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STATE OF ARIZONA  
DEPARTMENT OF WATER RESOURCES

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PUBLIC MEETING ON PROPOSED LEASE AND TRANSFER  
OF THE TOWN OF QUARTZITE'S COLORADO RIVER ENTITLEMENT  
TO THE CENTRAL ARIZONA WATER CONSERVATION DISTRICT

. . . . .

PUBLIC MEETING DATE:  
9th day of November, 2017  
Quartzite, Arizona

MEETING FACILITATOR: CLINT CHANDLER  
Assistant Director of  
Water Planning & Permitting

. . . . .

Prepared By:  
Nicola Bauman, CCR  
Certified Court Reporter  
AZ Certificate No. 50830  
Perfecta Reporting  
602.421.3602  
CRRF No. R1071

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A P P E A R A N C E S

FOR THE ARIZONA DEPARTMENT OF WATER RESOURCES:

Tom Buschatzke, Director  
Kelly Brown, Deputy Counsel  
Vineetha Kartha, Colorado River Section Manager  
Amy Levy, Water Resources Specialist

BE IT REMEMBERED that pursuant to notice a public meeting was held at the Town of Quartzite Town Hall, 465 North Plymouth Avenue, in the Town of Quartzite, County of La Paz, State of Arizona, before Nicola Bauman, AZ Certified Reporter No. 50830 in and for the State of Arizona, on the 9th day of November, 2017, commencing at the hour of 11:00 a.m.

1 Quartzite, Arizona  
2 November 9, 2017  
3 11:00 a.m.

4 P R O C E E D I N G S

5  
6 MR. CHANDLER: Good morning. For the  
7 record, today is Thursday, November 9, 2017, and the  
8 time is 11:00 a.m. We are at the Town of Quartzite Town  
9 Hall, in Quartzite, Arizona. My name is Clint Chandler.  
11:00 10 I am the Assistant Director of Water Planning &  
11 Permitting at the Arizona Department of Water Resources.  
12 I will be facilitating today's meeting.

13 With me are Kelly Brown, Deputy Counsel;  
14 Vineetha Kartha, to my left, the Colorado River Section  
15 Manager at ADWR; and Amy Levy, Water Resources  
16 Specialist. Kelly and Vineetha have been involved in  
17 the review of the Proposed Lease and Transfer from the  
18 Town of Quartzite Fourth Priority Colorado River Water  
19 Entitlement to the Central Arizona Water Conservation  
11:01 20 District. Amy will be acting as the Docket Supervisor  
21 for today in place of Sharon Scantlebury.

22 Also with me today from the Department is  
23 Tom Buschatzke, Director of ADWR, there in the front.  
24 Because ADWR is the entity that renders the  
25 recommendations to the Secretary of the Interior, the

1 Director is here to listen to your comments and observe  
2 the proceedings, but he will not make any comments or  
3 respond to any inquiries.

4 We have a court reporter here today to  
5 record the comments. As such, it is important for  
6 speakers to please speak up and speak slowly so that the  
7 court reporter can accurately record your comments. If  
8 anyone were to have difficulty hearing me or a speaker,  
9 please let me know. If you haven't already done so,  
11:02 10 please sign the sign-in sheet at the table near the  
11 entrance. There are also speaker cards available on the  
12 table. If you desire to speak today, please fill out a  
13 speaker card, if you haven't done so already, and submit  
14 your card to Amy Levy.

15 The purpose of today's meeting is to provide  
16 members of the public with the opportunity to make oral  
17 or written comments on the pending application for the  
18 Proposed Lease and Transfer of the Town of Quartzsite's  
19 Colorado River Entitlement to the Central Arizona Water  
11:02 20 Conservation District. The application is available on  
21 the Department's website at [www.azwater.gov](http://www.azwater.gov).

22 Please be aware that the Department will not  
23 respond to questions or comments at today's meeting. If  
24 anyone has any questions or comments on issues or  
25 programs that are outside the scope of today's meeting,

1 you can contact me or one of our staff members after the  
2 hearing.

3 Today's meeting will be conducted in a  
4 formal manner. As I mentioned previously, a court  
5 reporter is recording all statements. A copy of the  
6 transcript will be available for review at the  
7 Department's office and will also be posted on the  
8 Department's website when available.

9 At the conclusion of the meeting, I will  
11:03 10 accept any written comments or documentary evidence that  
11 anyone may wish to submit to the Department concerning  
12 the pending application. The Department will also  
13 accept written comments until 5:00 p.m., November 20,  
14 2017. The written comments should be submitted to the  
15 Department's Docket Supervisor, Sharon Scantlebury, by  
16 email to [sscantlebury@azwater.gov](mailto:sscantlebury@azwater.gov) or fax at  
17 602-771-8686. A copy of the Public Notice with Sharon's  
18 contact information is posted on the Department's  
19 website. Sharon's business cards with her contact  
11:04 20 information are available at the sign-in desk too if you  
21 desire those.

22 Within 60 days from November 20, 2017, the  
23 Director of ADWR, Tom Buschatzke, will issue a  
24 recommendation regarding the Proposed Transfer and Lease  
25 to the United States Secretary of the Interior unless

1 additional time is needed to resolve claims of negative  
2 impacts to third parties.

3           Some entities or individuals may claim that  
4 they will be negatively impacted if the Proposed Lease  
5 and Transfer were approved. If potential negative  
6 impacts are claimed, the Department will notify the Town  
7 of Quartzite and the Central Arizona Water Conservation  
8 District about the claimed impacts. Upon notification  
9 of the claims, the Department will provide up to 90 days  
11:05 10 for all parties to attempt to resolve or mitigate the  
11 claimed impacts and provide information to the  
12 Secretary. If agreed by all parties, an extension may  
13 be granted, if more time is needed, to resolve the  
14 outstanding issues.

15           As a result of negotiations, if the proposed  
16 agreement were to change the distribution of water, the  
17 Department will review the revised transfer action and  
18 make a recommendation to the Secretary. If the parties  
19 cannot agree to resolve or mitigate the claimed impacts,  
11:05 20 the Department will make its recommendation  
21 independently from the parties at the end of the  
22 negotiations period.

23           I will now turn the meeting over to  
24 Vineetha Kartha, who will describe the Proposed Transfer  
25 and Lease in greater detail.

1 MS. KARTHA: Good morning, everyone. My  
2 name is Vineetha Kartha, and I'm with the Colorado River  
3 Section at the Arizona Department of Water Resources.  
4 My presentation today is generally divided into three  
5 parts. I will start with a broad overview of the  
6 Department's authorities, followed by the Substantive  
7 Policy Statement, the key points of the Substantive  
8 Policy Statement, which guide the transfers of  
9 mainstream Colorado River entitlement. I will finally  
11:06 10 finish with an overview of the Proposed Lease and  
11 Transfer of the Town of Quartzite's Fourth Priority  
12 Colorado River Entitlement to the Central Arizona Water  
13 Conservation District.

14 As I mentioned, this slide generally goes  
15 over the authorities of the Department. Pursuant to  
16 Arizona Revised Statute 45-105, the Director is not only  
17 responsible for management but also for the development  
18 of plans for the conservation, use and protection of  
19 surface and groundwater throughout the state. Pursuant  
11:07 20 to Arizona Revised Statute 45-107, the Department's  
21 Director is to serve as the state's representative in  
22 matters relating to Colorado River water. Specifically,  
23 the Director is authorized on behalf of the state of  
24 Arizona to consult, advise and cooperate with the  
25 Secretary of the Interior of the United States.

1 Overall, the Department is a state entity  
2 charged with promoting, protecting and comprehensively  
3 managing Arizona's annual apportionment of 2.8 million  
4 acre-feet of Colorado River water. Consistent with  
5 those responsibilities, pursuant to Arizona Revised  
6 Statute 45-107, the Director must be consulted regarding  
7 all transfers of Colorado River entitlements.

8 Specifically, the entity that is contemplating a  
9 transfer of their Colorado River entitlement must  
11:08 10 consult, advise and obtain the advice of the Director of  
11 the Department.

12 Due to the importance of the distribution of  
13 Colorado River water to the welfare and economy of the  
14 state and because, in most cases, the mainstream water  
15 is the only source of water for urban, industrial and  
16 agricultural uses along the river, the Substantive  
17 Policy Statement CR8 was developed. The policy  
18 statement generally lays out the policy and procedure  
19 for transferring an entitlement of Colorado River water,  
11:08 20 including leases like this one. It also lays out  
21 criteria and analysis --

22 THE COURT REPORTER: Excuse me, ma'am, would  
23 you please slow down for the court reporter?

24 MS. KARTHA: Yes, definitely.

25 THE COURT REPORTER: Thank you.



1 MS. KARTHA: In addition to the policy and  
2 procedure, the policy statement also lays out criteria  
3 and analysis that the Department will utilize to  
4 evaluate proposed transfers, including conveyances,  
5 leases or assignments of mainstream Colorado River  
6 water.

7 The policy statement also lays out a public  
8 notice process. The public notice process involves  
9 advertisements of the proposed transfer in a newspaper  
10 of general circulation within the state for two  
11 consecutive weeks. It also requires notice to the  
12 County Planning & Zoning Department of the county of  
13 origin. The contractor in this case, the Town of  
14 Quartzite, that is conveying its entitlement provides  
15 notice to all water users within its contract service  
16 area. The Department also maintains a list of  
17 interested parties. Notices are also sent to this list  
18 of interested parties.

19 In this case, the advertisement was placed  
11:10 20 in *The Arizona Republic* on October 12th and  
21 October 19th. Notice of the Proposed Lease and Transfer  
22 was sent to the Planning & Zoning Department of not only  
23 La Paz County but also to Mojave County and Yuma County.  
24 The Town of Quartzite was also asked to provide notice  
25 to all the water users within their contract service

1 area. Notice of the Proposed Transfer and Lease were  
2 also sent to all the interested parties that the  
3 Department maintains.

4 The public comments that we receive during  
5 the process will be taken into consideration during the  
6 review. Pursuant to the Substantive Policy Statement,  
7 the Director will also consider several factors,  
8 including any potential negative impacts to other water  
9 entitlement holders, water quality impacts to other  
10 Colorado River water entitlement holders, and also water  
11 quality impacts related to return flows and other  
12 pertinent impacts that could occur as a result of the  
13 proposed transfer.

14 The Director will issue a recommendation  
15 within 60 days from the end of the comment period unless  
16 additional time is needed to resolve claims of negative  
17 impacts to the parties. If claims of negative impacts  
18 are received by the Department, the Director will  
19 provide up to 90 days for all parties to resolve or  
20 mitigate the claimed negative impacts. An extension may  
21 be requested from this 90 days. If no resolution is  
22 reached, the Department will make its recommendation  
23 independently from the parties at the end of the  
24 negotiations period.

25 Now I will go over a snapshot of the

1 transferring entity in this case, the Town of Quartzite,  
2 and the receiving entity in this case, the Central  
3 Arizona Water Conservation District.

4 The Town of Quartzite holds a Section 5  
5 contract with the United States Bureau of Reclamation  
6 for fourth priority mainstream Colorado River  
7 entitlement for 1,070 acre-feet per year. This contract  
8 is a permanent service contract; however, it is subject  
9 to termination if the water is not put to beneficial use  
10 within the Quartzite contract service area by  
11 January 28, 2029.

12 Historically, Quartzite has never used its  
13 entitlement of Colorado River water. The current annual  
14 water demand for the Town of Quartzite is 600 acre-feet,  
15 and the projected annual water demand is 660 acre-feet  
16 for the year 2030. The current water source for  
17 Quartzite is groundwater, and it is currently withdrawn  
18 at the Quail Trail Production Facility and the Kofa  
19 Avenue Production Facility.

11:13 20 The Central Arizona Water Conservation  
21 District is the receiving entity. And the request for  
22 the Proposed Lease and Transfer is to partially fulfill  
23 Central Arizona Water Conservation District's statutory  
24 groundwater replenishment authority and  
25 responsibilities, otherwise known as the Central Arizona

1 Groundwater Replenishment District.

2 The current annual long-term supply for the  
3 Central Arizona Groundwater Replenishment District is  
4 38,166 acre-feet. The current annual replenishment  
5 obligation is 30,000 acre-feet. The projected annual  
6 replenishment obligation is expected to grow to 86,900  
7 acre-feet by the year 2034.

8 Current and future water sources for the  
9 Central Arizona Groundwater Replenishment District  
11:14 10 includes a CAP water supply amounting to 8,311  
11 acre-feet; 18,185 acre-feet of non-Indian agricultural  
12 priority water; 2,500 acre-feet of water through the  
13 lease of White Mountain Apache non-Indian agricultural  
14 priority water; 6,770 acre-feet of long-term storage  
15 credits; and 2,400 acre-feet of effluent.

16 This slide provides some key terms of the  
17 lease. The lease term will commence on January 1st of  
18 the year following the final effective date of the  
19 lease. The volume of the lease is the entire volume of  
11:15 20 water under Quartzite's current Section 5 contract,  
21 which is 1,070 acre-feet per year.

22 The term of the lease is initially 25 years  
23 and renews automatically for one additional 25-year term  
24 unless either Quartzite or the Central Arizona Water  
25 Conservation District elects not to renew the lease for

1 the additional term. The lease also includes a right of  
2 first refusal; that is, before entering into any  
3 agreement for the sale, lease, transfer or conveyance of  
4 its Colorado River water entitlement, in whole or in  
5 part, with a third party, Quartzite must offer the same  
6 portion of its entitlement to the Central Arizona Water  
7 Conservation District on the same terms and conditions.

8 I would also like to remind everyone that  
9 all the information that I presented just now and the  
10 application as well as the Substantive Policy Statement  
11 is available on our website at [www.azwater.gov](http://www.azwater.gov). The  
12 deadline for the comments was initially Saturday,  
13 November 18, 2017; however, since that date fell on a  
14 Saturday, we have extended it to Monday, November 20,  
15 2017.

16 This concludes my presentation. Thank you  
17 for your attention. I will turn it over to  
18 Clint Chandler.

19 MR. CHANDLER: It appears we have completed  
11:17 20 speaker cards. As I mentioned earlier, the purpose of  
21 today's meeting is to provide members of the public with  
22 an opportunity to make oral or written comments on the  
23 pending application for the Proposed Lease and Transfer  
24 of the Town of Quartzite's fourth priority Colorado  
25 River entitlement to the Central Arizona Water

1 Conservation District. We, therefore, want to ensure  
2 that every person who desires to speak today has the  
3 opportunity to be heard, so I will ask that only one  
4 person speak at a time. All speakers should use the  
5 microphone and give their name and affiliation. All  
6 comments should be addressed to the Arizona Department  
7 of Water Resources, should be relevant to the  
8 application and should be respectful of the process.

9 Each speaker will be allowed no more than  
10 three minutes so everyone has an opportunity to speak.  
11 Time allotted for public comments can be used most  
12 efficiently by selecting a single representative to  
13 speak on behalf of a group or organization. Please be  
14 respectful and allow the speaker to proceed without  
15 interruptions. This will allow us to hear and listen to  
16 each other's comments and for the court reporter to  
17 accurately capture today's dialogue. We will be  
18 available to receive your oral comments until 1:00 p.m.

19 I will now begin calling the names of the  
11:18 20 individuals who submitted the completed speaker cards.  
21 If you wish to speak and have not yet filled out a  
22 speaker card, please fill out one of the cards on the  
23 table near the entrance and provide your card to Amy.  
24 When I call your name, please come up to the podium,  
25 again, state your name, identify any person or entity

1 that you represent, and then give your comments.

2 The first name is Perry Benemelis with the  
3 CAGRD.

4 MS. BENEMELIS: My name is Perri Benemelis.  
5 I'm the manager of the Water Supply Program for the  
6 Central Arizona Groundwater Replenishment District.

7 The Proposed Lease and Transfer of  
8 Quartzite's Colorado River entitlement is a win-win  
9 situation for the Town and the Central Arizona  
10 Groundwater Replenishment District stakeholders. While  
11 the Town is not presently in a position to utilize its  
12 Colorado River entitlement, the Town does currently need  
13 funding to improve the reliability and capacity of its  
14 groundwater supply system to service its nearly 4,000  
15 full-time residents.

16 The lease and transfer will allow the Town  
17 to put its entitlement to beneficial use, through lease  
18 to CAWCD, provide the Town with the funds to make those  
19 improvements and preserve its right to directly utilize  
11:20 20 its Colorado River entitlement in the future. In the  
21 meantime, CAWCD will have access to a much needed  
22 renewable water supply to meet its statutory groundwater  
23 replenishment obligations in Central Arizona.

24 Importantly, the lease and transfer will not  
25 physically change current diversions of Colorado River

1 water or impact the quality or quantity of Colorado  
2 River water available to other users. Each year CAWCD  
3 diverts all otherwise unused Arizona Colorado River  
4 water, including the Quartzite entitlement, which then  
5 becomes part of the excess pool that is used by Central  
6 Arizona agriculture, the Arizona Water Banking  
7 Authority, CAGR and others.

8 This water has been diverted for many years  
9 by CAWCD, and, for this reason, nothing in this  
11:21 10 agreement changes, harms or diminishes the water supply  
11 of any other mainstream water user. The only change  
12 that will result from the lease and transfer is that a  
13 dedicated, reliable water supply will be available to  
14 CAGR, Quartzite will be paid for putting its water to  
15 beneficial use, and the reliability and capacity of the  
16 Quartzite water supply system will be improved.

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

18 Our next speaker is Mike Roth.

19 MR. ROTH: I want to speak. I spoke to you  
11:21 20 guys on Monday as well. Nice to see you again. Thanks  
21 for coming out.

22 I also want to speak to the people of the  
23 Town of Quartzite that weren't here for the series of  
24 meetings that happened that led to this deal. I've been  
25 to every meeting, as have a few people here. It's



1 important you go to your meetings to see how your  
2 hotdogs are made in Quartzite.

3 This thing led up -- it started with three  
4 meetings held in executive session. And when they  
5 finally came to take a vote of it, we had less than  
6 three minutes of discussion on this water deal, which is  
7 essentially a sale. They tried to sell it two years  
8 ago, we rose up and said that's the dumbest thing ever,  
9 let's try to find a way to make money with this or  
11:22 10 something, get more money for it, and they stopped that  
11 and they came up with this lease idea.

12 And this lease, they say, is temporary,  
13 which it is not. It's a 50-year deal, and once that  
14 water goes that way, it stays that way; we'll never get  
15 it back. And so we tried to referendum it in the middle  
16 of the summer. We needed 84 signatures when they knew  
17 most of the voters were going to be gone. We got over  
18 200 signatures of people who stood up and said we at  
19 least want to be able to vote on this.

11:23 20 And we turned in the referendum and they  
21 said -- and they knew this going in and they had us do  
22 all this all work knowing that, legally, you cannot  
23 referendum a lease. That's why they did the lease. And  
24 it came out that our mayor has done real estate deals  
25 with this exact same organization, sold land and even

1 furnishes a little bit of water to them today.

2 And, you know, we still believe in the  
3 American way in this country, that people should be able  
4 to talk about these things and maybe even vote on it,  
5 just not make deals that impacts and maybe benefits --  
6 in the very short term, you know, they're taking all  
7 this money and sinking a well. This town does not have  
8 a great track record with wells. Do you guys know that?

9 Okay. They spent \$300,000 on the well  
10 across the street a couple years ago. Do you know how  
11 much water it's pumping? About 10 gallons a minute.

12 Okay. So let's take this valuable asset --  
13 and I really don't know what the volume is, but it's  
14 terrible over there, it's nothing. But let's not take  
15 this valuable asset without trying to find the best  
16 deal. And that came out during all this, that the  
17 lawyer the Town hired was ordered to make a deal with  
18 the Colorado River area water district (sic) only and  
19 not to look around. And I looked to see what water  
20 leases are going for. We're not getting a great deal --

21 MR. CHANDLER: Mr. Roth, that's three  
22 minutes.

23 MR. ROTH: I'm sorry?

24 MR. CHANDLER: That's three minutes.

25 MR. ROTH: Thank you. Question authority.

1 MR. CHANDLER: Our next speaker, I believe,  
2 is Steven Moore with the City of Yuma.

3 MR. MOORE: Hi. My name is Steve Moore. I  
4 represent the City of Yuma.

5 The City has serious concerns about allowing  
6 the transfer of water from the river communities to  
7 Maricopa County and Pinal County. This action and the  
8 action in Mohave County to start these transfers are the  
9 beginning of more transfers along the Colorado River.

11:25 10 We would urge the state to continue the diverse economy  
11 of the state up and down the river and not start moving  
12 the water to Maricopa and Pinal Counties.

13 This water allocation to Quartzite was to  
14 benefit the economies along the river. If Quartzite  
15 can't use the water, then perhaps the other river  
16 communities may be able to use it and we can work with  
17 Quartzite. We would urge ADWR to think carefully about  
18 what this precedent-setting step would mean statewide  
19 and moving the economies of Arizona away from the river.

11:26 20 Thank you.

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

22 Our next speaker is Mark Goldberg.

23 MR. GOLDBERG: Good morning. Thank you for  
24 the opportunity to address you on this matter. I've  
25 been coming to Quartzite since the 1980s and have been a

1 full-time resident since 2007, year-round, and a  
2 property owner.

3 The term of this proposed lease is initially  
4 25 years. And in the previous 25 years, every  
5 City Council -- every Town Council that has sat here has  
6 wrestled with the issue of trying to come up with a  
7 constructive use for the allocation, and it has not been  
8 able to do it. With the Colorado River being 20 miles  
9 away, in order to get that water to Quartzite, you have  
11:27 10 to acquire right-of-way, and have some kind of  
11 conveyance for that, and pumping plants, because most of  
12 it is uphill. And then once you get the system  
13 installed, you've got to deal with the system  
14 maintenance. And I'm not sure that Quartzite has the  
15 capability to address all those financial issues, even  
16 with grants. It's a tremendous undertaking.

17 I give tremendous kudos to Mayor Simpson and  
18 the current Town Council and Town Manager, Jim, for  
19 coming up with a cogent plan. And I think they've done  
11:27 20 their due diligence. They've spent time with water  
21 attorneys that are familiar with this type of allocation  
22 and transfer, they've spent time determining what are  
23 their options, and I feel that they've done an excellent  
24 job of finally coming up with a cogent plan where  
25 Quartzite derives benefit from this water. Again, we've

1 been giving it away for 25 years.

2 In terms of other jurisdictions suffering  
3 because of the allocation of this water, this water is  
4 given away every year as part of the excess allocation  
5 that Quartzite has derived no benefit. Under this plan,  
6 it's still going to be given away to the same people,  
7 but Quartzite derives a financial benefit that can be  
8 put into improving the local water system. So I'd  
9 encourage you to approve this transfer and lease based  
10 on those facts.

11 Thank you.

12 MR. CHANDLER: Thank you, Mr. Goldberg.

13 Our next speaker is Cliff Brown.

14 MR. BROWN: I decline to speak.

15 MR. CHANDLER: Then our next speaker is  
16 Norm Simpson.

17 MR. SIMPSON: Good morning, and thank you  
18 for having this opportunity to meet with you directly.

19 I can assure that water is our most valuable  
20 resource here. The Town of Quartzite has been hosting,  
21 through Tyson's Well, water for the travelers and the  
22 settlers for more than 150 years. We realize the  
23 importance; we have no interest in selling or getting  
24 rid of our water allocation. We are looking for how do  
25 we make beneficial use that may not be possible directly

1 from the river at this time. This lease will give us 25  
2 years to work on that plan to be able to have direct  
3 access of that water.

4 Quartzite is surrounded by other communities  
5 that also have developed -- have been unavailable for  
6 them to get substantial amounts of groundwater. So  
7 we're not the only one in the area that has an ongoing  
8 need, but our immediate need is a well, an additional  
9 well, and groundwater. So how do we get to that point?

11:30 10 Our research -- we've looked into it. Again, we have no  
11 interest in selling it or permanently getting rid of  
12 that. When we want to bring it back in 25 years,  
13 hopefully we'll be ready to use it at that point.

14 Bottom line, CAP has been transferring the  
15 water and CAWCD has been making use of that water or  
16 banking it for the past 27, 28 years. At this point,  
17 the bottom line is we've received nothing in the past  
18 for that water. If we don't go forward with this lease,  
19 we continue getting no beneficial use out of that water,  
11:31 20 out of that allocation. Bottom line, either way,  
21 approved or not, CAWCD gets the water. The only  
22 difference is whether Quartzite gets the money for the  
23 lease to be able to put this desperately needed  
24 additional well in.

25 I thank you.

1 MR. CHANDLER: Thank you, Mayor.

2 Our next speaker is Jim Ferguson.

3 MR. FERGUSON: I'll waive my time.

4 MR. CHANDLER: Okay. Then the next speaker  
5 is Carl Le Gallo. I hope I pronounced your name  
6 correctly, sir.

7 MR. LE GALLO: No, you didn't. The name is  
8 "Le Gallo." We're north of the border.

9 Anyway, I'm not eloquent. I'm just going to  
11:32 10 say what I have to say, and that is we have to start  
11 looking to places like Owens Valley over in California.  
12 They were raped of their water. There's a little valley  
13 right over here that gave all their water to Maricopa  
14 County, and they can't even farm anymore.

15 And I think that's all I want to say, is  
16 just once you give it up, you've lost it. And I looked  
17 at that thing; 25 years and an additional 25 years can  
18 be added to it. This place is going to turn into a real  
19 desert.

11:32 20 MR. CHANDLER: Thank you, sir.

21 Our next speaker is Dan Heaton.

22 MR. HEATON: Thank you for the opportunity.  
23 My name is Dan Heaton, Quartzite resident.

24 I'd like to go over some of these numbers,  
25 as some folks around here may believe that 1,070

1 acre-foot is a piddling amount of water. An acre-foot  
2 is 325,851 gallons; that times 1,070 is 348 million  
3 gallons allocated to Quartzite per year. As the lady  
4 pointed out earlier, that is about double of what we use  
5 annually. CAP is offering Quartzite \$2 million to lock  
6 up -- and I emphasize the words "lock up" -- rounding  
7 here, 350 million gallons per year for 25 years. That's  
8 what they're going to lock up, that's rounded from 348  
9 to 350. That amounts to 8,750,000,000 gallons, which  
11:33 10 means they will pay us 23 cents per 100,000 gallons --  
11 per 1,000 gallons, pardon me. I might add that that is  
12 set at today's price, and it continues for 50 years,  
13 especially with our first right of refusal having to go  
14 to anybody else.

15 Now, here in Quartzite, the utilities  
16 department charges residential users \$5.58 per 1,000  
17 gallons. So CAP has offered so generously to pay us  
18 4.12 percent of the value of Quartzite's water value.  
19 This leads me to question the character of the  
11:34 20 agreement -- the character of the agreed lease  
21 agreement.

22 But how could I judge? All the  
23 deliberations were held in secret in executive session,  
24 and no information was revealed and no inquiries were  
25 allowed. This is why at the May 19, 2017, regular



1 council meeting, which was held following the special  
2 session on May 1, 2017, authorizing the CAP agreement, I  
3 made the following statement --

4 THE COURT REPORTER: Excuse me, sir --

5 MR. HEATON: I'm trying to get it in in  
6 three minutes. Can I have extra time for this?

7 MR. CHANDLER: Just three minutes.

8 MR. HEATON: I requested that the Town  
9 Council reconsider their four-to-two vote on the agenda.  
10 This was the statement I made at the call to the public  
11 at the May 1st meeting:

12 I request that the Town Council of  
13 Quartzite, Arizona, reconsider their four-to-two vote on  
14 Agenda Item No. 2 of the special meeting held at 8:45,  
15 May 1, 2017, which was the vote to accept the leasing of  
16 the Colorado River allotment for a period of 25 years to  
17 CAWCD for the following reasons: four days' notice was  
18 given to the public to be aware of the meeting, which  
19 included a weekend; number two, the public, in general,  
20 was not made aware the decision was imminent but that  
21 studies were ongoing; three, all facets of the agreement  
22 were made in executive session with no public input;  
23 four, the special meeting was set up for a time frame of  
24 15 minutes, which caused public input --

25 MR. CHANDLER: Mr. Heaton, that is three

1 minutes. You shall also have the opportunity for  
2 written comment as well. Thank you, sir.

3 Our next speaker is Terry Ross.

4 MS. ROSS: I am a resident of Quartzite, and  
5 this is the biggest sham that ever came across my eyes.  
6 The Town was never considered. It was forced on us. We  
7 were told we couldn't do anything about it. Then they  
8 said, "Well, we'll have meetings," and then we weren't  
9 allowed to get questions answered. They said, "Well,  
10 that will come at another time."

11:36

11 Hello. Have we had another time? No.

12 This needs to be in front of the public. It  
13 needs to be voted on. The Town is getting tired of the  
14 Town Council being the say-so without getting it from  
15 us. They're supposed to represent us. You can't  
16 represent someone unless you know where they're coming  
17 from.

18 This is the worst deal. We had over 200  
19 signatures on a referendum to stop this. People don't  
20 want it. But they've been told, every time they  
21 question, that it's a done deal, you can't do anything  
22 about it, don't waste your time, whatever. And people  
23 in Quartzite are tired of being shut down, so they  
24 figure why even say anything.

11:37

25 Well, there are plenty of people. And now

1 that the snowbirds are back in town, if you want  
2 signatures of people that are against this, give us a  
3 month; we'll get them. People do not agree with this.  
4 It's a waste of money. We've got a driller that has  
5 drilled the wells that are in town. You don't need  
6 \$2 million to drill a well. He could drill ten wells  
7 and then have money left over.

8 It's them pushing -- and I don't want to  
9 accuse anybody of anything, but it's like are they  
11:38 10 getting paid for this or what? We don't benefit. There  
11 is absolutely no benefit. And we don't need this money  
12 to drill another well, because it will cost \$100,000,  
13 not \$2 million.

14 Thank you.

15 MR. CHANDLER: Thank you, Ms. Ross.

16 Our next speaker is Jeron Mumme.

17 MR. MUMME: I just have one question for  
18 y'all. Our City Manager said this was a done deal, and  
19 if this is a done deal, why are y'all sitting here  
11:39 20 talking about it?

21 We have a board member who doesn't want it  
22 one bit but -- and obviously the City doesn't want it.  
23 And the Chair is sitting here like we're wasting his  
24 time, with his head down and twiddling his thumbs. This  
25 is ridiculous. We don't want it.

1 I'm 16 years old. After 50 years, which  
2 this agreement will go on for, I'll be 66. Then are you  
3 telling me the tap just shuts off, that we'll get all of  
4 our water back after 50 years? It's ridiculous; it's  
5 common sense.

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

7 So the last speaker card I have is for  
8 Mr. Ferguson, Jim Ferguson.

9 UNIDENTIFIED SPEAKER: He is in Phoenix.

11:40 10 MR. CHANDLER: Okay. Are there any others  
11 who desire to speak?

12 Okay. Well, this public meeting is now  
13 adjourned. Thank you, all, for attending and providing  
14 comments.

15 (The meeting was adjourned at 11:40 a.m.)  
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C E R T I F I C A T E

I, Nicola Bauman, Certified Court Reporter for the State of Arizona, do hereby certify that the foregoing 28 printed pages constitute a full, true and accurate transcript of the proceedings had in the foregoing matter, all done to the best of my skill and ability.

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



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Nicola Bauman, CCR  
Certified Reporter No. 50830  
For the State of Arizona