

ARIZONA DEPARTMENT OF WATER RESOURCES
TRANSCRIPT OF PUBLIC MEETING
RE: ARIZONA COLORADO RIVER ENTITLEMENTS

City of Bullhead City, City Council Chambers
1255 Marina Boulevard
Bullhead City, Arizona

November 13, 2017
11:00 a.m.

(Certified Copy)

Perfecta Reporting
(602) 421-3602

Bullhead City, Arizona
November 13, 2017
11:00 a.m.

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P R O C E E D I N G S

MR. CHANDLER: Good morning. For the record, today is Monday, November 13, 2017, and the time is 11:00 a.m. We are at the Bullhead City Council Chambers in Bullhead City, Arizona.

My name is Clint Chandler. I am the Assistant Director of Water Planning and Permitting at the Arizona Department of Water Resources, and I will facilitate today's meeting.

With me are Kelly Brown, Deputy Counsel, there in the back; Vineetha Kartha, the Colorado River Section Manager at ADWR to my left; and Amy Levy, Water Resources Specialist, also there in the back, the keeper of the speaker cards. Kelly and Vineetha have been involved in the review of the proposed lease and transfer of the Town of Quartzsite's Fourth Priority Colorado River Entitlement to the Central Arizona Water Conservation District. Amy will be acting as the Docket Supervisor for today in place of Sharon Scantlebury.

We have a court reporter here today to record the comments. As such, it is important for speakers to please speak up and speak slowly so the court reporter can accurately record your comments. If anyone has difficulty

1 hearing me or a speaker, please let me know.

2 If you haven't already done so, please sign the
3 sign-in sheet on the table near the entrance. There are also
4 speaker cards available on the table. If you desire to speak
5 today, please fill out a speaker card, if you haven't done so
6 already, and submit the card to Amy Levy.

7 The purpose of today's meeting is to provide members
8 of the public with the opportunity to make oral or written
9 comments on the pending application for the proposed lease
10 and transfer of the Town of Quartzsite's Four Priority
11 Colorado River Entitlement to the Central Arizona Water
12 Conservation District. The application is available on the
13 Department's website at azwater.gov.

14 Please be aware that the Department will not respond
15 to questions or comments at today's meeting. If anyone were
16 to have questions or comments on issues or programs that are
17 outside the scope of today's hearing, you can contact me or
18 one of our staff members after the meeting.

19 Today's meeting will be conducted in a formal
20 manner. As I mentioned previously, a court reporter is
21 recording all statements. A copy of the transcript will be
22 available for review at the Department's office and will also
23 be posted on the Department's website when it's available.

24 At the conclusion of the meeting, I will accept any
25 written comments or documentary evidence that anyone may wish

1 to submit to the Department regarding the pending
2 application. The Department will also accept written
3 comments until 5:00 p.m., November 20, 2017. The written
4 comments should be submitted to the Department's Docket
5 Supervisor, Sharon Scantlebury, by e-mail at
6 SScantlebury@azwater.gov, and we can give you that email
7 address after, or fax at (602) 771-8686.

8 A copy of the public notice with Sharon's contact
9 information is posted on the Department's website. Sharon's
10 business cards with her contact information are available at
11 the sign-in desk if you would like one.

12 Within 60 days from November 20, 2017, the Director
13 of ADWR will issue a recommendation regarding the proposed
14 transfer and lease to the United States Secretary of the
15 Interior unless additional time were needed to resolve claims
16 of negative impacts to third parties.

17 Some individuals and entities may claim they will be
18 negatively impacted if the proposed lease and transfer were
19 approved. If potential negative impacts are claimed, then
20 the party will notify the Town of Quartzsite and the Central
21 Arizona Water Conservation District about the claimed
22 impacts. Upon notification of the claims, the Department
23 will provide up to 90 days for all parties to attempt to
24 resolve or mitigate the claimed impacts and to provide
25 information to the Secretary. If agreed by all parties, an

1 extension may be granted if more time is needed to resolve
2 outstanding issues.

3 As a result of negotiations, if the proposed
4 agreement changes the distribution of water, the Department
5 will review the revised transfer action and make a
6 recommendation to the Secretary. If the parties cannot agree
7 to resolve or mitigate the claimed impacts, the Department
8 will make its recommendation independently from the parties
9 at the end of the negotiation period.

10 I will now turn the meeting over to Vineetha Kartha,
11 who will describe the proposed transfer and lease in greater
12 detail.

13 MS. KARTHA: Good morning everyone. I hope you can
14 hear me okay. Great.

15 My name is Vineetha Kartha, and I'm with the
16 Colorado River Management Section at the Arizona Department
17 of Water Resources. My presentation today is going to be
18 roughly divided into three parts. I will start with a broad
19 overview of the Department's authorities followed by key
20 points from the Substantive Policy Statement, the policy that
21 guides the transfer of mainstream Colorado River
22 entitlements. I will finish with key points from the
23 proposed lease and transfer of Quartzsite's Fourth Priority
24 Colorado River Entitlement to the Central Arizona Water
25 Conservation District.

1 As I mentioned, I will start with an overview of the
2 Department's authorities. First, State Statute 45-105, the
3 Director of the Department is not only responsible for the
4 management, but also for formulating plans for the
5 development, conservation, and use of not only surface water,
6 but also groundwater throughout the State. Pursuant to
7 Arizona Revised Statute 45-107, the Director is to serve as
8 the State's representative in matters relating to the
9 Colorado River water. Overall, the Department is the entity
10 in charge of Arizona's 2.8 million acre feet of Colorado
11 River apportionment.

12 Consistent with those responsibilities that I just
13 mentioned, Arizona Revised Statute 45-107 requires that
14 parties that contemplate the transfer of their Colorado River
15 entitlements must consult and obtain the advice of the
16 Director of the Department. Therefore, and due to the
17 importance of the Colorado River water to the welfare and
18 economy of the State and because main stem water source is
19 likely, in most cases, only source of water for most of the
20 communities, especially for urban industrial and agricultural
21 uses, the Substantive Policy Statement CR8 was formed.

22 The policy statement establishes policies and
23 procedures for transfers of main stream Colorado River
24 entitlement. The policy statement also lays out criteria and
25 analysis that the Department utilizes to evaluate proposed

1 transfers including conveyances, leases, or assignments of
2 main stream Colorado River water. The Substantive Policy
3 Statement also lays out a public notice process. The public
4 notice process includes advertisements in a newspaper of
5 general circulation within the State for two consecutive
6 weeks. In this particular case of Quartzsite to Central
7 Arizona Water conservation district, advertisements were
8 placed in the Arizona Republic on October 12, and October 19.

9 The Substantive Policy Statement also requires
10 notices be sent out to the county planning and zoning
11 department within the county of origin. In this case,
12 notices were sent out, not only to La Paz County, but also
13 Yuma and Mohave County planning and zoning departments.

14 The contractor that is transferring the entitlement
15 is also required to provide notice to all the water users
16 within the contract service area. The department also
17 maintains a list of interested parties, and notices are also
18 sent to all interested parties on that list.

19 If you notice, public meetings are not required as
20 part of the Substantive Policy Statement, but in this case,
21 the Director of the Department wanted to ensure an open and
22 accessible process where the public could provide comments,
23 which is why we held three public meetings, this being the
24 last one.

25 The comments that we receive from the public notice

1 process are taken into consideration during the review of the
2 transfer. In addition, we also consider potential negative
3 impacts to other -- potential negative impacts to the water
4 quantity of other Colorado River entitlement holders and
5 water quality impacts to other entitlement holders, as well
6 as, water quality impacts relating to return flows and other
7 pertinent factors.

8 The director will issue a recommendation within
9 60 days from the end of the comment period, if no claims of
10 negative impacts are heard. If claims of negative impacts
11 are heard, the Department will provide up to 90 days so the
12 parties can resolve or mitigate these impacts. An extension
13 may be requested. If there is no resolution within those
14 90 days, the Department will make its recommendation
15 independently of all the parties.

16 I will now go over a snapshot of the transferring
17 entity and the receiving entity of the proposed lease and
18 transfer. The transferring entity in this case is the Town
19 of Quartzsite. The Town of Quartzsite holds a Section 5
20 contract with the Bureau of Reclamation for 1,070 acre feet
21 per year of Fourth Priority Colorado River Entitlement. The
22 contract is for permanent service.

23 However, this contract is subject to termination if
24 no water is put to beneficial use within the contract service
25 area of the town of Quartzsite before January 28, 2029.

1 Historically, the Town of Quartzsite has never used its
2 Colorado River entitlement. The current annual water demand
3 for the Town of Quartzsite is 600 acre feet per year. The
4 projected water demand is expected to grow to 660 acre feet
5 by the year 2030.

6 The current water source for the Town of Quartzsite
7 is groundwater, and it is withdrawn from the Kofa Avenue
8 Production Facility and the Quail Trail Production Facility.
9 Now, I will go over the receiving entity, the Central Arizona
10 Water Conservation District. The proposed lease and transfer
11 is to partially fulfill the Central Arizona Water
12 Conservation District's groundwater replenishment authority
13 and obligations otherwise known as the Central Arizona
14 Groundwater Replenishment District.

15 The Central Arizona Groundwater Replenishment
16 District, or the CAGRD's current annualized long-term supply
17 is 38,166 acre feet. Its current annual replenishment
18 obligation is 30,000 acre feet. CAGRD's annual replenishment
19 obligation is projected to grow to 86,900 by the year 2034.
20 The CAGRD's current and foreseeable future water sources
21 include Central Arizona Project subcontract entitlements
22 amounting to 8,311 acre feet, 18,815 acre feet of non-Indian
23 agricultural priority water, 2,500 acre feet of water through
24 the lease of White Mountain Apache non-Indian agricultural
25 priority water, 6,770 acre feet of long-term storage credits,

1 and 2,400 acre feet of effluent.

2 If you will excuse me. Mackenzie, I think the
3 battery is running low for the laptop. Sorry about that.

4 This slide provides some key terms of the lease.
5 The lease term will commence on January 1st of the year
6 following the final effective date of the lease.

7 Sorry about that. I will start once again.

8 The lease term will commence on January 1 of the
9 year following the final effective date of the lease. The
10 term of the lease is initially 25 years. However, unless
11 either Quartzsite or Central Arizona Water Conservation
12 District elect not to renew the lease for the additional
13 term. Before entering into any agreement for the lease,
14 sale, or transfer or conveyance of its Colorado River
15 entitlement in whole or in part with a third party, the Town
16 of Quartzsite must offer the same portion of its entitlement
17 to Central Arizona Water Conservation District on the same
18 terms and conditions.

19 This is my last slide. I would like to remind
20 everyone that all of the information that I just presented,
21 including transcripts of the meeting today and the previous
22 two meetings, will be on our website when it's available.
23 The presentation will be posted before close of business
24 today. The website also has other information such as the
25 application itself and the Substantive Policy Statement.

1 Thank you. And, at this time, I will turn it over
2 to Clint Chandler.

3 MR. CHANDLER: Thank you, Vineetha. It appears we
4 have speaker cards. Thank you, Amy.

5 As I previously mentioned, the purpose of today's
6 meeting is to provide the public with the opportunity to make
7 oral or written comments on the pending application for the
8 proposed lease and transfer of the Town of Quartzsite's
9 Fourth Priority Colorado River Entitlement to the CAWCD.
10 We therefore want to ensure that every person who desires to
11 speak has an opportunity to be heard, so I will ask that only
12 one person speak at a time.

13 All speakers should use the microphone and provide
14 his or her name and affiliation. All comments should be
15 addressed to the Arizona Department of Water Resources,
16 should be relevant to the application, and should be
17 respectful to the process. Each speaker will be allowed no
18 more than three minutes so everyone has the opportunity to
19 speak. Time allotted for public comments could be used most
20 efficiently by selecting a single representative to speak on
21 behalf of a group or organization.

22 Please be respectful and allow the speaker to
23 proceed without interruptions. This will allow all of us to
24 hear and listen to each others' comments and for the court
25 reporter to accurately capture today's dialog.

1 I will now begin calling the names of the
2 individuals who submitted speaker cards. If you wish to
3 speak and have not yet filled out a speaker card, please
4 complete one of the cards on the table near the entrance and
5 provide the card to Amy. When I call your name, please come
6 up to the podium, state your name, identify any person or
7 entity you represent and then provide your comments.

8 Our first speaker, first comment, will come from
9 Wade Noble.

10 WADE NOBLE: Mr. Chandler, thank you for the
11 opportunity to say a few things at this particular
12 proceeding. My name is Wade Noble. I represent, as general
13 counsel, Wellton-Mohawk Irrigation & Drainage District. I am
14 also the coordinator for the Yuma County Agriculture Water
15 Coalition. The Coalition is made up of a number of municipal
16 corporations organized into irrigation districts and one
17 county water users' association.

18 We are not here today to express opposition to this
19 particular proposal, but certainly concerned. This
20 represents a transfer of entitlement on the river, and that
21 concerns us greatly. We recognize that the axiom of water
22 law in Arizona is that water flows uphill to money. In this
23 particular case, we are not certain those who were intended
24 to benefit from this water entitlement will be receiving the
25 benefit of the money particularly because it was meant to

1 have a long-term impact on the Quartzsite area.

2 We also recognize that there may be negative impacts
3 from taking this water and transferring it from an excess
4 water situation into a priority situation, which would take
5 it out of the excess water pool and therefore deprive those
6 other fourth priority, fifth priority, and sixth priority
7 users of that 1,070 feet. Thank you.

8 MR. CHANDLER: Thank you, Mr. Noble.

9 Our next speaker is Mayor Mark Nexsen.

10 MARK NEXSEN: Good afternoon. Thank you for coming
11 to Mohave County to conduct a public meeting on this matter
12 of grave importance to our citizens and for considering our
13 comments. My name is Mark Nexsen. I am the Mayor of
14 Lake Havasu City. I'm speaking today on behalf of
15 Lake Havasu City citizens who oppose the proposed lease and
16 transfer of Quartzsite's water to Central Arizona. I want to
17 make our policy position perfectly clear. Our opposition is
18 not about Quartzsite or Central Arizona Water Conservation
19 District. We oppose the proposed lease and transfers of
20 fourth priority water off the main stem of the Colorado
21 River. It does not matter who the parties to the transaction
22 are. We generally oppose any transfer of Colorado River from
23 Mohave County to Central Arizona.

24 This water that CAWCD seeks your approval to
25 transfer is the economic life blood of the rural Mohave

1 County. It is our very future, and CAWCD seeks your approval
2 to transfer it to urban Central Arizona at the expense of
3 rural Arizona. Can you imagine the outcry in Central Arizona
4 if we were to try to transfer their water to our area?

5 ADWR has recognized for some time that transfers
6 away from the Colorado River is not in the best interest of
7 the communities along the Colorado River. The Policy
8 Statement made as far as back as 2004 by ADWR Policy
9 Statement says, "Main stream water is in most cases the only
10 dependable supply of water for urban industrial and
11 agricultural users located within the county surface or the
12 flood plain of the Colorado River. Our citizens demand that
13 we protect their interests, and we will oppose this action by
14 all means. This lost economic opportunity can never be
15 recovered.

16 I'm going to list very briefly some reasons why you
17 should oppose this transfer, but some of them I will not
18 repeat, because I know they are coming up in future comments.
19 Let me list a couple of them: Number 1, the lease between
20 Quartzsite and CAWCD is designed such that, in all
21 likelihood, Quartzsite will never use its entitlement within
22 its serviced area. This is in direct contradiction to
23 Quartzsite's contract with the BOR. ADWR's Colorado River
24 transfer policy specifically states that the Department will
25 not recommend a conveyance or lease of any entitlement to

1 unused or surplus Colorado River water apportionment.
2 Quartzsite has never used its Colorado River entitlement, so
3 based on this expressed policy, ADWR should deny the
4 application.

5 MR. CHANDLER: Mayor, you have about 10 more
6 seconds.

7 MARK NEXSEN: Okay. So, one last thing, we would
8 also ask that you consider extending the comment period to
9 allow more time to digest the information. I'm giving you my
10 comments, and you have our resolution from the City, as well,
11 so thank you very much.

12 MR. CHANDLER: Thank you, Mayor Nexsen.
13 Our next speaker is Mark Clark, Vice Mayor of
14 Bullhead City.

15 MARK CLARK: My name is Mark Clark. I am
16 representing Bullhead City. I'm the Vice Mayor of
17 Bullhead City. I am also representing Mohave County Water
18 Authority as its Vice Chair, so my comments will be covering
19 both entities.

20 Thank you for coming here this evening -- or this
21 afternoon to Mohave County and specifically to Bullhead City
22 for this meeting of great import to us and all members along
23 the Colorado River. I am the Chairman of the Mohave County
24 Water Authority and Vice Mayor of Bullhead City.

25 I want to make our policy position perfectly clear.

1 We oppose the lease and transfer of fourth party water off
2 the main stem of the Colorado River to the Central Arizona
3 Water Conservation District and generally oppose any transfer
4 of Colorado River water from Mohave County, La Paz County,
5 and Yuma County to Central Arizona.

6 This water that CAWCD seeks your approval to
7 transfer is the economic life blood of rural communities. It
8 is our future, and CAWCD seeks your approval to wheel it to
9 three far wealthier counties for their own benefit. Our
10 citizens demand that we protect their interest, and we will
11 oppose this action by all means. This lost economic
12 opportunity can never be recovered.

13 Here are some of the reasons for this opposition:
14 One is Arizona specifically reserved 164,652 acre feet of
15 fourth party water for on-river entitlements. This water
16 CAWCD seeks to transfer is reserved to Central -- to Arizona
17 Colorado River Communities. This water is needed to serve
18 the needs of Arizona's river communities from Utah to Mexico.

19 A partial list of some of the communities that will
20 be affected by this water transfer are Bullhead City, Lake
21 Havasu City, Mohave Valley Irrigation & Drainage District,
22 Yuma, Parker, Ehrenberg, the Parker Strip, Cibola, Springs
23 Del Sol, Golden Shores, Crystal Beach, Desert Hills, Mohave
24 Water Conservation District, and other small communities
25 along the river. So this water not only affects the Town of

1 Quartzsite, but every one of us along the Colorado River.

2 This amount of water that has been reserved is only
3 2.4 percent of Arizona's annual water budget and 5.8 percent
4 of Arizona's Colorado River water entitlement, a very small
5 amount that CAWCD is going after. The reservation of 164,652
6 acre feet for the river communities is recognized in the
7 master agreement contract between the Department of Interior
8 and CAWCD and its amendments.

9 I'd like to read a brief excerpt from a 1988 letter
10 from the Commissioner of the Department of -- or the Bureau
11 of Reclamation --

12 MR. CHANDLER: You have 30 seconds.

13 MARK CLARK: -- from the Bureau of Reclamation to
14 the Assistant Secretary for Water and Science. In it it says
15 that when the Arizona Water Commission, now the Department of
16 Water Resources, looked at the amount of Colorado River
17 water, which was available for allocation by the Secretary to
18 C.A.P. in the 1970s, the Commission staff issued -- or
19 assumed that certain -- a certain amount of Colorado River
20 water would be reserved for future agricultural and M&I uses
21 along the Colorado River in Arizona.

22 During the negotiations, CAWCD indicated that it
23 could accept contracts for Colorado River water use on the
24 Arizona Colorado River in line with those reservations.

25 Thank you. I have a few more comments, but I will

1 hand those in to Clint.

2 MR. CHANDLER: Thank you, Vice Mayor.

3 Our next speaker is our host, Mayor Tom Brady, City
4 of Bullhead City.

5 TOM BRADY: By the guidelines that you set out for
6 the conduct of this meeting, you asked for only one
7 representative from each agency, so I will let Mark Clark
8 represent the City with his comments.

9 MR. CHANDLER: Thank you, Mayor.

10 Our next speaker, then, is Greg Henry with the City
11 of Kingman.

12 GREG HENRY: I'm going to defer mine to our
13 Vice Mayor.

14 MR. CHANDLER: Has he filled out a speaker card?
15 Okay.

16 Our next speaker is Jim Ferguson, Town Manager for
17 Quartzsite.

18 JIM FERGUSON: Hello. I'm Jim Ferguson. I'm the
19 Town Manager for the Town of Quartzsite. When I came on
20 board just a little over a year ago, one of the first things
21 I heard about was the concern about our Colorado River water
22 allotment. The previous mayor had already started some
23 meetings with the Central Arizona Groundwater Replenishment
24 District and at the time was looking at the possibility of
25 whether we could sell those water rights.

1 There are quite a few meetings before it was finally
2 agreed to visit with the public, and there was some pretty
3 serious opposition to the idea of selling that water. The
4 council at the time then decided that they would look at
5 whether or not a lease could be entered into, and they
6 proceeded to establish that process. There was some concern
7 on the part of Central Arizona Groundwater Replenishment
8 District about that, but they did entertain it.

9 At the same time, there was some concern by the
10 Council that perhaps we needed to explore whether there were
11 others that might be interested, and we did that. There was
12 one Indian tribe that had some interest, but they indicated
13 to us that they wanted to purchase, and they could probably
14 not make beneficial use for another 10 to 15 years.

15 We also talked to a representative from the Central
16 Arizona -- or excuse me -- I'm sorry -- from the Mohave
17 County Water Authority. That was actually a party that we
18 would have liked to have done something with, but we were
19 told that they would only purchase. They would not lease.
20 It was not of interest, at that time, by the Town that we
21 proceed with a purchase.

22 At that point, we determined that even though we are
23 a very small town, we cannot afford currently to bring that
24 water to our community. We hope that time changes when we
25 can do that, so a lease became a way to accomplish it.

1 In 25 years, and that is frankly a short time in the life of
2 a town, because I have been doing this since 1978, and I have
3 watched a lot of 25-year periods go by --

4 MR. CHANDLER: Mr. Ferguson, you have 15 seconds
5 left.

6 JIM FERGUSON: Thank you. Therefore, the Town
7 proceeded with the Central Arizona Groundwater Replenishment
8 District, and here we are today. We believe this is a good
9 move for our community, and we hope that it's supported.
10 Thank you.

11 MR. CHANDLER: Thank you, Mr. Ferguson.

12 Rob Owen.

13 ROB OWEN: I will defer to Vice Mayor Miles.

14 MR. CHANDLER: Gary -- and I probably won't get this
15 last name right.

16 GARY GRYNKEWICH: Grynkewich.

17 MR. CHANDLER: There you go. Thank you.

18 GARY GRYNKEWICH: Thank you for taking the time to
19 listen to the heartfelt concerns of those in attendance today
20 regarding the proposed diversion of Quartzsite's water off
21 the mainstream of the Colorado River to the Central Arizona
22 Water Conservation District. My name is Gary Grynkewich, and
23 on behalf of the 400 members of the Kingman Chamber of
24 Commerce, I'm here to register the private business sector of
25 Kingman's unwavering disapproval of this proposal.

1 For those of you who possibly are unfamiliar with
2 any details about Kingman, I would like to share just a few
3 specifics. Kingman is literally bisected by Interstate 40.
4 Although plans have not yet been completed for the proposed
5 I-11 corridor, which will eventually traverse from Mexico to
6 Canada, as currently conceived, it will intersect with I-40
7 within a couple of miles of the west side of the City of
8 Kingman.

9 Over 100 trains per day pass through Kingman on the
10 BNSF's main line, and its tracks are immediately adjacent to
11 the Kingman airport, which has a runway capacity in place to
12 handle full-size cargo jets.

13 Kingman is the home to an industrial park, which has
14 all of these distribution amenities at its fingerprints and
15 is crying out for owners, tenants who can bring well-paying
16 employment to the region. The industrial park is the largest
17 of its kind outside of Arizona's two major urban areas.

18 At 3,200 feet, Kingman's climate matches that of any
19 other city in Arizona. Within 10 miles of Kingman are
20 Ponderosa pines, trails, elk, deer, you name it. Even
21 without the completion of I-11, Kingman is less than two
22 hours from Las Vegas and three hours from Phoenix by car.

23 From the private side, Kingman's Chamber has engaged
24 the community in the GenK program to work with our local
25 governments to, insofar as possible, promote our City for

1 today and for the generations to come. To be sure, Kingman
2 has what appears to be unlimited potential for its local
3 citizens as an economically vibrant and viable Arizona
4 community. Our community should certainly be protected from
5 forfeiting these opportunities by the diversion of an
6 essential element to Mohave County's future development:
7 water.

8 Altering the right to the use of the Quartzsite
9 water, as it currently exists, will have a tremendously
10 negative impact not only on Kingman and Mohave County, but on
11 the Bullhead City, Lake Havasu City, Parker and a number of
12 the other communities along the Colorado, which have already
13 been discussed today.

14 MR. CHANDLER: You have approximately 15 seconds.

15 GARY GRYNKEWICK: As such, we oppose the proposed
16 reallocation of these waters in that they will have a
17 significantly negative impact on our and our neighbors'
18 future. Thank you.

19 MR. CHANDLER: Thank you for your comments.

20 Next is Barbara Pape.

21 BARBARA PAPE: Barbara Pape, citizen and resident of
22 Mohave County and Bullhead City. This water issue is not
23 just an economic issue. It is a necessity to our community.
24 After reading the letter in the Daily -- excuse me -- in the
25 Mohave Daily News today, we have a problem. There was some

1 issues here that was pointed out, and the issue is that the
2 board members don't meet the qualifications of this board
3 that is representing our county. Two of the members are from
4 Tucson. One of the members lives in residence in Las Vegas,
5 and one is not a farmer. Even one of these employees is an
6 employee of WPI.

7 I express my anger towards this unfair
8 representation for me as a resident. Please stop these
9 negotiations, the sale, and remove these board members.
10 Thank you.

11 MR. CHANDLER: Thank you, Ms. Pape.

12 Our next speaker is Eva Corbett.

13 EVA CORBETT: Good morning. Thank you for coming to
14 our area. We appreciate that. Water is our life line. We
15 are a city with a river running through it. It's called the
16 Colorado River. Please do not give our water away. Thank
17 you.

18 MR. CHANDLER: Thank you, Ms. Corbett.

19 Next is Jen Miles, Vice Mayor of the City of
20 Kingman.

21 JEN MILES: Good morning. I'm Jen Miles, Vice Mayor
22 of the City of Kingman, and I'm here representing its
23 citizens and wanting to inform you that last week our city
24 adopted Resolution 5112 resolving that the City of Kingman
25 opposes any transfer of Colorado River water from Mohave

1 County to Central Arizona as a continual shift of the water
2 rights and economy of rural Arizona.

3 And, two, the City of Kingman City Council further
4 urges the Board of Central Arizona Water Conservation
5 District to give serious consideration to the proposed land
6 lease and transfer to the extent that its purpose is to move
7 to Central Arizona water prudently set aside for the rural
8 Arizona mainstream users.

9 Given that resolution, we ask that you not move
10 forward with this contract to lease Town of Quartzsite's land
11 and water rights and then transfer the water to Central
12 Arizona. This transfer will negatively impact this region's
13 future water management and economic growth opportunities.
14 And, as has been demonstrated in so many other parts of the
15 country, truly, these negative impacts are not recoverable
16 and certainly not identifiable within, I think, the 90 days I
17 was hearing to identify negative impacts.

18 We know -- we all know that in order to create
19 sustainable communities along the Colorado River and within
20 our region, we need wise, conjunctive management strategies
21 for surface and groundwater. This requires a regional
22 approach that keeps water management options open.

23 So today we appeal to your leadership to make
24 decisions that will maximize the availability and reliability
25 of water supplies in this region, decisions that will advance

1 our economic growth and sustain our communities. Our success
2 is Arizona's success. Mohave County and our whole region is
3 a crossroads for logistics, industrial, and tourism
4 development. We will become more and more an economic driver
5 in job creation location. A win for us here and for the
6 State to advance this future requires that critical resources
7 are available.

8 Toward that, we ask that you preserve our region's
9 water allocations and not allow our future to be usurped by
10 corporate interest or short-term optimization strategies.
11 Again, thank you very much for your time.

12 MR. CHANDLER: Thank you, Vice Mayor.

13 Our next speaker is Tom Carter.

14 TOM CARTER: I'd like to thank you for holding this
15 nonrequisite meeting. I have always been amazed that these
16 agencies would conduct business without speaking to its
17 citizens, so I appreciate that you are, in fact, doing this.

18 I have two major thoughts, and let's take a
19 circumspect look at what is taking place. In 2006, I
20 attended what was known as a water meeting, and it was
21 held -- I'm not sure exactly where now. I went to so many,
22 but Governor Napolitano, at the time, was there, and so we
23 had a Q. and A. period. At that Q. and A. period, my
24 question was to Governor Napolitano, "What is the plan for
25 sustainability of water in Arizona."

1 She brushed aside that question and went on to
2 another one. I still have not heard that answer. I'm
3 waiting for that answer, and I'm beginning to see what the
4 answer is, because Planet Ranch is gone, the water, and now
5 they are looking at this. I don't want to see that happen,
6 and it shouldn't happen.

7 The negative impact is precedence, and that is what
8 we are looking at taking place. We have seen precedence at
9 Planet Ranch, and we will see it here if it happens. That
10 has to stop. We have to protect the citizens of these
11 regional areas. Kingman is in a precarious position with all
12 of the agriculture taking place raising hay. I think you'll
13 look back in history to find that Robert Glennon said Arizona
14 should stop raising alfalfa in the summertime. I think maybe
15 they should stop raising it at all in Mohave County. Thank
16 you very much.

17 MR. CHANDLER: Thank you, Mr. Carter.

18 Our next speaker is Gary Watson, Mohave County Board
19 of Supervisors.

20 GARY WATSON: Thank you very much. Good morning.
21 For the record, I'm Gary Watson, Chairman of the Mohave
22 County Board of Supervisors, and I appreciate the opportunity
23 to make these public comments today and ask they be submitted
24 as the written record, as well. I represent District One of
25 Mohave County and have been chair or vice chair of that board

1 numerous times since 2009. My family came to Mohave County
2 in 1955, and yes. I'm one of those rare Arizona natives.
3 There are a few of us left.

4 As for the Town of Quartzsite's proposed lease and
5 transfer of 1,070 acre feet of its Arizona Fourth Priority
6 Colorado River Water Entitlement through the Central Arizona
7 Water Conservation District, I rise today to advise the
8 Arizona Department of Water Resources, Director Thomas
9 Buschatzke, of Mohave County's position. As for the matter
10 of public policy, Mohave County opposes the transfer of the
11 Fourth Priority Colorado River Water, as it has been
12 allocated to the communities along the river, away from the
13 mainstream of the river for use in Central Arizona.

14 It is this transfer away from the mainstream river
15 that Mohave County opposes by all means and all forms and all
16 forums and for as long as it takes. First, Mohave County
17 opposes the diversion of fourth priority water from the
18 Colorado River mainstream to Central Arizona and opposes
19 CAWCD's request for the Department of Water Resources to
20 recommend approval of any transfer of fourth priority water
21 to Central Arizona replenishment purposes.

22 Second, and also as a matter of public policy, we do
23 not support a three-county conservation district, in which
24 Mohave County and 11 other counties have no elected
25 representation on the board, using its superior buying power

1 to provide \$1,849,000 in funds to buy away and divert water
2 from rural counties.

3 Third, the water that CAWCD seeks to release and
4 transfer is the economic life blood of our rural county and
5 Mohave Valley and the river. It is our very future, and
6 CAWCD seeks to wheel it to three far wealthier counties for
7 their own benefit. Our citizens demand that we protect their
8 interests and oppose this action by all means. This lost
9 economic opportunity can never be recovered.

10 Here are some of the reasons that you recommend this
11 approval to the water -- Department of Interior --

12 MR. CHANDLER: Mr. Watson, you have 15 seconds.

13 GARY WATSON: -- fear of reclamation and this
14 proposed transfer. I will not read those items in light of
15 the time it might take, but I will include with this a
16 resolution, Mohave County Board of Supervisors opposing this
17 transfer, so I will make my comments brief. Thank you.

18 MR. CHANDLER: Thank you, Supervisor.

19 Our next speaker is Lois Wakimoto, Mohave County.

20 LOIS WAKIMOTO: I am Lois Wakimoto, and I am the
21 supervisor in District 5 here in Mohave County. I am a
22 retired farmer. My family has farmed in Mohave Valley. We
23 have farmed in West Phoenix and even in East Valley near
24 Scottsdale. Thank you to ADWR Director Tom Buschatzke and
25 your staff for coming to visit here and talk about the

1 Quartzsite transfer.

2 We are aware that this Quartzsite transfer that you
3 are considering is the first of many transfers that some
4 parties are planning. They want to transfer water from
5 Mohave County and La Paz County to Central Arizona. In
6 short, I oppose all such transfers and on behalf of my
7 constituents, I advise you that we will oppose these
8 transfers in all forms by all means and for as long as it
9 takes.

10 As I review the proposed transfer, I feel like I am
11 in the movie Chinatown. Are we really replaying Owens Valley
12 transfer in California where the water was taken from
13 Owens Valley to Los Angeles? Surely, we are not sacrificing
14 Mohave County citizens and taxpayers to benefit taxpayers in
15 Central Arizona who somehow have been judged better than our
16 citizens, or are we?

17 Here is why we oppose the transfer. First, as a
18 matter of public policy, 164,000 acre feet of fourth priority
19 Colorado River water was allocated to the users on the
20 mainstream of the Colorado River in 1972 including this, the
21 Town of Quartzsite. The water should not be transferred away
22 from the mainstream of the Colorado. This is part of the
23 water that the State of Arizona requested be reserved for
24 municipal irrigation domestic industrial use along the river.

25 Except for that small portion of fourth priority

1 Colorado water, the users on the mainstream CAWCD received
2 all the remaining Arizona Colorado River entitlement, more
3 than 1.5 million acre feet of water. Moving Quartzsite's
4 water defeats the purpose for which this was reserved, to
5 provide water for municipal industrial use along the
6 Colorado River.

7 Second, and as a matter of public policy, we do not
8 support and will oppose by all means a three county
9 conservation district using its superior tasking power to
10 provide funds to buy and divert water from a rural Arizona
11 County La Paz --

12 MR. CHANDLER: You have about 10 seconds.

13 LOIS WAKIMOTO: Okay. You have heard this before.
14 We need -- we oppose the transfer of the water, and we will
15 continue to oppose the transfer of water as long as it takes.
16 Thank you.

17 MR. CHANDLER: Thank you, Ms. Wakimoto.

18 Our next speaker is Mike Roth.

19 MIKE ROTH: My name is Mike Roth. I'm a resident of
20 Quartzsite, Arizona. I have attended all of these meetings.
21 It's nice to see politicians come out on the side of water
22 sanity. I'd like to tell you really what happened in
23 Quartzsite. Jim Ferguson, our out-of-town manager, is not
24 being 100 percent honest with you guys. He actually lives in
25 Phoenix. He doesn't even know the names of the streets of

1 Quartzsite yet, and he wants to give up this valuable asset
2 for short-term gain.

3 What happened was they were going to sell this
4 water, and he being an activist locally decided go ahead and
5 try it. We will referendum this deal. And so they got wind
6 of how unhappy everybody was, and somewhere along the line,
7 they decided we will just lease it. Okay. It's temporary,
8 right? It's just a lease.

9 So they did this over a period of three meetings in
10 executive session where we weren't allowed to ask any
11 questions, and then when we were allowed to have questions,
12 we were allowed 30 minutes to talk about this deal. So they
13 passed it. Whoever said water flows uphill to money never
14 said -- no truer statement has ever been spoken, especially
15 when it comes to Quartzsite politics.

16 So I pulled the papers on referendum on this water
17 lease. They did it in the middle of the summer when most of
18 the voters are gone. You guys know this about Quartzsite.
19 Nobody is there in the summer. Most of the voters are gone.
20 So I pulled the referendum paperwork, and we needed
21 84 signatures, and everyone said, "There is no way you are
22 going to get it, Mike. Everybody is gone."

23 We got 200 signatures. And what did they say?
24 "Tough. You can't referendum a lease. It's temporary in
25 nature."

1 We all know once that water leaves, it's never
2 coming back. This is a precedent that is being set. You go
3 to Quartzsite right now, most of the residents do not even
4 know about this deal at all. When I talk about it to the
5 people -- they are just returning. See, they did this on
6 purpose in the summer when nobody was there.

7 When you tell them what they are doing, they can't
8 believe it, and sorry, Jim. They are not happy with what you
9 are doing there. I'm not sorry. I go to all the meetings
10 and I talk about it, and what do I get? Harassed, bullied,
11 kicked out of meetings. They have been doing this again, so
12 we oppose it. People in Quartzsite are not happy about this.
13 People in Quartzsite are tired of this.

14 MR. CHANDLER: Mr. Roth, you have about 15 seconds.

15 MIKE ROTH: So we would like more public time, and
16 we would like more time for the citizens of the community to
17 have a say in this. And the bottom line is, nothing has to
18 be done with this water until 2029. Why are we having such a
19 rush to do this now against the will of the people? We are
20 against this. Thank you.

21 MR. CHANDLER: Thank you, Mr. Roth.

22 Our next speaker is Perri Benemelis with the Central
23 Arizona Groundwater Replenishment District.

24 PERRI BENEMELIS: Thank you. My name is Perri
25 Benemelis. I'm the manager of the Water Supply Program for

1 the Central Arizona Groundwater Replenishment District.

2 The proposed lease and transfer of Quartzsite's
3 Colorado River Entitlement is a win-win situation for the
4 Town and for Central Arizona Groundwater Replenishment
5 District stakeholders. While the Town is not presently in a
6 position to utilize its Colorado River Entitlement, the Town
7 does currently need funding to improve the reliability and
8 capacity of its groundwater supply system to serve its nearly
9 4,000 full-time residents.

10 The lease and transfer will allow the Town to put
11 its entitlement to beneficial use through lease to CAWCD,
12 provide the Town with funds to make those improvements, and
13 preserve its right to directly utilize its Colorado River
14 Entitlement in the future. In the meantime, CAWCD will have
15 access to the much-needed renewable water supply to meet its
16 groundwater replenishment obligations in Central Arizona.

17 Importantly, the lease and transfer will not
18 physically change current diversions of Colorado River water
19 or impact the quality or quantity of Colorado River water
20 available to other users. Each year CAWCD diverts all
21 otherwise unused Arizona Colorado River water including the
22 Quartzsite Entitlement, which then becomes part of the excess
23 pool that is used by Central Arizona Agriculture, the Arizona
24 Water Banking Authority, the CAGRD, and others. This water
25 has been diverted for many years by CAWCD.

1 For this reason, nothing in this agreement changes,
2 harms, or diminishes the water supply of any other mainstream
3 water user. The only change that will result from the lease
4 and transfer is that a dedicated reliable water supply will
5 be available to CAGRD. Quartzsite will be paid for putting
6 its water to beneficial use, and the reliability and capacity
7 of the Quartzsite water supply will be improved.

8 MR. CHANDLER: Thank you, Ms. Benemelis.

9 Our next speaker is Karey Amon.

10 KAREY AMON: My name is Karey Amon. I'm a resident
11 of Quartzsite, new resident of Quartzsite. I have only been
12 there a few years. I wish to thank everybody who came to
13 oppose the recommendations of Quartzsite leasing their water.
14 You think three minutes here to give your opinion about this
15 thing is too little? Quartzsite residents were given no time
16 whatsoever. Meetings were held when no one was in town.
17 When people arrived and started asking questions, we were
18 told there will be time for answering questions, but that
19 time is not now.

20 We haven't been able to ask questions. We have poor
21 representation as far as information goes. Someone mentioned
22 short-term optimistic ideas. That struck me. That's exactly
23 what Quartzsite is doing is short-term optimistic ideas.
24 They don't really have a plan. They need money right now to
25 fix and repair the current system, and this is all this is

1 about. There is no big plan here.

2 So I wish to thank everybody for opposing it. I
3 didn't realize there would be that much opposition to the
4 plan when I came here today. I'm glad that I arrived to hear
5 that there is support. The citizens of Quartzsite are
6 uninformed and are misrepresented in this quest.

7 So thanks for your opposition. I appreciate your
8 time.

9 MR. CHANDLER: Thank you, Ms. Amon.

10 Our next speaker is John Rynakker (sic), Bullhead
11 Area Chamber of Commerce.

12 JOHN PYNACKER: Thank you. My name is John
13 Pynakker. Probably my handwriting isn't the best. I'm the
14 executive director of the Bullhead Area Chamber of Commerce.
15 First, I would like to thank you for taking the time to come
16 up and travel and hear what we have to say. This is
17 something that we have talked about, not this specific
18 allocation, but the allocation in general, some other
19 projects that have been brought up, and it's been very -- as
20 Perri will tell you, been very vocal about it.

21 Like our friends from Kingman, from the Kingman
22 Chamber of Commerce, the Lake Havasu Mayor, and the Mayor and
23 Vice Mayor of Bullhead City, we represent not only the
24 community, but the business community in these issues.

25 The Bullhead Chamber of Commerce has just over

1 600 members representing around 13,000 employees, and we
2 categorically oppose any transfer of water allocation out of
3 the area. We believe that rather than moving the water to
4 the people, perhaps those people should have located in an
5 area where there is water.

6 I understand that Perri has a responsibility to her
7 customers. I get it. Unfortunately, she is doing that on
8 our backs. She can't -- just by what she says, she can't
9 guarantee, nobody can, that our water supply will not be
10 affected. We have seen tremendous gains in our area over the
11 past couple of years with business growth and residents
12 increasing, and we believe that this could be devastating to
13 the economic development of our community.

14 We urge you -- this is the Bullhead Chamber of
15 Commerce -- we urge you to deny this request.

16 MR. CHANDLER: Thank you, Mr. Pynakker.

17 Next we have Penny Pew with the Office of
18 Representative Paul Gosar.

19 PENNY PEW: Thanks, Clint. My name is Penny Pew.
20 I'm Congressman Gosar's District Director and
21 Intergovernmental Affairs. I'm here also as a fifth
22 generation Arizonan, so I know the value in water and the
23 community interest, and that's why we are here is to listen
24 to the interest in rural Arizona and those that Congressman
25 Gosar oversees. I will be here through the meeting if there

1 is anyone who wants to talk to me afterwards. I'm happy to
2 hang around and chat. Thank you.

3 MR. CHANDLER: Thank you, Penny.

4 Our last speaker -- we have a card, a speaker card,
5 and we have Roy Jackson.

6 UNIDENTIFIED VOICE: He just stepped into the
7 restroom.

8 MR. CHANDLER: Are there any other speakers? We
9 will hold the floor open until he is ready.

10 MR. JACKSON: I'm Roy Jackson. I'm a citizen here
11 in Bullhead City. I would just like to make a couple
12 observations. I know that Bullhead City is a resort
13 community, and that's how we grow, and we get a lot of
14 residents here for the beautiful amenities around here, some
15 of which are golf courses, which get allotments of water.
16 Most of those allotments are all time sensitive. If we give
17 away the water, as we give it away, we then put in jeopardy
18 the ability to replenish those allotments that are given to a
19 lot of the amenities that are essential for the resort
20 atmosphere.

21 The other thing is, as water becomes a more and more
22 dear resource to the State, we are going to have to use it in
23 more -- we are going to have to really concentrate on
24 conservation more and more. By transporting this water from
25 the place -- from its source to other places, there is a

1 large waste factor in that populations over time, in order to
2 be more -- to conserve that resource, are going to have to
3 locate themselves more where the resource actually is in
4 order to conserve the resource as our populations grow --
5 just some observations.

6 MR. CHANDLER: Thank you, Mr. Jackson.

7 We appreciate your comments, all of your input will
8 be carefully considered. Since we have no more comments,
9 this meeting is now adjourned. Staff will be here until
10 1:00 p.m. to answer any questions and take additional
11 comments. Thank you.

12 (Whereupon, the meeting was adjourned at 12:06 p.m.)

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I HEREBY CERTIFY that the proceedings had upon the foregoing hearing are contained in the shorthand record made by me thereof, and that the foregoing 38 pages constitute a full, true, and correct transcript of said shorthand record, all done to the best of my skill and ability.

DATED at Phoenix, Arizona, this 22nd day of November, 2017.

VICKI L. O'CEALLAIGH CHAMPION
CR No. 50534