

Minutes, 8 June 2010
Show Low Creek Watershed Enhancement Partnership
Rainbow Lake Coalition
1:00 PM, Pinetop-Lakeside Town Hall

Interim Chair David Newlin called the meeting to order at 1:03 PM.

List of attendees follows the minutes.

Al Crawford moved and Jim Snitzer seconded that the minutes from the 11 May 2010 meeting be approved. There was unanimously voting in the affirmative.

There was no information available from the AquaTechNex firm nor the Show Low-Pinetop/Woodland Lake Irrigation Board Meeting held recently.

Discussion followed on the pros and cons of treating the weeds in Rainbow Lake now or at the end of season. There seems to be some effects of the Sonar[®] herbicide on local small-plot vegetable gardens during the growing season.

The Shores HOA Board felt that the end-of-season treatment option was the best.

There are two objectives:

1. Raise funds (to match The Shores allocation of \$15,000)
2. Hold one of more Town Halls for the purpose of:
 - a. Fund raising
 - b. Discuss and make public the serious weed infestation issues
 - c. Discuss and clarify the Navajo Hopi Claims on the Colorado River and the Adjudication process (NOTE: Late in the meeting, Tom Whitmer from ADWR joined us and said that the negotiations were very close to resolution).

The cost of the weed treatment either during the growing season or at the end is the same (\$30,000) and the effectiveness is the same, according to Terry McNabb from AquaTechNex. Likewise, the temperature at the end of the growing season does not appear to have any negative effect on the use of Sonar[®].

There are some advantages to draining the lake

Discussion was had about the "minimum" water level that AZGF needed and has defined to protect the native fish in the lake. Mike will be contacting AZGF HQ to find out about assistance and collaboration on the appellation project. There is no direct funding available.

Woodland Lake and the concerns there were also discussed. Since the USFS controls that area, there is nothing that can be done simultaneously this year.

Tom Thomas will e-mail David about.....

A date of 23 July, Friday, at 11:30 AM with light lunch (as last year) was decided upon for the Town Hall Meeting. NOTE: Location will be Lakeside Fire Department as Pinetop-Lakeside Town Hall is closed on Fridays.

Various assignments were made including:

1. Al Crawford to find a location
2. Nick Scienski to manage PR affairs
3. David Newlin to invite the politicians and David Brown – David Brown to speak
4. Jim Snitzer to make a PowerPoint of the issues
5. Paul Ahler on the Food Committee – Ken Thomson and wife as well
6. Sponsorship and other funds raising efforts

Mike Lopez mentioned that the large weed harvester was not available and the small machine would be up and working after the 4th of July.

Attention turned to the formation of the 501(c) 3 continued from the 11 May 2010 Meeting.

Paul Horton mentioned that there were two types of non-for profits with significant distinct differences:

- 501(c) 4 – not allowed to lobby. Are donations to this type of not-for-profit deductible?
- 501(c) 3 – allowed to lobby

See Appendix A for additional information from the IRS. Awaiting specifics from the RC&D Attorney who is experienced in tax matters.

Character of Affairs: from the previous minutes was discussed. This section to be reviewed, discussed and possibly adopted at the next SLCWEP/Rainbow Lake Coalition Meeting (additions shown in red):

The character of affairs of the corporation shall be the wise and sustainable use of water resources in and around the Show Low Creek Watershed (HUC 1502000501) through:

- Water Quality and Quantity Maintenance and Enhancement
- Point and non-point pollution best management processes
- Terrestrial and Aquatic wildlife management and improvement
- Invasive species prevention, management, eradication
- Sustainable recreation and Tourism opportunities enhancement
- Ecosystem preservation and restoration

The goals and objectives of the Corporation shall be:

Watershed Education and Outreach:

- Broaden elected officials and citizens' knowledge and encourage their active participation in proactively solving watershed issues.
- Enhance networking, communication, education, technology transfer and sharing of watershed-related information among individuals, agencies, organizations and other stakeholders.

Watershed management:

- Develop and implement a Watershed Management Plan.
- Maintain and improve measurable water quality.
- Increase opportunities for conservation and multiple use of existing water resources.
- Promote diverse, stable and productive fish and wildlife habitats in the watershed.
- Promote protection for sensitive, threatened and endangered native species.
- Support initiatives to enhance aquatic, wetland, rangeland and forest health.
- Promote sustainable economic growth based on our natural resources.
- Enhance economic viability within the watershed.
- Promote sustainable recreation and tourism opportunities and quality of life.

Membership in the Corporation as discussed at some length including the following issues:

- Voting rights
- Dues paying members
- Need for stability in membership
- Clarity of purpose
- Historically, "membership" in the SLCWEP has been open
- How to manage with Officers and/or Board of Directors
- Must membership be limited to those in the Service Area?

Tom Whitmer from ADWR made a number of pertinent comments about the Colorado River Tribal Negotiations and House Bill 2661 that empowered the ADWR Director to establish a 15 member Commission for water sustainability in the State. Tom felt that this would provide more input from Rural areas since he is the last person in that Department, Leslie Grazer having taken a position with the City of Prescott and John Fortune having transferred within the Agency.

Respectfully Submitted:

David M. Newlin
Interim Chair

Appendix A

Minutes from Show Low Creek Watershed Enhancement Partnership and Rainbow Lake Coalition Meeting,
8 June 2010

NOTE: Extract from IRS websites:

Donations to Section 501(c) (4) Organizations

Contributions to civic leagues or other section 501(c) (4) organizations generally are not deductible as charitable contributions for federal income tax purposes. They may be deductible as trade or business expenses, if ordinary and necessary in the conduct of the taxpayer's business. However, see [Nondeductible Lobbying and Political Expenditures](#) for more information. Also, the organization may be required to [disclose that contributions are not deductible](#) when it solicits contributions.

Donations to [volunteer fire companies](#) are deductible as charitable contributions on the donor's federal income tax return, but only if made for exclusively public purposes. Similarly, contributions to certain war veterans organizations are deductible. If the contributions are deductible as charitable contributions, [substantiation and disclosure requirements](#) may apply. <http://www.irs.gov/charities/nonprofits/article/0,,id=156411,00.html>, Accessed 29 June 2010

Nondeductible Lobbying and Political Expenditures

Nondeductible lobbying and political expenditures are described in Code section 162(e), and include expenditures paid or incurred in connection with:

1. Influencing legislation;
2. Participating or intervening in any political campaign on behalf of (or in opposition to) any candidate for public office;
3. Attempting to influence the general public with respect to elections, legislative matters, or referendums; and
4. Any direct communication with a covered executive branch official in an attempt to influence the person's official actions or positions.

<http://www.irs.gov/charities/nonprofits/article/0,,id=156412,00.html>, accessed 29 June 2010

Exemption Requirements - Section 501(c) (3) Organizations

To be tax-exempt under section 501(c)(3) of the Internal Revenue Code, an organization must be [organized](#) and [operated](#) exclusively for [exempt purposes](#) set forth in section 501(c)(3), and none of its earnings may [inure](#) to any private shareholder or individual. In addition, it may not be an [action organization](#), *i.e.*, it may not attempt to influence legislation as a substantial part of its

activities and it may not participate in any campaign activity for or against political candidates.

Organizations described in section 501(c) (3) are commonly referred to as *charitable organizations*. Organizations described in section 501(c) (3), other than testing for public safety organizations, are eligible to receive tax-deductible [contributions](#) in accordance with Code section 170.

The organization must not be organized or operated for the benefit of [private interests](#), and no part of a section 501(c)(3) organization's net earnings may inure to the benefit of any private shareholder or individual. If the organization engages in an [excess benefit transaction](#) with a person having substantial influence over the organization, an [excise tax](#) may be imposed on the person and any organization managers agreeing to the transaction.

Section 501(c) (3) organizations are restricted in how much political and legislative (*lobbying*) activities they may conduct. For a detailed discussion, see [Political and Lobbying Activities](#). For more information about lobbying activities by charities, see the article [Lobbying Issues](#); for more information about political activities of charities, see the FY-2002 CPE topic [Election Year Issues](#).

Additional Information

[Application Process Step by Step](#): Questions and answers that will help an organization determine if it is eligible to apply

<http://www.irs.gov/charities/charitable/article/0,,id=96099,00.html>, accessed 29 June 2010

Appendix B

Sign In Sheet

SLCWFP Sign In				Initials	Date
				Prepared By	
				Approved By	
NAME	AFFILIATION	PHONE	E-MAIL		
Art Crawford	SLCWFP & Shores	928-368-8034	artcrawford@cox.net		
NICK SCIENSKI	LAND OWNER	928-537-7018	NICKSCIENSKI@YAHOO.COM		
Jim SWITZER	PROPERTY CHARTERER	928-568-6574	Jim@SWITZER.org		
JOE HILLS	SHAREPROP OWNER	928-358-1897	JFHILLS@CALIFORNIANS.NET		
JERRY AHLER	Shores Board President	928-368-8445	jahler3@cox.net		
R FITTING	SHARES				
L FITTING	RESIDENTS	928-368-5250	R.Fitting@ADWR.com		
Mary Ann Debury	Shares Res	520-295-6124	CMA DABNEY@HOTMAIL.COM		
TOM THOMAS	PIKETOP Lakeview	928-368-8885	Thomas@C.PINETOP-LAKEVIEW.COM		
Mike Lopez	AZ Game + Fish	928-367-4281	malopez@azgfa.gov		
PAUL HANSEN					
DAVID NEWLID					
DAVID ALSPACH	COVE	928-368-5695	davidalspach@cox.net		
Tom Whitmer	ADWR	602-771-8416	tywhitmer@adwr.com		