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PROPOSED INA, SAN SIMON VALLEY SUB-BASIN:  
PUBLIC HEARING

May 16, 2015

BOWIE HIGH SCHOOL  
315 West 5th Street  
Bowie, Arizona

BY: OLIVIA ARMENTA, RPR, CR No. 50411

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1           GERRY WALKER: Good afternoon. Okay. Thanks  
2 again for coming this afternoon. We're going to go ahead  
3 and get started. I'm reading from a prepared statement to  
4 make sure that I dot all my I's and cross all my T's. So I  
5 apologize for the beginning, it being a little awkward as I  
6 go through that. So we'll go ahead and proceed.

7           This is the time and place for the public  
8 hearing on the petition for the designation of the San  
9 Simon Valley sub-basin of the Safford groundwater basin as  
10 an irrigation nonexpansion area, or INA. The hearing today  
11 is being transcribed by a stenographer. Therefore, I will  
12 ask that everyone please refrain from talking while I am  
13 speaking so that we can make a complete and accurate  
14 record.

15           For the record, it is Saturday, May 16th,  
16 2015, and the time is, I believe, about 2:07. I have my  
17 wrong glasses on. We are at the Bowie High School  
18 gymnasium, at 315 West 5th Street in Bowie, Arizona. This  
19 hearing was noticed to occur at this same address in the  
20 school's auditorium. However, the school subsequently  
21 asked us to hold the hearing in this gymnasium. A notice  
22 has been placed on the doors outside the building housing  
23 the auditorium, advising members of the public to come to  
24 this gymnasium for the hearing.

25           My name is Gerry Walker. I am the Deputy

1 Assistant Director, Water Planning Division, for the  
2 Arizona Department of Water Resources, and I will be acting  
3 as the Hearing Officer today. With me from the Department  
4 of Water Resources are Frank Corkhill, our Assistant  
5 Director and Chief Hydrologist; Doug Dunham, our  
6 Legislative Liaison, I'm not quite sure where Doug is, and  
7 Special Assistant to the Director; Jeff Trembly, Special  
8 Projects Coordinator; Michelle Moreno, our Public  
9 Information Officer; Jeff Tannler, our Active Management  
10 Area Director; Jennifer Heim, Deputy Counsel; and Sharon  
11 Scantlebury, who you probably all saw when you came in,  
12 she's our Docket Supervisor.

13 I would also like to take this time to  
14 acknowledge some elected officials for joining us today and  
15 present at the hearing. First, Sen. Gail Griffin is with  
16 us, and we also have Richard Searle, from the Cochise  
17 County Board of Supervisors. Thank you.

18 The purpose of this hearing is for the  
19 Department to provide factual data in its possession either  
20 in support of or opposition to the designation of an INA in  
21 the San Simon Valley Sub-basin of the Safford groundwater  
22 basin, and to receive public comment and oral and  
23 documentary evidence for or against such a designation.

24 On February 6th, 2015, the Arizona Department  
25 of Water Resources received a "Petition for Designation of

1 Irrigation Nonexpansion Area in the San Simon Valley  
2 Sub-basin." The Department also received supplemental  
3 petition forms on March 4th, March 6th, and March 9th,  
4 2015. These petition forms are referred to collectively as  
5 the Petition. And a copy of the Petition has been made  
6 available on the Department's website at [www.azwater.gov](http://www.azwater.gov).

7           Upon receipt of the completed Petition, the  
8 Department undertook to determine whether the signatories  
9 to the Petition constituted at least one-fourth of the  
10 irrigation users of groundwater within the boundaries of  
11 the groundwater sub-basin specified in the Petition. And  
12 this is as required by Arizona Revised Statutes  
13 45-432(A)(1). A description of the analysis undertaken by  
14 the Department for this purpose was made available on the  
15 website on March 26th, 2015, and the description can still  
16 be viewed there.

17           The Department also brought paper copies of  
18 the description of this process today. They're available  
19 on the sign-in table outside the entrance to the gymnasium.  
20 You might have grabbed them already. If you haven't, pick  
21 up a copy on your way out, if you would like one and did  
22 not get one when you entered.

23           The Department determined that the Petition  
24 was signed by at least one-fourth of the irrigation users  
25 of groundwater within the boundaries of the San Simon

1 Valley sub-basin. Upon that determination, as required by  
2 statute, the Department published a "Notice of Initiation  
3 of Designation Procedures and Notice of Public Hearing" in  
4 two newspapers of general circulation in Graham and Cochise  
5 Counties. They were the Arizona Range News and the Eastern  
6 Arizona Courier. And those were posted on March 18th and  
7 March 25th, 2015.

8 The first publication of the Department's  
9 Notice triggered a prohibition on the irrigation of any  
10 land within the San Simon Valley sub-basin that was not  
11 irrigated between March 18th, 2010, and March 18th, 2015.  
12 This prohibition remains in effect until the Director of  
13 the Department of Water Resources issues a final decision  
14 either designating or declining to designate the San Simon  
15 Valley sub-basin as an INA. This prohibition does not  
16 impact the application of water to less than two acres of  
17 land.

18 According to statute, the Director may  
19 designate the San Simon Valley sub-basin as an INA if two  
20 conditions are met. First, there is insufficient  
21 groundwater to provide a reasonably safe supply for  
22 irrigation of the cultivated lands in the area at the  
23 current rates of withdrawal. And the second is that the  
24 establishment of an active management area pursuant to  
25 Arizona Revised Statutes 45-432 is not necessary.

1           As provided in statute, if the Director  
2           designates the San Simon Valley sub-basin as an INA, the  
3           following regulations will apply within that INA. First,  
4           with certain exceptions, only acres of land which were  
5           irrigated at any time between March 18th, 2010, and March  
6           18th, 2015, will be allowed to be irrigated with any water.  
7           For this purpose the term irrigation is defined in statute  
8           as the application of water to two or more acres of land to  
9           produce plants or parts of plants for sale or human  
10          consumption, or for use as feed for livestock, range  
11          livestock, or poultry.

12           There are exceptions that allow acres of land  
13          not irrigated during the five-year period to be irrigated  
14          if they replace eligible irrigation acres that have been  
15          flood-damaged or that have a limiting condition that  
16          impedes efficient irrigation. Another exception allows  
17          acres of land not irrigated during the five-year period to  
18          be irrigated with a decreed or appropriative surface water  
19          right established before March 18th, 2015. The statute  
20          further provides that land not irrigated during the  
21          five-year period is deemed to have been in irrigation if  
22          the Director finds that substantial capital investment was  
23          made for the subjugation of the land for an irrigation use  
24          during that five-year period.

25           Second, in an INA, each person withdrawing

1 groundwater for an irrigation use, and each person  
2 withdrawing more than ten acre-feet of groundwater per year  
3 from a nonexempt well for a non-irrigation use must use a  
4 water-measuring device approved by the Department. A  
5 nonexempt well is a well with a pump that has a maximum  
6 capacity of not more than 35 gallons per minute.

7 Finally, each person withdrawing groundwater  
8 from a nonexempt well in an INA must file an annual water  
9 use report from the Department of Water Resources. The  
10 requirements to use a measuring device and file an annual  
11 water use report do not apply to a person withdrawing  
12 groundwater for an irrigation use if the person has a right  
13 to irrigate ten acres or less of land in the INA, and the  
14 person's land is not part of a larger farming operation.

15 Please note that the Director has not reached  
16 a decision as to whether or not to designate the San Simon  
17 Valley sub-basin as an INA. The Director's required to,  
18 and will, consider public comments presented at this  
19 hearing when making his decision.

20 Okay. If you have not already done so,  
21 please sign one of the sign-in sheets located at the table  
22 near the entrance to the gym. If you would like to provide  
23 oral comments today, you will need to fill out a speaker  
24 card, also located on the table near the entrance. And  
25 once you fill it out, you would please provide it to

1 Sharon, who is now sitting over at the table.

2           Written comments may be submitted in person,  
3 by mail, e-mail, or by fax. Written comments sent via mail  
4 must be postmarked no later than May 22nd, 2015. E-mails  
5 or faxes must be received by the Department no later than  
6 5:00 p.m. on May 22nd, 2015. Written comments should be  
7 sent to Sharon Scantlebury, Docket Supervisor, Arizona  
8 Department of Water Resources. Sharon's mailing address is  
9 3550 North Central Avenue, Phoenix, Arizona, 85012. Her  
10 e-mail address is sscantlebury, so it's  
11 s-c-a-n-t-l-e-b-u-r-y @azwater.gov. And the fax number is  
12 602-771-8686.

13           I will repeat that information at the end of the  
14 hearing in case you didn't get it. This information is  
15 also provided on the handout that you received as you  
16 entered the gymnasium. And Sharon's business cards can  
17 also be picked up as you exit if you didn't get one  
18 already. The Department can also accept written statements  
19 today, and those should also be provided to Sharon.

20           By statute the Department is required to  
21 provide the factual data in its possession in support of or  
22 in opposition to the proposed designation of an INA. Frank  
23 Corkhill, the Department's Chief Hydrologist, is here today  
24 and will provide a presentation, which will explain the  
25 data in the Department's possession relevant to a decision

1 to either designate or decline to designate an INA. Mr.  
2 Corkhill's presentation will be posted to our website no  
3 later than Monday evening.

4 After Mr. Corkhill gives his presentation we  
5 will take a ten-minute break so that we can collect  
6 additional speaker cards that haven't been turned in. And  
7 then after that break I will begin calling on those who  
8 have completed and filled out speaker cards.

9 We are aware that there are strong opinions  
10 on the potential designation of an INA, and we ask for your  
11 cooperation with our efforts to conduct this hearing in an  
12 orderly manner. We will project the names of the  
13 individuals who have filled out speaker cards in the order  
14 in which they were received.

15 And when the time comes near for your name to  
16 be called, please, make your way to Michelle here in the  
17 center aisle. We would like to ensure that only three or  
18 four people stand in line so that we can keep the aisle  
19 relatively clear. Therefore, please wait to come down  
20 until you see that there are only two or three people ahead  
21 of you waiting to speak.

22 Persons with limited mobility who would like  
23 to speak should remain in their seats, and we will bring  
24 the microphone to you when it is your turn to speak. While  
25 members of the public were entering the gymnasium, we tried

1 to ask that those with limited mobility seat themselves  
2 near the front of they gym so that we can more easily bring  
3 them the microphone. If you have difficulty moving toward  
4 the front of the room, please raise your hand when your  
5 name is called, and a member of the Department staff will  
6 bring the microphone to you. Once you are called, please  
7 clearly state your name and the name of any party that you  
8 represent before providing comments.

9 The Department wants to ensure that every  
10 person who wishes to speak has an opportunity to be heard.  
11 We will receive oral comments until 6:00 p.m. this evening.  
12 So that we have time for everyone who would like to speak,  
13 speakers will be given three minutes each in which to make  
14 comments. We ask for your cooperation in respecting the  
15 time limit. Michelle will be responsible for enforcing the  
16 limitation, and we'll move on to the next speaker once the  
17 time limit has expired.

18 The Department has received requests from  
19 individuals wishing to pool their speaking time to give a  
20 single representative expanded time to speak on their  
21 behalf. The Department will attempt to accommodate this  
22 type of request. However, pooling of time may not exceed  
23 ten minutes total. If a representative wishes to speak on  
24 behalf of several individuals, and wishes to make use of  
25 each individual's allotted time, they must provide the name

1 of every individual whose time is being claimed on the  
2 speaker card.

3 Please remember that the Department is also  
4 accepting written comments until May 22nd as previously  
5 discussed. Therefore, if you are unable to convey all of  
6 your comments in the time allotted, you may submit  
7 additional comments in writing after the hearing.

8 Please note that the Department is here to  
9 provide data in its possession and to receive your public  
10 comments. This hearing is not designed to allow for cross  
11 examination of anyone who is speaking, and will not be  
12 conducted in a question-and-answer format. If you ask a  
13 question during this proceeding, I will ask you to rephrase  
14 the question as a comment to the extent that you would like  
15 the Director to consider it in connection with making a  
16 decision on this matter.

17 Additionally, we ask that others refrain from  
18 talking while a speaker is speaking, and that the speaker  
19 direct his or her comments towards me rather than to other  
20 members of the public.

21 As I mentioned previously, a stenographer is  
22 here today making a written transcript of these  
23 proceedings. And it's really important that she be able to  
24 hear the speaker's comments so that they may be accurately  
25 reflected in the records. Everyone here has a right to

1 provide oral comments if they choose. Extraneous noise  
2 from attendees may impact the public record and infringe on  
3 the rights of your fellow citizens to be heard.

4 Thus far the communications received by the  
5 Department regarding this matter have been passionate but  
6 respectful. We fully expect that the individuals here  
7 today will remain respectful both to members of the  
8 Department and to other members of the public. However, if  
9 the proceedings begin to be unruly, or if we or the  
10 stenographer have difficulty hearing comments due to  
11 individuals talking over the speaker, the Department will  
12 have no choice but to adjourn the hearing.

13 We will take a 15-minute recess at  
14 approximately 4:15 to allow the stenographer and Department  
15 staff to use the restroom, if necessary. We would ask that  
16 members of the public permit those who are conducting this  
17 hearing to use the restroom first so that we can reconvene  
18 in a timely manner. I notice there's one.

19 The Department wants to ensure that all  
20 comments and evidence provided by the public are provided  
21 on the record. And that all information provided by the  
22 Department to the public is on the record and available  
23 equally to everyone. Therefore, members of the Department  
24 have been instructed not to answer questions or engage in  
25 conversations with members of the public after the hearing

1 is adjourned. Staff members will also be busy packing up  
2 equipment and preparing to drive back to the Phoenix area  
3 this evening. So please don't take it personally if  
4 Department staff members decline to answer questions or  
5 engage in any conversation after the hearing.

6 Okay. At this time I will ask Frank Corkhill  
7 to make his presentation.

8 Thank you, Frank.

9 MR. CORKHILL: Thank you, Gerry. Let's see.  
10 Okay. My presentation today is going to be on the  
11 hydrology and presenting some of the water use data for the  
12 San Simon Valley sub-basin.

13 First slide here is a location map that shows  
14 the sub-basin here. Let's see. Okay. The green line  
15 outlines the boundary of the sub-basin. It's an area of  
16 approximately 1900 square miles. It -- most of it in  
17 Arizona, but a small portion in New Mexico.

18 The main towns in the basin are, of course,  
19 Bowie, San Simon, Rodeo, and Portal. The basin floor of  
20 the valley is where, of course, the basin-fill aquifer is.  
21 Surrounding the basin-fill aquifer are the mountains, the  
22 Chiricahuas to the south, Dos Cabezas a little bit to the  
23 southwest of Bowie, the Pinalenos here in the very northern  
24 part, and then all along the eastern boundary, both in  
25 Arizona and New Mexico, the Peloncillos. The main drainage

1 in the basin is the San Simon River, which heads in a  
2 Cienega area, right along the Arizona/New Mexico border.

3 My presentation today is going to be divided  
4 into three parts. A discussion of some of the water  
5 supplies in the basin, the demands for irrigation, and then  
6 what have been the effects from the irrigation over the  
7 years.

8 So this first slide, of course, it all starts  
9 with on the supply side, how much precipitation is there in  
10 the basin. On the basin floors in Bowie and San Simon,  
11 roughly 9 and a half to 11 inches per year. In the  
12 mountainous areas near Portal and Chiricahua National  
13 Monument, 20 inches per year. In the higher parts of the  
14 Chiricahua, up to 30 inches per year. Of course, this is  
15 the source of the water that recharges the basin-fill  
16 aquifer.

17 Sorry, wrong way. Well, we'll get it going  
18 here in a minute. Oh, okay. I'm sorry.

19 This first slide here shows the -- I'm not  
20 used to this yet, sorry.

21 This slide is -- shows the area around  
22 Portal, which is one of the major ephemeral streams which  
23 drains the Chiricahuas. It's actually perennial within the  
24 mountain area. We visited Portal a couple of weeks ago and  
25 found a nice flow in Cave Creek, which is about a mile

1 upstream of Portal. Downstream about a mile from Portal  
2 the flow is all gone.

3 Like there, okay. I'm sorry. Get used to  
4 this.

5 The flow was completely infiltrated by the  
6 time the stream had gone out into the groundwater basin  
7 area of the sub-basin. Of course, this is a source of  
8 recharge, and this happens all along the mountain front in  
9 the Chiricahuas primarily, but also along the other  
10 mountain fronts in the basin, and that's what recharges the  
11 groundwater system.

12 This is a conceptual model, which shows the  
13 predevelopment groundwater system before there was any  
14 farming going on it. Just shows that, of course, as the  
15 streams with their flow entered the basins, that there was  
16 recharge recharging the aquifer along its margins. The  
17 groundwater flowed towards the basin axes, and then  
18 northerly towards the Safford area.

19 In the center parts of the basin there's  
20 clay, clay units, fairly significant clay units several  
21 hundred feet in thickness that separate the aquifer into  
22 both an upper and a lower system. The lower system is an  
23 Artesian system that in the early days, before there was a  
24 lot of groundwater pumping, you would be able to get  
25 flowing wells in these areas.

1           One of the other features of the  
2 predevelopment system was that there was a Cienega area  
3 that was right at the head of the San Simon River, and that  
4 was where there was groundwater discharge and also some  
5 evapotranspiration from the riparian vegetation.

6           How thick is the basin-fill aquifer? This is  
7 a depth to bedrock map. What it shows here is in the area  
8 to the south of San Simon the basin is estimated to be over  
9 8,000 feet in thickness. This is -- these contours are  
10 depth below land surface. East of Bowie, depths to bedrock  
11 over 6,000 feet. To the south and to the west of Bowie the  
12 bedrock is much shallower. This is a 400-foot contour,  
13 800, 1600. So south and west of Bowie much shallower  
14 bedrock than in the central part of the basin.

15           This is a map that shows the direction of  
16 groundwater flow in the predevelopment system. Groundwater  
17 flows roughly at 90 degrees to these contours, and this is  
18 a groundwater divide. So before there was any development  
19 in the area, groundwater was flowing generally northerly  
20 from this divide up towards the Gila Valley in the Safford  
21 area. There was also some flow south of the divide into  
22 the San Bernardino basin.

23           Talking a little bit about the demands now in  
24 the basin. This is an area -- this is a map, the Landsat  
25 photo that shows the area of farming, of course, in the

1 Bowie area, Olga, San Simon, and then a little bit to the  
2 northeast to Portal.

3 The types of crops grown in the basin, of  
4 course, a lot of orchards, pistachios and pecans in the  
5 Bowie area, and, of course, over by San Simon, as well.  
6 Some -- a lot of new trees going in in the area, with  
7 mature groves, as well. Some grapes in the Bowie area.  
8 Most of the orchards are on drip systems, highly efficient  
9 methods of irrigation. The -- there's quite a bit of  
10 center pivot in the area, too, irrigating alfalfa, corn,  
11 some oats and barley.

12 This is a map compiled by the USGS that shows  
13 their crop surveys for 2014. This is the Bowie area. The  
14 red is -- are pistachios, the bright purple are pecans, the  
15 light blue areas are young trees, pecan and pistachio. And  
16 then these circles down here are center pivot alfalfa. In  
17 the San Simon area, same color code. And what you see, of  
18 course, is young trees the light blue, quite a bit of young  
19 trees going in in this area, with some barley and some  
20 oats, as well, on center pivot. Finally down a little bit  
21 to the northeast of Portal, the yellow is corn, and the  
22 green is alfalfa.

23 This is the 2014 estimate of total cropped  
24 acreage in the basin, roughly 20,000 acres, with about  
25 45,000 acre-feet of water use. Of course, the major crops,

1 orchards and alfalfa.

2 USGS has compiled estimates of basin acreage,  
3 farm acreage, since 1991. Shows that back in 1991 there  
4 was roughly 12,000 acre-feet of farming in the basin. And  
5 that was pretty much a constant trend up until the last  
6 several years. And we're now just a little bit below  
7 20,000 acres in the basin -- sub-basin. This is the same  
8 time period showing how much water use for agriculture was  
9 in the basin, roughly running between 45,000 and 50,000  
10 acre-feet per year.

11 The GS has also compiled estimates of  
12 agricultural pumping going back to 1915, which was the time  
13 when the first Artesian wells were being drilled in the  
14 sub-basin. In those days anywhere from 10,000 -- 5 to  
15 10,000 acre-feet of groundwater being produced from the  
16 flowing wells in the basin. In the early '50s, with the  
17 advent of turbine pumps, there was a rapid increase in  
18 farming in the basin, with in the '70s over 100 to 120,000  
19 in one year, nearly 140,000 acre-feet of groundwater  
20 consumption. In the early '80s the agricultural activity  
21 declined significantly, and so we've been seeing this 45 to  
22 50,000 acre-foot per year level for the last 20, 30 years  
23 or so.

24 Well, as you can, imagine the effects of the  
25 pumping have been noted in a lot of areas. This is back to

1 our conceptual model for a moment, showing that as wells  
2 were drilled both in the shallow aquifer and tapping the  
3 deeper aquifer, water levels declined in the area.  
4 Groundwater discharged to that Cienega area is essentially  
5 ended, but there is also groundwater flow still continuing  
6 north to the Safford area.

7 This is a map that's similar to that  
8 predevelopment groundwater flow map that I showed you  
9 earlier. What it shows, the red arrows show the direction  
10 of groundwater flow, they're roughly at 90-degree angles to  
11 these contours. And what it shows is flow off the  
12 Chiricahuas in this area where the recharge is occurring  
13 moving northward, as it did in predevelopment times. When  
14 we get closer to San Simon, some of the flow is diverted to  
15 a cone of depression to the south and east of San Simon,  
16 while some of the flow is also diverted to a cone of  
17 depression in the Bowie area up against the Dos Cabezas.  
18 Groundwater that wasn't being diverted to these two cones  
19 of depression continue to flow north into the Gila Valley  
20 up towards the Safford area.

21 This is a map that shows the location of our  
22 index wells in the sub-basin. The blue dots are wells that  
23 we measure every year. And they have long periods of  
24 record where they were measured for many decades and many  
25 instances.

1           This is a hydrograph. And I know that these  
2 slides you may not be able to read the scales on the left,  
3 but what they show is how the depths of water has changed  
4 in the wells with time, and the dots are periods when we  
5 did measurements.

6           This is a well that's a deep irrigation well  
7 north of Bowie, and it shows that the water level was less  
8 than 100 feet. This is back in the 1950's, I believe. And  
9 a rapid water level decline up until the late '70s, early  
10 '80s when, as you remember from that previous slide, the  
11 pumping had declined rapidly at that point. And, of  
12 course, this hydrograph is showing that the water levels in  
13 that well stabilized during that period of time. In more  
14 recent years there has been an increase in the decline  
15 rates in that well.

16           South of Bowie, another deep irrigation well,  
17 and seeing a similar pattern. Although we didn't quite see  
18 the same stabilization as in that earlier hydrograph, but a  
19 constant decline rate. This is a decline of about 200 feet  
20 roughly over that period of time.

21           Similar pattern in the well near Olga. This  
22 is an interesting well in the sense that back when this  
23 well was measured in the '50s, I believe, the water level  
24 was at land surface. This is one of those, at least at  
25 that time, an Artesian flowing well.

1           This is a shallow well just a little bit to  
2 the northwest of San Simon. It's -- the total depth of the  
3 well is only 120 feet, and the depth to water is 54 feet  
4 measured this year. And, of course, it's showing a  
5 recovery of water levels over the last several decades.

6           Getting south of San Simon, seeing patterns  
7 similar to what we saw in Bowie in the agricultural area.  
8 Overall declines of almost 200 feet here. And, of course,  
9 stabilization in that period in the '80s, and declines more  
10 recently.

11           This is a well that's distant from the  
12 farming areas, up sort of against the Chiricahuas. This is  
13 relatively a short period of record starting in 2007, and  
14 the scale is only 20 feet of decline overall. This is  
15 showing that there is some effects probably from the basin  
16 pumping, but also perhaps from the drought that's been  
17 going on, too.

18           We do measure wells in New Mexico. They're  
19 showing a similar pattern of history of decline. This is  
20 about 50 feet overall during that period.

21           Near Rodeo, most of the wells seem to have  
22 this general pattern, very steep declines in the early  
23 years, in the '40s and '50s. A long period of  
24 stabilization and then recovery, and that seems to be the  
25 pattern near Rodeo.

1           Well, we did statistics on all our index  
2 wells, and there's about 31 of them that we measure each  
3 year in the sub-basin. And we looked at the decline rates  
4 for different periods of time. For the wells, and we had  
5 18 of them that had records that dated back into the '40s  
6 and '50s. And we looked at the decline rates in that early  
7 part of the period of record, and found that the average  
8 overall decline during that period of time is about 60  
9 feet, translating into about a 2.2-foot per year decline  
10 rate up until the mid-1980s. Of course, that was that  
11 period when the groundwater withdrawals had declined  
12 significantly from previous times.

13           From '84 to 2007, we looked at -- that was  
14 that period that a lot of hydrographs showed stabilization,  
15 and the annual decline rates were on the average roughly a  
16 half a foot per year.

17           In 2007 we tried to measure as many of the  
18 water levels in the wells in the basin as we could. We  
19 call that a basin sweep. We did that again this year. We  
20 finished that in March of this year. And we had -- of the  
21 wells that we measured, index wells, we found an average  
22 decline rate of 1.7 foot per year.

23           For the -- POR stands for Period of Record.  
24 For the whole period of time that these wells have been  
25 measured, the average annual decline rate is about 1.2 feet

1 per year. In the early times, again, about 2.2 -- about a  
2 half a foot per year for several decades starting in the  
3 '80s. And then in the last eight years about 1.7 feet per  
4 year.

5 I want to show you a little bit more  
6 information on that recent sweep. The red dots are wells  
7 that showed water level declines between 2007 and 2015. I  
8 know you can't read that. This is a little blowup, and the  
9 actual levels are shown here in terms of feet of overall  
10 decline.

11 In the Bowie area, levels less than 10 to  
12 many over 20, 30 feet in decline, some higher than that.  
13 Near Olga, lesser decline rates. The blue dots are wells  
14 that rose during that period of time. A little patch of  
15 wells in this area showed very modest recovery during the  
16 last eight years.

17 San Simon, smaller levels going east, and to  
18 the south of San Simon larger levels of overall decline.  
19 And we also have that same information for the area south  
20 of San Simon, overall much lower decline rates. And you'll  
21 be able to see these in the presentation if you download it  
22 from the website, by the way, a little more clearly.

23 But when we compile statistics for just this  
24 period, for 2007 to 2015, when we had wells that were  
25 measured in both years, we had a total of 288 wells where

1 we could calculate changes. And the average decline rate  
2 was about 1.1 foot per year for that 288 wells. Of those  
3 wells, 238 showed declines. And when we just did the  
4 statistics on those declining wells only, it was about a  
5 1.7-foot decline rate. And for the 50 wells it showed  
6 rises that was about a 1.4-foot rise rate during that  
7 period of time.

8 This, again, just shows you where the wells  
9 are and what their rates were relative to the areas where  
10 farming's going on.

11 Of course, when you pump a lot of groundwater  
12 from basin-fill sediments, there's -- often you have land  
13 subsidence occur. And that's the -- that's because when  
14 you pump the water out of the aquifer, the fine grain  
15 sediments in the aquifer tend to compress.

16 And this is a map -- in earlier years the way  
17 that that was observed and measured was doing land  
18 surveying. And there's a couple of benchmarks, one near  
19 Bowie and one near San Simon, that showed rates of  
20 subsidence in the period from about 1950 to 1980 in the  
21 Bowie area of almost five feet, a drop in the land surface,  
22 and about less than two feet near San Simon.

23 We do it differently now with satellite  
24 technology. This is an interferogram, which shows areas of  
25 subsidence over the period from 2006 to 2015. This is

1 total subsidence. And the very dark brown areas are up to  
2 16 inches of overall land subsidence in this area where  
3 it's that color. The lighter yellows are areas where  
4 subsidence is less than say two inches over that period of  
5 time. These black little hatch marks here, these are earth  
6 fissures that have been observed, and some of them have  
7 been noted to have cracked the highway along the area  
8 between Bowie and San Simon.

9 A little bit on water quality in the basin.  
10 Arizona Department of Environmental Quality did an ambient  
11 water quality study in 2004 of the San Simon sub-basin.  
12 And what it found -- and they measured -- did water  
13 chemistry on 77 wells. What they found was about  
14 two-thirds of those wells met all health-based water  
15 quality standards.

16 And the wells that didn't meet standards were  
17 generally clustered around the town of San Simon, and  
18 northwest of San Simon, along the San Simon River. And it  
19 often appeared that that water was unsuitable for most  
20 domestic and municipal purposes without additional water  
21 treatment.

22 Suitability of groundwater for irrigation was  
23 also studied and classified using the irrigation water  
24 classification standards. And it was found that the  
25 salinity hazards were generally greater than the sodium

1 hazards for the groundwater in the basin.

2 Just a few of the manmade effects that have  
3 been noted were that higher calcium and sulfate levels were  
4 observed in agricultural areas due to dissolution of salts  
5 that had been concentrated by evaporation during  
6 irrigation. Elevated nitrates in irrigation areas because,  
7 of course, the application of nitrogen fertilizer. There  
8 was some elevated nitrate near a windmill in the Bowie area  
9 that was attributed to cattle operations. And finally, a  
10 couple of wells showed higher TDS up against the  
11 Chiricahuas that were attributed to historic mining  
12 activities.

13 Well, with that this is the end of my  
14 presentation. And as Gerry mentioned earlier, it will be  
15 available on our website in the next day or so. So thank  
16 you.

17 GERRY WALKER: Thank you, Frank.

18 So at this time we are going to recess for  
19 ten minutes so that we can collect any remaining speaker  
20 cards from any individuals wishing to speak, and so that we  
21 can prepare that list of speakers to be projected on the  
22 screen behind me.

23 Hold on, let me get the right glasses. Oh,  
24 it's going to be on -- okay. So the speaker names will be  
25 projected on this screen.

1                   And we will reconvene at shall we say  
2 five-to? Okay. So 2:55 to reconvene. Thank you.

3                   (A break was taken.)

4                   GERRY WALKER: Thank you all. And I just had  
5 a couple more announcements before we move into the  
6 speakers.

7                   We did say if you're kind of two or three  
8 back, you might want to come down and get in line. Some of  
9 them are ten minutes, so it's posted on there. If you  
10 don't want to stand for the ten minutes, just kind of walk  
11 and -- kind of watch it, then move on down.

12                   Also, the time limit, if it's not noted on  
13 the screen, is three minutes. Jeff Tannler has a yellow  
14 card that will let you know when you have approximately 30  
15 seconds left. If you are running out of time, that will  
16 give you kind of your clue that you should hit your high  
17 points if you possibly can. We're trying to be respectful.  
18 We have a number of people who wish to speak, and we want  
19 everybody to have the opportunity to speak in the time  
20 given. So Jeff will give you the card, if you kind of sum  
21 up as quickly as you can.

22                   Remember, we're still taking written  
23 comments. So anything that you don't get to say, you can  
24 either write it and turn it in, or you can do it via  
25 e-mail, or send it in in the mail. Okay.

1           So our first speaker are Sara Ransom, Mark  
2 Nichol -- or Nicholls, and Mason Bolitho. Please, when  
3 your name is called, please come forward, state your name  
4 and the name of any individual or organization you  
5 represent. And they're representing Samara & Silverado  
6 Farms.

7           SARA RANSOM: Good afternoon. Is the  
8 microphone on? Good afternoon -- is that better?

9           All right. My name is Sara Ransom. I'm an  
10 attorney with the Storey Lawyers. And I'm here today to  
11 speak on behalf of so Samara & Silverado Farms. I wanted  
12 to thank ADWR for its presentation today. I think you'll  
13 be seeing some -- a report from my hydrologist shortly, and  
14 you'll see that there are quite a few consistencies in the  
15 data.

16           Respectfully, however, I do believe that  
17 we've kind of put the cart before the horse here, and in  
18 particular with regard to the validity of this Petition.  
19 My firm represents several individuals and entities, none  
20 of which were identified on ADWR's website as irrigation  
21 users of groundwater, although they are. And as a result  
22 of that, we reserve our right to contest the validity of  
23 this Petition and the ADWR's jurisdiction to even evaluate  
24 this Petition or establish an irrigation nonexpansion area  
25 in the first place.

1           If you look historically, the way that this  
2 has been avoided in the past is an evidentiary hearing was  
3 held. And the residents of the community were allowed to  
4 give evidence to establish their status as an irrigation  
5 user of groundwater or user of groundwater, given the  
6 criteria. That didn't happen here, and I think that was a  
7 disservice to the system. And for that reason we reserve  
8 our right to challenge the jurisdiction and any  
9 determinations made.

10           Our procedural and jurisdictional objections  
11 aside, however, this Petition fails on its merits. In  
12 order for ADWR to determine that an INA needs to be  
13 established, it would have to find that the groundwater  
14 levels are insufficient to adequately supply irrigation in  
15 this basin. And as you will see in a little bit more  
16 detail momentarily, groundwater levels in this space are  
17 more than adequate to supply irrigation needs at current  
18 usage, and that is key here.

19           Per the statute, ADWR is only to look at  
20 current usage rates. And ADWR acknowledged that it was  
21 bound in that regard when it put the Harquahala Basin in  
22 effect as an INA back in 1982, and the Order says as much.  
23 And so throughout comments today. Throughout ADWR's  
24 consideration of this Petition, we have to keep in mind  
25 that predictions about what may happen in the future, that

1 is not evidence. Speculation is not evidence. Claims that  
2 people are going to go out and pump like crazy, that's not  
3 evidence.

4 What we're looking at is how the basin is  
5 today. And what we're going to see is that we've kind of  
6 -- what we just saw a few minutes ago is that this basin  
7 has had relatively consistent groundwater withdrawals for  
8 the past 25 years. In fact, in the past year groundwater  
9 withdrawals actually decreased despite that we are hearing  
10 a lot of rumors of increased irrigation and pumping.

11 I've asked our hydrologist to estimate  
12 overdraft because of a lot of the concern about overdraft  
13 in the area that has kind of been expressed in the media.  
14 And we -- based upon current usage data, and based upon the  
15 very conservative recharge analysis, our hydrologist will  
16 be telling the crowd momentarily that we have negligible  
17 overdraft in this basin. And, in fact, everyone in this  
18 room is standing on top of thousands of years of  
19 groundwater supply at current usage rates. We don't have a  
20 water crisis here. There is absolutely no basis to  
21 establish an INA in the San Simon basin.

22 With all due respect to the petitioners in  
23 evaluating the Petition, they themselves came over  
24 recently. They themselves did an awful lot of drilling and  
25 pumping in recent years. And then they came and they filed

1 this Petition.

2 We're all concerned about groundwater, and  
3 we're all concerned about preserving water in Arizona.  
4 This Petition doesn't appear to be about that. This  
5 Petition appears to be about some people perverting the  
6 intent of the statute for their own economic gain to the  
7 detriment of this community.

8 And with that said, I'll go ahead and turn  
9 over the floor, end on a high note, and demonstrate with  
10 more particulars of why I'm right about all of this.

11 MASON BOLITHO: Is that okay? Good  
12 afternoon, my name is Mason Bolitho. I will be -- is that  
13 better?

14 GERRY WALKER: That's better.

15 MASON BOLITHO: My name is Mason Bolitho. I  
16 will be followed by Mark Nicholls. I have a presentation.

17 My name is Mason Bolitho. I spent 16 years  
18 at the Department of Water Resources, including several  
19 years as head of the statewide water planning. And the  
20 source of all the data I'm going to present, it's published  
21 ADWR, or U.S. Geological Survey, or Arizona Geological  
22 Survey Reports or file data.

23 Final data analyses are being conducted by  
24 ADWR right now, and technical data does not support the  
25 establishment of an INA, which I will demonstrate. And

1 there are thousands of years of groundwater available in  
2 the basin at current rates of use.

3           According to the U.S. Geological Survey there  
4 are 25 million acre-feet of water in storage in the San  
5 Simon sub-basin above 1200 feet. Groundwater use for  
6 agriculture has fallen about, as Frank pointed out, has  
7 fallen over 50 percent since the 1970s. Irrigated acres  
8 just dropped about 50 percent since the 1970s. Groundwater  
9 overdraft is negligible in the San Simon sub-basin. At  
10 current withdrawal rates, groundwater above 1200 feet will  
11 last thousands of years. And there is also substantial  
12 water resources below that depth.

13           Average water level declines are one foot or  
14 less, a little bit more according to Frank, but they are  
15 not very significant. The Willcox basin is not  
16 hydrologically connected to the San Simon sub-basin, so it  
17 is not part of our discussion here.

18           This shows groundwater overdraft in the San  
19 Simon sub-basin. It's that little tiny blue bar on top,  
20 compared to the acre-feet in storage, which is 25 million  
21 acre-feet, according to the U.S. Geological Survey. So  
22 overdraft, meaning water that has not been recharged, has  
23 not been replaced, is very negligible.

24           This shows -- this is pretty much what Frank  
25 showed. This agricultural groundwater use has dropped over

1 50 percent since the 1970s. And in the past 25 years has  
2 been very constant, at between 40 and 50,000 acre-feet per  
3 year.

4 And for the past five years we have had  
5 fairly steady, if not slightly declining, water use or  
6 agriculture in the San Simon sub-basin. This is, once  
7 again, based upon DWR and U.S. Geological Survey data.

8 One key indicator here in Arizona is  
9 deepening of wells where water levels are falling rapidly  
10 in order to keep up with the falling water levels. In the  
11 San Simon area, out of 367 wells, only two have been  
12 deepened in the past 35 years. That's the key indicator  
13 that indicates people are not chasing declining water  
14 levels by deepening wells. Irrigated acres, as I said,  
15 have declined about 50 percent since the 1970s.

16 These are wells that have been permitted  
17 immediately before submission of the INA Petition back in  
18 February, I believe. Three-quarters of the -- petitioners  
19 represented three-quarters of the new agricultural wells  
20 that were applied for in the San Simon sub-basin.

21 So in summary, the sub-basin is not running  
22 out of water. Agricultural production and water use are  
23 around 50 percent of what they were 40 years ago in the  
24 '70s. Irrigation use has remained very stable since 1990,  
25 for the past 25 years.

1           The current annual overdraft amounts to a  
2 tiny percentage of the 25 million acre-feet of water in  
3 storage. At current rates of use there are thousands of  
4 years of groundwater available, according to the USGS. And  
5 there is no technical basis for establishing an INA. Thank  
6 you.

7           GERRY WALKER: We recognize that you want to  
8 show support for your position, but we would ask that you  
9 withhold from applause -- withholding applause just so we  
10 can move forward quickly. We have a lot of ground to  
11 cover.

12           So the next speaker is Lee Storey.

13           LEE STOREY: Thank you. I certainly would  
14 have enjoyed the applause, though.

15           My name is Lee Storey. I'm with the Storey  
16 lawyers, and I'm very happy to be here this afternoon. I  
17 want to let you know that I am here representing Kimberly  
18 Klump, a longtime ranching family, as many of you know here  
19 in the area, irrigators, and also objectors to the  
20 formation of this INA.

21           I want to, on her behalf also preserve the  
22 procedural and jurisdictional objections that were raised  
23 by my colleague, Sara Ransom, with respect to this hearing  
24 today.

25           You know, in looking at the file, I've got to

1 tell you, you know, I've been practicing water law for  
2 almost three decades now. And I've got to tell you, I am  
3 dumbfounded that we are even here today holding a hearing  
4 and entertaining the possibility of forming an INA for the  
5 San Simon basin. It's unprecedented.

6 It's unprecedented because the petitioners  
7 never had to prove up that they, in fact, represent 25  
8 percent of the irrigation users in this area. It's  
9 unprecedented that the petitioners are even filing this.

10 Because if you think about it, they recently  
11 moved into the valley, drilled some wells, started opening  
12 up new lands. And then, whoops, all of a sudden after that  
13 big investment said we've got a water problem. And we're  
14 going to file a petition to stop everybody else from  
15 utilizing and irrigating, particularly including on  
16 historically irrigated acreage. It's unprecedented.

17 The last time DWR dealt with an INA was in  
18 1981. And if DWR approves this, it will also be  
19 unprecedented. It's not how we do things in Arizona.

20 In Douglas there was an INA. It was a  
21 critical groundwater basin, established as much since 1965.  
22 There were rapid declines in the wells there, and same in  
23 Joseph City for the INA there. And that was established by  
24 the State Land Commissioner back in 19 -- what -- '74. And  
25 then in 1981 DWR, by its own volition, you took up the

1 charge and said we need to form an INA for the Harquahala  
2 basin. It was already being studied as a critical  
3 groundwater area. And I emphasize the word critical  
4 because in that basin, like the others, there was very  
5 little recharge. Wells were dropping at significant rates,  
6 10 to 15 feet all around through the basin, in addition to  
7 other wells that had much more dramatic declines.

8 And those basins, DWR needed to act. They  
9 needed to be INA's, but that's not the case for the San  
10 Simon. And San Simon, for the last 25 years we've  
11 basically been at a status quo. Groundwater depletion,  
12 recharge, it's -- there isn't a dramatic change rising to  
13 the level of DWR forming an INA in this sub-basin.

14 So for that reason I am -- I'm really  
15 dumbfounded. I'm dumbfounded because the petitioners were  
16 allowed to avail themselves of the statute in an  
17 unprecedented way. DWR needs to deny this Petition because  
18 it doesn't meet the technical requirements.

19 The DWR should also deny it because the  
20 petitioners should not be allowed to use that statute, that  
21 hasn't been used for 40 years, as a tool to essentially  
22 basically corner a market to help a few at the expense of  
23 everyone else. It should be denied.

24 It should be denied because if you don't, in  
25 some ways you are bankrupting the future economic

1 opportunities of the good people of San Simon and Bowie.  
2 And if it's not denied, you're condoning a few select  
3 petitioners who are essentially playing the game of  
4 Monopoly.

5 They've gone out, and they've decided we're  
6 going to have Park Place, and we're going to have  
7 Boardwalk. In fact, we're going to pass Go and collect 200  
8 bucks. But everybody else in San Simon and Bowie, all  
9 those other lands, they have to reside on Baltic Avenue and  
10 Mediterranean Avenue. A little bit of a joke, but it's  
11 not.

12 DWR, you know this. You know the technical  
13 information does not support the formation of an INA in  
14 this basin. And for that reason we ask you, we implore you  
15 to deny the petition, and to deny it speedily. Thank you.

16 GERRY WALKER: Next?

17 SY RAY: My name is Sy Ray. I represent Ray  
18 Brangus Ranches. And I'm going to get away from the  
19 hydrology. I'm going to get away from what the attorneys  
20 did. They just did a really good job to explain that piece  
21 of it. And I'm going to do an education piece on how you  
22 corner the market, exactly what they're talking about.

23 But I want to make something real clear here.  
24 Everything I'm going to talk about, because I'm going to do  
25 it really quick in ten minutes, is available on

1 sansimon.water.com. There's a little PDF you can download.  
2 Anything I discuss is going to be represented and backed up  
3 on the website.

4 And the reason I'm doing that is I did not  
5 want to have any issues here. Because I actually reached  
6 out to some of the petitioners, and I tried to confirm the  
7 facts that I had found because they were disturbing to me.  
8 And when I did this, I received a response that further  
9 accusations, rumors, and innuendoes will not be ignored.

10 So I don't want there to be any rumors,  
11 accusations, innuendoes. I will be very careful to back up  
12 everything that I say. I agree with the attorneys. I'm  
13 not going to waste my time on this. I agree the Petition  
14 has not been found.

15 Essentially what is happening here is I could  
16 go out and I could buy one pivot. I could subdivide that  
17 pivot 25 times, have three-acre parcels on that pivot, and  
18 I, by myself, could push this petition through. It is  
19 perverting what was originally drafted in the legislation.  
20 This is not the way this whole thing was intended to work.

21 And when we talk about a group doing just  
22 that, they even represented themselves to DWR as a group.  
23 Their representative, the owners, and managers are the  
24 same. They have the same address, and they indicate as a  
25 group. When you look at the consortium that is represented

1 in this group, it's 11 of the 16 petitioners. We're not  
2 talking about just a couple of them.

3 When you start looking at the money, let's  
4 talk about cornering a market. They are currently  
5 attempting to raise, and I don't know where they are in  
6 that attempt, \$98.7 million. This is not a couple of bucks  
7 that they're trying to throw at this project.

8 When you reduce the 11 of them down to one,  
9 you remain with six petitioners. They have not met what  
10 they need for 25 percent.

11 If anybody has any doubts about the type of  
12 money that we're raising, these are all provided for you on  
13 that website. It will show you exactly where I'm pulling  
14 these numbers. And what's important here is some of these  
15 are trying to raise as much as 60 million for one of these  
16 little plots. 120,000 is your minimum buy-in for that.

17 So let's talk about the current rates.  
18 Because this is really important about the current rates  
19 because it creates a little bit of a problem. And it's my  
20 opinion that they didn't expect anybody in Bowie and San  
21 Simon to question or think about this.

22 When you're raising almost \$100 million, you  
23 can't tell your potential investors that you have a water  
24 problem. It doesn't work. I wouldn't invest \$5 into  
25 something that had a water problem. So which is it, do we

1 have a water problem, or do we have a sustainability thing  
2 that I can invest into a 100-year crop, because that's what  
3 we're talking about in orchards. We're not talking about  
4 alfalfa. It's a 100-year crop.

5 So let's talk about how we corner the market.  
6 The first thing you need to do is supply and demand. We  
7 have to justify that we have a supply. Dr. Heuler has made  
8 it very clear in all kinds of articles that not only do  
9 they have the supply, they're expanding, 5500 acres by  
10 2015. They've more than doubled that as far as what they  
11 started with and where they're at now. So there's your  
12 supply.

13 When we move on from supply, we've got to  
14 show that we have a demand because I need investors. We  
15 have Asian and European buyers ready to buy. They will buy  
16 as much as we can produce. Now I have a demand.

17 Now I'm going to tell them how much money I  
18 made. I'm making more money now than I've ever made. I've  
19 got supply and demand, and it's a very profitable business  
20 that I can get into. There's a problem, supply/demand is  
21 profitable, but is there sustainability. I've got to  
22 reinforce to my investors there's sustainability.

23 In the same advertising ploys we have the  
24 water. So I'm going to go out, and I'm going to raise \$100  
25 million. And I'm going to reassure my investors that we

1 have the water.

2 And then when I put in the last little piece  
3 of this big plan, I'm now going to go to the State and I'm  
4 going to say we don't have the water. We need an INA  
5 immediately.

6 And this is where I get a little bit  
7 irritated because I heard stuff coming back that I wasted  
8 tax dollars, your tax dollars, figuring this out. Because  
9 as a former police officer, and I'll emphasize former  
10 police officer, somehow I used tax dollars and resources to  
11 research this. I will admit I did use a database that is  
12 widely used by law enforcement. Some of you may be  
13 familiar with it, referred to as Google. That's where I  
14 got most of this from.

15 So now let's talk about, well, maybe what's  
16 going on here. Is there prior acts? Who are we in bed  
17 with here? What has happened up to this point? And I'll  
18 pull up a case from 1988 involving one of the petitioners.  
19 This is in the 9th Circuit Court of Appeals. This is one  
20 stop before the Supreme Court, people. It's not the Bowie  
21 Justice Court across the street. Read the back at the very  
22 bottom. This is for fraud, security, racketeering,  
23 influence, a corrupt organization. It's a RICO statute.  
24 This doesn't happen because I didn't pay a \$5 bill.  
25 There's much more going on here.

1           So let's talk about there's no supporting  
2 documents. Why haven't we seen anything? Why wasn't there  
3 a meeting before these things were planned? Maybe the  
4 under-whelming response that initially started in Willcox,  
5 they thought they would just kind of fly in and push it  
6 right through without anybody seeing what's going on. I'll  
7 let you guys speak for yourselves as far as what you think  
8 possibly happened there, but does it open the petitioners  
9 for any liability here.

10           And then I hear the accusation that somehow  
11 I'm wasting your taxpayer dollars by investigating this and  
12 looking at this. Some of you should look at how much this  
13 has cost the state to put this on, the imagery that had to  
14 be pulled here. We're not talking 5, 10, \$15,000. The  
15 State, your taxpayer dollars, has spent a ton of money on  
16 what potentially is an invalid petition to start with.

17           So what's there to hide? What's going on?  
18 What else have we not discovered at this point? Let's talk  
19 about the EB-5 Program. Some of you may be familiar with  
20 this, some of you maybe aren't. What the EB-5 program  
21 allows me to do is I can sell to foreign investors, this  
22 means somebody out of India, Iran. Iran used to produce  
23 more pistachios than anywhere in the world.

24           Once I do that, if they put \$500,000 in,  
25 after seven years they get a Visa. They buy their

1 citizenship, while taking away your water rights. Let that  
2 kind of settle for a minute.

3 Now I have been assured that none of the  
4 petitioners would dare participate in the EB-5 Program.  
5 They don't understand the EB-5 Program because it may not  
6 be their direct involvement. Sometimes there's investor  
7 groups that will invest large amounts into this that they  
8 may not know. So there's a lot more to it than that. So  
9 trying to compare this whole thing -- by the way, the EB-5  
10 Program is being advertised directly as a San Simon  
11 prospect with Dr. Heuler actually being quoted in what  
12 they're pushing out.

13 So to summarize kind of what's going on here,  
14 this is like Union Pacific trying to push through a noise  
15 ordinance right now. And when you ask the railroad, why  
16 are you pushing through a noise ordinance? Well, a couple  
17 of times a day we get this really loud noise on the north  
18 side of town. It's just bothering us. Well, you should  
19 have thought about that before you put the railroad tracks  
20 down.

21 Well, we didn't know when we put the railroad  
22 tracks down that we were going to bring trains. That's  
23 what they're telling you. We didn't realize that we were  
24 going to create all this noise when we put a railroad  
25 through here.

1           And so you have this perversion, is a great  
2 word, of this petition by a few individuals who are now  
3 going to tell you that this is a prosperous future for the  
4 entire valley. And I'm going to stick around because maybe  
5 after me someone's going to come up and explain how they're  
6 sharing that 98\$ million with me, and somehow we're all  
7 going to prosper here, but I'm not seeing it so far.

8           And I'll point out a couple of things that --  
9 I'm not a farmer. There's a lot of farmers in this room.  
10 If somebody can explain this to me, this would be great.  
11 So here's a crop, I get it. Those are tracks, from what I  
12 understand, is a seed drill or a grain drill. The operator  
13 must be intoxicated at the time because he's all over the  
14 place.

15           And if you look really carefully, there's a  
16 bunch of little lines running through there out in the  
17 middle of nowhere, no crop here. When you zoom into those  
18 lines, they're drip lines. There's over five miles of drip  
19 lines out into the desert. All this was done before the  
20 petition was filed.

21           It doesn't make sense to me. Maybe some  
22 farmers can explain it to me, but it appears somebody is  
23 trying to put irrigation onto more than two acres in an  
24 area that could be contested. Again, I'm not a farmer, I  
25 don't know.

1           And then we get this thing, well, it's not  
2 personal. Don't take it personal, this is business. The  
3 highlighted area you're seeing represents the petitioner's  
4 property, and that we shouldn't take this personally. But  
5 when you look at kind of -- most of you haven't seen it  
6 yet. I'm going to give you two examples here.

7           Here is one piece of property that's  
8 currently being affected by the INA because they're going  
9 to expand their huge operation and try to add a few more  
10 acres to what they currently have. They can't do it  
11 because of the INA. There's another one that we're going  
12 to look at here in a minute that's just south of San Simon  
13 that is also trying to do the same thing. And I'm going to  
14 fast forward to that.

15           Most of you probably don't recognize him.  
16 His name is Sev Ray. Some people might say that, well, he  
17 should have known about the water rights. That's what I  
18 keep hearing. He should have already had his water down.  
19 Well, Sev has been a little busy. He's 42 months of combat  
20 deployment. This means he's been deployed overseas in  
21 combat for 42 months. This is somebody who wants to retire  
22 to the San Simon area, where I can trace my personal family  
23 roots back to the 1800's, and retire. And he can't because  
24 he can't expand that piece of land.

25           And I'm running out of time, so you can

1 download it, and that's that.

2 GERRY WALKER: Mr. Ray? Mr. Ray, could you  
3 please, just for the record, you're representing other  
4 interests, could you please announce all of those?

5 SY RAY: Brangus Ranch.

6 GERRY WALKER: Thank you.

7 SY RAY: Ray Brangus Ranch.

8 GERRY WALKER: Shelby Ray? Yes, you can  
9 stand wherever.

10 SHELBY RAY: I hate standing with my back to  
11 everybody. I didn't know exactly how much time I was going  
12 to have. I thought I maybe only had three minutes.

13 GERRY WALKER: Mr. Ray?

14 SHELBY RAY: Yes?

15 GERRY WALKER: Could you also announce who  
16 you're representing for the record?

17 SHELBY RAY: I'm Shelby Ray. I'm here for  
18 the Ray Family, part of the Barnes Family. We've -- going  
19 on with the personal part of it, you can see the video that  
20 we had there. And it's hard for me to get by the personal  
21 part of it.

22 I have met with some of the petitioners  
23 individually. I met with three of them one evening, and I  
24 kept hearing this is not personal, it's business. That  
25 doesn't compute with me. I dig my own post holes, I fix my

1 own fences, and it's personal. When you take personal out  
2 of business, that means you have lawyers, you've got board  
3 meetings, and you have money. I don't know what you have  
4 beyond that if it's not personal for you.

5           These are my -- this is just one son. We've  
6 got four boys. All of them have spent time in the Middle  
7 East. Anywhere from weapons systems, designing systems,  
8 part of the umbrella over Israel. He had to leave because  
9 they were under bombing raids at the airport. None of  
10 those boys can come to our ranch and put in ten acres to  
11 feed their horses if this goes in. To me, that's personal.

12           The petitioners also told me that they really  
13 didn't want an INA. Now I can't prove this, but I was in a  
14 meeting with them. They don't want an INA. They just want  
15 to scare off these outside investors coming in and  
16 developing all these acres. Now I don't know about you  
17 folks, but, to me, A&P and FICO is concerned about outside  
18 investors? There's something wrong with that.

19           And I've been trying to keep a sense of humor  
20 about this I'm having trouble with it because this is very,  
21 very personal to me. Because our family, the Barnes  
22 Family, the Ray Family sold land to A&P, and we sold to  
23 FICO.

24           We had friends in the San Simon Valley who  
25 approached us and said, you let these guys in. What you're

1 doing right now, you're letting them in. And if these big  
2 companies get in, they're going to take over.

3 At that time we defended FICO because there  
4 was one gentleman worked for them that we liked, we  
5 respected, we trusted, and we still do. He was a heck of a  
6 man. And because of him FICO was able to come in because  
7 we all liked him so much, and I still do.

8 But obviously there's a change in the guard  
9 with FICO. We traded equipment with FICO. If they didn't  
10 have it, they borrowed it. If we didn't have it, we  
11 borrowed it. They used our corrals to work their cattle.  
12 No problem. We kept telling the people in San Simon this  
13 company is doing it right. Don't worry about these guys.

14 In the Barnes house, meeting with some people  
15 from FICO, it was said to us very clearly, if there's ever  
16 any regulations on water in the San Simon Valley, it will  
17 not come from FICO.

18 There must be a new rule with FICO, until we  
19 started checking the records. FICO has a history going  
20 back to the '60s of suing companies who threatens their  
21 water. That's also available on the websites that we're  
22 talking about.

23 Okay. Now when you saw the video a while ago of  
24 the drip lines out here just north and west of town, that's  
25 by the old Burdecko (phonetic) place. My father-in-law

1 farmed that for decades, and then sold it. We ran cattle  
2 on it because the fences were down. It's still in the  
3 middle of one of the Triangle Ranch's pastures, which is  
4 still on the Barnes Family. I've been across there  
5 horseback.

6 It kind of gets your attention when you see  
7 them watering mesquite bushes. At first, I thought,  
8 whoopee, they figured out how to make money out of  
9 mesquite. That gives us a whole new definition of  
10 diversity out at our ranch because we're going to go get  
11 after it.

12 But I don't think that's what they were  
13 doing. Because if you read, if you read the laws, it says,  
14 and mentioned it a while ago when they gave the first  
15 introduction. If you irrigate to feed range livestock, you  
16 are an irrigator. They irrigated it, they drilled in the  
17 grass. You can see where it came up, then died. Then they  
18 disconnected the drip lines, moved them over, put the road  
19 in, and finished the south side on trees. We got our water  
20 from there, by the old Burdecko place out here.

21 We feel that FICO, and especially A&P, and  
22 some other petitioners, not only are they going to --  
23 they're not going to shut down, they are set to expand  
24 their operations and by hundreds, maybe even thousands of  
25 acres.

1           Okay. And when I first heard about it -- I  
2 didn't know this was coming on. I heard it from someone in  
3 Safford. Okay. And when I called one of the petitioners,  
4 I said what in the world is going on here? Because I got  
5 caught asleep, that's my fault. I was too unassuming. I  
6 was not cynical enough in my thinking, and I got caught.

7           And when I asked the question, they said,  
8 yeah, that's the deal.

9           I said, you mean we can't put in 20 acres on  
10 Ball Road?

11           They said, yeah, that's the deal.

12           I said, that's wrong.

13           He says, I know, but that's the way it's got  
14 to be.

15           So I kept hearing not personal. I feel sorry  
16 for anyone who has a business and it's not personal to  
17 them. Because for the generations that have been here,  
18 it's our life. It is personal. It was personal to my  
19 parents. My parents are buried right over here. I played  
20 ball on this gym. I graduated on a stage right over there.  
21 I went to school at San Simon. My grandparents are buried  
22 at Glenbar. My great uncle worked for San Simon Cattle  
23 Company down at Seneca (phonetic). We've got six  
24 generations sitting in the seats here today. Yes, it is  
25 personal to me, and I'm proud of that. I'm proud of that.

1           One of the things -- and I appreciate  
2 everyone who's here. Because I think the petitioners have  
3 seriously disrespected and underestimated the pushback  
4 that's going to come from this community. What you saw  
5 here today is a fraction of what we have, a fraction.  
6 Because we didn't have time to present any more. But  
7 there's other agencies here in the State who are watching  
8 this very carefully, and they have a lot ability beyond  
9 Google. Okay. And so I appreciate the time that other  
10 people have given to me because I didn't have time to get  
11 through some of the things I wanted to.

12           One of the things you might need to look at  
13 is the 2012 study, okay, that was sponsored by one of our  
14 elected officials, but was initiated by one of the  
15 petitioners. And his reason for initiating that was to  
16 stop the big nut companies in this area, but now he's a  
17 petitioner with them.

18           I'm not sure the petitioners knew. I think  
19 the sharks are swimming around each other. Sooner or later  
20 they're going to start getting after each other. But the  
21 whole idea, he didn't have enough pull in the Bowie area to  
22 get that sub-basin split. But he thought if he put them --  
23 separated them, he could do that. I'm not sure the  
24 petitioners are aware of that. Okay. He didn't get it  
25 done, now he's signed on with the petitioners.

1           Also, one thing you need to check that we  
2 barely had time to get it. Schroeder (phonetic) law firm  
3 did a really nice paper on the forgotten water laws and the  
4 environment. If any of you are leasing water to anyone, if  
5 you don't renew that lease every five years, you stand to  
6 lose your water rights. If you are changed to pivots, that  
7 means you lose approximately 36 acres. In the eyes of some  
8 of the law, and some of the cases that come up, those  
9 corners now you are wasting water. So now you saved that  
10 water, you don't need what you were using before. It can  
11 revert to the State for the good of the environment. Now  
12 that's interesting, I'm not sure what the good of the  
13 environment is.

14           Also, if you folks get a chance, you need to  
15 look at the Gila 3 and the Gila 4 rulings because the  
16 definitions of subsurface, of groundwater, of percolation,  
17 of water stream flow, subsurface flow, is starting to blur.  
18 Okay. It's starting to blur. And if that happens, then  
19 percolated water is no longer separated out. Then all that  
20 water that you have forfeited, you can abandon it. You can  
21 forfeit it.

22           So by saving water, it's like school  
23 financing, if you've ever been involved in that. If we get  
24 \$100 at school, we only spend 8 of it, we don't get \$100  
25 next year, or whatever it is, because we didn't need it

1 anyway. That's the way they're starting to look at the  
2 water.

3 And I know you're not supposed to say water  
4 rights. I know we don't have any, but, doggone it, I feel  
5 like we have some water rights. If you save your water,  
6 and you show that you don't need that anymore because now  
7 you're not using it because you put in a pivot, it's a  
8 catch-22. You stand to lose your water rights. So you  
9 need to look at the 2012 study.

10 We also have on the water site -- the website  
11 that we showed you a while ago. If you will look at that,  
12 and look up the lost -- the groundwater, and the lost laws  
13 or forgotten laws, it's listed like that. And look that up  
14 and see what you can see on it. You need to also check if  
15 you're leasing any water.

16 We've also spent some time with the power  
17 plant people. We've had a couple of things -- a couple of  
18 sessions with them. We understand they have cleared their  
19 last permit last October. The original pistachio corp,  
20 which was bought by NP, actually opposed the power plant.

21 The power plant is set to spend approximately  
22 \$100 million in taxes over the next ten years. Oh, and by  
23 the way, if you're having trouble in school, one acre of  
24 mature pecan trees, pays less taxes, county taxes, than one  
25 acre of vacant land.

1           GERRY WALKER: The next speaker is Lynne Ray.

2           LYNNE RAY: Never has this unfair Petition  
3 been about water --

4           GERRY WALKER: Ma'am?

5           LYNNE RAY: Yes?

6           GERRY WALKER: Could you tilt it down just a  
7 little bit so -- okay. And could you also state who you're  
8 representing, please?

9           LYNNE RAY: I'm Lynne Ray with Ray Brangus &  
10 Livestock, San Simon, Arizona.

11          GERRY WALKER: Thank you.

12          LYNNE RAY: I'm fourth generation rancher,  
13 farmer, in the San Simon Valley. And I've farmed and  
14 ranched here for over 44 years. Our sons are fifth, and  
15 our grandchildren are sixth generations into this Valley.  
16 They're here today.

17                 I've never left San Simon Valley for more  
18 than five weeks in my entire life. And when I did leave, I  
19 took soil farm dirt with me. I can't --

20          SEV RAY: I'm going to fill in and finish  
21 this thing for her real quick just so we can get it.

22          GERRY WALKER: Thank you.

23          SEV RAY: My family has been here for almost  
24 100 years. I farmed cotton, chili, alfalfa, corn, and a  
25 little bit of lavender. Every single generation became

1 more efficient as new technology equipment became  
2 available, and we improved the way we farmed and ranched.

3           Never did we take advantage of the abundant  
4 water. Never was water shortage an issue. We handed down  
5 knowledge from generation to generation, knowledge of where  
6 the water flowed, how it even moved with the tides and how  
7 it was used wisely.

8           I began farming in the '70s, and witnessed  
9 firsthand how raising fuel costs forced many of my farmer  
10 neighbors to leave the valley. Economics was a tough  
11 lesson. While water was abundant, it became too costly to  
12 pump for most. In the '80s we lost our Government  
13 subsidies, and yet managed to survive. The water, of  
14 course, stayed steady and constant.

15           My dad, Ed Barnes, had clearly -- had cleared  
16 most of the farmable acres in San Simon, and due to health  
17 reasons sold to FICO in the 2000's. I threw in 320 acres  
18 that was contingent to Daddy. At this time I bought an  
19 additional 320 acres to retire on eventually. Land has  
20 always been a solid investment generation after generation.  
21 We've always taken care of the land and water.

22           Because of my life as a working farmer, it  
23 was hard on my body. I plan to sell or use as collateral  
24 those remaining farm acres for a convenience store and gas  
25 station on commercial property I bought over 20 years ago.

1 I carried the plans and schematics with me everywhere.  
2 Overnight my retirement acres and plans became worthless at  
3 the signing of the February unfair Petition. The working  
4 retirement plan became impossible. Do not tell my  
5 grandchildren that this is not personal.

6 Every year since Daddy passed away my mom  
7 gives a graduating senior involved in ag the Edward Barnes  
8 Memorial Scholarship. FICO is the only petitioner that  
9 tries to give back to the community. The majority of them  
10 offer nothing. They take and they never give.

11 My God-given rights as a legal born citizen  
12 in the United States of America was taken away by the  
13 signers of this unfair Petition. This unfair Petition has  
14 never been about the water. There are many other innocent  
15 victims in this valley, with stories similar to ours, that  
16 have been destroyed just to line the huge silk pockets of  
17 the greedy, selfish corporate signers of this unfair  
18 Petition.

19 Their only purpose is to increase their  
20 holdings with manipulating the Government at the expense of  
21 the hardworking, law-abiding citizens of the San Simon  
22 Valley. This has never been about water. And understand,  
23 gentlemen, this is personal.

24 GERRY WALKER: Sir? Sir? Sir? Just for the  
25 record, could you please state your name, as well? Thank

1 you.

2 SEV RAY: My name is Sev Ray, Ray Brangus.

3 GERRY WALKER: Thank you.

4 The next speaker is Larry Romney.

5 LARRY ROMNEY: Hello, I'm Larry Romney. And  
6 thank you, Lynne, for that introduction. What a great  
7 presentation. I'm sorry I have to follow it.

8 GERRY WALKER: Could you please also identify  
9 who you're representing?

10 THE WITNESS: I will. And hopefully I'll  
11 have someone, if I falter, come up and steady me, also.

12 I am Larry Romney. I represent -- I am a  
13 farm manager for the Turley Charitable Remainder Trust and  
14 Marshall Turley.

15 I have farmed here for the last ten years.  
16 Prior to that, beginning in '88, I farmed north of Bowie,  
17 also, for another eight years. So I have experience here.  
18 I also consider this personal.

19 The first that I had ever heard of an INA or  
20 of any significance about an INA, other than rumors of what  
21 was going on with neighbors, was a meeting that I was  
22 called to here in Bowie of some growers. At that meeting  
23 the petitioners presented this plan of an INA. They  
24 suggested at this time that it was essential, that we had  
25 to have it.

1           My questions to them had to do with, well,  
2     what gives us the idea, what is the background, why do we  
3     need an INA. The only thing presented at that meeting was  
4     is we've got to stop the other people from coming in,  
5     drilling wells, and pulling our water, and taking our water  
6     from us, and an INA will do that. They also discussed the  
7     requirements of an INA and what the effects would be for  
8     someone like me.

9           We have chosen to plant pomegranates. We  
10    have about 400 acres that we could qualify for. However,  
11    we have an additional 1200 acres that has not been  
12    irrigated in the last five years. That 1200 acres would  
13    probably mean if an INA was imposed, we would lose water  
14    rights for that acreage. And that would probably be  
15    someplace in the neighborhood of \$3 million affecting our  
16    operation alone.

17           The acreage at peak in the San Simon Valley  
18    has been in approximately 35 to 39,000, which was presented  
19    previously. Currently there's 20,000. There's 15 to  
20    20,000 acres that is still available, that has been farmed,  
21    that is not going to be used, that will lose those  
22    irrigation rights if this INA goes through.

23           It is impractical, it is wrong, it is immoral  
24    to throw this, to spring this on us. After that meeting  
25    there were -- there were opposition to the INA at that

1 meeting. And when we left, there were basically two  
2 reasons. The first reason was is that they felt like that  
3 it was just not American to regulate. And who in their  
4 right mind would ask the Government to come in and regulate  
5 our water unless there was some significant reason.

6 The second one was the five-year rule. After  
7 evaluating why, why do they want this INA, I came up with  
8 three things. Maybe, number one, there was a justifiable  
9 loss. Maybe the water really is declining, and I just  
10 didn't realize it. Number two, maybe it's the fear of the  
11 unknown. The fear that somebody is going to come in and  
12 take our water, and maybe the water is going to go away.  
13 And third, possibly, could this possibly be someone that  
14 has premeditatedly planned and prepared to gain control of  
15 the irrigation district.

16 I don't know which one that is, but I set out  
17 to find out what reason on my particular farm could  
18 possibly cause an INA to be installed. So what I did is I  
19 went to the ADWR records. And I pulled from that the  
20 charts and the information concerning groundwater, which is  
21 showing over here to the right.

22 This is our irrigation well that we have been  
23 using the most. This one has been used since 1952. It was  
24 drilled in 1952. Up at the top, you can see across the top  
25 that this is a hydrograph showing what the ground level --

1 or the water level has been over the last -- since 1954.

2 First reading was taken in '54. That water  
3 was at 83.4 feet. By the time we get down to 1982, that  
4 water had dropped to 312 feet, 312.2 actual feet. Since  
5 then, since 1982 to 2015, this last February, it has  
6 dropped to 355 feet.

7 I did the calculations on this and the other  
8 five wells. And to save time and not go through each one,  
9 this is an example of one of the wells. I have averaged  
10 the five wells that ADWR has accurate and pertinent  
11 information of well depth, and I have averaged those.

12 The averages come like this. Between the  
13 1950's and the 1980's the average rate of decline on my  
14 five wells is six feet per year. That's six feet per year  
15 in that time period. Between 1982 and 2015, the water  
16 decline rate has gone to one foot per year. So current  
17 we're at one foot per year, and that corresponds with the  
18 hydrologist that just presented the information.

19 We are now at a rate of one foot per year.  
20 That hole is 1650 feet deep. If you do the calculations,  
21 and you take static water away from that, and divide that  
22 out, that comes to over 1200 years of water. If we average  
23 all five of my wells, those five wells, even during the  
24 hard -- the most drastic period when water was being used,  
25 there's 201 years on my five wells that we can have water

1 in the hole on my five wells. At the current rate there's  
2 1215 years of water in those holes that's taken out.

3 Why, tell me why, with 1200 years of water in  
4 the hole, do you want to take away my 1200 acres of  
5 irrigation rights? I would like to know who's going to pay  
6 for that, and why are they coming after me to do that. I  
7 would like to know answers to those questions. I feel like  
8 this is something that is personal, also. It's been told  
9 to us that we, you know, we don't want to cause any  
10 problems, we just have to protect our water. But  
11 unfortunately, by them protecting our water I lose my  
12 water.

13 The peak irrigation season indicated in the  
14 previous discussions was 35 to 39,000 acres. Those 35 to  
15 39,000 acres has been reduced now to 20,000 acres, and all  
16 of a sudden we have a problem. We also have drip  
17 irrigation. We have under limb sprinkler irrigation. We  
18 have pivot irrigation. And those are all much more  
19 efficient than what was used back in the 1970s and 1980s.

20 We have the capacity with water available  
21 currently for many, many more acres than 20,000 acres. Why  
22 do you want to take away my water? Thank you very much.

23 GERRY WALKER: The next speaker is Dave  
24 Dipeso. I apologize if I butcher anyone's name.

25 DAVE DIPESO: Thank you.

1           GERRY WALKLER: Mr. Dipeso, are you doing any  
2 kind of presentation?

3           DAVE DIPESO: Just a little something, yes.

4           GERRY WALKER: We would ask that you face  
5 this direction and speak towards us. Thank you.

6           DAVE DIPESO: All right. I'm Dave Dipeso. I  
7 represent Dipeso Realty & Appraisal. I've been an  
8 appraiser. I'm a general -- certified general appraiser in  
9 Willcox and Benson. I've been there for 15 years doing  
10 that.

11           I was asked by some friends to give my  
12 opinion of what would happen to the land values if an INA  
13 was imposed in the area, so I did some research. I figured  
14 the easiest way to do this was to try to find the sales  
15 that were basically ranchland who had no farming potential,  
16 and compare them to the sales that had farm potential,  
17 could be irrigated in the future.

18           So what we found is in the San Simon area.  
19 We did these sales from January 1st, 2013, to January 2015.  
20 There were 15 sales in the San Simon area, those sales with  
21 farming potential. There were 11 sales. The average range  
22 per acre was -- started at 230 at the low end, and went to  
23 \$1602 an acre on the high end, with an average of \$817.28.  
24 Those parcels that sold that had no farming potential, are  
25 basically ranchland. There were four of those sales. That

1 averaged -- that spread range was 97.50 per acre, to 562.50  
2 per acre, with an average of \$430 an acre. If you do the  
3 average on all those, that's a \$387.28 an acre difference,  
4 or a 47 percent drop if you had an INA that you couldn't do  
5 any farming on, it was imposed. You could expect your land  
6 values to drop by 47 percent.

7 In the Bowie area we did have 21 sales.  
8 Three of these were actually with trees, so they're not  
9 relevant. But just to give you an idea what the tree sales  
10 were, those sales ranged from \$10,106 an acre to \$5,785.47  
11 an acre, for an average of \$7,652.

12 Now in Bowie with the sales of that had  
13 potential for farming, there were 11 sales. The range on  
14 those sales was \$213.64 an acre, to \$2233.45 an acre, with  
15 an average of \$576.18. So the average there comes out --  
16 well, the range sales then were an average of 348.81. You  
17 do the percentages, there's a 39 percent drop in value if  
18 an INA was imposed on in the Bowie area. Thank you.

19 GERRY WALKER: Thank you.

20 The next speaker is Mike Low.

21 MIKE LOW: I'm Mike Low, and I represent  
22 Cordova Acres on Indian Springs Road. I'm relatively a  
23 newcomer here. I bought my land about three years ago.

24 I did a lot of research on this area and on  
25 the aquifer, and actually using your website with -- it was

1 a Safford basin, but I used that as my guideline. There  
2 were three studies of estimates of the inventory of water,  
3 and, yeah, this was from 2001 to 2005, I believe. I had  
4 notes, and I didn't bring them, so I apologize. I'm a  
5 little off the cuff.

6 But based on that, I did the math. And the  
7 worst case scenario that I came up with was a 1300-year  
8 water supply, and the best case was almost 4,000 years. So  
9 I told my son, and he bought some land down here, too.  
10 Obviously I'm opposed to the INA. I don't think it's  
11 justified. I think that even the hydrology report, I think  
12 it shows that it's stabilized.

13 And I talked to a lot of locals in my time  
14 here, you know, about all the countryside. You see a lot  
15 of abandoned farms and farmland, and stuff that looks like  
16 it had been planted at one time that was fallow. And my  
17 understanding was that the history with the '60s, '70s, and  
18 '80s, was there was a lot of cotton farming, and a lot of  
19 Government subsidies and financing. And at some point in  
20 the early '80s the cotton price dropped. And a lot of  
21 these guys were leveraged 3 or 400 percent and just walked  
22 away.

23 So it wasn't a water issue. It was an  
24 economics -- kind of a Government-caused economics issue.  
25 So I think if you look at it, it's stabilized. And it

1 would hurt a lot of the people that have been here for  
2 generations, like the Rays and the Barnes families. And  
3 even though I'm new, I respect the rights of people that  
4 have been here for generations. And they should be able to  
5 do with what they want with their land and not use value.

6 And it would hurt the community. I think a  
7 lot of the petitioners are corporate farmers that are not  
8 even located in the area. And I think if you have more  
9 family farms, you've got people that are actually in the  
10 community making money, and supporting local people, and  
11 improving the area.

12 I see it as a great potential. You know,  
13 both towns look like they need a little help, but there's a  
14 lot of potential here. It's good land, there's a good  
15 water supply, there are a lot of good people. And, you  
16 know, I believe in the area, and I hope that this doesn't  
17 go through. That's it.

18 GERRY WALKER: Thank you.

19 The next speaker is Richard Parks.

20 RICHARD PARKS: This microphone hasn't been  
21 very good. My name is Richard G. Parks. I don't represent  
22 any large corporation or anyone else, but I do own about  
23 480 acres out here, just the other side of some of the  
24 Klump land.

25 I'm going to cut right to the chase. I'm

1 going to give you a written document that I want to submit  
2 as my oral comments because I don't have time to give it  
3 all.

4 According to the ADWR Report No. 12 and the  
5 USGS and ADWR Report No. 19, the San Simon sub-basin holds  
6 a minimum of 25 million acre-feet of water. We've already  
7 seen that. That only extends to a depth of 25 -- excuse  
8 me, of 1200 feet. And not because there isn't any more  
9 water below there, but because that's just what the  
10 convention is, quote/unquote.

11 The San Simon bedrock that underlies this  
12 basin goes from anywhere from 1600 feet to over 8,000 feet  
13 deep. ADWR and the USGS reports estimate the aquifer  
14 extends to at least 7,000 feet below the surface of the  
15 land. Given the size and depth of that aquifer, there's  
16 probably somewhere between 50 million and 75 million  
17 acre-feet of groundwater under the San Simon basin.

18 Reports by the ADWR and USGS, they monitor  
19 acreage, peaked in the '70s, declined to the present day.  
20 We've already heard what -- for the reasons why. None of  
21 that has anything to do with water. Given the declining  
22 rates of water withdrawal and the low population density in  
23 the area, experts estimate the water reserves above the  
24 1200-foot level would last over 2,000 years. With  
25 additional reserves on the underlying basin to that

1 7,000-foot level, you could easily push that to 3,000, if  
2 not more, years.

3 Put another way, if the groundwater  
4 withdrawal started at the beginning of the Roman Empire,  
5 the aquifer would still be producing plenty of water today.  
6 There's no water crisis in the San Simon sub-basin  
7 requiring the imposition of an INA.

8 A relative handful of people and companies  
9 have petitioned for the detonation of this INA. The number  
10 of petitioners, in fact, so small that the petition doesn't  
11 actually meet the legal requirements for the imposition of  
12 an INA. The petition's motivation is primarily greed and  
13 arrogance.

14 They're abusing the INA process to eliminate  
15 competition, and wrongfully appropriate the irrigation  
16 rights of other water users. Information presented to the  
17 ADWR by the petitioners was cherry-picked and distorted to  
18 justify approval. They seek to line their own pockets by  
19 hijacking the process in a bid to deprive everyone else of  
20 water rights and eliminate business competition.

21 There's absolutely no statutory, scientific,  
22 environmental, or economic basis for granting the INA  
23 Petition, and it must, therefore, be declined. Thank you.

24 GERRY WALKER: Thank you, Mr. Parks.

25 The next speaker is Robert Zwickey.

1                   ROBERT ZWICKEY: My name is Robert Zwickey.  
2 I own, excuse me, 40 acres between A&P Ranch and FICO.

3                   And I think just about everything has been  
4 said here that if this INA is passed, it's going to be  
5 pretty much ineffective. I mean, it's not going to stop  
6 these guys from pumping water.

7                   And so I just want to get to the personal end  
8 of it. You know, I've got a friend back here that's been  
9 sick for a few years, and he hasn't been able to irrigate.  
10 And he's going to lose that. It's going to be gone. This  
11 five-year period that we only found out about, you know,  
12 four years and 11 months ago. It's gone, so.

13                   And me, I've got an investment. I've got --  
14 not just money. Excuse me. My boys, my family, have been  
15 riding in old trucks, living in a house that's unfinished,  
16 so I can push dollars out and make an investment work for  
17 their inheritance. That's not going to happen if this  
18 passes. And furthermore, they're not going to have an  
19 inheritance.

20                   This real estate fellow here from Willcox  
21 just said my property value's going to drop by 50 percent.  
22 So all that time and effort is wasted. I can make the  
23 money back. I can go somewhere else and work, but I can't  
24 get that time back with my family. So that's pretty much  
25 what I have to say. Thank you.

1           GERRY WALKER: Thank you, Mr. Zwickey.

2           Next speaker is Dan Barnes, please.

3           DAN BARNES: My name is Dan Barnes. And I  
4 live in San Simon, and I have a 351-acre farm.

5           And all I have to say is I oppose this INA.  
6 And I don't have much more to say about it, but I do oppose  
7 it. Thank you.

8           GERRY WALKER: All right. Thank you.

9           The next speaker is John Klump.

10          JOHN KLUMP: Hi, I'm John Klump. And I was  
11 born here fourth generation.

12          I made my speech on the history of the farms  
13 and the farmers in the Bowie and San Simon area. My speech  
14 is one and a half hours long. I'm going to shorten it  
15 today. Most --

16          GERRY WALKER: Thank you.

17          JOHN KLUMP: Okay. Most people here know the  
18 story well. If you were to ask some of the farmers in the  
19 Valley what they did that isn't quite right, their answer  
20 is that's just a good business. Today I'm not calling  
21 anyone any names or pointing fingers for time is short and  
22 much must be said today. But one thing's for certain,  
23 everybody agrees, it helps them grow and have a better  
24 life.

25          In our country business is based on money or

1 trade. We do not want to become -- we do not want to  
2 become a -- we don't want it to become a habit of stealing  
3 from our neighbors. In my opinion this is a case of  
4 outrageous farmer's conduct.

5 Everyone here knows if the INA or the ANA is  
6 not dismissed, it will not be over. Thank you very much.

7 GERRY WALKER: Thank you.

8 Okay. The next speaker is Riley Klump.

9 RILEY KLUMP: Hi, I'm Riley Klump. I would  
10 like to give my minutes to Mr. Nicholls. Thank you.

11 MARK NICHOLLS: My name is Mark Nicholls.  
12 I'm a hydrogeologist with a company called Haley & Aldridge  
13 (phonetic). We're here representing the Klump family,  
14 Samara Farms and Silverado Farms.

15 I'm a hydrogeologist. I can talk to you  
16 about groundwater and storage. I can talk to you about  
17 recharge rates. I can talk to you about how much water --  
18 how much longer the water that's in storage in the Valley  
19 will last at the current extraction rates. We've heard  
20 those numbers today. More than 2,000 years' worth of  
21 groundwater in storage.

22 I'm not qualified to talk about the apparent  
23 takings that this action might represent to some of the  
24 families in the basin here. What we see is a lot of  
25 families that have ground. Some of them may not have

1 irrigated that ground in the last four or five years  
2 because of whatever the reasons might be. They just  
3 haven't been active on that ground. Those are the folks  
4 that are going to be impacted by this action if the Agency  
5 chooses to take it. When we talk about the hydrologic  
6 impacts, certainly the hydrologic impacts that we see do  
7 not rise to the level that justify an INA based on examples  
8 that we see elsewhere in the state.

9           What we haven't heard today when we listen to  
10 people talk about impacts, we haven't heard people talk  
11 about the impacts that are typically associated with  
12 falling groundwater levels. We haven't heard about folks  
13 deepening wells. We haven't heard about folks with power  
14 costs going up because they're pumping from deeper water  
15 levels. We haven't heard about farms failing because of  
16 falling water levels. Those stories have been absent. We  
17 have more people to hear from today. If those stories are  
18 out there, I imagine the Department would like to hear  
19 those and take that data into consideration.

20           But typically what we're hearing is that the  
21 impacts are going to the family operations that have ground  
22 that they may have irrigated in the past, or that they may  
23 want to expand into that have fairly modest demands. And  
24 that the current rates of extraction, which is what the  
25 Department is limited to and analyzing, we have more than

1 2,000 years of groundwater in storage above 1200 feet  
2 depth, which is the general limit that's applied for water  
3 adequacy rules.

4 Based on these details, and based on what  
5 we're calling the impacts, we consider the statute. The  
6 statute says that you may -- or that the Director may  
7 designate an INA if -- sorry. The Director may designate  
8 an INA to assure that there's a reasonably safe supply of  
9 irrigation water.

10 What we haven't heard is that there's an  
11 unreasonable impact to that irrigation water supply. We  
12 have heard that there are unreasonable impacts to the  
13 families that would be impacted by this action if the  
14 Agency chooses to take it. And, again, the hydrologic data  
15 don't support establishment of an INA in the San Simon  
16 basin. Thank you.

17 GERRY WALKER: Thank you.

18 Okay. The next speaker card I have is Matt  
19 Klump.

20 MATT KLUMP: My name is Matt Klump. I  
21 represent Klump Ranches, LLC.

22 My family has been in this Valley for over  
23 100 years. And this whole deal makes me sick personally.  
24 I mean, it is personal to me, but the whole thing makes me  
25 sick. We have to be here today fighting with our friends

1 and our neighbors.

2 All the data you've seen is correct. There  
3 is no water shortage, or these guys wouldn't be here to  
4 start with. I've been in a lot of these meetings with  
5 these petitioners like you've heard, try to talk them out  
6 of it, but they've been bound and determined to do it.

7 And it's, I mean, it's unconstitutional in so  
8 many ways. I don't even know where to begin. It's  
9 discrimination. It's a violation of my civil rights. And  
10 it's a violation of the antitrust laws. Like I say, I hate  
11 doing this, but it's -- they opened the bag. We can't --  
12 you can't undo it.

13 Part of the antitrust laws, particularly the  
14 Sherman Act, says that any attempt to monopolize is in  
15 violation of that. And the penalty for that -- it's just  
16 the attempt. It's not actually doing it. It's just the  
17 attempt to do it, which is exactly what this is. The  
18 penalty for that for a corporation can be a \$100 million  
19 fine for a corporation, or a \$1 million fine for an  
20 individual, and up to ten years in prison. That's what  
21 they've forced me to do.

22 So we'll be getting ahold of the Justice  
23 Department, and it goes for the Willcox Valley the same  
24 way. So anybody signed these petitions attempting to take  
25 my rights, and that's all this is is property taking,

1 they're going to be subject to that. And I'm going to do  
2 everything in my power to make sure that happens.

3 Our family is generally a ranching family. I  
4 choose not to -- I don't have any farmland, but I have  
5 every God-given American right to farm. I choose not to  
6 farm. Tomorrow maybe I want to be a farmer, or my kids may  
7 want to farm. They should have that right.

8 In closing, if this Board feels that they  
9 have to do this, it's a property taking. And the State may  
10 have our -- may have the power to take my property, but  
11 they have to compensate us for it. Thank you.

12 GERRY WALKER: Thank you.

13 Okay. We're coming up on the 4:15 break, but  
14 we're going to have one final speaker before we recess.  
15 And the next speaker card I have is Wayne Klump.

16 WAYNE KLUMP: That's a tough act to follow.  
17 I'm Matt's dad. And pure and simple, I'm a simple guy.

18 And what it is, is I can't use the water  
19 under my land, so these guys can draw the water out from  
20 under it. I have the reservoir, I don't know, 20 or 30,000  
21 acres of private land that I'm using to run cattle now.  
22 We're not farming, so these other people can just draw the  
23 water out from under it.

24 The first thing I wanted to say was the  
25 petitioners do not have standing, and neither does DWR, nor

1 do they have jurisdiction. And if they persist in going  
2 through with this, it's going to be a taking. And let me  
3 give them a little idea of what we're talking about in  
4 money value.

5 The water is worth \$1,000 an acre-foot. And  
6 each acre, according to Arizona versus California, is  
7 entitled to five acre-feet. So that's \$5,000 an acre a  
8 year. So we would be forced to file a taking claim and all  
9 the parties that's responsible for this nonsense is liable  
10 to have to pay a lot of money. And it could be a class  
11 action lawsuit because there's a lot of people here that's  
12 opposed to it, most people are.

13 I'm No. 16, and I guess there were 16  
14 petitioners that signed it. So now we're even. So if  
15 we're keeping democracy, from now on everybody that's  
16 opposed to it, we will say that's one for our favor. Thank  
17 you.

18 GERRY WALKER: Thank you, Mr. Klump.

19 Okay. So we're going to take a 15-minute  
20 recess. We will return at 4:30. Please leave a restroom  
21 open for me. No, I'm kidding.

22 (A break was taken.)

23 GERRY WALKER: Okay. At this point in time  
24 we'll go back on the record following our recess. And the  
25 next speaker that I have is Timmothy Klump.

1                   TIMMOTHY KLUMP: Hello, my name is Timmothy  
2 Klump. I'm representing the community, and I'm a fifth  
3 generation rancher here in the Valley.

4                   We are witnessing a shut the backdoor policy.  
5 Big business is using greed as a motive to use a law to  
6 benefit -- for the benefit of their pocketbooks, a law  
7 intended to be used in high risk areas with obvious  
8 problems. It is my intent to testify, as a local to this  
9 area, that I have witnessed that those same companies that  
10 have signed the petition have been drilling new wells  
11 repeatedly for as long as I can remember for up to the last  
12 eight years, and have been opening more farm ground  
13 exponentially. I can further testify I have never seen a  
14 well deepened in this Valley.

15                   Hypocrisy is running rampant here in this  
16 valley. The petitioners' actions speak contrary to their  
17 petition. What they are trying to do is to create an  
18 oligopoly on the water supply here in this valley.

19                   All I can ask is that, please, Mr. Water  
20 Director, do the right thing and say no INA. Thank you.

21                   GERRY WALKER: Thank you.

22                   Okay. The next speaker is Michael Patnesky,  
23 sorry if I said that wrong.

24                   Once again, just a reminder to everyone,  
25 please state your name. And even if you're not

1 representing yourself just -- or representing anybody, just  
2 say I'm representing myself, please.

3 MICHAEL PATNESKY: Hi, I'm Michael Patnesky,  
4 and I would like to give my time to Mr. Nicholls.

5 MARK NICHOLLS: I introduced myself earlier,  
6 and listed the parties that I represent, including Mr.  
7 Patnesky.

8 Again, when we talked about the impacts that  
9 have been observed in this basin with regards to  
10 groundwater withdrawals, we know that there's basins nearby  
11 in Southern Arizona and other parts of the state that are  
12 very hard hit by withdrawal for municipal purposes and  
13 agricultural purposes. Those basins differ significantly,  
14 and geographically, and hydrographically from the San Simon  
15 Valley sub-basin.

16 We think about the adjacent Willcox basin.  
17 We know that there's some activity over there. There's a  
18 lot of folks interested in groundwater impacts. And there  
19 are measurable and significant groundwater impacts in that  
20 basin.

21 In this basin, you know, we have a  
22 groundwater divide between the basins. There's not any  
23 hydrographic data or any hydrologic data that indicate the  
24 basins are connected. And, in fact, the data indicate the  
25 basins are not connected. And so when we look at some of

1 the arguments that have been made that might attempt to  
2 conflate those two basins, just because we see impacts in  
3 one basin doesn't mean they extend to the other.

4 Furthermore, when we look at other INA's that  
5 have been designated in the state, Joseph City, Douglas,  
6 and Harquahala, each of those INA's prior to designation  
7 were preceded by decades of study. Impacts to agricultural  
8 operations there had been observed for years before they  
9 were actually designated as INA's. People were deepening  
10 wells, farm operations were failing, and agricultural  
11 pumping costs were increasing because of falling water  
12 levels.

13 We haven't seen that level of impact in the  
14 San Simon Valley sub-basin. If we had, we would have  
15 expected to see studies begin some time ago when people  
16 start to report those impacts. Rather, what we see are  
17 groundwater levels that have declined some. We see typical  
18 levels that are in the range of one foot per year for the  
19 past 20 or 30 years. And those rates of decline do not put  
20 the agricultural water supply at risk, which is really what  
21 the statute is designed to protect.

22 It's designed to protect a reasonably safe  
23 supply of irrigation water. Those statutes aren't designed  
24 to bring the basins into sustainable yield. That's  
25 something that we're familiar with in AMA's, other parts of

1 the state where we have a goal to flatten out the water  
2 demand in those basins.

3 The waters levels have fallen a little bit.  
4 They continue to decline slightly. But one foot per year  
5 does not rise to the level that justifies establishment of  
6 an INA. Thank you.

7 GERRY WALKER: Thank you.

8 Okay. The next speaker card I have is Robert  
9 Lynch.

10 ROBERT LYNCH: Good afternoon, I'm Bob Lynch.  
11 I'm an attorney in Phoenix, Arizona, and I'm here as  
12 Counsel to the Arizona Winegrowers Association. And thank  
13 you for having us, and your patience in listening to all of  
14 this.

15 I'd like to clear up a few things that might  
16 help all of us. The statutes, and I confess to having been  
17 in the smoke-filled room that wrote the 1980 Groundwater  
18 Act. We never thought the INA statute would ever be used.

19 Joe City, Douglas, they were critical  
20 groundwater areas. All the other critical groundwater  
21 areas were put in AMA's. Harquahala was a done deal  
22 because it was on its way to be a critical groundwater area  
23 when the CAP came in. And the Irrigation District was  
24 going to get a CAP contract. So we just switched to this  
25 new INA tool, and nobody thought about it.

1           And we all went away, and we fiddled with the  
2 statute a couple of times in the '80s. But other than  
3 that, nobody ever thought we'd be here. None of the water  
4 lawyers that I've spent the last half century with thought  
5 we would be here, and we are here.

6           And, you know, hindsight is 20/20. And if we  
7 had to do this over again, I'd have to tell you I would  
8 have wanted to do it a lot differently. Sy Ray talked  
9 about the fact that why weren't there meetings, why wasn't  
10 there something ahead of this, why wasn't there some other  
11 process. And the answer is because, unfortunately, that's  
12 the way the statute is written. A petition was filed, you  
13 verified it, now that's been called into question. That's  
14 another issue you have to deal with.

15           But once it was, then the next step is we're  
16 here. And you have an obligation under the statute to  
17 present factual data in your possession relative to the  
18 decision that has to be made. One of the other problems  
19 with that is you've done that today, and you'll have it on  
20 your website on Monday night. That will give us 72 hours  
21 before we have to comment on that.

22           Now there's a lot of new data in here. And  
23 believe me, I've spent most of the last two days on your  
24 website. That's not an adequate amount of time to respond  
25 to this data. There's other data that other people have

1 presented.

2 I want a copy of the transcript. I want to  
3 see what the other hydrologists have said, where their data  
4 is coming from. I'm not going to have the time to do that.  
5 Not adequately, not with my consulting hydrologist, even if  
6 I don't let him out of the room for 48 hours. There just  
7 isn't enough time, and there aren't enough answers.

8 Your website says that there's 6.7 to 45  
9 million acre-feet of water perched underground in this  
10 sub-basin. That's a bit of a stretch between one side and  
11 another. And 25 million has been kicked around here a lot  
12 today, down to 1200 feet. Why 1200 feet?

13 What is the assured water supply --  
14 inadequate water supply rules have to do with this? Why  
15 1200 feet? What's the justification? Is it because the  
16 Pinal AMA is 1200 feet, plan depletion, what's the genesis  
17 of the number? I'm not expecting you to answer these  
18 questions. I'm expecting those answers to be in the  
19 Director's decision.

20 What is a reasonably safe supply? Is it 1200  
21 feet? Statute doesn't say, legislative history doesn't  
22 say. It sounded good at the time in 1980. But now it's  
23 real, and you all are going to have to explain what the  
24 standards mean to everybody because this is not the only  
25 rodeo in town. And it will not be the only rodeo in town

1 on this subject. And we need to know the answers. We need  
2 to know the parameters. We need to know what the words  
3 mean, so that we can assess what's going on and have some  
4 impact on the lives of our clients and our friends.

5 I'm going to suggest that you've got an  
6 evidentiary problem. You have a bunch of well studies and  
7 measurements that you took February and March, and you have  
8 a preliminary report, but you haven't finished it. And if  
9 it takes the time you say on your website to finish it,  
10 then you'll have to make this decision before you do that.  
11 Sounds like a lawsuit to me because you won't have an  
12 adequate record, and you've already admitted on your  
13 website you haven't completed the study that you set out to  
14 do.

15 Now I don't know that that's -- I'm not going  
16 say that's your fault. It's not your fault. It's the  
17 timing of what happened when the petition was filed, what  
18 you were working on. But I think you might want to  
19 consider whether you have an adequate record right now in  
20 which to make a decision, or you need to finish that work  
21 first and have it in the record.

22 And when do we get to look at it? So I think  
23 you've got some, you know, procedural problems that you  
24 need to sort out yourself that makes it clear that those of  
25 us who care actually get a chance to look at the evidence

1 and weigh the evidence. And that doesn't mean 72 hours.  
2 It just doesn't work that way.

3 So I was hoping to -- I hate dragging things  
4 out. But if you look at your whole card, and you don't  
5 think you have an adequate record, doesn't make any  
6 difference what the decision will be. If the record is not  
7 adequate, you're toast. You'll get sued by somebody.  
8 There are enough lawyers in this room -- I mean, the  
9 lawyers who aren't in the room are all salivating over the  
10 opportunity to do this. I'm trying not to.

11 But I really think you need to look at the  
12 adequacy of your record, and look at your whole card and  
13 decide whether or not you need more information before you  
14 make any kind of decision on this. If so, the one tool  
15 that you have at your disposal under the statutes is to  
16 continue this hearing.

17 You may have to anyway. If there are enough  
18 people that will talk as long as I do, you'll be here till  
19 midnight. And you're saying you're leaving at 6:00, so you  
20 may have to continue the hearing anyway just to let  
21 everyone speak their piece. But you may need to continue  
22 the hearing in order to protect your own legal position.

23 Now I want to make one other quick comment  
24 about our member who is caught up in this, Eric Glomski,  
25 it's called East Plant (phonetic). It's the Colibri

1 Vineyard that Bob Johnson put up on the mountain. And they  
2 have a well that they put in last year. They pump less  
3 than an acre-foot for nine acres of grapes. The well was  
4 sized to add some acreage.

5 The depth to water -- static water level is  
6 25 feet. They're, what, 1,000, 1200 feet above the floor  
7 of the valley. The well is 300 feet deep. They're not  
8 part of the problem. The part of the problem is that you  
9 drew a line on the surface water drainage, not the  
10 groundwater basin.

11 And that's another legal issue you're going  
12 to have to face because you've sucked in a whole bunch of  
13 people into this proposal that had no business being there.  
14 And you've created, to use a legal term, a suspect class.  
15 You do not have a reasonable basis for that determination,  
16 which is going to kick you in a little something called  
17 strict scrutiny, and you don't want to go there.

18 So I suggest you take a hard look at the map,  
19 and maybe decide that when it says groundwater basin in the  
20 statute, that's what it means, not surface water drainage.

21 I have a couple little documents, some maps  
22 of Eric's place, the Callibri, where it is, and your own  
23 documents about his well, which I'd like to ask that you  
24 make part of the record.

25 GERRY WALKER: Could you provide them to

1 Sharon, please?

2 ROBERT LYNCH: In closing I'd just say this.  
3 It doesn't do us, any of them, any of us, any good to get  
4 this wrong. One of the things you've got to do is you've  
5 got to make sure that when you ask Tom Buschatzke to make a  
6 decision, he's got a record. Thank you.

7 GERRY WALKER: Thank you.

8 The next speaker card I have is Ryan Klump.

9 RYAN KLUMP: Hello, I'm Ryan Klump, and I  
10 give my time to Riley Klump.

11 RILEY KLUMP: Hi, I'm Riley Klump. I'm  
12 representing myself. I'm a fifth generation rancher here  
13 in this valley and in the Sulphur Springs Valley. I don't  
14 live there, but I go there a hell of a lot.

15 We've never witnessed any shortages on water  
16 on my ranch, on my family's ranches. We've always been  
17 able to keep up with the amount of cattle we run. We don't  
18 farm, but we ranch in the foothills and everywhere else.

19 And usually the water will go down to the  
20 valley like every -- the hydrologists would say. So our  
21 wells on our mountains are doing good. The spring water up  
22 in the mountains that come out of the ground still today on  
23 the Dos Cabezas are still watering our cattle, 30, 40, 50,  
24 100 head in certain pastures. So I just wanted to say  
25 that.

1           And then now I couldn't help but notice that  
2 I was coming up with my little younger brother here. And  
3 he's younger than me, and he told me, hey, hey, hey, I  
4 don't want to do the speech. I don't know what I'm going  
5 to say.

6           I said, all right. I'll take your place,  
7 because I'm supposed to be a little older, a little wiser,  
8 know a little bit more stuff. Although I don't know a  
9 whole lot of anything, but I'd like to think some day I  
10 could.

11           I want to learn and be a rancher, and maybe  
12 even farm, make a feed lot, raise a lot of cattle. Right  
13 now I'm limited to the desert of Arizona. It's good times  
14 and it's bad. But being a farmer, I can make large amount  
15 of feed for my cattle. And I'd really love to be able to  
16 do that some day.

17           And I'd like to think that I'm doing my life,  
18 you know, proper by doing what's right, doing what's wrong.  
19 I was raised right here, graduated just last year from  
20 Bowie High School.

21           But if you pass this INA stuff, you know,  
22 you're shutting down my dreams and my goals, and any  
23 offspring that I want to have, and that ain't right. So  
24 give me a chance to do something, and I know that I can do  
25 a hell of a lot better than the Government of any form

1 because I'm from here. I care about my home. I want to be  
2 here. I've been here a long time. My family has been here  
3 for over 100 years. So give me that chance, I'd really  
4 appreciate it.

5 Don't pass this INA thing. Because all these  
6 pistachio farmers, they don't live here. They drive from  
7 Willcox every day. They don't -- they'd piss on the people  
8 here if they had a chance. That's what I think.

9 So I see it. I go to school with everybody.  
10 We know what they talk about. They work in the fields, I  
11 work on the ranch. I know what happens.

12 So thank you. Have a good day.

13 GERRY WALKER: Thank you, Mr. Klump.

14 The next speaker card I have is Linda Perea.

15 DENNIS KRACHE: My name is Dennis Krache.

16 GERRY WALKER: Are you speaking for Mrs.  
17 Perea?

18 DENNIS KRACHE: What card do you have?

19 GERRY WALKER: I have Linda Perea next. If  
20 Linda Perea is here, can you raise your hand?

21 Okay. Seeing none, I'm going to move on to  
22 the next card. Okay. The next speaker is Jesse Davis.

23 JESSE DAVIS: Hi, my name is Jesse Davis.  
24 I'm the owner of the Sierra Bonita Ranch in the Willcox  
25 basin. We also farm and rent farm ground. I'm the current

1 President of the Cochise Graham Cattle Growers Association,  
2 and also on the State Board of Directors at the Arizona  
3 Cattle Growers Association.

4 After being here I'm pleasantly surprised by  
5 the participation. And I'm thankful to the Department for  
6 having this forum. I think it is abundantly clear at the  
7 devastation that this judgment might cause if it were to  
8 pass.

9 I personally have the same sentiments as  
10 these lifelong ranching families and farming families in  
11 this valley that have multi-generations attached to them.  
12 It would devastate future opportunity. And I hope that the  
13 Director, based on that pure fact alone, would vote against  
14 designating this area as an INA.

15 And for those who are unaware, although this  
16 is not the correct location for this comment, there is  
17 presently a petition being formed and signed in the Willcox  
18 basin by many of the same interested parties to have one  
19 here. As the President of the Cochise Graham Cattle  
20 Growers Association, the Board of Directors have developed  
21 an interim policy which will be publicized in our position  
22 to INA and AMA designations.

23 We are in favor, however, of the working  
24 group through that is formulated in the Willcox basin to  
25 come up with a third alternative that has no precedence,

1 and hopefully will come to a justifiable and equitable  
2 basis for all involved. And when I say all involved, that  
3 means all stakeholders, regardless of size, regardless of  
4 acre-feet used presently or formably in the future.

5 So I will relinquish the rest of my time to  
6 those fine folks that are directly affected to this in this  
7 valley. Thank you for your time.

8 GERRY WALKER: Thank you.

9 The next card I have is Clark -- I'm going to  
10 say your last name wrong, so I'll just let you say it.

11 CLARK VAUGHT: It's a German name, Vaught.  
12 Thank you for hearing me. I'm the general manager of Far  
13 West Well Drilling, and Far West Pump Company. We've  
14 worked in the general area here for 33 years.

15 And I'd just like to add a little bit of  
16 practical experience to what we have heard from some of the  
17 hydrologists. The water table here is very stable. There  
18 hasn't been any real decline -- excuse me -- in our well  
19 tests or pumping tests, or so forth. If any of the  
20 specific capacities had a drawdown change, it was due to  
21 technical things, ball fouling (phonetic), or just poor  
22 well construction, or plugged wells.

23 So, you know, from my experience, I'm against  
24 the -- this INA specifically because it doesn't really deal  
25 with -- there's no need for it. The water is there. The

1 levels are remaining constant. The production levels are  
2 very high.

3 So from our experience, from a drilling and  
4 pump contractor with lots of experience, we believe that  
5 the water table is more than adequate. Thank you.

6 GERRY WALKER: Thank you.

7 The next card I have is Geneal Chima. I  
8 probably messed that one up, too, so please correct me.

9 GENEAL CHIMA: It's Chima. So basically  
10 we're here, and we represent Mobile Life Properties and  
11 Silverado Farms, and farm here in the Bowie area.

12 And studies show that loss of water -- enough  
13 water at current rates for over 2,000 years. Water use in  
14 the San Simon has actually declined due to several things.  
15 One of them being efficient farming practices. Even if we  
16 double effective immediately, there would be plenty of  
17 water for over 1,000 years. That's based on your guys'  
18 report and the geological reports.

19 And I'll share my time with my wife.

20 GERRY WALKER: Could you just please state  
21 your name, as well?

22 LISA CHIMA: Yes. My name is Lisa Chima,  
23 and this is my husband, Geneal Chima.

24 This Petition isn't about water shortage.  
25 It's about a premeditated land take and has been

1 orchestrated by FICO & A&P so they can monopolize the San  
2 Simon area. This INA would hurt landowners and farmers in  
3 this area. But FICO and A&P, they don't care about their  
4 neighbors, or the local ranchers, or farmers. They only  
5 care about making money for themselves, and their domestic  
6 and foreign investors.

7           Geneal and I are new to this area. But as  
8 Mike Low stated earlier, we researched where we wanted to  
9 move to farm and retire. We decided that this area would  
10 be good for us, our children, and our grandchildren.

11           We are second and third-generation farmers.  
12 My grandfather farmed, my husband farms. Farmers and  
13 ranchers are the heart of this country. We support and  
14 lift each other up. We don't steal each other's  
15 properties. Thank you.

16           GERRY WALKER: Thank you, Mr. and Mrs. Chima.  
17 Okay. The next speaker is Don Gray.

18           DON GRAY: Thank you. I'm Don Gray. I'm a  
19 small-time landowner in San Simon. I've been down there  
20 since 2003.

21           I just want to -- it's kind of a rehash, but  
22 I wanted to kind of paint a broad picture. This is the way  
23 I see it. California outed the area for farming, people,  
24 corporations have come into the area. They bought large  
25 parcels of land. I want to call them tree barons. And

1 large parcels, and they planted pecan and pistachio trees.

2 They drilled the deep wells, pumping large  
3 amounts of water. They caused this supposed drawdown,  
4 which it appears at this point that there's really not --  
5 doesn't appear to be any kind of drawdown. And they're  
6 trying to take 100 percent of the water by having 25  
7 percent of the land. So 75 percent of the people are  
8 getting X'd out.

9 The last INA, as has been stated, was 1981,  
10 35 years ago. I can't really mentally justify how 25  
11 percent of the farms, the tree barons, can expect Arizona  
12 Department of Water Resources to give them 100 percent of  
13 the water. It's not right and not equitable to all the  
14 rest of us.

15 I know San Simon-Bowie people that have had  
16 farms in their families for 70, 80 years, many, many  
17 generations. Some of them back to when Arizona was formed  
18 in 1912. They would be out in the cold with their ability  
19 to irrigate. This is not right.

20 I feel this a ploy by the tree barons to  
21 increase the value of their holdings, to eliminate any  
22 future competition at the expense of the 75 percenters, and  
23 to hoard the water.

24 From what I understand, for Tom Buschatzke to  
25 approve this INA, he must have a State hydrology report

1 that says based on the current level of pumping, the  
2 aquifer water table is inadequate to maintain its level  
3 over a given period of time. It appears that that's going  
4 to be a difficult thing to come up with. And it's my  
5 understanding that if he doesn't have that, he cannot sign  
6 the INA.

7 But to get back to that adequacy, big  
8 concerns is the time period it's to be used, and it appears  
9 that time period is hundreds of years. And also, the data  
10 that's being used, do they have -- do you have sufficient  
11 data over an extended period of time based on the current  
12 pumping levels? I don't think so. I don't think enough  
13 information is yet available over time with current pumping  
14 to really make that decision.

15 What you have currently, it appears there's  
16 adequate water. I think based on that, he has to decline  
17 the petition. I'll give you one test example you can put  
18 in. I have a well, it's No. 55627872.

19 Can I continue? She said I could have a  
20 couple of minutes.

21 GERRY WALKER: If you could please finish up.

22 DON GRAY: Okay. I will. And that -- and in  
23 '98 there was a sounding that said that -- the sounding --  
24 I had a 66-foot water level. Yesterday I checked it, it  
25 was 58 and a half feet. So the last 17 years it's gone up

1 seven and a half feet.

2 Again, I'll cut it real short. I'll finish.  
3 I'm sorry if I've offended anyone or stepped on any toes,  
4 but this is a very emotional issue when somebody is  
5 attempting to take something away from you. But then I  
6 don't know really why I'm sorry because the tree barons  
7 sure didn't mind stepping on the toes of the 75 percenters.

8 That's it. That's the way I feel.

9 GERRY WALKER: Thank you.

10 The next speaker card I have is for Clyde  
11 Kramme, I'm sorry.

12 CLYDE KRAMME: My name is Clyde E. Kramme,  
13 and my wife's name is Colette O. Kramme. We purchased the  
14 property known as the Red Top Ranch, which is south of San  
15 Simon, approximately 18 miles. It is 3802 acres. It's all  
16 private ground and deeded ground, and it's all on one piece  
17 of property.

18 It is -- the neighbors is Jason Barnard --  
19 Jason Bernard, and Candace, and then Ricky Masse are my  
20 neighbors to the east. I purchased the property in April  
21 of 2014 when I had the right and the privilege and the  
22 opportunity to drill wells and to irrigate the land that I  
23 bought.

24 I sold my farm in Utah. I sold my nice  
25 60-acre farm in Utah to purchase this land here in Arizona.

1 I've served in the military 28 years. Since 9/11 I've been  
2 deployed three times, twice to Iraq, and once to a chemical  
3 depot in Utah.

4 I feel like me and my wife chose this land to  
5 retire in, and to be able to do what we want to do with our  
6 lives. And my goal since I was ten years old was to farm  
7 and ranch. And I've worked hard, and me and my wife have  
8 both worked hard. And we put all of our earnings, we're  
9 even selling our house to pay off this land and to have it  
10 owned by us. And we've worked our whole life earnings.

11 And on the 22nd of February I sat down and  
12 wrote a letter to ADWR requesting that they allow me to  
13 farm 120 acres of land. That's one pivot of land to  
14 irrigate alfalfa, oats, and barley. And then I wrote that  
15 under the substantial capital investment, and I paid  
16 \$630,000 for this land. And I've been able to come up with  
17 \$500,000 cash, and that's my whole life earnings. And all  
18 I wanted was to farm 120 acres of land.

19 And then they wrote me a letter back -- they  
20 didn't write a letter. They posted it on the web that  
21 substantial capital investment, the purchase of land does  
22 not qualify. That's my whole life savings, and the State  
23 tells me that 100 -- that my life savings of purchase of  
24 land doesn't qualify for a substantial capital investment.

25 So I oppose, I have no choice but to oppose

1 and I'm against the INA because it infringes on my rights  
2 and what I've worked for all my life. I've driven 800  
3 miles to be here today.

4 And for those that have applied for the  
5 petition, I understand why they don't want any more  
6 drilling. And I've seen the wars, but our real enemy is  
7 overseas. It's not between us. And if we want to fight  
8 against ourselves with the good resource that the Good Lord  
9 has given us under this ground, the Good Lord has blessed  
10 these mountains and this valley to have this water. And if  
11 we rely on him, he'll give us more, and he'll replenish the  
12 aquifers. And it only takes faith and prayers.

13 It doesn't take a lot of bureaucracy to get  
14 involved with what we have given to us as natural resource.  
15 I know we need to use it wisely. But I pray every day that  
16 the best decision is made here, and I will accept the  
17 choices of the Board. And I'm thankful to speak today and  
18 give thanks for all my blessings. And I'm thankful to own  
19 property in Arizona.

20 GERRY WALKER: Thank you, Mr. Kramme.

21 The next card I have is for A.L. Miller.  
22 Initial A, middle initial L, last name Miller. Raise a  
23 hand if that person is here.

24 All right. We'll move on to the next card.  
25 Next card is Kim Klump.

1           Okay. Move on. The next card I have is Dick  
2 Walden.

3           DICK WALDEN: Thank you, Madam Chair. My  
4 name is Dick Walden. I'm President of Farmers Investment  
5 Company, address 1525 East Sahuarita Road, Sahuarita,  
6 Arizona. FICO is one of the largest employers in  
7 Sahuarita, as well as in San Simon.

8           Thank you for the opportunity to talk about  
9 this proposed INA for the San Simon Valley sub -- basin.  
10 Some are calling this petition a newcomer's action. Well,  
11 I want to set the record straight. FICO came to Arizona in  
12 1949, over 66 years ago.

13           I acknowledge and respect that other members  
14 of the audience here are families who came to Arizona long  
15 before that. But for your information, my  
16 great-great-great Grandfather Walden rode his horse from  
17 New York to the Mexican Territory of California in 1842  
18 with the wagon train, nearly 175 years ago.

19           I am the third generation on both sides of my  
20 family to make a living from production agriculture. Both  
21 my children, Rich and Deb Walden -- Richard Walden and  
22 Debra Alder (phonetic) are involved in FICO, making them  
23 the fourth generation of Walden agriculturalists.

24           I'm really sorry about some of the comments  
25 made here today. I want to acknowledge the Ray family and

1 their boys who served in the military. I, too, happened to  
2 have served in Vietnam during that conflict. Ed Barnes was  
3 a fine man, and graciously we had a wonderful relationship,  
4 and sold us much of his land.

5 I think that there's an awful lot of things  
6 being said here today that are full of statements that  
7 don't -- aren't backed by facts. When the pumping declined  
8 in the '80s, if you remember, or if I remember, farming was  
9 in the tank beginning about 1980. Energy prices went  
10 through the roof, and I suspect that a good economist would  
11 verify that.

12 Also, the fact that people have been said --  
13 are saying that pumping is not going down. We've had to  
14 lower all of our wells significantly. We, as farmers,  
15 depend on sun, and soil, and water to produce crops. The  
16 sun and soil are renewable resources. Water is not a  
17 limited water resource.

18 I would ask that the Department take under  
19 advisement whether we need -- whether the facts will  
20 support within the framework of the law to designate this  
21 an INA or not. Why wait until it's too late. Thank you.

22 GERRY WALKER: Thank you, Mr. Walden.

23 The next speaker card I have is for Steve  
24 Denny.

25 STEVE DENNY: Thank you. My name is Steve

1 Denny. I'm just a concerned citizen.

2 I would ask that you take a look at the  
3 property tax ramifications. The land with no irrigation,  
4 as the man attested earlier, the realtor, is not going to  
5 be worth 13 rotten eggs, well, maybe a little more.

6 But obviously the ones that do have -- that  
7 are able to capture or get the INA passed and form a  
8 monopoly, their land will be worth a lot more. And so I'd  
9 like to know if the tax revenue will be spread  
10 proportionately? In other words, the people that have the  
11 real low value land, is it going to be valued accordingly,  
12 and is the real high value land going to be taxed  
13 accordingly.

14 So I think those are things that need to be  
15 considered, and I hope that it's looked at before you come  
16 to your decision. You know, it kind of goes back to the  
17 old Golden Rule. Those that have the gold, rule.

18 And as one of the men testified earlier, the  
19 people with the trees, one acre -- the taxation on one of  
20 their acres is less than the ranch acre. And so it's  
21 obvious that there's not parity here. And it's just  
22 another one of those deals that it's not right in this time  
23 and day. Pardon me, I'm getting a little nervous.

24 You know, the other thing is I think, you  
25 know, the democracy should be, or I thought it was, you

1 know, 51 percent rule. And it appears that that's not  
2 being followed through this transaction, also.

3 And I have one other comment and that is the  
4 definition of freedom. Freedom is the right to do anything  
5 you want to do, as long as it does not infringe upon the  
6 rights of others. Again, freedom is the right to do  
7 anything you want to do, as long as it does not infringe  
8 upon the rights of others. This petition infringes upon a  
9 lot of people's rights.

10 GERRY WALKER: Thank you, Mr. Denny.

11 The next speaker is Mark Cook.

12 MARK COOK: Madam Deputy, good afternoon. My  
13 name is Mark Cook, and I farm pistachios and pecans in the  
14 San Simon Valley. My family has farmed and ranched in the  
15 San Simon and Sulphur Springs Valley for over 125 years.

16 And I'm proud to say that I am one of the  
17 petitioners for an INA in our valley, and still proud to  
18 say that. I am disappointed to see that this forum was  
19 allowed to turn into something where people can put things  
20 on the big screen with no rebuttal to accusations made by  
21 certain parties bashing myself and my colleagues, but here  
22 we are.

23 The INA is not a subject that I take lightly.  
24 I struggled for quite some time with my decision to support  
25 an INA. On the surface an INA seems to contradict

1 principles that most of us stand for. Many of those  
2 principles have been raised here today. I understand how  
3 it might affect some people in this room, people who I  
4 consider to be good friends of mine.

5           However, there is a time and place for such  
6 regulations, and that time and place is now. Our valley,  
7 very simply, cannot sustain the unrestricted growth of  
8 irrigated acres, and that would affect everyone in this  
9 room. I'm obviously interjecting some opinion, and I'm not  
10 claiming to be a hydrologist, but I can read.

11           Mr. Corkhill put up some very good slides  
12 earlier that clearly showed from the records going back  
13 many years in the valley that those are an -- I believe  
14 those are a very good indication of what our future will be  
15 if left unregulated.

16           When irrigation was at its peak in our valley  
17 in the 1970's, tremendous declines in groundwater levels  
18 were recorded, particularly near Bowie. There's no doubt  
19 the water levels are dropping in our valley today. And to  
20 allow that decline to increase unregulated is simply not in  
21 the best interest of anyone.

22           Those of us who have been farming in the  
23 valley for some time understand this very well. And as  
24 neighbors we've exercised a certain level of restraint in  
25 our development plans, and have taken a proactive approach

1 to our future.

2 My partners and I have nearly 2500 acres that  
3 we have chosen not to develop. Not because it doesn't have  
4 water today, but because we have always had our eyes to the  
5 future. So if it's true that there's 2,000 years of water  
6 in this aquifer, I'm the first to say I'm happy to hear  
7 that, but the math simply doesn't add up.

8 I also want to point out that those acres  
9 would not be grandfathered if an INA is established. The  
10 fact is that circumstances have changed drastically in our  
11 valley very recently. The drought in California and high  
12 nut prices in particular have created an unprecedented  
13 demand for land and water. If we don't end unrestricted  
14 development now, I believe it will be too late.

15 The future supply of groundwater in our  
16 valley is the reason we are here today, and there's no room  
17 for emotions or politics. I respectfully request that you  
18 let the hydrology speak for itself as you consider whether  
19 or not to establish an INA. Thank you for your time.

20 GERRY WALKER: Thank you, Mr. Cook.

21 The next card I have is a John Heuler.

22 JOHN HEULER: Hello, my name is John Heuler.  
23 I represent myself, which HFT Pecan in Bowie, and I also  
24 represent A&P Ranch.

25 I'm a second generation, my father started

1 that in 1980. He's been farming almonds since 1968. We  
2 lost approximately 800 acres worth of almonds to a lack of  
3 water in California. We had to sell our company to a large  
4 corporate farmer, West Chester, and we bought an  
5 established orchard here, PCA in Bowie.

6 We found that this was ideal growing  
7 conditions for what we had. We had a number of local  
8 farmers tell us one thing, for every acre you plant, you  
9 have to set aside two. When I bought my pecan ranch two  
10 years ago, I have 55 acres of pecans. I have 250 acres of  
11 land I set aside for myself. Not to irrigate, not to farm,  
12 not to do anything else but because that's responsible.

13 I recognize that a number of other people in  
14 our industry in California are not as responsible. When  
15 water prices this year are \$2,000 an acre-foot in the  
16 central valley, and I'm not kidding it's \$2,000 an  
17 acre-foot, they'll come. And that's what I'm worried  
18 about. Thank you for your time.

19 GERRY WALKER: Thank you, Mr. Heuler.

20 Okay. The next card is G.B. Heuler; is that  
21 correct? That might be T. Heuler who left. They're saying  
22 that one's marked out.

23 Okay. The next card, Lesti Webster.

24 LESTI WEBSTER: I'm Lesti Webster, and I'm  
25 speaking on behalf of my husband, Todd Webster, my

1 children. They are fifth generation living in San Simon,  
2 all involved in agriculture, every generation. My  
3 great-grandfather came out because of the Artesian water.  
4 Water has been a wonderful thing in our valley. It's  
5 supported agriculture for many, many years.

6 We definitely oppose the monopolization of  
7 water, and this is a monopolization by big corporations.  
8 Only one on the list of petitioners that you have, the  
9 Board needs to recognize this, only one lives in our  
10 valley. All the rest are outside entities that farm this  
11 area, but only one lives here.

12 So I believe they have no concern except for  
13 money. They don't understand the personalities that are  
14 involved. They don't understand the people that are  
15 affected. We are on the list of non-petitioners. We have  
16 irrigated land, but we definitely oppose this.

17 It wouldn't affect us essentially because we  
18 have farmed our land for the last five years. But what if  
19 something happens and we are unable to. It would, I guess,  
20 not be worthwhile, you know, if we weren't able to farm it.  
21 I don't understand. Those are questions that aren't  
22 answered.

23 I would like to talk about our neighbors,  
24 though. They are definitely affected. We have a young  
25 family, just a teacher at our school just bought some land.

1 And they're horse owners, and they wanted to plant some  
2 pasture to help feed their horses. Pasture helps keep down  
3 the dust. It's a great thing, makes the land green, and  
4 they can't.

5 I also, right here to my left, have a  
6 neighbor named Mr. Dennis Krache. He's a World War II  
7 veteran. He's farmed, given his life to farming. He's an  
8 excellent farmer, grew for many years. The last five years  
9 he's been unable to farm, and he was hoping to sell his  
10 land so that he could retire and have a nice retirement.  
11 You guys have killed that, and I'm going to turn over  
12 normally Helton's time to Mr. Dennis Krache.

13 DENNIS KRACHE: Lesti put it all pretty well  
14 together.

15 LESTI WEBSTER: Take the mic out and sit  
16 down.

17 DENNIS KRACHE: Okay. Lesti put it pretty  
18 straight the way it was. I'm a veteran from the Second  
19 World War.

20 GERRY WALKER: If you would like to sit down,  
21 sir, you may. But could you please announce your name for  
22 the record?

23 DENNIS KRACHE: My name is Dennis Krache. I  
24 came here in 1978. I bought the land and I started farming  
25 in '79. And I farmed it for 30 years until my wife got

1 sick, and I had to take her for dialysis three days a week.  
2 And I haven't farmed it since, and you're going to make it  
3 worthless now.

4 I'm farming in shallow water. I hear all  
5 this talk about deep water, and I'm farming in shallow  
6 water. There's plenty of shallow water, nobody wants it.  
7 It won't grow pecans. It won't grow any kind of trees,  
8 except salt cedars and junk. But anyway, I stopped  
9 farming.

10 If you pull this thing off, I haven't farmed  
11 in the last five years. My land, pipelines that are under  
12 it, the water, everything is going to be obsolete. I'll  
13 have to give it away, or not pay the taxes on it. So  
14 that's what the situation is, and you're putting a lot of  
15 people in that situation.

16 GERRY WALKER: One moment.

17 DENNIS KRACHE: What happened to the  
18 grandfathered wells and that. My wells have been in for 30  
19 years, some of them 40.

20 GERRY WALKER: Thank you Mr. Krache.

21 Okay. The next speaker I have is Bala Malon  
22 (phonetic). Bala Malon? Could you give me a wave if  
23 you're here?

24 Okay. Other we're going to pass that card  
25 and go to the next. The next card I have is Helen Snyder.

1           HELEN SNYDER: Hi, can you hear me all right?  
2 My name is Helen Snyder. I'm a real newcomer. I came here  
3 in 1967 only. I'm a wildlife biologist, retired, and then  
4 I went into real estate.

5           And I found that I really enjoy this work.  
6 Mainly where I work is from about Township 16 South to  
7 about Apache. And from there, which is up against the  
8 Chiricahua Mountains, over to the state line. I have about  
9 30 listings at any one time.

10           Many of these are 40-acre parcels that are  
11 owned by people who bought this land 20, 30 years ago.  
12 They're now all getting ready to retire, the baby boomers,  
13 and they're looking to see what they're going to do next.  
14 Most of them are realizing that they don't want to move  
15 here after all because they've got family elsewhere in the  
16 world. So they're asking me to help list and sell the  
17 land.

18           And this land is really going to go down in  
19 value a lot if there is this INA in place. Because a lot  
20 of people have expressed an interest in putting in 40 acres  
21 of grapevines, or a small apple orchard. A lot of the land  
22 that I sell used to be the 3-Triangle Ranch. That has now  
23 changed its name after a lot of it got sold off. It's  
24 about 1,000 deeded acres. It's known as the Shiloh Ranch.  
25 They've got many, many nonexempt wells. But there's going

1 to be no chance for them to irrigate on any of those deeded  
2 acres.

3 I'm also concerned about something that the  
4 Attorney Lynch brought up about how this was drawn because  
5 the water that comes down these canyon bottoms where these  
6 static levels are 20, to 40, 50, 60 feet deep. That is not  
7 from our aquifer here. There is a big perched aquifer in  
8 the middle of the valley.

9 And I'm on your website probably two to three  
10 times a week looking up things for people, well depths. I  
11 go through the monitoring wells. I like to tell people  
12 that there really isn't that much of a change going on.

13 But the water, which is coming down the  
14 canyons, originated as snow. Usually I think the  
15 calculations are about 40 years ago. And there has been a  
16 study done, and I can't remember who did this. But I got a  
17 talk -- heard a talk at the research station using stable  
18 isotopes, the beginning and ending of atomic bomb testing  
19 and stuff. That's where the water that is flowing down  
20 these mountains today comes from. It's not the aquifer.

21 So I think that has -- I think Lynn made a  
22 very strong point about that, and that affects that  
23 vineyard White Tail Canyon. Please no to the INA.

24 GERRY WALKER: Thank you, Ms. Snyder.

25 Okay. The next speaker is Steve Wene.

1           STEVE WENE: Good afternoon, I'm Steve Wene.  
2 I'm an attorney with the law firm of Moyes Sellers &  
3 Hendricks. I'll just let you know for the record I usually  
4 don't get warmed up in three minutes. So this is going to  
5 be quick. And if I talk fast, I'm going to apologize to  
6 the court reporter ahead of time.

7           We represent Vistigi Farms (phonetic). And  
8 Vistigi Farms opposes the formation of an INA. Now one of  
9 the things that I found most interesting as I was listening  
10 here today was the comment that was made by Mr. Mark Cook,  
11 I believe, who said let the hydrology speak for itself.

12           And that struck me because the petitioners  
13 didn't file any hydrology. They didn't file any evidence  
14 to support their petition. So in other words, speak for  
15 itself, but you're silent. That makes no sense.

16           Okay. And in response to that I hear, well,  
17 the statute doesn't say that we have to file evidence or we  
18 have to present our case. That's the Department of  
19 Resources job to look at the hydrology.

20           It's almost -- well, yes, the Department does  
21 have to look at the hydrology, but you do carry a burden as  
22 a petitioner to show the Department that the reason we're  
23 petitioning is because we're having an issue here.

24           It's almost as if the petitioners are saying  
25 if it were a court case, they would say, well, yeah, we

1 have the right to file a lawsuit, okay, but the judge has  
2 to go do the work and find out if we're right or wrong.

3 That's not the way it works. The petitioners  
4 have to show the Department and show everybody else, here  
5 is why we need an INA. And they've completely failed to do  
6 it, and instead are just relying on the Department of Water  
7 Resources to say you should do this because we think there  
8 is a demand out there that's going to occur in the future.

9 So at this time what has the Department done?  
10 I think the Department has done an admirable job trying to  
11 respond to the public, get as much work out there as they  
12 could in such a short time. But the Department's own work  
13 is preliminary at this point.

14 So at this time and at this hearing, if  
15 you're somebody who is opposing the petitioner's request  
16 for an INA, we're here presenting our position, yet we  
17 don't have a final draft from the Department of Water  
18 Resources, and we have silence from the petitioners. What  
19 are we supposed to do?

20 We're arguing the negative. It doesn't make  
21 sense, and it puts us in an unreasonable position. And the  
22 fact of the matter is, as we stand here today, the record  
23 is that there is no evidence here to support, no final  
24 draft evidence. Because I'm not going to rely on a  
25 preliminary or a draft report for a Director's decision to

1 say, you know, we should form an INA, and essentially tell  
2 us all these people out here that they can no longer farm  
3 their property.

4 Last, but not least, I would like to make two  
5 legal points. One, June 22nd is not enough time to respond  
6 in this case. So I ask that we extend the comments period  
7 to June 5th. And second, I do not -- I would oppose any  
8 extension of time or any postponement of the hearing  
9 because as it stands, you have our clients no longer able  
10 to farm or invest in their property on their land that they  
11 were developing at the time. Thank you.

12 GERRY WALKER: Thank you, Mr. Wene.

13 Next I have Calvin Allred?

14 Okay. Seeing no one approaching, we'll move  
15 on to the next card. Dan Knight? Dan Knight?

16 Okay. Once again, seeing none, we'll move  
17 forward. Mr. Krache, that was you, correct?

18 DENNIS KRACHE: I want to say something about  
19 shallow water and deep water. I hope everybody knows the  
20 difference between shallow water and deep water. They've  
21 got plenty of deep water. Nobody wants the shallow water.  
22 It won't grow pecans. So I'm lifting water from 70 feet.  
23 I grow hay. I came here in '70s, and I've been 30 years  
24 growing hay and making a living when people were dropping  
25 by the wayside in the farming business. And you can grow

1 hay here on shallow water. If you're satisfied to take  
2 less cuttings on it and you're going to make a living. And  
3 that's all I've got to say. But take into consideration  
4 that I'm using shallow water. There's a lot of people  
5 using shallow water, and it doesn't go down one bit. It's  
6 probably the underground river where the San Simon River  
7 went in '27 when it went underwater -- or went underground.  
8 So I'd like a little consideration from the Council on  
9 shallow water.

10 GERRY WALKER: Okay. Thank you, Mr. Krache.

11 Okay. Next up, Eric Mears?

12 ERIC MEARS: Howdy, Eric Mears with Haley and  
13 Aldridge. I represent Silverado Farms and some of the  
14 Klumps. Thank you. Appreciate the opportunity to talk  
15 here. Glad you guys are here. I'd also like to recognize  
16 Sen. Griffin. She's a great friend of agriculture and  
17 mining in this state, so thank you very much for coming  
18 here.

19 So lots have been talked about. The big  
20 issue that I hear over and over is about fear. It's about  
21 fear of losing your property, your dreams, your money, your  
22 way of life. It's also from the petitioner's perspective,  
23 it's fear of what's going to happen in the future that too  
24 many people are going to come out here, too many ranches,  
25 too many acres under cultivation, and it's going to draw

1 the aquifer down to a point where they can't serve  
2 irrigation anymore.

3 Well, we all know when we do deal with the  
4 regulations that the INA determination is based on what's  
5 happening right now. It's not based on what happens in the  
6 future. And so you have to look at the fact that this  
7 basin is getting drawn down about 1.2 feet per year,  
8 perhaps in that range. And this is an 8,000-foot deep  
9 basin in places.

10 And so I'm afraid that if you all say that  
11 this area warrants an INA with 1.2 feet of drawdown per  
12 year in an 8,000-foot basin, I'm afraid that every other  
13 basin that's not adjudicated in Arizona is suddenly going  
14 to be warranting an INA. And I don't think that's where we  
15 want to go with this.

16 I think that you guys have to look, you have  
17 to finish your model, you have to look at this basin. It's  
18 interesting, Mr. Corkhill had a great presentation, but  
19 didn't talk about how much water is here. So does that  
20 tell me that you guys don't know how much water is in this  
21 basin?

22 But anyway, I think you ought to finish your  
23 studies, be thoughtful, think about what's happening right  
24 now. You know, I trust these farmers. They've been living  
25 out here for hundreds of years. They'll figure it out.

1 They'll figure out how to preserve their way of life out  
2 here. Thank you.

3 GERRY WALKER: Thank you.

4 The next card I have is Marvin and Lesli  
5 Huffaker.

6 LESLI HUFFAKER: Hello. Hi, I'm Lesli  
7 Huffaker. My husband and I, this is my husband, Marvin.  
8 And we live in San Simon, and we have 160 acres that we own  
9 and manage. Part of it we own, and part of it we manage.

10 And we came here back the very end of 1999,  
11 so basically 2000 on. So we've been here 15 years going on  
12 16 now. And we just have invested everything we have.  
13 This has become our life, came to make a home, and live  
14 here and retire, and all that kind of thing.

15 And we have a dream. We've been trying to do  
16 some farming on our land. We haven't had big money so we  
17 couldn't put it all in all at once. But over the years  
18 we've made continual progress. Now we have most of our  
19 stuff underground because we've got recently, within the  
20 last three or four years, we put in 3,000 feet of  
21 irrigation pipe. So you don't see it in the pictures, but  
22 it's all under there.

23 And we've been growing vegetables and garden  
24 beds. So they're covered, so you may not see them. But if  
25 you lift up those lids, you'll see the vegetables growing.

1           Now we've just been doing kind of  
2 experimental things there, trying to see how do you grow  
3 the vegetables in the San Simon desert. And it's a  
4 challenge, but we're finding garden beds are a good answer.  
5 And we would like to continue doing this and providing  
6 fresh vegetables for San Simon and Willcox area.

7           We've donated 400 to 700 pounds of veggies  
8 just out of our three existing beds the last few years to  
9 the Willcox Food Pantry. And the people there in Bowie  
10 would like us to bring some produce for handing out at  
11 their community center.

12           And so we're here to help. We want to be a  
13 contributor to our community. And we certainly don't want  
14 to take away people's land or water rights. Thank you.

15           GERRY WALKER: Thank you.

16           MARVIN HUFFAKER: And on the 160 acres  
17 there's quite a few people in this room who have swam in  
18 the little pool that is there and been there for many, many  
19 years. One of the best wells in this valley.

20           And now I'm being told all of a sudden my  
21 well doesn't have any priority, doesn't have any rights  
22 because somebody else has decided they want it. And that  
23 disturbs me. I don't know all the ramifications of  
24 everything that's going on here.

25           I just know that I bought that property with

1 five wells on it in the hopes that some day I could do  
2 something with it. I haven't had the money to do it. One  
3 of these days I'm going to retire, and maybe I'll have a  
4 little bit of extra time and money. But I'm being told now  
5 that my land is probably going to be worthless. And I am  
6 not happy with all that.

7 I haven't heard anything that's gone on here  
8 because I've been outside with him. And so I'm just saying  
9 that so that -- I hope I'm not repeating everybody else's  
10 roles. Thank you.

11 GERRY WALKER: Thank you.

12 LESLI HUFFAKER: Are we still on our three  
13 minutes? Sorry, are we up? I just wanted to mention that  
14 our place has been a vegetable farm for many, many years.  
15 Way before we ever came here, so it has a history of  
16 vegetable farm there. So it's not like it's a brand-new  
17 thing. Thank you.

18 GERRY WALKER: Thank you.

19 Next I have Marcos Juarez? Marcos Juarez?  
20 Okay. I'll move to the next. Just one  
21 moment.

22 I'm sorry about that. The last card I have  
23 is Paul Jordan.

24 PAUL JORDAN: Yes, ma'am. My name is Paul  
25 Jordan. I have no vested interest in this particular

1 aquifer, but I am worried about the domino effect since  
2 this will set some precedence.

3 I see fifth-generation farmers, ranchers,  
4 families taking one side or the other side of the fence  
5 here today. I also see a lot of vested interest in trying  
6 to preserve their lifestyle, their way of life.

7 I would -- I haven't also heard enough  
8 argument on hydrology to suggest there truly is a problem  
9 as it was first depicted in the reports. But I would like  
10 to ask the Commission to perhaps act as advocates. If  
11 indeed you feel that INA is warranted, I see enough  
12 potential in this one room with people who are also here to  
13 be able to put their heads together and form a district  
14 that would take in all shareholders, not just irrigation,  
15 but all shareholders to make it fair and impartial to  
16 everybody. And you could act as a sounding board to help  
17 guide and put together that district.

18 I think everybody here is willing to work  
19 together to come up with a plan that suits everybody, not  
20 just one concern and be thoroughly exempt of industry,  
21 thoroughly exempt of commercial, thoroughly exempt of the  
22 utility where they can draw out unregulated amounts, but  
23 put a cap on agriculture by itself, that's hardly fair.

24 But collectively, if you're willing to think  
25 outside the box and act as a referee, and help a group of

1 knowledgeable people put together, construct the district  
2 that works both for you and for them, I think that would be  
3 helpful. And if you're setting precedent, I think that  
4 would help the domino effect for the other aquifers that  
5 this meeting here is going to eventually impact. Thank  
6 you.

7                   GERRY WALKER: I did just want to make a  
8 statement in light of some of the comments and requests  
9 that were made in the process of this hearing, we would  
10 like to take a five-minute recess to confer -- okay, a  
11 ten-minute recess to confer, and then come back and make  
12 some closing statements.

13                   So let's go until 5:50, and then we'll  
14 reconvene.

15                   (A break was taken.)

16                   GERRY WALKER: Thank you very much. You are  
17 a speedy group in getting to your seats. That's awesome.

18                   Before I go into some of the final comments,  
19 I did just want to thank everyone for coming today, and all  
20 the participation. There was lots of good information that  
21 came out of this meeting.

22                   So the first closing statement that I wanted  
23 to make was that there were a couple of requests during the  
24 discussion for an extension of time to submit written  
25 comments, largely in light of the presentation of the

1 hydrologic evidence done by Frank. And to that end we  
2 wanted to state that the record for this hearing will  
3 remain open for the submittal of written comments until  
4 June 5th, 2015. Comments submitted by e-mail or fax must  
5 be received by 5:00 p.m. on June 5th, 2015. Comments sent  
6 by mail must be postmarked no later than June 5th, 2015.

7 All comments should be addressed to Sharon  
8 Scantlebury, Docket Supervisor, Arizona Department of Water  
9 Resources. Once again, the mailing address is 3550 North  
10 Central Avenue, Phoenix, Arizona, 85012. Sharon's fax  
11 number is 602-771-8686, and the e-mail address is  
12 sscantlebury@azwater.gov. And once again, her business  
13 cards are available on the table if you would like to take  
14 them.

15 There were also some commenters who raised  
16 challenges to the validity of the petition. We did want to  
17 inform you that this hearing process is the venue for  
18 submitting any information associated with that. We ask  
19 that you provide the Department with any evidence  
20 associated with the validity of the petition, once again,  
21 by that closing date of June 5th, 2015.

22 To the extent that additional requests for  
23 extension or continuance of this hearing were made, the  
24 Department will take those requests into consideration. In  
25 the event that the Department determines that a continuance

1 is necessary, notification will be provided to you. To  
2 that end, please ensure that Sharon Scantlebury has your  
3 name and address. You should have given that when you  
4 signed in so that proper notification can be made.

5 The last two statements I have are that all  
6 of the presentations that were made in this hearing will be  
7 posted to ADWR's web page at [www.azwater.gov](http://www.azwater.gov) within 24  
8 hours. So that's not just the ADWR presentations, but  
9 that's all presentations that were made today.

10 Additionally, the presentation that was done  
11 by Frank Corkhill we have available in hard copy. Sharon  
12 has that. We only have 100 copies. So if you're with a  
13 group of people, and you don't need to take multiples,  
14 please go ahead and share. But we do have 100 copies of  
15 that available.

16 So once again, thank you for your attendance.  
17 The director will take all of the comments and the  
18 information that we have obtained here today into  
19 consideration. And as of now the hearing is adjourned.  
20 Thank you.

21  
22 \* \* \* \*  
23  
24  
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## C E R T I F I C A T E

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2  
3 STATE OF ARIZONA)  
4 COUNTY OF PIMA ) SS:  
5

6 BE IT KNOWN I took the foregoing proceedings; that I  
7 was then and there a Certified Reporter in the State of  
8 Arizona; and the proceedings were reduced to writing under  
9 my direction.

10 I DO FURTHER CERTIFY that I am not a relative or  
11 attorney of either party or otherwise interested in the  
12 events of this action.

13 Signed and dated this 4th day of June, 2015.  
14  
15  
16

17 \_\_\_\_\_  
18 OLIVIA ARMENTA, RPR  
19 CR No. 50411  
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