

**Supplemental testimony of Tony Gioia  
resident of Camp Verde, Arizona**

**HR 5513, Yavapai Ranch Land Exchange**

**October 10, 2002**

I submit this as further testimony against HR 5513.

One of the largest land trades in the history of the Southwest, this bill would exchange some 56,000 acres of public and private land in the north central part of Arizona. About 3,000 acres of public land in the Verde Valley, near the towns of Camp Verde and Cottonwood, would be traded to the Yavapai Ranch Limited Partnership, a development concern. While that amount of land may appear to be a small part of the exchange, the trade of our Verde Valley lands would have a disproportionate, potentially devastating, impact on our area.

One of the most prominent questions in the Southwest is “where do we find the water to supply the enormous growth occurring in our area?” This bill ignores this dilemma.

The private proponent of the exchange, Yavapai Ranch Limited Partnership (YRLP) has tried to appear to address the fears of Verde Valley residents that this trade would jeopardize the water supply in our area. Attached to the bill is a “Declaration of Covenants, Conditions and Restrictions for Camp Verde Tract and Cottonwood Tract”. However, the covenants provide no real protection against unlimited use of water on the site.

- .. Under items 2 and 3 of the Covenants, they state that “*Water supplied to the Property by a municipal water service provider or a private water company are exempt.* This is a tremendous loophole, and renders the protections of the covenants meaningless; YRLP could simply start its own commercial water company on the land and be exempted from the restrictions that ostensibly limit water use and protect the Valley’s supply.
- .. These restrictions were written for YRLP’s benefit by the Salt River Project (SRP), which holds surface water rights to the Verde River. As I understand the proceedings of a current water rights adjudication case, Salt River Project does not contend that the groundwater under these Camp Verde/Clarkdale parcels is appropriable water. If SRP does not lay claim to the groundwater, it is not in a legitimate position to have negotiated the restrictions.
- .. What is more of a concern is item 3 in the covenants, which states that “*SRP, its successors and assigns, shall have the EXCLUSIVE right... to enforce the provisions hereof on behalf of SRP or the Landowners, without liability for any failure to do so.*”

Considering its questionable role in the area, what motive would SRP have to bring suit in Yavapai County Court against those who disregard these water restrictions?

- .. Under item 11: *This Declaration shall not be modified, amended, extended or terminated except by means of a written instrument executed by SRP and the owner or all the owners of the entire property.*

The very parties that negotiated the covenants are given the power to dissolve them.

### General water supply problems in the Verde Valley

As I have been informed by hydrologists and geologists knowledgeable of the Verde Valley, and as depicted on geological maps of the area, a geological feature called the Verde Fault runs along the base of the Mingus mountain range. In some cases, the fault acts as a pipeline for water, and in others as a dam.

The two Verde Valley parcels slated for trade to YRLP each sit atop this fault. In the Clarkdale/Cottonwood area the fault is presumed to act as a dam. It is believed to have created a minor aquifer, and the aquifer and nearby Haskell Springs seem to have been running dry for years.

Repeatedly, residents in the area have had to deepen and redrill their wells. The Cottonwood Water Works Co., which supplies water to Clarkdale and Cottonwood residents, has recently utilized Arizona State funding to drill another well in an attempt to find more water in that area, to no avail.

In the Camp Verde area the Camp Verde Water Co. has capped 8 wells out of approximately 14, due to extreme arsenic levels. Funded by a state trust, the company built water lines to an area 9 miles from their subscribers in the dense center of town to an area also believed to be atop the Verde Fault. The production and quality of these wells are good, but their location begs the question of what will happen to this supply if the Verde Fault is tapped by development in the proposed 2,100 acre Camp Verde portion of the exchange.

### Problematic provisions in the bill

Many components of this bill are designed to serve the interests of the private party, rather than the public, and in fact greatly favor YRLP in terms of limiting its obligations and risks. In contrast, several provisions saddle the public with encumbrances and uncertainties that undercut the benefits that might be offered by the exchange.

- .. Section 4(b) of the bill states that Ruskin would retain water rights and 40-acre easements associated with 3 wells on land that would be conveyed to the Forest Service.

An earlier draft of the bill provided Ruskin with such rights to 7 wells, and this number was presumably reduced. However, Section 4(b)2(D) cites the locations of these wells to be those depicted on a map dated April 2002, which shows the locations of 7 wells. It is not clear whether the bill intends to grant YRLP the rights to 7 wells or 3. In any case, YRLP would retain a significant interest in the land it would trade to the Forest Service, significantly encumbering the public's ownership.

- .. Section 4(c) of the bill states that if, for various reasons, federal lands in the bill cannot be transferred to YRLP, the parties may agree to exchange "other federal land" in lieu of what is listed in the bill. It appears that as-yet unidentified lands could be traded from public ownership without any notification to the public.
- .. Section 4(d) regarding "pass-through" exchanges indicates that YRLP "may" convey some of the lands to already-identified third parties. These transfers have been touted as a major benefit of the land exchange, yet in the bill, YRLP is under no obligation to complete these transfers and in fact could

return all or portions of these lands to the Forest Service.

- .. Section 5(b)6 states that a “comprehensive summary” of the appraisals will be made available for public inspection after the exchange is completed. This secretive approach is very different from the way it would be done in an administrative exchange, where full appraisal reports—not just summaries—are made available well in advance of the transfer of lands. My concern about this is compounded by the fact that YRLP would pay the full cost of the appraisal. This may sound like a good deal for taxpayers, but it is more likely to result in an appraisal that favors YRLP than if the costs were shared, as usually occurs.
- .. Section 4(a) of the bill states that the Forest Service “shall” convey the public lands to YRLP. Section 6(e) says that it is the intent of the bill that the exchange occur within 1 year after its passage. Without openly stating it, these provisions seem to bypass the National Environmental Policy Act process. This means that no alternatives, such as a smaller land exchange, would be considered. Instead of the full environmental analysis NEPA requires, there would only be the selective resource “surveys” listed in Section 6(d)2(B).
- .. Section 6(f) further pushes the deadline by stating that if the exchange is not completed within the desired time, YRLP can hire sub-contractors to complete the work and be reimbursed by the Forest Service for any costs. Like so many other aspects of the bill, this gives YRLP maximum predictability and the Forest Service further uncertainty.

### Conclusion

What would the Verde Valley gain in this land exchange? We would get a huge and sudden increase in the amount of developable land in our area and deeper worries over our very uncertain water supply. We are already struggling to find the water to sustain existing land uses, but the trade would bring new, potentially disastrous demands. YRLP and the Forest Service may see our Verde Valley lands as “disposable,” but it is not in the public interest to simply ignore the site-specific problems we face and the limits of our environment by trading them away.

In contrast, YRLP’s owners would enjoy virtually all of the luxuries and none of the burdens of the newly-consolidated federal land surrounding their 3,000+ acre ranch inholding. As they do today, they could enjoy the views, graze their cattle, and use, transport, and sell the water on that land. While the map would change to solid green across a large area, one of the only things that would really change is that YRLP would no longer be liable for taxes on its former checkerboard ownership.

Most of us in the Verde Valley respect the basic premise of protecting the Yavapai Ranch area, but in sacrificing well-loved public land and perhaps critically needed water, we would carry a disproportionate burden in this exchange. On behalf of myself and thousands of my neighbors, I respectfully ask that you remove the Verde Valley lands from the Yavapai Ranch land exchange proposal.