clearinghouses, and the Arizona Department of Commerce as State Clearinghouse, for the Single Point of Contact (SPOC) clearinghouse process of review of Federal programs in Arizona. The *Procedures for Arizona Single Point of Contact Review Process According to Presidential Executive Order 12372* established the five Counties of ECO (Apache, Gila, Graham, Greenlee and Navajo) as County Official Reviewers (COR).

Since 1994, the ECO Counties have progressively developed a leading role in natural resources and public lands management issues in Eastern Arizona, such as their critical role in 1997 in the creation of the *Ecosystem Management Pilot Testing Project Cooperative Agreement Between USDA Forest Service, Apache-Sitgreaves, Coronado & Tonto National Forests, U.S. Fish And Wildlife Service, Arizona Game And Fish Commission, Office Of The Governor, Arizona Board Of Regents On Behalf of University Of Arizona College Of Agriculture, and Eastern Arizona Counties Organization*, which has served as a template and baseline for every subsequent collaborative natural resources management or ecological restoration project in Arizona.

In May 1999, in acknowledgement and support of the leading role performed by the ECO Counties in state-wide issues of natural resources-based economic development and environmental programs, the Governor signed into law Senate Bill 1222, appropriating the sum of $250,000 for each of the fiscal years 2000 and 2001 from the State general fund to the State Land Department for equal distribution to Apache, Gila, Graham, Greenlee, and Navajo Counties to fund the "planning and implementation of specific environmental programs impacting economic development in those Counties." The Counties tasked ECO to execute the planning and implementation of the environmental programs through an agreement to provide services under A.R.S. 11-952.

In September 1999, the ECO Counties submitted for approval to the State Land Department their first annual plan for the implementation of a comprehensive set of environmental programs including research, demonstration projects, educational forums, and public information dissemination efforts that promoted and demonstrated the stewardship-based utilization of natural resources throughout Arizona.

Throughout fiscal years 2000 to 2019, the State Budget included appropriations disbursed equally by the State Land Department, then the State Forestry Division, then the Department of Forestry and Fire Management to Apache, Gila, Graham, Greenlee and Navajo Counties, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in those Counties, performed directly or through agreements to provide services with individual Counties or the Eastern Arizona Counties Organization.

For fiscal year 2020 (FY 2020), the State Budget included a $250,000 appropriation to be disbursed to the Eastern Arizona Counties Organization fiscal agent Navajo County, through a 5 year intergovernmental agreement between Navajo County, acting as fiscal agent for ECO, and the Department of Forestry and Fire Management, for the purpose of funding the planning and implementation of specific environmental programs impacting economic development in the ECO Counties, subject to the submittal to, and approval by the Department of Forestry and Fire Management of a proposed *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development for FY 2020* ("Plan"), and subject to the submittal of a report on the completion of the programs.

A critical development since FY 2016 is the addition of Cochise County to ECO. Effective July 1, 2015, the Inter-Governmental Agreement (IGA) between the ECO counties was amended to include Cochise County. The addition of Cochise County expands the focus of ECO toward the southern part of Eastern Arizona and brings in sharp focus additional management issues such as the impact of the designated habitat for the jaguar and potential habitat for the ocelot, water rights and management issues, solar renewable energy development, etc.

In FY 2020, Apache, Cochise, Gila, Graham, Greenlee and Navajo Counties continued to pool resources and to task the Eastern Arizona Counties Organization (ECO) to plan and implement specific environmental programs impacting economic development in those Counties.

FY 2020 plan for receipt and expenditure of monies for county environmental programs impacting economic development in those counties

The ECO FY 2020 *Plan for Receipt and Expenditure of Monies for County Environmental Programs Impacting Economic Development* proposed the continuation of priorities previously approved by the Department of Forestry and Fire Management for planning and implementation:

- Continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC).

- Continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Continued participation in the Mexican Gray Wolf recovery program and experimental population program, and in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Continued support for, and participation in the protection, development and management of the eastern Arizona infrastructures.

- Continued support for, and participation in the development, implementation and retention of natural resources-based recreation opportunities, including the retention of existing motorized recreation, and the retention of a natural resources-based recreation economy.

- Continued support for, and participation in the protection and restoration of the eastern Arizona watersheds.

- Continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs).

- Continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Continued support for, and participation in the development, implementation and retention of traditional and renewable energy infrastructures and, energy-based economic retention and development.

- Continued support for, and participation in the development and implementation of effective planning and execution strategies for a sustainable Arizona water balance, across the board augmentation measures and preservation of rural and agricultural Arizona interests and economies in the implementation of water rights.

- Participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2020 programs

In consequence, the ECO FY 2020 Plan was articulated in ten distinct but mutually complementary programs:

- Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

- Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

- Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

- Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

- Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and recreation-based economic development.

- Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and energy-based economic retention and development.

- Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

- Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

- Program 9, *Water*, includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures; the implementation of across the board augmentation measures; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

- Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

ECO FY 2020 plan implementation

The ECO FY 2020 Plan covered activities to be performed by the Eastern Arizona Counties Organization on behalf of Apache, Gila, Graham, Greenlee, Navajo and Cochise Counties. These activities were scheduled to take place during FY 2020, from July 1, 2019 to June 30, 2020.

ECO FY 2020 operating budget

The ECO total operating budget for Fiscal Year 2020identifies the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding as follows:

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Program 1: Forest Restoration

Program 1, *Forest Restoration,* includes all forest restoration issues, with a particular focus on continued support for, and participation in the development and implementation of a successor strategy to the White Mountains Stewardship Contract (WMSC); and continued support for, and participation in the development and implementation of the Four Forest Restoration Initiative (4FRI).

Background

In June and July 2002, the Rodeo-Chediski Fire burned approximately half a million acres in the White Mountains of eastern Arizona. The devastation of the Arizona forests, unprecedented in historical times; the large-scale community evacuations that it triggered; and the loss of approximately 400 homes and structures crystalized the threat addressed in the visionary 1997 ECO *Ecosystem Management Pilot Testing Project Cooperative Agreement* with the U.S. Forest Service (USFS), Fish & Wildlife Service, Arizona Game & Fish Department and University of Arizona. The ECO Counties and the White Mountains communities accelerated the completion of community fire plans spanning seamlessly the wildland urban interface (WUI) across the White Mountains. In addition, the White Mountains Natural Resources Working Group (NRWG) provided a forum for a broad range of stakeholders to provide collaborative input to the USFS and to create the social consensus necessary to experiment with a large scale, long-term stewardship contract as authorized by the 2003 Healthy Forest Restoration Act.

White Mountains area

In the White Mountains area, between Show Low, Springerville and Alpine, the USFS initiated work under the White Mountains Stewardship Contract (WMSC) on the Apache-Sitgreaves National Forests in August 2004. The stewardship authority allowed the USFS to exchange the value of the material harvested during the restoration treatments against the cost of the restoration services provided, and to subsidize the restoration costs when not fully offset by the valuation of the material. The WMSC was at the time the largest 10-year stewardship contract in the nation. It allowed for the treatment of up to 15,000 acres per year, and up to 150,000 acres over 10 years. The stewardship contract was intended to facilitate the development of a wood products industry better suited to market the small-diameter trees harvested during the implementation of restoration mechanical treatments.

However, as the WMSC contract proceeded, industry efficiencies were not realized as hoped for, and the USFS routinely had to subsidize the work at the rate of an average of $500 to $800 per acre. Budgetary constraints prevented the agency from funding the implementation of the full objectives of the contract. Instead of the 15,000 acres per year authorized, the WMSC implemented an average of 7,000 acres per year, and the model failed to demonstrate the ability to scale up from local to landscape-scale even though it was successful at local scale.

The 2011 White Mountains Stewardship Project Economic Assessment report credited the WMSC for supporting 445 full time equivalent (FTE) jobs tied directly or indirectly to 12 companies contributing $18.7 million to the White Mountains local economy. The final program report, published in April 2016, confirmed the positive economic impact of the WMSC. The WMSC is widely credited for being instrumental in creating the conditions that allowed fire fighters to save several White Mountains communities such as Alpine and Greer during the 2011 Wallow Fire.

San Francisco Peaks area

In the San Francisco Peaks area, around Flagstaff, the Grand Canyon Forest Partnership was created in 1998 as an alliance of environmental, governmental, and business organizations dedicated to researching and demonstrating approaches to forest ecosystem restoration in the ponderosa pine forests surrounding Flagstaff. The Partnership evolved into the Greater Flagstaff Forests Partnership (GFFP) in 2002 with the three primary goals of restoring natural ecosystem structures, function, and composition of ponderosa pine forests; managing forest fuels to reduce the probability of catastrophic fire; and, researching, testing, developing and demonstrating key ecological, economic, and social dimensions of restoration efforts.

GFFP was instrumental in the development of the Greater Flagstaff Community Wildfire Protection Plan (CWPP), which was approved in January 2005. From there, collaborative work progressed from 2006 to 2008 under the auspices of the Arizona Governor's Forest Health Council (GFHC) and local collaborative groups, to develop a new model of accelerated, landscape-scale, consensus based, industry supported community protection, forest restoration and fire management across northern and eastern Arizona.

In April 2009 the USFS and the GFHC co-hosted a Four Forests Initiative Forum that led to the creation of the USFS Four Forest Restoration Initiative (4FRI); the formalization of the collaborative effort in the 4FRI Stakeholders Group; and the beginning of the agency and stakeholders' work on a 4FRI planning and contracting project. A Proposed Action (PA) was published under the National Environmental Protection Act (NEPA) in March 2011, and an industry Request for Proposal (RFP) was published under the Stewardship Authority of the Healthy Forest Restoration Act in June 2011.

The ECO Counties provided critical leadership to the process, with all five Counties passing Board of Supervisors resolutions of support, and providing sustained political support for the effort, at the local, state, regional and Federal levels.

In May 2012, the USFS awarded Pioneer Forest Products LLC the stewardship contract for the first analysis area of 4FRI ("1st 4FRI contract") on the Coconino, Kaibab, Tonto and Apache-Sitgreaves national forests. This contract is still at the time of this writing the largest stewardship contract in the nation. The contract required the mechanical treatment of at least 30,000 acres per year, and at least 300,000 acres over 10 years. The 1st 4FRI contract was intended to allow a $200 to $300 million investment in the creation of a new appropriate-scale industry capable of utilizing profitably small diameter logs and residual biomass, and to support up to 1,000 new jobs.

From May 2012 to June of 2013 Pioneer Forest Products LLC were unable to finance their operation and failed to execute their investment and to implement treatments at a meaningful scale. In January 2013, Pioneer Forest Products LLC publicly announced their failure to fund their business plan over the 6 months since contract awarding.

In June 2013, the U.S. Forest Service announced that Pioneer Forest Products LLC had requested the approval of a transfer of the 4FRI contract to a new contractor, Good Earth Power (GEP). The transfer was approved in September 2013 and the new contractor committed to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; to implement 15,000 acres of treatments during calendar year 2014; and to be profitable within 3 months.

On April 17, 2015, the Forest Supervisors of the Coconino and Kaibab national forests signed the 4FRI 1st EIS Record of Decision (ROD) following a successful objections resolution process. The ROD was briefly litigated by Steve Dewhurst, a professor of forestry at NAU. Dewhurst filed a case, making a "vague" (footnote 1 of dismissal order) argument that the ROD violated NEPA because the USFS didn't consider a full range of restoration alternatives, and because the USFS made changes to the ROD through the objection process. The court ruled on September 13, 2016 that Dewhurst lacked standing to bring the case. Dewhurst's alleged harm of having a hard time explaining NEPA, including the objection process, to his students because of the USFS purportedly failing to address "science-based ecological restoration" was rejected by the court. The court stated that "Explaining government actions to students is precisely what educators in a variety of disciplines are tasked with doing every day—even when those actions are ones, they find perplexing," and that "Without asserting some harm to the environment from which his alleged injuries arose, Dewhurst cannot establish standing to sue under NEPA."

The dismissal of the Dewhurst lawsuit marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments. The ECO Counties provided critical resources, leadership, and political support for the planning process, at the local, state, regional and Federal levels, by staffing several co-Chairs with the 4FRI Stakeholders Group, the Chair of the 4FRI Planning Workgroup, a co-Chair of the Industry Workgroup, and by leading numerous meetings at the Southwestern Regional and National levels.

Issues and Progress

Post White Mountains Stewardship Contract (WMSC) challenges

For most of the WMSC duration (2004 to 2012), it was expected that the WMSC would expire with the award of the last task orders in August 2014, and that treatments implemented with the last task orders would continue on the ground and supply logs and residual biomass to the local industry well into 2015. It was further expected that, after the completion of the WMSC task orders, some 60,000+ acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests would provide material to the White Mountains industry for a number of years, until the NEPA analysis was completed for the second 4FRI analysis area.

However, a legal opinion was issued during 2013 by the USFS legal branch that stated that the WMSC would expire with the closure – as opposed to the award - of the last task orders in August 2014. Therefore, treatments implemented with the last task orders would cease on the ground, and the supply of round wood and residual biomass to the local industry would end in August 2014.

Further, 56,000 acres of NEPA-ready restoration treatments in the Apache-Sitgreaves National Forests were burnt in the Wallow Fire from May to July 2011. This wiped out most of the 2014 – 2018 planned supply of material for the White Mountains industry.

As a result of the closure of the WMSC task orders earlier than expected, and the loss of the NEPA-ready acres in the Wallow Fire, the White Mountains industry was likely to face a severe shortage of logs and biomass as early as FY 2016, and no long-term mechanism existed as of the beginning of FY 2015 to further the restoration work on the ground at landscape-scale, and to provide a predictable wood supply to the White Mountains industry.

Bridge the Gap Program

Successful collaboration between the Apache-Sitgreaves National Forest and ECO during FY 2015, and the work of ECO with the Arizona Delegation to the U.S. Congress resulted in the implementation of the "Bridge the Gap" program aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI). The NEPA analysis of over 86,000 acres of restoration treatments was planned and approximately 10,000 acres of Timber Sales were offered to the market, insuring a short-term wood supply for the White Mountain industry in the first half of FY 2015.

However, toward the end of FY 2015, the White Mountain industry was operating with less than one-month log supply in average, and often as little as a few days, and the predictability of supply for FY 2016 and beyond was unclear as the Forest Service had not completed any multi-year plan.

In consequence, ECO implemented vigorous action in FY 2015 and FY 2016, working with the Apache-Sitgreaves National Forest and the Arizona Delegation to the U.S. Congress to alleviate this situation, and very significant progress was made. On February 12, 2016, the Forest Service 4FRI Chief Executive announced that the implementation of 4FRI would be completely restructured and that a major funding effort would be made to accelerate it in FY 2016. In a reversal of the FY 2015 72% of the offerings being issued as Task Orders for the 4FRI Phase 1 Contract and 28% being offered as "Bridge the Gap" projects to other industries, in FY 2016, 32% of the total offerings were issued as Task Orders under the Phase 1 Contract and 68% were offered as "Bridge the Gap" regular timber sales and stewardship contracts to other industries. This reversal ensured an adequate supply to the White Mountains wood industry, in addition to continuing to offer more acres for the Phase 1 Contract than the contractor (GEP) actually cut.

As further result of ECO's engagement with Senators Flake's and McCain's offices, and of ECO's action with the national Forest Service leadership in Washington DC and the regional Forest Service leadership in Albuquerque, starting in FY 2016, 4FRI received additional funding for implementation. In the FY 2016 budget the additional funding was $10 million, to be used to accelerate the preparation work for mechanical thinning and prescribed fires on the "East Side" of 4FRI. The new funding was allocated to ramp up the preparation of "Bridge the Gap" projects and the overall acceleration of implementation of forest restoration on the footprint of 4FRI, and 18 new local USFS jobs were created, further contributing to the local economy.

Following ECO's creation of the Bridge the Gap program in 2014 with the Apache-Sitgreaves National Forests; ECO advocating for and receiving direct funding from the Chief of the Forest Service for the program; ECO convening an Industry Roundtable in March 2016, April 2017, March 2018 and March 2019; and ECO's constant engagement with the Apache-Sitgreaves National Forests, the ramp-up of the "Bridge the Gap" projects was hugely successful.

A large number of acres was offered since the program's beginning in 2014, that ensured the sustainability of the Forest Industry in the White Mountains:

- 10,358 acres were under contract in federal FY 2014;
- 10,953 acres were under contract in federal FY 2015;
- 13,059 acres were under contract in federal FY 2016;
- 11,619 acres were under contract in federal FY 2017;
- 16,254 acres were under contract in federal FY 2018;

- 13,416 acres were under contract in federal FY 2019;

In federal FY 2020, 15,600 acres, in federal FY 2021, 21,000 acres, and in federal FY 2021, 19,500 acres were scheduled to be offered to the White Mountain industry in "Bridge the Gap" projects outside of the 4FRI contract, confirming the huge success of the program.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~15,000+ acres per year results in the continued consolidation of 190 direct local wood industry jobs in Apache and Navajo counties and ensures the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

Burro Stewardship Agreement

In parallel to its work to develop the Bridge the Gap program, ECO signed in September 2014 the Burro Stewardship Agreement with the Forest Service in order to demonstrate the counties' ability to become directly engaged in the implementation and management of field restoration projects. Despite its limited size of approximately 1,000 acres, the Burro Stewardship served successfully its purpose of being a feasibility demonstrator and a learning tool for both ECO and the Forest Service.

The Burro Stewardship contract was issued by ECO and its fiduciary agent, Navajo County, to the local forest restoration industry and contributed approximately 1,000 acres to the critically low supply of woody material during FY 2015 and FY 2016.

In FY 2017 and beyond, the experience gained by ECO with the Burro Stewardship Agreement proved invaluable to guide discussions with multiple potential partners for the design of a Master Stewardship Agreement for the implementation of the 4FRI 1st EIS.

Industry Roundtable

To foster open communication and collaboration between industry and Forest Service, ECO convened on February 8, 2016 a White Mountains Industry / Forest Service Roundtable in order to provide a platform for a group of representative White Mountains industry partners to provide information to the Forest Service on the challenges faced by the Arizona White Mountains industry, and to discuss the critical factors to be considered to maximize the implementation of forest restoration in the White Mountains. The Roundtable provided information necessary to the Forest Service to optimize the offerings of woody material by the Apache-Sitgreaves National Forests (A/S) and the Four Forest Restoration Initiative (4FRI) to the industry that funds and performs the restoration treatments. The Roundtable was a resounding success and generated a letter to the Chief of the Forest Service that outlined the requirements to convert the ad hoc Bridge the Gap program into a predictable five-year rolling plan.

As a consequence of ECO's initiative, during FY 2017, the USFS initiated a 5-year plan for offering 15,000 timber acres per year outside of 1st 4FRI contract, to be awarded to the White Mountain industry.

Following the huge success of the FY 2016 Roundtable, ECO's convened the 2017 Industry / Forest Service Roundtable on April 11, 2017. The objectives of the Roundtable were to resolve technical issues of restoration implementation such as road packages; biomass removal; supply chain management;

annual offering schedule; Pinion Juniper restoration; contracting mechanisms; digital technologies; and designation by prescription (DxP). 25 specific items were identified for resolution.

On March 19, 2018, ECO convened the third annual Industry / Forest Service Roundtable.
The purposes of the Industry Roundtable were to:

- facilitate the sharing of operational information and concerns;
- provide a forum for collaborative resolution of implementation operational challenges;
- provide a forum for the creation of implementation efficiencies and for implementation continuous improvement.

On March 18, 2019, ECO convened the fourth annual Industry / Forest Service Roundtable.
The objectives of the Industry Roundtable were to resolve technical issues of restoration implementation such as:

- road packages;
- biomass removal;
- supply chain management;
- annual offering schedule;
- Pinion Juniper restoration;
- contracting mechanisms;
- digital technologies;
- designation by prescription (DxP)
- etc.

Items identified for continued work have been:

- coordinate with USFS the ADOT's increase of maximum weight limit Pilot Program;
- develop flexibility for USFS appraisal system to use a "most adapted facility" or "highest market value" criterion instead of a "closest facility" criterion. Alternatively develop a process to remove the impact of selecting an appraisal facility/destination from the appraisal process;
- include ecosystem restoration value in appraisal process;
- include byproducts other than logs (i.e. biomass) in appraisal process;
- convert road packages to "stewardship" items in all contracts, including timber sales;
- develop a single standard for weight and volumes;
- develop increased authority (over 30,000 CCF) for Contracting Officers in order to increase projects size;
- develop process to include slash in 6 and 6T sales, subject to agreement with the contractor, and adjust /re-appraise the sale's cost accordingly;
- increase annual acreage offered by the A/S to 20,000 acres;
- update all 4FRI forests bidder lists to include all 4FRI purchasers;
- verify availability of certified scales in the Williams area and explore opportunities to use existing scales for third party transactions;
- reform the load accountability / branding / painting process to reduce administrative constraints on low value logs;
- move all timber sales to scaled sales as the most efficient way to provide load accountability;
- accelerate implementation of the Holden project in the Williams WUI. (Perkins to offer GEP to subcontract and USFS to explore opportunities to incentivize GEP to subcontract to Perkins.);
- Coconino and Kaibab NF to start including optional biomass removal in order to support potential new biomass investment on the West side subsequent to a new Vision 17 RFP and contract(s);

- explore Sierra Ancha potential for Bridge the Gap sales in support of A/S annual 15,000 acres commitment;
- accelerate Vision 17 new RFP / contract(s) implementation in order to create a biomass market solution on West side;
- increase the duration of 6 and 6T contracts in order to support industry investments;
- create a 1 to 3 year "investment window" prior to "starting the clock" on 10-year stewardship contracts, in order to allow a full 10-year return on investment (ROI) period, AFTER the completion of investments;
- remove "Bacon-Davis" wage requirements from stewardship contracts;
- increase maximum stewardship contracts duration to 20 years;
- reform U.S. Forest Service due diligence process on bidders and bids for all size sales and contracts;
- accelerate the roll out of digital prescription technology;
- explore possibility of limited road closures for recreational use in high traffic restoration project areas.

Overall, the FY 2020 challenge for the post White Mountains Stewardship Contract strategy, remains to provide a minimum of 15,000 acres to the White Mountains industry, and to expand the program up to 2023 in a rolling five-year permanent program until long-term, large-scale projects such as the 2nd 4FRI EIS or the Black River Watershed Restoration Project are ready for implementation. ECO's continued action will undoubtedly prove critical to achieve these objectives.

Development of a Memorandum of Understanding with the White Mountain Apache Tribe

In order for the White Mountain Apache Timber Company (WMATCO) to log the large diameter trees that the White River sawmill is designed to process, they must also remove small diameter trees that are not economical for them to process. Conversely, non-tribal small diameter log industries are interested in the tribal small diameter log supply in order to increase their productivity.

To seize on this synergy of economic interests, ECO and WMATCO initiated discussions during FY 2017 that evolved into the design of an "all lands / all hands" Memorandum of Understanding (MOU) between ECO, the White Mountain Apache Tribe, the U.S. Forest Service, and the Arizona Department of Forestry and Fire Management. The purpose of the MOU is to share data and plans, and to coordinate actions between the federal, state, tribal and local government agencies to design a supply chain management system that creates new economic growth opportunities for both tribal and non-tribal enterprises.

During FY 2018, the MOU was reviewed by Tribal legal and forestry staff and was presented in October 2017 for approval to the Tribal Council as resolution 10-2017-244. On January 25, 2018 Tribal Chairman Ronnie Lupe signed the resolution authorizing the signature of the MOU.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

During Fiscal Year 2018 and 2019 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;
  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.
- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.

A draft Environmental Assessment (EA) was expected in the Spring of 2019, and a Finding of No Significant Impact (FONSI) was expected by September 30, 2019.

However, on April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National that the project was delayed. The draft Environmental Assessment (EA) is now expected early 2020 and the Finding of No Significant Impact (FONSI) is now expected by summer 2020.

Although the project analysis is behind schedule, ECO's commitment to maintain momentum and visibility for the Black River project is recognized by all parties as a critical component of this project moving forward.

Four Forest Restoration Initiative (4FRI)

Two conditions were necessary for the success of 4FRI during FY 2020: success in planning, and success in contracting.

Planning

At the beginning of FY 2015, the implementation of the 4FRI project relied on the treatment of approximately 70,000+ NEPA-ready acres in the Coconino, Kaibab and Apache-Sitgreaves National Forests. This was sufficient to provide logs and biomass material to the contractor for three years, assuming the treatment of ~15,000 acres in 2014, and ~30,000 acres in 2015 and 2016 as required in the 1st 4FRI contract.

However, the implementation of the full 300,000 acres of the 1st 4FRI contract still depended on the completion by the USFS of the necessary NEPA Environmental Impact Statement (EIS) for the first 4FRI analysis area. This, in turn, required the continued collaboration between the USFS and the 4FRI Stakeholders Group, as required under law by the Collaborative Forest Landscape Restoration Act (CFLRA), and the continuation of the social license necessary to proceed with industry-funded landscape-scale restoration mechanical treatments on public lands.

The ECO counties played a critical role in creating a dialog between industry, local government and the environmental community, and in fostering this dialog into a historic agreement that became the basis for the 4FRI social consensus. Through numerous visits to Congress, the Department of Agriculture, and the Forest Service national office, ECO further provided the political momentum necessary for the Forest Service to move forward with the largest restoration EIS in the country's history at the time.

The Draft EIS for the 1st 4FRI planning area was released by the USFS in February 2013 and NEPA comments were filed by the Stakeholders Group in May 2013. As of the beginning of FY 2015 critical planning issues were still not resolved. Specific issues or potential conflict included old growth protection; large trees retention; canopy closure; forest openings; Mexican Spotted Owl monitoring; etc.

ECO took the initiative to request the intervention of the Governor of Arizona's Office in the deadlock, and the "Governor's Group" was created to provide a unique forum for the Forest Service and the environmental constituency to resolve the pending issues, with the help of the ECO and Governor's Office facilitation.

The successful completion of the EIS objections resolution process during FY 2015 finished resolving the issues. Subsequently, the April 2015 signing of the 4FRI 1st EIS Record of Decision (ROD), and the

subsequent dismissal of the Dewhurst litigation in September 2016, marked the completion of the NEPA work for the first 4FRI analysis area and cleared the way for over 400,000 acres of thinning treatments.

However, since the acreage cleared during the 4FRI 1st EIS is mostly located on the "West side" of the Mogollon Rim, in the Coconino and Kaibab national forests, and since the Forest Service has proven reluctant to allocate a significant number of acres from the 4FRI 1st EIS to the White Mountain industry, the rapid completion of the 4FRI 2nd EIS is critical to assure the continuation of 4FRI toward the White Mountains, to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains and to secure a long-term wood supply to the White Mountain industry.

By staffing the Chair of the 4FRI Planning Workgroup, the co-Chair of the 4FRI DEIS Workgroup, the co-Chair of the 4FRI Industry Workgroup, and two co-Chairs of the 4FRI Stakeholders Group, ECO is providing leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS.

Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2018 and 2019, under ECO's co-chairmanship, the following progress was achieved:

- satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics;
- satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe;
- implementation of fire treatments in Mexican Spotted Owl (MSO) habitat;
- development of the water resources "flexible toolbox;"
- development of the mechanical thinning "flexible toolbox;"
- completion of the 4FRI stakeholders' participation to the NEPA planning of the second 4FRI EIS, the Rim Country EIS.

As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released in October 2019, opening the period of review and comments by the public and stakeholders.

The challenge for FY 2020 was to maintain the planning work on schedule. ECO's co-leadership of the 4FRI Stakeholders Group, and ECO's leadership of the 4FRI Planning Workgroup are likely, again, to prove critical to accomplishing these objectives.

Contracting

Although, upon the failure of the first 4FRI contractor, Pioneer Associates, the second 4FRI contractor, Good Earth Power (GEP), committed repeatedly through the fall and winter of 2013, and through FY 2014, FY 2015, and FY 2016 to make a $200 million investment in cellulosic biofuel and pellet plants; to help Arizona loggers invest in new equipment; and, to implement 15,000 acres of treatments during

calendar year 2014, then 30,000 acres in FY 2015, FY 2016, FY 2017, FY 2018, etc., as of the beginning of FY 2020 promises had not materialized.

Nine months after the contract transfer to GEP, as of the beginning of FY 2015 no discernable investment had been made; promises made to Arizona loggers had been recanted; and, treatments had only been implemented at the rate of approximately 1,000 acres per year, leading ECO to analyze and project that only approximately 2,000 acres could be realistically treated during calendar year 2014, less than 3,000 acres in FY 2015, and less than 5,000 acres in FY 2016, and FY 2017 as opposed to the 15,000 then 30,000 annual acres committed. Further, the absence of construction and operation permits filed with the Arizona Department of Environmental Quality (ADEQ) during FY 2014, FY 2015 and FY 2016, was leading ECO to deduct that no large-scale investment in appropriate scale industry would be taking place in 2014, 2015, 2016 or the whole of FY 2017.

Upon ECO's insistent demand that acres not treated by GEP be offered to other contractors, a major turning point was achieved during FY 2016 in the management of the contract. The Forest Service and GEP signed an "acre-for-acre" contract modification that limits GEP's claims on NEPA ready acres. This contract modification created a new opportunity to reset the 4FRI implementation.

To reset the implementation of the 4FRI 1st EIS, in February 2017 ECO designed and released the Vision 17 strategic plan. Vision 17 was aimed at re-booting the 4FRI implementation by releasing a new landscape-scale Request for Proposal (RFP) to new industry bidders, while continuing to honor the GEP/NLFP contract in whatever form it evolves into with new partners or change in ownership as recently happened with the new entity NewLife Forestry.

Vision 17 was adopted by both the 4FRI Collaborative Stakeholders Group and the Forest Service as the official 4FRI Joint Strategy and presented by ECO to the Chief of the Forest Service and key Congressional Leaders. A new 4FRI RFP for at least 200,000 acres was expected by December 2017.

However, FY 2018 closed without a new RFP being issued by the Forest Service.

As analyzed and predicted by ECO, the implementation of the 4FRI Phase 1 Contract by the contractor Good Earth Power (GEP) and its successor corporate entity NewLife Forest products (NLFP) continued to be a major failure during FY 2018 and 2019. In fact, instead of the 30,000 annual acres scheduled in the contract, GEP/NLFP only implemented 2,065 acres during federal FY 2019. This continues and amplifies the string of underperformance of Federal FY 2012 (0 acre); FY 2013 (800 acres); FY 2014 (1,547 acres); FY 2015 (2,405 acres); FY 2016 (3,242 acres); FY 2017 (1,080 acre) and FY 2018 (1,562 acres).

During FY 2019 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period is open until February 2020.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2020 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

Development of a Master Stewardship Agreement with the Forest Service

In order to provide an independent authority for the new 4FRI RFP envisioned in the Vision 17 implementation plan, that would guaranty that due diligence and contract awarding meet the necessary professional , technical and financial requirements, in FY 2017 ECO initiated negotiations with a number of partners, such as the Arizona Department of Forestry and Fire Management (DFFM), the Salt River Project (SRP), the Forest Service, and others, to design and execute a Master Stewardship Agreement (MSA) with the Forest Service.

Building on the success of the Burro Stewardship Agreement between ECO and the Forest Service, the MSA is expected to expand ECO's direct management of on-the-ground restoration projects through:

- joint design of a landscape-scale RFP with the Forest Service;
- joint analysis and due diligence of the bidders' responses to the RFP;
- consensus award to the appropriate bidder(s);
- joint management of the new landscape scale contract(s);
- management of the field Task Orders by the USFS;
- joint monitoring and adaptive management in collaboration with the 4FRI Collaborative.

Developing a Master Stewardship Agreement with the Forest Service was a critical step to ensure that local government's industry expertise is integrated in the RFP design, due diligence and award, in order to prevent the repeat of the flawed due-diligence and contract award that caused the implementation failure of the 1st EIS contract.

During FY 2019 ECO shifted strategy and decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

Digital Technologies

In FY 2017, ECO joined forces with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" in the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units' boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO is working with other partners such as ATICA (the company that manages the White Mountain Apache Timber Company –WMATCO) and Northern Arizona University to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work

such as tree marking, with unmanned aerial surveys, and allow timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("prep") can catch up with NEPA planning without requiring massive new resources for the Forest Service.

In FY 2018 and 2019, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies.

Digital technologies 'Prep' costs savings represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

ECO / AZ Game & Fish Department Joint 4FRI Position

On April 6, 2016, ECO signed a Memorandum of Understanding with the AZ Game & Fish Department (AGFD) to cooperatively develop and seek funding for a 2-year technical associate position tasked with expediting planning and implementation of forest restoration and related efforts undertaken under 4FRI. This new initiative consolidated the joint work of State and local Government in 4FRI and contributes to accelerate the completion of the Rim Country EIS.

The joint position was staffed during FY 2017 and FY 2018 and allowed ECO and AGFD to give, in collaboration with other 4FRI partners such as the Grand Canyon Trust, a new impetuous to the implementation of 4FRI, with the creation of the Comprehensive Implementation Workgroup.

The new Comprehensive Implementation Workgroup, originally chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities other than mechanical thinning and fire, such as riparian and spring restoration, habitat projects etc.

Biomass Bottleneck

On October 7 and 8, 2015, ECO co-hosted with the Salt River Project (SRP) and the Northern Arizona University (NAU) the Healthy Forests, Vibrant Economy Conference. During the conference, ECO presented its analysis of the "Biomass Bottleneck" and the risk that the lack of utilization for biomass is creating for the ramp-up of forest restoration to true landscape scale.

Every time an acre is thinned in northern Arizona, 20 to 30 green tons of logs are produced, and 10 to 30 green tons of logging slash (branches, treetops, etc.) are also produced. This logging biomass must be removed from the field in order to accomplish the restoration and fire risk mitigation objectives. For forest, watershed and grassland restoration to ramp up to landscape-scale, biomass disposal investments need to catch up with the log utilization investments that have been made in the last 10 years. If the biomass disposal capacity is not increased 3.5-fold, it will be impossible to meet the 50,000 acres annual objective of 4FRI. This is the biomass bottleneck.

While the concept of a biomass bottleneck was new in FY 2016, during FY 2017 ECO's analysis met with broad acceptance, and ECO's continued leading vision of the implementation of landscape-scale restoration in Arizona was further recognized.

As a result of the emerging awareness of a biomass bottleneck, Salt River Project (SRP) conducted biomass co-generation tests in the Coronado Generating Station in November 2016, and the biomass component became a critical part of the Vision 17 implementation plan.

In FY 2018, ECO engaged in discussions with the Arizona Corporation Commission (ACC) to explore the possibility of increasing biomass power production in Arizona from the current 30 MW to a total of 90 MW, in order to dispose of the biomass produced by the restoration of 50,000 acres annually.

On December 5, 2017 the ACC organized a workshop, to which ECO presented. On January 30, 2018 Arizona Corporation Commissioner Andy Tobin proposed an Arizona's Energy Modernization Plan that included new biomass energy requirement. On March 13, 2018 the Commission voted to require the regulated utilities to start working on a biomass proposal.

As a result, on May 7, 2018 Arizona Public Services (APS) issued a Request for Proposals (RFP) for the creation of a new capacity of up to 60 MW of Forest Bioenergy Resources (in addition to the existing 30 MW capacity). The RFP provided a very aggressive schedule including respondent proposal and RFP proposal fee due date on August 17, 2018, shortlisted respondent notification on September 21, 2018, final selection on October 12, 2018 and contract execution on December 14, 2018.

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful U.S. Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

As FY 2020 started, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

Senator Flake's Healthy Forest Advisory Council

In FY 2017 ECO was invited to participate to the work of Senator Flake's newly established Healthy Forest Advisory Council. ECO fulfilled its usual role of providing data and information, as subject-matter expert on the issues of forest restoration and forest industry, including input on:

- biomass bottleneck;
- 4FRI implementation;
- Vision 17 reset of 1st EIS implementation;
- Senator Flake's forestry bill;
- increased weight limit on Interstate highways in Arizona for the transportation of forest restoration products;
- digital technologies applicable to forest restoration;
- Forest Service efficiencies.

ECO continued to participate to the work of Senator Flake's Healthy Forest Advisory Council until the Senator resigned from his seat in the U.S. Senate.

Strategic Objectives

ECO had three strategic objectives for Program 1, *Forest Restoration*:

1) Recognizing that the Bridge the Gap program remains a short-term strategy, ECO was committed to continue to participate in the development and implementation of a long-term successor strategy to the WMSC to ensure that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied over the long-term with round wood and residual biomass in an ecologically and economically viable and sustainable manner.

2) ECO was committed to support and facilitate the completion of the 4FRI 2nd analysis area EIS, the Rim Country EIS; and the issuance of a Record of Decision that includes the full resolution of all NEPA planning challenges by the end of FY 2020.

3) ECO was committed to continue to support and participate in the effective implementation of the 1st 4FRI contract, and the issuance of a 2nd 4FRI landscape scale contract(s) by the end of 2020, in order to ensure that:

    a. The restoration treatments proposed in 4FRI are actually implemented by the contractors at the contracted scale (up to 40,000 acres annually) and per the contracted schedule;

    b. The large investment in the creation of a new appropriate scale utilization capacity of small diameter round wood and residual biomass in northern and eastern Arizona is actually executed by the contractors;

    c. The economic impact projected by the contractors for 4FRI (creation of 1,000 jobs) actually takes place.

Execution Strategy

Post-WMSC / Bridge the Gap strategy

Several models are conceivable to execute the strategic objective of insuring that landscape-scale restoration treatments continue to be implemented in the White Mountains, and that the industry originally sustained by the WMSC continues to be supplied with round wood and residual biomass in an ecologically and economically viable and sustainable manner:

- Continuation and acceleration of small and medium scales "Bridge the Gap" NEPA projects to compensate the "loss" of 56,000 NEPA-ready acres in the Wallow Fire;
- Timely implementation of the Four Forest Restoration Initiative (4FRI) 2nd analysis area planning and contracting in the White Mountains;
- Development of another large scale and long-term stewardship contract or stewardship agreement in the White Mountains, such as the Black River project;
- Development of several smaller and shorter stewardship contracts or agreements in the White Mountains;
- Development of traditional timber sales in the White Mountains;
- A sequential or parallel combination of the above.

Any of these solutions entails considerable planning and contracting work and requires significant agency funding and major political support by the ECO Counties.

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issue;
- Make the issue a priority item with the State and Federal partners and elected officials;
- Provide technical and political support in the selection of an appropriate successor model;
- Provide technical and political support for the timely development and implementation of the selected successor model;
- Lobby the Regional and National U.S. Forest Service and the U.S. Department of Agriculture for additional funding to the Apache-Sitgreaves National Forests to complete timely "Bridge the Gap" NEPA projects;
- Develop with the Regional USFS leadership the Black River project.

4FRI strategy

To ensure the success of both planning and contracting tracks in 4FRI, it was the strategy of ECO to:

- Continue its participation in the activities of the 4FRI Stakeholders Group;
- Continue its work with the USFS and U.S. Department of Agriculture;
- Develop its work with the USFS Regional leadership and the Arizona Governor's office in order to facilitate planning conflicts resolution;
- Increase its role as a consensual leadership provider in the 4FRI NEPA process in order to facilitate a resolution of the NEPA planning conflicts between the USFS and the stakeholders, and ensure the timely completion of the final Environmental Impact Analysis (EIS) and Record of Decision (ROD);
- Continue its work with private industry representatives and investors;
- Provide technical support as requested by the contractors in order to facilitate the location, permitting and construction of new industrial facilities;

- Enforce fairly but firmly accountability on all agency and non-agency stakeholders in the planning and contracting tracks as required for the successful and timely execution of 4FRI defined as: treatments being implemented on the ground per the contracted schedule.

Post-WMSC and 4FRI strategies execution

ECO executed its post-WMSC and 4FRI strategies by:

- Actively engaging in and when necessary initiating the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attending, participating in, and when necessary hosting the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Providing economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Providing political advocacy for an appropriate successor strategy to the (WMSC) with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 15% of its resources on Program 1: *Forest Restoration.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 15% of its activities to Program 1: *Forest Restoration.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

Although Arizona has been fortunate since 2011 not to experience another landscape-scale catastrophic fire, the massive fires in California during 2017 serve as a vivid reminder of the urgency of the clear and present danger Arizona faces in its Forests as a result of the uncontrolled accumulation of fuel for almost a century. Forest Restoration and fire mitigation remain at the fore front of the Arizona natural resources priorities, and at the forefront of ECO priorities.

As a result of its engagement in Program 1, *Forest Restoration*, ECO sought the following outcomes:

1) Publication of a Black River Watershed Restoration Finding of No Significant Impact (FONSI) by September 30, 2020.

2) Offering in FY 2020 of 15,000 timber acres of small and medium scale "Bridge the Gap" projects, aimed at securing the short-term supply of fiber for the existing White Mountains wood industry, independently from the 1st contract of the Four Forest Restoration Initiative (4FRI).

3) Appropriate funding of the Apache-Sitgreaves National Forests by the U.S. Forest Service Southwest Regional Office (R3) for the timely completion of the NEPA process for medium scale "Bridge the Gap" projects aimed at securing the medium-term supply of fiber for the existing White Mountains wood industry.

4) Continued disconnection of the "Bridge the Gap" projects from the 1st 4FRI contract and specific exclusive allocation of these projects to providing round wood and biomass to the existing White Mountains wood industry.

5) Continuation by the Apache-Sitgreaves National Forests of a five-year rolling plan for the steady offering of a minimum of 15,000 timber acres annually.

6) Completion of the 4FRI 2nd Final EIS and Record of Decision (ROD) by December 2020.

7) Issuance of (a) new landscape-scale, long-duration 4FRI contract(s) by December 2020 for up to 40,000 acres and 20 years.

8) Adoption by the Forest Service of digital restoration technologies at landscape scale during FY 2020.

9) Resolution of the Biomass Bottleneck by the end of FY 2020:
   - completion of a new 60 MW biopower Power Purchase Agreement (PPA);
   - renewal of the existing 30 MW biopower Power Purchase Agreement (PPA).

Measurable Results

As a result of their engagement in Program 1, *Forest Restoration*, ECO and its partners achieved the following results:

1) ***15,000 annual "Bridge the Gap" program***.
A large number of acres were offered in timber sales since the program's beginning in 2014, that ensured the sustainability of the forest industry in the White Mountains:

Fiscal Year	Acres sold during fiscal year	Acres under contract during fiscal year
FY 2014	17,612	17,612
FY 2015	10,953	28,565
FY 2016	11,975	34,601
FY 2017	10,930	33,595
FY 2018	15,239	43,842
FY 2019	11,564	51,028
FY 2020	10,314	57,647

In federal FY 2020, over 15,000 acres, were offered for sale by the Apache-Sitgreaves National Forest to the White Mountain industry in "Bridge the Gap" projects outside of the first 4FRI contract, confirming the success of the program. However, only 10,314 acres of these acres were sold.

Contrarily to the first 4FRI RFP that resulted in the contracting of up to 300,000 acres over 10 years in the Coconino National Forest and the Kaibab National Forest, the second 4FRI RFP offers up to 818,000 acres over 20 years in the Coconino National Forest, Kaibab National Forest, Tonto National Forest, and Apache-Sitgreaves National forests. In effect, the second 4FRI RFP has the potential to provide material to new industry, but it also has the potential to completely reshuffle material availability to the existing White Mountains industry.

Consequently, one effect of the second 4FRI RFP, and the delays in the RFP publication, initially expected in FY 2019 but finally released on September 16, 2019, with a bidding period originally ending in February 2020 but extended after eight RFP Amendments until May 12, 2020, and an original award date in December 2020, but now expected to March 2021, is that all major decisions regarding forest restoration industry, including power purchase agreements, investments, funding, credit lines, etc. have been put on hold starting mid-2019 and until contracts are issued, now likely in mid-2021.

The freezing of all decisions on forest restoration in Arizona for almost 2 years has wreaked havoc on the fragile Northern Arizona forest products industry. Because the public utilities Salt River project (SRP) and Arizona Public Service (APS) Power Purchase Agreements (PPAs) to NovoBiopower expire in 2023, and SRP and APS have been unwilling to renew their PPAs until the outcome of the 4FRI RFP is known, NovoBiopower had no choice but to not extend its procurement contracts with Arizona loggers past 2023. This triggered two consequences:

1. Loggers financing capacities have been sharply curtailed as unpredictability of their economic future past 2023 looms, and the largest Arizona logging company TriStar Logging had to file for Chapter 11 bankruptcy protection on February 14, 2020.
2. Because Arizona loggers already have three years' worth of work contracted with the Forest Service (57,647 acres under contract by the end of FY 2020), several timber sales offered in FY 2020 were not purchased since until the second 4FRI RFP outcomes are known, there is no predictability of utilization past 2023.

The ability to ramp-up the "Bridge the Gap" projects to a continuing ~12,000 to ~15,000 acres per year resulted in the continued support of 190 direct local wood industry jobs in Apache and Navajo counties and has ensured the sustainability of the billion $ recreation economy on the Rim through the preservation of the Arizona forest in the White Mountains.

ECO will continue to support the Bridge the Gap Program for at least FY 2021 and 2022, with the expectation that a new landscape scale 4FRI contract and new industry players in Northern Arizona will not compromise the viability of the existing industry and replace it but will add to it. What Arizona needs is not shifting capacity from existing to new industry but adding new capacity to existing capacity.

2) ***Industry / Forest Service Roundtable***.
In FY 2020 the meeting of the annual Industry / Forest Service Roundtable, originally scheduled for March 2020, was moved to September 2019, pursuant to the release on September 16, 2019 of the new 4FRI Request for Proposal (RFP) for the contracting of up to 818,000 acres over 20 years, with a bidding period initially opened until February 2020.

On September 26, 2019, ECO and the 4FRI Industry Workgroup convened the fifth annual Industry / Forest Service Roundtable.

The sole purpose of the FY 2020 Industry Roundtable was to address the Biomass Bottleneck.

The new 4FRI RFP requires the removal of a minimum of 50% of the logging slash and will not consider bids "satisfactory" unless at least 70% is removed. Assuming the progressive meeting of the 4FRI overall objective to treat 50,000 acres per year between existing industry and new industry; and assuming an average yield of 25 tons of logging slash per acre, a total of 1.25 million tons of slash will be generated. Using the RFP "satisfactory" guideline of 70% removal, 875,000 tons of slash will need to be removed and disposed off annually.

Currently, the only facility available to dispose of slash, burning it to generate electricity, is NovoBiopower. At maximum capacity NovoBiopower can only absorb approximately 400,000 green tons/year. Therefore, industry needs to find a way to dispose of an additional 475,000 tons/years.

In addition, because approximately 45% of the average 26 tons of small diameter logs harvested per acre currently become chips or sawmilling residues, the 50,000 acres of 4FRI treatment will likely generate an additional 580,000 tons/year of biomass per year.

The FY 2020 Industry Roundtable work was focused on industry collaboration to implement the most efficient slash/biomass disposal solutions, possibly including:

- disposal of 400,000 green tons / year of only the lowest value "hog fuel" dirty chips from logging slash at the NovoBiopower power plant;
- disposal of 130,000 green tons / year of mill residue and smallest diameter trees clean chips at the Forest Energy wood pellets plant;
- disposal of 50,000 green tons / year of smallest diameter trees chips at the Grow-Well potting soil plant, as well as 10,000 tons / year of bark;
- disposal of 40,000 green tons / year of smallest diameter trees chips at the Scotts potting soil plant;

- disposal of smallest diameter trees as firewood;
- co-firing of biomass in SRP and APS regional coal power plants (Coronado Generating station near St Johns; Cholla Power near Joseph City);
- on-site disposal of logging slash using flame curtain burn boxes at the landings.

Discussions also addressed potential political action to encourage:

- "State of Emergency" declaration to provide funding in the State budget to subsidize biomass disposal;
- participation of water utilities in the costs of forest restoration in a "forest to faucet" program of watershed protection;
- Arizona Corporation Commission (ACC) mandate of 90 MW of biopower;
- legislative funding for forest and watershed restoration and water augmentation;
- federal help (BCAP, FEMA, Fire Fighting Funds);
- voter-approved local communities Public/Private Bonds to fund fire risk mitigation;
- regional fuel tax breaks;
- carbon credits.

Industry members also agreed to initiate private meetings to discuss the possibility of a joint bid for the new 4FRI RFP.

3) ***Black River***.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River draft Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and it was not released until October 1, 2020. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully.

4) ***Rim Country EIS***.

As a critical milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019. This opened the period of review and comments by the public and stakeholders.

On January 16, 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified:

- concerns with the uncertainties associated with the scale of future mechanical thinning;
- concerns with the uncertainties associated with the removal of woody biomass;
- concerns with the uncertainties associated with the implementation of condition-based management;
- support for the 4FRI collaborative workgroup comments that it contributed to write, including concerns with:
  - the flexible toolbox approach;
  - the degree of openness pre- and post-treatment;
  - old growth protection and large tree retention;
  - management of ponderosa pine dwarf mistletoe;
  - description of pre-treatment conditions;
  - collaborative role in implementation; and
  - adaptive management and monitoring.

During the balance of FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

5) ***4FRI Contract RFP.***

During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period was open originally until February 2020 and was extended, after eight RFP Amendments, until May 12, 2020. An award is expected by March 2021.

ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2021 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

6) ***Digital technologies***.

In FY 2019 and 2020, ECO continued its collaboration with The Nature Conservancy (TNC) to promote the development and adoption of digital technologies, as enablers to the landscape-scale implementation of forest restoration by the Forest Service and industry.

Specifically, ECO and TNC worked together to implement the "tablet technology" with the White Mountain's TriStar and Canyon Creek logging companies, so that operators can follow real-time guidelines displayed in the feller-bunchers' cabins to identify the logging units' boundaries, archeological exclusion zones, tree groups, openings, etc. and implement "designation by prescription" (DxP) digital prescriptions.

In addition, ECO worked with other partners such as ATICA, the company that managed the White Mountain Apache Timber Company (WMATCO) to develop the use of Light Detection And Ranging (LiDAR) technology to replace field cruises and traditional preparation work such as tree marking, with unmanned aerial surveys, and allow resource characterization, timber inventories, digital boundary marking, digital restoration prescriptions, digital tree marking, digital maps, etc. to be completed much faster and much cheaper, so that acres preparation ("Prep") can catch up with NEPA planning without requiring massive new resources from the Forest Service.

Digital technologies 'Prep' costs savings can represent up to $90/acre. Considering the goal of 4FRI to implement 50,000 acres/year, digital technologies represent a saving of $4.5 million per year, or a total of $90 million over the 20-year program.

7) ***Biomass Bottleneck.***

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Subsequently, the freeze on all forest restoration related decisions in Arizona, starting mid-2019 and pending the RFP process conclusion and the expected award of 20-year contract(s) by March 2021, has also affected the Arizona Corporation Commission. Despite numerous hearings and Commissioners individual statements, the Commission did not take any further action during FY 2020 and has made it clear that it will not consider the issue until the second 4FRI RFP outcomes are known. This likely postpones any next step until the end of FY 2021.

During FY 2020, ECO remained committed to a resolution of the biomass bottleneck in Arizona through the production of 90 to 100 MW of bioelectricity, including the continuation of operation for another 20 years of the ~28 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW to 75 MW capacity for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

On March 25, 2020, ECO sent a letter to the APS CEO identifying:

1. the need for the continued production of 28 MW of bio electricity in Arizona to dispose of the biomass created by the Bridge the Gap program in the White Mountains;
2. the need for the additional production of up to 75 MW of bio electricity in Arizona to dispose of the biomass to be created by the new Forest Service 4FRI RFP;
3. the urgency created by the freeze of all decisions related to forest restoration in Arizona, including Power Purchase Agreement (PPA) decisions, starting with the

announcement of the new Forest Service 4FRI RFP in mid-2019 and until its completion in mid-2021.

On April 15, 2020, ECO met with the APS leadership to discuss:

1. strategies by APS to lead Arizona Utilities in supporting the continued implementation of forest restoration in the White Mountains outside of the 4FRI RFP by purchasing bioelectricity;
2. potential strategies by APS to lead Arizona Utilities in supporting the landscape scale implementation of the Forest Service 4FRI RFP by purchasing bioelectricity;
3. potential joint strategies by Arizona Utilities, Local Governments, and other branches of Government;
4. potential nesting of carbon neutral bioelectricity from forest restoration byproducts within the APS voluntarily commitment to 65% carbon-free electricity generation by 2030, and 100% by 2050.

As an outcome of this work, APS committed to ECO to initiate discussions with NovoBiopower to renew the existing 28 MW PPAs.

Much was accomplished by ECO and its partners during FY 2020 in Program 1, *Forest Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the implementation of the new Forest Service 4FRI RFP;
- renewal of the existing 28 MW biopower Power Purchase Agreements;
- timely conclusion of the 4FRI 2nd EIS planning;
- continued prioritization of the 15,000 acres/year Bridge the Gap program for at least 2 years;
- timely conclusion of the Black River project EA;
- completion of new 60 to 75 MW biopower Power Purchase Agreements, if appropriate based on the 4FRI RFP outcomes.

Allen Reidhead, Vice President of TriStar Logging, is dwarfed by mountains of biomass. 4FRI will generate annually between 1 and 1.5 million tons of biomass. The Biomass Bottleneck (acres cannot be restored if the logging biomass is not removed from the forest and disposed of responsibly), first identified and analyzed by ECO, is one of the critical factors that limit the implementation of forest restoration at landscape scale.

Forest Restoration – Canyon Creek Logging feller-buncher hot saw on Fulton Timber Sale.

Grassland Restoration – Tri Star grinder on Wool House Project.

Program 2: Threatened and Endangered Species

Program 2, *Threatened and Endangered Species,* includes all threatened and endangered species issues, with a particular focus on continued participation in the Mexican Gray Wolf recovery program and experimental population program; and, in the NEPA analyses of other species listing, habitat designation or recovery programs in eastern Arizona.

Background

Mexican wolf

In March 1997, the Secretary of the Interior signed a Record of Decision (ROD) approving the release of captive-reared Mexican gray wolves (Canis lupus baileyi) in the Blue Range Wolf Recovery Area (BRWRA) located in Greenlee County, and an adjacent area of New Mexico. In January 1998 the U.S. Fish & Wildlife Service (USFWS) published the *Final Rule, Establishment of a Nonessential Experimental Population of the Mexican Gray Wolf in Arizona and New Mexico*, and in March 1998, Mexican gray wolves were released for the first time in the Blue Range Wolf Recovery Area. The Blue Range reintroduction project is managed by the USFWS in collaboration with the Arizona Game and Fish Department (AGFD), the USFS, USDA-APHIS Wildlife Services, the White Mountains Apache Tribe (WMAT), and the Eastern Arizona Counties Organization (ECO), operating together under a formal Memorandum of Understanding (MOU) which enables the signatories to develop a mutually-agreeable, long-term, science based collaboration for the reintroduction of Mexican wolves in Arizona and New Mexico within the Mexican Wolf Experimental Population Area (MWEPA).

The non-essential experimental population program projected a population of 18 breeding pairs and 102 wolves by the end of 2006. As of FY 2012, the current population was believed to be six breeding pairs and 58 wolves currently in the wild. The official count as of December 31, 2012 indicated that the population had increased to a minimum of 75 confirmed animals. The official count as of December 31, 2013 indicated a further population increase to a minimum of 83 confirmed animals, indicating a clear progress toward the official goal of at least 100 animals in the MWEPA. The official count as of December 31, 2014 indicated another population increase to a minimum of 109 confirmed animals. The official count as of December 31, 2015 indicated a minimum of 97 confirmed animals, plus 11 animals "fate unknown". These numbers met and exceeded the official goal of the nonessential experimental population project.

In parallel to the American government recovery efforts, the Mexican government released five Mexican wolves, three females and two males, into the Sierra San Luis in the State of Sonora in October 2011. Although four of these wolves were illegally killed within months, the Mexican government conducted additional releases in 2012 and informed the USFWS of their plans to continue releasing Mexican wolves during 2013 and 2014 in the northern area in the Sierra Madre Occidental, and to potentially initiate releases in the Mexico State of Nuevo Leon.

On June 13, 2013, the USFWS published a proposed action for *Removing the Gray Wolf (Canis lupus) From the List of Endangered and Threatened Wildlife and Maintaining Protections for the Mexican Wolf (Canis lupus baileyi) by Listing It as Endangered*, and a *Proposed Revision to the Nonessential*

Experimental Population of the Mexican Wolf, proposing to considerably revise and expand the experimental population program.

In August 2013 ECO initiated work with an informal ad hoc coalition of Arizona industry and recreation stakeholders, together representing 28 different organizations, and the Arizona Game and Fish Department, to develop an *Arizona Cooperating Agencies Alternative* to the proposed revision of the 10(j) Mexican Wolf non-essential experimental population.

In December 2013 ECO filed comments on the *Proposed Revision to the Nonessential Experimental Population of the Mexican Wolf* (the "10(j) rule revision") identifying multiple deficiencies in the proposed action: public and cooperating agencies engagement and scoping deficiency; management plan outside of the MWEPA deficiency; recovery plan deficiency; scientific peer review deficiency; bi-national collaboration plan deficiency; mitigation measures (depredations compensation and cohabitation measures) funding deficiency; scientific deficiencies; negative potential economic impact analysis deficiencies; and, NEPA process deficiencies (pre-decisional deficiency; connected actions deficiency; purpose and needs deficiency). Additionally, ECO developed a credible Mexican Wolf population growth projection that vigorously challenged the USFWS projection.

On April 15, 2014, the ECO Counties formally submitted the *Arizona Cooperating Agencies Alternative* to the USFWS at the Mexican Wolf EIS Interdisciplinary Planning Team (IPT) meeting. The ECO and ad hoc coalition of Arizona industry and recreation stakeholders-proposed NEPA alternative was formally endorsed by the Arizona Game & Fish Commission. The *Arizona Cooperating Agencies Alternative* included the capping of the wolf population to 150 / 160 wolves in Arizona; the capping of the depredation on wild ungulates to 15%; the geographical capping of releases and transfers to historical habitat with adequate prey density; and the inclusion of 'take' provisions in defense of domestic animals, all of which represented fundamental changes over the original USFWS proposed action.

On January 06, 2015 the Regional Director for the U.S. Fish & Wildlife Service (USFWS) Southwest Region signed the Record of Decision (ROD) for the final Environmental Impact Statement (EIS) for the *Proposed Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf*. ECO's proposed NEPA alternative and population projection were endorsed by the Arizona Game & Fish and formed the basis of the USFWS Record of Decision. This included: capping of the wolf population to 150 / 160 wolves in Arizona; capping of the depredation on wild ungulates to 15%; geographical capping of releases and transfers to historical habitat with adequate prey density; 5-year and 8-year review process; and inclusion of 'take' provisions in defense of domestic animals.

However, as of the beginning of FY 2016 the U.S. Fish & Wildlife Service still had not resumed the completion of the revision of the 1982 *Mexican Wolf Recovery Plan*, which triggered litigation by the Center for Biological Diversity, soon joined by Arizona Game and Fish Department. Under a Court-approved settlement, the U.S. Fish & Wildlife Service expected to publish a draft revised recovery plan for public and peer-review early in calendar year 2017, with a final recovery plan by the end of November 2017.

Jaguar

In April 2012 the USFWS Jaguar (Panthera onca) Recovery Team completed a *Jaguar Recovery Outline* to provide a preliminary strategy for jaguar conservation. In August 2012, the USFWS proposed to designate 838,000 acres in Pima, Santa Cruz, and Cochise Counties, AZ and Hidalgo County, NM as

critical habitat for the jaguar under the Endangered Species Act (ESA). In November 2012 a male jaguar was photographed in the northern Santa Ritas Mountains of Arizona, about 40 miles southeast of Tucson near the proposed Rosemont Mine site.

In May 2013, the USFWS released a *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar*, and in June 2013 an *Economic Analysis of Critical Habitat Designation for the Jaguar* which estimated specific potential negative economic impacts on the mining, ranching, and general economic development of the areas proposed for critical habitat designation from up to $30 billion and 4,000 jobs lost at the local level, to up to $60 billion and 10,000 jobs lost at the national level, over the next two decades.

In August 2013, the ECO Counties filed comments on the *Draft Environmental Assessment for the Designation of Critical Habitat for the Jaguar* identifying multiple deficiencies in the proposed action: legal deficiency with ESA and NEPA; scientific deficiency; modeling deficiency; usefulness deficiency; disproportionate potential negative economic impact; balanced multiple use management deficiency; adverse potential effects on jaguar conservation.

Nonetheless, in March 2014, the USFWS announced the final designation of approximately 764,000 acres of critical habitat for the jaguar.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal recovery plan for the jaguar, but this is generally the next step in the ESA process.

Ocelot

Endangered status was extended to ocelots in the U.S. portion of the species' range with a final rule published on July 21, 1982 (47 FR 31670). In that rule, the U.S. Fish & Wildlife Service "made a determination that the designation of critical habitat was not prudent because such a designation would not be in the best interests of conservation of the species." The ocelot is listed as endangered by the State of Texas and is protected from hunting and live collection in Arizona where it is listed as a species of "special concern."

In November 2012 the AGFD obtained photographs of an ocelot that had apparently persisted in the Huachuca Mountains since February 2011.

In January 2013 the USFWS announced that they were initiating a five-year status review of the endangered ocelot under the Threatened and Endangered Species Act, as well as a new review of the threatened Mexican spotted owl.

In April 2014, a remote camera operated by the University of Arizona detected a lone male ocelot in the Santa Rita Mountains, within the action area of the Rosemont Mine.

As of the beginning of FY 2017, the U.S. Fish & Wildlife Service had not announced the initiation of a formal revision of the original 1990 recovery plan for the ocelot, although the *5-Year Status Reviews of Ocelot and Mexican Spotted Owl in the Southwest Region* has been on-going since February 2013. Consequently, ECO expected a formal revision of the Ocelot Recovery Plan in FY 2017 or FY 2018.

Other species

Gartersnake

In July 2013 the USFWS proposed the listing as "Threatened" and the designation of critical habitat for the northern Mexican gartersnake (Thamnophis eques megalops) and narrow-headed gartersnake (Thamnophis rufipunctatus) in Arizona and New Mexico. The proposed designation identified 14 habitat units totaling 421,000 riparian acres in most Arizona watersheds for the northern Mexican gartersnake, and 6 habitat units totaling 210,000 riparian acres for the narrow-headed gartersnake.

In July 2014, the USFWS announced the Final Rule listing the northern Mexican gartersnake and narrow-headed gartersnake as "Threatened," including a special rule under section 4(d) of the ESA to exempt operation and maintenance of livestock tanks on private, state and tribal lands from the prohibitions on "take" of listed species, and further announced that it will finalize the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

New Mexico meadow jumping mouse

In June 2013, the USFWS proposed the listing as "Endangered" and the designation of critical habitat for the New Mexico meadow jumping mouse (Zapus hudsonius luteus) in New Mexico, Colorado and eastern Arizona. In April 2014, the USFWS re-opened the comment period on the proposed designation of 193 river miles and 14,000 acres of critical habitat, divided in 8 units. Although "99 percent of the total proposed critical habitat designation, are currently unoccupied by the species," they were deemed "essential for the conservation of the species" (79 FR 19307-19313).

In June 2014, the USFWS announced the Final Rule listing of the New Mexico Meadow Jumping Mouse as "Endangered," and further announced that it will finalize the designation of critical habitat for the New Mexico Meadow Jumping Mouse in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat designation had been made.

Western yellow-billed cuckoo

In October 2013, the USFS proposed to list as "Threatened" the western distinct population segment (DPS) of the yellow-billed cuckoo (Coccyzus americanus) in the western United States, Canada, and Mexico. In the U.S., the western yellow-billed cuckoo is known to occur in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah, Wyoming, Montana, Oregon, and Washington. In April 2014, the comment period was re-opened for the proposed designation.

In October 2014 the USFWS announced the Final Rule listing of the western distinct population segment (DPS) of the yellow-billed cuckoo as "Threatened," and further announced that it will finalize the designation of critical habitat for the western yellow-billed cuckoo in 80 separate units in Arizona, California, Colorado, Idaho, Nevada, New Mexico, Texas, Utah and Wyoming in a separate rule in the future.

As of the beginning of FY 2017 no critical habitat final designation had been made.

Issues and Progress

The proliferation of threatened and endangered species, designated critical habitats, recovery programs and status reviews create inevitable detrimental socio-economic impacts that affect the custom, culture, economic well-being, and when involving top predators, the safety of rural Counties such as the ECO Counties.

Mexican wolf

The significant increase of the experimental Mexican Wolf population and significant expansion of the experimental population area inevitably affect negatively ranching in Eastern Arizona, as well as potentially affect negatively the recreation and tourism-based industry, and also the potential safety of residents. "Naïve" Mexican Wolves have a documented history of predating on livestock, attacking domestic animals, and showing habituation to humans.

Even though the negative impacts were deemed "not significant" by USFWS analysts from a national perspective, the loss of even one head of livestock may be economically crippling for small rural ranching operations, and the brutal loss of a domestic animal may be emotionally devastating to its owner.

Payment of the depredation and coexistence compensation claims

Thanks to the continued action of ECO, the Arizona Cattle Growers Association, New Mexico local government efforts, and the Arizona Game & Fish Department, annual Livestock Demonstration Project Grants and Proactive Nonlethal Measures Grants, as well as NGO's match donations, have been secured for the Mexican Wolf Experimental Population program over the life of the program.

In order to ensure the equitable evaluation and compensations of the claims filed by injured parties, ECO participated with the U.S. Fish & Wildlife Service and other stakeholders in the creation of the Coexistence Council in April 2011. The Mexican Wolf / Livestock Coexistence Council is an 11-member volunteer group of livestock producers, tribes, environmental groups, and counties that directs the disbursement of the Mexican Wolf / Livestock Trust Fund to qualified applicants. The Trust Fund is administered by the non-profit National Fish and Wildlife Foundation.

Further, during FY 2015 ECO supported the passing and signing into law of SB 1466 *Livestock Loss Board / Compensation Fund* in order to codify into law the compensation of Arizona ranchers negatively impacted by Mexican Wolf depredation.

As a result, depredation compensations and, starting in FY 2013, "Pay-for-Presence" cohabitation compensations have been paid to Arizona and New Mexico ranchers who bear the brunt of the economic impact of the recovery effort.

All of the FY 2016 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $73,826 in depredation compensation, and $105,000 in "pay-for-presence" cohabitation compensation were processed in FY 2017 for FY 2016.

All of the FY 2017 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $59,213 in depredation compensation, and $107,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2017.

All of the FY 2018 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of $109,123 in depredation compensation, and $117,000 in "pay-for-presence" cohabitation compensation were processed in FY 2019 for FY 2018.

All of the FY 2019 depredation compensation claims filed with the Coexistence Council have been paid in FY 2019 or are in the process of being paid, and "pay-for-presence" cohabitation compensation will be processed in FY 2020 for FY 2019. Payments for FY 2019 will be reported in FY 2020.

Fiscal Year	Depredation payments	Cohabitation payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019	In process	In process	In process

These payments continue the increasing trend in compensation recorded over the last few years as a reaction by the U.S. Fish & Wildlife Service to the action of ECO, the Arizona Cattle Growers Association, the Arizona Game & Fish Department, and various partners.

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:

- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;

- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

Discontinuation of the initial release of adult "naïve" wolves

In FY 2016, ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10(j) Experimental Population Management Team, were successful in preventing the initial release of adult "naïve" wolves.

Instead, in FY 2016 two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Elk Horn" and "Panther Creek" packs in Arizona, and one set of 2 pups was fostered into the "Sheep Herders Ball" pack in New Mexico.

In FY 2017, two sets of 2 pups from the captive wolf population, approximately 10 days old, were fostered into the "Panther Creek" pack in Arizona, and into the "San Mateo" pack in New Mexico. In both cases, two wild pups were removed and cross-fostered into the donor captive litters (California Wolf Center for Panther Creek, and Brookfield Zoo for San Mateo) in order to increase the genetic diversity of both captive and wild population.

In FY 2018 four Mexican wolf pups were placed into wild dens in late April 2018: two into a pack in Arizona and two into a pack in New Mexico. In June 2018, four more captive-born pups were cross-fostered into two wild dens, both in New Mexico. All of the pups were born at the Endangered Wolf Center in Eureka, Missouri, and fostered out at two weeks old or less.

In FY 2019, twelve Mexican wolf pups were cross fostered into wild dens. Five pups were placed into wild dens in Arizona and seven pups were placed into wild dens in New Mexico from April 18 to May 10, 2019, in accordance with the Mexican Wolf Recovery Plan.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

However, the so-called "translocation" of adult wolves that are held at the Sevilleta Wolf Management Facility for long periods of time after capture, are likely to increase depredation incidents well past the concepts of sustainable yield and multiple uses. Data suggests that over the last 5 years there has been a growing trend of depredation.

Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf

In FY 2016 and 2017 ECO completed a full review of all the program's Standard Operating Procedures (SOPs) and submitted comments to the U.S. Fish & Wildlife Service.

On March 30, 2018, the litigation brought by the Center for Biological Diversity and WildEarth Guardians against the January 16, 2015 U.S. Fish and Wildlife Service *Revision to the Regulations for the Nonessential Experimental Population of the Mexican Wolf* was closed by a ruling in favor of the plaintive:

- the court found that the 2015 10(j) rule is not compliant with the ESA, provides only for short-term survival of the species, and fails to further the long-term recovery of the Mexican wolf in the wild;
- the court found that the revised rule does not need to be the product of an agreement with state and private stakeholders;
- the court found that the U.S. Fish & Wildlife Service decision to maintain the experimental population's 1998 nonessential designation is not based upon the best available information and is arbitrary and capricious;
- the court remanded the rule to the U.S. Fish & Wildlife Service to modify:
    I. population cap of 300-325 wolves,
    II. limitation on dispersal north of I-40,
    III. take in response to unacceptable impacts to wild ungulate herds,
    IV. perform a new essentiality determination;
- the court found that vacatur of the 2015 rule and return to the provisions of the 1998 rule would constitute a further setback for the species that serves no purpose and requested that the parties propose a deadline for the publication of a revised 10(j) rulemaking or other remedial action.

The court ruling threatens many of the gains realized by ECO since FY 2014 in the revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j)), especially as regards the population cap of 300-325 wolves, the limitation on dispersal north of I-40, and the take in response to unacceptable impacts to wild ungulate herds.

The court remanded the 10(j) rule and mandated a Supplemental EIS (SEIS) on the following issues:

- Re-determination of whether the Experimental population is essential;
- Articulation of a long-term recovery strategy over a short-term conservation strategy;
- Inclusion of genetic uniqueness criteria in management decisions.

Since the March 2018 ruling, ECO has engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will continue to be effectively represented in the new revision process.

During FY 2019, the revision schedule was developed and approved by the courts as follows:

- May – October 2019: gather existing information; initiate coordination with States and other partners, tribes; request NEPA timeline waiver
- November 2019: Send Initial Action Notice to NEPA Review Team (Stage 1); develop NOI for public scoping and send to NEPA Review Team (Stage 2); send cooperating agency,

Congressional, and Governors letters; internal, partner, cooperating agency meetings or teleconferences as needed; initiate/offer G-2-G consultation

- December 2019 – January 2020: Public scoping for NEPA supplement; internal, partner, cooperating agency meetings or teleconferences as needed
- February – May 2020: Review public scoping comments; develop draft proposed 10j and draft NEPA supplement; prepare draft NEPA supplement briefing for NEPA Review Team (Stage 3); prepare oral briefing on completion of draft NEPA supplement (Stage 4); process draft proposed 10(j) revision and draft NEPA supplement for Federal Register publication; develop outreach materials; conduct internal FWS briefings; plan for public meetings – facilities/logistics
- June – July 2020: Public comment period on proposed 10(j) revision and draft NEPA supplement; newspaper legal notice; peer review on proposed 10(j) revision; hold public meetings/open houses
- August – September 2020: Review public, peer, tribal, and state comments
- October 2020 – January 2021: Draft final 10(j) by incorporating public comments, peer, state, and tribal review; hold internal, partner, and cooperating agency meetings, teleconferences and FWS briefings as needed; prepare oral briefing on completion of draft final NEPA supplement for NEPA Review Team (Stage 5)
- February – April 2021: Process final 10(j) revision for Federal Register publication; develop outreach materials; continued internal and external coordination as needed; send one-page notice to NEPA Review Team for objections to finalizing NEPA supplement, including ROD or equivalent (Stage 6); publish final 10(j) revision in Federal Register

Experimental Population statistics

Mexican Wolf Population Statistics	End 2012	End 2013	End 2014	End 2015	End 2016	End 2017	End 2018
Minimum population	80	88	110	97	113	114	131
Illegal mortalities	4	5	7	8	7	6	13
Other mortalities	5	4	12	9	10	10	16
All mortalities	11%	10%	17%	18%	15%	14%	22%
Fate unknown	1	5	3	2	2	3	4
	1.3%	5.7%	2.7%	2.1%	1.8%	2.6%	3.1%
Investigations of depredation	50	61	64	90	78	88	180
Confirmed & probable depredations	20	34	44	67	56	43	110
% of confirmed depredations	40%	56%	69%	74%	72%	49%	61%
Depredations per 100 wolves	25	39	40	69	50	38	84

Funding of Mexican Wolf genetic study

Genetic studies of Mexican wolves have concluded that hybridization with dogs has been negligible to nonexistent. While this result initially appeared robust, the question remained to what extent this could be an artifact of sampling because researchers sampled European dog breeds rather than American

dogs (i.e. those derived from dogs brought to North America by native people who crossed the Bering Land Bridge).

In order to answer this question, ECO partnered with the Pima NRCD, the Arizona Cattle Growers Association (ACGA), and a number of Arizona stakeholders to fund a comprehensive genetic study during FY 2017.

In the study, three data sets of 172,000 single nucleotide polymorphisms per data set (SNP, Fitak 2014; Cronin et al. 2015; and Shannon et al. 2015) were combined. The results were consistent with previous studies: living Mexican wolves are not derived from hybridization with Native American dogs. The results also did not indicate recent hybridization between Mexican wolves and coyotes.

Mexican Wolf Recovery Plan Revision

Based on their assessment that the revision of the Mexican Wolf Recovery Plan is not a management action that requires the performance of a NEPA analysis, the U.S. Fish & Wildlife Service declined the request of ECO to become a member of the revision team. As a consequence, ECO was prevented from formally insuring the full inclusion of the Counties safety, custom, culture and economic well-being concerns in the revision of the Mexican Wolf Recovery Plan.

Nonetheless, ECO proactively and vigorously shared its input with the U.S. Fish & Wildlife Service during FY 2017 and ECO and the Arizona Game & Fish Department were successful in getting the previous recovery plan draft modified to abandon the objective of three distinct wolf populations totaling 750 wolves, and the expansion of the recovery area north of I40. Instead, the overall recovery plan is now essentially limited to the experimental 10(j) area and the experimental population.

In July 2017, the U.S. Fish & Wildlife Service released its *Draft Mexican Wolf Recovery Plan, First Revision.*

On August 21, 2017, ECO filed comments on the recovery plan revision outlining its concerns with:

- no consultation with local government;
- unrealistic estimated cost, time, and priority for recovery actions for the Mexican wolf;
- disproportionate recovery objective in the United States;
- dependence on unfunded depredation compensation and payments for presence in the United States;
- dependence on the success of recovery in Mexico for delisting in the United States;
- need to limit the genetic diversity releases to cross-fostering of pups;
- disproportionate impact on ECO counties' residents of a Mexican wolf recovery plan scheduled to last another 25 to 35 years.

On November 29, 2017 the Service released its *Final Mexican Wolf Recovery Plan*.

On January 30, 2018, the Center for Biological Diversity, Defenders of Wildlife, the Endangered Wolf Center and the Wolf Conservation Center, and WildEarth Guardians and the Western Watersheds Project, initiated litigation of the *Final Mexican Wolf Recovery Plan* in two different lawsuits.

At issue is whether the Recovery Plan addresses sufficiently the threats to the Mexican Gray Wolf's Continued Existence:

- Excessive Human-Caused Mortality;
- Inbreeding;
- Small population size;
- Inadequate habitat;

Various motions and cross motions were filed by the parties during FY 2019. A court decision is expected in FY 2020

Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

Other listed species

Jaguar

Although the U.S. Fish & Wildlife Service (USFWS) argued that the designated habitat for the Jaguar and potential habitat for the ocelot vastly overlap other wildlife designations, detrimental economic impacts are inevitable.

While, for FY 2015, the Jaguar designated critical habitat was outside the area of the ECO Counties, the addition of Cochise County to ECO, effective July 1, 2015 moved the designated habitat for the Jaguar into the ECO footprint. Further, since the nation's last known female jaguar was legally killed near Big Lake in Apache County in September 1963, it is expected that other ECO Counties will be concerned by a full jaguar recovery plan.

In FY 2017, as anticipated by ECO, the USFWS introduced on December 20, 2016 a Jaguar Draft Recovery Plan.

The Jaguar Draft Recovery Plan acknowledges that none of the Jaguar Core Areas are located in the United States, but it identifies a Borderlands Secondary Area that encompasses approximately 700,000 acres in southern Arizona and approximately 60,000 acres in southwestern New Mexico.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the fact that – as for the Mexican Wolf Recovery Plan – no formal consultation took place with local government; a disproportionate number of acres were designated as Critical Habitat in the United States outside of the Jaguar Core Areas; the recovery will likely depend on unfunded depredation compensation and payments for presence in the United States; the recovery will likely depend on the success of recovery in Mexico and other countries for delisting in the United States; the recovery criteria in the plan are not binding; and, the recovery will likely have a disproportionate multi-generational impact on ECO counties' residents.

The Director confirmed that at this time, the USFWS does not anticipate designation of an experimental population of jaguars.

In FY 2018 and 2019, ECO has been engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2020 and beyond.

Ocelot

In FY 2017, as anticipated by ECO, the USFWS introduced on August 10, 2016 an Ocelot Final Recovery Plan.

The Ocelot Recovery Plan focuses on cross border management units in Texas and Arizona and demonstrates that none of the Ocelot core areas are located in the United States.

In their response to comments on the Recovery Plan requesting the designation of critical habitat for the ocelot, the USFWS confirmed their 1982 final rule (47 FR 31670), and re-stated that "the USFWS made a determination that the designation of critical habitat was not prudent" (Ocelot Recovery Plan p. 204). However, the USFWS also stated: "Critical habitat designation is not required to map areas for priority conservation actions. The USFWS and independent researchers have already identified areas for priority conservation actions to benefit ocelot and have mapped closed canopy cover in south Texas which are areas that could be suitable habitat" (p. 205).

It is therefore unclear at this stage how the Ocelot Recovery Plan would impact the ECO counties and their residents.

On January 25, 2017, ECO provided verbal comments to the USFWS Regional Director, outlining its concerns with the possibility that a 10(j) Ocelot Experimental Population could be designated in order to mitigate the absence of designated critical habitat in the United States.

The Director confirmed the decision made in the July 2016 Recovery Plan that "At this time, the USFWS does not anticipate designation of an experimental population of ocelots" (p. 206).

In FY 2018 and 2019, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

ECO will continue to monitor the Recovery Plan in FY 2020 and beyond.

Gartersnake

It is expected that the final rule for the designation of critical habitat for the northern Mexican gartersnake and narrow-headed gartersnake throughout their range will place further restriction on land use in Greenlee, Graham, Apache, La Paz, Mohave, Yavapai, Navajo, Gila, Coconino, Cochise, Santa Cruz, Pima, and Pinal Counties in Arizona, as well as in Grant and Catron Counties in New Mexico.

As of the beginning of FY 2020 no critical habitat designation had been proposed. ECO will monitor proposed designations as they occur.

New Mexico meadow jumping mouse

ECO expected that the final rule for the designation of critical habitat for the New Mexico meadow jumping mouse throughout its range would place further restriction on land use in Apache and Greenlee Counties.

On March 16, 2016, the U.S. Fish & Wildlife Service (USFWS) designated an area of approximately 13,973
acres along 169.3 miles of flowing streams, ditches, and canals as critical habitat in eight units within Colfax, Mora, Otero, Sandoval, and Socorro Counties in New Mexico; Las Animas, Archuleta, and La Plata Counties in Colorado; and Greenlee and Apache Counties in Arizona.

Unit 5 consists of 6,046 acres along 72.4 miles of streams within eight subunits on private lands and areas owned by the Forest Service and the State of Arizona within Greenlee and Apache Counties, Arizona, of which 68 acres (1.1%) are considered occupied at the time of listing.

The USFS stated that "the economic analysis found that no significant economic impacts are likely to result from the designation of critical habitat for the jumping mouse," (50 CFR Part 17 p. 14275), but also identified that "the economic analysis estimated $9,940,000 of incremental costs for grazing and all other consultation activities in Unit 5, that would only be associated with Forest Service lands" (p. 14278), although "federal actions not affecting listed species or critical habitat, and actions on State, tribal, local, or private lands that are not federally funded or authorized, do not require section 7 Consultation" (p. 14306).

Western yellow-billed cuckoo

ECO expects that the final rule for the designation of critical habitat for the western distinct population segment of the yellow billed cuckoo is likely to affect over 500,000 riparian acres across the West, including Arizona and the ECO Counties.

As of the beginning of FY 2020 no critical habitat designation had been finalized. ECO will monitor proposed designations as they occur.

Draft ESA Compensatory Mitigation Policy

On September 2, 2016, the U.S. Fish and Wildlife Service (USFWS) announced the availability of a draft Endangered Species Act (ESA) Compensatory Mitigation Policy.

ECO filed comments outlining its concerns that:

- the draft policy exceeds the U.S. Fish & Wildlife Service ESA statutory authority;
- the U.S. Fish & Wildlife Service did not consult with those affected by the regulation, especially State, local, and tribal governments, as required by regulation.

"Domino effect" of ESA listings, designations and reviews

In a text-book example of the "domino effect" of ESA listings, designations and reviews, following the July 2013 proposed designation of critical habitat for the northern Mexican gartersnake; the October 2013 proposed listing as "Threatened" of the yellow-billed cuckoo; the March 2014 final designation of

approximately 764,000 acres of critical habitat for the jaguar; and the April 2014 photographing of an ocelot in the Santa Rita Mountains, the USFWS announced in May 2014 the reversal of the favorable Biological Opinion (BO) that they had issued in July 2013 and confirmed in October 2013 for the Rosemont copper mine project, and the re-initiation of formal consultation.

In a confirmation of an analysis often characterized as paranoid by the USFWS, it is interesting to observe that facts verified ECO's warning to the Service in its comments on the listing of critical habitat for the Jaguar: "The designation of critical habitat for the jaguar in Arizona and New Mexico is therefore likely to be used to trigger the USFWS reversal of its draft favorable biological opinion on the Rosemont Copper project" (ECO, Aug 2, 2013).

Strategic Objectives

Previous gains were sustained by ECO and its partners during FY 2018 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* is a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern. Much remains to be done in FY 2020 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

ECO was committed to continue to participate in the Mexican Gray Wolf recovery program and experimental population program, and to participate in the NEPA analyses of other species listings, habitat designations or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc. in order to ensure that threatened and endangered species management efforts do not create unsustainable constraints on the custom, culture, economic well-being, and safety of the Counties.

Specifically, ECO was committed to:

1) Continue to work with the Mexican Wolf Cooperators MOU signatories (USFWS, AGFD, USDA APHIS and WMAT) to develop a mutually agreeable, long-term, science-based collaboration for the reintroduction of Mexican wolves within the Mexican Wolf experimental population area.

2) The continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council ("Coexistence Council") and the Arizona Livestock Loss Board as vehicles to:

    I. Disburse funds to compensate livestock owners for eligible conservation activities in the form of interdiction and incentives, including activities that address Mexican wolf and livestock interaction management, grazing strategies, monitoring and other needs; conflict resolution; compensation for damages that include depredation; other types of economic loss; education; outreach activities; and similar undertaking;
    II. Draft positive coexistence plans that recognize the wolf-livestock nexus that is critical to a successful reintroduction program.

3) The full inclusion of the ECO Counties' safety, custom, culture and economic well-being concerns in the NEPA analyses about the jaguar, ocelot, and other vegetal or animal species located within the ECO Counties' area of interest.

4) Continue to work with all relevant partners to mitigate the socio-economic impacts of the Jaguar Draft Recovery Plan and Ocelot Recovery Plan – Revision 1, on rural Arizona counties residents and the ranching community.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Continue and expand its bilateral work with the Arizona Game and Fish Department;
- Continue its bilateral work with the U.S. Fish and Wildlife Service;
- Continue its work with the signatories of the Mexican Wolf Cooperators MOU;
- Actively engage in the appropriate work on the Mexican wolf, jaguar, ocelot and other species issues with the Federal, State and local agency, community, university, livestock industry, and environmental constituency partners;
- Attend and participate in the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Increase and expand its bilateral work with the conservation and livestock constituencies in order to facilitate the identification and prioritization of areas of agreement between various organizational species management perspectives;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy with local, State and Federal executives and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 15% of its resources on Program 2: *Threatened and Endangered Species.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 15% of its activities to Program 2: *Threatened and Endangered Species.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 2 Endangered Species	15%	12	9	1	7	12	41
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 2, *Threatened and Endangered Species*, ECO sought the following outcomes:

1) Satisfactory and timely resolution and disbursement by the Coexistence Council and Livestock Loss Board of all FY 2019 and FY 2020 compensation claims for grazing management constraints, interdiction, damage, and depredation.

2) Full funding of the Coexistence Council compensation budget for FY 2020.

3) Full funding of the Arizona Livestock Loss Board for FY 2020.

4) Continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation.

5) Effective involvement in the new Mexican Wolf revised 10(j) rulemaking or other remedial action.

6) Continued monitoring of the litigation of the Mexican Wolf recovery plan revision.

7) Discontinuation of the initial release and translocation of adult "naïve" wolves in the Mexican Wolf Experimental Area (MWEPA), and replacement of these releases with cross-fostering of captive born pups generally less than 3 weeks old.

8) Participation in the ESA and NEPA analyses of other species listing, habitat designation or recovery programs, such as the jaguar, ocelot, gartersnake, meadow jumping mouse, yellow-billed cuckoo, etc.

Measurable Results

As a result of their engagement in Program 2, *Threatened and Endangered Species*, ECO and its partners achieved the following results:

1) ***Payment of the depredation and coexistence compensation claims***.
All the FY 2019 depredation compensation claims filed with the Coexistence Council were paid with the disbursement of ~$100,000 in depredation compensation; and ~$100,000 in "pay-for-presence" cohabitation compensation were processed in FY 2018 for FY 2019.

All the FY 2020 depredation compensation claims filed with the Coexistence Council are in the process of being paid. Depredation compensation and "pay-for-presence" cohabitation compensation payments will be reported in FY 2021.

These amounts continue the increasing trend in compensation recorded over the last few years as a reaction by the U.S. Fish & Wildlife Service to the action of ECO, the Arizona Cattle Growers Association (ACGA) and various partners:

Fiscal Year	Depredation payments	Cohabitation payments	Total payments
FY 2011	$18,181	NA	$18,181
FY 2012	$22,600	NA	$22,600
FY 2013	$27,594	$85,500	$113,094
FY 2014	$63,724	$85,500	$149,224
FY 2015	$107,704	$87,300	$195,004
FY 2016	$73,826	$105,000	$178,826
FY 2017	$59,213	$107,000	$166,213
FY 2018	$109,123	$117,000	$226,123
FY 2019	~$100,000	~100,000	~$200,000
FY 2020	In process	In process	In process

However, the funding of the Coexistence Council compensation fund continues to be based on unpredictable federal grants (Livestock Demonstration Project Grant; Proactive Nonlethal Measures Grant) and unpredictable NGO's match donations (Defenders of Wildlife; Mexican Wolf Fund) to the states of Arizona and New Mexico, and to the White Mountain Apache Tribe.

Further, as compensation amounts increase steadily, it is becoming concerning that NGO match funding may not be able to keep up with the increasing cost of the program, and federal grants may become inaccessible for lack of match funding.

On May 16, 2018, the Eastern Arizona Counties Organization sent a letter to Secretary of the Interior Zinke requesting the development of a long-term approach to the funding of the Mexican Wolf Recovery Plan economic impact on Arizona ranchers and the Arizona Game & Fish Department.

The letter specifically requested:
- annual depredations compensation funding of $250,000 annually;
- annual conflict avoidance measures funding of $250,000 annually;
- annual Pay for Presence funding of up to $1,500,000 annually;

- annual funding for the full staffing of the Arizona Game & Fish Department Mexican Wolf team of $600,000 annually;
- inclusion of an annual inflation cost escalator in the long-term funding mechanism;
- modification of the requirement for matching funds in the long-term mechanism to fund depredations compensation.

2) ***Discontinuation of the initial release of adult "naïve" wolves***.
ECO and the Arizona Game & Fish Department, the two state partners in the Mexican Wolf 10(j) Management Team, were successful again in FY 2020 in preventing the initial release of adult "naïve" wolves.

In FY 2020 over a six-week period in April and May 2020, twenty Mexican wolf pups were cross-fostered into wild dens. Twelve pups were placed into four wild dens in Arizona and eight pups were placed into three wild dens in New Mexico.

Replacing the release of adult "naïve" wolves with pups cross-fostered into wild packs decreases significantly the risk of depredation and wolf-human interaction, while meeting the requirement of increasing the wild population genetic pool diversity. Cross-fostering is a proven way to introduce pups into the litter of an experienced wild female. Typically, survival rates using this technique are higher than other wolf release methods. Meeting the genetic diversity improvement objectives accelerates the recovery program toward the goal of delisting.

3) ***Implementation of the revised Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))***.
On April 15, 2020 the U.S. Fish & Wildlife Service published in the Federal Register a Notice of Intent (NOI) to prepare a Supplement to their Environmental Impact Statement Revision (SEIS) for the Revisions to the Nonessential Experimental Population of the Mexican Wolf and invited public scoping comments.

On June 15, 2020 ECO filed comments focused on:

1. Opposition to an essentiality determination for the experimental population of Mexican wolves in the MWEPA based on the facts that the potential loss of the wild population located in the Mexican Wolf Experimental Population Area (MWEPA), while it would clearly be a setback to the speed of the recovery of the subspecies, would not be "likely to appreciably reduce the likelihood of the survival of the species in the wild" (50 CFR § 17.80 (b)), considering:
    a. the 67% increase over the last five years of the captive population, totaling 417 in June 2019 and featuring a higher genetic diversity than the MWEPA population;
    b. the MWEPA population not being any longer the only wild population, owing to the growing population of 20 to 30 wolves in the Sierra Madre in Mexico.
2. Support for aligning the population objective and release recommendations in the new revised rule with the recovery criteria in the revised recovery plan for the MWEPA. The Population Viability Model developed for the 2017 Mexican Wolf Recovery Plan, First Revision, (Miller, 2017) established, using best available science, the quantitative and qualitative genetic recovery criteria to establish a population in the U.S. with at least 320 wolves and another in Mexico with at least 200 wolves to achieve long term

recovery and retention of genetic diversity through the addition of 22 and 37 genetically highly valuable wolves attaining breeding age in the U.S. and Mexico, respectively.

3. Ensuring that the new revised rule supports population-level genetic health for the Mexican wolf in the MWEPA by maintaining a social consensus that ensures that legal takes required to balance benefits and impacts continue to be allowed:
    a. Take on non-Federal lands in conjunction with a removal action (50 CFR 17.84(k)(7)(iv)(C));
    b. Take on Federal land (§ 17.84(k)(7)(v)(A));
    c. Take in response to unacceptable impacts to a wild ungulate herd (§ 17.84(k)(7)(vi));

    and are not replaced with a sharp increase in illegal takes, many of which are lethal and indiscriminate of genetic value.

On June 17, 2020, the ECO Board of Director approved the engagement of ECO in the SEIS process as a Cooperating Agency. This gives ECO the opportunity to ensure that local governments and local communities perspectives and interests are represented in the process.

4) ***Mexican Wolf Recovery Plan Revision***.
Various motions and cross motions were filed by the parties during FY 2019. A court decision was expected in FY 2020 but did not come. As of the end of FY 2020 a court decision from the Arizona District Court Judge was expected possibly in December 2020 but more likely in 2021.

Since the January 2018 litigation, ECO has engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that the interests of Local Government and local populations will continue to be effectively represented in the litigation process.

5) ***Jaguar Draft Recovery Plan***.
In FY 2020, ECO has been engaged with both Arizona Game & Fish Department and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of jaguars be initiated by the U.S. Fish & Wildlife Service.

6) ***Ocelot Final Recovery Plan***.
In FY 2020, ECO has been engaged with both Arizona Game & Fish and U.S. Fish & Wildlife Service to ensure that Local Government will be effectively represented should a designation of an experimental population of ocelot be initiated by the U.S. Fish & Wildlife Service.

7) ***Mexican Spotted Owl***.
On September 12, 2019, a long dormant litigation brought by WildEarth Guardians against the Forest Service in June 2013, left inactive until March 2016, then left inactive again after April 2017, was brought back to the forefront by an injunction by the federal district court for the District of Arizona baring the U.S. Forest Service (USFS) from proceeding with timber management actions in 11 national forests in Arizona and New Mexico, and directing the U.S. Fish and Wildlife Service (USFWS) and the USFS to reinitiate a formal Section 7(a)(2) consultation pursuant to the Endangered Species Act to reassess the jeopardy analysis and the effect of Forest Plans on the recovery of the threatened Mexican spotted owl.

The suit challenged biological opinions issued by the USFWS in 2012 that found that forest plans developed by the USFS were not likely to jeopardize the continued existence of the Mexican spotted owl or to destroy or adversely modify the owl's critical habitat.

While it was promptly established that the injunction only affected 1 forest in Arizona (Tonto National Forest) because all other Arizona National Forest Plans had been revised, with new biological opinions, between 2012 and 2019, it affected the Gila, Lincoln, Carson and Santa Fe National Forests in New Mexico.

Through FY 2020, successive actions were taken by the parties to attempt, and oppose, the dissolution on the injunction on the Gila, Lincoln, Carson, Santa Fe, and Tonto National Forests.

The U.S. Forest Service and the U.S. Fish & Wildlife Service invited the Arizona Department of Forestry and Fire Management and the New Mexico State Forestry Division to join them in a new Mexican Spotted Owl Leadership Forum to negotiate with WildEarth Guardians, but no progress was made and the situation was worsened on April 2, 2020 when the Center for Biological Diversity filed a separate 60-Day Notice of Intent to sue if the U.S. Forest Service and the U.S. Fish & Wildlife Service failed to remedy their Endangered Species Act violations threatening the Mexican Spotted Owl in Arizona and New Mexico.

Settlement negotiations between Forest Service, Fish & Wildlife, WildEarth Guardians (WEG) and Center for Biological Diversity (CBD) promptly collapsed, and on June 8, 2020 the U.S. Forest Service Southwestern Region leadership invited ECO to join the process and provide shared leadership.

Under time pressure to avoid the filing of a new lawsuit upon the expiration of the CBD NOI, ECO joined the Mexican Wolf Leadership Forum (June 9); proposed a resolution strategy for the CBD NOI and WEG litigation based on transparent and unreserved exchange of data, candid discussion, and robust execution; created a Strawman (June 10) for the review of restoration projects affected by MSO issues; organized a workshop in Albuquerque (June 17) to resolve New Mexico projects; organized a workshop in Flagstaff (June 26) to resolve Arizona projects; and led a joint effort by all parties to produce a document by June 30, 2020 that resolved MSO concerns in all pending restoration projects in Arizona and New Mexico, with an upcoming fieldtrip to one specific project in the Prescott National Forest.

Extensive work from all parties took place from July to October, that was rewarded by a joint press release by the Forest Service, NM Forestry Division, AZ Department of Forestry and ECO on July 8, 2020 announcing a new understanding between the parties and the decision by CBD to not litigate.

Further work led on October 27, 2020 to a stipulation of voluntary dismissal of the WEG litigation.

ECO is widely credited for having been instrumental in the resolution of the MSO issue in Arizona and New Mexico, and the prevention of Forest Service Southwestern Region-wide injunctions preventing the implementation of forest restoration projects.

Previous gains were sustained by ECO and its partners during FY 2019 in Program 2, *Threatened and Endangered Species*, but the successful litigation of the revised *Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j))* was a setback, and the on-going litigation of the *Mexican Wolf Recovery Plan Revision* is a concern.

Conversely, ECO's success in preventing Mexican Spotted Owl Region-wide litigation in FY 2020, and ECO's participation as a cooperating agency to the Supplemental Environmental Impact Statement that is at work to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j)) are very encouraging for the future of the Mexican Spotted Owl and Mexican Wolf recovery within a framework of landscape scale forest restoration in Arizona.

Much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the achievements since FY 2014 are not lost.

FY 2021 will be focused on:

- continued operation and full funding of the Mexican Wolf/Livestock Coexistence Council and the Arizona Livestock Loss Board;
- continued participation as an accountability agent in the Mexican wolf Experimental Population management and recovery plan implementation;
- participation as a cooperating agency to the Supplemental Environmental Impact Statement to resolve the Nonessential Experimental Population of the Mexican Wolf (10(j));
- continued participation in the Mexican Spotted Owl Leadership Forum;
- continued monitoring of the litigation of the Mexican Wolf recovery plan revision;
- continued work with all relevant partners to mitigate the socio-economic impacts of the *Jaguar Draft Recovery Plan* and *Ocelot Recovery Plan – Revision 1*, and other species listing, and critical habitat designations on rural Arizona counties residents and the ranching community.

Ocelot Photographed in southern Arizona.

Jaguar photographed by a trail camera in southern Arizona.

Mexican wolf wearing a tracking collar.

Capture of a Mexican wolf.

Program 3: Watershed Restoration

Program 3, *Watershed Restoration,* includes all watershed restoration issues, with a particular focus on continued support for, and participation in the development and implementation of the Black River project and the restoration of the C.C. Cragin reservoir watershed.

Background

Uncharacteristic landscape-scale forest crown fires in eastern Arizona have a demonstrated negative impact on the conservation and function of the watersheds in which they take place. In addition to the damages caused to communities and ecosystems by the fires themselves, the most common negative effects on watersheds documented after the Rodeo-Chediski Fire, some areas of the Wallow Fire, and the Schultz Fire, among others, are: uncharacteristic runoffs; catastrophic flooding; accelerated and aggravated soil erosion; streams and reservoirs sedimentation; mechanical and chemical pollution of the water; and, long-term severe disturbance of the watershed functions and production.

The ECO Counties area constitutes a large portion of the watersheds (Verde River, Salt River, Black River and Upper Gila River basins) that contribute significantly to the water supply of the greater Phoenix area. The threat of additional uncharacteristic landscape-scale forest crown fires in eastern Arizona, especially on the south slopes of the Mogollon Rim in the ECO Counties, raises serious concern about the conservation and operations of the eastern Arizona watersheds. Additionally, the specific threat to the East Clear Creek and the C.C. Cragin Reservoir (previously known as the Blue Ridge Reservoir) watersheds in the Rim Country at the northern end of Gila County poses an existential threat to the water supply of several eastern Arizona communities.

With the growing realization that uncharacteristic landscape-scale forest crown fires affect the conservation and operation of the watersheds in which they take place, efforts to protect watersheds have been recently initiated in the Southwest. Several of these efforts focus on the monetization of the ecosystem services provided by the watersheds, and on an attempt to enroll the financial contribution of the downstream beneficiaries of the services (water consumers) to the financial costs of protecting the upstream provider areas and the utility corridors delivering the services (forests and watersheds at risks of catastrophic fires). Such efforts were pioneered by the Denver *Forest to Faucet* project in Colorado, or the Santa Fe municipal watershed protection project in New Mexico, among others. In Arizona, an effort to create the Arizona Watersheds Investment Fund (AWIF) has been underway, and in Flagstaff, Ballot Question #405 received electors' approval in November 2012 for the issuance of a $10 million municipal bond to finance the restoration of high threat areas in the Rio de Flag and Lake Mary watersheds to provide greater protection to the community from the impacts of fires and floods.

C.C. Cragin Reservoir Watershed Protection Project

Watershed restoration efforts intensified during FY 2015. In July 2014, SRP signed an MOU for the Restoration of the C.C. Cragin Reservoir Watersheds with the U.S. Forest Service, the Department of the Interior Bureau of Reclamation, the National Forest Foundation, the Town of Payson, and Gila County – one of the ECO Counties – to start a 64,000 acres restoration project.

The MOU designated the area as a High Priority Watershed under the Western Watershed Enhancement Partnership and aimed at developing a Proposed Action and beginning the NEPA Process by the end of 2015; publishing a Finding of No Significant Impact (FONSI) by the late spring / early summer of 2017; and starting on the ground implementation of the restoration thinning treatments soon thereafter.

During FY 2016, ECO participated in the NEPA analysis process for the C.C. Cragin Reservoir Watershed Protection Project (CWPP). On February 24, 2016, six months behind schedule, the U.S. Forest Service released the Scoping Letter and the Proposed Action for the project.

Black River Watershed Restoration Project

During FY 2015, on December 9, 2014 ECO initiated with the Regional Forester of the U.S. Forest Service (USFS) Southwest Region (R3) and the Supervisor of the Apache-Sitgreaves National Forests and their staffs, the development of the Black River watershed restoration project.

During FY 2016, ECO designed, developed and submitted to USFS the new 10 year, 130,000 acre partnership project with watershed industry and utility stakeholders Salt River Project (SRP) and Arizona Public Services Co. (APS), and with wildlife habitat partners Arizona Game & Fish Department, Trout Unlimited, Arizona Elk Society, etc. to accelerate the implementation of the 4FRI restoration treatments in the White Mountains; expand the 4FRI restoration treatments into the entire Black River watershed in the upper Salt River basin; provide a predictable supply of woody material for the existing White Mountain industry for 10 years; create the conditions for new investments in appropriate scale wood industry in the White Mountains; and, create a model for the expansion of the 4FRI restoration treatments into the Blue River and San Francisco River watersheds in the Upper Gila River basin.

The ECO-created Black River Stewardship Project is the first concrete action to implement landscape scale restoration treatments on the South slopes of the Mogollon Rim to restore and protect the Salt River watersheds that sustain metro Arizona.

Issues and Progress

Three watershed issues are of particular concern to the ECO Counties:

1) After years of collaborative debate, the model of industry supported restoration is recognized by most stakeholders as the only model that has the economic capability to be scaled up to landscape-scale. However, the sole implementation of this model is insufficient, in as much as industry supported restoration is not applicable in areas where:
    I. the merchantable material yield is insufficient for mechanical treatments to be economically viable;
    II. access by mechanical harvesting equipment is restricted, such as in steep slopes, high erosion areas, riparian areas, etc.

    Mechanical treatments implemented in low productivity areas, and non-mechanical treatments such as fire-as-a-first-entry or hand-thinning, are therefore candidate for ecosystem services funding, and systematized ecosystem services monetization is required in order to contribute to the overall funding of landscape-scale restoration of the watersheds.

2) Conversely, despite the logic of its concept; despite the keen interest of some stakeholders weary of a dominant role of industry in the relationship with the Forest Service; and, despite the momentum that the monetization of ecosystem services in general, and watershed services in particular, is expected to gain, the monetization of watershed services is unlikely to be able to bear the full cost of restoration estimated to be approximately $1,000 per acre in eastern Arizona, resulting in an estimated total cost of approximately $1 billion for the one million acres requiring thinning and burning restoration treatments.

   Continued education is therefore required to ensure simultaneously that neither the model of ecosystem services monetization funding is viewed as an alternative to the model of industry supported funding, nor the model of industry supported funding is viewed as an alternative to the model of ecosystem services monetization funding. Both models, simultaneously, and possibly others, must be viewed as necessary to the implementation of landscape scale restoration in Arizona's watersheds.

3) The restoration of forested ecosystems – Ponderosa Pine-dominated and mixed conifer dominated – in the watersheds of the south slopes of the Mogollon Rim in the ECO Counties is an objective priority, after the direct protection of communities and infrastructures, among other areas in northern and eastern Arizona also in need of restoration treatments.

   However, the 4FRI 1st analysis EIS included virtually no treatment in the critical watersheds of the Salt River and Upper Gila River basins or in the East Clear Creek and C.C. Cragin Reservoir watersheds, with most of the 4FRI 1st contract treatments located in the north-facing slopes of the Mogollon Rim in the Little Colorado River basin, and some treatments located at the head of the Verde River watershed.

CC Cragin

Progress on the CC Cragin Watershed Protection Project (CWPP) has been slow. During FY 2017, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation. Although the analysis of the NEPA Alternatives has been delayed and the Finding of No Significant Impact (FONSI) scheduled for May 2017 has not been issued, the project is continuing to progress slowly. A FONSI was expected in FY 2018.

In addition, the ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

In FY 2017, ECO and SRP agreed that it is necessary to merge the implementation of the CC Cragin project with the implementation of the 4FRI 1st EIS in order to create the economies of scale necessary to the economically viable implementation of the project.

During FY 2018, ECO continued to contribute to the NEPA analysis of the CC Cragin Watershed Protection Project as a member of the project's stakeholders group convened by the National Forest Foundation.

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

Black River

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats. A Draft Proposed Action will be presented in September 2017, and a Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

During Fiscal Year 2018 the following progress was made on the project:

- The NEPA process started in the spring of 2017 continued during FY 2018 with stand exams on:
  - 59,000 acres of Goshawk foraging areas;
  - 1,700 acres of Goshawk PFA;
  - 8,700 acres of grassland and riparian areas;
  - 13,000 acres of MSO foraging areas;

  - 60 acres of MSO potential nesting & roosting areas;
  - 4,000 acres of designated MSO nesting areas;
  - 4,000 acres of MSA PAC.
- The Natural Resource Working Group, chaired by ECO Chair Supervisor Whiting, operated in FY 2018 as the collaborative body of record for the project.
- Comprehensive restoration opportunities are developed for:
  - Apache Trout recovery;
  - wet meadow / ground recharge areas restoration;
  - pronghorn antelope connectivity corridors opening;
  - aspen regeneration projects;
  - Mule Deer habitat improvement projects.
- A Draft Proposed Action was presented in September 2017.
- A Scoping Comments Letter was published by the Forest Service on March 21, 2018.
- Scoping comments were filed in April 2018 by Navajo County, Greenlee County, the Eastern Arizona Counties Organization, the Natural Resources Working Group, Arizona Game & Fish Department, and a number of stakeholders.
- A draft Environmental Assessment (EA) is expected in the Spring of 2019.
- A Finding of No Significant Impact (FONSI) is expected by September 30, 2019.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National that the project was delayed. The draft Environmental Assessment (EA) is now expected early 2020 and the Finding of No Significant Impact (FONSI) is now expected by summer 2020.

Although the project analysis is behind schedule, ECO's commitment to maintain momentum and visibility for the Black River project is recognized by all parties as a critical component of this project moving forward. See Program 1 – Forest Restoration for more details.

2nd 4FRI Analysis – Rim Country EIS

By staffing the Chair of the 4FRI Planning Workgroup and the co-Chair of the 4FRI Industry Workgroup, ECO provided leadership, resources, and sustained momentum to the second 4FRI landscape-scale EIS, the Rim Country EIS. Most importantly, this effort resulted in FY 2016, in the inclusion of a socio-economic Statement of Purposes & Needs and socio-economic Desired Future Conditions in the EIS Statement of Purposes & Needs and Desired Future Conditions, and its draft Proposed Action. This socio-economic focus was blatantly missing from the first 4FRI EIS, which undoubtedly contributed to the failure of the first 4FRI EIS contracting and implementation mechanisms.

In FY 2017, FY 2018, and FY 2019 under ECO's Chairmanship of the 4FRI Planning Workgroup and co-Chairmanship of the DEIS Workgroup, significant progress was achieved with the satisfactory resolution of collaborative discussions identifying lighter intensity treatments in Stands with Preponderance of Large Young Trees (SPLYTs) on a trajectory toward old growth characteristics; satisfactory resolution of collaborative discussions identifying experimental isolation treatments for stands infected with mistletoe; implementation of fire treatments in Mexican Spotted Owl (MSO) habitat; development of the water resources "flexible toolbox;" and, progress on the design of the mechanical thinning "flexible toolbox."

In October 2019, a critical progress milestone was reached with the publication of the 4FRI Rim Country Project Draft Environmental Impact Statement for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire. This opened the period of review and comments by the public and stakeholders.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins.

Prioritization and funding of watersheds restoration

To provide further momentum to the prioritization and funding of watershed restoration, ECO participated in FY 2017 in the creation of the new 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

The Comprehensive Implementation Workgroup, chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

In FY 2018, the pilot project begun in FY 2017 at the T Six Spring in the Coconino National Forest was completed. Several additional on-the-ground watershed restoration projects were initiated in FY 2018 and completed in FY 2019:

- Rosilda Spring was completed in Oct 2018 with the well filled, 8-ft exclosure built, 32 coyote willows planted, and a small rock dam built.
- East and West Elk Springs were completed in summer 2018.
- Houston Draw was scheduled to be completed by the end of 2019 with the removal of failing fence, channel restoration for approximately three to five actively eroding sections. A flow gauge was installed below the restoration target area for before/after monitoring.

In FY 2019, additional sites in the 4FRI National Forests that have already been analyzed under NEPA were identified for restoration the 20-year 4FRI implementation:

- Big Spring, Kaibab NF - Williams RD
- Little Elden Spring, Coconino NF - Peaks RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Ritter Spring, Coconino NF - Mormon Lake RD
- Sawmill Spring, Kaibab NF - Williams RD
- Seven Anchor Spring, Coconino NF - Mogollon Rim RD
- Sheep Spring, Coconino NF - Mormon Lake RD
- Barbershop Springs, Coconino NF - Mogollon Rim RD
- Big Moqui Spring, Coconino NF - Mogollon Rim RD
- Crackerbox Spring, Coconino NF - Mogollon Rim RD
- Dane Spring, Coconino NF - Mogollon Rim RD
- Hi Fuller Spring, Coconino NF - Mogollon Rim RD
- Kehl Spring, Coconino NF - Mogollon Rim RD
- Maple Spring, Coconino NF - Mogollon Rim RD
- Mashed Potato Spring, Coconino NF - Mogollon Rim RD
- Middle Kehl Meadow Spring, Coconino NF - Mogollon Rim RD

- Middle Kehl Spring, Coconino NF - Mogollon Rim RD
- Spikerush Spring, Coconino NF - Mogollon Rim RD
- Twin Tanks, Coconino NF - Mogollon Rim RD
- Mint Spring, Coconino NF - Mormon Lake RD
- Clark Well, Coconino NF - Mormon Lake RD
- Upper Hull Spring, Coconino NF - Peaks RD
- Lower McDermit Spring, Kaibab NF - Williams RD
- Hoxworth Springs, Coconino NF - Mormon Lake RD
- Griffiths Spring, Coconino NF - Mormon Lake RD
- Willard Spring, Coconino NF - Mormon Lake RD
- Babbitt Spring, Coconino NF - Mormon Lake RD
- Curley Seep, Coconino NF - Peaks RD
- Lockwood Spring, Coconino NF - Mormon Lake RD
- Smith Spring, Coconino NF - Mormon Lake RD
- Lockwood Spring, Coconino NF - Mogollon Rim RD
- Railroad Spring, Coconino NF - Mormon Lake RD
- Upper McDermit Spring, Kaibab NF - Williams RD
- Mud Spring, Coconino NF - Mogollon Rim RD
- Tree Spring, Coconino NF - Mormon Lake RD
- Pat Spring, Coconino NF - Peaks RD
- Wild Horse Spring, Kaibab NF - Williams RD
- Van Deren Spring, Coconino NF - Mormon Lake RD
- Mineral Spring, Kaibab NF - Williams RD
- Hat Tank lower, Kaibab NF - Williams RD
- Hat Tank upper, Kaibab NF - Williams RD
- Fues Spring, Kaibab NF - Williams RD
- Rocky Tule spring, Kaibab NF - Williams RD
- Bear Springs, Kaibab NF - Williams RD
- Bootlegger Spring, Coconino NF - Mormon Lake RD
- Stewart Spring, Kaibab NF - Williams RD
- Dairy Spring, Coconino NF - Mormon Lake RD
- Weimer Spring, Coconino NF - Mormon Lake RD
- Double Springs, Coconino NF - Mormon Lake RD
- Comp, Coconino NF - Mormon Lake RD
- Poison Springs, Coconino NF - Peaks RD
- Chimney Spring , Coconino NF - Peaks RD
- Thomas Spring, Coconino NF - Mormon Lake RD
- Tinny Spring, Coconino NF - Mormon Lake RD
- Kendrick Spring, Coconino NF - Peaks RD
- Dove Spring, Coconino NF - Mogollon Rim RD
- Willow Spring, Kaibab NF - Williams RD
- Spitz Spring lower, Kaibab NF - Williams RD
- Spitz Spring upper, Kaibab NF - Williams RD
- Sawmill Springs, Coconino NF - Mogollon Rim RD
- Scott Spring, Coconino NF - Mormon Lake RD

Strategic Objectives

ECO was committed to participate in the development and implementation of the protection and restoration of the eastern Arizona watersheds, in order to ensure:

1) The continued and simultaneous development of all models of restoration funding (industry funding, ecosystem services funding, municipal bonds funding, etc.).

2) The prioritization of treatments in the watersheds, after the direct protection of communities and infrastructures, on the south-facing slopes of the Mogollon Rim in the ECO Counties.

3) The implementation of treatments in the East Clear Creek and C.C. Cragin Reservoir watersheds.

4) The development of the 90,000 acres project in the entire Black River watershed located in the upper Salt River Basin.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue to develop bilateral relationship with the watersheds operators, especially the Salt River Project (SRP);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the prioritization of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties;
- Continue and expand collaboration with the USFS and SRP to prioritize treatments in the East Clear Creek and C.C. Cragin watersheds in the Rim Country at the northern end of Gila County;
- Continue and expand collaboration with the USFS Southwestern Region, the Apache-Sitgreaves National Forest, and watershed, industry and utility stakeholders Salt River Project (SRP), Arizona Public Services Co. (APS), and Freeport-McMoRan Inc. (FMI) to develop the Black River project;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the development of watersheds protection and restoration funding with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 10% of its resources on Program 3: *Watershed Restoration.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 3: *Watershed Restoration.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 3, *Watershed Restoration,* ECO sought the following outcomes:

1) Prompt implementation of the East Clear Creek restoration treatments under the 4FRI contract.

2) Prompt implementation of the CC Cragin Watershed Protection Project (CWPP).

3) Completion of the Black River NEPA Environmental Impact Statement (EIS) initiated by the Apache-Sitgreaves National Forests, and publication of a Record of Decision (ROD) by the end of 2020.

4) Continuation and simultaneous expansion of all the models of industry-funded, ecosystem services-funded, municipal bonds-funded, etc. watershed restoration efforts.

5) Prioritization by the USFS of restoration treatments in the watersheds, after the direct protection of communities and infrastructures, on the south slopes of the Mogollon Rim in the ECO Counties.

6) Completion of the 2nd 4FRI EIS, the Rim Country EIS, by December 2020.

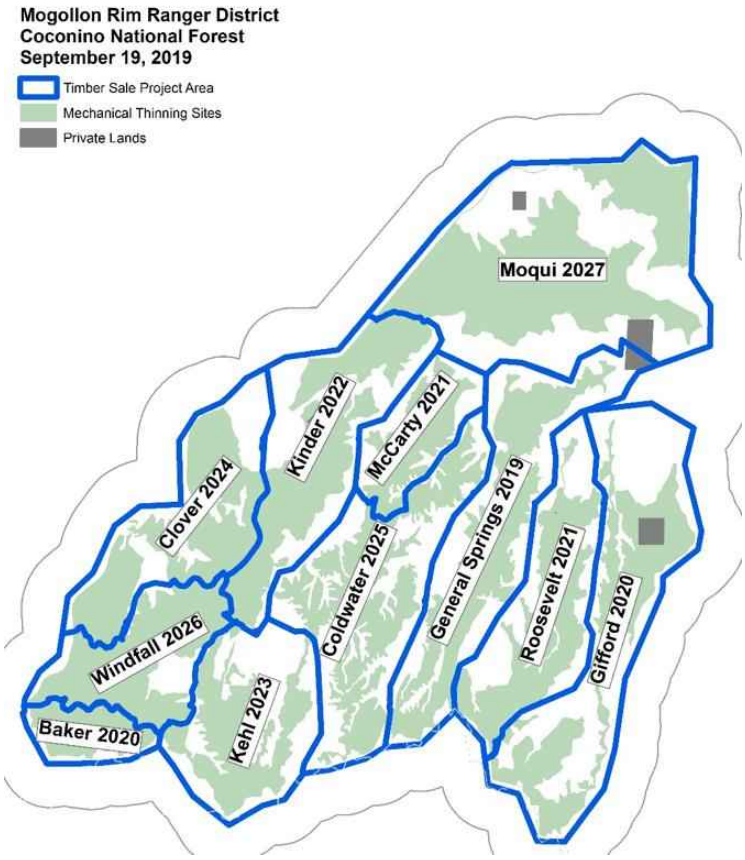
7) Implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects by the Comprehensive Implementation Workgroup.

Measurable Results

As a result of their engagement in Program 3, *Watershed Restoration*, ECO and its partners achieved the following results:

1) ***CC Cragin Watershed Protection Project***.
On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020, but no award took place considering that the bids were significantly higher that the Forest Service appraisal.



2) ***Black River project***.

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

ECO's commitment to maintain momentum and consensus for the Black River project is recognized by all parties as a critical component of this project moving forward successfully. See Program 1 – Forest Restoration for more details.

3) ***Rim Country EIS***.

As a critical progress milestone, the 4FRI Rim Country Project Draft Environmental Impact Statement (DEIS) for 889,340 acres of mechanical thinning and 953,130 acres of prescribed fire was released on October 19, 2019 opening the period of review and comments by the public and stakeholders.

In January 2020, ECO filed comments on the DEIS, along with the 4FRI Stakeholders Group, State Agency partners, environmental constituency partners, local constituencies, and the public. ECO identified concerns with the uncertainties associated with the scale of future mechanical thinning, the uncertainties associated with the removal of woody biomass, the uncertainties associated with the implementation of condition-based management; and supported the 4FRI collaborative workgroup comments that it contributed to write, including concerns with the flexible toolbox approach, the degree of openness pre- and post-treatment, old growth protection and large tree retention, management of ponderosa pine dwarf mistletoe, description of pre-treatment conditions, collaborative role in implementation, and adaptive management and monitoring.

During FY 2020 ECO staffed one of the 4FRI Final Environmental Impact Statement (FEIS) Work Group Co-Chairs and participated to the resolution of these issues.

The progress of the planning of the Rim Country EIS is critical to the expansion of landscape scale implementation of forest restoration in the south facing watersheds of the Mogollon Rim in the Verde River, Salt River and Upper Gila River basins. See Program 1 – Forest Restoration for more details.

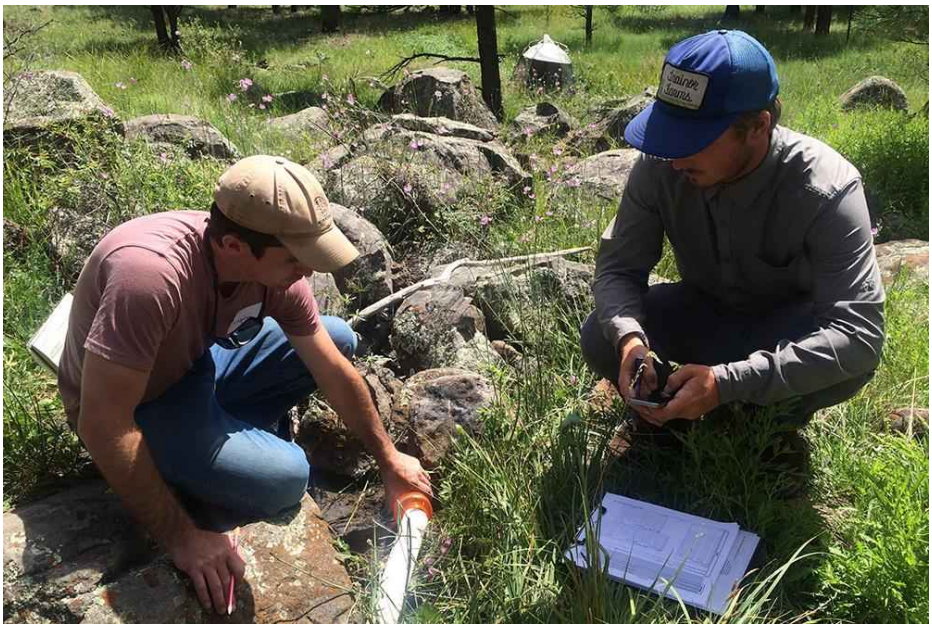
4) ***Prioritization and funding of watersheds restoration***.
To provide further momentum to the prioritization and funding of watershed restoration, ECO continued its participation in FY 2020 in the 4FRI Comprehensive Implementation Workgroup, tasked with identifying, prioritizing and implementing habitat and ecosystem restoration opportunities other than mechanical thinning and prescribed burning across the entire 2.4 million acres 4FRI landscape.

The Comprehensive Implementation Workgroup, initially chaired by the joint position co-funded by ECO and AGFD, focuses on the implementation of restoration activities with direct impact on watershed restoration, such as riparian and spring restoration projects.

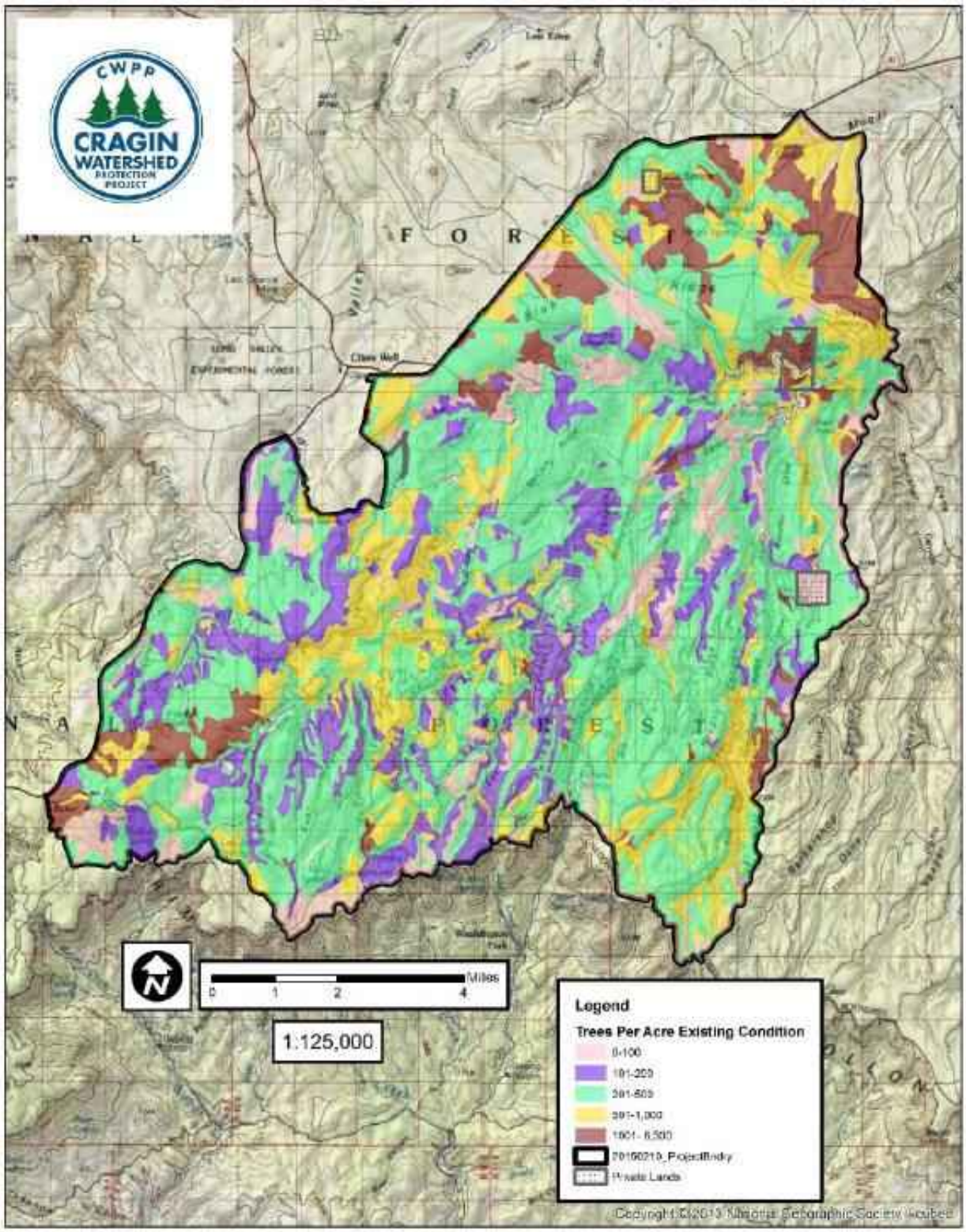
Significant progress was achieved by ECO and its partners during FY 2020 in Program 3, *Watershed Restoration*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- implementation of the CC Cragin Watershed Protection Project;
- implementation of spring restoration projects in the Coconino, Kaibab and Apache-Sitgreaves National Forests;
- completion of the Black River NEPA analysis;
- completion of the Rim Country NEPA analysis.



Spring restoration work (photo courtesy Grand Canyon Trust)



Most of the acres in the CC Cragin watershed have between 300 and 1,000 tree per acres.

Post catastrophic fire watershed erosion.

C.C. Cragin watershed.

Program 4: Infrastructures

Program 4, *Infrastructures,* includes all infrastructures issues, with a particular focus on continued support for, and participation in the protection, development and management of the eastern Arizona roads, short line railroads, power lines, water lines and energy pipelines.

Background

All infrastructures

In addition to their threats to the communities and ecosystems, the continued risk of catastrophic wildfires in the forests of eastern Arizona threatens the infrastructures delivering the electrical power generated in eastern Arizona to the urban centers of central and southern Arizona; the infrastructures collecting and delivering the water provided by the eastern Arizona watersheds to metro Arizona; and, the transportation infrastructures necessary to the economic well-being of the ECO Counties.

Roads

The long-term progressive decline and ultimately the virtual disappearance of the logging and wood industry in eastern Arizona over the last 30 years, as a result of the "timber wars" of the 1980's and 1990's, has affected the requirements for the rebuilding and maintenance of the road transportation infrastructures in eastern Arizona. As a result, several Federal highways, State roads and County roads necessary to the implementation of industry-supported landscape-scale restoration may not have been rebuilt or maintained to the specifications required by continuous commercial use for heavy logging traffic.

Conversely, the implementation of restoration logging in eastern Arizona creates new demands on the eastern Arizona road transportation infrastructure, and the acceleration of the restoration efforts to landscape-scale, expected to result in the mechanical treatment of up to 50,000 acres annually for a period of 20 years, will result in the transportation on Federal highways, State roads and County roads of approximately 1.7 million tons of logs and up to 1.5 million tons of residual biomass annually, which equates to over 100,000 annual truck runs, or approximately 400 daily truck runs. Such increased heavy commercial traffic on Federal highways, State roads and County roads will thoroughly tax the financial ability of the Arizona Department of Transportation (ADOT) and the ECO Counties to fund the adequate maintenance of the road transportation infrastructure.

Healthy Forest Initiative Pilot Project

As of the beginning of FY 2015 the Arizona road transportation maximum gross weight of 80,000 lbs. was lower than the maximum weight allowed in several neighboring states such as New Mexico (86,400 lbs.), Colorado (85,000 lbs.), Nevada (129,000 lbs.), and other wood producing western states such as Wyoming (117,000 lbs.), Idaho (105,500 lbs.), or Washington (105,500 lbs.). This put the Arizona wood industry at a competitive disadvantage.

During FY 2015, ECO designed, developed and submitted to ADOT the *Healthy Forest Initiative Pilot Project* to increase the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on U.S. Highway

60, State Route 77, U.S. Highway 180, State Route 260 and State Route 277 between Payson and the New Mexico State border, and on all relevant feeder roads in the White Mountains.

On November 17, 2014 the Arizona Department of Transportation (ADOT) partnered with Arizona State Forestry and ECO to announce a new *Healthy Forest Initiative Pilot Project* to help loggers clear Wallow Fire burn area; improve commerce; and maintain healthy forest in the White Mountains region. The two-year pilot project allowed timber industry trucks to carry additional weight on several state highways in the White Mountains region.

The *Healthy Forest Initiative Pilot Project* increased transportation weight efficiency by 20%, and significantly contributes to the economic viability of the forest restoration treatments and the economic competitiveness of the Arizona wood industry. ADOT started issuing the permits for the new program in November 2014.

However, the "Healthy Forest Initiative" pilot project was only effective for a period of two years, until the end of calendar year 2016, and a permanent solution needs to be implemented.

Local short line railroads

Two interstate rail lines cross Arizona from East to West: the Burlington Northern Santa Fe Railway (BNSF) through Flagstaff in the northern third of the State; and the Union Pacific Railroad (UP) through Tucson and Yuma in the southern third of the State. Both BNSF and UP provide a connection to Phoenix.

A total of 61 local short line railroads were constructed historically in Arizona to support economic activities, mostly the ranching, logging and mining industries; and, more recently, to serve specific heavy industrial sites.

As of the beginning of FY 2020, two touristic passenger short lines are operated in Arizona:

- Grand Canyon Railway between Williams and the Grand Canyon;
- Verde Canyon Railroad between Clarkdale and Perkinsville.

As of the beginning of FY 2020, ten commercial short lines are operated in Arizona:

- Apache Railway (APA): connecting BNSF at Holbrook to the site of the Snowflake paper mill;
- BNSF Springerville Spur: connecting BNSF at Navajo (Chambers) to the Springerville power plant;
- Arizona & California Railroad (ARZC): connecting BNSF at Cadiz (CA) to BNSF at Matthie (Wickenburg);
- Arizona Central Railroad (AZCR): connecting BNSF at Drake to Clarkdale;
- Arizona Eastern Railway (AZER) Clifton Spur: connecting UP at Lordsburg (NM) to Clifton;
- Arizona Eastern Railway (AZER) Miami Spur: connecting UP at Bowie to Miami;
- Copper Basin Railway (CBRY): connecting UP at Magma to Winkelman;
- San Pedro & Southwestern Railroad (SPSR): connecting UP at Benson to Curtiss;
- Black Mesa & Lake Powell Railroad (BLKM): connecting the Kayenta coal mine to the Page power plant;
- UP Nogales Spur: connecting UP at Tucson to Nogales.

The Apache Railway (APA) is a 38 miles short-line railroad that operates from a connection with the BNSF Railway (BNSF) at Holbrook to the Snowflake Mill near Snowflake. The APA was acquired by Catalyst Paper from Abitibi Consolidated in 2008. When the Snowflake paper mill shut down permanently on September 30, 2012, the Town of Snowflake along with various other local, state and

federal leaders worked with various potential buyers to try and come up with a long-term solution for the acquisition and future operation of the railway.

ECO and Navajo County worked tirelessly with State and Congressional leaders to develop a financial plan that would allow preventing the dismantlement for scrap of the railroad, and during FY 2016, the railway was purchased out of bankruptcy by a group including Aztec Land & Cattle Company, thereby avoiding a shutdown and destruction of the line. The railway continues to operate, and its revenues are driven primarily by car repair and storage. The railway's freight revenues have not yet recovered from the shutdown of the Snowflake paper mill then owned by Catalyst, although efforts to enhance them continue.

The retention of the local short line railroads provides an economic competitive advantage to Arizona businesses in making the import of raw material (coal) or the long-distance export of products (copper, cement, wood products, etc.) price-competitive compared to highway transportation.

Power lines

A critical bottleneck for the development of remotely located solar and wind renewable energy power plants is the existence of the power lines required to connect them to the power grid.

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m^2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project includes two 500-kilovolt transmission lines, substations, and ancillary facilities to be located on Federal, State, and private lands between central New Mexico and central Arizona. The SunZia project was initiated in 2006, with NEPA analysis starting in 2009, to connect 11,000 megawatts of class 4 wind energy with a capacity factor of 45% to 47% landlocked in central New Mexico to the California market as well as the Phoenix metro market. The SunZia lines planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in Graham, Greenlee and Cochise Counties.

However, in June 2013, the Department of Defense (DOD) White Sands Missile Range rejected the route selected in the BLM Final EIS for the project, based on the concern that aerial power lines in an area north of White Sands Missile Range known as the Northern Call-Up Area (NCUA) would be detrimental to military readiness and operations of the range.

Further, in June 2013 The Wilderness Society (TWS) also opposed the FEIS on the ground that while they support responsible renewable energy and transmission development, and they support some of the SunZia proposed alternate routes, they consider that the proposed route preferred by the BLM raises serious concerns about impacts to the sensitive San Pedro Valley, and does not offer an acceptable tradeoff between the need for energy transportation and the need for sensitive ecosystems conservation. TWS is concerned that the proposed route through the San Pedro Valley would require 360 towers, averaging 130 feet in height, and necessitate a clear-cut road paralleling the lines with access roads to every tower. The San Pedro Valley's highly erodible soils would greatly accentuate the environmental impact of these roads. The San Pedro Valley is also a principal flyway for over 4 million

birds each year, including more than 350 species. The principal danger to birds would be flying into wires. Finally, the San Pedro Valley hosts one of the longest and richest archaeological records in North America, with sites dating back nearly 13,000 years - the earliest evidence of human occupation on the continent - that could be compromised by towers and roads construction work or subsequent erosion.

In May 2014, SunZia initiated the Arizona permitting process with a presentation to the Arizona Corporate Commission (ACC). During the presentation, SunZia stated that DOD is expected to propose mitigation measures, possibly involving the burial of 3 segments of the transmission line totaling 5 miles in the NCUA in June 2014, in which case it is likely that the BLM will conduct an environmental assessment (EA) of the proposed mitigation. SunZia also stated that the segment of Route Group 4 (Willow Substation to Pinal Central Substation) that includes the San Pedro Valley, has alternative routes proposed North of Mount Graham and through Sulphur Spring Valley, as well as south through Tucson although the latest is considered marginally practical owing to existing urban development.

On January 23, 2015, the Bureau of Land Management (BLM) issued a Record of Decision (ROD) approving a right-of-way (ROW) for the SunZia Southwest Transmission Line Project, from the proposed SunZia East Substation in Lincoln County, NM, to the existing Pinal Central Substation in Pinal County, AZ. The transmission line in the preferred alternative is 515 miles long. Three segments, totaling five miles of the Project will be buried in order to mitigate impacts to military operations at White Sands Missile Range. The impacts of burial have been analyzed in a Mitigation Proposal Environmental Assessment (EA) that has also been approved.

Following the completion of the Re-Study with the Modified Plan of Service (POS) and the submission of the Re-Study Report to Western Electricity Coordination Council (WECC) on January 14, 2015, the WECC Planning Coordination Committee (PCC) confirmed on January 27, 2015 the SunZia Project's Accepted Rating of 3,000 MW with the Modified POS. In parallel, the BLM issued a Record of Decision on January 23, 2015 approving SunZia's request for right-of-way on federal lands managed by the BLM.

In February 2016, the Arizona Corporation Commission approved the Certificate of Environmental Compatibility (CEC) for the SunZia project and SunZia has applied for state permits issued by the Arizona Corporation Commission and New Mexico Public Regulation Commission.

Energy pipelines

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, *The June 2014 - Clean Power Plan Proposed Rule* (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and

that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing EPA rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties, or converted to another energy source, most likely natural gas.

A critical bottleneck for the conversion of remotely located coal-fired power plants to natural gas is the existence of the energy pipelines required to connect them to the natural gas grid.

Issues and Progress

Six infrastructure issues are of particular concerns to the ECO Counties:

1) The expected implementation of landscape-scale forest and watershed restoration in eastern Arizona will create wear and tear unprecedented in recent decades on some Federal highways, State roads and County roads. As a consequence, additional funding will be required to maintain some portions of the eastern Arizona road transportation infrastructure expected to be used intensively by the logging transportation fleet.

2) Although the FY 2015 ECO / ADOT Healthy Forest Initiative increased the maximum gross weight legally allowed for timber industry trucks on several state highways in the White Mountains to 90,800 lbs., the Pilot Project was only effective for a period of two years, and a permanent solution must be implemented to permanently remove the competitive disadvantage for the Arizona wood industry compared to the wood industry operating in most western States. A permanent solution is required.

3) Water collection and distribution infrastructures, and power distribution infrastructures in eastern Arizona continue to be put at existential or significant risk by the threat of additional catastrophic wildfires in the forests of eastern Arizona.

4) The potential dismantlement of local short line railroads would compromise the competitiveness of Arizona businesses by increasing the costs of import of raw material and long-distance export of products (copper, cement, wood products, etc.).

5) Until the construction of a new power line is completed, important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – remain landlocked in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

6) The connection of the Cholla Power Plant in Joseph City; Coronado Generating Station in St John; and Springerville Generating Station to the Transwestern natural gas pipeline, are strategic requirements to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

"Healthy Forest Initiative" Pilot Project

Due to priorities setting, ADOT was not able to conduct the technical infrastructure impact analysis of the increase of the logging truck maximum weight from 80,000 lbs. to 90,800 lbs. on select state highways in the White Mountains during FY 2016. In consequence ADOT decided to extend the pilot project until the end of calendar year 2017.

During FY 2017, ADOT, in consultation with ECO, installed four weigh-in-motion scales (WIMS) at different locations to collect data to determine long-term impacts to pavement due to the higher gross vehicle weights of 90,800 lbs. The locations were selected based on the most common destination points or routes to the biomass processing centers or sawmills. The total cost for ADOT to install these WIMS was approximately $400,000.

During FY 2018, ADOT monitored the four weigh-in-motion scales (WIMS).

Per data collected at the four WIMS in FY 2018, the program is very successful in reducing transportation costs for the low value forest restoration products:

Route Milepost (MP)	Class 9 Vehicles	Class 9 Overweight	% Overweight
SR 260 EB / MP 334.5	13,279	1,620	12.20%
SR 260 WB / MP 335	7,994	1,790	22.39%
SR 277 NB / MP 316	11,254	3,981	35.37%
U.S. 180 WB / MP 419	1,004	162	16.14%
Totals	33,531	7,553	22.53%

In addition, per the data collected by ADOT for the first three years of the program, some HURF revenues are generated by the program:

Calendar Year	Number of Permits	Total Permit HURF Revenue	State Highway Share
2015	215	$16,125	$8,143
2016	343	$25,725	$12,991
2017	318	$23,850	$12,044
Total	876	$65,700	$33,178

In FY 2019, the pilot program continued to be very successful in terms of:

- expanding the operations radius for both logging and biomass removal;
- retaining forestry jobs; and
- accelerating the implementation of landscape-scale forest restoration, the mitigation of catastrophic fires, and the preservation of watershed functions.

During FY 2019 ECO collaborated with ADOT to link the network of authorized roads on the Mogollon Rim (blue roads) to outlets connecting with Interstate 40 in Winslow and Holbrook, and to Interstate 17 in Camp Verde (yellow roads).

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 55,000 acres in the White Mountains and the removal of over 1.4 million tons of log and 1.1 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	250,080
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	284,700
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	240,560
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	178,000
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	8,024	208,624	160,480
Total	55,691	1,447,966	1,113,820

In addition to the substantial accomplishment of over 55,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $67 million in wages over the 5 years of the pilot project and contributed $245 million in total economic activity to the rural economy.

Rural transportation infrastructures

As an appointed member of the ADOT Freight Advisory Committee (FAC), ECO has been participating in FY 2017 and FY 2018 in the revision of the ADOT *State Freight Plan*, including its rural transportation component.

On November 15, 2017 the ADOT *State Freight Plan was completed*, with the implementation phase starting thereafter.

ADOT 2018–2022 Five Year Plan

On May 23, 2017 ECO filed comments on the Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 5 Year Plan:

- The rural characteristics of the ECO Counties, their transportation network and their economy.
- The overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management.
- The dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 5 Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate Pavement Preservation Schedule for Rural State Highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116, South of Safford;
    - State Route 90 N of Sierra Vista.

SunZia

During FY 2017, the SunZia project moved to pre-construction phase. The SouthWestern Power Group began securing right-of-way leases in Cochise, Graham, and Greenlee counties with 40 private property owners in Arizona for 16 miles of the SunZia line. Access to 93 miles controlled by about 120 landowners across New Mexico is also ongoing. In addition, the U.S. Bureau of Land Management signed agreements allowing SunZia to be built across 50 miles of federal lands in Arizona and 134 miles in New Mexico.

During FY 2019, on September 5, 2018 Sun Zia was dealt a set-back when the New Mexico Public Regulation Commission voted unanimously to reject the company's proposed path of the lines, which would go through Lincoln, Torrance, Socorro, Sierra, Luna, Grant and Hidalgo counties. The Commission stated that SunZia didn't adequately research the zoning and land-use requirements of the property surrounding its proposed route, and there are two sections of property through which the company has yet to secure easements. The commission denied the route without prejudice, which means SunZia can come back with a new proposal for two 1,500-megawatt, high-voltage lines running 520 miles from Central New Mexico to Arizona.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy to be distributed in Arizona and California. As of the end of FY 2019 the timetable for the project was as follows:

- 2020-2021: finalize right-of-way acquisitions and finalize engineering design
- 2020-2022: finalize permits
- 2022-2023: procuring materials for construction
- 2022-2024: construction
- 2025: commercial operation

Strategic Objectives

ECO was committed to participate in the protection, development and management of the eastern Arizona infrastructures, in order to ensure:

1) The systematic verification in FY 2020 that all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration are certified for, or rebuilt to, heavy commercial use specifications.

2) The funding in FY 2020 by Federal and State partners of the rebuilding (if necessary) and appropriate maintenance (as required) of all Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration.

3) The prioritization of treatments in the power and water infrastructures corridors, after the direct protection of communities and watersheds, in all the ECO Counties.

4) The retention of the local short line railroads.

5) The construction by 2024 of the SunZia power line and the unlocking of the solar energy potential in Graham, Greenlee and Cochise Counties.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue and expand its bilateral relationships with the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP);

- Continue and expand its bilateral relationship with the Arizona Department of Transportation (ADOT);
- Continue and expand its bilateral work with the USFS and the Arizona State Forestry Division to promote the protection of power and watershed infrastructures, and the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Continue its engagement and work with the Governor's office to facilitate multiagency coordination of the development and maintenance of the transportation infrastructure required by the implementation of landscape-scale restoration;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 10% of its resources on Program 4: *Infrastructures.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 4: *Infrastructures.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 4 Infrastructures	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 4, *Infrastructures,* ECO sought the following outcomes:

1) The expansion, as appropriate, of the ECO / ADOT *Healthy Forest Initiative Pilot Project* on the relevant state highways.

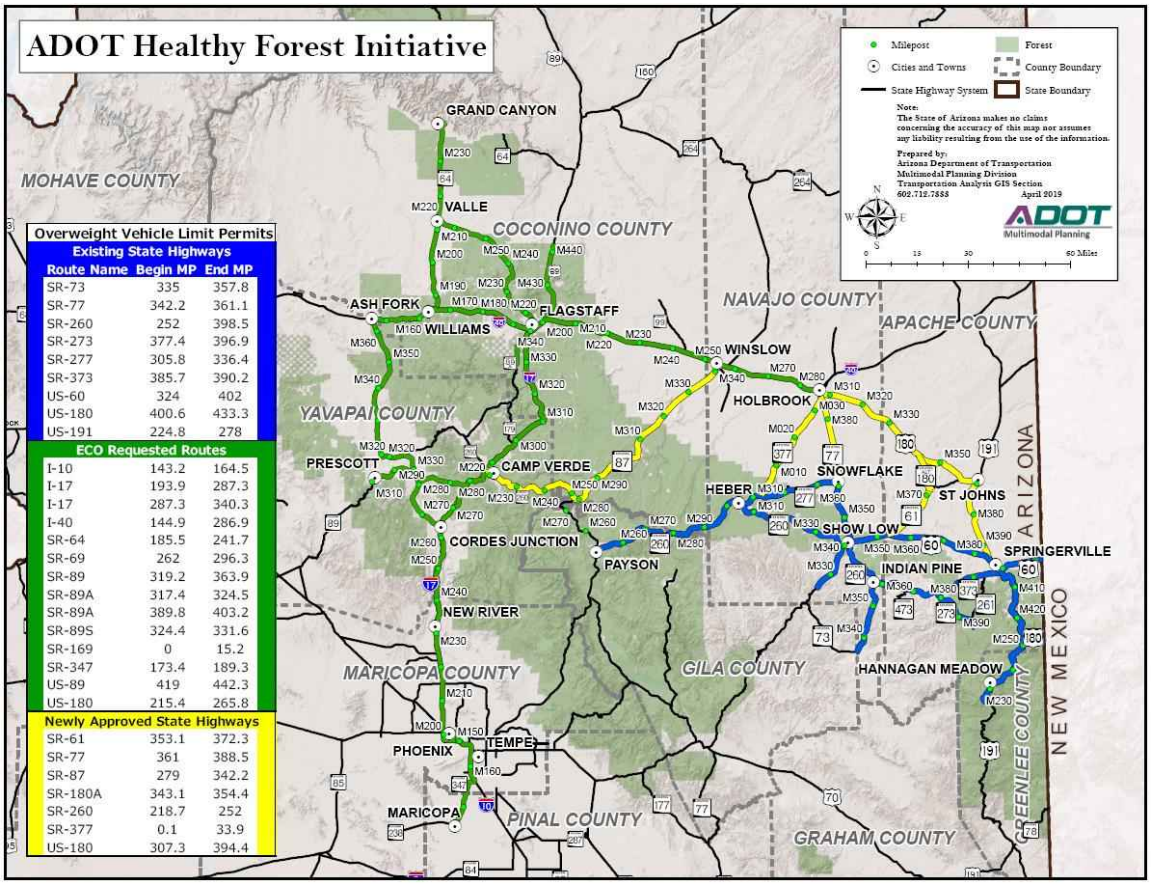
2) The continuation of a dialog with Federal and State partners to fund the maintenance of the Federal highways, State roads and County roads necessary to the implementation of landscape-scale restoration in eastern Arizona, especially through the new *State Freight Plan*.

3) The completion of the SunZia power line by the end of FY 2024.

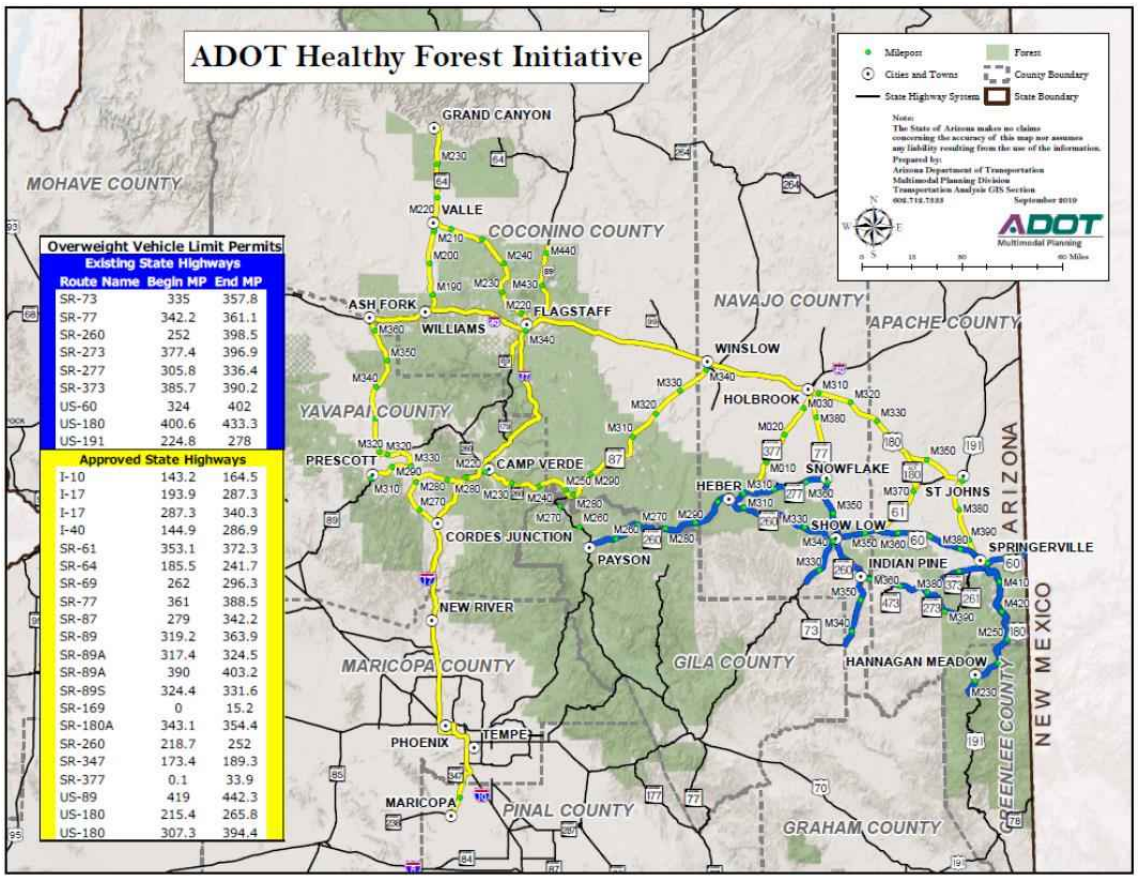
Measurable Results

As a result of their engagement in Program 4, Infrastructures, ECO and its partners achieved the following results:

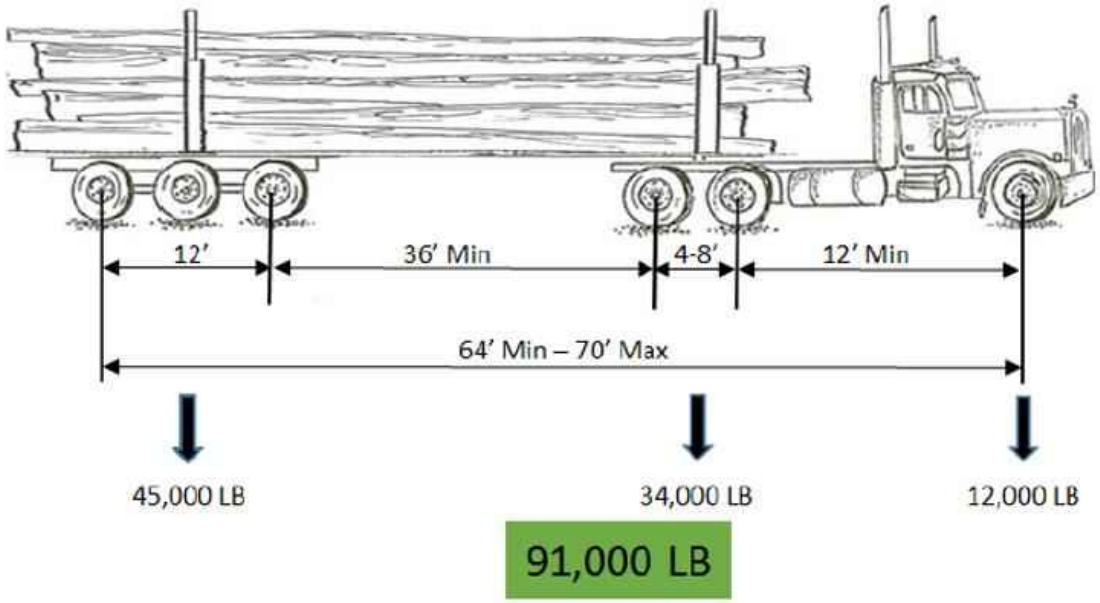
1) ***"Healthy Forest Initiative" pilot program***.
During FY 2020 ECO collaborated with ADOT to include the entire "West Side" of 4FRI to the program, and to work with the federal authorities to allow the use specific sections of Interstate 40 and Interstate 17 in Camp Verde (green roads).

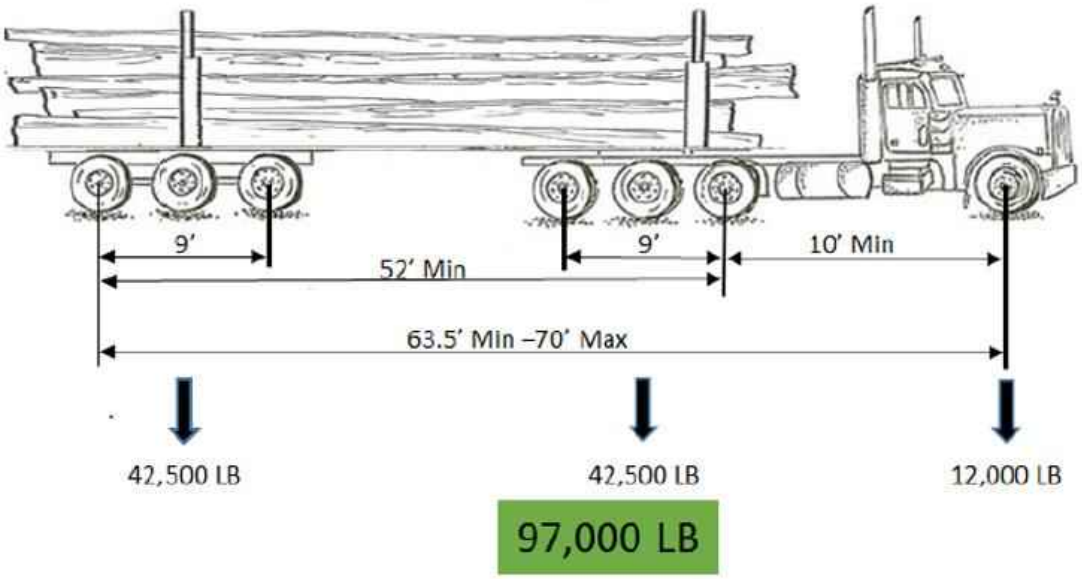


As a result of ECO's work with ADOT, all additional roads requested by ECO were approved:



ADOT allowed movement up to 91,000 lbs. and 97,000 lbs. on tridem axle configurations:





The collaborative work between ECO and ADOT was a major success for Arizona in FY 2020:

1. the conversion of the "Healthy Forest Initiative" pilot program into a permanent program;
2. the increased maximum weight of 97,000 lbs., and
3. the addition of all roads necessary to link the entire footprint of 4FRI forest restoration on the entire Mogollon Rim with utilization centers in Phoenix;

are contributing significantly to the conditions required for successful implementation of landscape scale forest and watershed restoration in Arizona.

Since its inception in 2015, the ECO - ADOT "Healthy Forest Initiative" pilot project has enabled the restoration of over 73,000 acres in the White Mountains and the removal of over 1.9 million tons of log and 1.6 million tons of biomass fuel from the forest and watershed of Northern Arizona.

Year	Acres	Logs tons	Biomass tons
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	12,504	325,104	287,592
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	14,235	370,110	327,405
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	12,028	312,728	276,644
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	8,900	231,400	204,700
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102	288,652	255,346
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621	380,146	336283
Total	73,390	1,908,140	1,687,970

In addition to the substantial accomplishment of over 73,000 acres of forest and watershed restored, the ECO - ADOT "Healthy Forest Initiative" pilot project has supported the existence of 190 jobs in the White Mountains, that have paid over $80 million in wages over the 6 years of the pilot project and contributed $294 million in total economic activity to the rural economy.

As a result of its success, on October 20, 2019 ADOT converted the "Healthy Forest Initiative" pilot project into a permanent program.

2) ***ADOT 2018–2022 Five Year Plan***.
On May 23, 2017 ECO filed comments on the *Arizona Department of Transportation 2018–2022 Five Year Transportation Facilities Construction Program*.

The ECO comments emphasized three characteristics of the ECO Counties particularly relevant to the proposed ADOT 2018-2022 Five Year Plan:

- the rural characteristics of the ECO Counties, their transportation network and their economy;
- the overwhelmingly large proportion of the land area of the ECO Counties designated as national forests, federal or tribal land, and/or under federal management;
- the dependence of the rural counties' economy and rural development on tourism and recreation.

The ECO comments outlined six asks of the ECO Counties for the proposed ADOT 2018-2022 Five Year Plan:

- Repair/Replace the rubble retaining walls on U.S. 191 North of Morenci (also known as the Coronado Trail National Scenic Byway) from MP 176 to MP 200.
- Shoulder widening /paving along state highways.
- Accelerate pavement preservation schedule for rural state highways.
- Completion of the Lion Springs section of U.S. Highway 260.
- Modernization of U.S. Highway 260 over the Mogollon Rim to Heber.
- Resolution of local bottlenecks on:
    - U.S. Highway 60 from Superior to Globe;
    - U.S. Highway 191 MP 110 – 116, South of Safford;
    - State Route 90 north of Sierra Vista.

3) ***SunZia***.
In FY 2020, SunZia made the decision to re-open the NEPA process with the Bureau of Land Management (BLM) to analyze a new proposed route, north of the existing proposed route. The new route would run north of the Northern Call Up Area adjacent to White Sands Missile Range and north of the Sevilleta National Wildlife Refuge. Instead of crossing the Rio Grande at Escondida in Socorro County, the line would cross farther north near Bosque in Valencia County. SunZia expects that the new route would resolve the issues with the New Mexico Public Regulation Commission, affected New Mexico counties, the U.S. Department of Defense, and environmental groups opposed to the line crossing the Rio Grande continental migratory corridor for tens of thousands of birds that roost and feed along the waterway.

The new route would alleviate the need to burry sections of the line through the White Sands Missile Range Northern Call Up Area, thereby garnering support of DOD.

On May 12, 2020, the Socorro County Board of Commissioners voted 3-2 to support the alternative route, retracting a unanimous 2018 resolution opposing the SunZia project.

However, the Rio Grande Agricultural Land Trust maintains that the entire river zone from Bernalillo County to Bosque del Apache is a critical migratory corridor, and that moving the line north does not address the environmental concerns. Only burying the line for the crossing of the Rio Grande migration corridor would alleviate the concerns.

The new NEPA analysis is expected to add 2 years to the project but will not affect the route of the project in Arizona. It would still unlock important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties and in the northern part of Cochise County.

When Completed, the $850 million, 515 miles line, which includes 200 miles across Arizona, will enable New Mexico wind energy and Arizona solar energy to be distributed in California.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 4, *Infrastructures* but significant challenges remain for 2021 and beyond, such as:

- the completion of the Lion Springs section of U.S. Highway 260;
- the modernization of U.S. Highway 260 over the Mogollon Rim to Heber;
- the resolution of local bottlenecks on U.S. Highway 60 from Superior to Globe;
- the resolution of local bottlenecks on U.S. Highway 191 MP 110 – 116, South of Safford;
- the resolution of local bottlenecks on State Route 90 north of Sierra Vista.

Canyon Creek Logging truck loaded to the new 90,800 lbs. State maximum weight.

Program 5: Recreation

Program 5, *Recreation,* includes all recreation issues, with a particular focus on support for, and participation in the retention of existing motorized recreation; the development of an Arizona back country OHV connected trails system along the Mogollon Rim; new recreation opportunities and facilities; and recreation-based economic development.

Background

Importance of dispersed motorized travel and recreation for the ECO Counties

The number of off-highway vehicles (OHVs) used in Arizona has risen dramatically. Almost 500,000 households within the State have at least one OHV, and as many as 30,000 new ATVs and motorcycles are purchased annually (Arizona State Parks, 2009).

While the use of OHVs is increasing statewide, OHV recreation is disproportionally important to the economy of rural counties such as the ECO Counties. A survey conducted in 2003 by the Arizona State Parks identified the recreation impact of OHV recreation on the ECO Counties as follows.

OHV use

OHV Use	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Households owning OHV	34%	24%	36%	34%	48%	36%
Arizona OHV trip destinations	6%	4%	8%	5%	5%	7%
Annual OHV Recreation Days	896,479	435,134	1,262,607	209,712	88,926	744,630
Internal to County	153,125 (17%)	180,697 (42%)	228,071 (18%)	66,020 (31%)	32,787 (37%)	438,831 (59%)
From visitors to County	743,354 (83%)	254,437 (58%)	1,034,536 (82%)	143,694 (69%)	56,139 (63%)	305,798 (41%)
Households satisfied with their OHV experience	70%	72%	60%	82%	79%	73%

OHV economic impact

OHV Economic Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Fuel/Gasoline	$11.8 M	$8.2 M	$16.7 M	$3.4 M	$1.5 M	$15.3 M
Lodging/Campgrounds	$8.6 M	$3.4 M	$12 M	$1.8 M	$0.7 M	$4.9 M
Restaurants/Bars	$8.1 M	$5.0 M	$11.5 M	$2.2 M	$0.9 M	$8.9 M
Groceries/Liquor	$9.4 M	$6.2 M	$13.3 M	$2.7 M	$1.2 M	$11.5 M
Event fees/souvenirs/etc.	$9.7 M	$4.9 M	$13.6 M	$2.3 M	$0.97 M	$8.1 M
Total OHV recreation trips expenditures	$47.6 M	$27.7 M	$67.1 M	$12.4 M	$5.3 M	$48.7 M
Expenditures on off-highway vehicles	$13.3 M	$25.4 M	$16.9 M	$6.7 M	$2.2 M	$25.9 M
Expenditures on tow-vehicles and trailers	$10.6 M	$12.7 M	$9.4 M	$2.6 M	$0.1 M	$7.4 M
Expenditures on OHV equipment	$22.6 M	$32.7 M	$27.1 M	$10.6 M	$4.1 M	$32.9 M
Total OHV expenditures	$94.1 M	$98.5 M	$120.5 M	$32.3 M	$11.7 M	$114.9 M

In summary, the total OHV economic impact on the ECO Counties, including multiplier effect, represents a $535 million annual contribution to the local economy, the sustenance of 4,670 jobs and the payment of $81.8 million annually in salaries and wages:

OHV Impact	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Total Economic Impact	$102 M	$116 M	$138 M	$38 M	$12 M	$129 M
Jobs Supported	842	1,009	1,322	348	50	1,099
Salaries and wages	$12.8 M	$19.6 M	$22.3 M	$6.2 M	$0.8 M	$20.1 M

While the study is aging (2003), the trends that it represents are constant, and the growing importance of motorized travel and recreation in Arizona, and in the eastern Arizona Counties is obvious. Admittedly, the economic growth for the 5 years after the study was conducted (2003 to 2008), and its positive influence on recreation activities, were offset by the economic slump over the following 5 years (2008 to 2013), and its negative influence on recreation activities. However, for all practical purposes, the 2003 data may reflect fairly accurately the 2019 situation. Certainly, in any economy 4,670 jobs are significant, and in the current economy they are critical.

Overall, 73% of the motorized recreational activities reported in the study involved some level of dispersed access to the lands:

Dispersed Access	Apache County	Cochise County	Gila County	Graham County	Greenlee County	Navajo County
Camping	19%	7%	12%	14%	13%	22%
Fishing	15%	0%	10%	10%	14%	8%
Sightseeing	12%	15%	15%	11%	11%	9%
Picnicking	2%	4%	0%	10%	10%	5%
Hunting	11%	11%	14%	9%	11%	12%
Back roading	7%	15%	13%	10%	5%	11%
Trail riding	6%	17%	10%	12%	4%	12%
Total	72%	69%	74%	76%	68%	79%

The fact that over 73% of the motorized recreational activities involved some level of dispersed access to the land illustrates the need to maintain motorized travel on the USFS and BLM public roads, as well as some level of authorized cross-country travel for reasonably dispersed activities.

Preponderance of Federal lands

In the State of Arizona, the Federal government directly owns over 32.4 million acres of the 72.6 million acres total area of the State, through the Bureau of Land Management (13.1 M), Forest Service (12.9 M), Department of Defense (3.6 M), National Park Service (1.4 M) and Bureau of Reclamation (1.4 M). This represents over 44% of the land in the State.

When adding the 21.5 million acres of Indian reservations managed by the Federal Bureau of Indian Affairs, a total of 53.9 million acres, or over 74% of the land in the State are controlled by Federal agencies.

The percentage of land controlled by the Federal government is even higher in some Arizona Counties. For example, among the six ECO Counties, Federal agencies control in average 80% of the land in five of the counties:

Land Control	Forest Service	Bureau Land Management	Tribal / BIA	Department of Defense	Federal Control
Apache County	9%	2%	67%	0%	78%
Cochise County	12%	10%	0%	3%	25%
Gila County	55%	2%	38%	0%	95%
Graham County	13%	25%	36%	0%	74%
Greenlee County	64%	14%	0%	0%	78%
Navajo County	8%	1%	67%	0%	76%

As a consequence, regulations severely restricting the motorized access to, motorized travel through, or motorized recreation on public lands can have a disproportionate impact on the custom, culture and economic well-being of the ECO Counties.

Travel Management Rule (TMR)

In 2003, the Department of Interior (DOI) *Strategic Plan* set as the first of three key recreation goals to "establish a comprehensive approach to travel planning and management."

In May 2003, the Bureau of Land Management (BLM) *Priorities for Recreation and Visitor Services* implemented travel management through national motorized, mechanized, and non-motorized recreation strategies.

In December 2005, the U.S. Forest Service (USFS) issued the *Travel Management Rule* (TMR), developed in response to the increasing effects of OHV recreation and the potential for OHV use to adversely affect forest and grassland resource.

Indiscriminate OHV use, especially unrestricted cross country motorized travel, can adversely impact natural resources such as forests, grasslands, watersheds, riparian areas, sensitive soils, habitats, etc. and cultural resources. Therefore, the growing popularity of motorized recreation requires appropriate regulations in order to maintain a well-considered balance between the enjoyment of the public lands' visitors, and the need to preserve and conserve the resources of these lands for the enjoyment of future generations.

However, misdirected implementation of travel management may result in overly restrictive regulations and undue restriction of motorized access and motorized recreation on the BLM and USFS public lands that can be harmful to the Counties custom, culture and economic well-being.

Issues and Progress

Six motorized travel and motorized recreation issues are of particular concern to the ECO Counties:

1) Retention of adequate motorized road travel in the public lands.

2) Retention of motorized dispersed camping consistent with the reasonable enjoyment of safety, privacy, comfort, custom and culture, allowing the parking of motorized vehicles and/or trailers at a distance of 300 feet from the closest legally open road or trail. Access to dispersed camping sites previously used and established in the local custom and culture as demonstrated by tangibles evidence of previous use such as fire pits, improvements, etc. must continue to be allowed.

3) Retention of motorized big game retrieval for all species of game meeting the definition of 'big game' in the Arizona Game and Fish Department hunting regulations, or alternatively for all 'big game' animals requiring a hunting tag, with the exception of turkeys, allowing one trip each way from the downed animal to the closest legally open road or trail, regardless of distance, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

4) Retention of motorized dispersed collection of firewood allowing the minimum number of trips each way, as defined based on the transport capacity of the vehicle and the trailer, from the downed tree to the closest legally open road or trail, regardless of distance, in the authorized firewood collection area, by the most direct route compatible with safety and the preservation of other values such as riparian areas, archeological sites, etc.

5) Implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations. Indiscriminate cross-country travel consists of traveling cross-country in a motorized vehicle not intended to reach a specific dispersed camp site, downed animal, downed tree in an authorized firewood collection area, or terrain feature used as a shooting backstop, or not required for an emergency response to a specific justifiable circumstance such as danger to limb or life. Motorized scouting for a site is considered different from reaching a specific site.

6) Retention of the possibility for future consideration of new motorized recreation areas and trails over at least 75% of the public lands in the ECO Counties.

Tonto National Forest Travel Management Rule

Despite its engagement with the Tonto National Forest, ECO's request to be appointed as a member of the Inter Disciplinary Team (IDT) of the Tonto National Forest Travel Management Rule NEPA analysis was denied. ECO was therefore unsuccessful at getting its objectives fully included in the Tonto National Forest Travel Management Rule NEPA analysis.

In June 2016 the Tonto National Forest published a Draft Record of Decision (DROD). As a consequence of not being allowed to be a member of the IDT, ECO was unsuccessful at getting its objectives fully included in the NEPA analysis. Specifically:

- Instead of the 300-foot corridors that were requested by ECO and that were part of the draft Environmental Impact Statement (EIS), the Final Environmental Impact Statement (FEIS) and the Draft Record of Decision (DROD) designates certain motorized routes for dispersed camping and outlaws it everywhere else. As a result, motor vehicle use for dispersed camping is authorized on only approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried, existing, dispersed camping sites on the Tonto National Forest, but it is now prohibited on approximately 1,290 miles of National Forest System roads open to the public, and 2,310 miles of motorized trails open to the public, where vehicle parking is now limited to up to 30 feet on either side of an open road or motorized trail unless otherwise identified.

- Motor vehicle use for big game retrieval is allowed up to 1 mile on both sides of all designated roads and motorized trails solely for retrieving legally harvested elk and bear in game management units 21, 22, 23, 24A, 24B, and 37B. This decision results in approximately 1,905,300 acres where motorized retrieval is permitted. However, contrarily to ECO's request, motor vehicle use for big game retrieval of deer is prohibited.

- Motor vehicle use for gathering personal use fuelwood will continue to be permitted and will not be distance-limited if the user is within the designated fuelwood cutting permitted area and not causing resource damage. However, as part of the formal consultation process with the U.S.

Fish and Wildlife Service in compliance with the Endangered Species Act, approximately 36,000 acres will not be designated for fuelwood gathering using a motor vehicle to minimize impacts to habitat for yellow-billed cuckoo, Chiricahua leopard frog, narrow-headed gartersnake, northern Mexican gartersnake, and hedgehog cactus.

During FY 2017, a vigorous objection campaigned was conducted by ECO, Gila County, the Arizona Game & Fish Department and numerous Arizona stakeholders against the DROD, resulting in the Deputy Regional Forester directing the Tonto NF to conduct a Supplemental Environmental Impact Statement (SEIS) for the Travel Management Rule (TMR).

On June 8, 2017, in the press release informing the public of the decision to conduct a SEIS, the Tonto NF stated that "It is expected that the level of effort to complete the SEIS is significant and will require considerable time to complete."

During FY 2018 the Tonto NF conducted internal Forest Service work and analysis.

On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:

- Approximately 3,700 miles of roads and motorized trails open to the public;
- Eight OHV areas where travel off designated system roads and motorized trails is permitted;
- Three additional permit zones;
- Motor vehicles use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

Apache-Sitgreaves National Forests Travel Management Rule

As a result of its engagement with the Apache-Sitgreaves National Forests, ECO was appointed as a member of the Inter Disciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management Rule (TMR) NEPA analysis.

During FY 2018 ECO participated in the work of the IDT, and worked with the Forest Service and AZ Game & Fish Department to ensure that ECO's and AGFD's objectives are included in the Apache-Sitgreaves National Forests Travel Management Rule NEPA analysis:

- Motorized dispersed camping within 300 foot of all open roads (with allowances for site specific conditions such as wet meadows, proximity to wildlife waters, locations of cultural resource sites, etc.).

- Motorized dispersed camping at all existing campsites mapped by the Arizona Game & Fish department (with same allowances as above).
- Motorized big game retrieval within one mile of all open roads for elk, deer, and black bear as long as it is in a manner that does not cause damage to wildlife habitat, riparian areas, cultural or natural resources or property or improvements.
- Continuation of the motorized collection of firewood as currently authorized in the designated fuelwood cutting permitted areas.
- Retain future flexibility as it relates to roads, trails, motorized areas, and additional camping opportunities as future needs may dictate.

Specifically, ECO shared in writing with the Apache-Sitgreaves National Forests Supervisor the following concerns:

6. Due to the management of the Forest Plan revision, comments related to TMR that may require changes not compliant with the revised Forest Plan must be considered by the A/S, even if such changes may require a Forest Plan amendment.
7. Well established, long existing physical roads must be added to the Forest system, in order to ground the TMR process in reality, even if such additions may result in the "administrative creation" of "new" roads and may require a Forest Plan amendment.
8. The constraining effect of new Natural Landscape areas designation in the revised Forest Plan must be corrected to allow the designation of "new" roads (i.e. entering into the administrative system well established, long existing physical roads); the location of approved camping sites; the designation of camping corridors; the allowing of motorized big game retrieval; etc., even if such actions may require a Forest Plan amendment.
9. The field surveys and resulting proposed designations of approved camping sites and camping corridors by the various Districts staff appear to be an empirical process lacking in as much as only high frequentation sites are inventoried, and overflow sites near developed sites are excluded.
10. Under a questionable interpretation of a Forest Service instruction to designate camping corridors, camping sites, etc. "sparingly," the IDT seems to operate under the overarching philosophy that the default answer to proposed designations must be "no," unless there is mandatory reason to say "yes." Conversely, ECO believes that the overarching philosophy guiding the IDT work should be that the default answer to proposed designations must be "yes," unless there is compelling reason to say "no."

In August 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

7. An amendment of the 2015 revision of the A/S Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval and motorized firewood collection in them.
8. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.

9. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
10. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
11. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
12. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

ECO will continue to be engaged in the Apache-Sitgreaves NF TMR in FY 2020.

Arizona back country Off Highway Vehicles (OHV) connected trails system

After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

Nonetheless, one bottleneck around Lakeside/Pinetop was recently resolved through the Maverick Trail.

Rim Country Sustainable Recreation Trails Working Group

In February 2017, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders convened the first meeting of the Rim Country Sustainable Recreation Trails Working Group. The purpose of the new working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision.

During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018 and FY 2019.

Strategic Objectives

As a result of its engagement in recreation issues, ECO was committed to:

1) The retention of motorized travel and motorized recreation on public lands.

2) The implementation of appropriate restrictions on indiscriminate cross-country travel in order to preserve and conserve the resources contained in public lands for the enjoyment of future generations.

3) The development of an Arizona back country OHV connected trails system along the Mogollon Rim.

4) The establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Engage in all TMR related Federal agencies proposed actions and NEPA analyses within the ECO Counties;
- Develop relationship and collaborative work with the relevant OHV and motorized recreation non-governmental organization (NGO) stakeholders;
- Develop an executable project and establish a proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim;
- Develop an executable project for the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 10% of its resources on Program 5: *Recreation.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 5: *Recreation.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 5 Recreation	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 5, *Recreation*, ECO sought the following outcomes:

1) Retention of acceptable motorized dispersed camping; motorized big game retrieval; motorized collection of firewood; OHV recreation; etc. in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

2) Implementation of appropriate restrictions on indiscriminate cross-country travel in the Apache-Sitgreaves national forests implementation of the Travel Management Rule (TMR).

3) Development of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

4) Development of a draft project and proposed route for the creation of an Arizona back country OHV connected trails system along the Mogollon Rim and the establishment of designated registration-free connectivity corridors between OHV trails and services (gas, food and lodging).

Measurable Results

As a result of their engagement in Program 5, *Recreation*, ECO and its partners achieved the following results:

1) ***Tonto National Forest Travel Management Rule***.
   On October 4, 2019, The Tonto National Forest released the final Supplemental Environmental Impact Statement and draft Record of Decision (ROD). The Final Travel Management Rule requires motor vehicles to be restricted to designated roads, trails, and areas as shown on the Motor Vehicle Use Map (MVUM). The selected alternative restricts off-road motor vehicle use and designates:
   - Approximately 3,700 miles of roads and motorized trails open to the public;
   - Eight OHV areas where travel off designated system roads and motorized trails is permitted;
   - Three additional permit zones;

- Motor vehicles use solely for retrieving legally harvested elk and bear for all hunts up to 1 mile on both sides of all designated roads and motorized trails;
- Motor vehicle use for dispersed camping on approximately 91 miles of full-sized motorized trails that access nearly 2,750 inventoried existing dispersed camping sites;
- The use of motorized vehicles off of designated system roads and motorized trails to aid in the collection of permitted personal fuelwood within the designated fuelwood cutting areas.

The inclusion of bear in the species allowed for motorized big game retrieval and the inclusion of approximately 91 miles of full-sized motorized trails to access nearly 2,750 inventoried existing dispersed camping sites mitigate on the Tonto National Forest some of the overall restrictive nature of the national Travel Management Rule, which requires that all National Forest System lands prohibit cross country motorized travel and designate roads, trails, and areas for motor vehicle travel.

2) ***Apache-Sitgreaves National Forests Travel Management Rule.***
On August 29, 2019, the Apache-Sitgreaves National Forests released its *Public Motorized Travel Management Plan Revised Draft Environmental Impact Statement*.

On October 23, 2019, ECO filed comments requesting:

1. An amendment of the 2015 revision of the Apache-Sitgreaves Forest Plan to either remove the designation of large "Natural Landscape" areas, especially in the Clifton District, or allow motorized camping corridors, motorized dispersed camping, motorized big game retrieval, and motorized firewood collection in them.
2. The addition of all well-established, long existing and commonly used non-inventoried physical roads to the Forest Service system in order to ground the TMR process in reality, prior to any impact analysis being completed and prior to any decision regarding which ones will remain open and which ones can be closed, even if such additions may require a Forest Plan amendment.
3. The retention of most of the ~3,500 miles of existing roads considered for closure, unless specific ecological reasons or resources at risk exist - separate from an administrative guidance to "designate sparingly" unmaintained roads or motorized trails.
4. The designation of a 300-foot motorized dispersed camping corridor on each side of ALL open roads where topography allows and threatened resources (riparian, etc.) are not endangered, including within designated Natural Landscape areas, even if such additions may require a Forest Plan amendment;
5. The authorization of all 2,702 existing campsites, of which 2,648 fall under the TMR process, inventoried by the Arizona Game & Fish Department (AGFD).
6. The authorization of motorized big game retrieval of legally tagged elk, mule deer, white-tailed deer and black bear in the Apache-Sitgreaves National Forests, in a one-mile corridor on each side of all roads legally open to public motorized use during, and for 24 hours after, an open hunting season, including within designated Natural Landscape areas.

Through FY 2020, ECO worked with the Apache-Sitgreaves National Forests as a Cooperating Agency on the TMR Inter Disciplinary Team (IDT) to resolve identified issues. Although the process is not complete, it appears likely at the end of FY 2020 that the work performed by ECO

will result in the addition of Black Bear to the list of species allowed motorized big game retrieval, and the addition of up to 56 camping corridors or road spurs to existing camping sites in the Clifton District.

3) ***Arizona back country Off Highway Vehicles (OHV) connected trails system***.
After being on hold for two years pending the Tonto National Forest Travel Management Rule, the project is currently on hold pending the outcome of the Apache-Sitgreaves National Forests Travel Management Rule.

4) ***Rim Country Sustainable Recreation Trails Working Group***.
During FY 2018, ECO, Gila County, the Town of Payson, mountain biking associations, backcountry horsemen associations, the U.S. Forest Service and other stakeholders continued the work started in the Rim Country Sustainable Recreation Trails Working Group in February 2017.

The purpose of the working group is to develop collaboratively a cross-jurisdictional master trail plan for the Rim Country and to ensure that this plan is incorporated in the upcoming Tonto NF Forest Plan Revision. The group has continued to meet regularly on a quarterly basis though FY 2018, FY 2019 and FY 2020.

Significant progress was achieved by ECO and its partners during FY 2020 in Program 5, *Recreation*, but much remains to be done in FY 2021 and beyond, to make sure that the momentum is sustained and that the FY 2020 achievements are not lost.

FY 2021 will be focused on:

- completion of the Apache-Sitgreaves NF Travel Management Rule including the ECO priorities of retention of acceptable motorized travel; motorized dispersed camping; motorized big game retrieval; and motorized collection of firewood;
- implementation of a Master Trail Plan for the Payson District in the Tonto NF Forest Plan Revision.

Former ECO Director, and former Navajo County Supervisor, DFFM Director David Tenney using motorized big game retrieval after a successful elk hunt.

Former ECO Director and former Graham County Supervisor, State Representative Drew John snowmobiling with family in Arizona national forests.

ECO Chair, Navajo County Supervisor Jason Whiting and son Jason Crew taking Jason Crew‘s first elk in Arizona national forests.

Program 6: Energy

Program 6, *Energy,* includes all energy issues, with a particular focus on support for, and participation in the maximization of the eastern Arizona coal power plants operational life; the conversion of the eastern Arizona coal power plants at end of life to natural gas; the development and implementation of renewable energy production facilities; and energy-based economic retention and development.

Background

Coal

Overall, Arizona Public Service Co. (APS) receives approximately 40% of its electricity each year from coal-fired power plants; Salt River Project (SRP), approximately 53%; and, Tucson Electric Power (TEP), approximately 80%.

However, after decades of hundreds of million dollars investments to reduce emissions and maintain compliance with ever more stringent EPA mandates, coal-fired power plants were targeted by a new EPA proposed rule, The June 2014 - Clean Power Plan Proposed Rule (the "June 2014 proposed rule," or the "Clean Power Plan") that proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. While this latest proposed rule may in itself have signified the closure of many power plants, it was also interpreted by many in the industry as only one more step in a clear direction. Regardless of how many existing coal-fired power plants could technologically and economically comply with the Clean Power Plan, it is speculated that the industry, nation-wide and in Arizona, will be incrementally regulated out of using coal generated electricity, and that the long-term survival of many power plants currently using coal, will eventually be linked to converting them to other energy sources, such as natural gas.

The Eastern Arizona Counties Organization (ECO) is uniquely affected by the proposed promulgation of the *Regional Haze Federal Implementation Plan* and the *June 2014 - Clean Power Plan Proposed Rule* in as much as the Cholla Power Plant in Joseph City, Navajo County; the Coronado Generating Station in St John, Apache County; the Springerville Generating Station in Springerville, Apache County; and, the Apache Generating Station in Cochise, Cochise County, are all located within the footprint of the ECO County Members. Further, since the Four Corners Generating Station in Fruitland (NM) burns coal from the Farmington Navajo mine, and the Navajo Generating Station in Page (AZ) burns coal from the Kayenta Peabody Western Coal mine, these two plants have a massive impact on the coal extraction economy in the Navajo Nation and Hopi Tribe, where these revenues represent approximately 25% of the Navajo Nation's revenues, and 65% of the Hopi Tribe's revenues. Considering that both Navajo Nation and Hopi Tribe are located in part in the two ECO County Members Navajo County and Apache County, the economic impact of tribal coal extraction has a critical effect on the ECO Counties economic prosperity.

Arizona coal-fired electricity generation

Seven coal-fired power plants were supplying electricity to Arizona as of the beginning of FY 2020:

- Apache Generating Station in Cochise, burning coal for the El Segundo and Lee Ranch mines (NM):
  - Unit 1: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC);
  - Unit 2: 204 MW commissioned in 1979, owned by Arizona Electric Power Cooperative (AEPC).
- Cholla Power Plant in Joseph City, burning coal from the McKinley mine (NM):
  - Unit 1: 114 MW commissioned in 1962, owned by Arizona Public Service Company (APS);
  - Unit 2: 289 MW commissioned in 1978, owned by Arizona Public Service Company (APS);
  - Unit 3: 312 MW commissioned in 1980, owned by Arizona Public Service Company (APS);
  - Unit 4: 414 MW commissioned in 1981, owned by PacifiCorp (PAC).
- Coronado Generating Station in St John, burning coal from the McKinley mine (NM):
  - Unit 1: 411 MW commissioned in 1979, owned by Salt River Project (SRP);
  - Unit 2: 411 MW commissioned in 1980, owned by Salt River Project (SRP).
- Four Corners Generating Station in Fruitland (NM), burning coal from the Farmington Navajo mine:
  - Unit 1: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 2: 165 MW commissioned in 1963, owned by Navajo Transitional Energy Co;
  - Unit 3: 220 MW commissioned in 1964, owned by Arizona Public Service Company (APS);
  - Unit 4: 745 MW commissioned in 1969, owned by Southern California Edison (SCE) 48%, APS 15%
  - Unit 5: 745 MW commissioned in 1970, P.S.C. (NM) 13%, SRP 10%, TEP 7%, El Paso Electric 7%.
- H. Wilson Sundt Generating Station in Tucson, burning coal from the McKinley mine (NM):
  - Unit 1: 173 MW commissioned in 1967, owned by Tucson Electric Power Company (TEP).
- Navajo Generating Station in Page; burning coal from the Kayenta Peabody Western Coal mine:
  - Unit 1: 750 MW commissioned in 1974, owned by U.S. Bureau of Reclamation 24.3%, SRP 21.7% ,
  - Unit 2: 750 MW commissioned in 1975, Los Angeles Dept. of Water and Power 21.2%, APS 14%.
  - Unit 3: 750 MW commissioned in 1976, NV Energy 11.3%, TEP 7.5%.
- Springerville Generating Station; in Springerville, burning coal from El Segundo Mine (NM) and the Powder River Basin (WY):
  - Unit 1: 380 MW commissioned in 1985, owned by Tucson Electric Power Company (TEP);
  - Unit 2: 380 MW commissioned in 1990, owned by Tucson Electric Power Company (TEP);
  - Unit 3: 400 MW commissioned in 2006, owned by Tri-State Generation and Transmission;
  - Unit 4: 400 MW commissioned in 2009, owned by Salt River Project (SRP).

Regional Haze Implementation Plan

In 2011, the State of Arizona submitted a State Implementation Plan (SIP) for Regional Haze that recognized the significant investments Arizona utilities had already made to reduce NOx emissions. However, in December 2012, the EPA rejected Arizona's State Implementation Plan and put forward a Federal Implementation Plan (FIP) that required Arizona utilities to install selective catalytic reduction technology (SCR) on most of the state's coal-burning power plants. If fully implemented, the EPA Federal Implementation Plan would result in an improvement in visibility of less than one deciview, which is imperceptible to the naked eye, and cost Arizona utilities and their ratepayers more than $1 billion.

Coronado Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA was the most stringent NOx emissions rate ever proposed by the agency for a coal plant retrofit project. The lowering of the NOx emission limit to 0.050 lb/MMBtu on Unit 1, and 0.080 lb/MMBtu on Unit 2 of the Coronado Generating Station in St John, Apache County, as proposed in the FIP required the investment of an additional $110 million to install a second selective catalytic reduction (SCR) system on Unit 1, in addition to the $500 million invested to implement the 2008 Coronado Emission Control Project

(CECP) recently completed with the installation of an SCR system on unit 2. The significantly more stringent emissions rate mandated for Unit 1 to ensure compliance with the plant-wide NOx emissions limit of 0.065 lb/MMBtu, mandated in the November 2012 final FIP for the Coronado Generating Station, gravely compromised the economic viability of the plant.

In March 2015, the EPA proposed a *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* to replace a plant-wide Best Available Retrofit Technology (BART) compliance method and emission limit for NOx on Units 1 and 2 at the Coronado Generating Station with a single-unit compliance method and emission limit on each of the two units, specifically 0.065 lb./MMBtu for Unit 1 and 0.080 lb./MMBtu for Unit 2. This was a critical step toward ensuring the economic viability of the plant, and the sustainability of the irreplaceable economic engine role that it plays in southern Apache County.

In May 2016 the EPA adopted the March 2015 Reconsideration of the Arizona Regional Haze Federal Implementation Plan for the Coronado Generating Station, and the revision of the Air Quality Control Permit was initiated in August 2016.

Four Corners Generating Station Regional Haze Implementation Plan

On June 24, 2015 the U.S. Department of Justice and the EPA announced a federal Clean Air Act settlement with the owners of the Four Corners Generating Station to follow the EPA's 2012 Regional Haze Program's Best Available Retrofit Technology (BART) determination for the Four Corners Generating Station.

The BART determination required the installation of selective catalytic reduction systems for the control of nitrogen oxides (NOx) at Units 4 and 5, to meet a 0.098 pound/million BTU NOx emission rate, achieving an additional 887 tons per year (tpy) reduction in NOx. The settlement also required sulfur dioxide (SO2) emissions reductions by continuously operating already installed flue gas desulfurization equipment to meet a 95 percent removal efficiency and to convert existing ductwork and stack configurations to eliminate the bypass of stack gas around the equipment, resulting in SO2 emissions of approximately 4,653 tpy. The total settlement required an estimated $160 million in upgrades to the plant.

The settlement also required $6.7 million to be spent on three health and environmental mitigation projects for tribal members, and payment of a $1.5 million civil penalty. EPA stated that the actions required by the settlement will reduce harmful emissions by approximately 5,540 tons per year.

Cholla Generating Station Regional Haze Implementation Plan

The 2012 Regional Haze Federal Implementation Plan (FIP) proposed by EPA for the Cholla Generating Station in Joseph City, Navajo County, required the investment of another $350 million to install SCR technology at Cholla, in addition to the $300 million invested to install scrubbers and baghouses between 2007 and 2010. The cost of complying with the EPA regional haze Federal Implementation Plan rendered Cholla uneconomical, making it likely that APS would permanently close its units at the Plant. After carefully weighing all options to comply with the EPA's Federal Implementation Plan, APS put forward an alternative method of compliance.

In June 2015, Arizona Public Service (APS) submitted to the Arizona Department of Environmental Quality a *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* for the Cholla Generation Station. The proposal includes an alternative that would close unit #2 in 2016 and eliminate the use of coal by 2025.

In July 2016 the EPA proposed the approval of Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399 for the Cholla Generation Station. Comments were due by September 2016.

Navajo Generating Station Regional Haze Implementation Plan

In February 2013, the Environmental Protection Agency (EPA) issued a proposed Best Available Retrofit Technology (BART) rule for the Navajo Generating Station (NGS) under the Regional Haze Rule of the Clean Air Act. The proposed rule included a proposed BART Determination and a proposed BART Alternative. The proposed BART Determination required operation of Selective Catalytic Reduction (SCR) at NGS by 2018 whereas the BART Alternative gave the NGS owners credit for early installation of low-NOx burners at NGS and required operation of SCR at NGS by 2021-2023. A final rule was promulgated by EPA on July 28, 2014 to establish a cap in NOx emissions from NGS over 2009 to 2044 and required the operator to implement one of several alternative operating scenarios to comply with the 2009-2044 NOx Cap.

Generally, the alternative operating scenarios required NGS to close one unit by 2019, or curtail electricity generation by a similar amount, and to meet a NOx emission limit that is achievable with the installation of selective catalytic reduction (SCR) on two units by 2030.

Apache Generating Station Regional Haze Implementation Plan

On February 27, 2015 the EPA approved a source-specific revision to the Arizona State Implementation Plan (SIP) that established an alternative to Best Available Retrofit Technology (BART) for Steam Units 2 and 3 (ST2 and 3) at the Apache Generating Station. Under the BART Alternative, ST2 will be converted from a primarily coal-fired unit to a unit that combusts pipeline-quality natural gas, while ST3 will remain as a coal-fired unit and would be retrofitted with selective non-catalytic reduction (SNCR) control technology. The SIP revision also revises the emission limit for nitrogen oxides (NOx) applicable to ST1, when it is operated in combined-cycle mode with Gas Turbine 1 (GT1). EPA determined that the BART Alternative for ST2 and ST3 would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act (CAA) and EPA's Regional Haze Rule (RHR). The action withdrew those portions of the Arizona Federal Implementation Plan (FIP) that addressed BART for the Apache Generating Station.

EPA June 2014 proposed Clean Power Plan rule

In June 2014 the Environmental Protection Agency (EPA) proposed new restrictions on power plants to reduce greenhouse gas emissions. The *June 2014 - Clean Power Plan Proposed Rule* proposed cutting nationwide carbon-dioxide emissions from existing power plants by 30 percent from their 2005 levels by 2030. The implementation of the 30% national goal would be implemented through state-specific rate-based goals for carbon dioxide emissions from the power sector, as well as guidelines for states to

follow in developing plans to achieve the state-specific goals. Consequently, goals varied from State to State.

The goal set by EPA for Arizona represented essentially a 50% decrease in emissions. Arizona currently generates 1,453 pounds of carbon-dioxide emissions for every megawatt-hour generated in the state, which represents the electricity required to power 250 homes for one hour. The EPA June 2014 proposed rule aimed to reduce the amount to 702 pounds per megawatt-hour by 2030.

The new EPA June 2014 proposed rule would likely further compromise the economic viability of the coal-fired power plants and was likely intended to accelerate the shift away from coal-fired power plants to other types of energy sources, including natural gas-fired plants, which emit about half the amount of carbon produced by those that burn coal. The consequences for Arizona were expected to be significant.

The Final Rule was expected in FY 2016, but in February 2016 the Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

Navajo Generating Station Clean Power Plan

The Los Angeles Department of Water and Power, and Nevada Energy, owners of respectively 21.2% and 11.3%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, SRP proposed to close one of the three units because no other utility company is willing to purchase the coal-generated power.

The 33% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the two remaining units could comply with the new restrictions of the Clean Power Plan. Further it was likely economically unviable to attempt to run the plant at only 66% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Four Corners Generating Station Clean Power Plan

Southern California Edison (SCE), owners of 48%, decided to divest their ownership in the plant as part of their strategy to abandon coal-fired electricity generation. In response, in December 2013, APS announced that it completed a transaction with SCE to purchase their ownership in Units 4 and 5, and that, owing to a lack of demand for coal-fired energy it would close permanently the plant older, less efficient Units 1, 2 and 3.

A 25% reduction in capacity and emissions was expected to facilitate bringing the plant to compliance with the new restrictions of the Clean Power Plan, although no technical feasibility evaluation had been published as of the beginning of FY 2018, and it was likely economically challenging to run the plant at 75% of its nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

Cholla Power Plant Clean Power Plan

Independently from the investments necessary to control nitrogen-oxide (NOx) emissions to implement the Regional Haze Plan (see Regional Haze Implementation Plan section above), in 2010,

EPA notified APS that the Cholla No. 2 unit would need new pollution controls to limit mercury emissions.

When added to the investment required to limit NOx emissions that contribute to haze in Units 2, 3 and 4, it was calculated that the mercury pollution control investments required to meet the EPA mandate would compromise the economic viability of the plant. APS announced that it would be considering the permanent closing of unit #2 in 2016 and the likely permanent closing of the entire plant by 2025.

A 20% to 25% reduction in capacity and emissions was expected to bring the plant in compliance with the Regional Haze Federal Implementation Plan. However, it was unpublished as of the beginning of FY 2018 if the remaining units could comply with the new restrictions of the Clean Power Plan.

Coronado Generating Station Clean Power Plan

In May 2014, SRP completed a $470 million upgrade of the plant Unit 1 emissions-controls. These improvements brought the plant in compliance with the August 2008 U.S. Department of Justice (DOJ) and EPA complaint.

However, EPA also requested that similar emission reduction equipment be added to the plant Unit 2 for compliance with the Regional Haze Plan (see Regional Haze Implementation Plan section above). SRP officials estimated that it would cost another $100 million.

It was unpublished as of the beginning of FY 2018 if the $470 million 2008-2014 campaign of emission reductions on Unit 1 and a potential $100 million campaign of emission reductions on Unit 2 would allow the plant to comply with the new restrictions of the Clean Power Plan.

Springerville Generating Station Clean Power Plan

Although the Springerville Generating Station (SGS) won the industry's Powder River Basin Coal Users' Group (PRBCUG) 2014 Plant of the Year award for industry best practices, continual improvements and worker safety, and is the latest, and possibly last, coal-fired power plant built in Arizona, representing a $1 billion investment in state-of-the-art 1990's and 2000's technologies, it is unpublished as of the beginning of FY 2018 if the plant would comply with the new restrictions of the Clean Power Plan.

Apache Generating Station Clean Power Plan

In 2017, Arizona Electric Power Cooperative (AEPCO), the owner of the Apache Generating Station installed new selective non-catalytic reduction (SNCR) technology on Steam Unit 3 (ST3) and converting ST2 from burning coal to burning pipeline natural gas in to comply with the Regional Haze Plan (see *Regional Haze Implementation Plan* section above).

We are upgrading our two steam units to comply with new environmental regulations. By year-end 2017, we will reduce emissions from Steam Unit 3 by installing new selective non-catalytic reduction (SNCR) technology. Steam Unit 2 will be converted from burning coal to pipeline natural gas. It is

unpublished as of the beginning of FY 2018 if the modified plant would comply with the new restrictions of the Clean Power Plan.

Conversion to natural gas

All of the Arizona coal-fired power plants, possibly excepting the Springerville Generating Station, are struggling with the economic and technical challenges of compliance with existing and upcoming EPA rules, often only achieving compliance through significant capacity reduction, and it is unclear at this stage whether they will be able to comply with new restrictions.

There is only limited flexibility in meeting new stricter emission rules by shutting down individual units to decrease a plant overall emission volume. It inevitably becomes economically challenging to operate plants at a fraction of their nominal capacity while still incurring operating costs close to those budgeted for 100% capacity.

The economic engine role played by the thermal electricity industry is critical to the ECO rural eastern Arizona counties. For example, the Cholla Generating Station employs nearly 250 workers with an annual payroll of more than $29 million and is responsible for $30 million in economic activity each year through the purchase of products and services to support operations at the plant, while generating more than $15 million in state, local, and federal taxes each year, providing essential revenue for education, law enforcement, and public safety.

Many, if not most, and possibly all, of these plants will face by 2030 the alternative of being dismantled - losing completely the entire thermal electricity industry that supports thousands of jobs in rural Arizona, especially in, and bordering the ECO Counties; or, converted to another energy source, most likely natural gas.

Wind

Large areas of Class 3 wind resources exist in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville. The area is already serviced by high power 500 kilovolt (KV) lines.

Around 2003, rancher Bill Elkins began working with Northern Arizona University scientists to erect measurement towers on his land to measure wind speeds and study the local power grid to determine the feasibility of connecting a wind farm. His work resulted in the Dry Lake Wind Power Project.

The Dry Lake Wind Power Project phase 1 is located near Heber, and phase 2 is located near Show Low in Navajo County. The Dry Lake Wind Power Project is Arizona's first utility-scale wind farm. The project, situated on a combination of private, State and Bureau of Land Management public lands, was built by Iberdrola Renewables. Each of the two phases represent a $100 million investment and consist of 30 Suzlon S88 2.1 MW wind turbines, for a total nameplate capacity of 63 megawatts (MW). The two phases produce 127 MW of clean, renewable energy - enough electricity to power approximately 20,000 average homes. The Salt River Project (SRP) purchases 100% of the output.

Significant opportunities exist for other large-scale projects in Navajo County, and between St Johns and Springerville in Apache County.

Solar

Important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona - are landlocked in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

The proposed SunZia Southwest Transmission Project 500 KV transmission lines' planned route crosses directly through the solar energy resources QRA of Graham, Greenlee and Cochise Counties, and offers an opportunity to unlock the resource and develop solar renewable energy plants in these Counties.

Issues and Progress

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own, despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

Five energy issues are of particular concerns to the ECO Counties:

1) The maximization of the operating life to at least 2025 / 2030 of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, and the retention of the economic engine role played by these plants in the local economies.

2) The under-utilization of the large areas of Class 3 wind resources in Navajo County between Winslow / Holbrook and Show Low, and in Apache County between St Johns and Springerville, despite the area being already serviced by high power 500 kilovolt (KV) lines.

3) The non-utilization of the important solar energy resources identified as a national Qualified Resource Area (QRA) of the Western Renewable Energy Zones (WREZ) and assessed at 6.5 to 7 kilowatt/hour per square meter (KWh/m2) - the highest rating for solar energy resources in Arizona – in the southern parts of Graham and Greenlee Counties, and in the northern part of Cochise County.

4) The conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units, is a strategic requirement to ensure the retention of the thermal electricity industry in the ECO Counties, and its employment and contribution to the local tax bases.

5) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to

dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments.

Regional Haze Implementation Plan at Coronado Generating Station

The March 2015 EPA-proposed *Reconsideration of the Arizona Regional Haze Federal Implementation Plan* was approved by EPA in May 2016. On August 23, 2016 the Significant Permit Revision No. 63088 to Air Quality Control Permit No. 52639 for Salt River Project- Coronado Generating Station was initiated.

On April 27, 2017, the Environmental Protection Agency (EPA) proposed to approve a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station, owned and operated by the Salt River Project Agricultural Improvement and Power District. The EPA proposed to find that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, in accordance with the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this proposed approval, the EPA proposed to withdraw those portions of the federal implementation plan (FIP) that address BART for Coronado, and also proposed to codify the removal of those portions of the Arizona SIP that have either been superseded by previously approved revisions to the Arizona SIP or would be superseded by final approval of the SIP revision for Coronado.

During FY 2018, on November 9, 2017, the Environmental Protection Agency (EPA) approved a source-specific revision to the Arizona state implementation plan (SIP) that provides an alternative to Best Available Retrofit Technology (BART) for the Coronado Generating Station ("Coronado"), owned and operated by the Salt River Project Agricultural Improvement and Power District (SRP). The EPA determined that the BART alternative for Coronado would provide greater reasonable progress toward natural visibility conditions than BART, based on the criteria established in the EPA's Regional Haze Rule. In conjunction with this approval, EPA withdrew those portions of the federal implementation plan (FIP) that address BART for Coronado and codified the removal of those portions of the Arizona SIP that have either been superseded by this approval of the SIP revision for Coronado or by previously approved revisions to the Arizona SIP.

This decision effectively closed the file for the regional haze implementation plan at the Coronado Generating Station.

Regional Haze Implementation Plan at Cholla Generation Station

The June 2015, *Proposed Alternative and Application to Revise Air Quality Control Permit no. 53399* received a Proposed Approval by EPA in July 2016.

On April 26, 2017, the Environmental Protection Agency (EPA) took final action to approve a source-specific revision to the Arizona state implementation plan that addresses the best available retrofit technology requirements for the Cholla Power Plant. The EPA found that the state implementation plan revision fulfills the requirements of the Clean Air Act and the EPA's Regional Haze Rule. In conjunction with this final approval, the EPA took final action to withdraw the federal implementation plan provisions applicable to Cholla. This action also constituted EPA's action to address petitions for reconsideration granted by the EPA related to Cholla.

This decision effectively closed the file for the regional haze implementation plan at the Cholla Generation Station, and no further development took place in FY 2018.

Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station

On February 13, 2017, a significant development took place when the Utility Owners of the Navajo Generating Station (NGS): the Salt River Project (21.7%), Arizona Public Service (14%), Nevada Energy (11.3%), Tucson Electric Power (7.5%), and previous owner Los Angeles Department of Water and Power (21.2%), still responsible for their share of the decommissioning - the remaining 24.3% are owned by the U.S. Bureau of Reclamation – voted to terminate operations at the NGS citing the inability of the plant to compete now or in the future against lower priced natural gas-burning plants.

The Utility Owners planned to cease operations by December 2017 unless they could work out an agreement with the Navajo Nation, which owns the land, to decommission the plant after the lease expires in December 2019. On July 1, 2017 the Utility Owners and the Navajo Nation signed a lease extension that allows the Utility Owners to keep the plant operating until December 2019 and dismantle it after.

The closure will affect 430 workers at the NGS and 325 workers at Peabody's Kayenta Mine, in the Navajo and Hopi reservations, which does not have alternate customers for its coal. Further socio-economic consequences are to be expected as the Navajo Generating Station and Kayenta Mine account for about 25% of the Navajo Nation’s revenues, and 65% of the Hopi Tribe’s revenues.

During FY 2018 New York investment company Avenue Capital Group and Illinois-based Middle River Power (MRP), engaged in negotiation to purchase the Navajo Generating Station and operate the plant after the current owners stop their operation on December 22, 2019. Tours were conducted for MRP representatives in March and April 2018 and they were invited to attend a meeting of the Navajo Project Coordinating Committee where they were provided information about the owners’ understanding of federal environmental requirements, the Navajo Nation approval process and other major tasks that would need to be accomplished for a successful transition. Additional meetings with MRP, the Navajo Nation and others were subsequently held in Flagstaff in an effort to move the process along, identify needed agreements, and set milestones. Fundamental economic challenges could not be resolved and on September 20, 2018 MRP announced that they were no longer seeking to purchase the Navajo Generating Station (NGS).

During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running.

This decision is expected to result in the closure of the NGS plant on December 22, 2019.

Clean Power Plan

In February 2016, the U.S. Supreme Court stayed the implementation of the Clean Power Plan pending judicial review.

On January 11, 2017 the Environmental Protection Agency denied most of the petitions for reconsideration, and all of the petitions for administrative stay the agency received on the Clean Power Plan, stating that since the February 2016 ruling, the EPA considered the variety of technical and legal issues that petitioners raised and determined that the petitions failed to satisfy one or both of the legal conditions necessary to grant reconsideration.

However, on March 28, 2017 the President of the United States signed an executive order mandating the EPA to review the plan and it is widely expected, following the President's announcement on June 1, 2017, of United States withdrawal from the Paris Agreement, that the Clean Power Plan will be eliminated.

During FY 2018, it was revealed on October 4, 2017 that the EPA under the Trump Administration was planning to end the Clean Power Plan, and on October 6, 2017, it was revealed that the President was considering alternatives to the plan through public discussion. EPA Administrator Scott Pruitt announced that the formal process to change EPA rules and repeal the plan would begin on October 10, 2017 and he signed a formal proposal that would lead to the repeal of the Clean Power Plan.

In FY 2019, on October 9, 2018, the U.S. Supreme Court rejected any further court challenges to the Trump Administration's decision to repeal the Clean Power Plan.

This decision effectively closed the file for the Clean Power Plan.

Wind and solar production

Despite numerous wind research permits issued by Navajo and Apache counties over the last few years, there is currently no formal project to develop a utility-scale wind power farm project in Navajo or Apache County. Concurrently, the development of solar power farm projects in Graham, Greenlee or Cochise County appears to be currently pending on the Sun Zia line completion expected in 2024.

Conversion of a unit at the Cholla power plant to burn biomass

Work on the biomass bottleneck continued in FY 2019 with a deep engagement of ECO and the forest restoration collaborative groups with the Arizona Corporation Commission. This work culminated on December 17, 2018, with the Commission voting Decision 77045 pursuant to the Inquiry into the Role of Forest Bioenergy in Arizona. Docket No. E-00000Q-17-0138. Decision 77045 Policy Statement Regarding the Role of Forest Bioenergy in Arizona stated that "In this Policy Statement, a carve-out of 60 MW of biomass energy developed through forest waste is appropriate for regulated entities to pursue."

Decision 77045 represented a quantum leap forward in mitigating the risks of landscape scale catastrophic forest fires in Arizona and setting the stage for ACC to finish creating the conditions for a successful U.S. Forest Service Request for Proposals (RFP) to implement landscape scale mechanical thinning in Northern and Eastern Arizona.

However, Decision 77045 was not implemented. The Commission did not mandate APS to execute on the procurement of the 60 MW carve-out of biomass energy developed through forest restoration biomass, and APS suspended their effort to implement their RFP.

Following ECO's work with APS, on March 20, 2019, APS submitted a letter to inform the Commission, and other interested parties, that it intended to file a report summarizing the results of an evaluation of the feasibility and potential cost of converting a unit at the Cholla power plant to burn biomass. The report was filed on May 9, 2019, but the Commissions subsequently voted on July 10, 2019 to decline to request APS to file an application for converting a unit at the Cholla power plant to burn biomass.

Retention of the thermal electricity industry in the ECO Counties

The dialog with the utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties is on-going. However, the cost of conversion of end-of-life coal power plants to gas and the cost of construction of the necessary pipelines make the issue extremely difficult.

The securing of the Cholla and Coronado generating stations' future achieved by ECO and its partners during FY 2019 in Program 6, Energy was a success, but a significant setback was also suffered with the upcoming closure of the Navajo Generating Station, and much remains to be done in FY 2020 and beyond, to ensure the maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030.

ECO remains committed to a resolution of the biomass bottleneck in Arizona through the production of 90 MW of bioelectricity, including the continuation of operation for another 20 years of the ~30 MW NovoBiopower plant in Snowflake, and the addition of a new 60 MW "carve out" for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant.

Strategic Objectives

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, a significant setback was also suffered with the upcoming closure of the Navajo Generating Station.

ECO was committed to:

1) The continuation of operations at the Cholla, Coronado, Springerville and Apache generating stations until the end of their operational life in 2025 / 2030.

2) The development and implementation of renewable energy production facilities in the ECO Counties.

3) The monitoring potential new developments on the Regional Haze Implementation Plan and Clean Power Plan.

4) Continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties and the conversion of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise, to natural gas at the end of life of their coal-fired units;

5) The implementation of the AZ Corporation Commission new 60 MW "carve out" for 20 years through either the construction of a new biomass facility, or the conversion to biomass of one unit at the Cholla power plant.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Support the utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) and the Arizona Department of Environmental Quality (ADEQ) alternatives to the *Regional Haze Federal Implementation Plan*, and the EPA *June 2014 - Clean Power Plan Proposed Rule*;
- Engage with utilities operators, especially the Salt River Project (SRP), Arizona Public Service (APS) and Tucson Electric Power (TEP) to initiate the dialog on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties;
- Engage with wind and solar industry investors to support and contribute to the development of utility-scale wind power farms in Navajo and Apache County, and solar power farms in Graham, Greenlee and Cochise County;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the protection, development, and maintenance of the eastern Arizona infrastructures with local, State and Federal executive and legislative elected officials and political appointees.

Allocated Resources

ECO planned to expend 10% of its resources on Program 6: *Energy.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 6: *Energy.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 6 Energy	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 6, *Energy*, ECO sought the following outcomes:

1) Maximization of the operating life of the eastern Arizona Cholla Power Plant in Joseph City; Coronado Generating Station in St John; Springerville Generating Station; and Apache Generating Station in Cochise to at least 2025 / 2030:

2) The generation of a total of 90 MW of biomass electricity (continuation of existing 30 MW capacity at Novo Biopower, and addition of 60 MW by the creation of new capacity or the conversion to biomass of one unit at the Cholla Power Plant) for the next 20 years, in order to dispose of the approximately 1.5 million green tons of biomass annually produced by the implementation of 50,000 acres per year of forest and watershed restoration mechanical thinning treatments.

3) Development of at least one additional utility-scale wind power farm project in Navajo or Apache County, and at least one solar power farm project in Graham, Greenlee or Cochise County.

4) Continuation of the dialog with utilities operators on the conversion of the eastern Arizona coal power plants at end of life to natural gas, and the retention of the thermal electricity industry in the ECO Counties.

5) Monitoring of potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan*.

Measurable Results

ECO is fully conscious that the national clean power debate and the regional haze debate include national and state industrial, political and environmental players that are infinitely more involved and more influential than a local governments' organization such as ECO can be. In Arizona alone, utilities such as Salt River Project (SRP) or Arizona Public Service (APS) truly lead the action, with the Arizona Department of Environmental Quality (ADEQ), and it would be naïve for ECO to claim results of its own,

despite a genuine commitment and engagement in Program 6, *Energy,* and despite the political support provided by the counties to SRP and APS. Results, therefore, are achieved through a team effort.

1) ***Inability to implement Regional Haze Plan economically / Closure of the Navajo Generating Station***.
   During FY 2019, the Navajo Transitional Energy Co. supported by the Navajo and Hopi tribes and by Peabody Energy, the company that operates the Kayenta coal mine, attempted to design a plan to continue operating the NGS, but negotiations between NTEC and SRP broke down in February 2019 when SRP accepted to provide money for the eventual cleanup but only on the conditions to be released from any additional future cleanup liability that might arise. In March 2019, Navajo lawmakers voted to end their efforts to acquire the plant and keep it running. This decision is expected to result in the closure of the NGS plant.

   On November 18, 2019 Salt River Project (SRP), permanently shut down all three units of the Navajo Generating Station.

Nonetheless, as a result of their engagement in Program 6, *Energy*, ECO and its partners achieved the following results:

2) ***Wind and solar production***.
   On December 4, 2019, the Coconino County Board of Supervisors, and on December 10, 2019 the Navajo County Board of Supervisors unanimously approved special use permits for the Chevelon Butte Wind Gen-Tie Project.

   Proposed by Utah company S Power, the Chevelon Butte Wind Farm is a planned 477 MW maximum capacity wind energy project in Coconino and Navajo Counties, located approximately 20 miles south of Winslow over 4,200 acres in the Chevelon Canyon area. The 3,700 acres in Navajo County would have 8 of the 164 towers, with blades reaching to a maximum height of 755 feet, equivalent to a 60-story skyscraper and approximately twice as high as the existing windmills in the area.

   The Navajo County special use permit requires the company to develop a bird and bat conservation strategy as well as an eagle conservation plan to meet the concerns of the Hopi Tribe.

   The project will generate ~$1 million in annual salary for up to 30 workers who will operate the plant for the next 25 years. The construction will produce about 200 jobs and $8 million in direct and indirect spending during construction. Most of that spending will boost the economy in Winslow, including an estimated $250,000 for lodging, mechanics, fuel, meals, and hardware. The project will also generate lease payments to the state and to local ranchers.

   The Chevelon Butte Wind Gen-Tie Project was previously unanimously approved by the Arizona Corporation Commission on October 22, 2019, and by the Arizona Power Plant and Transmission Line Siting Committee on September 18, 2019.

Although the *Regional Haze Implementation Plan* at the Cholla and Coronado generating stations appear resolved, and the *Clean Power Plan* appears cancelled at this time, FY 2021 will be focused on:

- monitoring potential new developments on the *Regional Haze Implementation Plan* and *Clean Power Plan;*
- continued dialog with the Utility Owners for the retention of the thermo-electricity industry in rural eastern Arizona counties;
- implementation of the new 60 MW "carve out" for 20 years through either the construction of a new facility, or the conversion of one unit at the Cholla power plant, if appropriate based on the outcome of the new 4FRI RFP.

Navajo County Supervisors (from left) Jonathan Nez, David Tenney, Dawnafe Whitesinger and Sylvia Allen are joined by Rep. Ann Kirkpatrick (second from left) for the May 28, 2013 ribbon cutting of the county's solar array, visible in the background.

Cholla Generating Station in Joseph City, Navajo County.

Dry Lake Wind Power Project in Navajo County. Arizona's first utility-scale wind farm.

Program 7: Natural Resources Planning

Program 7, *Natural Resources Planning*, includes continued support for, and participation in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), and organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

Background

Coordination with Federal agencies

The statutory requirements of cooperation and coordination between local governments and Federal agencies in the public lands and natural resources management planning process were meant by Congress to imply more than a perfunctory review process resulting in a check mark in a "coordination box." The Federal statutes and regulations imply a meaningful and proactive resolution effort by the Federal agencies to reduce and resolve potential planning conflicts, during the NEPA process, between the action proposed by a Federal agency and the objectives expressed in local governments' plans and policies; such as, but not limited to, those relevant to forested ecosystems restoration and catastrophic wildfire prevention; watershed restoration; rangelands resources management; or, natural resources-based recreation management and public lands access objectives.

Under A.R.S. § 11-804.A the Arizona Counties are required to develop a Comprehensive Plan (CP) "so as to conserve the natural resources of the County." In addition to being responsible for the health of the natural resources they depend on, Arizona Counties also have a statutory responsibility under A.R.S. § 11-251 to ensure the socioeconomic well-being of their residents and to protect their tax base. Further, subsequent to Senate Bill 1398 (2010) – *Local Coordination*, the Counties have the statutory obligation under A.R.S. § 11-269.09 to engage in coordination with Federal agencies to resolve inconsistencies with existing local plans and laws whenever a new Federal regulation or proposed action is inconsistent with a less restrictive local law, plan or policy.

In order to meet their statutory responsibility to protect their tax base; ensure the socioeconomic well-being of their residents; ensure the health of the natural resources they depend on; coordinate with Federal agencies; and, request resolution of inconsistencies between local plans and proposed Federal actions, Arizona Counties are likely to benefit from developing Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the national forests or public lands within the County, and all natural resources within the County that are not tied to land ownership but still managed by Federal agencies (e.g. endangered or threatened species), so that Federal agencies know what the County's vision and laws are when they engage in Federal planning, and so that they can ensure to the greatest possible extent consistency between Federal and County planning.

Arizona FY 2014 Natural Resources Study Grant

Under the leadership of the late Senator Chester Crandell, the Arizona FY 2014 budget included a supplemental appropriation for a "county resource management plans; economic and resource values study" defined as follows:

> "As session law, appropriate $100,000 from the state general fund to the Arizona State Forester in fiscal year 2013 - 2014 for a study that examines the resource management plans of counties selected by the Arizona Natural Resources Review Council. The study will identify whether those plans include specific desired outcomes of the county regarding the management of animal species deemed threatened or endangered by a federal agency, travel management rules and regulations of a federal agency, and forest health, including desired tree densities and management strategies to reduce the risk of wildfire utilizing private industry. Among eligible counties, a multi-county collaboration may apply for a grant to perform the study. Applications for funds must include a detailed scope of work and have identified qualified vendors to perform the study. Approval of a grant shall be determined by the Arizona Natural Resources Review Council. The scope of the study may be adjusted according to available resources and the study's projected cost."

ECO competed for and was awarded the completion of the *Arizona FY 2014 Natural Resources Study.* In addition to the original planning gap analysis envisioned by the Legislature, at the request of the Arizona Natural Resources Review Council (NRRC), and building on the ECO match funding, the scope of the study was extended to include a comprehensive research of the Federal legal framework; the role of local governments within this framework; the available local governments engagement mechanisms; and the Arizona Counties natural resources planning authority.

ECO completed the study and filed the report *Arizona Rim Counties Natural Resources Management Gap Analysis* with the NRRC on June 30, 2014.

During FY 2015, the Arizona Natural Resources Review Council requested from ECO the development of a comprehensive set of implementation tools to increase the efficiency and effectiveness of the Arizona Counties' involvement in the Federal process of public lands and natural resources management planning. Further building on the ECO match funding, the scope of the study was again extended, to include the design of a comprehensive set of implementation tools, including:

1. County Natural Resources Management Planning Practitioner's Guide;
2. County Natural Resources Management Planning Flowchart;
3. County Natural Resources Management Plan Blueprint;
4. Natural Resource Management Template;
5. County Natural Resources Management Plan Checklist.

Issues and Progress

Although authorized, specific natural resources management planning is not required under the Arizona Counties' mandated Comprehensive Plan. The only requirement is that "the comprehensive plan shall be developed so as to conserve the natural resources of the County" (A.R.S. § 11-804.A).

Consequently:

1) Substantial gaps exist in the natural resources' management plans of the ECO Counties. Some Counties have developed a Land Use Resources Plan (LURP); some have not. Some Counties have developed elaborated resources-specific management plans, policies and/or objectives; some have not.

2) ECO Counties' staffs may not have experience or expertise with the NEPA process and may not avail themselves of the coordination and cooperation opportunities provided by law.

3) ECO Counties' plans may not include specific natural resources management objectives, plans or policies, hence may not allow for a formal planning conflicts resolution and/or inconsistencies resolution process.

4) ECO Counties may lack the resources to develop comprehensive Natural Resources Management Plans (NRMPs) that define comprehensively policies, management objectives, desired future conditions and management plans for all natural resources located in the County.

ECO 2015 Legislative Field Trip

The ECO 2015 (FY 2016) Legislative Field Trip took place on May 13, 14, 15 and 16, in Apache, Navajo and Gila counties. Over 40 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- C.C. Cragin Watershed Protection Project;
- 4FRI planning & implementation;
- Bridge the Gap program;
- ECO/USFS Burro Stewardship Agreement;
- Black River watershed stewardship project;
- wood industry development and support;
- ECO/ADOT Healthy Forest Initiative Pilot Project;
- public lands natural resources planning collaboration, cooperation and coordination.

ECO 2016 Legislative Field Trip

The ECO 2016 (FY 2017) Legislative Field Trip took place on May 11, 12 and 13, in Gila County, Graham County and Greenlee counties. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

The field trip focused on:
- mining;
- irrigated agriculture;
- Gila River health;
- watershed restoration;
- regulatory impacts on resources management and natural resources industries;
- balancing the environmental, social and economic impacts of natural resources industries;
- overall impacts of regulatory requirements on the custom, culture and economic well-being of the rural Eastern Arizona Counties.

ECO 2017 Legislative Field Trip

The ECO 2017 (FY 2018) Legislative Field Trip took place on October 5, 6 and 7, in Gila County and Navajo County. Over 50 Legislators, Legislature staffs, State and Federal agencies personnel, industry representatives, congressional staffs, and local government officials participated.

ECO and the U.S. Forest Service coordinated activities so that the Forest Service national review team for the Collaborative Forest Landscape Restoration Program (CFLRP) joined the Arizona Legislators for a working lunch designed to allow the Legislators to share directly their experience, expertise, feedback and suggestions with the Washington DC-based Forest Service CFLRP team. Over 100 people attended the lunch.

The field trip had a specific in-depth focus on:

- CC Cragin Watershed Protection Project;
- breaking the biomass bottleneck for forest, watershed and grassland restoration;
- drone and tablet digital technologies as enablers of landscape scale restoration;
- conversion of the Healthy Forest Initiative Pilot Project into a permanent program;
- 4FRI planning and contracting.

ECO 2018 New Legislator Seminar

In 2018 (FY 2019), ECO decided to not conduct a field trip after the Arizona legislative session in order to not conflict with the electoral campaign of the November 2018 elections, but to instead organize and host a New Legislators seminar after the elections, on December 12, 2018.

The purpose this work sessions was to educate new legislators on the issues of natural resources planning and public lands management. During this seminar:

- Supervisor Jason Whiting, Chair of ECO presented on ECO, rural counties, “fire & water,” the ECO partnerships and why they have mattered.
- Brad Worsley, President, NovoBiopower presented on forest industry perspectives.
- Clayton Crowder, Chief, Habitat, Evaluation & Lands Branch, AZ Game & Fish presented on wildlife perspectives.
- Jesse Gutierrez, Deputy State Engineer, ADOT presented on transportation perspectives.
- David Tenney, Director, RUCO, DFFM presented on energy, fire management, forestry, and forest & watershed restoration perspectives.
- Ethan Aumack, Executive Director, Grand Canyon trust presented on conservation perspectives.
- Richard Bark, Director, Freeport Mc MoRan presented on mining perspectives.
- Craig Sullivan, Executive Director, Counties Supervisors Association presented on local government perspectives.
- Gila County Supervisor Tommie Martin presented on land management and natural resources planning perspectives.
- Graham County Supervisor Paul David presented on infrastructures, Gila River and post-fire floods perspectives.
- Greenlee County Supervisor Richard Lunt presented on Travel Management Rule, recreation, ranching, and mining perspectives.
- Speaker Rusty Bower presented on the Arizona House of Representatives perspectives.
- President Karen Fann presented on the Arizona Senate perspectives.

Western Interstate Region Board of Directors

On October 12, 2018, ECO was invited to present to the Western Interstate Region Board of Directors on forest and watershed restoration. Eco's presentations focused on landscape scale restoration and its bottlenecks:

- Landscape scale NEPA;
- Biomass removal and utilization;
- Landscape scale acres preparation;
- Landscape scale implementation;
- Lessons learned from the 4FRI Phase 1 contract

ECO Counties comprehensive Natural Resources Management Plans (NRMPs)

In FY 2015, as an outcome of the ECO *Arizona Rim Counties Natural Resources Management Gap Analysis,* ECO developed a framework for ECO Counties comprehensive Natural Resources Management Plans (NRMPs) as follows:

1. *Catastrophic Wildfire Prevention Objectives* addressing issues such as, but not limited to, protection of Counties' residents and visitors; protection of collective and individual real properties; protection of transportation, energy and water collection and distribution infrastructures.

2. *Forested Ecosystems Restoration and Management Objectives* addressing issues such as, but not limited to ecological restoration of forested ecosystems; local scale restoration projects; landscape-scale restoration projects; social license required for the non-conflictual and non-litigious implementation of restoration efforts; industry development required to implement and fund restoration efforts through economically viable utilization of the wood products; and, long-term guarantees of wood supply necessary to attract private investments in a small diameter utilization infrastructure in northeastern Arizona.

3. *Watershed Restoration and Management Objectives* addressing issues such as, but not limited to, ecological restoration of watersheds; protection and development of water collection and distribution infrastructures; monetization of watershed ecosystem services; downstream consumption contribution to upstream production investments and maintenance; and interactions between watershed functions and multiple use functions.

4. *Rangelands Resources Management Objectives* addressing issues such as, but not limited to, grazing availability, suitability, sustainability; ecological, economic and social carrying capacity; access; contribution to rural economic development; and contribution to ECO Counties Western custom and culture.

5. *Endangered and Threatened Animal and Vegetal Species Management Objectives* addressing issues such as, but not limited to, non-native animal and vegetal species; introduced species; reintroduced species; recovered species; potential negative ecological, economic and social impacts; potential conflict with Counties safety, customs, culture and economic well-being concerns.

6. *Special Management Areas Designation Objectives* addressing issues such as, but not limited to, the nomination, designation, and management of inventoried roadless areas (which are technically not management areas per se but are an administrative designation); wilderness areas, primitive areas, research natural areas, wildlife quiet areas; wild and scenic rivers; effects on socioeconomic resources; and impacts on the other County objectives.

7. *Forest Products Resources Management Objectives* addressing issues such as, but not limited to, logging availability, suitability, sustainability, productivity, access; contribution to rural economic development; and contribution to ECO Counties Western custom and culture.

8. *Mineral and Energy Resources Management Objectives* addressing issues such as, but not limited to, the availability, suitability, sustainability, productivity, access, and contribution to rural economic development of solid, liquid or gaseous mineral resources, and solar, wind, hydropower, geothermal and other natural renewable energy resources.

9. *Natural Resources-Based Recreation Management Objectives* addressing issues such as, but not limited to, motorized access; motorized travel; motorized big game retrieval; motorized dispersed camping; motorized gathering of firewood; motorized access to dispersed fishing; motorized recreation opportunities; inventoried roadless areas; wilderness area designation; motorized access to grazing and logging opportunities; contribution of motorized access, recreation and travel to rural economic development; and, contribution to ECO Counties Western custom and culture.

In FY 2016 the ECO Board agreed that the development by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs) is a decision to be made individually by each ECO county member.

In FY 2017, the ECO Board confirmed this agreement. No new development has taken place in FY 2018, 2019 and 2020.

Strategic Objectives

ECO was committed to:

1) Organize annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Participate in the development and implementation by the ECO Counties of comprehensive Natural Resources Management Plans (NRMPs), as requested by individual County Members.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Continue its engagement with the Federal, State and legal partners who contributed to the completion of the Arizona FY 2014 Natural Resources Study;

- Continue its engagement with the ECO Counties staff who contributed to the completion of the Arizona FY 2014 Natural Resources Study;
- Provide technical expertise and support to the ECO Counties for the development and implementation of comprehensive Natural Resources Management Plans (NRMPs);
- Explore funding options with the Arizona Legislature to allow resources-strapped rural counties to develop Natural Resources Management Plans (NRMPs).

Allocated Resources

ECO planned to expend 10% of its resources on Program 7: *Natural Resources Planning.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 7: *Natural Resources Planning.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 7: *Natural Resources Planning*, ECO sought the following outcomes:

1) Organization of annual ECO field trips as primary vehicles for the ECO counties to convey to the Arizona Legislature their vision and objectives for their Natural Resources Planning, and to enroll their support in their action with state and federal agencies.

2) Development of ECO Counties comprehensive Natural Resources Management Plans (NRMPs) including, among others, as requested by individual County Members.

Measurable Results

As a result of their engagement in Program 7: *Natural Resources Planning*, ECO and its partners achieved the following results:

1) ***ECO Legislative Field Trip***
   The 2019 (FY 2020) ECO Legislative Field Trip was organized for October 2 & 3, 2019 with a focus on:
   - economic development (vineyards and dairy);
   - border issues;
   - water conservation and recharge in the San Pedro system;

   in Cochise County.

   However, the unanticipated visit to Arizona of U.S. Vice President Pence on October 3, 2019 took precedence, and the fieldtrip had to be postponed until the Fall of 2020. In the meantime, the COVID-19 pandemic struck, and the Fall 2020 fieldtrip could not be conducted. The next ECO fieldtrip is expected to take place in the Fall of 2021.

2) ***Tonto National Forest Land Management Plan Revision***
   On December 13, 2019, the Tonto National Forest released the Draft Environmental Impact Statement for its draft Land Management Plan Revision.

   On March 11, 2020 ECO through its county member Gila County filed comments on the Tonto National Forest Land Management Plan Revision:
   1. identifying issues with:
      a. failure of Tonto National Forest to honor Gila County January 9, 2018 request for a coordination review of the Preliminary Proposed Land and Resource Management Plan under 36 CFR 219.4;
      b. failure of Tonto NF to comply with the Multiple Use Sustained Yield Act (MUSYA) (16 U.S.C. 528, 530 et seq.);
   2. opposing Alternative C – Natural Forces Predominant;
   3. opposing additional wilderness and special designations or recommendations under Alternative B Proposed Action - Draft Forest Plan;
   4. opposing additional wild and Scenic River designations or eligibility under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
   5. opposing additional inventoried roadless areas under all Alternatives, including Alternative B Proposed Action - Draft Forest Plan;
   6. expressing concerns with vegetation and wildland fire; rangeland management; consistency between Tonto National Forest Plan Revision and 4FRI Rim Country ongoing NEPA analysis; nexus between Tonto National Forest Plan Revision and Tonto National Forest Travel Management Plan; lake and river management areas; and species of greatest conservation need or significant economic and recreational importance in Alternative B Proposed Action - Draft Forest Plan.
   7. supporting Alternative D – Human Forces Predominant;

ECO 2015 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2016 Natural Resources Planning field trip for the Arizona Legislature.

ECO 2017 Natural Resources Planning field trip for the Arizona Legislature.

Program 8: Public Lands

Program 8, *Public Lands*, includes continued support for, and participation in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

Background

The continued expansion of Federal public lands use restrictions, and the continued uncertainty of Federal funding of the Secure Rural Schools and Community Self-Determination Act (SRS) and the Payments in Lieu of Taxes (PILT) pursuant to Chapter 69, Title 31 of the United States Code, evidence the growing need for an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

During FY 2015, members of the Arizona Legislature asked ECO to conduct a comprehensive analysis of all public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The purpose of the report was to produce an objective analysis of the various initiatives and outcomes in the issue of public lands transfer, as well as providing an objective identification of the socio-economic issues to be addressed.

On September 24, 2014, ECO released a comprehensive analysis of all the public lands transfer studies conducted in Utah, Nevada, Wyoming, Idaho and Montana in 2012 and 2013, and attempted in Arizona, New Mexico and Colorado. The *ECO Special Report to the Board of Directors, Public Lands Transfer Studies - Recommendations for an Arizona Study* has been widely distributed and is widely acknowledged as providing an objective analysis of the various efforts and outcomes in the issue of public lands transfer, as well as providing an objective identification of the economic issues to be addressed. It is expected that the ECO analysis will contribute to inform the Arizona Legislature's action on the issue.

During FY 2015, legislators further asked ECO to fund the inclusion of the State of Arizona in a study comparing the total management costs and revenues for BLM and USFS lands with those of state-owned lands. The purpose of this study was to provide hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

In March 2015, The Property and Environment Research Center (PERC) released the study *Divided Lands – State vs. Federal Management in the West* funded by ECO for the inclusion of the State of Arizona in the multiple-funders, multiple-states study. The study confirmed that "the federal government loses money managing valuable natural resources on federal lands, while states generate significant financial returns from state trust lands" (p. 4). This investment provided hard data for the discussion of the economic viability of a transfer of public lands in Arizona.

Issues and Progress

Due to the presence of numerous U.S. National Forests (USFS), Bureau of Land Management (BLM) lands, National Parks Service (NPS) parks and monuments, Department of Defense (DOD) military bases,

and Indian Reservations, the Counties of ECO face unique land use issues. An overwhelming majority of the ECO Counties' land is controlled by Federal agencies:

	USFS	BLM	NPS	DOD	Tribal	Total Federal	State	Not Taxable	Private	Population
Apache	9%	2%	0%	0%	67%	78%	9%	87%	13%	73,195
Cochise	12%	10%	0.5%	2.5%	0%	25%	35%	60%	40%	125,770
Gila	55%	2%	0%	0%	38%	95%	1%	96%	4%	53,144
Graham	13%	25%	0%	0%	36%	74%	16%	90%	10%	37,416
Greenlee	64%	14%	0%	0%	0%	78%	15%	93%	7%	8,802
Navajo	8%	1%	0%	0%	67%	76%	6%	82%	18%	107,094

This situation creates unique challenges for the ECO Counties, including:

1) Limited economic development abilities (mining, grazing, logging, energy, etc.) due to Federal control of the land.

2) Disproportionate impact of Critical Habitat designation for Threatened and Endangered Species and disproportionate safety, custom, culture and economic well-being constraints created by species protection, recovery and reintroduction.

3) Disproportionate impact of restrictive motorized travel management plans and regulated access to Federal lands (USFS, BLM, NPS).

4) Disproportionate impact of restrictive revisions of USFS Forest Plans and BLM Public Land Management Plans.

5) Disproportionate impact of special management area designations by Federal agencies.

6) Disproportionate fiscal impact of Counties reduced tax bases exacerbated by the uncertainty about SRS and PILT payments.

A rational dialog is required to address the failure of the current public lands management model to fund necessary State services such as education, health and social services. Mutually acceptable and ecologically, economically and socially sustainable solutions must be developed and implemented.

Greater Grand Canyon Heritage National Monument Act

Despite its failure during the 114th Congress (H.R. 3882), on January 6, 2017, Congressman Grijalva reintroduced the *Greater Grand Canyon Heritage National Monument Act* (H.R.360).

ECO filed comments, emphasizing its concerns on:
- preponderance of lands under Federal control;
- limitation on State agencies management;
- incremental impact on motorized and non-motorized access, recreational multiple-use, tourism industry and grazing;
- wildfire mitigation;

- ecosystems and watersheds restoration;
- water rights;
- proxy issue for a permanent uranium mining moratorium.

On February 10, 2017, the bill was referred to the House Committee on Natural Resources' Subcommittee on Federal Lands.

During FY 2018 no further action was taken on the bill by the 115th Congress, and the bill died in committee.

During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims. The bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona

Following the introduction of Arizona House Bill 2176 Federal Land Relinquishment on January 22, 2015 and House Bill 2318 Transfer of Public Lands Compact on January 22, 2015, both passed but vetoed by Governor Ducey on April 13, 2015; and of House Bill 2658 Transfer of Federal Lands Study Committee, introduced on February 11, 2015, passed, and signed into law by Governor Ducey on April 9, 2015, ECO counties provided testimony to the Study Committee, and the written information requested by the Study Committee during FY 2016.

On January 25, 2018, Representative Mark Finchem and 30 Arizona Representatives proposed House Bill 2210 Public lands; ownership; control; litigation "directing the attorney general to commence an action to attempt to gain ownership or control of the public lands within this state." The measure would mandate legal analysis of a case Utah has prepared to challenge for public lands in that state. If the attorney general determined the case has merit, the bill would authorize Arizona to join the lawsuit expected in the fall of 2018. The bill passed the House Land, Agriculture and Rural Affairs Committee Action but did not continue to the floor.

During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2019, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2020.

Strategic Objectives

ECO was committed to participate in the development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona that ensures:

1) The mitigation of the Federal agencies monopoly of decision-making power as regards the management of public lands and natural resources in Arizona.

2) The development of a public lands use taxation model for the funding of State services such as education, health, safety, and social services.

3) The mitigation of Federal actions' disproportionate impacts on Counties comprised in majority of federally controlled lands.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of the management of public lands in Arizona;

Allocated Resources

ECO planned to expend 5% of its resources on Program 8: *Public Lands.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 5% of its activities to Program 8: *Public Lands.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 8 Public Lands	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 8: *Public Lands*, ECO sought the following outcomes:

1) Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona.

Measurable Results

As a result of their engagement in Program 8, *Public Lands*, ECO and its partners achieved the following results:

1) ***Greater Grand Canyon Heritage National Monument Act***.
   During FY 2019, on February 26, 2019, on the Centennial anniversary of Grand Canyon National Park, Congressman Raúl Grijalva introduced the Grand Canyon Centennial Protection Act (H.R. 1373) to permanently withdraw 1,006,545 acres of public lands surrounding the Grand Canyon from new mining claims.

   During FY 2020, the bill passed in the House on October 30, 2019 and was received in the Senate and referred to the Committee on Energy and Natural Resources.

   The Senate did not act on the bill during the 116th Congress (2019-2020). It is expected that the bill will be re-introduced in the 117th Congress (2020-2021).

2) ***U.S. Forest Service National Environmental Policy Act Compliance Rule***
   On June 13, 2019, the U.S. Forest Service proposed revisions to its National Environmental Policy Act (NEPA) regulations to increase efficiency in its environmental analysis while meeting NEPA's requirements.

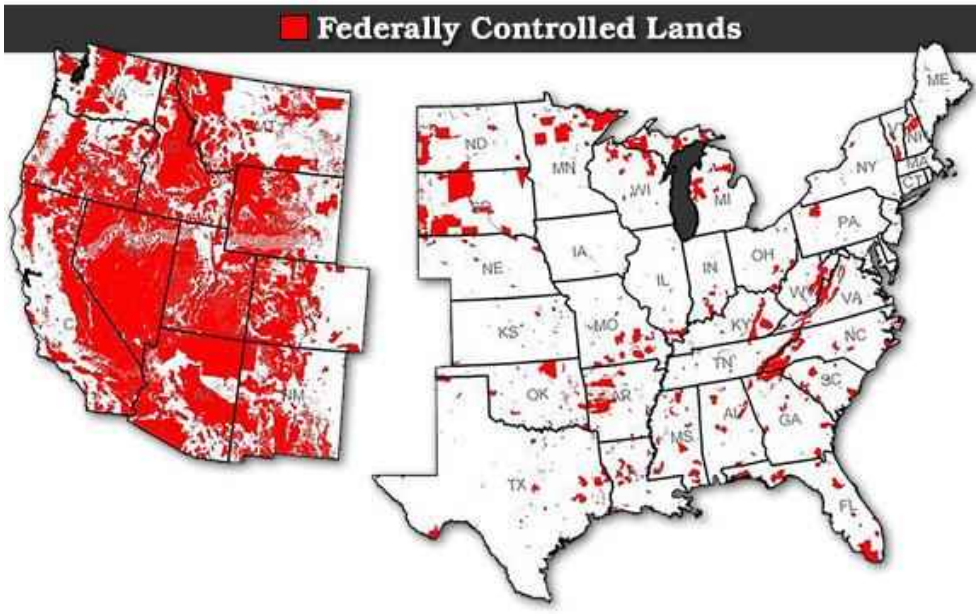
   On August 23, 2019 ECO filed comments on the U.S. Forest Service National Environmental Policy Act Compliance Proposed Rule 36 CFR Part 220 - FR 2019-12195, identifying the following issues:

1. the proposed Conditions Based Management (CBM) may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
2. the proposed Adaptive Management framework may defeat the purpose of the NEPA analysis and disclosure of effects if it implies the ability to implement actions other than the one analyzed for effects;
3. the proposed "Determination of NEPA Adequacy" does not contain any specifics to indicate when a previous NEPA analysis could satisfy NEPA requirements for a subsequent action;
4. removing the consideration of "sensitive species" from Categorical Exclusion decisions may defeat the purpose of the development by States Game & Fish Departments of lists of Species of Greatest Conservation Need (SGCN), as mandated by Congress and approved by the U.S. Fish and Wildlife Service;
5. removing mandatory formal scoping periods for Categorical Exclusions and Environmental Assessments, with an emphasis on "right-sizing public engagement opportunities", may result in reduced opportunities for public, State and Local Governments engagement if local Line Officers are not intent on discretionary collaboration.

3) ***Development and implementation of an ecologically, economically and socially sustainable model for the management of public lands in Arizona***.

During FY 2019, Representative Mark Finchem introduced HB 2557 *public lands; federal government; study* and HB 2056 *federal land; management department; committee* proposing the establishment of the Arizona Department of Public Land Management. The Department would be able to establish programs for conducting projects, planning, permitting, leasing, and other activities on public lands. The Department would also be required to manage and promote public land in Arizona. The two bills were not enacted into law.

During FY 2020, ECO continued to be a resource to Legislators on these questions. ECO will continue to do so in FY 2021.



Program 9: Water

Program 9, *Water,* includes participation in the development and implementation of effective planning and execution strategies for water issues, such as the development and implementation of a long-term, sustainable overall Arizona water balance; the implementation of across the board conservation measures such as the conversion from urban watered landscapes to dry desert landscapes and the conversion from agriculture flood irrigation to high efficiency irrigation techniques such as drip irrigation; the implementation of across the board augmentation measures such as the desalination of brackish water or deep aquifer water and the restoration of watersheds; and, the preservation of rural and agricultural Arizona interests and economies in the implementation of water rights, conservation measures and potential shortages.

Background

While Arizona is one of the fastest-growing states in the nation and is expected to continue to grow from over 6 million people in 2010 to 9.5 million people by 2025, the State is also one of the driest in the nation, receiving a statewide average of only 12.5 inches of rain per year. Meanwhile, rural and urban lives, as well as all economic activities such as agriculture, mining, industry, etc., rely on a dependable water supply.

According to the Arizona Department of Water Resources (ADWR) data from 2001–2005, Arizona uses over 7 million acre-feet of water annually, or 2.3 trillion gallons (1 acre-foot = 325,851 gallons). To sustain its economic growth, Arizona is confronted with meeting the challenge of balancing a decreasing resource with growing needs.

Water Sources

Arizona water is provided by three major sources: surface water, ground water and the Colorado River; plus, the reutilization of wastewater effluents.

Surface water

Surface water, including sub-flow, is mainly provided by the Gila River system. The Gila River system includes the Gila River and its main tributaries, the Salt River – itself augmented by its main tributary the Verde River; the San Francisco River - itself augmented by its main tributary the Blue River; the San Pedro River; and the Agua Fria River. The Gila River system is augmented by the land-locked Santa Cruz River in the south, the intermittent Little Colorado River in the north, and numerous ephemeral washes.

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs.

Ground water

Ground water is provided by aquifers, including the Colorado Plateau aquifers and a number of small local range and basin aquifers. Only the north-east corner of Arizona (Coconino, Navajo and Apache Counties) can rely on the continental Colorado Basin Aquifer.

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs.

Colorado River

According to a recent study, 16 million jobs and $1.4 trillion in annual economic activity across the West depend on the Colorado River. Through the Central Arizona Project (CAP), a 336-mile long system of canals, aqueducts, tunnels, pumping plants and pipelines, and the longest and costliest aqueduct in American history, from Lake Havasu near Parker to the San Xavier Indian Reservation southwest of Tucson, 1.5 million acre-feet of water from the Colorado River are distributed every year to the more than 5 million people, or more than 80% of the state's population, who live in Maricopa, Pima and Pinal counties in Central and Southern Arizona. The Central Arizona Project is Arizona's single largest resource for renewable water supplies. According to a study by the ASU W.P. Carey School of Business, over its 30 years of existence from the 1980's through 2010, CAP has generated in excess of $1 trillion of Arizona's gross state product (GSP), a nearly 20-fold increase in the state's economy over the last 50 years. However, and most importantly, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree to be the first State in line for rationing, should a water shortage occur in the Colorado River system.

In addition to providing water to the CAP, the Colorado River also provides water to the western third of the state, in Mohave, La Paz, and Yuma Counties.

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs.

Effluent

Reclaimed wastewater is treated locally to a sub-potable quality level, and is used for agriculture irrigation, golf courses and parks watering, industrial cooling, and the maintenance of wildlife areas.

Through reutilization, wastewater effluents contribute 140,000 acre-feet annually, about 2% of the Arizona water needs.

Water Uses

Arizona consumes water for three primary cultural purposes: agriculture, industry and municipalities uses, and one ecological purpose: in-stream uses for the support of aquatic and riparian ecosystems.

Agriculture

Agricultural irrigation of water-intensive crops such as cotton, almonds, alfalfa, rice, etc., is by far the largest consumer of water in Arizona, even though agricultural use has been reduced over the last few decades due to increased urbanization and investments in irrigation conservation measures.

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Industry

Despite a critically important mining sector (Arizona supplies over 60% of the nation's copper), and an important, and water-intensive, power generation sector (the thermal production of one kilowatt hour of electricity requires typically 25 gallons of water), Arizona industry is by far the smallest consumer of water in Arizona.

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Municipalities

Municipalities, especially in Maricopa, Pima and Pinal counties in Central and Southern Arizona, where more than 80% of the state's population lives in a desert environment, are the second largest consumers of water in Arizona, much of it being used to irrigate landscapes.

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Water Planning

Of the seven Planning Areas of the Arizona Department of Water Resources (ADWR), three are located in the six ECO Counties footprint:

1) Eastern Plateau
   The Eastern Plateau Planning Area includes one groundwater basin, the Little Colorado River Plateau Basin, and one river system, the Little Colorado River.
   The Little Colorado River is not a perennial river proper. Only the headwaters and the lowermost section flow year-round. Between St. Johns and Cameron, most of the river is a wide dry wash, with flowing water occurring only after snowmelt or seasonal 'monsoon' summer rains. The lower 40 miles of the Little Colorado forms one of the largest arms of the Grand Canyon, over 3,000 feet deep where the Little Colorado joins the Colorado near Desert View in the Grand Canyon National Park.
   The Eastern Plateau Planning Area covers portion of three counties, two of which are ECO Counties, including 90% of Apache County and 89% of Navajo County. The planning area also includes 41% of Coconino County. All or parts of the Hopi, Navajo, and Zuni reservations are located within the planning area.
   Population centers include Flagstaff, Show Low/Pinetop/Lakeside, Winslow and Holbrook; and Page, Tuba City, Window Rock, Chinle and Kayenta on the Navajo Reservation. The 2000 Census planning area population reached almost 250,000.

   Per the ADWR Water Atlas, an average of about 170,500 acre-feet of water per year was used annually during the period 2001-2005 in the planning area for agricultural, municipal and industrial uses (cultural water demand). The water supplies utilized to meet these demands include primarily groundwater (104,800 acre-feet), surface water from the Colorado River and other streams (50,800 acre-feet) and effluent (14,900 acre-feet).
   The planning area has a large industrial water use sector due to the presence of several thermal power generating stations and large coal mining operations. Industrial water use is the principal use, currently about 83,100 acre-feet, approximately 49% of the total use.
   The Joseph City Irrigation Non-Expansion Area (INA) was designated west of Holbrook in Apache County due to insufficient groundwater to provide a reasonably safe supply for irrigation. Municipal sector average annual demand is approximately 45,000 acre-feet. Agricultural demand is relatively low by Arizona standards with an estimated annual demand of 42,400 acre-feet.

2) Central Highlands

The Central Highlands Planning Area includes five groundwater basins, two of which are located in the ECO footprint: Tonto Creek in Gila County, and Salt River in Navajo, Gila, Apache, Greenlee and Graham Counties. The Planning Area includes two main river systems, the Salt River and its main tributary, the Verde River.

The Central Highlands Planning Area covers portion of nine counties, five of which are ECO Counties, including approximately 80% of Gila County, and small portions of Navajo, Apache, Graham and Greenlee Counties. The planning area also includes portions of neighboring counties: Yavapai (approximately 80%), and small areas of Coconino, Maricopa and Pinal Counties. The Fort Apache (White Mountain Apache Tribe), San Carlos Apache, Tonto-Apache, and Yavapai-Apache Indian Reservations are located within the planning area.

The 2000 Census planning area population was approximately 143,000. Basin population ranged from about 7,500 in the Tonto Creek Basin to over 88,000 in the Verde River Basin. Payson is the largest metropolitan area with about 13,600 residents in 2000. Other population centers include Camp Verde, Cottonwood/Verde Village/Clarkdale, Globe/Miami and Sedona.

Per the ADWR Water Atlas, an average of about 83,200 acre-feet of water was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 63% was groundwater, 36% was surface water and 1% was effluent. The agricultural sector had the largest use with approximately 37,500 acre-feet, approximately 45% of the total use. Demand from the municipal sector averaged about 27,400 acre-feet and industrial demand averaged about 18,300 acre-feet.

3) Southeastern Arizona:

The Southeastern Arizona Planning Area includes 14 groundwater basins, nine of which are located in the ECO Counties footprint: Morenci and Duncan Valley in Greenlee County; Bonita Creek, Safford and Aravaipa Canyon in Graham County; and Wilcox, Douglas, Upper San Pedro and San Bernardino Valley in Cochise County. The Planning Area includes three main river systems, the Gila River mainly in Graham County, and two of its main three tributaries, the San Francisco River in Greenlee County, and the San Pedro River mainly in Cochise County, then Pinal County (the third main tributary, the Salt River, being located in the Central Highlands).

The Southeastern Arizona Planning Area covers portion of eight counties, five of which are ECO Counties, including 100% of Cochise County; 0.1% of Apache County, 22% of Gila County, 95% of Graham County, and 92% of Greenlee County. The planning area also includes portions of neighboring counties: Pima (6%), Pinal (27%) and Santa Cruz (44%) counties. Most of the San Carlos Apache Reservation is located within the planning area.

The 2000 Census planning area population was approximately 188,300. Basin population ranged from 21 in Bonita Creek, to more than 78,000 in the Upper San Pedro. Sierra Vista is the largest metropolitan area with about 62,000 residents in the incorporated and unincorporated areas in 2006.

Per the ADWR Water Atlas, an average of 515,100 acre-feet of water (including effluent) was used annually during the period 2001-2005 for agricultural, municipal and industrial uses. Of this total, approximately 84% is groundwater. The agricultural water use sector is the largest user by far with an average annual demand of approximately 440,000 acre-feet, approximately 85% of the total use, mostly in the Douglas, Safford and Willcox basins that regroup over 88% of the total agricultural demand.

Most of the Douglas Basin was designated as the Douglas Irrigation Non-expansion Area (INA) due to insufficient groundwater to provide a reasonably safe supply for irrigation.
Average annual municipal demand in the planning area is approximately 40,500 acre-feet and industrial demand is approximately 34,550 acre-feet.

Water Rights

Public Water Code / surface water rights

Arizona surface water rights and surface water laws are based on the doctrine of "prior appropriation." This doctrine is based on the tenet of "first in time, first in right," where the person who first puts the water to a "beneficial use" acquires a right that is senior to later junior rights to the water. Historically, a user acquired a surface water right by applying the water to a "beneficial use" and posting a notice of the appropriation at the point of diversion. On June 12, 1919, the Arizona surface water code, now known as the Public Water Code, was enacted. The law provides that a user must apply for and obtain a permit in order to appropriate surface water.

Arizona General Stream Adjudication – the "Water Case"

In order to resolve conflicting water rights to the Salt River and Verde River systems, the Salt River Valley Water Users' Association, responsible for the management of the Salt River Project (SRP), filed two petitions with the Arizona State Land Department to adjudicate the water rights of the Salt River Watershed (April 1974) and Verde River Watershed (February 1976). Subsequently, the Phelps Dodge Corporation filed a petition with the Arizona State Land Department to address the determination of water rights in portions of the Lower Gila River Watershed and the Upper Gila River Watershed (February 1978), then supplemented the February petition to include additional lands in both the Lower Gila River and Upper Gila River watersheds (April 1978). In turn, the Buckeye Irrigation Company filed a motion to intervene and two petitions to enlarge the scope of the adjudication of the Gila River Watershed to the Agua Fria River Watershed and other portions of the Lower Gila River Watershed (December 1980), and to include portions of the Santa Cruz River Watershed in the Gila River Adjudication (October 1985). In the meantime, in order to resolve conflicting water rights to the Little Colorado River System, the Phelps Dodge Corporation filed a separate petition with the Arizona State Land Department (February 1978), and ASARCO Inc. filed a petition with the State Land Department for the adjudication of the San Pedro River Watershed (April 1978).

In April 1979 the Arizona Legislature amended the general adjudication statutes and the cases were transferred from the State Land Department to the superior court in the counties where the original petitions were filed. The Salt River, Verde River, and Gila River adjudications were transferred to the Maricopa County Superior Court, and the San Pedro River adjudication was transferred to the Cochise County Superior Court. In November 1981, the Arizona Supreme Court consolidated the adjudications of the Salt, Verde, Gila and San Pedro Rivers and ordered the case conducted in the superior court in the county having the largest number of potential claimants. This resulted in the consolidated *General Adjudication of All Rights to Use Water in the Gila River System and Source* being transferred to the superior court in Maricopa County. Meanwhile, in 1979, the *General Adjudication of All Rights to Use Water in the Little Colorado River System and Source* was transferred from the State Land Department to the Apache County Superior Court. In October 2000, the Arizona Supreme Court linked the two cases by appointing a "Water Judge," Judge Edward

Ballinger, to preside over both the Gila River and Little Colorado River adjudications. Judge Edward Ballinger was later replaced in October 2012 by Judge Mark Brain.

Summons were served on all persons listed in the property tax assessments in each watershed and on all persons in the watershed who had, at the time, any kind of water rights filing, groundwater or surface water, on record with the Arizona Department of Water Resources. As of June 30, 2015, over 26,000 water users, in 14 of Arizona's 15 counties, had filed 83,876 claims in the Gila River Adjudication, and 14,654 claims in the Little Colorado River Adjudication. Claimants include the United States, the State of Arizona, Indian tribes, municipalities, mining operations, farmers, cattle growers, water providers, and domestic well users. The case is ongoing, with one of the latest developments being the replacement of Special Master George Schade upon his retirement in June 2015. The Special Master organizes the objections and issues of broad legal significance into contested cases, hears evidence, and submits a report and recommended final decree to the court. The Arizona Department of Water Resources acts as the court's technical adviser, investigates all claims, prepares technical reports, maintains a central information repository, and conducts the service of summons.

The adjudication process will identify and rank the rights to use surface water for the users in the Gila River System and Source and the Little Colorado River System and Source, that is to say approximately 75% of Arizona with the exception of the western quarter of the State served by the Colorado River. Neither groundwater nor Central Arizona Project water is subject to the "Water Case."

Indian water rights settlements

Concurrently with the Arizona Water Case, parties have engaged in negotiations to resolve Indian and federal reserved water rights by settlement. These efforts have resulted in the Maricopa County Superior Court's approval, following Congressional approval, of a number of settlement agreements of Indian reserved rights. Recent congressionally-approved settlements include the June 2003 *Zuni Indian Tribe Water Rights Settlement Act*; the December 2004 *Arizona Water Settlements Act* (Tohono O'odham Nation and Gila River Indian Community); and the December 2010 *Claims Resolution Act of 2010* (White Mountain Apache Tribe) sponsored by Senator Kyl.

Among pending Indian water rights issues in Arizona, the Navajo Nation claims in the Lower Basin of the Colorado River, including the Little Colorado River, remain unresolved following the rejection by the Navajo Nation of the *Navajo-Hopi Little Colorado River Water Rights Settlement Act of 2012* sponsored by Senator Kyl. The September 2014 settlement between the United States and the Navajo Nation, that will pay the Navajo Nation $554 million to settle claims that the U.S. government mismanaged funds and natural resources on the Navajo reservation for decades, does not include water rights claims.

Groundwater Management Code / sub-surface water rights

In parallel with the enactment of the June 1919 Arizona surface water code, Arizona lawmakers attempted, unsuccessfully, to limit groundwater pumping. This resulted in groundwater "overdraft," water being pumped faster than it was replaced naturally, depletion of the aquifers, increased costs of deeper drilling and pumping, degradation of water quality as deeper water typically contains more salts and minerals, and escalating conflicts between the various interests relying on groundwater.

In August 1976, the Arizona Supreme Court ruled in *Farmers Investment Company v. Bettwy* that the private pecan growers' company could impose a limit on how much groundwater the municipality of Tucson and the copper mining companies Anaconda Company and Amax Copper Mines could pump. The cities and the mines demanded relief from the Arizona Legislature. The Legislature formed a 25-member groundwater commission to write a new groundwater law. Agriculture always had been the biggest groundwater user, and farmers, interested in maximizing the value of their land, proposed that anyone who wanted to initiate pumping should have to purchase an existing right from a farm. The mining industry counter-proposed that each acre in a groundwater basin should receive a "quantified right" to water. To resolve the gridlock, Governor Bruce Babbitt convinced the U.S. Secretary of the Interior, Cecil Andrus, to subordinate the construction of the Central Arizona Project to the enactment by Arizona of tough groundwater laws. Consequently, Governor Babbitt was able to mediate the agricultural, industrial and municipal interests, and in June 1980 the Groundwater Management Code was enacted. In 1986, the Arizona Groundwater Management Code was recognized by the Ford Foundation and Harvard University as one of the 10 most innovative programs in state and local government.

Beside creating the Arizona Department of Water Resources (ADWR), and centralizing all responsibilities for water planning and regulation, except water quality, in the agency, the Groundwater Management Act aimed at controlling severe overdraft occurring in many parts of the state; providing a method to allocate the state's limited groundwater resources to most effectively meet the changing needs of the state; and augmenting Arizona's groundwater through water supply development.

Active Management Areas (AMAs)

Most significantly, the Act established Active Management Areas (AMAs) in parts of the state where groundwater pumping is heaviest. Five AMAs currently exists: the Prescott, Phoenix, Pinal, Tucson, and Santa Cruz AMAs.

The five AMAs are subject to specific regulations. In the Phoenix, Prescott, and Tucson AMAs, the primary management goal is "safe-yield" (balance between annual water consumption and replenishment) by the year 2025. In the Pinal AMA, where the economy is primarily agricultural, the management goal is to preserve agriculture for as long as feasible, while considering the need to preserve groundwater for future non-irrigation uses. In the Santa Cruz AMA, the management goal is to maintain a safe-yield condition and to prevent local water tables from experiencing long-term declines.

ADWR applies stringent regulations in the AMAs, including the prohibition of irrigation of any new agricultural lands; the requirement for a secured physical, legal, and continuous access to a 100-year supply of water prior to any industrial or urban development; the metering and reporting of water pumped from all large wells; and the completion and implementation of five water management plans, up to 2025, designed to create and implement a comprehensive system of conservation objectives and methods in the agricultural, industrial and municipal sectors. In the AMAs, users are required to hold a permit to pump groundwater, unless the well is an "exempt" well with a maximum pump capacity of 35 gallons per minute and is not used for agricultural irrigation purpose.

Irrigation Non-expansion Areas (INAs)

The 1980 Groundwater Management Act also established Irrigation Non-Expansion Areas (INAs) in areas where there is insufficient groundwater to provide a reasonably safe supply for irrigation.

Three INAs currently exists: the Joseph City, Douglas, and Harquahala INAs.

ADWR applies restrictions on increasing the number of irrigated acres in the INAs.

Since groundwater use in AMAs and INAs is regulated, groundwater pumping in these areas requires a permit from ADWR. Groundwater use outside AMAs and INAs is not regulated and does not require a permit. However, drilling a well anywhere in the state requires that a Notice of Intent to Drill be filed with ADWR.

Colorado River Compact - the "Law of the River"

In 1917, Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada formed the League of the Southwest to promote development along the Colorado River. In 1921, Congress authorized the states to enter into a compact for the allocation of the river water. The Colorado River Compact was signed by the seven States and approved by Congress in 1922. However, Arizona contested the lower basin allotment and refused to ratify the agreement until 1944. The specific allotments were disputed until Arizona won the case with the United States Supreme Court upholding Arizona's right to 2.8 million acre-feet-annually in the 1963 decision *Arizona v. California*. This cleared the way for the Central Arizona Project, authorized by Congress in September 1968.

The Colorado River Compact allocates 15 million acre-feet-annually between the seven states. In addition to the Compact, a 1944 international treaty allocates 1.5 million acre-feet annually to Mexico.

Arizona's allocation of 2.8 million acre-feet annually far exceeded the pre-Central Arizona Project 1.3 million acre-feet annual consumption by the State, as consumption was limited to Arizona Counties located along the Colorado River, mainly in Mohave, La Paz, and Yuma Counties. However, since the completion of the Central Arizona Project in 1993, Arizona's consumption of Colorado River water has steadily increased, and since 2000 the State has been distributing 1.5 million acre-feet of water from the Colorado River every year to Maricopa, Pima and Pinal counties in Central and Southern Arizona, therefore using its full 2.8 million acre-feet annual allocation.

Most importantly, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree to be the first State in line for rationing should a water shortage occur in the Colorado River system.

Issues and Progress

Arizona water issues can be summarized as attempting to balance a decreasing resource with growing needs, under competing and conflicting rights.

In simplistic terms: at 45% of capacity Lake Powell is more than half-empty; dropping about 7 feet per year, Lake Mead is at its lowest historical level, the first time ever below 1,080 feet above sea level, with a June 2015 low point of 1,073 feet, 2 feet below the mandated January 1,075 feet trigger for a shortage declaration; the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint; the reservoirs of Roosevelt Lake and the Salt and Verde rivers are being depleted; and, the Colorado River is so low that most years it does not reach the sea anymore.
For the first time in Arizona's history, in the spring of 2015 there was a real prospect that the Colorado River would be officially declared in "shortage" for the year of 2016, and that Arizona would face its first

water-supply cuts. According to the Bureau of Reclamation's Colorado River operations office, the current projections, factoring in both the ongoing drought and the systemic over-allocation, are almost guaranteeing a shortage in the coming few years. Barring a sudden unexpected end to the drought, official shortage conditions are likely for the indefinite future.

In the meantime, despite widespread emerging conservation efforts in Arizona major cities, most private lawns and golf courses, and public parks continue to be abundantly watered; and despite some investments in drip and subterraneous irrigation, many Arizona irrigated fields continue to be irrigated using flood irrigation techniques with only 40% to 50% efficiency.

Decreasing supply

Surface water

Surface water contributes 1.4 million acre-feet annually, about 19% of the Arizona water needs and is in steady decline as a direct result of the prolonged drought. Arizona receives a statewide average of only 12.5 inches of rain per year, and because of the desert climate, the precipitations, and the amount of surface water available, can vary dramatically from year to year, season to season, and place to place.

Surface water utilization and distribution is maximized by storage reservoirs and delivery systems built throughout the state to capture spikes in runoff during occasional wet years. These include preeminently the reservoir storage systems located on the Salt, Verde, Gila and Agua Fria rivers. However, few, if any, opportunity remain in Arizona to expand the surface water management system since virtually all of the natural surface water in Arizona has already been developed.

The 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade river flows were reduced down to less than two-thirds of their 20th century level. Because the Arizona snowpack, when it falls, is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to rivers and lakes, scientific models project a reduction of surface water flows between 5% and 35% by 2050.

Ground water

Ground water contributes 2.9 million acre-feet annually, about 40% of the Arizona water needs. However, as the surface water decreased progressively over the last two decades, agricultural and municipal users have increased the pumping of ground water. Throughout the 20th and beginning of the 21st centuries, groundwater has been pumped out more rapidly than it has been replenished, creating a situation of overdraft. In the last 10 years, the Colorado Basin aquifers have been reduced by as much as 15.6 cubic miles of subsurface freshwater, raising concerns about their long-term sustainability. Similarly, the Wilcox aquifer has dropped as much as 143 feet over the past 20 years and continues to lose an average of three feet per year, threatening the agricultural economy of the basin, as well as municipal supplies since there is no alternative source of water. Five city wells have gone dry since 2008. Payson, which aquifer sub-basin has suffered the largest drop in the state, must turn to pumping water from the C.C. Cragin (previously Blue Ridge) reservoir on the Mogollon Rim to sustain its water supply.

And the North Central Arizona Water Supply Study (which includes Flagstaff and part of the Eastern Plateau Planning Area, and the Western Plateau Planning Area) concluded that by 2050 the region current groundwater pumping will not be sustainable.

Conversely, in the sub-basins along the Central Arizona Project and below the Phoenix metro area, aquifers have seen average increases of 20 feet, and up to about 60 feet in some limited areas, over the past 20 years, as water consumption shifted from ground water to Colorado River water delivered by the CAP since the late 1990's.

However, in general, the Arizona aquifers levels have been lowered by 20 to 70 feet outside of the CAP footprint, and even though a large amount of water remains stored in Arizona's aquifers, its availability is limited by location, depth and quality, and the continued overdraft of the state groundwater supplies compromises a sustainable water supply for the future.

Colorado River

The Colorado River contributes 2.8 million acre-feet annually, about 39% of the Arizona water needs, but the river is so over-allocated that most years it does not reach the sea anymore.

At the root of the problem, research indicates that the 1922 Colorado River compact that governs how Colorado, Utah, Wyoming, New Mexico, Arizona, California and Nevada allocated the Colorado River water, happened to have been negotiated during the wettest 10-year period in the last 1,000 years. As a consequence, the 1922 Colorado Compact, and the 1944 international treaty with Mexico, allocate 16.5 million acres feet annually, while during the last 110 years the river has only flowed an average of approximately 15 million acres feet annually, with many years at only about 10 million acres feet. Consequently, in many years, the law allocates up to 25% more water than flows.

To compound the problem, water flows in the Colorado River watershed have been in steady decline as a direct result of the prolonged drought over the last few decades. The same factors that affect surface water in Arizona affect the entire Colorado Basin. As previously stated for other surface waters, the 2014 U.S. National Climate Assessment confirmed that most of the Southwest has warmed by more than one degree on average since 1975, and most models predict a further warming of at least a couple of degrees in a few decades and up to 5 degrees by 2100. Tree rings studies of the medieval drought, which lasted over a century in the 1100's and 1200's - a long time before any talk of greenhouse effect or global warming - indicate that in the worst decade the river flow was reduced down to less than two-thirds of its 20th century level. Because the Rocky Mountain snowpack is melting three to six weeks earlier than before American settlement of the region, and increasingly transforms directly from solid to gas through evaporation, without going through the liquid stage and flowing downhill to the river, scientific models project a reduction of the Colorado River flow between 5% and 35% by 2050, and the 2060 annual shortfall for the Colorado River is predicted to be 1 trillion gallons of water.

As a consequence, the water level in Lake Mead, the largest freshwater reservoir in the nation when full, has dropped more than 100 feet since 2000, and Lake Mead is now only filled to about half capacity. And the water level keeps falling. The 2014 low was 7 feet higher than the 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration. Upstream, Lake Powell is in even worse shape. Filled at only 45% of capacity Lake Powell is more than half-empty. The two reservoirs continue to capture spikes in runoff during occasional wet years such as 2011 when

the runoff was 20 million acre-feet, but rare wet years do not compensate for more frequent dry years such as 2013 when the runoff was only about 10 million acre-feet.

As the Colorado River already provides in average 10% less water than is allocated annually, based on various climate model projections for the Colorado River watershed, the U.S. Bureau of Reclamation projects that by 2050 the Colorado River flow will be further reduced by 9%. By 2060, the need will outstrip the resource by about 3 million acre-feet annually.

Colorado River water rights

Although the systemic over-allocation of the Colorado River has been identified for decades, up to the early 2000's several states, including Arizona, were not using their full allocation and other states, such as Nevada, compensated using more than their allocation by progressively draining Lake Mead - which acted as the system's buffer - to approximately half capacity.

However, with the level of Lake Mead dropping to a 2015 low of 1,073 feet, for the first time below the 1,075 feet January trigger level for an official shortage declaration, the very real prospect of a shortage was envisioned for 2016. Abundant precipitations in "Miracle May" 2015 prevented a 2016 shortage, but the Bureau of Reclamation's Colorado River operations office expects that the current projections, factoring in both the ongoing drought and the systemic over-allocation, place the probability of a shortage in the upcoming years at almost 75%.

A Colorado River official shortage declaration will have disproportionate economic impacts on Arizona since, as a condition to be allowed to build the Central Arizona Project, Arizona had to agree in 1968 to be the first State in line for rationing, with Nevada and Mexico also facing smaller cuts, should a water shortage occur in the Colorado River system.

If by January of any year, the water level in Lake Mead is below 1,075 feet, the U.S. Bureau of Reclamation will declare an official shortage for the first time ever and mandatory cuts in water allocation, contractually agreed-upon in the December 2007 Interim Guidelines, will be imposed on the Lower Basin states of Arizona, California and Nevada. In such "Light Shortage" condition Arizona will lose 320,000 acre-feet every year that the water level remains below 1,075 feet. Should Lake Mead drop an additional 25 feet to below 1,050 feet, a "Heavy Shortage" condition, Arizona would lose another 80,000 acre-feet for a total of 400,000 acre-feet. In "Extreme Shortage" condition, with Lake Mead water level dropping below 1,025 feet, Arizona would lose yet another 80,000 acre-feet, for a total of almost 0.5 million acre-feet annually.

Improved hydrology in the winter of 2018-2019 decreased the chances of shortage in the immediate future. As of August 2019, the Bureau of Reclamation projected a 43% chance of a shortage condition at Lake Mead by 2025 and a lesser chance of Lake Powell reaching critically low levels.

Colorado River Drought Contingency Plans

Despite efforts to alleviate future shortages, the basin's hydrological outlook generally has worsened in recent years. After several years of negotiations, in early 2019 the Bureau of Reclamation and the basin states transmitted to Congress additional plans to alleviate stress on basin water supplies. Congress authorized these plans, known as the *Drought Contingency Plans* (DCPs) for the Upper and Lower Basins, on April 16, 2019 in the *Colorado River Drought Contingency Plan Authorization Act* (P.L. 116-14).

Among other things, the DCPs obligate Lower Basin states to additional water supply cutbacks at specified storage levels (i.e., cutbacks beyond previous curtailment plans), commit the Bureau of Reclamation to additional water conservation efforts, and coordinate Upper Basin operations to protect Lake Powell storage levels and hydropower generation.

Despite the success of DCP negotiations, many remain concerned about the basin's long-term water supply outlook, including the need to potential for a compact call between the Lower Basin and Upper Basin that might lead to protracted legal issues.

Rapidly increasing municipal demand

Even though according to data from the Arizona Department of Water Resources and the Arizona Municipal Water Users Association, per capita water usage has leveled or even dropped in many central Arizona municipalities following the implementation of conservation efforts over the past five years, the typical Valley resident still consumes approximately 160 gallons per day.

With the Arizona population expected to grow from 6 million people in 2010 to 9.5 million people by 2025, with most of the growth concentrated in metro Arizona, at the current rate of consumption municipal demand in central Arizona will predictably increase by 560 million gallons per day, over 200 billion gallons per year, or over 0.6 million acre-feet annually.

Insufficient conservation

In December 2014, the Central Arizona Project signed an agreement with the Bureau of Reclamation and water providers for Southern California and Nevada to collectively reduce the Colorado River lower basin demand by 740,000 acre-feet annually over the next three years, through reduced consumption and improved efficiencies.

Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for almost half of the total reduction, 345,000 acre-feet annually.

However, such conservation is likely to provide less than a third of the new water needed by 2060, given the Arizona population growth projection on one end, and the projections of continued ground water, surface water and Colorado River water decreases on the other end.

Agriculture

Agriculture consumes 4.8 million acre-feet annually, about 69% of the Arizona water needs.

Per a 2014 University of Arizona's Eller College of Management study, there were 33,613 farmers in Arizona operating 20,005 farms on 26.2 million acres in 2012. Of the $3.7 billion total value of agricultural products sold in the state, crop sales account for $2.1 billion (56%) and livestock sales account for $1.6 billion (43%). Over 50% of the farms in the state are located in Apache, Navajo and Coconino counties and consist primarily of small farms. Conversely, over 78% of the $3.7 billion total value of agricultural products sold in the state, come from Maricopa, Yuma and Pinal Counties, with Yuma County alone being the fourth highest agricultural producer county in the Nation with $1.3 billion in crop sales. This is because, per the U.S. Department of Agriculture *Western Irrigated Agriculture*

study, irrigated farms in the West are generally more profitable than non-irrigated farms, averaging $1,427 per irrigated harvested acre versus $643 per non-irrigated acres (USDA National Agricultural Statistics Service, 2007 Census of Agriculture). Of the 20,005 Arizona farms, only 5,839 (29%) practice irrigation, and of the 26.2 million acres of Arizona farmland, only 880,613 (33%) are irrigated. Of these, 4,830 farms cultivate harvested crops on 854,515 irrigated acres (97% of irrigated acres), and 1,308 farms irrigate 26,098 acres of pastureland (USDA National Agricultural Statistics Service, 2012 Census of Agriculture - County Data).

Farm irrigation technologies vary widely in their efficiency potential defined as the relative amount of applied water that gets taken up through plant consumptive-use. Uncontrolled flood irrigation is widely recognized as the least efficient irrigation system, generally below 50% but potentially as low as 35%. In general, gravity-based irrigation efficiencies range from 35 to 80%, with higher efficiencies for improved gravity systems such as furrows, between borders, or within basin irrigation, in combination with lined or piped field water-delivery systems, surge-flow water application, or with the use of gravity water-management practices, such as tail water reuse pits, furrow-diking, alternate-row irrigation, or limited-irrigation set times. Pressure or sprinkler-based system efficiencies range from 50 to 90% efficiency depending on type, wind and evaporation. Low-pressure, low-energy precision application (LEPA), and subsurface drip systems are capable of efficiencies as high as 85 to 95% (USDA Economic Research Service, *Western Irrigated Agriculture*). Drip irrigation can reduce water demand by 25% to 50%, typically in Arizona from 1 to several acre-feet per irrigated acre annually, but costs typically from $1,000 to $2,500 per acre to install, and limits crop rotation flexibility.

Despite major water-saving efficiencies, drip irrigation adoption varies by area, and is generally limited. For example, it accounts for only 33% of the 600 irrigated acres in the Lower San Pedro basin; 25% of the 1,000 irrigated acres in the Upper San Pedro basin; 8% of the 13,150 irrigated acres in the Douglas basin; 2% of the 50,600 irrigated acres in the Wilcox basin; 0% of the 28,300 irrigated acres in the Safford basin; and 0% of the 3,450 irrigated acres in the Duncan basin.

General adoption of agricultural fields laser levelling and high efficiency irrigation techniques has the potential by itself to reduce Arizona agriculture water demand by approximately 1 million acre-feet annually, and to balance the State water budget for several decades.

Municipalities

Municipalities consume 1.8 million acre-feet annually, about 25% of the Arizona water needs.

Despite conservation efforts implemented in many central Arizona municipalities over the past five years, the typical metro resident in central Arizona still consumes approximately 160 gallons per day.

Not only this is over 1.5 times more than the average Arizona resident (100 gallons per day), but this is also higher than the average Las Vegas resident (124 gallons per day when returns to river are factored in) or Los Angeles resident (129 gallons per day).

Municipal water is used for drinking and sanitary purposes, but most of the central Arizona municipal demand is still consumed by landscape watering.

General conversion from watered lawns to desert landscaping in metro Arizona has the potential by itself to reduce Arizona municipal water demand by approximately 0.5 million acre-feet annually, and to offset the increased water demand of urban expansion for several decades.

Industry

Industry consumes 0.4 million acre-feet annually, about 6% of the Arizona water needs, much of it being effluents, with 70% of the water used to produce power in Arizona being recycled wastewater.

Although increase in industry efficiencies, especially in the mining sector, can contribute to reduce the overall Arizona water demand, the relative low consumption by industry (6% of the entire State consumption) makes even large efficiency gains by industry, relatively minor in the overall Arizona water balance.

Slow General Adjudication

In addition to the decreasing supply and the increasing demand, competition and conflicts over the ownership of the supply, the water rights, have still not been fully resolved as the General Adjudication process is still on-going after 36 years of legal proceedings since April 24, 1979, with no clear end in sight.

As a consequence of cities, industry, agriculture, water providers such as SRP, tribes, etc. not knowing who definitely will have the right to what, and how much of it, investments in water development, and water collection and distribution structures are stifled.

The uncertainty about water rights, until the General Adjudication is completed and possibly appealed all the way to the U.S. Supreme Court, further complicates and slows down balancing sustainably the overall Arizona water budget.

April 2019 marked the 45th anniversary of the General Adjudication.

In FY 2019, ADWR developed more than 70 reports and maps for the court, provided expert testimony at multiple hearings, and continued field investigation of various water uses in several areas of the state.

Disproportionate impact on agriculture

In the end, a critical issue for the Eastern Arizona Counties Organization (ECO) and its six rural and agricultural counties is that, by any measure, balancing sustainably the overall Arizona water budget will have the highest impact on the farming community.

The simple facts are that: the water supply is shrinking; the water demand is rising; agriculture is by far the largest user and consumes approximately 70% of the Arizona water; cities have become more efficient at a quicker pace than agriculture at saving water; and, Arizona law prioritizes cities, industry, and tribal interests above agriculture. Therefore, farmers will likely face the biggest cuts.

In the current availability forecasts, the only possible way to balance sustainably the overall Arizona water budget is to increase conservation efforts across the board; to increase augmentation efforts across the board; and, to reduce agriculture's consumption by adopting efficient irrigation techniques

across the board, switching to less water-intensive crops, and, likely, decreasing the total acreage devoted to irrigated agriculture.

For example, the Central Arizona Project was built largely to meet urban water needs in metro Arizona. The farmers who have used what until recently was excess water have the lowest legal priority. Should the brunt of a Colorado River allocation reduction be imposed on the Central Arizona Project that receives 1.5 million acre-feet from the Colorado River, and which rights are junior to those of the western counties that pump directly from the river, central Arizona farmers could see the amount of Colorado water available to them reduced approximately by 50% in "Light Shortage" condition; 75% in "Heavy Shortage" condition; and, completely shut down in "Extreme Shortage" condition.

While it is expected that a "Light Shortage" condition can be mitigated at least for a few years by increased pumping from the central Arizona aquifers that have been recharged since the 1990's by increased Colorado River water consumption, long-term "Heavy Shortage" conditions and even medium-term "Extreme Shortage" conditions would probably trigger at least a temporary end to large-scale farming in central Arizona. Meanwhile, municipalities like Phoenix, Mesa and Scottsdale would likely lose some of the canal water they're currently buying from excess Indian tribes' water.

Because Arizona agriculture consumes 4.8 million acre-feet annually, even a modest 10% reduction would reduce the demand by almost 0.5 million acre-feet annually, a significant number. A 20% reduction would yield 1 million acre-feet annually, a game-changer. Comparatively, reducing industry water consumption by 10% would only save 40,000 acre-feet annually, an important but essentially irrelevant amount in the overall Arizona picture.

As Arizona is likely to manage a change in water status quo within the next few decades, ECO's concern is that the change cannot be made at the sole expense of the farming community.

For example, Arizona, and specifically the Central Arizona Project, with the most to lose from a potential Colorado River shortage, is responsible for the largest reduction, 345,000 acre-feet annually, in the December 2014 agreement with the Bureau of Reclamation and water providers for Southern California and Nevada. The implementation plan projects nearly half of the demand reduction to be achieved in irrigation districts. However, CAP will compensate the affected farmers with a $5 million cash payment. As a result, farmers currently using low efficiency flood irrigation could fund the conversion of between 3,000 and 5,000 acres to high efficiency irrigation, such as drip irrigation; and/or, farmers engaged in the most water-intensive crops like cotton, rice, alfalfa, and almonds, would have a financial incentive to divert their water to people and businesses willing to pay more for it than the economic value of the water-intensive crops.

Water of the U.S. rule (WOTUS)

The Clean Water Act (CWA) of 1972 is the central federal legislation regulating water pollution in the United States. In 2001, in Solid Waste Agency of Northern Cook County (SWANCC) v. U.S. Army Corps of Engineers, the U.S. Supreme Court ruled that the authority granted by CWA did not extend to abandoned gravel pits with seasonal ponds. In 2006, in Rapanos v. United States, the U.S. Supreme Court voided lower court rulings against the plaintiffs but did not reach a majority decision on the substance of the case (the filling of 22 acres of wetland on Rapanos' private property). These two decisions created uncertainty about the protection status of non-navigable waters, streams and wetlands.

In April 2011, the EPA proposed a new set of guidelines and engaged into several rounds of public comment periods and numerous meetings with state entities, public and private stakeholders. In 2014, the EPA proposed a new rule defining the scope of “Waters of the United States” protected under the Clean Water Act (CWA).

In FY 2014, ECO filed comments on the Office of Research and Development of the Environmental Protection Agency paper *Connectivity of Streams and Wetlands to Downstream Waters: A Review and Synthesis of the Scientific Evidence*, outlining its concerns with the proposed definition of “connectivity” and its implications for rural residents and local governments.

In FY 2015 ECO filed comments on the Environmental Protection Agency and U.S. Army Corps of Engineers *Proposed Rule on the Definition of “Waters of the United States” Under the Clean Water Act (CWA)*, outlining its concerns with the proposed definition of “Waters of the United States” and its implications for rural residents and local governments.

On May 27, 2015, the EPA published its Clean Water Rule, set to become effective in August, but upon litigation by 13 States, the regulatory definition of "Waters of the United States" was stayed by the U.S. Court of Appeals for the Sixth Circuit on October 9, 2015. In response to this stay, the EPA, Department of Army, and Army Corps of Engineers resumed nationwide use of the agencies’ prior regulations defining the term “Waters of the United States.”

On February 28, 2017, the President of the United States issued an Executive Order directing the EPA and Department of the Army to review the 2015 Clean Water Rule for conflicts with his economic growth agenda, and on March 6, 2017 the Administration announced its intent to rescind or revise the 2015 Rule. The Environmental Protection Agency and Department of Army proposed to rescind the Clean Water Rule and re-codify the regulatory text that existed prior to 2015 defining "Waters of the United States" (WOTUS) and called for public comments.

On June 14, 2017, ECOO filed comments outlining concerns to be addressed in the crafting of a new definition of "Waters of the United States":

- lack of agency consultation with state and local partners;
- federalism concerns;
- direct and indirect costs;
- release of the proposed rule before the release of the science report;
- flawed agency’s cost-benefit analysis assumptions and methodologies;
- unclear critical proposed definitions and exemptions;
- exclusion of upland ditches;
- Section 404 permits for ditch maintenance and storm water activities;
- green infrastructure exemption;
- water reuse, reclamation and supply clarification;
- jurisdictional concern;
- wetlands definition concern;
- wetlands classification concern;
- isolated wetlands concern;
- groundwater concern;
- cumulative effects.

On June 27, 2017, the EPA Administrator, Scott Pruitt, along with Mr. Douglas Lamont, senior official performing the duties of the Assistant Secretary of the Army for Civil Works, proposed a new rule, published in the Federal Register on July 27, 2017.

On January 31, 2018 EPA formally suspended the 2015 regulation and announced plans to issue a new version later in 2018.

On July 12, 2018, the EPA filed a *Supplemental Notice for Definition of ''Waters of the United States''—Recodification of Preexisting Rule* and called for additional comments on the July 27, 2017 proposal, while specifying that commenters do not need to resubmit comments already provided in the response to the July 27, 2017 notice of the proposed Step One rulemaking. The comment period closed on August 2018.

In parallel, on January 22, 2018 the Supreme Court of the United States issued a unanimous decision that the appeals courts do not have original jurisdiction to review challenges to the Clean Water Act and, therefore, lack the authority to issue a stay. Rather, challenges to the 2015 Rule must be filed in United States district courts.

Arizona Water Initiative

On December 16, 2015, Governor Ducey signed Executive Order 2015-13 creating the Arizona Water Initiative. The initiative was intended to continue the legacy of cooperative long-term strategic water planning in Arizona by furthering the work and recommendations established in the ADWR report *Arizona's Next Century: A Strategic Vision for Water Supply Sustainability* that was published in 2014.

The order established the Governor's Water Augmentation Council and the Planning Area Process. The goal of the Water Initiative is to continue the Arizona legacy of proactive strategic water planning by working with key stakeholders statewide.

- The Governor's Water Augmentation Council (GWAC) is investigating long-term water augmentation strategies and other opportunities to secure water supplies for the future.

- The Planning Area Process allows local stakeholders to participate in the development of better water demand information and a consensus-driven set of solutions for future water supply and demand imbalances. Through the Planning Area Process, the Arizona Department of Water Resources (ADWR) will identify and prioritize within five years the 22 planning areas identified in the Strategic Vision report, beginning with rural areas.

Arizona Water Initiative 2016 Progress

In FY 2016, the first year of the Initiative, 29 members were appointed by the Governor to the Water Augmentation Council (GWAC) to represent the water-use sectors of the state. The Council met three times and developed a set of recommendations for the following fiscal year.

During FY 2016, ADWR initiated the Planning Area Process in three areas among the regions of the state with intensifying water-related issues:

- West Basins Planning Area;
- Cochise Planning Area;

- Northwest Basins Planning Area.

Four public meetings were held to initiate the process.

Arizona Water Initiative 2017 Progress

Planning Area Process

During FY 2017, the Planning Area Process continued in the West Basins, Cochise, and Northwest Basins planning areas with a total of 13 public meetings. ADWR identified four common themes from the public input:

1. limits on irrigation;
2. need to increase natural recharge;
3. mandatory metering & reporting of water use;
4. current groundwater management tools may not suit needs.

Water Augmentation Council

In FY 2017, the Water Augmentation Council (GWAC) met 4 times and created four committees:

Desalination Committee
The Desalination Committee is tasked with evaluating areas for the feasibility of a desalination project; collaborating with local and regional stakeholders within the identified project area; discussing funding opportunities with the Finance Committee; and securing land and water contracts with the approval of the Arizona Department of Water Resources (ADWR).

Recycled Water Committee
The Recycled Water Committee is tasked with recommending that the Arizona Department of Environmental Quality (ADEQ) end the prohibition on direct potable reuse; evaluating the need for amendment to current law that provides that 50 percent of effluent stored in managed underground storage facilities shall be credited to a storer's long-term storage account; reviewing and evaluating the statute related to a 2025 sunset clause on the ability to create long-term credits from effluent; and , discussing the potential for changing the term "effluent" to "recycled water."

Long-term Water Augmentation Committee
The Long-term Water Augmentation Committee is tasked with considering projected Planning Areas with the greatest imbalances; creating a budget proposal for a project to establish a portfolio of statewide augmentation options; discussing the proposed portfolio in each Planning Area to determine if the augmentation options identified are desirable; and providing project oversight until completion.

Finance Committee
The Finance Committee is tasked with Identifying financing barriers/limitations for water augmentation projects; proposing general funding options; and proposing funding options for specific projects identified by other committees.

Arizona Water Initiative 2018 Progress

Planning Area Process

During FY 2018, ADWR field services conducted a well sweep within four of the groundwater basins that make up the Northwest Basins Planning Area: Meadview, Hualapai Valley, Detrital Valley, and Sacramento Valley. The term "well sweep" refers to a procedure undertaken by the ADWR Hydrology Division, in which Field Services requests permissions to survey private well water-levels.

In addition, during FY 2018 the USGS was contracted by ADWR to document trends in statewide water use, and to evaluate current and future water needs.

Governor Water Augmentation Council (GWAC)

During FY 2018, the four Committees of the Governor Water Augmentation Council (GWAC) continued actions initiated during FY 2017:

1. ADWR partnered with the Water Infrastructure Finance Authority of Arizona (WIFA) to pilot a targeted water loss control program based on the American Water Works Association's Manual for Water Audits and Loss Control Programs, also known as Manual 36 or M36. Through this pilot effort, six municipal and private water systems outside of AMAs received training on comprehensive water auditing procedures. The training helped the pilot systems determine the source of water losses and the cost to reduce those losses.

2. The Recycled Water Committee (RWC) was tasked with exploring opportunities across Arizona for new reclaimed water projects to augment local water supplies. The two topics discussed with respect to possible statutory changes were: accounting associated with underground storage of effluent water in managed facilities; and removal of the current statutory limitation (A.R.S. § 45-802.01(22)) regarding the ability to earn long-term storage credits for recharging effluent beyond 2025.

3. The Finance Committee, in charge of researching and identifying possible funding sources for projects proposed by the GWAC did not meet during FY 2018 for lack of specific project requiring funding.

4. The goal of the Desalination Committee was to prepare a brackish groundwater project proposal to be submitted to the GWAC for approval no later than the end of FY 2018.

5. The goal of the Long-Term Water Augmentation Committee was to facilitate a statewide analysis of short-term and long-term augmentation opportunities. During FY 2018, the Long-Term Water Augmentation Committee achieved several objectives in furtherance of this goal, including education and information gathering, revision of water demand numbers, development and execution of a scope of work for a consultant to complete an assessment of the feasibility of augmentation options, and submittal of a federal grant application.

Arizona Water Initiative 2019 Progress

Governor's Water Augmentation, Innovation and Conservation Council

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which stated in part: "...it is important for the work of the Governor's Water Initiative to be continued and expanded upon through the creation of a new Council with a long-term focus on water augmentation, innovation and conservation; and given the importance of sustainable water supplies to Arizona and policy decisions that must be made, members of the Arizona Legislature should serve on the Council in addition to individuals appointed by the Governor."

Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The purpose of the newly created Governor's Water Augmentation, Innovation and Conservation Council (Council) is to analyze and recommend opportunities for long-term water augmentation, innovation and conservation; and to assess the long-term impacts of conservation projects funded with monies from the augmentation and conservation assistance fund established pursuant to A.R.S. 45-615(1). Currently the Council consists of 42 members including the Speaker of the House of Representatives, the President of the Senate, Senate Minority Leader, and House Minority Leader (or their legislative designees) and 38 individuals appointed by the Governor. The Council convenes quarterly.

The Council's inaugural meeting was held on March 8, 2019. The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

During FY 2018 and again on February 20, 2019, the Board of Director of ECO was briefed extensively by David Brown, of Brown & Brown Law Offices, P.C. and elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2020.

Water augmentation through forests restoration

CC Cragin Watershed Protection Project

On May 20, 2018, the Forest Service published a Final Environmental Assessment (EA) and Finding of No Significant Impact (FONSI).

The publication of the EA closed the NEPA analysis process and cleared the way for implementation. The ECO FY 2016 economic analysis of the cost of implementation of the CC Cragin Watershed Protection Project was validated in FY 2017 by a third-party study commissioned by SRP with Campbell Global who presented their study in December 2016. ECO's estimation that the cost of implementation of the CWPP will be in the order of $3 to $4 million due to the distant location of the treatments from the industry centers, and the difficulty of the hauling routes, was confirmed. This confirmation facilitated ECO's continued discussions with the project leader, Salt River Project (SRP), to plan the implementation of the project and develop funding for it.

On April 8, 2018, ECO presented to SRP a *Proposed CC Cragin Implementation Strategy.* This proposed strategy stated: "The timely implementation of CC Cragin and East Clear Creek can be planned and executed by a partnership between SRP, USFS, ECO, and the environmental partners, with the support of the collaborative consensus and social license, independently from the Phase One 4FRI Contract and independently from the Second EIS process, starting in 2018 and at a rate of 10,000 acres per year, becoming in effect the biggest 4FRI and Arizona restoration success story to date, and validating the earlier financial commitment made by SRP to accelerate the CC Cragin NEPA process." No decision had been made as of the end of FY 2018.

During FY 2019 the Forest Service offered the 3,500 acres General Springs timber sales in the footprint of the CC Cragin Watershed Protection Project but no bidder responded to the offer, owing to the high cost of performing the work and the low value of the material.

See Program 2 – Watershed Restoration for more details.

Black River Watershed Protection Project

During Fiscal Year 2017 the NEPA process started in the spring, as planned; the project footprint was reduced from 161,000 acres down to 92,500 acres by excluding areas of high severity fire during the Bear Wallow fire, that are still being considered too dangerous for restoration activities; stand exams were started; the decision was made that the same collaborative and social consensus process used for the 4FRI project will be used for the Black River project; the Natural Resource Working Group, Chaired by ECO vice Chair Supervisor Whiting was designated as the collaborative body for the project; an economic viability verification field trip was conducted with local industry leaders; and, comprehensive restoration opportunities were identified for aquatic and terrestrial habitats.

On April 16, 2019, the Natural Resource Working Group, chaired by ECO vice Chair Supervisor Whiting, and designated as the collaborative body of record for the project, was notified by the Apache-Sitgreaves National Forests that the project was delayed. The draft Environmental Assessment (EA) was pushed back to early 2020 and the Finding of No Significant Impact (FONSI) was pushed back to summer 2020.

See Program 1 – Forest Restoration for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of water augmentation through forests restoration during federal FY 2010 to 2019:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550
Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Total FY 2010 to 2019	130,066

See Program 1 – Forest Restoration for more details.

Clean Water Act § 404 permitting

In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting.

The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

The minimum fee would be $7,875 and the maximum fee would be $54,800 plus a $195 hourly review charge. In effect, securing just one individual permit with 80 hours of review and a single discharge Approved Jurisdictional Determination would cost local governments $81,275. In contrast, the current cost to local governments for such a permit issued by the United States Army Corps of Engineers is $0.

Strategic Objectives

Thanks to long-term visionary policies such as the 1980 Groundwater Management Code or the Central Arizona Project; to the replenishment over the last 2 decades of the central Arizona aquifers due to the shift of agricultural water consumption to then excess water from the CAP; and, to private enterprise, market-driven, agricultural water consumption management efforts, in particular in the Yuma basin, the Arizona water situation has not reached crisis level, and it was not anticipated that draconian measures, as witnessed in California in FY 2015, would be required in Arizona in FY 2020.

However, the current precarious balance, and the planned forced balancing by offsetting a potential Colorado River "Light Shortage" with increased pumping from the replenished central Arizona aquifers are clear indicators of the fundamental need for Arizona to develop and implement a long-term, sustainable water balance calculated on the probability of shortage conditions for an indefinite future.

ECO was committed to participate in the development and implementation of a long-term, sustainable overall Arizona water balance that ensures:

1) The implementation of across-the-board water conservation measures in Arizona, specifically including:
    a. General conversion of urban watered landscape to 'desert' dry landscape;
    b. General conversion of flood irrigation to high efficiency irrigation techniques;
    c. General implementation of the use of recycled effluents for industrial consumption, as appropriate.

2) Acceleration of across-the-board augmentation efforts in Arizona, specifically including:
    a. Increased efficiencies in recycling and treatment of used water;
    b. Desalination of brackish waters;
    c. Desalination and demineralization of deep aquifers water;
    d. Restoration of the Arizona watersheds.

3) The preservation of rural agricultural interests in the Arizona Water Initiative discussions, including:
    a. Fair incorporation of the agricultural interests in the completion of the Arizona General Adjudication;
    b. Fair compensation of the farming community in the implementation of across-the-board conservation measures;
    c. Fair compensation of the farming community in the implementation of potential Colorado River shortages;
    d. Fair compensation of the farming community in the application of the State water priorities.

4) The rapid conclusion of the Arizona General Adjudication so as to lift the water rights uncertainties and allow for water providers investments in water infrastructures modernization and optimization.

5) Participation in the potential regulation of ground water pumping outside AMAs and INAs.

6) Support for ECO counties solutions to specific local water shortage such as in northern Gila County (Payson) or northern Cochise County (Wilcox).

7) Participation in the Arizona Water Initiative Planning Area Process in the six counties of ECO.

Execution Strategy

To fulfill these objectives, it was the strategy of ECO to:

- Raise the visibility of the issues;
- Make them priority items with the State and Federal partners;
- Continue to develop bilateral relationship with the water utilities, especially the Salt River Project (SRP);
- Actively engage in and when necessary initiate the appropriate work with the Federal, State and local agency, community, university, industry, farming and environmental constituency partners;
- Attend, participate in, and when necessary host the appropriate meetings, workgroups, field trips, and outreach efforts with said partners;
- Provide economic viability, financial feasibility, community desirability, social license sustainability, and political acceptability analysis and guidance as required;
- Provide political advocacy for the advancement of the development and implementation of a long-term, sustainable overall Arizona water balance.

Allocated Resources

ECO planned to expend 10% of its resources on Program 9: *Water.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 10% of its activities to Program 9: *Water.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 9 Water	10%	8	6	1	5	11	31
Total	100%	80	60	8	48	104	300

Measurable Desired Outcomes

As a result of its engagement in Program 9: *Water*, ECO sought the following outcomes:

1) Fair compensation of the farming community in the implementation of a long-term, sustainable overall Arizona water balance.

2) Augmentation of 0.25 million acre-feet annually through the general acceleration of recirculation in Arizona by 2025.

3) Augmentation of approximately 5% (Robles et al., 2014) of the yield of the eastern and northern Arizona forested watersheds through general restoration of the Mogollon Rim national forests by 2035.

4) Conservation of 0.5 million acre-feet annually through the general conversion from watered lawns to desert landscaping in metro Arizona by 2025.

5) Conservation of 1 million acre-feet annually through the general conversion from flood irrigation to high efficiency irrigation techniques by 2025.

6) Implementation of the CC. Cragin watershed restoration project starting in FY 2020.

7) Implementation of the Black River watershed restoration project in Apache and Greenlee County starting in FY 2021.

8) Development and implementation of a sustainable water supply model in northern Cochise County.

Measurable Results

As a result of their engagement in Program 9: *Water*, ECO and its partners achieved the following results:

1) ***Colorado River water rights***
During FY 2020 Lower Basin water users contributed more than 700,000 acre-feet of storage and system conservation to Lake Mead. These contributions, along with a favorable snowpack and runoff year, helped to temporarily stabilize Lake Mead above elevation 1075 ft. (Tier 1 shortages), and the system's operating condition was set at Tier Zero for 2020, consistent with what Central Arizona Project (CAP) water users have experienced since 2015.

2) ***Water of the U.S. (WOTUS) rule***
On October 22, 2019, the Environmental Protection Agency (EPA) and the Department of the Army published a final rule to repeal the 2015 Clean Water Rule: Definition of "Waters of the United States" which amended portions of the Code of Federal Regulations (CFR), and to restore the regulatory text that existed prior to the 2015 Rule.

3) ***Arizona Water Initiative*.**

On January 31, 2019, Governor Doug Ducey signed Executive Order 2019-02, which created the Governor's Water Augmentation, Innovation and Conservation Council. Executive Order 2019-02 superseded and rescinded Executive Order 2015-13 which formed, on October 5, 2015, the Governor's Water Augmentation Council (GWAC) and established the Planning Area Process.

The new Council agreed to continue the work of the former GWAC Long-Term Water Augmentation Committee and Desalination Committee while considering other areas which should receive focus through additional committees or working groups.

Long-Term Water Augmentation Committee

The Long-Term Water Augmentation (LTWA) Committee met seven times in FY 2019 with the objective of completing a statewide analysis of short-term and long-term water augmentation opportunities. The project was awarded a $25,000 grant from the Bureau of Reclamation to supplement ADWR's $150,000 investment. The report on statewide water augmentation opportunities was scheduled to be completed in the summer of 2019.

The Long-Term Water Augmentation Committee presented its report *Long-Term Water Augmentation Options for Arizona* to the Council in August 2019.

Desalination Committee

During FY 2020 the Desalination Committee particularly focused on the exploration and discussion of the challenges and opportunities involved in the desalination and use of brackish groundwater.

Two new Council committees began their work in FY 2020:

Post-2025 Active Management Areas Committee
Non-Active Management Area Groundwater Committee.

Both committees are tasked with identifying groundwater management challenges and developing potential solutions and recommendations for those challenges.

4) Water augmentation through forests restoration

CC Cragin Watershed Protection Project

On September 4, 2019, the U.S. Forest Service and the National Wild Turkey Federation signed a Supplemental Project Agreement (SPA) for the General Springs area of the CC Cragin Watershed Protection Project, under their national Master Stewardship Agreement (MSA). This obsoleted ECO's *Proposed CC Cragin Implementation Strategy* and SRP engaged in private negotiations with the National Wild Turkey Federation to contribute to the funding of the General Spring restoration work. During the balance of FY 2020 the National Wild Turkey Federation and the Forest Service worked to modify and scale down the General Springs project to reduce its cost. As of the end of FY 2020 no implementation decision had been made.

In addition, the U.S. Forest Service and the National Wild Turkey Federation offered for bid a service contract for the 1,000 acres Baker Butte project. Bids were received in August 2020,

but no award took place considering that the bids were significantly higher that the Forest Service appraisal.

See Program 2 – Watershed Restoration for more details.

Black River Watershed Protection Project

Through FY 2020 ECO coordination work with the Apache-Sitgreaves National Forests started to evidence growing issues with the project when it became gradually clear that the project, analyzed outside the 4FRI consensus framework, departed markedly from the 4FRI collaborative agreements, while it was still expected to accrue toward reported 4FRI accomplishments. Specifically, issues with Old Tree Implementation Plan (OTIP), Large Tree Implementation Plan (LTIP), definition and treatments of Stands with Preponderance of Large Young Trees (SPLYT), definition of what constitutes large tree, "Flexible Tool Box" Condition Based Management (CBM), overstory removal treatments, regeneration openings, group selections, open reference conditions, definition of Wildland Urban Interface (WUI), intensity of treatment, and definition of interspace, compromised stakeholders support for the project.

During FY 2020 ECO led the collaborative work with the Natural Resource Working Group, the environmental partners, and the Apache-Sitgreaves National Forests to resolve these issues. As a result, a new NEPA alternative, Alternative 3, was designed and became the new Proposed Action for the project. Alternative 3 clearly aligned the Black River project with the 4FRI collaborative consensus and removed the threats of litigation that were starting to compromise the success of the project.

As an outcome, the Black River Landscape Restoration Project Environmental Assessment (EA) was delayed through FY 2020 and released on October 1, 2020 that EA. Although some issues such as the removal of feral horses and cattle from listed species habitats remain to be worked out, the project has regained wide support from the stakeholders.

See Program 1 – Forest Restoration for more details.

Four Forest Restoration Initiative (4FRI)

Through its leading contribution to forest restoration via the co-Chairmanship of the 4FRI Stakeholders Group; the Chairmanship of the 4FRI Planning Workgroup; the co-Chairmanship of the 4FRI DEIS Workgroup; the co-Chairmanship of the 4FRI Industry Workgroup; and, the Chairmanship of the Natural Resources Working Group (NRWG), ECO contributed significantly to drive the implementation of water augmentation through forests restoration during federal FY 2010 to 2019:

Fiscal Year	Mechanical thinning acres
Fiscal Year 2010 (Oct 1, 2009 to Sept 30, 2010)	13,265
Fiscal Year 2011 (Oct 1, 2010 to Sept 30, 2011)	16,034
Fiscal Year 2012 (Oct 1, 2011 to Sept 30, 2012)	8,653
Fiscal Year 2013 (Oct 1, 2012 to Sept 30, 2013)	15,469
Fiscal Year 2014 (Oct 1, 2013 to Sept 30, 2014)	13,585
Fiscal Year 2015 (Oct 1, 2014 to Sept 30, 2015)	14,550

Fiscal Year 2016 (Oct 1, 2015 to Sept 30, 2016)	11,569
Fiscal Year 2017 (Oct 1, 2016 to Sept 30, 2017)	13,108
Fiscal Year 2018 (Oct 1, 2017 to Sept 30, 2018)	12,731
Fiscal Year 2019 (Oct 1, 2018 to Sept 30, 2019)	11,102
Fiscal Year 2020 (Oct 1, 2019 to Sept 30, 2020)	14,621
Total FY 2010 to 2019	144,687

See Program 1 – Forest Restoration for more details.

5) ***Clean Water Act § 404 permitting***

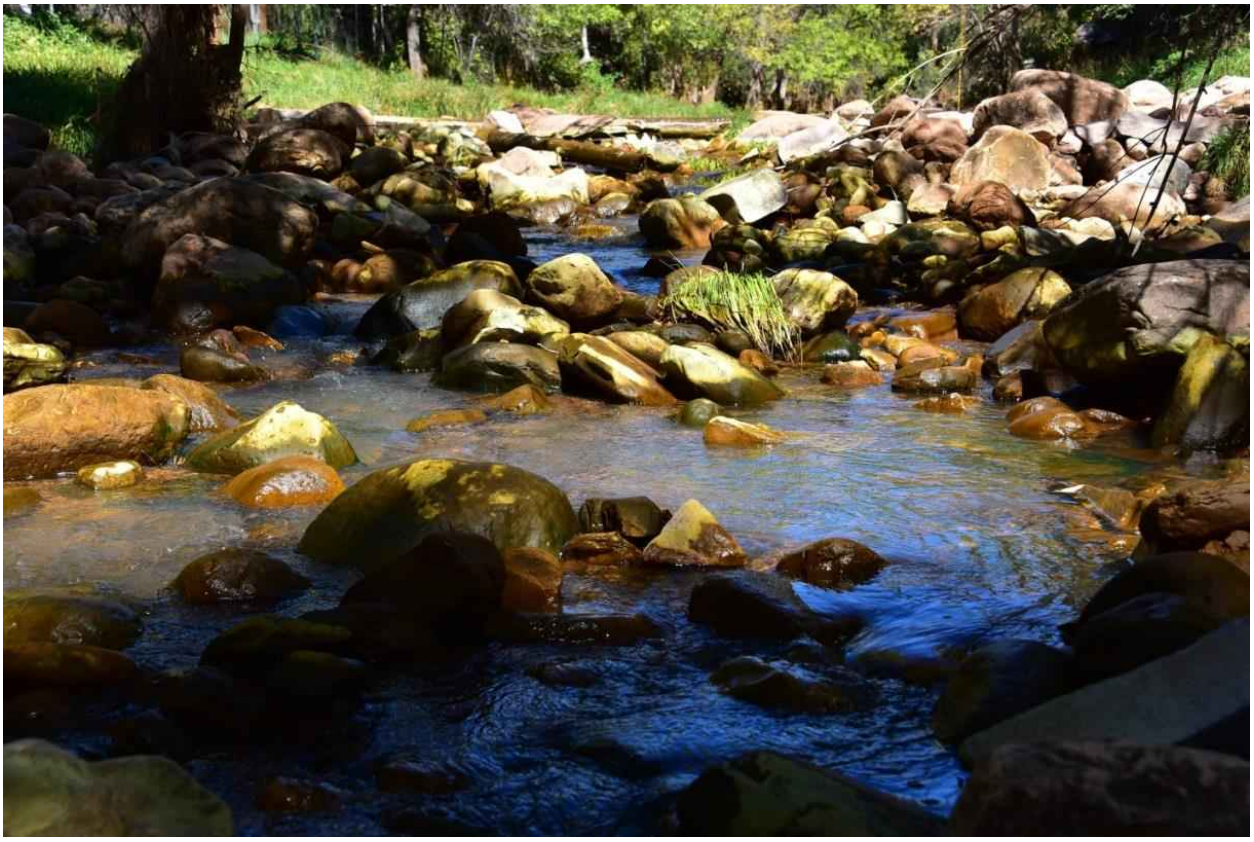
In FY 2019, the Arizona Department of Environmental Quality (ADEQ) proposed a Program Roadmap to assume from the United States Army Corps of Engineers the CWA § 404 permitting. The ADEQ Program Roadmap "Program Fee" section identified 14 permits (32%) that would require a fee under certain threshold conditions, and 20 permits (46%) that would always require a fee. In effect, for 78% of the United States Army Corps of Engineers Preliminary Jurisdictional Determination, Approved Jurisdictional Determination, General Permit Authorization and Individual Permit that would be applicable in the state program jurisdictional waters, local government would have to pay a substantial fee for the delivery of a permit.

On November 13, 2019, ECO filed comments opposing the fee structure outlined in the ADEQ Roadmap and requesting that ADEQ establish a two-tier fee structure where local governments would be either charged a nominal administrative fee not to exceed $500 per permit, or no fee at all.

On December 2, 2019, ADEQ announced its decision to not continue pursuing the state assumption of the Clean Water Act § 404 permitting program, and to continue in Arizona the United States Army Corps of Engineers free permitting process.

During FY 2020 the Board of Director of ECO elected to monitor the various processes and engage as relevant and appropriate through its representation on the Governor's Water Augmentation, Innovation and Conservation Council by Craig Sullivan, Executive Director of the County Supervisors Association of Arizona, and through County Supervisors direct lobbying with the Arizona Legislature.

Although the water situation in Arizona has not reached crisis level, it is deeply concerning, and the future will depend on Arizona's proactive efforts in augmentation, conservation, and appropriate regulation. As one of the voices of rural Arizona in the water discussion, ECO will remain engaged and vigilant in FY 2021.



Where it all begins, a healthy mountain stream fed from watersheds protected by forest restoration.

Irrigated culture in Graham County

Irrigation canal in Graham County

Program 10: Emerging Issues

Program 10, *Emerging Issues,* includes participation in the development and implementation of effective planning and execution strategies for emerging issues.

Background

As progress continued on the nine ECO programs, issues and opportunities heretofore unforeseen emerged, and new issues unrelated to the nine ECO programs required an engagement by ECO, as determined by the County Supervisors on the ECO Board of Directors.

Allocated Resources

ECO planned to expend 5% of its resources on Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Performance Measures

ECO planned to dedicate 5% of its activities to Program 9: *Participation in the Development and Implementation of Emerging Issues.*

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Issues / Strategic Objectives / Execution Strategy / Measurable Desired Outcomes

As a result of its engagement in Program 10, *Emerging Issues,* ECO identified and engaged in emerging issues as appropriate and defined strategies and outcomes as appropriate.

Measurable Results

As a result of their engagement in Program 10, *Emerging Issues*, ECO, with its partners, produced the following results:

1) ***Participation of ECO to the U.S. Forest Service 4FRI RFP design process***.
During FY 2019 and FY 2020 ECO decided to partner with the State of Arizona through the Governor's Office and the Department of Forestry and Fire Management (DFFM) in an all-out effort to work collaboratively with the U.S. Forest Service, the Bureau of Reclamation through its Arizona agent the Salt River Project, and the State Commerce Authority to design and release an RFP by the end of 2019.

   As part of the State Team, working collaboratively with the Forest Service and other partners, ECO was instrumental in the design of what ECO believe is the right RFP for Arizona forests. This RFP for the contracting of up to 818,000 acres over 20 years was released on September 16, 2019. The bidding period is open until February 2020.

   ECO fully intend to continue its engagement with the State and with the U.S. Forest Service to see contract(s) issued for the landscape scale restoration of the Mogollon Rim forest and watershed in FY 2020 to contractor(s) with the demonstrated ability to fund and execute their contract(s).

   See Program 1 – Forest Restoration for more details.

2) ***Heber Wild Horse Territory Management Plan***
On January 23, 2020, the Apache-Sitgreaves National Forests released a Proposed Action for the Heber Wild Horse Territory Management Plan and called for public comments.

   On March 16, 2020 ECO, through its county member Navajo County, filed comments to:
   1. clarify that there is no historical precedent for the horse population occupying the area prior to the 1960's; that it likely not wild but descended from the turned-out Army remount horses or other turned-out horses in the 1930s; that this original population died off in the late 1960's; that the current horse population dating from the 1990's appears to be a mixture of horses from the Fort Apache Reservation and other unidentified stray or feral horses;
   2. request that the Forest Service make a clear determination whether horses inside or around the Heber Wild Horse Territory are direct descendants of the designated herd;
   3. express strong support for the timely, responsible, and appropriate management of the Heber Wild Horse Territory, should horses inside or around the Heber Wild Horse Territory be determined to be direct descendants of the designated herd and, therefore, true wild horses;
   4. request coordination between the Forest Service Heber Wild Horse Territory Management Plan Proposed Action and the Navajo County public land management objectives;
   5. request Cooperating Agency status in the NEPA process.

   On September 29, 2020, the Apache-Sitgreaves National Forests invited Navajo County to become a Cooperating Agency in the Heber Wild Horse Territory Management Plan NEPA

process. Navajo County accepted and designated the ECO Executive Director as their representative.

Additional roles

In addition to running its programs, ECO provides services to Arizona and the Eastern Arizona rural communities by being:

- Co-Chair of the 4FRI Stakeholders Group (SHG);
- Chair of the Natural Resources Working Group (NRWG);
- Chair of the 4FRI Planning Workgroup;
- Co-Chair of the 4FRI Industry Workgroup;
- Co-Chair of the 4FRI FEIS Workgroup;
- Member of the State 4FRI RFP Team;
- Director on the Board of the Northern AZ Wood Products Association (NAWPA);
- Cooperating Agency in the SEIS for the Revision of the Regulations for the Nonessential Experimental Population of the Mexican Wolf (10(j);
- Member of the Mexican Spotted Owl Leadership Forum;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves National Forests Travel Management;
- Member of the Interdisciplinary Team (IDT) of the Apache-Sitgreaves Heber Wild Horse Territory Management;
- Member of the Governor's Forest Health Council;
- Member of the Mexican Wolf Executives;
- Member of the Mexican Wolf Management Team;
- Etc.

Fiscal Year 2020 Budget

The ECO total operating budget for Fiscal Year 2020 identified the expenditure of up to $286,000 funded by $250,000 of Counties appropriation and $36,000 of Eastern Arizona Counties Organization (ECO) funding.

ECO Operating Budget FY 2020	Share	Admin	Travel	Legislative Action	Others	Studies Grants Match Legal	Total
Program 1 Forest Restoration	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 2 Endangered Species	15%	$22,076	$2,700	$5,400	$3,949	$8,775	$42,900
Program 3 Watershed Restoration	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 4 Infrastructures	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 5 Recreation	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 6 Energy	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 7 - Natural Resources Planning	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 8 Public Lands	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Program 9 Water	10%	$14,717	$1,800	$3,600	$2,633	$5,850	$28,600
Program 10 Emerging Issues	5%	$7,359	$900	$1,800	$1,316	$2,925	$14,300
Total	100%	$147,174	$18,000	$36,000	$26,326	$58,500	$286,000

Fiscal Year 2020 Regular Operating Expenses

The recapitulating last page of the ECO *Detailed General Ledger Report* as 06-30-2020 (see following page) establishes that ECO expensed during FY 2020 a total of $254,024.87 in regular operating expenses. This ledger establishes that the entire $250,000 state appropriation was expensed (as planned) in regular operating costs.

As planned, additional expenses over the $250,000 state appropriation were funded by Eastern Arizona Counties Organization (ECO) other funding sources, such as counties annual dues.

Detail General Ledger Report

G/L Date Range 07/01/19 - 06/30/20
Include Sub Ledger Detail
Exclude Accounts with No Activity

G/L Date	Journal	Journal Type	Sub Ledger	Description/Project	Source	Reference	Debit Amount	Credit Amount	Actual Balance
G/L Account Number	**280468.002.424.20 Travel expense - out-of-state**							Balance To Date:	$0.00
06/30/2020	2020-00004034	JE	GL	6/18/2020-Pappadeaux Seafood Ktc Meal	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	165.75		5,568.13
06/30/2020	2020-00004034	JE	GL	6/18/2020-Outback Steakhouse5110 Meal	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	158.94		5,727.07
06/30/2020	2020-00004064	JE	GL	6/22/2020-Holidayinn & Suites Lodging	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	208.39		5,935.46
						Month **June 2020** Totals	$608.74	$0.00	$5,935.46
						Account **Travel expense - out-of-state** Totals	$5,935.46	$0.00	$5,935.46
G/L Account Number	**280468.002.434.30 Dues, memberships & subscriptns**							Balance To Date:	$0.00
11/30/2019	2020-00001791	JE	GL	11/5/2019-Norton Ap1294923365 No UT - Norton Renewal	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	120.00		120.00
11/30/2019	2020-00001791	JE	GL	10/28/2019-Norton Ap1294330438 No UT - Norton Renewal	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	130.91		250.91
						Month **November 2019** Totals	$250.91	$0.00	$250.91
05/31/2020	2020-00003693	JE	GL	5/18/2020-Zenfolio; Inc. No UT - Online Picture Repository	WF Import	Wells Fargo - P-card import from Wells Fargo Bank	262.63		513.54
						Month **May 2020** Totals	$262.63	$0.00	$513.54
						Account **Dues, memberships & subscriptns** Totals	$513.54	$0.00	$513.54
						Department **BOS/Administration** Totals	$254,024.87	$292,337.79	
						Fund **ECO - Operating Fund** Totals	$1,116,043.91	$1,154,356.83	
						Grand Totals	$1,116,043.91	$1,154,356.83	

Fiscal Year 2020 Performance Measures

The ECO baseline activities plan for FY 2020 identified 300 discrete activities, including 80 Eastern Arizona activities, 60 other in-State activities, 8 out-of-State activities, 48 research, comments and position writings, and 104 stakeholders' activities.

ECO Baseline Activities FY 2020	Share	Eastern Arizona Activities	Other In State Activities	Out of State Activities	Research Comments Papers	Stake-holders Activities	Total Activities
Program 1 Forest Restoration	15%	12	9	1	7	16	45
Program 2 Endangered Species	15%	12	9	1	7	12	41
Program 3 Watershed Restoration	10%	8	6	1	5	11	31
Program 4 Infrastructures	10%	8	6	1	5	11	31
Program 5 Recreation	10%	8	6	1	5	11	31
Program 6 Energy	10%	8	6	1	5	11	31
Program 7 Natural Resources Planning	10%	8	6	1	5	11	31
Program 8 Public Lands	5%	4	3	0	2	5	14
Program 9 Water	10%	8	6	1	5	11	31
Program 10 Emerging Issues	5%	4	3	0	2	5	14
Total	100%	80	60	8	48	104	300

Fiscal Year 2020 Measurable Activities

The ECO FY 2020 *Staff Activities Report* alone totaled 378 activities, including:

- Eastern Arizona Activities: 122
- Other In State Activities: 62
- Out of State Activities: 9
- Research & Position Writings: 73
- Stakeholders Support Activities: 112

These 378 activities are only staff activities and do not include the Board members activities. The total activities, including staff activities and the activities of the 12 members of the Board of Directors of ECO far exceeded the 300 activities budgeted in the FY 2020 Plan.

Conclusion

After years of efforts, the long-term vision of ECO initiated in 1993 toward the planning and implementation of specific environmental programs impacting economic development in the counties has been vindicated in previous fiscal years by significant progress (see ECO Reports for FY 2013, 2014, 2015, 2016, 2017, 2018, and 2019).

Fiscal Year 2020 was very productive for ECO, with game-changing, tangible organizational accomplishments that create practical, high-impact, on-the-ground outcomes.

Simply put, ECO is getting results that have real-life positive consequences for the people of Arizona.

However, much remains to be accomplished, and critical objectives are set for FY 2021 and beyond.

For example:

- concluding the 2nd 4FRI NEPA analysis timely without conflict will mean that restoration logging can expand on the ground in Eastern Arizona and jobs can be created;
- continuing to control the expansion of the Mexican Wolf through a rational and balanced management of the Experimental Population will mean that ranching jobs and way of life are protected;
- expanding forest restoration treatments in the Salt River basin will mean that water will continue to flow to metro Arizona through improved watershed health, function, and productivity;
- maximizing the operational life to at least 2025 of the Coronado and Cholla generating stations will mean 1,500 megawatts of electricity for the State, 400 jobs with annual payroll of more than $50 million in economic activity and $30 million in state, local, and federal taxes;
- implementing the CC Cragin Watershed Protection Program will mean securing a water supply for Payson and several Tribal communities;
- implementing 4FRI at landscape-scale and at a rate of 50,000 acres/year will mean protecting the forest, watershed and rangelands of Arizona against catastrophic forest fire; protecting the watershed functions on which metro Arizona depends; and protection the billions $ recreation economy on the Mogollon Rim;
- breaking the biomass bottleneck will mean that logging slash biomass can be disposed of responsibly without the massive emissions that would be caused by the field piling and burning of over one million ton of biomass per year;
- etc.

ECO is fulfilling its mission to develop and implement county environmental programs impacting economic development in the counties.

The funding of ECO is money well spent. It has a direct measurable impact in rural Eastern Arizona and makes a difference in the life of its people by materially supporting their custom, culture, economic well-being, health and safety.

From: Crosby, Tom
To: Jacob Emnett
Subject: RE: ACTION ALERT: SB 1048 - emergency powers; business closure; repeal - ON HOUSE MAPS AGENDA MONDAY 3/21
Date: Thursday, March 17, 2022 1:31:18 PM
Attachments: image001.jpg

Thanks for the notice.

Crosby

Cochise County

From: Jacob Emnett <jacobe@countysupervisors.org>
Sent: Wednesday, March 16, 2022 10:22 AM
Cc: Craig Sullivan <craigs@countysupervisors.org>; Robin Hillyard <robinh@countysupervisors.org>; Vanessa Fielder <vanessaf@countysupervisors.org>; Intern <intern@countysupervisors.org>
Subject: ACTION ALERT: SB 1048 - emergency powers; business closure; repeal - ON HOUSE MAPS AGENDA MONDAY 3/21

CAUTION: EXTERNAL EMAIL*

ACTION ALERT

Please urge your State Representative to OPPOSE HB 1048 *(Petersen)*

Bill Summary:
Senator Petersen's SB 1048 emergency powers; business closure; repeal would repeal a county Board of Supervisors' chairman's ability to order the closure of a business after an emergency or local emergency declaration.

ACTION NEEDED:

- **Please call and email your State Representative about why you OPPOSE SB 1048. Please find the members of the relevant committee, and their contact information, near the end of this email.**
- **If possible, please send CSA (jacobe@countysupervisors.org):**
  - **Any recent examples of how you have utilized this ability to protect constituents.**
  - **Your perspective on the longstanding business closures referenced by the bill's proponents.**

CSA's Concerns:
Senator Petersen's testimony on the issue indicated that this bill was targeted to prevent prolonged

business closures like those that resulted from the COVID-19 pandemic. While we understand their intent, we have the following concerns with the bill as drafted:

- **The bill is too broad and removes an important public safety tool from the toolbox.**
    - First, their bill would remove the current ability of BOS Chairmen to order businesses closed in **all situations** - including fires, flooding, and civil unrest – and not just the prolonged closures they had mentioned. **Again, while we understand their intent, your ability to order the closure of businesses is a crucial one in times of emergency and imminent danger.**
    - **Our understanding is that when counties use this tool, it is ALMOST ALWAYS in response to imminent danger.**

- **The bill targets counties, who were not responsible for the referenced longstanding business closures.**
    - Second, Rep. Biasiucci and Sen. Petersen mention longstanding closures resulting from the COVID-19 pandemic as the impetus for their legislation. **It is our understanding that these closures resulted from counties' enforcement of the Executive's executive orders, and that counties (a) did not use these powers to order businesses closed, and (b) did so under direction from a higher authority.**

Bill Movement:
SB 1048 has passed out of its initial committee (**Senate Government**; *(4-3-0-0)*) and its chamber of origin (**Senate**; *(16-13-1-0-0)* on party-line votes. **SB 1048 is scheduled to be heard in the House Military Affairs and Public Safety (MAPS) committee on Monday, March 21st.**

House Committee on Military Affairs and Public Safety (MAPS)
Majority:
Rep. Kevin Payne (Chair) – Maricopa County **-** (kpayne@azleg.gov)
Rep. Quang Nguyen (Vice-chair) - Yavapai County - (qnguyen@azleg.gov)
Rep. Teresa Martinez – Pinal County & Pima County - (tmartinez@azleg.gov)
Rep. John Kavanagh – Maricopa County - (jkavanagh@azleg.gov)
Rep. Mark Finchem - Pinal County & Pima County - (mfinchem@azleg.gov)
Rep. John Fillmore – Maricopa County & Pinal County (jfillmore@azleg.gov)
Rep. Judy Burges – Yavapai County - (jburges@azleg.gov)
Rep. Walter Blackman – Coconino County, Gila County, & Navajo County - (wblackman@azleg.gov)
Minority:
Rep. Myron Tsosie – Gila County, Graham County, Apache County, Navajo County, Coconino County, Pinal County, & Mohave County – (mtsosie@azleg.gov)
Rep. Christian Solorio – Maricopa County – (csolorio@azleg.gov)
Rep. Jennifer Jermaine – Maricopa County – (jjermaine@azleg.gov)
Rep. Jennifer Longdon – Maricopa County – (jlongdon@azleg.gov)
Rep. Marcelino Quinonez – Maricopa County – (mquinonez@azleg.gov)
Rep. Daniel Hernandez – Pima County & Santa Cruz County – (dhernandez@azleg.gov)
Rep. Melody Hernandez - Maricopa County – (mhernandez@azleg.gov)

Please let me know if you have any questions, comments, or concerns about what I've written above.

Sincerely,

Jacob Emnett
Legislative Liaison
County Supervisors Association of Arizona
Office #: (602) 452 – 4501
E-mail: jacobe@countysupervisors.org
Address: 1905 W. Washington St., Suite 100
Phoenix, AZ 85009

This E-mail is from an **EXTERNAL** address. DO NOT click on links or open attachments unless you trust the sender and know the content is safe. If you suspect this message to be phishing, please report it using the Phish Alert Button at the top of the email, or forward to cochise.az.gov@missedspam.com or contact IT support at 520-432-8301.

From: MSG Jack Dona US Army RET
To: "COL Don W. Jenkins (Retired)"; "LTC Steven Murray (Retired)"; "MSG Jack Dona US Army RET"; "Kevin Payne"
Cc: "COL Don W. Jenkins (Retired)"; rgray@azleg.gov; vleach@azleg.gov; nbarto@azleg.gov; pboyer@azleg.gov; dgowan@azleg.gov; skerr@azleg.gov; dlivingston@azleg.gov; jmesnard@azleg.gov; tpace@azleg.gov; wpetersen@azleg.gov; tshope@azleg.gov; KFann@azleg.gov; "Sonny Borrelli"; "Wendy Rogers"; "Kelly Townsend"; MUgenti-Rita@azleg.gov; bbarton@azleg.gov; "Leo Biasiucci"; wblackman@azleg.gov; sbolick@azleg.gov; rbowers@azleg.gov; "Judy M. Burges"; fcarroll@azleg.gov; "NCARTER@azleg.gov"; jchaplik@azleg.gov; rcobb@azleg.gov; dcook@azleg.gov; LDiaz@azleg.gov; tdunn@azleg.gov; jfillmore@azleg.gov; mfinchem@azleg.gov; tgrantham@azleg.gov; ggriffin@azleg.gov; Jake.Hoffman@azleg.gov; jjohn@azleg.gov; skaiser@azleg.gov; jkavanagh@azleg.gov; TMartinez@azleg.gov; qnguyen@azleg.gov; josborne@azleg.gov; jparker@azleg.gov; kpayne@azleg.gov; bpingerelli@azleg.gov; btoma@azleg.gov; mudall@azleg.gov; jweninger@azleg.gov; jwilmeth@azleg.gov
Subject: RE: Arizona Senate Bill SB1167 and HB 2100
Date: Wednesday, March 9, 2022 9:53:29 PM
Attachments: image001.jpg

CAUTION: EXTERNAL EMAIL*

All,

I encourage everyone to read and carefully consider LTC Steve Murray's missive below and send it out on your private distro lists. Steve is a highly decorated retired U.S. Army Information Warfare Officer. Steve is just one of the many senior members of our veterans force fighting for Truth and our Republic.

I am proud to call him a friend and Brother In Arms!

V/R,

MSG FJD

From: Steven Murray [mailto:[redacted]
Sent: Wednesday, March 09, 2022 9:36 PM
To: MSG Jack Dona US Army RET; 'Kevin Payne'
Cc: 'MSG Jack Dona US Army RET'; 'COL Don W. Jenkins (Retired)'; rgray@azleg.gov; vleach@azleg.gov; nbarto@azleg.gov; pboyer@azleg.gov; dgowan@azleg.gov; skerr@azleg.gov; dlivingston@azleg.gov; jmesnard@azleg.gov; tpace@azleg.gov; wpetersen@azleg.gov; tshope@azleg.gov; KFann@azleg.gov; 'Sonny Borrelli'; 'Wendy Rogers'; 'Kelly Townsend'; MUgenti-Rita@azleg.gov; bbarton@azleg.gov; 'Leo Biasiucci'; wblackman@azleg.gov; sbolick@azleg.gov; rbowers@azleg.gov; 'Judy M. Burges'; fcarroll@azleg.gov; 'NCARTER@azleg.gov'; jchaplik@azleg.gov; rcobb@azleg.gov; dcook@azleg.gov; LDiaz@azleg.gov; tdunn@azleg.gov; jfillmore@azleg.gov; mfinchem@azleg.gov; tgrantham@azleg.gov; ggriffin@azleg.gov; Jake.Hoffman@azleg.gov; jjohn@azleg.gov; skaiser@azleg.gov; jkavanagh@azleg.gov; TMartinez@azleg.gov; qnguyen@azleg.gov; josborne@azleg.gov; jparker@azleg.gov; kpayne@azleg.gov; bpingerelli@azleg.gov; btoma@azleg.gov; mudall@azleg.gov; jweninger@azleg.gov; jwilmeth@azleg.gov
Subject: Re: Arizona Senate Bill SB1167 and HB 2100

Senator Gray,

While I share Col Jenkins frustration, I feel the need to remind everyone that this level of frustration is mild compared to the average voter in Arizona and across the country. I routinely talk to voters in LD 6, 6 and 8. Along with a variety of voters across Arizona via Telegram and now Truth Social. It

AMERICAN OVERSIGHT

would be wise for everyone to realize the base is not only paying attention but taking notes. In the past no one was minding the store, now the entire base is watching, taking notes and are angry at the theft of the 2020 election (which NONE of you have done anything to correct). The voters are watching real-time as the fabric of the Republic is systematically deconstructed by the left, then to watch the slow and methodical introduction of critical race theory and acceptance of Pedophilia into the school curriculums has enraged even the most passive voter.

The entire America First movement is here to stay, regardless of your efforts to both suppress it and destroy it. The agreement Fann made with the Special Masters (aka Romney / McCain / Left Mafia) further enraged the base. Add to the argument the IGA agreements, now HB2839 and you have a catalyst even for not only a revolt, but full-on civil war right in your back yard. Thanks to your corruption, apathy, and thin skin. Ask yourselves, how many more times do you think you will screw over the voters before someone has nothing left to lose? The most dangerous people on this planet are those with nothing to lose, and we are rapidly reaching that culmination point. Food, Gas, energy costs, along with Black Rock driving housing prices up across the nation and state elected officials operating to serve the interests of the elite. How much longer do you think it will take for Americans to be truly fed up and desperate? I will submit we are not that far away despite what the media wants you to believe. All of it by design, btw, and none of you are minding the store.

I suggest all of you get on the right side of history and start passing legislation that corrects 2020, ensures a free and fair election in the future, ensures medical and personal freedom and privacy, and bans Federal interference in state affairs. Otherwise, you had better brush up on your communist ideology because I know for a FACT most of the liberal establishment in DC and Silicon Valley are card carrying communists. All working to turn this country into a technocracy through a Chinese style social scoring system. The Federal Health Pass is the first step in that process, and the Arizona board of health, along with Ducey's EO's have enabled that surveillance and monitoring to be installed in Arizona.

You can thank MSG Dona, Col Jenkins and the rest of the military members who are trying to inform the public a civil war doesn't serve anyones interest. Along with there are peaceful avenues to resolve this conflict. NONE of you are HELPING. Every bad decision, Bowers led left-wing legislation enrages the public further. None of us want this country to descend into chaos, but that is where things are headed.

None of you can claim "Plausible Deniability", you were all complicit in the IGA scandal, HB2839, etc. and NOW the public knows. I suggest before you feign being offended you start paying attention to what the voters want instead of institutional money and the RNC establishment are paying you to enact. The voters want:

1. Free and FAIR election's
    a. Ban DOMINION systems
    b. Ban Mail in Voting
    c. Enact VOTER ID at the time of VOTING

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2. Decertification of the 2020 election (Including down ballot)
3. Federal Health Pass banned from Arizona
4. Medical and Personal Privacy
5. CRT / Pedophile free school curriculum
6. Accountability for Educators who violate the law
7. Accountability for Fann and Bowers – start by censuring them
8. Accountability for Hobbs – she should be in prison for sedition and treason, along with Ducey and the AG (eg limit their powers to enable cheating)

In short, do the job the public sent you to office to do – protect the voters of Arizona and the constitution.

LTC Murray

From: MSG Jack Dona US Army RET [redacted]
Date: Wednesday, March 9, 2022 at 10:50 AM
To: 'Kevin Payne' <kpayne@azleg.gov>
Cc: 'MSG Jack Dona US Army RET' [redacted], 'COL Don W. Jenkins (Retired)' [redacted], Steven Murray [redacted], rgray@azleg.gov <rgray@azleg.gov>, vleach@azleg.gov <vleach@azleg.gov>, nbarto@azleg.gov <nbarto@azleg.gov>, pboyer@azleg.gov <pboyer@azleg.gov>, dgowan@azleg.gov <dgowan@azleg.gov>, skerr@azleg.gov <skerr@azleg.gov>, dlivingston@azleg.gov <dlivingston@azleg.gov>, jmesnard@azleg.gov <jmesnard@azleg.gov>, tpace@azleg.gov <tpace@azleg.gov>, wpetersen@azleg.gov <wpetersen@azleg.gov>, tshope@azleg.gov <tshope@azleg.gov>, KFann@azleg.gov <KFann@azleggov>, 'Sonny Borrelli' <sborrelli@azleg.gov>, 'Wendy Rogers' <WRogers@azleg.gov>, 'Kelly Townsend' <ktownsend@azleg.gov>, MUgenti-Rita@azleg.gov <MUgenti-Rita@azleg.gov>, bbarton@azleg.gov <bbarton@azleg.gov>, 'Leo Biasiucci' <LBiasiucci@azleg.gov>, wblackman@azleg.gov <wblackman@azleg.gov>, sbolick@azleg.gov <sbolick@azleg.gov>, rbowers@azleg.gov <rbowers@azleg.gov>, 'Judy M. Burges' <jburges@azleg.gov>, fcarroll@azleg.gov <fcarroll@azleg.gov>, 'NCARTER@azleg.gov' <NCarter@azleg.gov>, jchaplik@azleg.gov <jchaplik@azleg.gov>, rcobb@azleg.gov <rcobb@azleg.gov>, dcook@azleg.gov <dcook@azleg.gov>, LDiaz@azleg.gov <LDiaz@azleg.gov>, tdunn@azleg.gov <tdunn@azleg.gov>, jfillmore@azleg.gov <jfillmore@azleg.gov>, mfinchem@azleg.gov <mfinchem@azleg.gov>, tgrantham@azleg.gov <tgrantham@azleg.gov>, ggriffin@azleg.gov <ggriffin@azleg.gov>, Jake.Hoffman@azleg.gov <Jake.Hoffman@azleg.gov>, jjohn@azleg.gov <jjohn@azleg.gov>, skaiser@azleg.gov <skaiser@azleg.gov>, jkavanagh@azleg.gov <jkavanagh@azleg.gov>, TMartinez@azleg.gov <TMartinez@azleg.gov>, qnguyen@azleg.gov

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<qnguyen@azleg.gov>, josborne@azleg.gov <josborne@azleg.gov>, jparker@azleg.gov <jparker@azleg.gov>, kpayne@azleg.gov <kpayne@azleg.gov>, bpingerelli@azleg.gov <bpingerelli@azleg.gov>, btoma@azleg.gov <btoma@azleg.gov>, mudall@azleg.gov <mudall@azleg.gov>, jweninger@azleg.gov <jweninger@azleg.gov>, jwilmeth@azleg.gov <jwilmeth@azleg.gov>
Subject: RE: Arizona Senate Bill SB1167 and HB 2100

State Congressman Payne,

Thank you for your reply below. You were the ONLY one who bothered to answer, and I appreciate it. And I glad to see that someone finally realized the catastrophic impact to the American People if these damn bills had passed!

The fact that the legislature even considered these bills is outrageous, repulsive and disgusting! I would like to know who are the members of the GOP Legislature who pushed these two bills in the first place!? Whoever they are, they are NOT acting in the interests of the American People, and are an absolute disgrace! They should never be allowed anywhere near the Halls of Government that belong to We The People!

The GOP members in this state would do well to take a good hard look at ANY member of the Legislature or their staff members that tried to slip these two Bills thru.

The Legislature in Arizona should know and be on notice. People are watching all of you very carefully. Any moves to codify into law the Intergovernmental Agreements or the Governors un-Constitutional Executive Order on COVID Surveillance will NOT go un-noticed. And the people of this state, and others, will be notified on multiple online platforms and via the media. And the names of the elected officials pushing this will also be identified to the public.

Again, I would like the names of the members of the Arizona Legislature that tried to push these two measures! Let's see if they have the intestinal fortitude to step forward and answer this email.

Thank you, and look forward to your response.

V/R,

MSG FJD

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From: Kevin Payne [mailto:kpayne@azleggov]
Sent: Wednesday, March 09, 2022 7:19 AM
To: MSG Jack Dona US Army RET
Subject: RE: Arizona Senate Bill SB1167 and HB 2100

Dear Mr. Dona,

Thank you for your message. You should be happy to learn neither bill has passed out their bodies. Both bills were retained so have not been voted on.

-------- Original message --------
From: MSG Jack Dona US Army RET [redacted]>
Date: 3/8/22 9:41 PM (GMT-07:00)
To: Rick Gray <RGray@azleg.gov>, Vince Leach <VLeach@azleg.gov>, Nancy Barto <NBarto@azleg.gov>, Paul Boyer <PBoyer@azleg.gov>, David Gowan <dgowan@azleg.gov>, Sine Kerr <SKerr@azleg.gov>, David Livingston <dlivingston@azleg.gov>, "J.D. Mesnard" <JMesnard@azleg.gov>, Tyler Pace <TPace@azleg.gov>, Warren Petersen <wpetersen@azleg.gov>, "Thomas T.J. Shope" <tshope@azleg.gov>, Karen Fann <KFann@azleg.gov>, Sonny Borrelli <sborrelli@azleg.gov>, Wendy Rogers <WRogers@azleg.gov>, Kelly Townsend <ktownsend@azleg.gov>, Michelle Ugenti-Rita <mugenti-rita@azleg.gov>, Brenda Barton <BBarton@azleg.gov>, Leo Biasiucci <LBiasiucci@azleg.gov>, Walter Blackman <WBlackman@azleg.gov>, Shawnna Bolick <SBolick@azleg.gov>, Russell Bowers <RBowers@azleg.gov>, "Judy M. Burges" <jburges@azleg.gov>, Frank Carroll <FCarroll@azleg.gov>, Neal Carter <NCarter@azleg.gov>, Joseph Chaplik <JChaplik@azleg.gov>, Regina Cobb <RCobb@azleg.gov>, David Cook <dcook@azleg.gov>, Lupe Diaz <LDiaz@azleg.gov>, Tim Dunn <TDunn@azleggov>, John Fillmore <JFillmore@azleggov>, Mark Finchem <MFinchem@azleg.gov>, Travis Grantham <TGrantham@azleg.gov>, Gail Griffin <GGriffin@azleg.gov>, Jake Hoffman <Jake.Hoffman@azleg.gov>, Joel John <JJohn@azleg.gov>, Steve Kaiser <SKaiser@azleg.gov>, John Kavanagh <JKavanagh@azleg.gov>, Teresa Martinez <TMartinez@azleg.gov>, Quang Nguyen <QNguyen@azleg.gov>, Joanne Osborne <JOsborne@azleg.gov>, Jacqueline Parker <JParker@azleg.gov>, Kevin Payne <kpayne@azleg.gov>, Beverly Pingerelli <BPingerelli@azleg.gov>, Ben Toma <btoma@azleg.gov>, Michelle Udall <mudall@azleg.gov>, Jeff Weninger <JWeninger@azleg.gov>, Justin Wilmeth <JWilmeth@azleg.gov>
Cc: 'MSG Jack Dona US Army RET' [redacted]>, "'COL Don W. Jenkins (Retired)'" [redacted]>, "'LTC Steven Murray (Retired)'" [redacted]>, "'Dannels, Mark'" <MDannels@cochise.az.gov>
Subject: RE: Arizona Senate Bill SB1167 and HB 2100

To the Arizona State Legislators,

Congressional members of the State of Arizona, both in the House and Senate, I have received an overwhelming amount of questions regarding these two bills, SB1167 and HB2100. All of them have asked these questions in one form or another, and I hope at least ONE of you have the intestinal courage to justify

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your position in supporting these Bills and explain it to your constituents! Please provide an answer to the following questions:

1. In regards to SB 1167 and HB2100, why would you elected leaders of the GOP vote to support a Democrat/Leftist measure promoted by this White House?

2. Did you read the Bills?

3. Are you completely ignorant of what the national level government, the establishment RINO's, the globalists/communists and the Democrats are trying to do to our Republic, let alone our State?

4. Why do you people always vote for measures that ultimately benefit Democrats, or find excuses to not vote for measures that will help us?

5. Do any of you realize this empowers aspects of the county Intergovernmental Agreements and most importantly key totalitarian aspects of Governor Ducey's Executive Order on COVID Surveillance? (Attached, Page 3, bottom of page, "Health Current")

6. Are all of you Communists or Globalists…or both?

7. Do any of you realize what an embarrassment this is to our state to be the first to do this?

Those recipients in this state, and the other 12 states on the BCC list: I will re-transmit any message reply I receive from any of the elected leaders in this state directly to the list. Hopefully there will be someone, anyone, who will explain why they allowed this to even come to the floor of either House in the State. If I do not receive a reply, I will answer and advise on my recommendations from this point forward. If our elected leaders refuse to answer their constituents it means our system of government has completely broken down, and all of us must plan accordingly.

To those of you in the other states, better start watching your elected leaders closely…this will soon be coming to YOUR state! It happened in Arizona… believe it could happen in yours.

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Very respectfully,

Jack

Jack Dona
Master Sergeant
U.S. Army (Retired)
Civilian Email: [redacted]
Secure Email [redacted]
"Call to Duty|Boots on the Ground "

From: MSG Jack Dona US Army RET [mailto:[redacted]
Sent: Tuesday, March 08, 2022 6:39 PM
To: 'MSG Jack Dona US Army RET'; 'COL Don W. Jenkins (Retired)'; 'LTC Steven Murray (Retired)'; 'Dannels, Mark'
Cc: rgray@azleg.gov; vleach@azleg.gov; nbarto@azleg.gov; pboyer@azleg.gov; dgowan@azleg.gov; skerr@azleg.gov; dlivingston@azleg.gov; jmesnard@azleg.gov; tpace@azleg.gov; wpetersen@azleg.gov; tshope@azleg.gov; KFann@azleg.gov; 'Sonny Borrelli'; 'Wendy Rogers'; 'Kelly Townsend'; MUgenti-Rita@azleg.gov; bbarton@azleg.gov; 'Leo Biasiucci'; wblackman@azleg.gov; sbolick@azleg.gov; rbowers@azleg.gov; 'Judy M. Burges'; fcarroll@azleg.gov; 'NCARTER@azleg.gov'; jchaplik@azleg.gov; rcobb@azleg.gov; dcook@azleg.gov; LDiaz@azleg.gov; tdunn@azleg.gov; jfillmore@azleg.gov; mfinchem@azleg.gov; tgrantham@azleg.gov; ggriffin@azleg.gov; Jake.Hoffman@azleg.gov; jjohn@azleg.gov; skaiser@azleg.gov; jkavanagh@azleg.gov; TMartinez@azleg.gov; qnguyen@azleg.gov; josborne@azleg.gov; jparker@azleg.gov; kpayne@azleg.gov; bpingerelli@azleg.gov; btoma@azleg.gov; mudall@azleg.gov; jweninger@azleg.gov; jwilmeth@azleg.gov
Subject: RE: Arizona Senate Bill SB1167 and HB 2100
Importance: High

Don/Steve (And all BCC recipients in this and other states),

I had this very conversation with a Senator just last week. I pointed out the below to him, and he assured me that this would NEVER be allowed in the State of Arizona. I pointed out the below message from the White House on the 2nd of March, 2022:

https://www.whitehouse.gov/briefing-room/press-briefings/2022/03/02/press-briefing-by-white-house-and-hhs-public-health-officials-march-2-2022/

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Note the following verbiage in the briefing on March 2nd:

"Finally, we continue to invest in and scale up our data modernization efforts, which improve COVID-19 data collection, reporting, analysis, and interoperability so America is better informed and ready to respond to whatever may come next. By connecting data from local public health to our national systems, we work to collect the data today that we will need to answer the critical questions of tomorrow.

These data can then be used by CDC's Forecast — Center for Forecasting and Outbreak Analytics to forecast and model our public health threats and inform our prevention recommendations. *CDC is working with state, county, and city jurisdictions to transform independent, local surveillance efforts into a robust, sustainable national system."*

The legislature in Arizona just put the first piece in place for the mosaic the Federal Govt is building for a National Health Pass….which will lead to a social scoring system. This was a complete sell-out, and it begins the early stages of implementation of the same system used by the Communist Party in China. Only that "amendment" they put in holds this all back. Till the next "emergency" happens, then that "amendment" will go away….for our own good of course.

The communists are taking our country away from us without even firing a shot. What a laughing stock we must be to other states and the world.

V/R,

MSG FJD

From: MSG Jack Dona US Army RET [mailto:[redacted]
Sent: Tuesday, March 08, 2022 5:44 PM
To: 'COL Don W. Jenkins (Retired)'; 'LTC Steven Murray (Retired)'; 'Dannels, Mark'
Cc: 'rgray@azleg.gov'; 'vleach@azleg.gov'; 'nbarto@azleg.gov'; 'pboyer@azleg.gov'; 'dgowan@azleg.gov'; 'skerr@azleg.gov'; 'dlivingston@azleg.gov'; 'jmesnard@azleg.gov'; 'tpace@azleg.gov'; 'wpetersen@azleg.gov'; 'tshope@azleg.gov'; 'KFann@azleg.gov'; 'Sonny Borrelli'; 'Wendy Rogers'; 'Kelly Townsend'; 'MUgenti-Rita@azleg.gov'; 'bbarton@azleg.gov'; 'Leo Biasiucci'; 'wblackman@azleg.gov'; 'sbolick@azleg.gov'; 'rbowers@azleg.gov'; 'Judy M. Burges'; 'fcarroll@azleg.gov'; 'NCARTER@azleg.gov'; 'jchaplik@azleg.gov'; 'rcobb@azleg.gov'; 'dcook@azleg.gov'; 'LDiaz@azleg.gov'; 'tdunn@azleg.gov'; 'jfillmore@azleg.gov'; 'mfinchem@azleg.gov'; 'tgrantham@azleg.gov'; 'ggriffin@azleg.gov'; 'Jake.Hoffman@azleg.gov'; 'jjohn@azleg.gov'; 'skaiser@azleg.gov'; 'jkavanagh@azleg.gov'; 'TMartinez@azleg.gov'; 'qnguyen@azleg.gov'; 'josborne@azleg.gov'; 'jparker@azleg.gov'; 'kpayne@azleg.gov'; 'bpingerelli@azleg.gov'; 'btoma@azleg.gov'; 'mudall@azleg.gov'; 'jweninger@azleg.gov'; 'jwilmeth@azleg.gov'

AMERICAN OVERSIGHT

Subject: RE: Arizona Senate Bill SB1167 and HB 2100
Importance: High

Don/Steve,

Why in the name of heaven would the legislature even consider passing SB1167 and HB2100? I have no idea. And why they would think offering an "amendment" to the legislation would make it palatable is even MORE ridiculous! The legislators think we are imbeciles and don't realize that once this is put into place, their little "amendment" to protect the citizenry can be stripped away at the next stolen election when what's left of those fighting for us are swept away from office. Then they will have done an end around the 4th Amendment and can call it, "Bipartisanship". The GOP appear hell bent to help the Democrats make this state the new California.

It's one excuse and failure after the other. Mysterious fires at chicken farms. Ballot signatures not matching actual ballots. Audits that the citizenry demand and then mysteriously fail to produce anything due to "Special Masters" being put in place…that happen to be Democrats. No election reforms. Colonel Waldron appears on the scene to "save the day"…then disappears. Nobody really honest and above board in getting to the bottom of the fraud and corruption in this state. It's always, ***"we can't do anything because of the RINO's…donate to my campaign, and we will get em next time!"***…Only their never is a "next time" and we lose more and more of our God given Rights. But they SURE can get measures like these passed in a hurry don't they? Nobody in the state in their right mind would want a surveillance type system like this in place regarding medical procedures for private citizens…Except Democrats!

I can tell you both this unequivocally. People are waking up, and are sick and tired of being lied to! People are beginning to see a pattern, and it's dark and ominous. Mistakes made by the legislature benefit Democrats and leftists ONLY. Policy that passes quickly benefits Democrats ONLY. Anything that benefits Patriots and Conservatives in our state NEVER passes. Nothing. No wins. And all we get are excuses from the party we elected, the GOP, who fail at basic Constitutional Civics! People are at the end of their rope and sick of this. People are beginning to think this is all a lost cause with our elected leaders; faith in institutions are all but gone.

We are NOT going to allow our country to become a shadowy reflection of what it was because people sold out to the CCP or foreign and domestic

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billionaires who have a dream of global government. Its Communism! My uncle gave his life fighting the communists in the Korean War. My father fought the communists in Vietnam. Our family has a long history of hatred against Communists and their ilk. At least the Communists are out in the open…the ones that hide in elected office are truly the most despicable of creatures!

Don/Steve, why the Arizona Legislature would even consider this on the floor points to ONLY one reason. That reason is there are very few GOP left in this state even willing to stand up and fight for those who got them elected. As Steve pointed out below, this is all part of the social scoring/credit system implemented by the CCP.

Looks like Sheriff Mark Dannels, and other sheriffs in this state, are going to have their hands full NOT enforcing un-Constitutional laws on the citizenry…wonder how long that will last. Probably till they get rid of Dannels and people like him in the next fraudulent election.

The mere fact that the GOP allowed these bills to even come to the floor is not only un-American, it is flat out evil!

Very respectfully,

Jack

Jack Dona
Master Sergeant
U.S. Army (Retired)
Civilian Email: [redacted]
Secure Email [redacted]
"Call to Duty|Boots on the Ground "

AMERICAN OVERSIGHT

From: Don Jenkins [mailto:[redacted]
Sent: Tuesday, March 08, 2022 1:19 PM
To: Steven Murray; Jack Dona
Cc: MSG Jack Dona US Army RET; rgray@azleg.gov; vleach@azleg.gov; nbarto@azleg.gov; pboyer@azleg.gov; dgowan@azleg.gov; skerr@azleg.gov; dlivingston@azleg.gov; jmesnard@azleg.gov; tpace@azleg.gov; wpetersen@azleg.gov; tshope@azleg.gov; KFann@azleg.gov; Sonny Borrelli; Wendy Rogers; Kelly Townsend; MUgenti-Rita@azleg.gov; Don Jenkins
Subject: Re: Arizona Senate Bill SB1167 and HB 2100

Jack, et al,

Has any legislator in Arizona bothered to read the 4th Amendment to the US Constitution? A violation of "right to privacy" is embedded in these bills which even a casual review will glean. National databases are ahorant to a free society and any sophomore can see that. Once a database is established it becomes a cesspool for purveyors of fraudulent information, manipulation, and an adjunct to governmental control; all the while indemnifying those responsible for what would otherwise be criminal dissemination of personal information.

If folks don't realize that this database will effectively "control" them they are full of bovine fecal matter.

Don

On Tue, Mar 8, 2022 at 1:55 PM Steven Murray [redacted] > wrote:

> I have to second MSG Dona on these measures. Clearly none of you are paying attention, or worse you are aiding the implementation of a Federal Centralized Health Pass, and ultimately a social scoring system.
>
> Medical Freedom is the most important issue in the coming decade. These bills have nothing to do with public safety, rather paving the way for forced adoption of the Federal Health Pass. THERE IS NO REASON FOR THE FEDERAL GOVERNMENT TO CENTRALIZE HEALTH DATA. Any and ALL complicity in this effort is equal to TREASON under article 104 of the UCMJ - Aiding the Enemy. All of you took and oath to defend the constitution of both the United States and Arizona. It's bad enough CRT is still not banned in schools. Now this nonsense. I suggest ALL off you decide which side of history you want to be on and vote no on both of these measures. The public is paying attention and we will not forget.
>
> LTC Murray
>
> ---
>
> **From:** MSG Jack Dona US Army RET [redacted]
> **Sent:** Tuesday, March 8, 2022 12:38:36 PM
> **To:** 'MSG Jack Dona US Army RET' [redacted]; 'COL Don Jenkins (Retired)' [redacted] Steven Murray [redacted] >
> **Cc:** rgray@azleggov <rgray@azleg.gov>; vleach@azleg.gov <vleach@azleg.gov>; nbarto@azleg.gov <nbarto@azleg.gov>; pboyer@azleg.gov <pboyer@azleg.gov>; dgowan@azleg.gov <dgowan@azleg.gov>; skerr@azleg.gov <skerr@azleg.gov>; dlivingston@azleg.gov <dlivingston@azleg.gov>; jmesnard@azleg.gov <jmesnard@azleg.gov>; tpace@azleg.gov <tpace@azleg.gov>; wpetersen@azleg.gov <wpetersen@azleg.gov>;

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tshope@azleg.gov <tshope@azleg.gov>; KFann@azleg.gov <KFann@azleg.gov>; 'Sonny Borrelli' <sborrelli@azleg.gov>; 'Wendy Rogers' <WRogers@azleg.gov>; 'Kelly Townsend' <ktownsend@azleg.gov>; MUgenti-Rita@azleg.gov <MUgenti-Rita@azleg.gov>
Subject: Arizona Senate Bill SB1167 and HB 2100

All Recipients/Arizona Senators,

SB1167 AND HB 2100 MUST BE STOPPED!

https://legiscan.com/AZ/text/SB1167/id/2473352

https://legiscan.com/AZ/text/HB2100/id/2469246

SB1167 (and its mirrored bill HB2100) needs to be stopped without a significant amendment being made - the ability to OPT-IN rather than being locked into a system without choosing to be, without knowing who is getting the information and without the ability to OPT OUT!

This is NOT good policy! It puts into law what has been implemented via Executive Order under a 'state of emergency'! Which means, it will be LAW for all Arizonans, at ALL times! Not simply when a 'declared emergency' is in effect.

These bills, if they pass, will give FORCE of LAW to the Governor's COVID Surveillance Executive Order with NO OPTION TO OPT OUT! Your medical provider will be compelled to provide personal information to the state on an unprecedented level! And you know the next step is to share this data with the Federal Govt!

Why in the name of SANITY would our elected leaders even consider this bill and making the Governors emergency powers permanent is beyond belief!

GOP at the State Capitol, for once, DO YOUR JOBS AND PROTECT US FROM THIS VIOLATION OF OUR PRIVACY!

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AGAIN, THIS MUST BE STOPPED NOW!!!

Very respectfully,

Jack

Jack Dona

Master Sergeant

U.S. Army (Retired)
Civilian Email: [redacted]
Secure Email: [redacted]
"Call to Duty|Boots on the Ground "

--
Don Jenkins
His Way Farms
[redacted]

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This E-mail is from an **EXTERNAL** address. DO NOT click on links or open attachments unless you trust the sender and know the content is safe. If you suspect this message to be phishing, please report it using the Phish Alert Button at the top of the email, or forward to cochise.az.gov@missedspam.com or contact IT support at 520-432-8301.

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From:	Jason Whiting
To:	Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Re: FINAL as filed - ECO Report for Fiscal Year 2021 and Plan for Fiscal Year 2022 for Receipt and Expenditure of Monies
Date:	Tuesday, January 25, 2022 9:51:10 PM
Attachments:	image001.jpg image001.jpg ECO Report for Fiscal Year 2021 and Plan for Fiscal Year 2022 for Receipt and Expenditure of Monies.pdf

---

CAUTION: EXTERNAL EMAIL*

Pascal,

Thank you and great job

Jason E Whiting | District III Supervisor
We are Navajo County
100 East Code Talkers Drive
PO Box 668 | Holbrook AZ 86025
Phone (928) 524-4208
jason.whiting@navajocpuntyaz.gov
NavajoCountyAZ.gov | facebook/NavajoCounty
Teamwork | Accountability | Integrity | Excellence | Innovation

On Jan 25, 2022, at 9:48 PM, pberlioux easternarizonacounties.us <pberlioux@easternarizonacounties.us> wrote:

Caution: This email originated from outside of Navajo County.

Hello;

Thank you for a very good discussion during the last ECO meeting.

I have modified the Annual Report and Plan per the suggestions emerged during the discussion:

1. I changed the structure so that the Executive Summary is now indeed an Executive Summary and is now 7 pages.

2. I have written this Executive Summary to "tell the story" in some very short bullet points supported by data.

Please see attached.

THANK YOU for this candid and good humored discussion, I really believe that it made the product better

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
600 N. 9th Place
Show Low, AZ 85901
pberlioux@easternarizonacounties.us
Cell: (928) 637 3037

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From: Crosby, Tom
To: Jack R Veal
Cc: tom crosby
Subject: RE: Need advise
Date: Monday, August 22, 2022 10:01:00 AM

Ricky,

How could I forget you? The GTX is in pretty good shape, up on stands in the back yard. It belongs to my daughter. It has new red white and blue upholstery. Interior is pretty decent. Outside is 3 tone primer. Motor is a 78 motor home 440 short block, ported 1966 heads, 484/284 cam. I guess the compression is fairly high now because it needs octane boost with this pee water gas.

Little by little I work on it. Your spare parts provided the LR window regulator that was missing, but now installed.

I would be pleased to meet with you or talk on the phone anytime. There are several good groups you could get involved with or several campaigns. I just got back from Snottsdale, Apache Junction, Coolidge, Benson, Tombstone. I took Shiry Sapir's 4x4 signs back to her,(she lost in prmARY)and put up Mark Finchem's on the way back here. You might have noticed I swapped a Shiry for Finchem at Smith and Sylvester. John Sylvester is always nice to me that way.

Where do your interests lie, and how much time do you want to spend.?

Tom
[redacted]

-----Original Message-----
From: Jack R Veal [redacted]>
Sent: Monday, August 22, 2022 9:45 AM
To: Crosby, Tom <TCrosby@cochise.az.gov>
Subject: Need advise

CAUTION: EXTERNAL EMAIL*

Tom,

We meet many years ago when you bought a Roadrunner from me. Since that time I have followed your political career and I believe you are not only a good man but a great politician. I am not a politician nor am I a good public speaker but I know I should get involved in someway to help our country that is hardly recognizable anymore. You are one of the only ones I feel I can trust for good advise in how I can help. I believe we must repair the governmental system by working through the governmental system. I would like to talk to you and get your thoughts on how I can help.

Ricky Veal
[redacted]

Sent from my iPad
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From:	pberlioux easternarizonacounties.us
To:	David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Gilligan, Edward T; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Malena Bazurto; pberlioux easternarizonacounties.us; Paul David; Judd, Peggy; Richard Lunt; Ryan Patterson; Tommie Martin; Travis Simshauser
Subject:	REMINDER - ECO Board meeting Wednesday December 9, 2 to no later than 4 PM
Date:	Monday, December 7, 2020 5:59:14 PM
Attachments:	image001.jpg ECO Report on FY 2020 Activities - Executive Summary.docx ECO & partners key accomplishment for FY 2020.docx

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CAUTION: EXTERNAL EMAIL*

Hello;

I hope this finds you well.

Per the decision made at the November Board meeting, the December ECO Board meeting was moved from December 16 to December 9, from 2 to no more than 4 PM.

As decided at the November meeting, the December meeting is expected to be short and will be focused on the approval of the ECO 2020 Report and ECO 2021 Plan.

As also decided at the November meeting, the ECO 2021 will be the continuation of the ECO previous annual plans, and will therefore not depart from our current Annual Plan template.

I will distribute the draft 2020 Report and draft 2021 Plan tomorrow, as well as the November meeting minutes, but please find attached for your review the 39 pages Executive Summary of the 2020 Report, and the even more condensed 2-page ECO & partners key accomplishment for FY 2020.

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
600 N. 9th Place
Show Low, AZ 85901
pberlioux@easternarizonacounties.us
Cell: (928) 637 3037

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From:	James Candland
To:	Jsanders@gilacountyaz.gov; Jason Whiting; Pcall@cochise.az.gov; Pdavid@graham.az.gov; Jacque Griffin; Melissa Buckley; Pascal Berlioux; Cheryl Sluyter; glenn.kephart@navajocountyaz.gov; menlove@gilacountyaz.gov; slgrice@gilacountyaz.gov; dwelker@graham.az.gov; Paul Watson; rpatterson@co.apache.az.us; Judd, Peggy; drapier@greenlee.az.gov; Richard Lunt; David Gomez; Ron Campbell; jmenlove@gilacountaz.gov; jhoward@graham.az.gov; dsmith@graham.az.gov; schristensen@gilacounty.gov
Subject:	Report
Date:	Friday, September 10, 2021 10:43:23 AM
Attachments:	September 10, 2021 Legislative Update.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning!

There is a lot going at the State and Federal level these past few weeks, with key legislators resigning for both family and higher office races. Federally, there are new mandates with regards to vaccines that are making headlines all across the country. Just a friendly reminder that there are hyperlinks imbedded into the document, which are indicated by underlined words, and these will take you to stories both locally and nationally. Please let me know if you have any questions or concerns, and I look forward to our next conversation!

All the Best!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject: Report and Tracking List
Date: Friday, February 19, 2021 1:49:06 PM
Attachments: February 19, 2021 Legislative Update.pdf
EACo 2-19-21.pdf

CAUTION: EXTERNAL EMAIL*

Good Afternoon,

I hope that you made it through the last week of bills being heard in committee in the house of origin. It has been a crazy week with strikers and committee hearing changes to get all the bills heard. Please see the attached report and tracking list, and as always, please let me know if you have any questions or concerns. Have a wonderful weekend, and please let me know if I can help in any way.

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject: Report and Tracking List
Date: Friday, February 26, 2021 11:01:23 AM
Attachments: February 26, 2021 Legislative Update.pdf
EACo 2-26-21.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning!

It has been a crazy week at the legislature, with very long COW and third read agendas! With Representative Burges and Pratt in the hospital, they finished quickly yesterday, and we certainly hope for a speedy return to both of them! There are limited discussions going on about budget, and in talking with leadership this week, I understand that the House has been invited to the Gov's office to start those discussions. I hope that you have a great weekend, and please let me know if I can be of assistance in any way.

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject:	Report and Tracking List
Date:	Friday, March 5, 2021 10:23:41 AM
Attachments:	March 5, 2021 Legislative Update.pdf EACo 3-5-21.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning!

It was a long week of floor as both the House and Senate are trying to move bills to the other chamber. We are watching, intently, for bills that could be used for strikers, and will keep you up to speed on those and other issues that pop up.

The Parker bill, HB2737, dealing with the ACC has been stalled in the House. This bill has had a LOT of opposition from the utilities, as well and other consumer groups. I got a hearing this week in House COW, but was held off the Third Read calendar because of the lack of votes to pass. HB2247, which is Rep Griffin's Forest Tax Credit bill. It was stalled for a bit, but is not in the Senate, and should receive a hearing in the Senate Finance Committee.

I hope you enjoy the weekend of warm weather! Please let me know how I can support your efforts.

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject:	Report and Tracking List
Date:	Friday, April 2, 2021 3:00:26 PM
Attachments:	April 2, 2021 Legislative Update.pdf

CAUTION: EXTERNAL EMAIL*

Good Afternoon,

Please see the attached report and tracking list. Budget in the House has started with small group meetings, so we can anticipate things progressing at a greater pace moving forward. I will let you know some of the budget priorities as we hear them. I hope you all have a wonderful Easter weekend!

James

James Candland
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480-305-7013 Office
480-620-7882 Cell

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Subject:	Report and Tracking List
Date:	Friday, May 28, 2021 10:28:15 AM
Attachments:	May 28, 2021 Legislative Update.pdf EACo 5-28-21.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning!

Wow, what a week at the Capitol! As you know, both the Senate and House adjourned until June 10th, but rumor has it that they may come back in next week if a budget deal has been cut. There are all sorts of rumors out there with regards to the vote count on the budget, and first it was the House that didn't have the votes, and then the Senate. It is anybody's guess where it is right now, but both chambers have concerns. There are many in the legislature that have vacation plans starting this next week, which will make things hard to deal with as well! I will keep you in the loop as to the timelines, and any and all rumors that I hear floating out there. I hope you have a wonderful holiday weekend!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject:	Report and Tracking List
Date:	Friday, June 18, 2021 9:53:18 AM
Attachments:	June 18, 2021 Legislative Update.pdf EACo 6-18-21.pdf Special Session Tracking List.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning,

I heard that there may be a budget deal, and then there is not! They have about a week and a half left before the end of the fiscal year, and I hear that Speaker Bowers is indicating that a skinny budget may be the way out of this session, but others are indicating that the skinny budget is not an option. I understand that Senator Boyer and Representative Cook are still a no unless the state can get to 18% for the cities and towns. The only thing that is clear is that next week is the last full week of the fiscal year, and something will need to start moving quickly! Please let me know how to support your efforts, and I hope you have a great weekend!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject: Report and Tracking List
Date: Friday, February 11, 2022 9:45:41 AM
Attachments: February 11, 2022.pdf
EACO 2-11-22.pdf
Election Bills 2-11-22.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning,

As the end of committee hearing ends next week in both House and Senate, there is a lot of action with respects to strikers that are starting to drop. This is going to be a crazy and anxious few weeks with strikers, but we will keep our eyes on them and let you know if we see anything that is concerning. I hope that this email finds you well, and I hope you have a wonderful weekend. Please let me know if you have any questions or concerns, and any way I can help. Thanks!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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Subject: Report and Tracking List
Date: Friday, February 12, 2021 9:51:24 AM
Attachments: February 12, 2021 Legislative Update.pdf
EACo 2-12-21.pdf

CAUTION: EXTERNAL EMAIL*

Good Morning!

Please see the attached reports. With next week the last week to hear bills, and a load of strikers coming out, we have all hands on deck looking at bills as they move along. Bills will start to cross over to the other chambers over then next few weeks, and we will keep you up to date on what is happening. Please let me know if you have any questions or concerns, and as always, I am happy to help in any way. Have a wonderful weekend!

James

James Candland
Clarus Consulting
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480-620-7882 Cell

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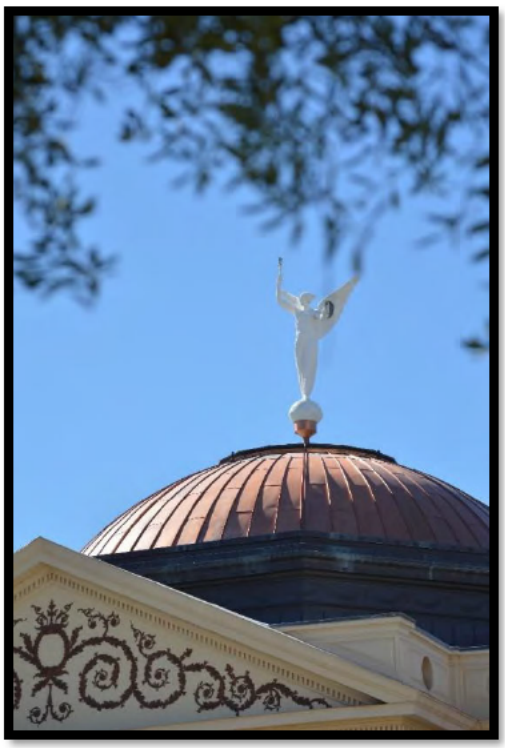
The Arizona summer continues, and so do many of the state's most high-profile political stories:

- **Musical Chairs at the Legislature**

  In Legislative District 30, a panel of Democrats chose three candidates to fill the seat vacated by former Senator Tony Navarrete (D-Phoenix). The Maricopa County Board of Supervisors will select between a current state Representative (Raquel Terán), the director of a democracy reform advocacy organization (Flavio Bravo), and a business consultant (Harry Garewal, Jr.).

  The Pima County and Pinal County Boards of Supervisors will each need to appoint a new legislator soon, as well: This week, Senator Kirsten Engel (D-Tucson) resigned to focus on her run for Congress, and Representative Bret Roberts (R-Maricopa) resigned because he thinks it's best for his family.

- **Masks and Vaccines**

  Governor Ducey is not a fan of President Biden's new COVID-19 mitigation mandates. The debate about mask and vaccine requirements keeps escalating outside of the Capitol, as well, especially as they relate to schools. Opponents of a mask mandate point to the significant demand for Governor Ducey's anti-mask private school vouchers, while supporters of school mask requirements cite this poll that says most Arizonans support mask requirements in schools. The U.S. Department of Education is using civil rights laws to investigate some states' bans on school mask mandates, but Arizona isn't one of them because our law is not effective until September 29.

  The debate about vaccine requirements moved beyond just words this week: Attorney General Mark Brnovitch said the City of Tucson's vaccine mandate for its employees is illegal and could cause Tucson to lose millions in revenues the state sends to local governments.

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AZ-COCHISE-22-0985-A-001352

- **The Recount**
  There's still no report from the review of Maricopa County's 2020 ballots, but a draft might be available next week. Meanwhile, the Senate followed a court order to release records associated with its recount of Maricopa County's 2020 ballots; Senate leaders are holding onto other documents that they believe to be protected by "legislative privilege." A volunteer-led effort to ask voters about their voting records published a report that asserts there were big problems with the 2020 election; election officials from both political parties say the claims are "easily debunked." The fight between Republicans in the Arizona Senate and Maricopa County Board of Supervisors could have significant implications for county residents, and the ongoing focus on the 2020 election is changing the dynamics for the 2022 campaigns.

- **Sports Betting**
  The state's new sports betting program began on Thursday, after a Maricopa County Superior Court judge ruled against the Yavapai-Prescott Indian Tribe's claim that the change illegally altered the 2002 proposition that authorized tribal gambling.

Budget Update: State Agencies Publish Their Wish Lists

State agencies sent Governor Ducey their budget wish lists earlier this month, outlining their needs and the priorities they hope to have included in the budget proposal the Governor will publish early next year. The requests include:

Arizona Department of Health Services

The Arizona Department of Health Services (DHS) budget request includes $6 million in new funding for several priorities:

- Resources to increase payment to contractors at the Arizona State Hospital (ASH), and a one-time investment to update ASH facilities to ensure its residents receive care in a safe setting
- Funding to pay for increased costs associated with using the DHS office building
- Permission to adjust pay schedules for some DHS employees

DHS also requested a change to the way some funding is legally directed to the agency, so they can use more of it to protect residents of nursing care institutions.

The agency identified almost $106 million in funding that it does not need for its operations; it proposes a one-time adjustment that returns those resources to be used for other priorities. Most of the dollars came from state and federal COVID-19 aid funds.

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Arizona Department of Transportation

The Arizona Department of Transportation (ADOT) requested a total of $4.6 million in new funding for its priorities:

- Funding to cover the maintenance of new highway lane miles
- Funding to reflect the increased demand for Travel IDs, drivers' licenses, and license plates
- Upgrades to vehicles and operational/security technology
- Pay increases to reduce turnover

The total cost of ADOT's budget requests includes a proposed $9.3 million reduction to risk management insurance premiums that the agency believes it no longer should pay to the Arizona Department of Administration.

In the Elections

Secretary of State Katie Hobbs' (D) efforts to change when votes can be counted drew strong opposition from Republican officials and legislators. The Arizona Independent Redistricting Commission released its report on communities of interest. Tucson restaurant owner Jorge Rivas (R) joined the crowded race for Governor. Representative Jeff Weninger (R-Chandler) entered the race for State Treasurer, and Representative Regina Cobb (R-Kingman) dropped out of that race to take a job leading the Arizona Dental Association. Representative Randy Friese (D-Tucson) stopped his race for Congress to focus on his duties as a physician. Senator Sean Bowie (D-Phoenix) and Representative Domingo DeGrazia (D-Tucson) won't run for re-election. (Note: These legislators chose not to run for re-election but did not resign. They'll remain in office until after the 2022 election.)

In the Courts

Arizona's the first state to eliminate peremptory challenges in jury selection. Representative Charlene Fernandez (D-Yuma) asked a judge to throw out Representative Mark Finchem's (R-Oro Valley) lawsuit against her. A new lawsuit asks the courts to determine whether Governor Ducey had the authority to cut federal unemployment benefits to Arizonans. The state says courts shouldn't get to decide how legislation is drafted. A federal judge overturned a rule that stopped regulation of development along some waterways. A Court of Appeals said Arizonans have control of their own publicity. The Arizona Attorney General joined a lawsuit against the Biden administration over transgender rights. The U.S. Supreme Court ruling on abortion could impact Arizona legislation.

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In the News

A Tucson legislator wants to enact water conservation laws and a lawmaker from Globe wants to enhance infrastructure to bring in new water sources. Arizona's job recovery has been significant but different across regions of the state. Enrollment continues to climb in the Arizona Teachers Academy. Arizona schools got different amounts of federal aid funding. Some Arizona student test scores dropped as students faced uncertainty during the pandemic. Public records laws challenge officials in both political parties. The Governor allocated $60 million in federal aid funding to Arizona hospitals facing staffing shortages. State employees faced challenges last year. Arizona won't invest in Ben & Jerry's.

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Wildfire Funding

55th Legislature - 1st Spl: Wildfires, 2021

Friday, Jun 18 2021 8:23 AM

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BILL NUMBER/ SHORT TITLE	SUMMARY	SPONSORS	POSTED HEARINGS & CALENDARS	COMMENTS	LAST ACTION
H2001: APPROPRIATIONS; FIRE SUPPRESSION	Makes a supplemental appropriation of $75 million from the general fund in FY2020-21 to the Arizona Department of Forestry and Fire Management (ADFFM) for wildfire emergency response, and authorizes the ADFFM to spend the monies for a list of expenses, including fire suppression, mitigation of postfire flooding, emergency liabilities, financial assistance to landowners for fire damage, and reimbursement to a state agency or political subdivision for emergency costs. Makes a supplemental appropriation of $24.54 million and 122 full-time equivalent positions from the general fund in FY2020-21 to ADFFM for wildfire mitigation.	First sponsor: Rep. Griffin (R - Dist 14) Others: Rep. Bowers (R - Dist 25)			6/17 from House nat res-energy-water do pass. From House rules okay. House COW approved with flr amends #4000 and #4001. Passed House 56-2; ready for Senate. Substituted in Senate for identical bill 1001. Passed Senate 24-2; ready for governor.

From: Center for the Future of Arizona
To: Judd, Peggy
Subject: The Arizona We Want
Date: Thursday, September 22, 2022 11:49:06 AM

CAUTION: EXTERNAL EMAIL*

Our September update

Welcome to the September edition of our newsletter! This month's issue features voting resources, our 2023 New Arizona Fellows, highlights from our recent work, and more!

Arizona Voters' Agenda: Stay Tuned for New Insights Next Week!

With all statewide offices and the entire legislature on the ballot, Arizona's 2022 midterm election is consequential to Arizona's future, and it is critical to center the voices of Arizonans and their priorities in the dialogue. As we near the General Election, Center for the Future of Arizona (CFA) conducted a second Arizona Voters' Agenda survey of likely voters of all ages and political affiliations to build on findings and understanding developed from the initial survey conducted earlier this year.

The latest Arizona Voters' Agenda survey followed up on voters' views on elections, surplus spending, and expanded understanding of voters' priorities in water & environment and affordable housing. **The findings will be released in consecutive announcements next week – keep an eye on your inbox!**

In the meantime, get caught up with the Arizona Voters' Agenda:

- Arizona Voters' Agenda by Topic

    - Education
    - Economy & Inflation
    - Water & Environment
    - Election Reform
    - Immigration
- Arizona Voters' Agenda Quick Reference for Candidates
- A Guide To Hosting Candidate Forums That Address Voter Priorities

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Spread the Word, Increase Voter Education

Election Day is less than two months away, and early voting begins in a few weeks. Share key information with your networks to help more Arizonans prepare & get ready to vote.

Important Dates

- Oct. 11 - The last day to register to vote
- Oct. 12 - Mail-in ballots are sent out, and early voting begins
- Oct. 28 - The last day to request a ballot by mail
- Nov. 1 - Deadline to postmark mail-in ballots
- Nov. 8 - Election Day! Polls will be open 6 am to 7 pm

Bookmark this web page to reference the full list of key dates and Voting FAQ!

Candidate Debates

Thanks to Arizona's Citizens' Clean Elections Commission, there will be a series of debates for several statewide and federal offices on Arizona PBS. Debates for Legislative Districts and more will be available online.

- Tonight, Sept. 22 at 5 pm - Secretary of State: Adrian Fontes & Mark Finchem

- Sept. 28 | 5 pm - Attorney General: Abraham Hamadeh & Kris Mayes
- Get the full schedule of the Arizona Citizens' Clean Elections Commission's Voter Education Debates

Encourage Arizonans to Participate

Share with your networks resources & reminders to register to vote and update voter registration.

Pro tip: Updating voter registration after moving, a name change, or changes in party preference is crucial to ensuring each voter receives the proper ballot.

There are many helpful resources to share:

- Check or update your registration status
- Verifying voter registration
- Find a polling location
- Request a ballot by mail
- Acceptable identification to take to the polls
- Get voting reminders

Meet the New Arizona Fellows at New America

Class of 2023 New Arizona Fellows part of prestigious New America Fellows Program and supported by CFA

In partnership with the national New America Fellows Program, CFA is proud to announce its support of three innovative individuals who will seek to enrich our community through research, big thinking, and innovative ideas and who represent the local Class of 2023 New Arizona Fellows.

The New America Fellows Program supports changemakers—journalists, educators, filmmakers, and researchers working to shape the conversation on the critical issues of today. New America's entire Class of 2023 includes a total of 15 talented individuals who will pursue book, film, and multimedia projects on a wide range of subjects, including the rise of global cryptocurrency, the origins of global mental health, the civil rights

movement, wealth inequality, endangered languages, and more.

CFA proudly selects and supports the New Arizona Fellows whose work has the potential to provide insights into and foster productive conversations around issues of importance to Arizona. We are excited to welcome and congratulate this year's New Arizona Fellows, **Emily Kassie**, **Ross Perlin**, and **Albert Samaha**, on this immense accomplishment. Their innovative research will explore topics that are relevant and important to Arizona, and we look forward to sharing their projects and ideas with the community.

Read more and meet the 2023 New Arizona Fellows

CFA listens to Arizonans to learn what matters most to them, shares trusted data about how Arizona is doing in those priority areas, brings critical issues to public attention, and works with communities and leaders to solve public problems. All of our work is to ensure that the public values we share are realized for all Arizonans by shaping and advancing The Arizona We Want. To do this, it is mission-critical to continuously engage with our partners, community members, and all the Arizonans we serve – here's a peek at some highlights from our work in September:

Proud Partner of the League of Arizona Cities & Towns Annual Conference

At the end of August, CFA hosted our sixth annual pre-conference session to kick off the League of Arizona Cities and Towns (LACT) Annual Conference. It was an enriching half-day of discussion and learning with many leaders who serve Arizonans throughout the state.

During the session, CFA Executive VP Dr. Amanda Burke shared new data from the Arizona Voters' Agenda, leaders from towns across the state provided a thought-provoking panel discussion, and attendees practiced data-driven conversations and decision-making. Special thanks to Sintra Hoffman of Westmarc, Mayor Corey Woods of Tempe, Mayor Mila Besich of the Town of Superior, Sandy Moriarty of Sedona, and Mayor Eric Orsborn of Buckeye.

Later in the week, CFA President & CEO, Dr. Sybil Francis, shared insights from the Arizona Voters' Agenda and discussed centering the voices of Arizonans in elections with LACT conference attendees.

Celebrating Valle del Sol's Profiles of Success

On Sept. 9, CFA sponsored and attended Valle Del Sol's annual Profiles of Success Hispanic Leadership Awards luncheon to celebrate champions of Latino Leadership alongside many community leaders, advocates, and community servants who strengthen our communities and state. During the event, CFA's Employee Spotlight recognized Civic Health Initiatives Project Manager, Madison Rock

(pictured left) for the dedication and leadership she brings to her work and the Arizona community every single day.

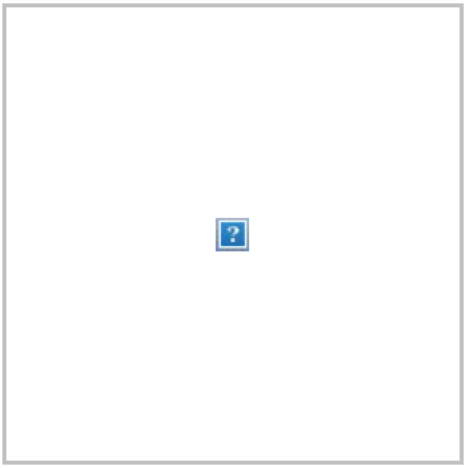
CFA's Arizona Pathways to Prosperity Hosted Student Voices Focus Groups with Westwood High School

In collaboration with Westwood High School in Mesa, CFA's Arizona Pathways to Prosperity (APTP) team hosted focus groups with hundreds of high school students to better understand how their current education is shaping their future and their perspectives of pathways to higher education and careers.

With a simple goal to listen to student voices, the data collected from these focus groups, and others on the horizon, will inform APTP's efforts. Our team will be collecting more data from high school and community college students around Arizona, and after all the data is analyzed, the findings will be shared with our partners, schools, and the public. Stay tuned!

Schools & Districts Around the State Kick-off Journey with the Arizona Personalized Learning Network

Earlier this week, 170 school and



district leaders and teachers from across the state came together to kick off their journey to implement personalized learning at their schools through our Arizona Personalized Learning Network Launch!

Learn more about Arizona Personalized Learning and how to bring the innovative approach to student-centered learning to your school or district.

Opinion via Queen Creek Sun Times: Part of instilling citizenship in students is reinforcing importance of civic responsibility

Queen Creek Unified School District (QCUSD) Superintendent Dr. Perry Berry shares that through a district-wide Participatory Budgeting program, QCUSD empowers students to engage in their own form of civic responsibility as they research, propose and ultimately vote on improvement projects. In partnership with Center for the Future of Arizona, this civic engagement program is designed to inspire students to participate in civic life for the long-term.

Read more.

Recent News & Opinion: Arizona Voters' Agenda

Arizona Capitol Times

In her latest op-ed, CFA President & CEO, Dr. Sybil Francis, discusses

retiring the political campaign "pivot," and potential alternatives to running elections in order to encourage and reward candidates who appeal to what most Arizonans want from their elected leaders.

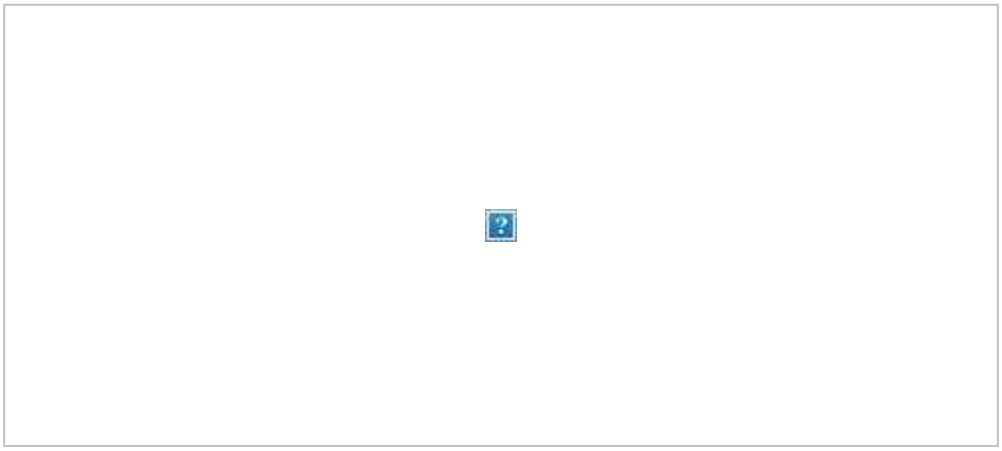
Read the op-ed.

The Think Tank with Mike O-Neil

CFA President & CEO Dr. Sybil Francis and Paul Bentz of HighGround recently joined KTAR's Mike O'Neil to discuss the intricacies of voter consensus, where Arizona voters land on issues like immigration, and more.

Listen to the episode.

Data Snapshot: Securing Our Water Future



Why it matters: Very few things in politics achieve unanimous support, but the issues of addressing Arizona's water future and tackling drought come very close.

Virtually all voters are concerned about water, and this was the case long before recent news that the Colorado River is hitting dangerous lows and our state leaders will be required to further cut water use by 21%.

Our historic 23-year drought is leading to real questions and concerns for Arizona's future. It's certainly a complex topic, but Arizonans have made it clear that they want their candidates to have a plan.

Learn more about the Arizona Voters' Agenda and the questions that

need addressing to help voters elect leaders aligned with their priorities this election.

Download Report	Progress Meters	Take Action
Action Agenda		

The Center for the Future of Arizona brings Arizonans together to create a stronger and brighter future for our state.

arizonafuture.org

Like what you see? Support CFA's work to advance what matters most to Arizonans.
Give today »

541 E. Van Buren, Suite B-5, Phoenix, AZ 85004

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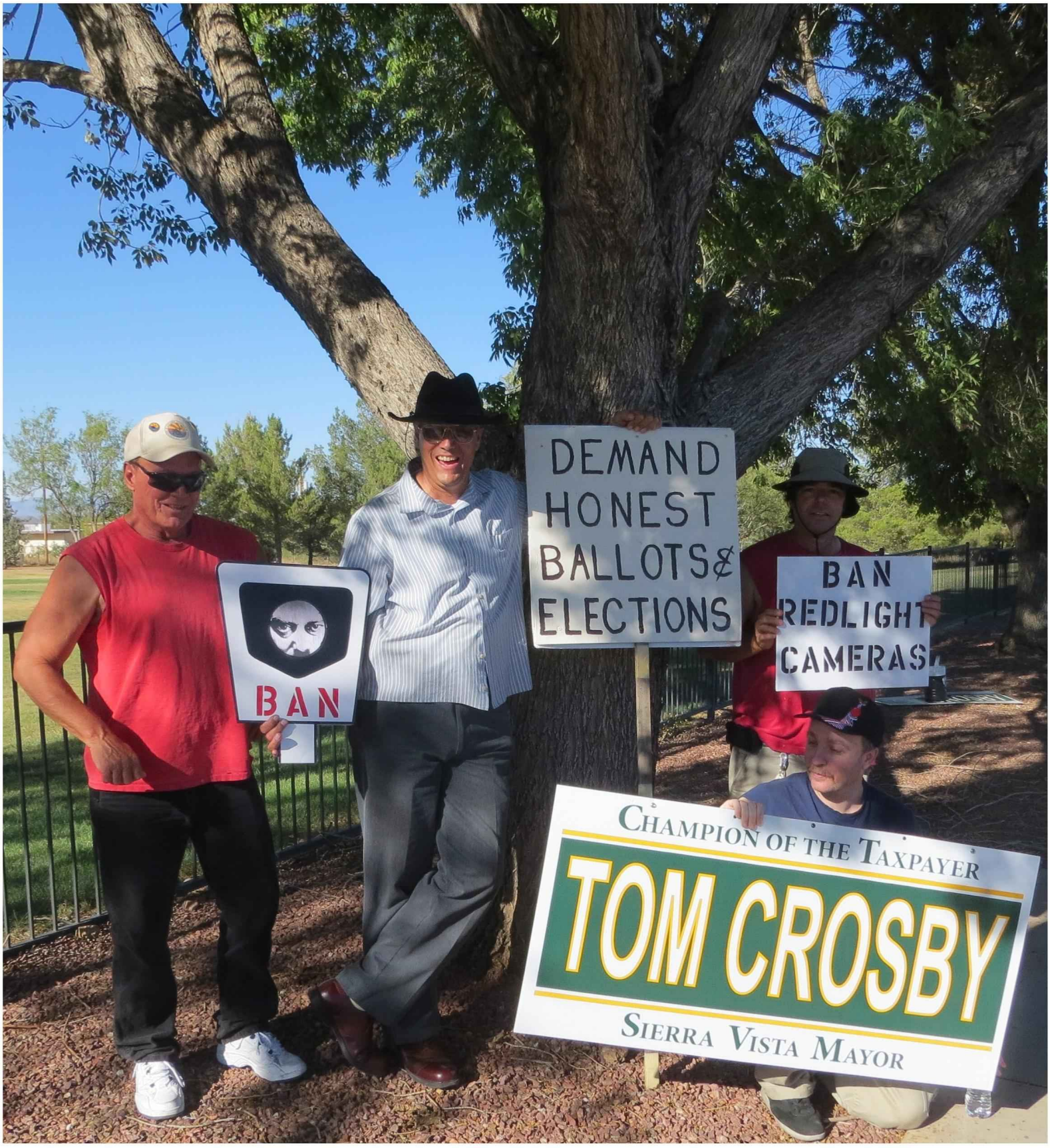
DEMAND
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ELECTIONS
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CHAMPION OF THE TAXPAYER
TOM CROSBY
SIERRA VISTA MAYOR

From: Jacob Emnett
Cc: craigs; Penny Adams; Robin Hillyard; VanessaF; Yvonne Ortega; Intern
Subject: Update - Primary Election Results - County Supervisors Association
Date: Wednesday, August 3, 2022 4:20:24 PM
Attachments: Primary Election Results_8_3_140PM.pdf

CAUTION: EXTERNAL EMAIL*

Good morning, supervisors and professional staff,

This email is the first update we'll be sending out as counties begin making their way through cast ballots.

NOTE: Please note that the vote totals reported in this email and this email's attachment are NOT FINAL and are dated to August 3rd at 1:40 P.M. Vote totals may change in coming hours and days as further ballots are counted. Current leaders are indicated with ORANGE HIGHLIGHT. Anyone wishing to view up-to-date information can do so at the Secretary of State's website by clicking HERE.

While most county elections took place in 2020, there are still a few county-specific races on this year's ballot. Justices of the Peace and constables, alongside the three County Supervisors who were appointed between this election and the 2020 election, will stand for election in 2022. Speaking of which, congratulations to Supervisor Christensen, Supervisor Vasquez, and Supervisor Galvin! All three Supervisors won their primary election. We hope you're all getting some well-deserved rest!

Please find a selection of races we've been watching closely, along with some notes on their importance, below. **You can also find a spreadsheet with all the results attached to this email.**

- **COMPETITIVE STATEWIDE/FEDERAL REPUBLICAN PRIMARIES.**
  - There are several incredibly competitive statewide/federal Republican primaries this cycle, with a number of State Legislators and notable Republicans lining up for a spot in the '22 General Election. The competitive primaries we're looking at include:
    - The Gubernatorial race, which features former Regent Karrin Taylor Robson running against former FOX 10 anchor Kari Lake in a matchup that has seen a wide variety of published polling outcomes.

		Republican Primary			
Statewide	Governor	Lake, Kari	REP	**294,260**	**46.22%**
		Neely, Scott	REP	20,532	3.23%
		Taylor Robson, Karrin&	REP	282,936	44.45%
		Tulliani-Zen, Paola "Z"	REP	13,762	2.16%

    - The equally competitive race for Secretary of State, which features three State Legislators – Rep. Mark Finchem, Rep. Shawnna Bolick, and Sen. Michelle Ugenti-Rita – running against the Ducey-endorsed outsider Beau Lane.

		Republican Primary			
Statewide	Secretary of State	Bolick, Shawnna#	REP	113,797	19.16%
		Finchem, Mark#	REP	**243,405**	**40.99%**
		Lane, Beau	REP	145,598	24.52%
		Ugenti-Rita, Michelle#	REP	91,003	15.33%

    - The interesting race for State Treasurer, which initially featured only Rep. Jeff Weninger before Treasurer Yee abandoned her nascent Gubernatorial bid for a chance at a second term.

		Republican Primary			
Statewide	Treasurer	Lettieri, Robert	REP	96,731	16.77%
		Weninger, Jeff#	REP	156,321	27.10%

		Yee, Kimberly*	REP	**323,800**	**56.13%**

- A primary for the Republican nomination for U.S. Senate that includes Attorney General Mark Brnovich, former Arizona National Guard Adjutant General Mick McGuire, Trump-endorsed Blake Masters, Corporation Commissioner Justin Olson, and Jim Lamon.

		Republican Primary			
Statewide	**U.S. Senate**	Brnovich, Mark#	REP	113,854	18.30%
		Lamon, Jim	REP	179,237	28.81%
		Masters, Blake	REP	**242,881**	**39.04%**
		McGuire, Michael "Mick"&	REP	54,279	8.73%
		Olson, Justin #	REP	31,849	5.12%

- **COMPETITIVE STATEWIDE DEMOCRATIC PRIMARIES.**
  - There aren't nearly as many interesting statewide/federal races on the Democratic side, but we expect to see an interesting Gubernatorial race between Secretary of State Katie Hobbs and former Nogales mayor Marco Lopez. While Hobbs is expected to win, we're interested in seeing how many votes Lopez can take away.

	Democratic Primary			
Governor	Hobbs, Katie#	DEM	**350,851**	**72.79%**
	Lopez, Marco	DEM	106,991	22.20%

  - We're also keeping an eye on the Secretary of State race, where sitting House Minority Leader Reginald Bolding faces off against former Maricopa County Recorder Adrian Fontes in a race that shows the two polling closely.

	Democratic Primary			
Secretary of State	Bolding, Reginald#	DEM	220,203	47.18%
	Fontes, Adrian^	DEM	**246,525**	**52.82%**

- **IS THE INCUMBENCY ADVANTAGE ENOUGH?**
  - In several state legislative races, incumbents face strong challenges from well-positioned primary opponents. In two of these races, sitting State Representatives Russell "Rusty" Bowers and Joanne Osborne look to make the jump to the State Senate. In another race, sitting State Senator Tyler Pace looks to fend off a challenge from his right and secure another term. Finally, in one of the primary's marquee moments, sitting State Sen. Wendy Rogers will face fellow State Senator Kelly Townsend in a new district that hews closer to Rogers' old district than Townsend's.

    - State Senate, LD 7
      - Sen. Kelly Townsend v. Sen. Wendy Rogers

		Republican Primary			
Vote Spread: **21.43%;** Favors **Republicans; Non-competitive**	**Senate** (one seat)	Rogers, Wendy*	REP	**16,929**	**59.03%**
		Townsend, Kelly*	REP	11,749	40.97%

    - State Senate, LD 9
      - Sen. Tyler Pace v. Robert Scantlebury

		Republican Primary			
Vote Spread: **2.60%;**	**Senate**	Pace, Tyler*	REP	4,738	33.76%

Favors Democrats; **Highly competitive**	(one seat)				
		Scantlebury, Robert	**REP**	**9,297**	**66.24%**

- State Senate, LD 10
  - Speaker Russell "Rusty" Bowers v. past-Sen. David Farnsworth

Vote Spread: **22.66%;** Favors **Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Bowers, Russell W. "Rusty" #	**REP**	10,280	35.98%
		Farnsworth, David Christian^	**REP**	**18,294**	**64.02%**

- State Senate, LD 29
  - Rep. Joanne Osborne v. Janae Shamp

Vote Spread: **13.30%**; Favors **Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Eldridge, Ryan	**REP**	3,920	15.61%
		Osborne, Joanne#	**REP**	8,121	32.34%
		Shamp, Janae	**REP**	**13,070**	**52.05%**

- **OTHER PRIMARIES OF NOTE**
  - A few of the primaries we're watching don't fit cleanly into any specific narrative, but will be interesting, nonetheless. Among these are:
    - **The CD 2 Republican Primary.** Sitting Rep. Tom O'Halleran saw his reelection prospects become much more difficult when the Independent Redistricting Committee redrew his district with a less favorable partisan lean earlier this year. A number of hopefuls, including State Rep. Walt Blackman, are competing for the chance to unseat him later this year.

U.S. House – CD 2	Vote Spread **7.20%;** Favors **Republicans; Non-competitive**	**Republican Primary**			
		Blackman, Walter "Walt" #	**REP**	19,127	24.18%
		Crane, Eli	**REP**	**26,824**	**33.90%**
		Deluzio, Mark	**REP**	14,186	17.93%
		Krystofiak, Steven	**REP**	4,465	5.64%
		Moore, John#	**REP**	5,743	7.26%
		Watkins, Ron	**REP**	2,999	3.79%
		Yates, Andy	**REP**	5,772	7.30%

- **The CD 6 Republican and Democratic Primaries.** The former CD 2, much like Rep. O'Halleran's former CD 1, became much more competitive with the IRC's redistricting. Rep. Ann Kirkpatrick, who has served two terms since her election in '18, is retiring and leaving the Democratic primary wide-open. Similarly, Republicans are looking to field a competitive candidate in a district that has become much more favorable.

U.S. House – CD 6	Vote Spread **2.37%;** Favors **Republicans; Highly competitive**	**Republican Primary**			
		Ciscomani, Juan	**REP**	**34,560**	**46.53%**
		Free, Lucretia	**REP**	3,399	4.58%
		Martin, Brandon	**REP**	15,814	21.29%
		Mayberry, Young	**REP**	6,733	9.06%
		Winn, Kathleen	**REP**	13,776	18.55%
		Democratic Primary			
		Anderson, Avery	**DEM**	4,148	6.08%
		Engel, Kirsten^	**DEM**	**40,632**	**59.53%**
		Hernandez, #	**DEM**	23,471	

		Daniel			34.39%

- **The LD 3 State Senate Republican Primary,** where longtime State Legislator John Kavanagh is facing stiff competition from the better-funded Jan Dubauskas.

Vote Spread: **25.64%;** Favors **Republicans; Non-competitive**	**Senate** (one seat)	**Republican Primary**			
		Dubauskas, Jan	**REP**	20,845	48.55%
		Kavanagh, John#	**REP**	**22,094**	**51.45%**

We will continue to send out updates as ballots are processed and results are posted. Please feel free to reach out to us if you have questions on any specific race!

Sincerely,

Jacob
Jacob Emnett
Legislative Liaison
County Supervisors Association of Arizona
Office #: (602) 452 – 4501
E-mail: jacobe@countysupervisors.org
Address: 1905 W. Washington St., Suite 100
Phoenix, AZ 85009

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From:	James Candland
To:	Jason Whiting; Pascal Berlioux - Eastern Arizona Counties
Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Update and Tracking List
Date:	Friday, June 10, 2022 9:48:26 AM
Attachments:	June 10, 2022.pdf EACO 6-10-22.pdf Election Bills 6-10-22.pdf

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CAUTION: EXTERNAL EMAIL*

Good Morning!

It was another short week at the legislature, but there is some effort and meetings on the budget. I hear from leadership that they may start moving the budget bills in a week or so, but they have a big lift in trying to get members on the bills. I hear that there are a number of folks in both chambers that are not on board from the majority, and I am not sure what efforts they are making to get Democrats on board. Education funding is a big issue, and that will play big in the Senate with Boyer, who would like to see significant increases in education funding. There are a number of water bills out there that I hear are close to a compromise, but there will be amendments on those as they move forward. I will keep you in the loop on the budget, and let you know when things start to move along. Please let me know if you have any thoughts or questions. I hope you have a great weekend!

James

James Candland
Clarus Consulting
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Cc:	Cheryl Sluyter; David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Glenn Kephart; Jacque Sanders; James Menlove; Liz Castillo; Nelson Davis; Paul David; Judd, Peggy; Karwaczka, Richard; Richard Lunt; Rochelle Lacapa; Ryan Patterson; Steve Christensen; Woody Cline
Subject:	Update and Tracking List
Date:	Friday, April 15, 2022 10:58:10 AM
Attachments:	April 14, 2022.pdf EACO 4-14-22.pdf Election Bills 4-14-22.pdf

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CAUTION: EXTERNAL EMAIL*

Good Morning,

Happy Good Friday to you! It has been a slow week at the legislature as both the House and Senate adjourned early, so not a lot of floor action took place. They are working on the budget, and starting the process of working with members to determine their asks and needs. Bill's will slowly trickle through the process over the next number of weeks until a budget deal is cut. I will keep you in the loop on the action. I hope you have a great weekend and wonderful Easter holiday!

James

James Candland
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From:	pberlioux easternarizonacounties.us
To:	David Gomez; Derek Rapier; Diana Morgan; Dustin Welker; Gilligan, Edward T; Glenn Kephart; Jacque Sanders; James Candland; James Menlove; Jason Whiting; Malena Bazurto; Paul David; Judd, Peggy; Richard Lunt; Ryan Patterson; Tommie Martin; Travis Simshauser
Subject:	UPDATE REPORT - ECO Board meeting Wednesday December 16, 3 PM to 5 PM - Conference call attendance at 1-877-820-7831,, 691102#
Date:	Monday, December 14, 2020 1:23:24 PM
Attachments:	image001.jpg Proposed ECO Report for Receipt and Expenditure of Monies for Fiscal Year 2020.pdf

CAUTION: EXTERNAL EMAIL*

Hello;

Please find attached an updated annual report. When I submitted the draft for your review last week I was still missing the exact figures for wolf related compensations paid this year in Arizona. I received them in the mean time

Thx

P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
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Show Low, AZ 85901
pberlioux@easternarizonacounties.us
Cell: (928) 637 3037

From: pberlioux easternarizonacounties.us
Sent: Wednesday, December 9, 2020 8:52 AM
To: 'David Gomez' <dgomez@greenlee.az.gov>; 'Derek Rapier' <drapier@greenlee.az.gov>; 'Diana Morgan' <dmorgan@co.apache.az.us>; 'Dustin Welker' <dwelker@graham.az.gov>; 'Ed Gilligan' <EGilligan@cochise.az.gov>; 'Glenn Kephart' <glenn.kephart@navajocountyaz.gov>; 'Jacque Sanders' <jsanders@gilacountyaz.gov>; 'James Candland' <james@claruscompanies.com>; 'James Menlove' <jmenlove@gilacountyaz.gov>; 'Jason Whiting' <jason.whiting@navajocountyaz.gov>; 'Malena Bazurto' <mbazurto@co.apache.az.us>; 'Paul David' <pdavid@graham.az.gov>; 'Peggy Judd' <pjudd@cochise.az.gov>; 'Richard Lunt' <rlunt@greenlee.az.gov>; 'Ryan Patterson' <Rpatterson@co.apache.az.us>; 'Tommie Martin' <tmartin@gilacountyaz.gov>; 'Travis Simshauser' <tsimshauser@co.apache.az.us>
Cc: Pascal Berlioux <pberlioux@easternarizonacounties.us>
Subject: MOVED BACK TO ORIGINAL DATE - ECO Board meeting Wednesday December 16, 3 PM to 5 PM - Conference call attendance at 1-877-820-7831,, 691102#

Hello;

Both Chairman Whiting and Vice-Chairman Lunt had a scheduling conflict develop for today, so Chairman Whiting instructed me to reschedule the meeting to its original date of Wednesday December 16, 3 PM to 5 PM.

Looking forward to “see” you then
Thx
P

Pascal Berlioux, Ph.D. MBA
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From: pberlioux easternarizonacounties.us
Sent: Tuesday, December 8, 2020 8:10 PM
To: David Gomez <dgomez@greenlee.az.gov>; Derek Rapier <drapier@greenlee.az.gov>; Diana Morgan <dmorgan@co.apache.az.us>; Dustin Welker <dwelker@graham.az.gov>; Ed Gilligan <EGilligan@cochise.az.gov>; Glenn Kephart <glenn.kephart@navajocountyaz.gov>; Jacque Sanders <jsanders@gilacountyaz.gov>; James Candland <james@claruscompanies.com>; James Menlove <jmenlove@gilacountyaz.gov>; Jason Whiting <jason.whiting@navajocountyaz.gov>; Malena Bazurto <mbazurto@co.apache.az.us>; Pascal Berlioux <pberlioux@easternarizonacounties.us>; Paul David <pdavid@graham.az.gov>; Peggy Judd <pjudd@cochise.az.gov>; Richard Lunt <rlunt@greenlee.az.gov>; Ryan Patterson <Rpatterson@co.apache.az.us>; Tommie Martin <tmartin@gilacountyaz.gov>; Travis Simshauser <tsimshauser@co.apache.az.us>
Subject: CONFIRMED - ECO Board meeting Wednesday December 9, 2 to no later than 4 PM - Conference call attendance at 1-877-820-7831,, 691102#

Hello;
Please find attached the agenda and minutes for tomorrow’s meeting.
Conference call attendance at 1-877-820-7831,, 691102#
Thx
P

Pascal Berlioux, Ph.D. MBA
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From: pberlioux easternarizonacounties.us
Sent: Tuesday, December 8, 2020 7:06 PM
To: David Gomez <dgomez@greenlee.az.gov>; Derek Rapier <drapier@greenlee.az.gov>; Diana Morgan <dmorgan@co.apache.az.us>; Dustin Welker <dwelker@graham.az.gov>; Ed Gilligan <EGilligan@cochise.az.gov>; Glenn Kephart <glenn.kephart@navajocountyaz.gov>; Jacque Sanders <jsanders@gilacountyaz.gov>; James Candland <james@claruscompanies.com>; James Menlove <jmenlove@gilacountyaz.gov>; Jason Whiting <jason.whiting@navajocountyaz.gov>; Malena Bazurto <mbazurto@co.apache.az.us>; Paul David <pdavid@graham.az.gov>; Peggy Judd <pjudd@cochise.az.gov>; Richard Lunt <rlunt@greenlee.az.gov>; Ryan Patterson <Rpatterson@co.apache.az.us>; Tommie Martin <tmartin@gilacountyaz.gov>; Travis Simshauser <tsimshauser@co.apache.az.us>
Subject: Proposed ECO Plan for Receipt and Expenditure of Monies for Fiscal Year 2021 - REMINDER - ECO Board meeting Wednesday December 9, 2 to no later than 4 PM

Hello;
In order to ensure delivery, I am sending the 2020 Report and 2021 Plan in separate emails owing to files size.
Thx
P

From: pberlioux easternarizonacounties.us
Sent: Tuesday, December 8, 2020 7:04 PM
To: 'David Gomez' <dgomez@greenlee.az.gov>; 'Derek Rapier' <drapier@greenlee.az.gov>; 'Diana Morgan' <dmorgan@co.apache.az.us>; 'Dustin Welker' <dwelker@graham.az.gov>; 'Ed Gilligan' <EGilligan@cochise.az.gov>; 'Glenn Kephart' <glenn.kephart@navajocountyaz.gov>; 'Jacque Sanders' <jsanders@gilacountyaz.gov>; 'James Candland' <james@claruscompanies.com>; 'James Menlove' <jmenlove@gilacountyaz.gov>; 'Jason Whiting' <jason.whiting@navajocountyaz.gov>; 'Malena Bazurto' <mbazurto@co.apache.az.us>; 'Paul David' <pdavid@graham.az.gov>; 'Peggy Judd' <pjudd@cochise.az.gov>; 'Richard Lunt' <rlunt@greenlee.az.gov>; 'Ryan Patterson' <Rpatterson@co.apache.az.us>; 'Tommie Martin' <tmartin@gilacountyaz.gov>; 'Travis Simshauser' <tsimshauser@co.apache.az.us>
Subject: Proposed ECO Report for Receipt and Expenditure of Monies for Fiscal Year 2020 - REMINDER - ECO Board meeting Wednesday December 9, 2 to no later than 4 PM

Hello;
In order to ensure delivery, I am sending the 2020 Report and 2021 Plan in separate emails owing to files size.
Thx
P

From: pberlioux easternarizonacounties.us
Sent: Monday, December 7, 2020 5:59 PM

To: David Gomez <dgomez@greenlee.az.gov>; Derek Rapier <drapier@greenlee.az.gov>; Diana Morgan <dmorgan@co.apache.az.us>; Dustin Welker <dwelker@graham.az.gov>; Ed Gilligan <EGilligan@cochise.az.gov>; Glenn Kephart <glenn.kephart@navajocountyaz.gov>; Jacque Sanders <jsanders@gilacountyaz.gov>; James Candland <james@claruscompanies.com>; James Menlove <jmenlove@gilacountyaz.gov>; Jason Whiting <jason.whiting@navajocountyaz.gov>; Malena Bazurto <mbazurto@co.apache.az.us>; Pascal Berlioux <pberlioux@easternarizonacounties.us>; Paul David <pdavid@graham.az.gov>; Peggy Judd <pjudd@cochise.az.gov>; Richard Lunt <rlunt@greenlee.az.gov>; Ryan Patterson <Rpatterson@co.apache.az.us>; Tommie Martin <tmartin@gilacountyaz.gov>; Travis Simshauser <tsimshauser@co.apache.az.us>
Subject: REMINDER - ECO Board meeting Wednesday December 9, 2 to no later than 4 PM

Hello;

I hope this finds you well.

Per the decision made at the November Board meeting, the December ECO Board meeting was moved from December 16 to December 9, from 2 to no more than 4 PM.

As decided at the November meeting, the December meeting is expected to be short and will be focused on the approval of the ECO 2020 Report and ECO 2021 Plan.

As also decided at the November meeting, the ECO 2021 will be the continuation of the ECO previous annual plans, and will therefore not depart from our current Annual Plan template.

I will distribute the draft 2020 Report and draft 2021 Plan tomorrow, as well as the November meeting minutes, but please find attached for your review the 39 pages Executive Summary of the 2020 Report, and the even more condensed 2-page ECO & partners key accomplishment for FY 2020.

Thx
P

Pascal Berlioux, Ph.D. MBA
Executive Director
Eastern Arizona Counties Organization
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pberlioux@easternarizonacounties.us
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Four Forests Restoration Initiative

Forest Service Chief Randy Moore
November 9, 2021

It's a pleasure to join you here to discuss 4FRI and to share our path forward for the Four Forest Restoration Initiative.

I recognize the critical need to reduce the risk of wildfire, restore forests, and protect important values across the 2.4 million acres of the four forests (Apache-Sitgreaves, Coconino, Kaibab, and Tonto National Forests) in northern Arizona.

There is no question we are facing a growing wildfire threat to our forest and communities. And it's time for new approaches.

That's why today we are moving ahead on a redesigned 4FRI Restoration Strategy, with a new focus on the priority areas where a wildfire is most likely to place homes, communities, and infrastructure at risk.

This decision represents an important step towards our larger national strategy to treat landscapes, protect communities and watersheds, and create fire resilient forests at the scale needed to address our current wildfire crisis.

Our national strategy aligns with the Infrastructure Investment and Jobs Act just passed by Congress. This landmark legislation will let us invest in nature-based infrastructure and respond to the climate crisis facing our nation by conducting critical work in our forests to mitigate wildfires. I want to thank Congress and many of our partners who helped make these historic wildfire mitigation and ecosystem restoration investments through the Bipartisan Infrastructure Deal a reality.

As part of our national strategy, we are committing $54 million in Fiscal Year 22 to accelerate the needs for implementing high-priority projects over the next 10 years.

This includes the critical backlog of annual road and bridge maintenance that is so important to transportation needs to reduce costs for industry.

The redesigned strategy will enable us to:

1. Immediately prioritize and expand the highest-priority, partnership projects to significantly reduce the risk of catastrophic wildfire to communities on approximately **135,000 acres**. These projects are critical to partners through expanded Good Neighbor Authority (GNA) and Master Stewardship Agreements (MSA) (Bill Williams Mountain, Flagstaff Watershed Protection, CC Cragin, Sierra/Anchas).

    - This decision recognizes that our solution must address immediate, pressing safety needs that are most threatening to communities today through a parallel

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multi-pronged approach with partners using Master Stewardship and Good Neighbor agreements as part of the whole solution.

2. Immediately implement 5-year plans which provide **295,000 acres** over 20 years to maintain existing industry. This plan sets aside on average **270,000 acres over 20 years for eastside industry** on the Apache Sitgreaves National Forest (12,000-15,000 acres/year), **16,500 for existing industry on the Tonto National Forest** (approximately 800-1,000 acres/year) with some product removal, and **18,500 acres on the Coconino and Kaibab NFs for westside industry for FY 2022** only.

    - This decision shores up existing industry and removes the market uncertainty that would have been created through the Phase 2 RFP by setting aside acres for existing industry on the east and west sides. This strategy recognizes that our solution must include an avenue for existing industry to continue to survive and thrive in this difficult market.

3. Treat approximately 86,000 acres using prescribed fire and non-commercial thinning (over 20 years) from Tonto and Kaibab NFs.
    - These acres were originally included in the Phase 2 RFP but later determined not viable due to limited timber availability. These areas will be treated but will only provide marginal product removal and as such will not contribute measurably to industry.

4. Conduct a rapid assessment and optimization effort using best available science including priority fire sheds on the Coconino and Kaibab NFs. Approximately **300,000-350,000 acres** (over 20 years) will be assessed to prioritize which acres to treat to reduce the risk of wildfire the quickest beginning with FY2023 treatments.
    - This approach uses new science to target acres to reduce risk, and lower costs by treating fewer acres in a shorter timeframe. The outcome will inform needs for a new larger-scale agreement or contract while we also resolve enabling conditions. This decision uses best available science and partners with industry to be a part of the long-term approach.

5. Focus on resolving enabling conditions for industry success (incentives, cost and risk reduction, market conditions, availability of raw material, transportation plans, fire liability risks).
    - This decision recognizes the dependence that a long-term solution has on market conditions that the Forest Service can influence, but ultimately does not control. While we will press for resolution here, if we are unable to influence the enabling conditions for a long-term market solution, the agency will still meet its mission to reduce wildfire risk by continuing to prioritize projects via step one.

The strategy is quicker and more diverse with opportunities for existing and new industry.

It uses a variety of scales, different contracts and agreements, over multiple time frames (5,10, 20 years) to expand industry and jobs (1,400 jobs and $56.6M income in FY2021).

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The strategy also integrates mechanical thinning and prescribed fire as complimentary ways to reduce wildfire risk to meet desired conditions.

These funds support approximately 35,000 acres in mechanical thinning in FY 2022.

Considering the total acres treated to date (258,000 acres) and planned (approx. 880,000 acres) under this strategy (up to 1.2 million acres) across the 2.4 million acres landscape, we will be treating approximately **47% of the 2.4 million acres.**

On average only 40% to 50% of a planning area's acres need to be strategically treated to reduce 80% of the exposure from wildfire.

This strategy is out in front and piloting new and best available science and our broader Agency efforts.

I thank the partners for their shared commitments on partnering on these needs outlined in this Strategy.

This will take all our combined efforts and learning together.

We now have the science and tools we need to size and place treatments in a way that will truly make a difference

I am extremely grateful for all the hard work that has gone into collaboratively developing this new 4FRI Restoration Strategy.

I extend my warmest thanks to all our partners, the 4FRI Stakeholders, elected officials, dedicated staff, and others for their support.

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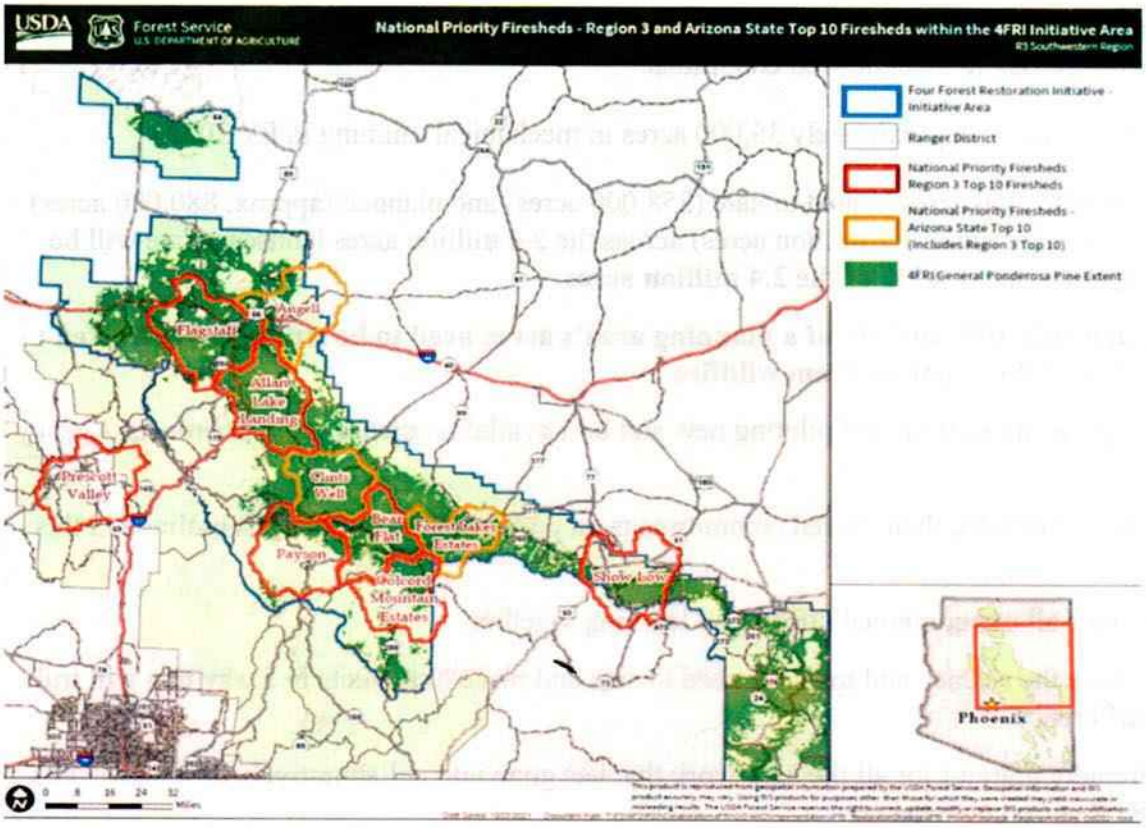

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DISTRICT 21

COMMITTEES:
MILITARY AFFAIRS & PUBLIC SAFETY, Chairman
GOVERNMENT & ELECTIONS,
TRANSPORTATION

Dear Chairman Ward,

For more than the last two months, we have all been joined together in a public call for transparency and accountability in our election process. This included ballot security and integrity, comprehensive audits, and paper trails that allow the average voter to know that their vote counted and that the election results as presented were accurate.

Now, our collective message is being undermined by your insistence that none of these standards should apply to your election as AZ GOP Chairman. This inconsistency is simply not acceptable.

Without question, an election for Party Chairman pales in comparison to the importance of electing a United States Senator or President of the United States, but the principles that surround every election, no matter how big or small the office, must remain the same.

We urge you to heed the calls of your voters and allow for an immediate audit of the election that was held on January 23rd, in a manner that is fair and transparent. Or we would ask that you remove yourself from efforts to properly audit the elections held in Arizona on November 4th, 2020, as you would be an unwelcome distraction and foil for the media to use to discredit our efforts to protect our state's voters.

Kevin Payne
Chairman Military Affairs & Public Safety
Arizona House of Representatives | District 21
1700 West Washington St. | Phoenix, Arizona | 85007-2844 |
(602) 926-4854 | kpayne@azleg.gov

Senator Rick Gray
Senator Vince Leach
Senator T.J. Shope
Representative Shawnna Bolick
Representative Frank Carroll
Representative Regina Cobb
Representative Timothy Dunn
Representative John Fillmore
Representative Mark Finchem
Representative Quang Nguyen
Representative Becky Nutt
Representative Joanne Osbourne
Representative Kevin Payne
Representative Beverly Pingerelli
Representative Bret Roberts
Representative Ben Toma
Representative Justin Wilmeth

From:	James Candland
To:	Jsanders@gilacountyaz.gov; Jason Whiting; Call, Pat G; Pdavid@graham.az.gov; Tommie Martin; Jacque Griffin; Melissa Buckley; Pascal Berlioux; Cheryl Sluyter; glenn.kephart@navajocountyaz.gov; menlove@gilacountyaz.gov; slgrice@gilacountyaz.gov; dwelker@graham.az.gov; Paul Watson; rpatterson@co.apache.az.us; Judd, Peggy; drapier@greenlee.az.gov; Richard Lunt; David Gomez; Ron Campbell; jmenlove@gilacountaz.gov
Subject:	Weekly Report
Date:	Friday, November 20, 2020 4:29:39 PM
Attachments:	November 20, 2020 Legislative Update.pdf

CAUTION: EXTERNAL EMAIL*

Good Afternoon,

Sorry to be a bit late in getting this out to you today! Please see the attached report, and please let me know if you have any thoughts or questions. Since next week is a holiday and a short week, we will not provide an update unless breaking news gets out there. I hope that you all have a wonderful Thanksgiving!

James

James Candland
Clarus Consulting
480-305-7013 Office
480-620-7882 Cell

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To Greer

Highway 260

To Eagar

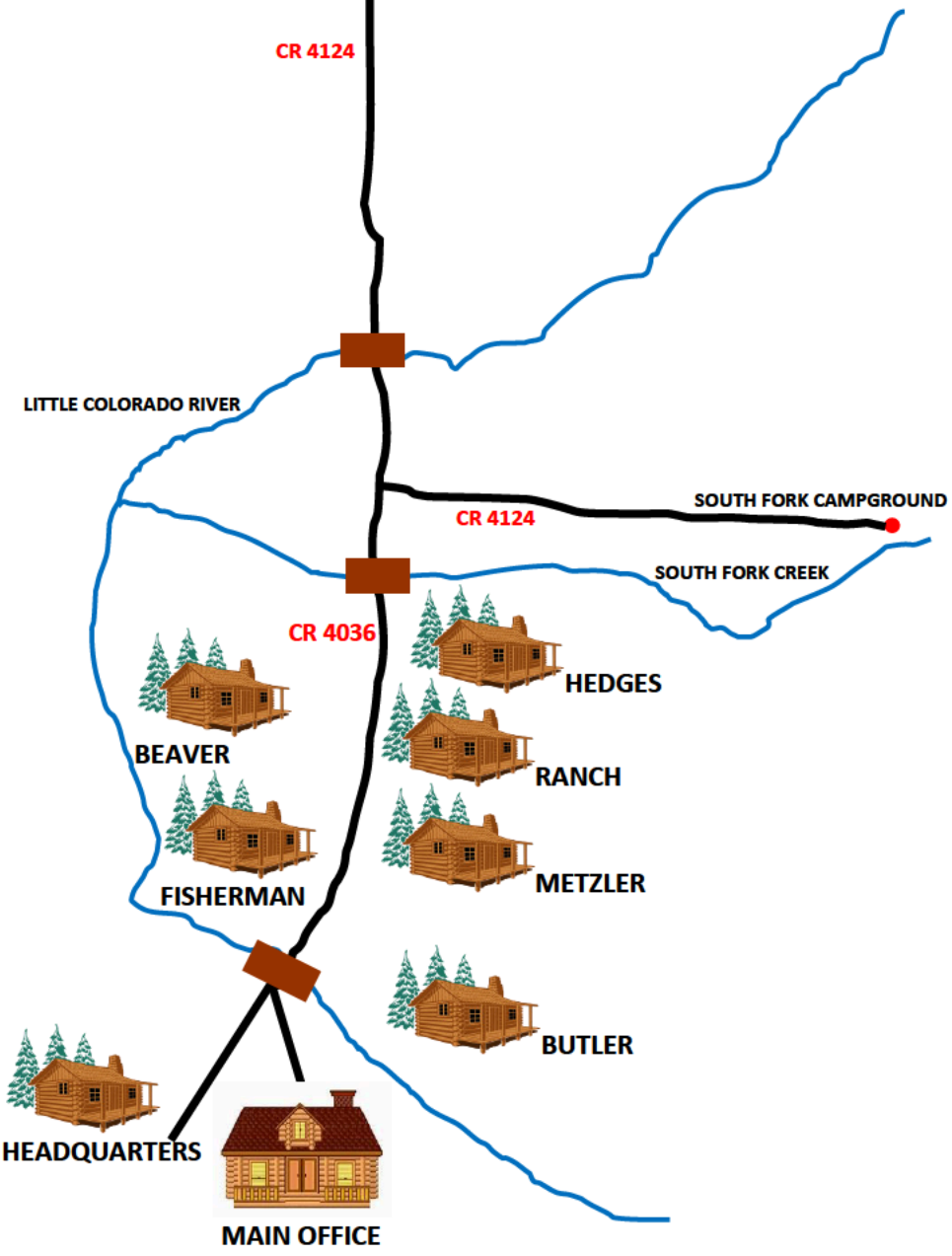
The X Diamond Ranch

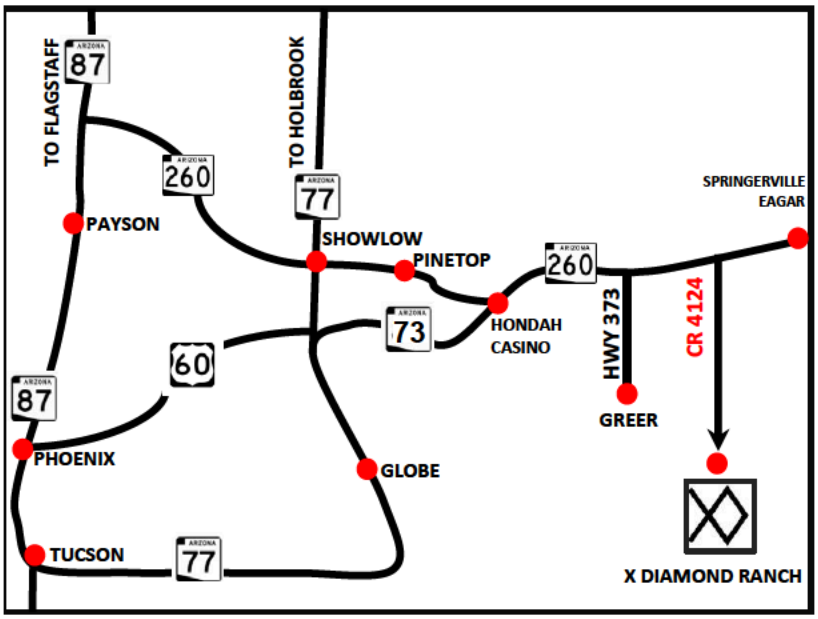
IS 7 MILES FROM
EAGAR, ARIZONA

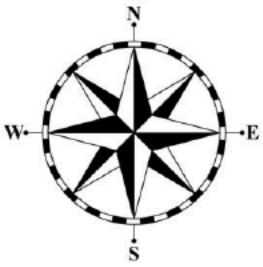
THE TURNOFF FOR CR 4124 IS 5 MILES FROM EAGAR. (IT IS ALSO 5 MILES FROM THE GREER TURNOFF @ HWY 373

TURN SOUTH ON CR 4124
TOWARD SOUTH FORK
AT THE RANCH AT SOUTH FORK SIGN
BEAR RIGHT ONTO CR 4036

THE X DIAMOND IS 2.9 MILES FROM HWY 260 via







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