

**ARIZONA DEPARTMENT OF WATER RESOURCES  
PERMITTING UNIT**

**MAIL TO: 3550 North Central Avenue  
Phoenix, Arizona 85012-2105**  
Telephone (602) 771-8621  
Fax (602) 771-8689

|                              |
|------------------------------|
| <b>(For office use only)</b> |
| Registry No: _____           |
| Date Filed: _____            |

**AMENDED APPLICATION TO SEVER AND TRANSFER  
(To be completed by transferee)**

1. Applicant Bonita Creek Water Company, Telephone \_\_\_\_\_  
Address 652 N. Myrtle Point Trail City Payson State AZ Zip 85541

**Deleted:** Land and Homeowners' Association LLC

**Deleted:** 251 North Big Al's Run

2. Registry number of right or claim being severed or transferred Certificate of Water Right No. 3696.0002  
(Application No A-3906.0003) (also see Attachment I, #3)

Check one box:

- Water right is being severed and transferred to land that *is within* the same parcel or farm unit as the current use and that does not include a change in water source, beneficial use (s) or ownership.
- Water right is being severed and transferred to land that *is not* within the same parcel or farm unit at the current use, or that includes a change in water source, use or ownership.

3. Check one box only:

- Total Severance and Transfer
- Partial Severance and Transfer  
(see Attachments 1 and 4)

**INFORMATION REGARDING RIGHT OR CLAIM TO BE SEVERED AND TRANSFERRED**

4. Is applicant the current holder of the right? Yes \_\_\_ No X \_\_\_
5. Type of water source and name East Clear Creek  
a tributary to Little Colorado River within the \_\_\_\_\_ watershed  
(For office use only)
6. Location of point of water diversion: County Coconino (see Attachment 2)  
Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_  
\_\_\_\_\_<sup>1</sup>/<sub>4</sub> \_\_\_\_\_<sup>1</sup>/<sub>4</sub> \_\_\_\_\_<sup>1</sup>/<sub>4</sub>, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W
7. Location of place(s) of water use: County Maricopa (see Attachment 2)  
Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_  
\_\_\_\_\_<sup>1</sup>/<sub>4</sub> NW \_\_\_\_\_<sup>1</sup>/<sub>4</sub> NW \_\_\_\_\_<sup>1</sup>/<sub>4</sub>, Section 33, Township 14 N/S, Range 11 E/W  
Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_  
\_\_\_\_\_<sup>1</sup>/<sub>4</sub> \_\_\_\_\_<sup>1</sup>/<sub>4</sub> \_\_\_\_\_<sup>1</sup>/<sub>4</sub>, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W
8. Location of water storage: County Coconino Authorized storage volume See Attachment 2

Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_

\_\_\_\_\_ ¼ \_\_\_\_\_ ¼ \_\_\_\_\_ ¼, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W

9. Water has been used each year from 1 January to 31 December  
(Day/Month) (Day/Month)

Water has been stored each year from 1 January to 31 December  
(Day/Month) (Day/Month)

10. Describe diversion works See Attachment 2

11. Water is used for the following purposes in the following amounts: (see Attachment 2)

- |  |                                |                |
|--|--------------------------------|----------------|
| <input type="checkbox"/> Irrigation    | Number of acres _____          | Quantity _____ |
| <input type="checkbox"/> Stockwatering | Number and type of stock _____ | Quantity _____ |
| <input type="checkbox"/> Domestic      | Number served _____            | Quantity _____ |
| <input type="checkbox"/> Other         | Description _____              | Quantity _____ |

12. Was there any consecutive five year period when water was not beneficially used? Yes \_\_\_\_\_ No X

If yes, describe when and why

### INFORMATION REGARDING PROPOSED TRANSFER

13. Type of water source and name Bonita Creek under exempt water exchange with SRP (also see Attachment 1, # 3)

a tributary to East Verde River within the \_\_\_\_\_ watershed  
(For office use only)

14. Location of point of water diversion: County Gila (see Attachment 3)

Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_

\_\_\_\_\_ ¼ \_\_\_\_\_ ¼ \_\_\_\_\_ ¼, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W

15. Location of place(s) of water use: County Gila (see Attachment 3)

Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_

\_\_\_\_\_ ¼ \_\_\_\_\_ ¼ \_\_\_\_\_ ¼, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W

Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_

\_\_\_\_\_ ¼ \_\_\_\_\_ ¼ \_\_\_\_\_ ¼, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W

16. Location of water storage: County See Attachment 3 Storage volume \_\_\_\_\_

Parcel I.D. No. \_\_\_\_\_ and/or Lot No. \_\_\_\_\_

\_\_\_\_\_ ¼ \_\_\_\_\_ ¼ \_\_\_\_\_ ¼, Section \_\_\_\_\_, Township \_\_\_\_\_ N/S, Range \_\_\_\_\_ E/W

17. Water to be used each year from 1 May to 30 April  
(Day/Month) (Day/Month)

Water to be stored each year from 1 May to 30 April (also see Attachments 3 and 4)

(Day/Month)

(Day/Month)

18. Describe diversion works: See Attachment 3

19. Water to be used for the following purposes in the following amounts: (also see Attachment 3)

Irrigation          Number of acres \_\_\_\_\_          Quantity \_\_\_\_\_

Stockwatering      Number and type of stock \_\_\_\_\_          Quantity \_\_\_\_\_

Municipal          Number served Apprx. 150 parcels (360 residents) at build-out          Quantity avg. 13.73 AF per water year, not to exceed 16.04 AF per water year (water year is defined as May 1 to April 30) (also see Attachments 3 and 4)

Power                  Quantity \_\_\_\_\_

Mining                Quantity \_\_\_\_\_

20. Is the current place of use located within an irrigation or agricultural improvement district or water users association?

Yes X (see Attachment 3)          No     

If yes, written consent of such district or association to the proposed transfer must be obtained and attached.

21. Is the water source on or from a watershed or drainage area which supplies or contributes water for the irrigation of lands within an irrigation or agricultural improvement district or water users' association?

Yes               No X

If yes, you must obtain and attach written consent from such organization or provide evidence that the application is approved by default due to failure of the governing body to approve or reject within the statutory time frame.

22. If only a portion of the original water right is proposed for transfer, explain the status of the remaining portion as to its use or abandonment. The water storage right and the remaining portion of the water use right will continue to be used by the Salt River Project Agricultural Improvement and Power District as permitted under the Certificate of Water Right (see Attachment 4).

23. Provide any additional information to explain the proposed transfer.

24. **REQUIRED ATTACHMENTS:**

- Initial Application Fee** of \$1,000.00 as authorized by A.A.C. R12-15-103.
- Consent of Holder of Right or Claim:** Must be provided if applicant is not the current holder of record of the right or claim proposed for severance and transfer.
- Written Consent:** Must be attached if the existing right or claim has place(s) of use located within an irrigation or agricultural improvement district or water users' association.
- Written Consent or Evidence Supporting Approval by Default:** Must be attached if the existing right or claim has a water source on or from a watershed or drainage area which supplies or contributes water for irrigation of lands within an irrigation or agricultural improvement district or water users' association.
- Copy of recorded deed** showing land ownership. If owned by other than applicant, provide copies of all pertinent leases, grazing permits, allotments, or a letter from the landowner.

(see Attachment 6 for a copy of Bonita Creek Land & Homeowner's Association's CC&N)

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25. NOTICE:

Arizona Revised Statute § 41-1030(B), (D), (E) and (F) provide as follows:

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. This section may be enforced in a private civil action and relief may be awarded against the state. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against the state for a violation of this section.

E. A state employee may not intentionally or knowingly violate this section. A violation of this section is cause for disciplinary action or dismissal pursuant to the agency's adopted personnel policy.

F. This section does not abrogate the immunity provided by section 12-820.01 or 12-820.02.

The undersigned hereby acknowledges the information contained in this application to be true and correct to the best of his or her knowledge at the time of filing.

Submit the completed application with the initial application fee, required attachments and supporting documents to:

Arizona Department of Water Resources, Surface Water Permit Unit, 1110 W. Washington Street, Suite 310, Phoenix, Arizona 85007.



5/9/2022

Signature of Applicant/Representative (if representative, include authorization)

Date

President, Bonita Creek ~~Water Company~~

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## Attachment 1

### Application to Sever and Transfer

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

#### 3. Partial Severance and Transfer

This application applies to Certificate of Water Right No. 3696.0002<sup>1</sup> (Application No A-3906.0003). Through the “Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System”, executed on October 14, 2015 (Attachment 5) and any amendments thereto, SRP intends to sever and transfer an average of 13.73 acre-feet of water per water year (May 1 to April 30 of each year), with a maximum annual delivery amount not to exceed 16.04 acre-feet, of its right to the beneficial use of stored water from C.C. Cragin Reservoir on lands within the Salt River Reservoir District to the Bonita Creek Water Company (BCWC) for municipal uses exclusively within the BCWC water service area. The remainder of the use under this existing Certificate will continue to be used by SRP within the Salt River Reservoir District. No right to store water in C.C. Cragin Reservoir is being transferred by this application.

BCWC, due to its geographical location, cannot physically use stored water from C.C. Cragin Reservoir without considerable expense. Accordingly, as evidenced by 1) Paragraph 10 of the “Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System”, executed on October 14, 2015 (Attachment 5) and any amendments thereto, and 2) this severance and transfer application, the parties agreed to enter into an exempt water exchange under A.R.S. § 45-1002(A)(1) where SRP will accept delivery of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in exchange for BCWC diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers (see Attachment 3 for information on points of delivery and receipt).

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<sup>1</sup> On April 18, 2019, the Arizona Department of Water Resources issued Revised Certificate No. 3696.002 (Application Nos. A-3906.0003 and R-1457.0003) to SRP and Revised CWR No. 3696.0003 (Application No. A-3906.0004) to the Town of Payson. On July 8, 2019, the Arizona Department of Water Resources conditionally approved a Sever and Transfer application for beneficial use of water from C. C. Cragin Reservoir that was submitted by Payson Water Company for the Mesa del Caballo Subdivision. This conditionally approved Sever and Transfer partially assigned a portion of the beneficial use right of Revised CWR No. 3696.0002 to Payson Water Company, which will result in the issuance of Revised CWR No. 3696.0005 (Application Nos. A-3906.0006 and R-1457.0004) to SRP and Revised CWR No. 3696.0004 (Application No. A-3906.0005) to Payson Water Company.

### Attachment 3

#### Information Regarding Proposed Transfer

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

#### 14. Location of Point of Water Diversion

Water will be initially diverted by C. C. Cragin Dam, the pumping plant and piped transmission system, ending at a point along the East Verde River in the NW NE Section 23, T12N, R10E (Latitude 34°25'04", Longitude 111°15'47" NAD27) (see also the answer to #10, Attachment 2; and #18 below).

The BCWC will divert appropriable water at a point along Bonita Creek located in NW SW Section 32, T12N, R11E (Latitude 34.382222, Longitude -111.220533 WGS 84).

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Through the "Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System", executed on October 14, 2015 (Attachment 5) and any amendments thereto, SRP intends to sever and transfer a portion of its right to stored water from C.C. Cragin Reservoir to the BCWC. However, BCWC, due to its geographical location, cannot physically use stored water from C.C. Cragin Reservoir that has been diverted into the East Verde River as described above without considerable expense. Accordingly, as evidenced by 1) Paragraph 10 of the "Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System", executed on October 14, 2015 (Attachment 5) and any amendments thereto, and 2) this severance and transfer application, the parties agreed to enter into an exempt water exchange under A.R.S. § 45-1002(A)(1) where SRP will accept delivery of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in exchange for BCWC diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers. (Figure 2)

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#### 15. Location of Places of Use

The place of use encompasses the BCWC's water service area (Figures 3 through 6), the exterior boundary of which includes all land located within the exterior boundaries of the BCWC's Certificate of Convenience and Necessity No. W-02195A (Attachment 6). The place of use includes a portion of the following sections of land:

- Located in SE Section 31 and NW SW Section 32, within T12N, R11E

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Please see Attachment 7 for a list of parcel numbers obtained from the Gila County Assessor's Office for lots the within the BCWC subdivision.

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#### 16. Location of Water Storage

Water treated for municipal use will be stored in two metal tanks located within the BCWC's water service area with a current capacity of 10,000 gallons (Figure 6). The locations of the storage tanks are as follows:

- Storage Tanks (Latitude 34.382525, Longitude -111.217921 WGS 84)

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#### 18. Describe Diversion Works

The BCWC water diversion and distribution system includes a pump that is installed at a point along Bonita Creek (Latitude 34.382222, Longitude -111.220533 WGS 84), a water treatment plant (Latitude 34.382521, Longitude -111.219785 WGS 84), and two water storage tanks (Latitude 34.382525, Longitude -111.217921 WGS 84) located in Section 32, T12N, R11E. (Figure 6)

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#### 19. Water to be Used for the Following Purposes in the Following Amounts

The quantity being transferred via an exempt water exchange agreement (see also the answer to #3, Attachment 1) for beneficial use by the BCWC for municipal purposes, is an average of 13.73 acre-feet per water year, commencing on the date SRP begins deliveries via an exempt water exchange to the BCLHOA, with a maximum annual delivery amount not to exceed 16.04 acre-feet per water year.

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Table 1: Annual surface water withdrawals and water customer deliveries within the BCWC water service area<sup>2</sup>.

| Year | Approx. Number of Connections | Total Withdrawn (gallons) | Total Received/Purchased (gallons) |
|------|-------------------------------|---------------------------|------------------------------------|
| 1992 | 29                            | 880,000                   | 0                                  |
| 1993 | 27                            | 1,226,000                 | 0                                  |
| 1994 | 27                            | 2,030,000                 | 0                                  |
| 1995 | 26                            | 1,483,000                 | 0                                  |
| 1996 | 28                            | 646,000                   | 0                                  |
| 1997 | 30                            | 825,000                   | 0                                  |
| 1998 | 32                            | 880,000                   | 0                                  |
| 1999 | 33                            | 994,000                   | 0                                  |
| 2000 | 33                            | 994,000                   | 0                                  |
| 2001 | 37                            | 994,000                   | 0                                  |
| 2002 | 40                            | 1,264,330                 | 0                                  |
| 2003 | 40                            | 1,327,142                 | 0                                  |
| 2004 | 41                            | 952,440                   | 0                                  |
| 2005 | 40                            | 845,960                   | 0                                  |
| 2006 | 43                            | 889,320                   | 0                                  |
| 2007 | 43                            | 1,122,480                 | 0                                  |
| 2008 | 46                            | 1,139,458                 | 0                                  |
| 2009 | 45                            | 978,174                   | 0                                  |
| 2010 | 45                            | 971,594                   | 0                                  |
| 2011 | 43                            | 694,900                   | 0                                  |
| 2012 | 40                            | 905,438                   | 0                                  |
| 2013 | 43                            | 965,880                   | 0                                  |
| 2014 | 46                            | 801,100                   | 0                                  |
| 2015 | 47                            | 895,500                   | 0                                  |
| 2016 | 50                            | 986,000                   | 0                                  |
| 2017 | 51                            | 940,000                   | 0                                  |
| 2018 | 53                            | 974,295                   | 0                                  |
| 2019 | 53                            | 832,950                   | 0                                  |
| 2020 | 54                            | 1,264,337                 | 0                                  |

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Source: Bonita Creek Land and Homeowners' Association (now Bonita Creek Water Company) annual water utility reports submitted to the Arizona Corporation Commission. Docket Nos. W-02195A and W-02195B (J)

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There are 148 parcels within the BCWC water service area. Census data collected within Gila County indicates that a typical household includes 2.4 persons. Based on discussions with ADWR on 02/28/2022, BCWC has recalculated its estimated water demand assuming 50 GPCD and 69% occupancy rate as follows:  $50 \text{ GPCD} \times (2.49 \times .69 \times 148) \times 365 = 4,472,856 \text{ gals} = 13.73 \text{ AF/year}$ . As such, BCWC estimates that it will need an average of 13.73 acre-feet of water per water year via an exempt water exchange agreement, which equates to 0.0125% of the average annual yield of C. C. Cragin Reservoir. The maximum annual delivery amount should not exceed 16.04 acre-feet per water year, which is 0.125% of the active conservation capacity of C. C. Cragin Reservoir.

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<sup>2</sup> Due to ongoing water security issues, several customers within the BCWC water service area initiated passive water conservation measures such as rainwater harvesting. The execution of the "Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System" between SRP and the BCWC provides BCWC's water customers with a guaranteed physical and legal water supply. Because of this, it is not likely that new water service customers will invest in significant water harvesting systems when they have greater water certainty.

