



**Public Works**

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## Memorandum

To: ADWR Decision and Order No. 86-401501.0001 Modification file  
From: Leslie Graser, Water Resource Project Manager  
Date: August 9, 2021  
Subj: D&O No. 86-401501.0001 Modification and Statement of Claimant No. 36-65554

*This memo is intended to provide a brief summary of the subject item for a Pre-Application meeting with the Arizona Department of Water Resources scheduled August 25, 2021. The City intends to include 375 AFY of Granite Creek Reservoir water rights in the upcoming application, resulting in its inclusion in the modified D&O. However, since the transfer of this water right to Prescott is pending, it's expected that this volume would have conditions on its inclusion that are similar to the way the Big Chino supply was discussed previously (see D&O No. 86-401501.0001, Section IV, 4. and 5.)*

On July 13, 2021 the City of Prescott adopted Resolution No. 2021-1785 approving a development agreement with Arizona Eco Development (AED) identified as City Contract No. 2022-011. The City Council agenda packet for this item included a "Summary of Pre-Annexation Development Agreement" which stated,

Sever and Transfer Agreement

AED is obligated to seek necessary approvals and file required documents to ADWR to request the sever and transfer to the City of Developer's [AED] right, title and interest in ownership of 375 acre feet of annual surface water rights in the Granite Creek Reservoir (Watson Lake) for recharge into the City's airport reclamation wells.

Additional information on this topic is in City Contract No. 2022-011, Section 2.20 Developer Conditions for Water Resource Allocation, (g).

The 2021 development agreement is the legally binding contract that requires AED to convey the 375 AFY of surface water rights in Granite Creek for use by Prescott within Prescott's water service area, subject to certain easement acquisitions and other conditions occurring first.

Basic information about the water right

- A portion of the water rights claimed by Granite Dells Ranch under Statement of Claimant No. 36-65554.

- A 1920 arbitration award identified 375 AFY of water from the flow of Granite Creek would be used by the predecessor in interest to Granite Dells Ranch and released from the reservoir by Prescott's predecessor in interest. The arbitration award was issued in the case *Chino Mutual Water Users Assoc. v. Kratz* and is recorded in Book 11 of Agreements, pages 390 et seq., records of Yavapai County, Arizona.
- This volume continues to be identified in the City's Recharge Operational Plan for Watson and Willow Lakes dated 1/2021, "This diversion will be opened upon a verbal request from GDR (Granite Dells Ranch) staff to City Staff. Water is measured at this structure near the ranch with a manual read weir device."