ARIZONA DEPARTMENT OF WATER RESOURCES
BEFORE THE DIRECTOR

IN THE MATTER OF THE APPLICATION TO SEVER AND TRANSFER CERTAIN WATER RIGHTS REPRESENTED BY STATEMENTS OF CLAIM NOS. 36-40234 AND 36-102689, AND CERTIFICATES OF WATER RIGHT NOS. 593, 594 AND 1674	)	**No. ST-98-001** **Director's Supplemental Findings of Fact, Conclusions of Law, Decision and Order**

This matter concerns the City of Prescott's (Prescott) application to sever and transfer certain water rights pursuant to A.R.S. § 45-172. On November 17, 1998, the Director of the Arizona Department of Water Resources (Department) granted Prescott's sever and transfer application without objection or hearing, and issued findings of fact, conclusions of law and a decision and order (Initial Sever and Transfer Order). Pursuant to the Initial Sever and Transfer Order, the Director hereby issues the following supplemental findings of fact, conclusions of law, and decision and order (Supplemental Sever and Transfer Order).

SUPPLEMENTAL FINDINGS OF FACT

1. On September 15, 1998, Prescott filed an application to sever and transfer water rights held by the Chino Valley Irrigation District (CVID). On November 17, 1998, the Director approved Prescott's application and entered an order that severed and transferred a portion of the water rights evidenced by the following water rights documentation: Statement of Claim 36-40234, as amended; Statement of Claim 36-102689, as amended; Certificate of Water Right (CWR) 593; CWR 594 and CWR 1674. The Initial Sever and Transfer Order contemplated that a Supplemental Sever and Transfer Order would be necessary to assign this water rights documentation to Prescott.

2. On July 23, 1985, CVID filed Statement of Claimant 39-46145 in the Gila River Adjudication. This claim was based on CWR 593, CWR 594, Notice of Appropriation

(NOA) dated January 24, 1911, and NOA dated January 4, 1911. These NOAs formed part of the basis for Statement of Claim 36-40234, as amended, and Statement of Claim 36-102689, as amended.

3. In addition to the water rights held by CVID in its own name, Prescott's sever and transfer application sought to sever and transfer the appropriated surface water rights served by CVID that were appurtenant to lands within CVID. The landowners for these CVID lands previously entered into contracts with Prescott for the sale of their appurtenant water rights (Selling Landowners). On the date that the sever and transfer application was filed, there were 2391.86 acres of land within CVID of which 2387.16 acres were subject to sale. The owners of the remaining land and appurtenant water rights were not part of the sale (Non-Selling Landowners), and were not subject to Prescott's sever and transfer application. The names of the Selling Landowners and Non-Selling Landowners together with their tax parcel numbers were listed in Exhibit BB to Prescott's sever and transfer application (Application Exhibit BB). Under the Initial Sever and Transfer Order, the water rights of the Selling Landowners were severed and transferred to Prescott upon close of escrow, which occurred after the Initial Sever and Transfer Order issued. The Initial Sever and Transfer order contemplated that a Supplemental Sever and Transfer Order would be necessary to identify the Selling Landowners who closed escrow, and to assign the water rights documentation held by the Selling Landowners to Prescott.

4. Under Statement of Claim 36-40234, which was amended on September 10, 1998, CVID claimed certain water rights for itself, and on behalf of certain persons and water users within CVID. The claim asserted the following:

(a) A right to store water in Watson Lake in the amount of 4,600 acre feet, and to store water in Willow Lake in the amount of 5,980 acre feet, with the right to continuous fills and refills. The claim indicated that the waters from Granite Creek are stored in Watson Lake, and that the waters from Willow Creek are stored in Willow Lake. The claim further indicated that water is diverted from Watson Lake into Willow Lake by means of a cross cut-canal between the two bodies of water.

(b) A right to divert and use all waters of Granite Creek and Willow Creek available at CVID's points of diversion. The claim stated that, "The maximum amount of water diverted by CVID from the lakes and put to beneficial use in any one year is believed to be approximately 12,031.08 acre-feet."

(c) That the water that is the subject of the claim was put to use for irrigation, stockwater, domestic, recreation and wildlife, including fish, purposes, and the date that the water was first put to beneficial use was January 24, 1911.

(d) That the place of use includes the damsites, lake locations, CVID ditches and lands located within CVID. Granite Creek Dam (Watson Lake) is described as located within section 13, T14N, R2W, and the Granite Creek Diversion Dam is described as located within section 12, T14N, R2W. Willow Creek Dam is described as located in section 11, T14N, R2W, and the Willow Creek Diversion Dam is described as located in section 1, T14N, R2W. Watson Lake is described as located within sections 13 and 24, T14N, R2W and section 18, T14N, R1W. Willow Lake (aka Willow Creek Reservoir) is described as located within sections 10, 11, 12, 13 and 14, T14N, R2W. The cross-cut canal is described as located within section 13, T14N, R2W. The District lands are described as located within sections 15, 21, 22, 23, 26, 27, 28, 34

and 35, T16N, R2W. Maps depicting the location of the district lands, the lakes, the cross-cut canal and CVID's main canal were attached to the claim.

(e) That CVID's rights to Bottle Wash (aka Bottleneck Wash) were transferred to Prescott pursuant to an Intergovernmental Agreement for Use of Effluent dated December 15, 1992 (1992 IGA), and that those rights would be assigned to Prescott.

5. By letter dated November 23, 1998, CVID withdrew application 33-86560 for a permit to appropriate Prescott's effluent as required by the 1992 IGA with Prescott. As requested by a separate letter from CVID also dated November 23, 1998, the Department canceled CWR 1673, which had been issued to CVID on May 4, 1950 for the storage of water from Bottle Wash behind Bottle Wash Dam, and the irrigation of CVID lands. This letter indicated that CVID's interest in Bottle Wash Dam was "relinquished" to Prescott, and that Prescott subsequently removed the dam in the course of public works projects. CVID's claim concerning rights to Bottle Wash were not subject to the Initial Sever and Transfer Order, and are not subject to this Supplemental Sever and Transfer Order.

6. On September 10, 1998, the same date that CVID amended Statement of Claim 36-40234, CVID also amended Statement of Claim 36-102689 to conform to, and incorporate it into, Statement of Claim 36-40234, as amended.

7. Under CWR 593, dated March 14, 1935, CVID was granted the right to use the waters of Granite and Willow Creeks for irrigation purposes in an amount not to exceed 14 ½ cubic feet per second (cfs) with a priority date of February 7, 1922, which is the date that the application for a permit to appropriate was filed. The place of use is described as 164 acres in tracts 55 and 56, and forty-acre tracts within sections 21, 22, 23, 26, 27, 28, 34, and 35 in T16N, R2W, G&SRB&M, Yavapai County, Arizona.

8. Under CWR 594, also dated March 14, 1935, CVID was granted the right to use the waters of Granite and Willow Creeks for irrigation purposes in an amount not to exceed one cfs with a priority date of March 11, 1935, which is the date that the application for a permit to appropriate was filed. The place of use is described as certain tracts of land within sections 21, 22, 26, 34, and 35, T16N, R2W, G&SRB&M, Yavapai County, Arizona.

9. Under CWR 1674, dated May 4, 1950, CVID was granted the right to use the waters of Willow Creek, stored in Willow Creek Reservoir (aka Willow Lake) for the purpose of storage for irrigation with a priority date of July 15, 1930, which is the date that the application for a permit to appropriate was filed. Under this certificate, the storage capacity shall not exceed 6,000 acre feet. The place of use is described as Willow Creek Reservoir located within section 11, T14N, R2W, G&SRB&M, Yavapai County, Arizona.

10. Based upon documentation provided by Prescott and CVID, and the Department's records, the Director entered an order severing and transferring the water rights described above to Prescott in certain quantities and for certain uses. The Initial Sever and Transfer Order stated:

> 1. IT IS ORDERED granting this severance and transfer for the following quantities and uses:
>
> a. A right to store 4600 acre feet in Watson Lake and 5980 feet in Willow Lake for a total combined storage right of 10,580 feet with the right to continuously fill and refill these lakes. The storage right in Watson Lake shall have a priority date of January 24, 1911. The storage right in Willow Lake has a priority date of July 15, 1930.
>
> b. An annual diversion right of 3861.26 acre feet for municipal use within Applicant's [Prescott's] service area as defined in A.R.S. § 45-402(31) as measured at a point where the water enters the City of Prescott Underground Storage and Recovery Facility or other Facility. This beneficial use right shall have a priority date of January 24, 1911.

c. To the extent water is stored in Watson and Willow Lakes in accordance with the storage rights granted in paragraph 1(a) above, and used in accordance with the beneficial use rights granted in paragraph 1(b) above, Applicant [Prescott] shall have a right for non-consumptive, in situ use for recreation and wildlife, including fish, of all of the water held in storage.

d. To the extent transportation losses are actually incurred due to the transportation of water to the City of Prescott Underground Storage and Recovery Facility or other Facility, the Applicant [Prescott] may divert up to 965 acre feet annually in addition to the amount listed in paragraph 1(b) above for a total maximum annual diversion of not more than 4826.26 acre feet as measured at Granite Creek Dam and Willow Creek Dam.

(Initial Sever and Transfer Order at p. 6.)

11. CVID's surface water rights for the delivery of water to the Non-Selling Landowners were not severed and transferred to Prescott, but were retained by CVID (CVID's Retained Water Rights). With respect to CVID's Retained Water Rights, the Director entered the following order:

2. IT IS FURTHER ORDERED that CVID shall retain the right to divert and beneficially use up to 23.3 acre feet annually of surface water from Granite and Willow Creeks which shall remain appurtenant to those 4.7 acres identified in the application. *(See application exhibit BB).* This right shall be over and above Applicant's [Prescott's] beneficial use right listed in paragraph 1(b) above, and shall have a priority date of January 24, 1911.

(Initial Sever and Transfer Order at p. 7.)

12. Upon entry of this Supplemental Sever and Transfer Order, CVID and Prescott agree that the Department's records shall reflect the following:

(a) Except as provided in paragraph 12(b) below, Statement of Claim 36-40234, as amended, and Statement of Claim 36-102689, as amended, shall be assigned from CVID and the Selling Landowners to Prescott, after which Statement of Claim 36-102689 shall become inactive and shall be consolidated with Statement of Claim 36-40234.

(b) The portion of CVID's Statement of Claim 36-40234 relating to the water rights appurtenant to the lands of the Non-Selling Landowners shall be recorded as Statement of Claim 36-40234.0001, which shall be in CVID's name.

(c) The portion of Statement of Claim 36-40234 relating to the water rights appurtenant to the lands of the Selling Landowners shall be recorded as Statement of Claim 36-40234.0002, which shall be in Prescott's name.

(d) CVID's Statement of Claimant 39-46145 shall be assigned to Prescott, except with respect to the water rights appurtenant to the lands of the Non-Selling Landowners. Statement of Claimant 39-46145 shall be recorded in both CVID's and Prescott's names.

(e) In the Department's records relating to Statement of Claim 36-102689, Statement of Claim 36-40234, Statement of Claim 36-40234.0001, Statement of Claim 36-40234.0002, and Statement of Claimant 39-46145, the Department shall make a notation that refers to both of the sever and transfer orders entered in this matter

13. Pursuant to the Initial Sever and Transfer Order, CVID and Prescott agree that CWR 593, CWR 594 and CWR 1674 shall be reissued in the following manner:

(a) CWR 594 shall become inactive and shall be consolidated with CWR 593.

(b) CWR 593 shall be reissued as CWR 593.0001, in the form attached as **Exhibit A**, and as CWR 593.0002, in the form attached as **Exhibit B.**

(c) CWR 593.0001 shall be issued to CVID for the delivery of CVID's Retained Water Rights to the lands of Non-Selling Landowners, and CWR 593.0002 shall be issued to Prescott .

(d) CWR 1674 shall be reissued to Prescott as CWR 1674.0001 in the form attached as **Exhibit C**.

(e) Each of the reissued CWR's shall refer to both of the sever and transfer orders entered in this matter.

14. Pursuant to an Intergovernmental Agreement dated March 27, 1998 between Prescott and CVID (1998 IGA), the Selling Landowners entered into purchase agreements with Prescott for the sale of surface water rights served by CVID appurtenant to lands within CVID. These water rights were designated as "SWRs" in the 1998 IGA (§ 1.91). Under the Initial Sever and Transfer Order, the SWRs of the Selling Landowners who closed escrow were severed and transferred to Prescott. The Initial Sever and Transfer Order stated:

> 3. IT IS FURTHER ORDERED that on or before February 1, 1999, Applicant [Prescott] and CVID shall provide the director with a complete description of those Selling Landowners whose closings of escrow have become effective under the terms of the I.G.A. Upon receipt of this information, the Director shall issue a supplemental order including a revised certificate of water right evidencing the water right held by Applicant [Prescott]. To the extent that closing of escrow has not become effective as to individual selling landowners by that date, this decision and order shall not operate to sever and transfer water rights of those landowners. The supplemental order and revised certificate of water right to be held by Applicant [Prescott] shall reflect only those water rights for which closings of escrow have become effective under the terms of the I.G.A. Except as to those waters described in this paragraph and paragraph 2 above, this action accounts for all surface water rights held or claimed by CVID.

(Initial Sever and Transfer Order at p. 7.)

15. By cover letter dated January 28, 1999, CVID provided the Department with a table listing the tax parcel numbers and names of Selling Landowners who closed escrow either on December 18, 1998 or in January 1999. This table is attached as **Exhibit D**, and includes the names of over 400 Selling Landowners involving over 500 parcels of land. The list of names of Selling Landowners who closed escrow is identical to the list of names identified as Selling Landowners in Exhibit BB to Prescott's application.

16. Upon close of escrow, Prescott acquired ownership of Watson Lake, Willow Lake, the dams impounding those bodies of water, the cross-cut canal, and associated distribution system as described in the 1998 IGA (§§ 1.23, 1.58, 5.1, 5.2).

17. By document executed September 8, 1998, entitled "Assignment of Surface Water Rights and Documentation," CVID, as attorney-in-fact for, and on behalf of, each Selling Landowner that closed escrow, assigned to Prescott all statements of claim, statements of claimant, certificates of water right, applications and permits to appropriate, notices of appropriation, and other similar or related documentation related to the SWRs of the Selling Landowners as required by § 6.9 of the 1998 IGA (CVID Assignment). These documents were designated as "SWR documentation" in the 1998 IGA (§ 1.90). The CVID Assignment stated that it was conditioned upon the close of escrow, and included SWR documentation filed or recorded by predecessors in interest to the Selling Landowners, or by any other person or entity acting on behalf of the Selling Landowners. The CVID Assignment further stated that it was binding upon CVID, the Selling Landowners, and their respective subsidiaries, successors and assigns.

18. SWR documentation was filed with the Department by about 7 % of the Selling Landowners, or their predecessors in interest. This documentation consists of statements of claimant (39s) filed in the Gila River Adjudication, and a statement of claim (36) filed under the Water Rights Registration Act of 1974 (A.R.S. §§ 45-181 *et seq.*). Some of the SWR documentation includes groundwater rights or non-CVID surface water rights (Other Water Rights). The Other Water Rights are not part of the CVID Assignment. A table listing the tax parcel numbers, names of Selling Landowners, Department's owners of record (predecessors

in interest), and water rights documentation assigned to Prescott under the CVID Assignment is attached as **Exhibit E.**

19. CVID and Prescott agree that the Department shall record SWR documentation that includes SWRs and Other Water Rights for Selling Landowners in Prescott's name as well as the Department's owner of record. The Department shall record any SWR documentation that only includes SWRs for Selling Landowners solely in Prescott's name. In all SWR documentation, the Department shall note the name of the Selling Landowner and both of the sever and transfer orders entered in this matter.

20. The CVID Assignment does not apply to the water rights appurtenant to the land of the Non-Selling Landowners. Some of these water rights may be listed in the Department's records under the names of predecessors in interest. A table listing the tax parcel numbers, names of Non-Selling Landowners, Department's known owners of record, and water rights documentation for water rights appurtenant to the lands of the Non-Selling Landowners is attached as **Exhibit F**.

SUPPLEMENTAL CONCLUSIONS OF LAW

1. Pursuant to A.R.S. § 45-172, the Director has continuing jurisdiction of this matter.

2. Pursuant to A.R.S. §§ 45-163, 164 and 172, the Director has authority to enter the Supplemental Decision and Order set forth below.

3. Under the Initial Sever and Transfer Order, the water rights documented by Statement of Claim 36-40234, as amended, Statement of Claim 36-102689, as amended, CWR 593, CWR 594, CWR 1674, and Statement of Claimant 39-46145 were severed and transferred to Prescott. This Supplemental Sever and Transfer Order operates to assign to Prescott this

water rights documentation, in the manner set forth below in the Supplemental Decision and Order.

4. Under the Initial Sever and Transfer Order, the surface water rights served by CVID appurtenant to the lands of the Selling Landowners (SWRs) were severed and transferred to Prescott upon the close of escrow. This Supplemental Sever and Transfer Order operates to assign to Prescott the SWR documentation that is described in **Exhibit E** attached hereto, in the manner set forth below in the Supplemental Decision and Order. Neither the Initial Sever and Transfer Order nor this Supplemental Sever and Transfer Order operates to sever and transfer water rights to groundwater or non-CVID surface water held by the Selling Landowners, or to sever and transfer water rights of Non-Selling Landowners described in **Exhibit F** attached hereto.

5. This Supplemental Sever and Transfer Order operates to assign CVID's Statement of Claimant 39-46145 to Prescott, except for the claim to water rights associated with CVID's delivery of water to the lands of the Non-Selling Landowners listed in **Exhibit F**.

6. This Supplemental Sever and Transfer Order is a supplement to the Initial Sever and Transfer Order, attached hereto as **Exhibit G**, which remains in full force and effect.

7. This Supplemental Decision and order does not adjudicate or validate any water rights or claims.

SUPPLEMENTAL DECISION AND ORDER

IT IS HEREBY ORDERED that:

1. Statement of Claim 36-40234, as amended, and Statement of Claim 36-102689, as amended, are hereby assigned from CVID and the Selling Landowners to Prescott, which assignments shall include the water rights severed and transferred under the Initial Sever and Transfer Order, but which shall not include the water rights associated with the Non-Selling Landowners listed in **Exhibit F** attached hereto. The Department shall inactivate and consolidate Statement of Claim 36-102689, as amended, into Statement of Claim 36-40234, as amended. In the Department's records relating to Statement of Claim 36-40234, as amended, the portion of CVID's claim relating to water rights appurtenant to the lands of the Non-Selling Landowners shall be designated as Statement of Claim 36-40234.0001, which shall be in CVID's name. The portion of Statement of Claim 36-40234, as amended, relating to the water rights appurtenant to the lands of the Selling Landowners shall be designated as Statement of Claim 36-40234.0002, which shall be in Prescott's name.

2. Statement of Claimant 39-46145 shall be assigned from CVID to Prescott, except for water rights appurtenant to the lands of the Non-Selling Landowners listed in **Exhibit F**. The Department shall record Statement of Claimant 39-46145 in both CVID's and Prescott's names.

3. In the Department's records relating to Statement of Claim 36-102689, as amended, Statement of Claim 36-40234, as amended, Statement of Claim 36-40234.0001, Statement of Claim 36-40234.0002, and Statement of Claimant 39-46145, the Department shall make a notation referring to both of the sever and transfer orders entered in this matter.

4. CWR 594 shall be inactivated and consolidated into CWR 593. CWR 593 shall be reissued to CVID as CWR 593.0001, in the form attached as **Exhibit A**, and to Prescott as CWR 593.0002, in the form attached as **Exhibit B.** CWR 1674 shall be reissued to Prescott as CWR 1674.0001 in the form attached as **Exhibit C**. In each of the reissued CWRs, The Department shall make a notation referring to both of the sever and transfer orders entered in this matter.

5. The SWR documentation described in **Exhibit E** attached hereto is hereby assigned to Prescott to the extent that the SWR documentation relates to surface water rights served by CVID appurtenant to the lands of the Selling Landowners (SWRs). These assignments shall not include documentation relating to water rights to groundwater or non-CVID surface water rights held by the Selling Landowners, or to water rights held by Non-Selling Landowners as described in **Exhibit F**. The Department shall record SWR documentation that includes SWRs as well as Other Water Rights in the Department's name of record (predecessor in interest) and Prescott's name. The Department shall record SWR documentation that includes only SWRs in the name of Prescott. In all SWR documentation, the Department shall note the name of the Selling Landowner and both of the sever and transfer orders entered in this matter.

DATED this 28th day of March, 2008.

ARIZONA DEPARTMENT OF WATER RESOURCES

Herbert R. Guenther
Director

A copy of the foregoing was
sent by certified mail
this 28th day of March, 2008 to:

Kathleen Ferris
2415 E. Camelback, Suite 700
Phoenix, AZ 85016

Certified Mail No. 7001 1940 0000 1285 1991

Sheryl Sweeney
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One N. Central Ave., Suite 1200
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Certificate of Water Right
(Revised)

State of Arizona

County of Yavapai

Certificate No. 593.0001
(Application Nos. E-15.0002
and 33-15.0002)

Arizona Department of Water Resources
3550 North Central Avenue
Phoenix, Arizona 85012

Exhibit A
Supplemental Sever & Transfer Order ST-98-001
Rev. 3/28/08

REVISED

This Revised Certificate No. 593.0001 is issued pursuant to the Initial Sever and Transfer Order dated November 17, 1998 and the Supplemental Sever and Transfer Order dated March 28, 2008 in matter no. ST-98-001 upon application of the City of Prescott to sever and transfer certain water rights held by the Chino Valley Irrigation District.

This is to Certify, that the Chino Valley Irrigation District, State of Arizona, pursuant to the sever and transfer orders referenced above, has a right to the use of the waters of Granite and Willow Creeks, tributaries to the Verde River within the Verde River watershed, for the purpose of irrigation use under Application No. E-15 (renumbered as 33-15) and Permit No. E-9, and that the right to the use of the waters was perfected in accordance with the laws of Arizona; that the priority of the water right under this certificate dates from the date of the application, February 7, 1922; that the amount of water to which such right is entitled for the stated purpose is limited to an amount actually beneficially used for such purpose, but shall not exceed 23.3 acre-feet per annum for irrigation use.

The places where the water is put to beneficial use are described as being located within: Chino Valley Irrigation District consisting of .81 acres in Parcel No. 306-20-1010 in the Southeast quarter of the Northeast quarter (SE¼NE¼), Section 15, .38 acres in Parcel No, 306-23-076C in the Northwest quarter of the Southeast quarter (NW¼SE¼), 3.42 acres in Parcel No. 306-23-042A in the Northwest quarter of the Southwest quarter (NW¼SW¼), Section 22, and .09 acres in Parcel No. 306-28-023D in the Northwest quarter of the Southwest quarter (NW¼SW¼), Section 26, all in Township 16 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The points of diversion and means of distribution are described as being located within: Granite Creek Dam (Watson Lake) in the Southeast quarter of the Northeast quarter (SE¼NE¼), Section 13, Granite Creek Diversion Dam in the Northwest quarter of the Northeast quarter (NW¼NE¼), Section 12, Watson-Willow Crosscut Canal in the Southwest quarter (SW¼) and the Northwest quarter (NW¼), Section 13, Willow Creek Diversion Dam in the Southwest quarter of the Southeast quarter (SW¼SE¼), Section 1 and Willow Creek Dam (Willow Creek Reservoir) in the Southeast quarter of the Southeast quarter (SE¼SE¼), Section 11, Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The right to the use of water is restricted to the places of use, and for the purpose described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Department of Water Resources,
affixed this 28th day of March, 2008.

Elizabeth V. Logan, Manager (Attest)
Water Management Support Section

Sandy Fabritz-Whitney, Assistant Director
Water Management Division

The Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

Exhibit A
Supplemental Sever & Transfer Order ST-98-001
Rev. 3/28/08

Certificate of Water Right
(Revised)

State of Arizona

County of Yavapai

Certificate No. 593.0002
(Application Nos. E-15.0003
and 33-15.0003)

Arizona Department of Water Resources
3550 North Central Avenue
Phoenix, Arizona 85012

Exhibit B
Supplemental Sever & Transfer Order ST-98-001
Rev. 3/28/08

REVISED

This Revised Certificate No. 593.0002 is issued pursuant to the initial Sever and Transfer Order dated November 17, 1998 and the Supplemental Sever and Transfer Order dated March 28, 2008 in matter no. ST-98-001 upon application of the City of Prescott to sever and transfer certain water rights held by the Chino Valley Irrigation District. This certificate was originally issued to the Chino Valley irrigation District on March 14, 1935 under Application No. E-15 (renumbered as 33-15) and Permit No. E-9 and the right to the use of the water was perfected in accordance with the laws of Arizona.

This is to Certify, that the City of Prescott, State of Arizona, pursuant to the sever and transfer orders referenced above, has a right to the use of the waters of Granite and Willow Creeks, tributaries to the Verde River within the Verde River watershed, for the purpose of municipal use; that the priority of the water right under this certificate dates from the date of the application, February 7, 1922; that the amount of water to which such right is entitled for the stated purpose is limited to an amount actually beneficially used for such purpose, up to 3861.26 acre-feet per annum for municipal use measured at a point where the water enters the City of Prescott Underground Storage and Recovery Facility or other Facility, and up to an additional 965 acre-feet per annum for transportation losses, but shall not exceed 4,826.26 acre-feet per annum as measured at Granite Creek Dam and Willow Creek Dam.

The places where the water is put to beneficial use are described as being located within: City of Prescott service area as defined in Arizona Revised Statutes § 45-402 (31), Yavapai County, Arizona.

The points of diversion and means of distribution are described as being located within: Granite Creek Dam (Watson Lake) in the Southeast quarter of the Northeast quarter (SE¼NE¼), Section 13, Granite Creek Diversion Dam in the Northwest quarter of the Northeast quarter (NW¼NE¼), Section 12, Watson-Willow Crosscut Canal in the Southwest quarter (SW¼) and the Northwest quarter (NW¼), Section 13, Willow Creek Diversion Dam in the Southwest quarter of the Southeast quarter (SW¼SE¼), Section 1 and Willow Creek Dam (Willow Creek Reservoir) in the Southeast quarter of the Southeast quarter (SE¼SE¼), Section 11, Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The right to the use of water is restricted to the places of use, and for the purpose described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Department of Water Resources,
affixed this 28th day of March, 2008.

Elizabeth V. Logan, Manager (Attest)
Water Management Support Section

Sandy Fabritz-Whitney, Assistant Director
Water Management Division

The Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

Certificate of Water Right
(Revised)

State of Arizona

County of Yavapai

Certificate No. 1674.0001
(Application No. R-387.0001)

Arizona Department of Water Resources
3550 North Central Avenue
Phoenix, Arizona 85012

Exhibit C
Supplemental Sever & Transfer Order ST-98-001
Rev. 3/28/08

REVISED

This revised certificate No. 1674.0001 is issued pursuant to the initial Sever and Transfer Order dated November 17, 1998 and the Supplemental Sever and Transfer Order dated March 28, 2008 in matter no. ST-98-001 upon application of the City of Prescott to sever and transfer certain water rights held by the Chino Valley Irrigation District. This certificate was originally issued to the Chino Valley Irrigation District on May 4, 1950 under Application No. R-387 and Permit No. R-244, and the right to the use of the waters was perfected in accordance with the laws of Arizona.

This is to Certify, that the City of Prescott, State of Arizona, pursuant to the sever and transfer orders referenced above, has a right to the use of the waters of Willow Creek, within the Verde River watershed, for the purposes of storage for municipal and non-consumptive recreation and wildlife, including fish, uses; that the priority of the water right dates from July 15, 1930; that the amount of water to which such right is entitled for the stated purposes is limited to an amount actually beneficially stored for such purposes; and that the authorized water storage in a water storage reservoir, commonly known as Willow Creek Reservoir, shall not exceed 5,980 acre-feet, with the right to continuous fills and refills.

The place of impoundment is described as being located within: The Southeast quarter of the Northeast quarter (SE¼NE¼), the Northeast quarter of the Southeast quarter (NE¼SE¼), Section 10, the South half of the Northeast quarter (S½NE¼), the Northwest quarter (NW¼), the Southeast quarter (SE¼), the Southwest quarter (SW¼), Section 11, the Southwest quarter of the Southwest quarter (SW¼SW¼), Section 12, the Northwest quarter of the Northwest quarter (NW¼NW¼), Section 13 and the Northeast quarter (NE¼), Section 14, all in Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The right to the use of water is restricted to the place of impoundment, and for the purposes described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Department of Water Resources,
affixed this 28th day of March, 2008.

Elizabeth V. Logan, Manager (Attest)
Water Management Support Section

Sandy Fabritz-Whitney, Assistant Director
Water Management Division

The Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

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PARCEL #	OWNER	ACRES
306-29-045A 7	ABBOTT JOHN L	0.51
306-29-045F 2	ABBOTT JOHN L	1.09
306-23-035A 0	ACOSTA AURELIO & MANUELA JT	0.57
306-25-005B	ADAMS B & L FAMILY TRUST	18.50
306-30-011 1	ADAMS GLORIA E	0.47
306-23-038P 1	ADAMS WALTER	1.28
306-34-004V5	AITON SAM T III & LESLIE JT	5.00
306-21-008E 2	AKIN ROBERTA YORK JT	2.55
306-53-011 8	ALLIE RICHARD C & JENNIFER JT	1.02
306-29-024F	APPLEBEE DELBERT D & GENEVIEVE L JT	10.75
306-29-024D	APPLEBEE DELBERT D & GENEVIEVE L JT	5.00
306-29-024E	APPLEBEE DELBERT D & GENEVIEVE L JT	5.00
306-29-024B 5	APPLEBEE PATSY ANN	15.56
306-29-026Y	APPLEBEE PATSY ANN	10.11
306-29-026Z	APPLEBEE PATSY ANN	9.49
306-33-009N	APPLEBEE PERRY	4.00
306-21-008F 1	AUDIS CURTIS ELMER & CARLA BLANCHE JT	1.05
306-21-008B 5	AUDIS CURTIS L	10.23
306-21-008A 6	AUDIS LOWELL E & AURILLE G JT	10.22
306-21-008K 3	AUDIS WILEY R &	9.02
306-34-005B 4	BAGBY CHARLES F AND FAY G	7.78
306-23-030J 3	BAKER JAMES L & KARLA R JT	2.68
306-34-002C 4	BALDWIN KATHLEEN	10.00
306-20-013 8	BAPTIST CHURCH 1ST SO CHINO VALLEY	2.95
306-29-053C 8	BARBER JOHN C	5.05
306-34-004S	BARD TRAVIS R	5.00
306-24-004C 1	BARNES NORMAN L AND DARLENE JT	3.33
306-29-018A 9	BARNEY KEITH & MARY ELLA JT	1.98
306-29-020 5	BARNEY KEITH AND MARY E JT	0.99
306-29-018 0	BARNEY KEITH CONSERVATOR OF ESTATE OF	3.03
306-23-003B 6	BATES MATTHEW &	2.21
306-23-024A	BATES MATTHEW P &	10.98
306-34-004N 6	BATES RONALD C & PATRICIA A JT	5.06
306-29-023 4	BAUMANN DARLENE	1.79
306-23-038C 7	BEALE FAMILY TRUST	3.55
306-23-056B 0	BEALE FAMILY TRUST	2.50
306-23-054A 5	BEALE FAMILY TRUST	1.20
306-23-030F 0	BEARD ARTHUR H III & CAROLYN JOYCE JT	4.82
306-30-017A 8	BEAVEN DAVID B AND PATRICIA JT	0.50
306-23-093D 5	BELLKNAP ANDY M AND CLAUDETTE M JT	0.95
306-23-022 3	BENNETT RICHARD E & NORMA J JT	0.60
306-23-002E 0	BENNETT RUSSELL O & LAURIE A	1.01
306-51-009 7	BENNETT THOMAS F & MARJORIE E JT	2.42
306-29-013C 2	BENSON WILLIAM S & AMIEE L JT	1.33
306-29-034C	BLAIR JAMES LEE SS &	9.80

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306-29-034D	BLAIR LYDIA K &	25.09
306-24-003 1	BLUMENSTOCK FREDRICK G AND ZONNA M JT	9.00
306-29-032A 9	BONANZA LAND TR	12.00
306-29-032H 2	BONANZA LAND TR	8.00
306-29-032F 4	BONANZA LAND TR	5.11
306-23-016A 5	BOND RICHARD D & KAREN E DBA	0.60
306-23-016C 3	BOND RICHARD D & KAREN E DBA	0.11
306-23-017D 5	BOND RICHARD D & KAREN E JT	1.14
306-34-003H 2	BOUCHARD WILLIAM T AND PAMELA L JT	2.84
306-23-025C 9	BOYD JOSH & KARRIE	2.33
306-31-006J 7	BRADEN E O	17.97
306-30-010A 7	BRANDON CECIL DWAYNE & BETTY D JT	0.53
306-30-002 5	BRISSEY JOSEPH M & JOSEPHINE M	0.51
306-51-007 1	BROGAN, GARY & MAUREEN	2.29
306-23-038N 3	BROGDON ELMER & JACQUELINE A JT	0.07
306-23-076D 6	BROGDON ELMER & JACQUELINE JT	1.01
306-23-038J 7	BROWN DOROTHY M & JUDSON J & KATHY	1.34
306-23-040 5	BROWN DOROTHY MAE	0.69
306-34-003 0	BROWN TRUST	30.06
306-23-046F 7	BROWN WILEY D & CHERYL L JT	2.84
306-20-009E 2	BRULE EDWIN A & MARGERY P TR	1.06
306-20-14C	BUCKAROO ROUNDUP	0.73
306-29-002A 2	BUNKER JAMES NEIL AND RONNIE L JT	2.00
306-29-005D 8	BUNKER KEITH FAMILY TR	1.22
306-23-013L	BURCH JOHN E & MADGE L JT	2.25
306-23-065 8	BURTON DAVID DONALD & KATHRYN E JT	0.68
306-29-002B 1	BUTLER THOMAS L & MARTHA S JT	5.23
306-28-002C 7	CABALLERO ROBERT R AND JOAN JT	0.85
306-34-004E 8	CALDERWOOD MEMORY TRUST	5.06
306-24-004F 8	CALHOUN CHARLES M 7 JOYCE T UI JT&	3.34
306-29-015 1	CALHOUN MARGIE M	0.93
306-30-023 6	CALKINS DENNIS J & KIMBERLY D JT	0.50
306-32-001 8	CAMPANARO GLENNA E SEPERATE PPTY TR	2.20
306-29-005A 1	CARNER AUDREY M	0.55
306-28-021A 4	CARPENTER RANDALL	0.81
306-28-021B 3	CARPENTER RANDALL	0.94
306-28-013A 1	CARPENTER RANDALL R	0.89
306-28-013B 0	CARPENTER RANDALL R	0.90
306-34-012M 0	CARROLL MARIE	1.01
306-34-012A 5	CARROLL MARIE E	1.16
306-23-014A 9	CASSARA MIKE & JOYCE L JT	2.63
306-23-026B 3	CHANDLER MICHAEL W & C MARGUERITE	1.44
306-23-003Q 3	CHENEY JOSEPHINE	4.77
306-29-045J 5	CHINO TOWN & COUNTRY REALTY INC	0.59
306-29-014 8	CHINO VALLEY IRRIGATION DIST	0.23
306-31-004B 2	CHINO VALLEY IRRIGATION DISTRICT	1.54

306-23-048A 8	CHINO VALLEY IRRIGATION DISTRICT	14.79
306-20-011L	CHINO VALLEY MARKET PL	0.18
306-20-012B	CHINO VALLEY MARKET PL	15.73
306-23-063F 6	CHINO VALLEY SCHOOL DIST #51	37.18
306-23-062A 8	CHINO VALLEY SCHOOL DIST #51	3.82
306-29-056A 9	CHINO VALLEY UNITED METHODIST CHURCH	4.63
306-23-021Z	CHINO VLY WORD OF LIFE ASSEMBLY OF GOD	4.22
306-34-011C 0	CHISUM ROSE A	3.00
306-30-019A 4	CHRISTIE THOMAS F. TR	0.50
306-30-025 2	CHRISTIE THOMAS SHERWOOD	0.50
306-23-077A 2	CITY OF PRESCOTT	42.96
306-34-012H 8	CLARK CHARLENE D	2.27
306-29-001 0	CLARK JAMES A & CATHERINE A JT	1.83
306-30-004 1	CLAUSEN JOHN R AND KAREN JT	0.51
306-23-034C 5	CLINGMAN, KAREN	0.10
306-23-033D 1	CLINGMAN, KAREN	2.59
306-23-038E 5	COHAN CARL B & LINDA J JT	1.34
306-20-009R 6	COLE WILLIAM A & ROBERTA M	0.96
306-23-094A 2	COLVIN KENNETH	0.68
306-20-022 4	CONWAY TOM & PRIM	2.84
306-53-003 5	COOMBS ENID J	0.99
306-29-013E 0	COOPER KENNETH E & LAVON MILDRED JT	52.22
306-20-028A 1	COPELAND LUMBER YARDS INC	2.74
306-29-005C 9	CORP OF THE PRESIDING BISHOP OF CHURCH	0.56
306-24-002 8	COSPER WILLIS FAMILY REV TR	38.50
306-20-020B 6	COTTLE REX A	0.49
306-20-100D 3	COURY TIMOTHY J	2.89
306-20-010A8	COURY TIMOTHY J & LISA M IRREV FAMILY TR	48.45
306-20-100C 4	COURY TIMOTHY J & LISA MARIE IRRE FAM TR	4.23
306-23-038B 8	COX CLIFFORD & SUSAN F JT	1.11
306-23-093 9	COX CLIFFORD D SR & SUSAN F JT	1.02
306-29-058A	CUKA GREGG J & SUSAN J JT	1.85
306-29-036Y 1	CUKA GREGG J & SUSAN J JT	2.05
306-29-038F 2	CURRAN HENRY	6.16
306-29-038A 7	CURRAN HENRY PAUL	1.27
306-29-037E 0	CURRIER DONALD & ALISON JT	3.86
306-51-013 8	CURRY PHYLLIS A	2.18
306-25-003A 3	CURTIS FAM LIVING TR	9.28
306-20-021 1	DALE LESLIE B & MARY ANN JT	0.59
306-28-009 1	DAVIES ADA A	0.90
306-34-011F	DAVIS DANA M	1.65
306-24-008A 5	DAVIS JOHN H & E JOYCE LIV TRUST	9.62
306-29-012V 4	DAVIS KEITH A & CINDY JT	5.30
306-34-011B 1	DAVIS RAYMOND W	2.00
306-24-012 7	DAVIS ROBERT J & SHARON A RS	10.00
306-25-002Q	DE BASTIANI GENE & LORNA JT	5.00

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306-20-023 7	DE LANO DOUGLAS	2.81
306-51-012 5	DELLARA FRANK J & JANEL L JT	2.18
306-34-008F 9	DEVEREAUX FAMILY TRUST	11.59
306-34-008J	DEVEREAUX THOMAS R & BONNIE M	4.54
306-29-048D 3	DEWITT CHRISTOPHER &	1.89
306-29-046A 0	DEWITT CHRISTOPHER C &	1.80
306-34-008D 1	DILL LEONARD L &	9.85
306-23-028 1	DOBLER WHINNERY JOSEPH	4.55
306-23-004 1	DOHERTY JOHN	0.79
306-30-018 2	DONOHUE JOHN J AND VIRGINIA R JT	0.50
306-29-038P 9	DOTY DUANE R & GWEN JT	10.48
306-34-012K 2	DUBE' ROGER M & JEANNE C JT	0.98
306-29-053 1	DUFFY MICHAEL J & JUDITH M JT	5.00
306-23-034B 6	EDWARDS, BRADLEY	4.89
306-20-040 6	EGGLESTON WALTER O &	0.65
306-34-008G 8	EISBERG TRUST	5.00
306-23-050 4	EKDAHL FAMILY TRUST	3.41
306-23-013H 9	EKDAHL FAMILY TRUST	2.31
306-34-008L	EMERSON CAROLYN &	4.79
306-23-035 1	EVANS MARK E	0.85
306-29-039 1	FALK BRIAN J & SUSAN L JT	1.07
306-34-004K 9	FALK BRIAN J & SUSAN L JT	5.39
306-29-027F 0	FANN KAREN/MCKOWN JIM	11.71
306-21-011A 4	FAVOUR A H	20.00
306-23-019 5	FEDERWISCH HERMAN O & REAUT R JT	1.97
306-23-021P 1	FEDERWISCH HERMAN O & REAUT R JT	19.76
306-20-036A 4	FEDERWISCH ROBERTA M	1.00
306-20-009W 8	FEINGOLD LOUISE F AND	0.96
306-23-101A	FILLEBROWN ROGER & SHARON JT	2.00
306-20-036B 3	FILLEBROWN ROGER R & SHARON J JT	7.75
306-32-034A 3	FINCHER ALTON C & VIRGINIA J JT	1.02
306-32-033A 0	FINCHER ALTON C & VIRGINIA J JT	1.24
306-31-067A 6	FLUHART ROY S	5.14
306-23-099C 4	FORTNER FAMILY TRUST	4.62
306-23-046K 9	FORTNER FAMILY TRUST	1.00
306-23-046M 7	FORTNER FAMILY TRUST	1.00
306-23-046N 6	FORTNER FAMILY TRUST	3.00
306-23-002A 4	FOUBERT STEVEN EDWARD & CRYSTAL MARIE	0.98
306-23-013M	FOWLER CRAIG T & CYNTHIA N JT	2.49
306-30-009A 5	FRANKLIN OSCAR L & HELEN JUANITA JT	0.68
306-29-016 4	FUCHS JEANNE	1.00
306-34-005A 5	FUNKHOUSER BERT AND NORMA JT	1.51
306-23-018 2	GARSIDE GILBERT S & MICHELLE L RS	3.18
306-23-063L 7	GIBSON DOUGLAS AND SABINE	2.00
306-23-021G 3	GILBERT DONALD CHARLES & EMMA LOU &	7.67
306-21-001E 1	GILLILAND BRENDA S &	41.63

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306-23-051C 4	GILSON LYLE A & STELLA H JT	2.25
306-24-010H 3	GINN E L & ELLEN	28.93
306-23-010B 6	GINN EUGENE L & ELLEN E	1.35
306-23-010C 5	GINN EUGENE L & ELLEN E TR	0.05
306-23-086 9	GINN FAMILY TRUST AGREEMENT	0.74
306-23-084 3	GINN FAMILY TRUST AGREEMENT	0.74
306-23-083 0	GINN FAMILY TRUST AGREEMENT	0.74
306-23-082 7	GINN FAMILY TRUST AGREEMENT	0.74
306-23-085 6	GINN FAMILY TRUST AGREEMENT	0.74
306-33-171 1	GLENARM LAND CO INC	5.89
306-29-033 3	GOLDENKOFF ABBOTT H TR	27.92
306-29-002H 5	GRANILLO JOSE L & OLIVIA JT	5.10
306-29-022B 9	GRANT WILLIAM R & MARGIE H	2.45
306-28-005A 8	GRAY ANDREW & GEORGANNE JT	0.92
306-28-005B 7	GRAY ANDREW B & GEORGANNE L JT	0.87
306-28-003 3	GREEN SAMUEL A	0.90
306-23-076H 2	GREGORY NOONAN D & NANCY G JT	1.20
306-23-076G 3	GREGORY REV LIVING TRUST	1.00
306-34-002M 1	GRIFFIN CARLA J & MAXWELL DOROTHY E	5.00
306-23-067 4	GRIFFIN JOAN	1.93
306-20-009S 5	GROVE PEGGY LOUISE	0.95
306-24-010K 7	GRUNWALD A & SOPHIE S JT	4.90
306-30-017B 7	HAMILTON JUDITH J	0.50
306-23-021B 8	HANSEN KENNETH N & BETTY JT	1.11
306-23-021Y 9	HANSEN KENNETH N & BETTY JT	0.65
306-23-020 7	HANSEN KENNETH N & BETTY JT	18.99
306-29-035 9	HARDS DAVID JAMES	1.91
306-33-009P	HARMAN, HOMER	5.00
306-28-008A 7	HARNER DAVID L & CAROL A	0.90
306-23-025H	HARRIS MARION DALE & YVONNE M JT	1.91
306-23-097 1	HARTMAN REVOCABLE FAMILY TR	2.67
306-34-002H 9	HAVERFIELD VERN & DOROTHY JT	10.38
306-34-002L 2	HAVERFIELD VERN & DOROTHY JT	5.00
306-34-002B 5	HAVERFIELD VERN & DOROTHY JT	2.00
306-34-002E 2	HAVERFIELD VERN & DOROTHY JT	5.97
306-34-002F 1	HAVERFIELD VERN & DOROTHY JT	4.03
306-30-020 7	HEMALA REVOCABLE TRUST	0.99
306-34-13A	HEMALA RICHARD	0.67
306-29-031 7	HENNESSEY MILDRED	4.75
306-29-030 4	HENNESSEY MILDRED	5.74
306-30-013 7	HENRIE HARRIET	0.50
306-23-046 3	HENRY LARRY D & JOE ANNE TR	6.33
306-51-002 6	HERRING EDWARD F & LORI A JT	2.56
306-23-071 5	HESLOP-BOLLINGER DARRELL	0.67
306-23-069 0	HESLOP-BOLLINGER DARRELL	0.14
306-23-074 4	HESLOP-BOLLINGER DARRELL	0.24

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306-23-070 2	HESLOP-BOLLINGER DARRELL	0.02
306-23-037 7	HICKS JEANNE M	1.85
306-23-038D 6	HICKS JEANNE M	1.42
306-34-006B 9	HIGGINS EUGENE D	6.98
306-34-010B 8	HIGGINS JOAN M	9.80
306-25-002C 8	HILL DALE & CAROL	2.09
306-29-021A 8	HILL THOMAS D & LAVEDA L JT	1.45
306-20-032A 2	HITT FAMILY TRUST	2.83
306-29-041D	HOLMBERG DAVID R & SUSAN A	5.00
306-34-002G 0	HOLMES DERALD D AND MARCIA KAY JT	20.36
306-23-041C 5	HOLMES EDWARD O & CAROLYN SUE REV TR	9.43
306-23-041A 7	HOLMES EDWARD O & CAROLYN SUE REV TR	0.86
306-23-028D 7	HOLMES EDWARD O & CAROLYN SUE REV TR	6.98
306-23-027 8	HOLMES EDWARD O & CAROLYN SUE REV TR	14.76
306-23-028B 9	HOLMES EDWARD O & CAROLYN SUE REV TR	14.75
306-23-041B 6	HOLMES EDWARD O & CAROLYN SUE REV TR	5.00
306-25-005A	HOOBLER JIM	18.17
306-25-004A 6	HOOBLER, JIM	1.83
306-28-002A 9	HOOVER RUSSELL K & CINDY JT	0.89
306-20-024D 6	HUNTS TRUE VALUE LUMBER COMPANY INC	2.81
306-24-006 0	HURT STANLEY NEIL FAMILY TRUST	4.47
306-24-007 3	HURT STANLEY NEIL FAMILY TRUST	3.03
306-29-038M 2	HYATT CHARLES L & VIRGINIA L JT	5.16
306-29-038J 5	HYATT CHARLES L & VIRGINIA L JT	5.84
306-29-038L 3	HYATT CHARLES NEIL & LORI E.	5.00
306-29-006A 4	JACKSON RANDLE L &	0.79
306-23-073 1	JAWORSKI SEAN K & LONNETTA JT	0.09
306-29-012Q 2	JOHNSON EDWIN F & IRENE E REV TR	41.76
306-28-009A 0	JOHNSON LESTER H AND NELLA RAE JT	0.90
306-28-001A 6	JOHNSON RANDY W AND ANN E JT	1.00
306-20-020C 5	JOHNSON ROBERT L & DEBORAH J JT	0.91
306-23-095C 2	JOHNSON TONY L & ADELA S JT	0.77
306-28-004 6	JOHNSON WARREN & DELORES MAE JT	0.92
306-28-006 2	JONES GLENWOOD M	1.75
306-34-003L	JONOLANA TR	2.39
306-20-039 4	JORGENSEN ARLENE L	0.50
306-20-020A	JUNKINS ROY A & DOROTHY	0.85
306-28-023A 0	KANTAUTAS GUS J & BETTY J JT	1.77
306-34-012B 4	KEACH ROBERT W AND CONNIE L JT	2.00
306-29-009B 2	KEACH ROBERT W AND CONNIE L JT	0.51
306-20-026A 5	KEFFER JEFF & DONNA	1.93
306-23-023E	KEMP AFTON & DORELLA K	5.07
306-30-005 4	KILDOO DOUGLAS N	0.49
306-20-014B	KILLIAN MILES & BARBARA E JT	4.59
306-20-067 5	KING RON S & MARILYN JT	1.05
306-29-055 7	KITE LUTHER H & ELLA L TR	1.78

306-23-010D 4	KOHLER GEORGE E & JACQUELINE JT	0.02
306-23-009 6	KOHLER REV TR	6.67
306-20-031 0	KOLLMEYER EDWARD W AND BERNICE F	7.67
306-29-035B 7	KOOL DAVID L & BEVERLY J JT	1.48
306-30-027 8	KUNG DIANA	0.50
306-30-015 3	KUNG DIANA STEPHANIE	0.50
306-23-033C 2	KUNG SONYA	0.12
306-23-078E 1	KUNG SONYA	0.73
306-30-012 4	KUTZ NORMAN J	0.49
306-33-172B 2	LANGGLE LOLITA E TR	5.00
306-29-008 1	LEMONS CHARLES N & LAURA B JT	1.44
306-29-009A 3	LEMONS CHARLES N & LAURA B &	8.10
306-29-013B 3	LEMONS DAVID LEE	1.47
306-23-015S	LEVIE PAUL E & RAE TR	1.67
306-34-004M 7	LEWERKE MARK E & JOANN C JT	5.01
306-34-007 2	LEWIS CECIL O & WILMA R JT	1.85
306-29-053E	LIRA MONTY E & TERRI B JT	5.03
306-29-053F	LIRA MONTY E & TERRI B JT	5.02
306-23-021K 6	LITTLE ROBERT J & BONNIE S FAMILY TRUST	1.24
306-28-015C 5	LOCKWOOD RICHARD L & BEVERLY A JT	0.57
306-30-006 7	LOPEZ JOHNNY A AND CONNIE D JT	0.49
306-24-011A	LUDWICK ROSE	1.90
306-23-025F 6	MACARTHUR GERALD & DEBORAH A JT	1.91
306-21-010V	MAHLIOS RANDY A AND KAREN L JT	7.83
306-25-008A 8	MAHONEY WILLIAM P JR & ALICE	25.00
306-34-013B	MAHONEY WM P & ALICE D	1.33
306-30-005A 3	MANN JAKE W & DAISY M JT	0.50
306-30-013A 6	MANTIE ELIZABETH R	0.50
306-34-003F 4	MARET JACK C & JACQUELINE JT	5.67
306-34-003A 9	MARGINI FRANK & EVA JT	27.36
306-30-016 6	MARLEY, JEANETTE	1.00
306-29-002L	MARTINEZ GABRIEL & PATRICIA	2.88
306-29-002K	MARTINEZ GABRIEL & PATRICIA ANN JT	3.09
306-29-054C	MASTIN DONALD E & MARJORIE L JT	3.93
306-23-066 1	MATSON PAUL R & SHARON E JT	0.67
306-28-011 6	MC CLATCHIE WILLIAM & KAREN RS	1.75
306-28-012B 7	MC DANIEL KENNETH R & PHYLLIS J JT	0.86
306-30-022 3	MC INTIRE R H & MARY E	0.51
306-23-007B 8	MCGEE DANIEL L & JANET E	4.55
306-23-063Q 2	MCGEE MITCHELL ROBERT	2.28
306-29-017 7	MCGETRICK JUANITA L	3.25
306-31-042 4	MCQUISTION CARL L & SANDRA JT	5.15
306-30-007 0	MCQUISTION E B & GRACIE B JT	0.49
306-23-026F 9	MERRITT GRACE C &	0.91
306-23-003 8	MEURS COUNTRY WEST LLC	10.35
306-23-003E 3	MEURS COUNTRY WEST LLC	5.43

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306-23-003R 4	MEURS COUNTRY WEST LLC	5.79
306-30-026 5	MEYERS RODERICK K AND EDNA S JT	0.50
306-29-045H 0	MIKKELSON FREDERICK & SALLY J JT	0.94
306-30-014 0	MIKKELSON FREDERICK & SALLY JEAN JT	0.50
306-20-024C 7	MILLER DON & DONNA JT	4.21
306-34-011D 9	MILLER IRENE V	3.21
306-29-046H 3	MILLER TERRY	1.28
306-30-012A 3	MINNICH RONALD L AND JANET L JT	0.49
306-23-038F 4	MITCHELL MARTHA E &	1.34
306-20-018 3	MOE GENERAL PARTNERSHIP	3.90
306-21-010R 2	MOE GENERAL PARTNERSHIP	1.88
306-23-003N	MOINE EUGENE L & MARGARET A JT	0.98
306-29-004 9	MOORE FRANCES IRENE &	2.98
306-33-172C 1	MOORE PATRICK B	5.06
306-34-003G 3	MORRIS BILLY D & GAYLE M JT	2.84
306-23-021V 2	MUNN KIRK & CYNTHIA	1.53
306-23-015P 4	MURPHY AMOS & CONNIE LEE JT	4.53
306-53-006 4	MURRAY IVAN E & JOYCE P JT	1.00
306-31-001 5	NANKE TODD C & JOAN M RS	9.62
306-30-019 5	NELSON SHIRLEY	0.49
306-30-021 0	NIXON CHARLES E &	0.49
306-23-028E 6	NOBLE MOSS & BETTY JO	9.21
306-23-029 4	NOBLE MOSS & BETTY JO JT *	1.00
306-29-047B 2	NOR-AM TELECOMMUNICATIONS	1.96
306-29-052B 6	NOVITS LOU ANN &	2.05
306-23-030L 1	OBERLOH RONALD J & AURORA E JT	0.02
306-23-030K 2	OBERLOH RONALD J & AURORA E JT	2.48
306-23-030B 4	OBERLOH RONALD J & AURORA E JT	3.00
306-24-010G 4	O'CONNELL DANIEL F & CATHRYN A JT	7.82
306-20-028 2	OKANE CHARLES E	1.20
306-23-046T 7	OLAGUE JOHN P & JENNY JT	1.03
306-24-010F 5	OLIVAS ANGELO D	10.19
306-29-028F	OLSEN MICHAEL J AND SHERRILL S JT	0.99
306-29-031B	OLSEN SISCHKA INVESTMENTS	0.23
306-29-028E	OLSEN SISCHKA INVESTMENTS	1.98
306-29-029C 9	OLSEN SISCHKA INVESTMENTS	9.88
306-29-030A 3	OLSEN/SISCHKA INVESTMENTS	5.90
306-29-013D 1	OLSEN/SISCHKA INVESTMENTS	0.71
306-29-035C 6	ONKEN MICHAEL & VALERIE	1.22
306-51-011 2	OQUIST JAMES R & JANEEN L JT	2.18
306-20-033C 3	ORR JAMES L & ESTELLA A JT	8.85
306-29-041C	OSSANNA FAMILY REVOCABLE TRUST	4.81
306-21-010U	OWEN JACK R & LORRAINE M JT	9.91
306-33-009M	OWEN JACK/LORRAINE	6.00
306-30-010 8	PADILLA DANIEL C & STACY M JT	0.54
306-23-002G	PADUA NANCY & ARTHUR THIBEAULT	2.62

306-23-002H	PADUA NANCY J	8.98
306-28-018 7	PALMER FAMILY TRUST	0.77
306-32-004 7	PARKER KARL R & MARION I JT	2.50
306-54-125 9	PARKSIDE VILLAGE LLC	0.90
306-54-120 4	PARKSIDE VILLAGE LLC	6.06
306-54-119 2	PARKSIDE VILLAGE LLC	5.20
306-54-123 3	PARKSIDE VILLAGE LLC	2.01
306-54-118 9	PARKSIDE VILLAGE LLC	3.01
306-23-038R	PARSONS WILLIAM L & NORMA JEAN JT	2.00
306-23-043B	PATTON RICHARD H & MARGARET B	0.98
306-23-045G 3	PATTON RICHARD H & MARGARET B JT	0.91
306-23-045E 5	PATTON RICHARD H & MARGARET B JT	0.89
306-34-006A 8	PEETE WILLIE JR AND EDNA JT	1.10
306-23-063M 6	PEMBERTON DWIGHT J	2.45
306-34-009 8	PEMBERTON FAMILY REV TRUST	19.61
306-34-003B 8	PETERSON JAMES E AND DALVA J TR	4.56
306-20-030D 3	PETRI FAMILY TRUST	4.60
306-31-006D 6	PETTIGREW ROSS & FRANCES JT	20.44
306-23-095A 4	PHILLIPS JUSTIN E & BARBARA A RS	1.03
306-23-026D 1	PIPPIN CLARIBEL ETAL	2.61
306-23-026C 2	PIPPIN CLARIBEL M &	1.62
306-51-005 5	POHLMAN CAROL	3.06
306-51-003 9	POHLMAN CAROL ANN	2.34
306-34-004I7	POPP FAMILY REVOCABLE TRUST	10.18
306-29-052A 7	POZEK RUDOLPH ROBERT & JUDITH M JT	6.15
306-20-038 1	PRESTON JOHN A & CHRISTY L JT	2.17
306-23-078A 5	PRIBBLE BONNIE & STUART	0.37
306-23-032B 0	PRIBBLE STUART G & BONNIE S	4.51
306-51-001 3	RANDALL BERT DEWITT & JULIE G JT	2.51
306-32-036A 9	RATLIFF DAVID MELVIN & BETTY LEE	0.94
306-21-001 6	REES HERBERT D JR & SUSAN B JT	41.64
306-23-031D 5	REES WESLENE	18.23
306-20-029 5	REGNIER GARY & PATRICIA A JT	3.00
306-29-032J 7	REINHOLD JUDITH J	4.89
306-23-046X 3	REYES MANUEL AND CLEO I JT	1.03
306-23-057 5	RICE PHIL	1.38
306-23-063N 5	RICHARDSON BARBARA L	1.81
306-23-072 8	RICHMOND WALTON B JR &	0.12
306-23-014B 8	ROBERTS J WAYNE SS	0.93
306-29-046F 5	ROBERTSON WILLIAM GEORGE SS	0.50
306-20-009C 4	ROBINSON REED S & BEVERLY G JT	1.06
306-20-009 7	RODGERS KENNETH W AND FRANCES	3.25
306-20-009V 9	ROGERS JESSE LEON AND	0.95
306-23-030N 9	ROSKOPF DONALD J & JANE R JT	2.36
306-23-031C 6	ROSKOPF DONALD J & JANE R JT	1.00
306-34-008H 7	RUSLING BRETT C & JO-MARIE JT	4.81

306-29-052D 4	SANCHEZ PETER O & MARY L JT	1.90
306-29-036X 2	SANCHEZ PETER O & MARY L JT	2.05
306-51-014 1	SCHERER JOE & SHERI	2.50
306-29-012T 6	SCHMIDT FERN FAMILY TR	4.73
306-51-010 9	SCHNEIDER SHAUNE T & MARLA A JT	2.15
306-28-012A 8	SCRUM FREDERICK LEE & MICHAEL M	0.85
306-29-002F 7	SELF CHARLES S & MARIE JT	5.10
306-23-046D 9	SETTLES RAYMOND D & ELIZABETH D JT	2.00
306-23-100A 5	SHAFFER MICHEL T & NILA J JT UI	1.64
306-23-023 6	SHARP HENRY &	14.16
306-29-050A 1	SHAW HARLEY G &	7.39
306-29-010 6	SHAW HARLEY G & PATRICIA M JT	0.94
306-23-002F	SHEA MICHAEL W & CATHY L JT	0.87
306-51-008 4	SHEPPARD FAMILY REVOCABLE LIVING TRUST	2.46
306-23-046G 6	SHETTER PAUL W & PAULINE JT	2.00
306-29-003 6	SHIPPY MICHAEL G & GWYN E JT	0.50
306-29-004A 8	SHIPPY MICHAEL G & GWYN E JT	2.52
306-23-039 3	SHORT MILDRED	0.79
306-23-078F 3	SIMPSON RALPH	5.83
306-30-018A 1	SINCLAIR ROBERTA W AKA	0.51
306-24-003C 8	SLIGER RICHARD L & DELORES T JT	0.93
306-23-046Y 2	SMITH BRUCE L & CINDY L JT	1.02
306-23-021X 0	SMITH CALVIN T & RUTH S JT	1.00
306-20-020D 4	SMITH DAVID W	1.57
306-32-033 1	SMITH EUGENE W AND MARY O JT	1.12
306-32-034 4	SMITH EUGENE W AND MARY O JT	1.27
306-29-002J 0	SMITH GORDON ARTHUR & ELIZABETH ALICE JT	5.49
306-24-010J 8	SMITHART JAMES W & WILLIE M JT	4.90
306-23-093E	SPARKMAN SHARON L	0.94
306-51-004 2	SPEARS MARY ELAINE	2.29
306-30-001 2	SPENCER MAXINE &	0.51
306-25-002S	ST PIERRE ALLISON K & RUSSELL D	5.78
306-24-004H 6	ST PIERRE RUSSELL D & ALLISON	4.62
306-23-052C 9	STALHUT CHARLES G & JEAN M JT	1.49
306-30-024 9	STEINERT FAMILY TRUST	0.50
306-20-011K 8	STEWART PAUL H AND JERILYN A JT AND	1.06
306-20-011H 4	STEWART PAUL H AND JERILYN A JT AND	1.27
306-20-032 3	STEWART THOMAS WM & ALICE KATHERINE	23.12
306-20-035 2	STOCKMENS BANK	8.52
306-29-048A 6	SULLIVAN DANIEL J & SHARON K JT	5.00
306-29-048E 2	SULLIVAN THOMAS & BERTHA REV TR	5.00
306-23-046V 5	SVENTEK MARK A & SANDRA M JT	1.03
306-28-001 7	SWANSON JEROME L & ALICE E JT	0.78
306-23-017C 6	T D & G INVESTMENTS	2.34
306-25-002L 6	TAI JEN_LUNG DAVID & HSIN_HSIN SANDY JT	5.00
306-29-050 2	TARPLEY HAL & JULIE	5.00

306-21-001Q	TEELING GEORGE W. JR.	20.00
306-21-001P	TEELING LINDA	21.63
306-20-032C 0	TENBERGE ROMUALDUS M AND CHRISTINA JT	1.73
306-28-016 1	TENNYSON SCOTT AND CYNTHIA JT &	0.29
306-28-017 4	TENNYSON SCOTT AND CYNTHIA JT AND	0.15
306-29-043B 0	THIELEKE WESLEY J & FLORENCE K TR	10.54
306-33-172A 3	THOMPSON FLOYD WAYNE AND DOROTHY J JT	5.00
306-34-012D 2	THOMPSON WILLIAM N JR AND LEAH J JT	1.12
306-23-092 6	TILMAN ROBERT J & NATALIA JT	1.02
306-20-100 7	TLJC PC	0.38
306-20-008 4	TLJC PC	0.92
306-23-005A 3	TORKELSON THOMAS JOHN UI &	1.00
306-32-016 2	TREGO RALPH F & JOSEPHINE F JT	1.99
306-31-005B	TREGUBOFF DAVE J. REVOCABLE TRUST	38.49
306-29-025 0	TRINKA LOREN M & MARILYN BRIEL JT	3.29
306-29-011 9	TURLEY DORA J UI &	6.46
306-53-015 0	TURNER SCOTT L & MARY A JT	1.00
306-20-027 9	UGLY GREEN CAFÉ	0.78
306-23-008 3	UNITED STATES OF AMERICA	10.00
306-23-003G 1	UNITED STATES POSTAL SERVICE	2.52
306-23-003F 2	UNITED STATES POSTAL SERVICE	1.58
306-23-003P 0	UNITED STATES POSTAL SERVICE	0.80
306-28-023C 8	URICH ROBERT JESSE & MARY SUSAN JT UI	0.14
306-28-002B 8	URICH ROY & MARTHA JT	0.90
306-23-055 9	USWEST INC	0.76
306-28-007B 3	VAN BRUNT CHERYL K & ROSS A JT	0.85
306-28-007A 4	VAN BRUNT CHERYL K & ROSS A JT	0.85
306-24-004J 1	VAN HORN RHONDA L &	2.88
306-23-052D 1	VAN RITER IDA G	2.30
306-23-006C 4	VAN WORMER RENEE C	1.37
306-28-002 0	VANDERZEE MARY L	0.85
306-25-002N4	WAGNER MERCY C FAMILY REV TR	6.00
306-25-002R 0	WAGNER MICHAEL R & REBECCA K JT	5.00
306-23-017E 4	WALKER OLGA M	2.03
306-29-038Q 8	WEBER VIRGIL W & VIOLET I &	2.86
306-28-010B 1	WELKER HENRY R	0.90
306-28-010A 2	WELKER HENRY R	0.88
306-23-064 5	WELKER VIOLET M	0.88
306-23-045 0	WELLS CHARLES H JR & HELEN &	13.87
306-29-042 9	WHISENHUNT DEE E	10.00
306-20-101A 9	WIDENER JOHN & GEORGIA	1.08
306-23-021J 7	WILLIS BARRY C	1.00
306-23-021R 9	WILLIS MARGARET A TRUST	1.00
306-23-021T 4	WILLIS MARGARET A TRUST	1.00
306-30-008B 1	WILSON WILLIAM K & AVIS M JT	0.65
306-51-006 8	WINKLER BOB & PATRICIA S JT	3.01

306-29-009 4	WOODRUFF PATRICIA M &	0.90
306-29-047A 3	WOODY'S ENTERPRISES LTD	1.55
306-28-008 8	WRIGHT MARVIN & BARBARA	0.88
306-29-036W 3	WRIGHT MICHAEL F & TONI L JT	2.05
306-29-019 3	WRYE VICTOR BRUCE & VONDA L JT	3.00
306-23-045C 7	WUEHRMAN CHRIS & RITA	5.01
306-23-016D 2	YAVAPAI COCONINO TITLE	0.79
306-28-014A 4	YBARRA FAMILY TR	0.83
306-30-014A 9	YEAGER ALFRED V & SUE E JT	0.50
306-21-008D 3	YORK WILLIAM F & KATHRYN M JT	2.61
306-20-037A 7	YOUNG GARY & BRANDY	5.76
306-29-036L 7	YOUNG W LLOYD AND DORIS M JT	2.05

CVID
January Close of Escrow

306-31-68C	COURY STEVE	72.55
306-31-68E	COURY STEVE	4.42
306-31-002N	PITNEY, VAUGHN	39.48

EXHIBIT E
WATER RIGHTS DOCUMENTATION ASSIGNED TO PRESCOTT

SELLING LANDOWNERS (CVID water rights)	DEPARTMENT'S RECORD OWNERS	WATER RIGHTS DOCUMENTATION	PARCEL NUMBERS
Applebee, Patsy Ann (see Kite)	Kite, LH	39-48750 (Watson/Willow/GW)	306-29-026Y 306-29-026Z
Baker, James L/Karla R (see Beard, Oberloh, Roskopf)	Carson, Steve	39-42621 (CVID)	306-23-030J 3
Beard, Arthur H III/Carolyn J (see Baker, Oberloh, Roskopf)	Carson, Steve	39-42621 (CVID)	306-23-030F 0
Bonanza Land (see Reinhold)	Reinhold, Robert K	36-68548 (CVID)	306-29-032A 9 306-29-032F 4 306-29-032H 2
Brogdon, Elmer/Jacqueline A	Page, Darel L/Dolly Marie	39-47357 (CVID/GW)	306-23-038N 3 306-23-076D 6
Brown Trust	Shantz, LH/Marilyn	39-41692 (CVID/GW)	306-34-003 0
Chino Valley School District #51	Chino Valley School District #51	39-45663 (CVID)	306-23-062A 8 306-23-063F 6
Dube, Roger M/Jeanne C	Dube, Roger M	39-55603 (Post 1919)	306-34-012K 2 (306-34-12J)
Falk, Brian J/Susan L	Falk, Brian	39-49714 (CVID/GW)	306-29-039 1 306-34-004K 9
Fortner Family Trust	Pulliam, Earl	39-40940 (CVID/GW)	306-23-046N 6
Gilbert, Donald C/Emma L	Gilbert, Donald C/Emma L	39-54293 (CVID/GW)	306-23-021G 3
Green, Samuel A	Logan, Tom J	39-41605 (CVID/GW)	306-28-003 3
Gregory, Noonan D/Nancy G	Page, Darel L/Dolly Marie	39-47357 (CVID/GW)	306-23-076H2
Gregory Rev Living Trust	Page, Darel L/Dolly Marie	39-47357 (CVID/GW)	306-23-076G3
Hicks, Jeanne M	Wertenberger, Gaylord H/Jeanne M	39-40329 (CVID/GW)	306-23-037 7 306-23-038D 6
Higgins, Joan M	Higgins, Harry E/Joan M	39-47459 (CVID/GW)	306-34-010B 8
Hitt Family Trust	Huddleston, Roger F.	39-47917 (CVID/GW)	306-20-032A 2
Kite, Luther H/Ella L (see Applebee)	Kite, LH	39-48750 (Watson/Willow/GW)	306-29-055 7
Lemons, Charles N/Laura B	Lemons, Charles N/Laura B	39-45380 (CVID/GW)	306-29-008 1
Lemons, Charles N/Laura B	Lemons, Charles N/Laura B/ David L	39-45382 (CVID/GW)	306-29-009A 3
Lemons, David L	Lemons, David Lee	39-45381 (CVID/GW)	306-29-013B 3
Levie, Paul E/Rae	Levie, Paul D/Rae	39-49719 (CVID/GW)	306-23-015S (306-23-015E)
McGee, Mitchell R (see Richardson)	McGee, Mitchell	39-45822 (CVID)	306-23-063Q 2
McGetrick, Juanita L	McGetrick, Earl/Juanita	39-44824 (CVID/GW)	306-29-017 7
McIntire, RH/Mary E	McIntire, RH/Mary E	39-43394 (CVID)	306-30-022 3

Oberloh, Ronald J/Aurora E (See Baker, Beard, Roskopf)	Carson, Steve	39-42621 (CVID)	306-23-030B 4 306-23-030K 2 306-23-030L 1
Pribble, Stuart G/Bonnie S	Pribble, Bonnie S	39-45804 (CVID/GW)	306-23-078A 5 306-23-032B 0
Reinhold, Judith J (see Bonanza Land)	Reinhold, Robert K	36-68548 (CVID)	306-29-032J 7
Richardson, Barbara L (see McGee)	McGee, Mitchell	39-45822 (CVID)	306-23-063N 5
Roberts, J Wayne	Roberts, Jack Wayne	39-47862 (stream/ spring/ lake/GW)	306-23-014B 8 (CVID not sure)
Roskopf, Donald J/Jane R (see Baker, Beard, Oberloh)	Carson, Steve	39-42621 (CVID)	306-23-030N 9

EXHIBIT F
NON-SELLING LANDOWNERS

NON-SELLING LANDOWNERS	ACRES	DEPARTMENT'S RECORD OWNERS	WATER RIGHTS DOCUMENTATION	PARCEL NUMBERS
Fakinos, Frank G	0.38	Fakinos, Frank G/Joan J	39-44916 (GW)	306-23-076C 7
Gardner, Richard L	0.81	--------	--------	306-20-101 0
Greenrock, Billy/Lena	3.42	Greenrock, Billy A Jr.	39-43697 (CVID,GW) 39-50923 (GW) 39-56218 (GW)	306-23-042A -------- 306-47-114
Rahn, John F/Patricia Y	0.09	--------	--------	306-28-023D 7
TOTAL	4.70			

ARIZONA DEPARTMENT OF WATER RESOURCES
BEFORE THE DIRECTOR

In the Matter of the Application to Sever and Transfer Certain Water Rights Represented by Statements of Claim Nos. 36-40234 and 36-102689 and Certificates of Water Right Nos. 593, 594 and 1674	)	**No. ST-98-001** **Director's Findings of Fact, Conclusions of Law, Decision and Order**

This matter was initiated by the filing of an application on September 15, 1998, by the City of Prescott ("Applicant") to sever and transfer certain water rights held by the Chino Valley Irrigation District ("CVID"). No objections to the application were received during the statutory period provided by A.R.S. § 45-172, and no hearing was held on the application.

Now, therefore having considered the record in this case, including all materials submitted by the Applicant to date, the Director issues the following findings of fact, conclusions of law, decision and order.

FINDINGS OF FACT

1. On September 15, 1998, Applicant, with consent of CVID, filed with the Arizona Department of Water Resources an application to sever and transfer certain water rights held by CVID.

2. The application seeks to sever and transfer those certain water rights evidenced by Statements of Claim Nos. 36-40234 as amended and 36-102689 as amended and also Certificates of Water Right Nos. 593, 594 and 1674. The rights evidenced by these documents are for the waters of Granite and Willow Creeks within the Verde River Watershed in Yavapai County, Arizona and include the right to store such waters in Watson Lake (Granite Creek waters) and Willow Lake

(Willow Creek waters). Current beneficial uses of these waters by CVID include irrigation, stockwatering, domestic, recreation and wildlife, including fish.

3. The requested severance and transfer is the subject of a transaction between Applicant and CVID that is memorialized in an Intergovernmental Agreement (I.G.A.) dated March 27, 1998. Pursuant to the I.G.A., individual landowners owning property within CVID were provided an opportunity to enter into contracts with Applicant for the sale of water rights appurtenant to their lands. For purposes of completing this transaction, these selling landowners have appointed CVID as their attorney-in-fact. (*See application exhibit DD*). In addition to the rights held by CVID in its own name, the application seeks to sever and transfer the water rights of those landowners who elected to enter into these contracts. A complete list of these selling landowners is included with the application. (*See application exhibit BB*).

4. On the date the application was filed, there were 2391.86 acres of land within CVID to which waters were appurtenant. Of this total, contracts to sell water rights appurtenant to 2387.16 acres have been executed. The parcels subject to this application are identified by tax parcel number in the application. (*See application exhibit BB*). The remaining 4.7 acres of land and their appurtenant water rights are not subject to this severance and transfer action, and CVID seeks to retain the right to divert up to 23.3 acre feet annually of surface water from Granite and Willow Creeks to serve these lands. Chino Valley Irrigation District intends to store these waters, when ordered by the non-selling owners, in the Prescott Underground Storage and Recovery Facility and recover it through recovery wells located within CVID.

5. Prior to this severance and transfer, CVID annually captured and diverted for beneficial use the maximum amount of water available within Granite and Willow Creeks to the extent allowed by the storage capacity of its reservoirs (Watson and Willow Lakes), diversion facilities and

distribution system. The reservoirs have been continuously filled and refilled throughout the years and storage has been carried over from year to year.

6. The maximum quantity of water previously diverted and beneficially used by CVID in a single year, taking into account seepage and evaporation losses from Watson and Willow Lakes and the CVID distribution system, was 12,031.8 acre feet in 1993.

7. Based on the amount of the maximum total diversion consumptively used by crops grown within CVID, Applicant proposes to divert for municipal use an annual maximum of 3861.26 acre feet, measured at the point where the water enters the Prescott Underground Storage and Recovery Facility or other Facility. Applicant seeks to divert up to an additional 965 acre feet annually to account for actual losses resulting from transportation of the water from Watson and Willow Lakes to its place of use.

8. Applicant intends to store water in Watson and Willow Lakes up to their maximum combined capacity of 10,580 acre feet and to continue the practice of continuous fills and refills of the Lakes on an ongoing basis.

9. Upon completion of and concomitant with this severance and transfer, Applicant intends to change the use of the waters transferred to municipal, recreation and wildlife, including fish.

10. Upon completion of this severance and transfer, the existing place of use of these waters will be changed from lands within CVID to the City of Prescott service area as defined in Arizona Revised Statutes § 45-402. A description of the lands included in this service area is on file with the Department of Water Resources and is available for public inspection. The two existing storage reservoirs, Watson Lake on Granite Creek and Willow Lake on Willow Creek, will

continue to be the place of use for Applicant's recreation and wildlife, including fish uses.

11. Upon completion of this severance and transfer the following facilities owned by CVID for storage, diversion and distribution of these waters will be transferred to Applicant and will remain unchanged:

a. Granite Creek Dam (Watson Lake) at Southeast 1/4 Northeast 1/4, Section 13, Township 14 North, Range 2 West.

b. Granite Creek Diversion Dam at Northwest 1/4, Northeast 1/4, Section 12, Township 14 North, Range 2 West.

c. Watson - Willow Crosscut Canal at Southwest 1/4 and Northwest 1/4, Section 13, Township 14 North, Range 2 West.

d. Willow Creek Dam (Willow Lake) at Southeast 1/4 Southeast 1/4 Section 11, Township 14 North, Range 2 West.

e. Willow Creek Diversion Dam at Southwest 1/4 Southeast 1/4, Section 1, Township 14 North, Range 2 West.

12. CVID is currently responsible for satisfying certain water rights granted to the Yavapai-Prescott Indian Tribe pursuant to a settlement agreement, judgement and federal legislation. As successor in interest to CVID's water rights, Applicant will assume this obligation.

13. CVID's rights to store and divert water from Granite and Willow Creeks is limited by the terms of a stipulated judgment in Salt River Valley Water users Assoc. v. CVID, No 22088, Yavapai County Superior Court, November 22, 1971. Pursuant to the I.G.A., Applicant will continue to comply with the terms of this judgment.

14. Section 10.1 of the I.G.A. places certain restrictions on the operation of both Watson and Willow Lakes, and Applicant will comply with the terms of that section.

15. Pursuant to the terms of the I.G.A., most selling landowners elected to sell their water rights effective at the Close of Escrow as that term is defined in the I.G.A., however, certain selling landowners elected to sell at a second closing date to occur after January 10, 1999, and before January 16, 1999. To the extent that closing of escrow has not become effective as to individual selling landowners by February 1, 1999, this decision and order shall not operate to sever and transfer water rights of those landowners.

16. The Director finds that the rights of Applicant after this severance and transfer shall have the following priority dates: The diversion right shall be January 24, 1911; the storage right in Watson Lake shall be January 24, 1911, and the storage right for Willow Lake shall be July 15, 1930. Applicant and CVID maintain that the priority date for Willow Lake is January 28, 1911, and may contest the Director's determination of priority date for Willow Lake in a general stream adjudication or other legal proceeding if they deem it appropriate.

CONCLUSIONS OF LAW

1. The Director has jurisdiction of this matter pursuant to A.R.S. § 45-172.

2. Notice of this application was properly published pursuant to A.R.S. § 45-172(7).

3. Valid Consent to this application has been given by CVID and the Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water User's Association pursuant to A.R.S. § 45-172(4) and § 45-172(5) respectively.

4. The water rights sought to be transferred have been lawfully perfected under the laws of the Territory and the state of Arizona and have not been forfeited or abandoned.

5. Approval of this application will not affect, infringe upon, or interfere with vested or existing water rights.

6. A severance and transfer hearing is not an adjudication, and this decision and order does not validate any water rights or claims at issue.

DECISION AND ORDER

1. IT IS ORDERED granting this severance and transfer for the following quantities and uses:

a. A right to store 4600 acre feet in Watson Lake and 5980 acre feet in Willow Lake for a total combined storage right of 10,580 acre feet with the right to continuously fill and refill these lakes. The storage right in Watson Lake shall have a priority date of January 24, 1911. The storage right in Willow Lake shall have a priority date of July 15, 1930.

b. An annual diversion right of 3861.26 acre feet for municipal use within Applicant's service area as defined in A.R.S. §45-402(31) as measured at a point where the water enters the City of Prescott Underground Storage and Recovery Facility or other Facility. This beneficial use right shall have a priority date of January 24, 1911.

c. To the extent water is stored in Watson and Willow Lakes in accordance with the storage rights granted in paragraph 1(a) above, and used in accordance with the beneficial use rights granted in paragraph 1(b) above, Applicant shall have a right for non-

consumptive, in situ use for recreation and wildlife, including fish, of all of the water held in storage.

d. To the extent transportation losses are actually incurred due to the transportation of water to the City of Prescott Underground Storage and Recovery Facility or other Facility, the Applicant may divert up to 965 acre feet annually in addition to the amount listed in paragraph 1(b) above for a total maximum annual diversion of not more than 4826.26 acre feet as measured at Granite Creek Dam and Willow Creek Dam.

2. IT IS FURTHER ORDERED that CVID shall retain the right to divert and beneficially use up to 23.3 acre feet annually of surface water from Granite and Willow Creeks which shall remain appurtenant to those 4.7 acres identified in the application. (*See application exhibit BB*). This right shall be over and above Applicant's beneficial use right listed in paragraph 1(b) above, and shall have a priority date of January 24, 1911.

3. IT IS FURTHER ORDERED that on or before February 1, 1999, Applicant and CVID shall provide the Director with a complete description of those selling landowners whose closings of escrow have become effective under the terms of the I.G.A. Upon receipt of this information, the Director shall issue a supplemental order including a revised certificate of water right evidencing the water right held by Applicant. To the extent that closing of escrow has not become effective as to individual selling landowners by that date, this decision and order shall not operate to sever and transfer water rights of those landowners. The supplemental order and revised certificate of water right to be held by Applicant shall reflect only those water rights for which closings of escrow have become effective under the terms of the I.G.A. Except as to those waters described in this paragraph and paragraph 2 above, this action accounts for all surface water rights held or claimed by CVID.

Dated this 17th day of November, 1998.

ARIZONA DEPARTMENT OF WATER RESOURCES

Rita P. Pearson

Rita P. Pearson
Director

Copy of the foregoing sent by certified mail this 17 day of November, 1998, to:

Kathleen Ferris
2425 E. Camelback
Suite 950
Phoenix, AZ 85016-4215
Attorney for City of Prescott

Certified Mail No. P275731912

Sheryl Taylor
Willaim Staudenmaier
Ryley, Carlock & Applewhite
101 North First Avenue
Phoenix, AZ 85003-1973
Attorneys for CVID

Certified Mail No. P275731913

Rose Mae Nokes

Rose Mae Nokes

Ana Wayman-Trujillo, Recorder
OFFICIAL RECORDS OF YAVAPAI COUNTY
CITY OF PRESCOTT CWR
B-4587 P-834
04/11/2008 03:13P
3.00 4226411

Fee
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$8
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RECORDED AT THE REQUEST OF:

City of Prescott, Arizona

WHEN RECORDED, PLEASE RETURN TO:

Prescott City Clerk's Office
Interoffice Mail

B-4587 P-834
Page: 1 of 3
CWR 4226411

Caption: Certificate of Water Right No. 1674.0001
Application No. R-387.0001
Willow Creek Reservoir – 5,980 acre-feet
Dated 03/28/2008

DO NOT REMOVE
THIS IS PART OF THE OFFICIAL DOCUMENT

UnOfficial Copy

Certificate of Water Right
(Revised)

State of Arizona

County of Yavapai

Certificate No. 1674.0001
(Application No. R-387.0001)

Arizona Department of Water Resources
3550 North Central Avenue
Phoenix, Arizona 85012

UnOfficial Copy

REVISED

This revised certificate No. 1674.0001 is issued pursuant to the initial Sever and Transfer Order dated November 17, 1998 and the Supplemental Sever and Transfer Order dated March 28, 2008 in matter no. ST-98-001 upon application of the City of Prescott to sever and transfer certain water rights held by the Chino Valley Irrigation District. This certificate was originally issued to the Chino Valley Irrigation District on May 4, 1950 under Application No. R-387 and Permit No. R-244, and the right to the use of the waters was perfected in accordance with the laws of Arizona.

This is to Certify, that the City of Prescott, State of Arizona, pursuant to the sever and transfer orders referenced above, has a right to the use of the waters of Willow Creek, within the Verde River watershed, for the purposes of storage for municipal and non-consumptive recreation and wildlife, including fish, uses; that the priority of the water right dates from July 15, 1930; that the amount of water to which such right is entitled for the stated purposes is limited to an amount actually beneficially stored for such purposes; and that the authorized water storage in a water storage reservoir, commonly known as Willow Creek Reservoir, shall not exceed 5,980 acre-feet, with the right to continuous fills and refills.

The place of impoundment is described as being located within: The Southeast quarter of the Northeast quarter (SE¼NE¼), the Northeast quarter of the Southeast quarter (NE¼SE¼), Section 10, the South half of the Northeast quarter (S½NE¼), the Northwest quarter (NW¼), the Southeast quarter (SE¼), the Southwest quarter (SW¼), Section 11, the Southwest quarter of the Southwest quarter (SW¼SW¼), Section 12, the Northwest quarter of the Northwest quarter (NW¼NW¼), Section 13 and the Northeast quarter (NE¼), Section 14, all in Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The right to the use of water is restricted to the place of impoundment, and for the purposes described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Department of Water Resources,
affixed this 28th day of March, 2008.

SEAL

Elizabeth V. Logan

Elizabeth V. Logan, Manager (Attest)
Water Management Support Section

Sandra Fabritz-Whitney

Sandy Fabritz-Whitney, Assistant Director
Water Management Division

The Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

UnOfficial Copy

Ana Wayman-Trujillo, Recorder
OFFICIAL RECORDS OF YAVAPAI COUNTY
CITY OF PRESCOTT CWR
B-4587 P-835
04/11/2008 03:13P
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B-4587 P-835
Page: 1 of 3
CWR 4226412

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$3

RECORDED AT THE REQUEST OF:

City of Prescott, Arizona

WHEN RECORDED, PLEASE RETURN TO:

Prescott City Clerk's Office
Interoffice Mail

Caption: Certificate of Water Right No. 593.0002
Application Nos. E-15.0003 and 33-15.0003
Granite Creek Dam and Willow Creek Dam – 4,826.26 acre-feet
Dated 03/28/2008

DO NOT REMOVE
THIS IS PART OF THE OFFICIAL DOCUMENT

Unofficial Copy

Certificate of Water Right
(Revised)

State of Arizona

County of Yavapai

Certificate No. 593.0002
(Application Nos. E-15.0003
and 33-15.0003)

Arizona Department of Water Resources
3550 North Central Avenue
Phoenix, Arizona 85012

UnOfficial Copy

REVISED

This Revised Certificate No. 593.0002 is issued pursuant to the initial Sever and Transfer Order dated November 17, 1998 and the Supplemental Sever and Transfer Order dated March 28, 2008 in matter no. ST-98-001 upon application of the City of Prescott to sever and transfer certain water rights held by the Chino Valley Irrigation District. This certificate was originally issued to the Chino Valley irrigation District on March 14, 1935 under Application No. E-15 (renumbered as 33-15) and Permit No. E-9 and the right to the use of the water was perfected in accordance with the laws of Arizona.

This is to Certify, that the City of Prescott, State of Arizona, pursuant to the sever and transfer orders referenced above, has a right to the use of the waters of Granite and Willow Creeks, tributaries to the Verde River within the Verde River watershed, for the purpose of municipal use; that the priority of the water right under this certificate dates from the date of the application, February 7, 1922; that the amount of water to which such right is entitled for the stated purpose is limited to an amount actually beneficially used for such purpose, up to 3861.26 acre-feet per annum for municipal use measured at a point where the water enters the City of Prescott Underground Storage and Recovery Facility or other Facility, and up to an additional 965 acre-feet per annum for transportation losses, but shall not exceed 4,826.26 acre-feet per annum as measured at Granite Creek Dam and Willow Creek Dam.

The places where the water is put to beneficial use are described as being located within: City of Prescott service area as defined in Arizona Revised Statutes § 45-402 (31), Yavapai County, Arizona.

The points of diversion and means of distribution are described as being located within: Granite Creek Dam (Watson Lake) in the Southeast quarter of the Northeast quarter (SE¼NE¼), Section 13, Granite Creek Diversion Dam in the Northwest quarter of the Northeast quarter (NW¼NE¼), Section 12, Watson-Willow Crosscut Canal in the Southwest quarter (SW¼) and the Northwest quarter (NW¼), Section 13, Willow Creek Diversion Dam in the Southwest quarter of the Southeast quarter (SW¼SE¼), Section 1 and Willow Creek Dam (Willow Creek Reservoir) in the Southeast quarter of the Southeast quarter (SE¼SE¼), Section 11, Township 14 North, Range 2 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona.

The right to the use of water is restricted to the places of use, and for the purpose described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Department of Water Resources,
affixed this 28th day of March, 2008.

SEAL

Elizabeth V. Logan

Elizabeth V. Logan, Manager (Attest)
Water Management Support Section

Sandra Fabritz-Whitney

Sandy Fabritz-Whitney, Assistant Director
Water Management Division

The Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

Unofficial Copy