

ARIZONA DEPARTMENT OF WATER RESOURCES
Water Management Division
3550 North Central Ave, 2nd Floor
Phoenix, Arizona 85012-2105
Phone (602) 771-8585 Fax (602) 771-8689

APPLICATION FOR GROUNDWATER SAVINGS FACILITY PERMIT (§ 45-812.01)

FOR OFFICE USE ONLY
Application No.: 72-558092.0004
Date Received: 07-01-2016

The initial fee for a Groundwater Savings Facility Permit Application is \$1,000. Total fees for this application are based upon an hourly billable rate, which can be found on the ADWR web site @www.azwater.gov. If the costs of reviewing your application exceed \$1,000, you will be invoiced for the difference, up to a maximum total fee of \$10,000. Payment may be made by cash, check, or credit card, (if you wish to pay by credit card, please contact the Recharge Program at 602-771-8599). Checks should be made payable to the Arizona Department of Water Resources. In addition to the hourly application fee, the applicant must pay any review-related costs associated with the application and the actual cost of mailing or publishing any legal notice of the application or any notice of a pre-decision administrative hearing on the application. Review related costs are: (1) costs associated with a pre-decision hearing on the application, such as court reporter services and facility rentals for the hearing, and (2) mileage expenses for a site visit conducted before issuing a decision on the application. Failure to enclose the initial application fee will cause the application to be returned. Fees for a Groundwater Savings Facility Permit Application are authorized by A.R.S. § 45-871.01 and A.A.C. R12-15-103.

PLEASE SUBMIT ONE ORIGINAL AND ONE COPY OF THE COMPLETED APPLICATION AND ALL SUPPORTING MATERIALS.

GENERAL INFORMATION

1. Name of Applicant: HERB KAI
Mailing Address P O BOX 2305 CORTARO AZ 85652
City State Zip
Facility Contact Person HERB KAI Telephone 520 744-1573 Email herb@kaifarms.com

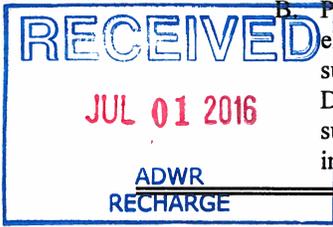
2. Name of Active Management Area or Irrigation Non-Expansion Area if applicable, and name of groundwater basin and subbasin where the facility will be located Red Rock, Arizona

3. Name of the owner(s) of the land where the facility will be operated AZSLD
Mailing Address 1616 W. Adams Street
Phoenix, AZ 85007
(If more than one owner, attach a list showing corresponding land owner and well registration number(s)).

4. Legal description of the location of the facility See attached listing of legal
(quarter/quarter/quarter/section, township and range)

5. Name of recipient(s) of in lieu water. Attach list if necessary. METRO WATER
ORO VALLEY
VAIL
CAGR
AWBA

- 6. The maximum annual amount of water that may be stored at the facility 11,231 ACRE FEET
- 7. Proposed duration of permit 5 Years
- 8. Registration number(s) and location of well(s) from which groundwater withdrawals will be curtailed.(If more than two wells, attach an additional page) **SEE ATTACHMENT A Attached.**
 55- _____ Township _____ Range _____ Section _____ ¼ _____ ¼ _____ ¼ _____
 55- _____ Township _____ Range _____ Section _____ ¼ _____ ¼ _____ ¼ _____
- 9. Please attach the following:
 - A. A detailed plan for proving the amount of annual groundwater savings.



B. Plan of operation for the facility that: (1) Describes the facility in detail; (2) Demonstrates direct reduction of elimination of groundwater withdrawals resulting from the receipt of in lieu water; (3) Demonstrates that the substitute or in lieu water would not have been a reasonable alternative to the recipient without the project; (4) Demonstrates that the substitute or in lieu water was not delivered before 9/1/90; (5) Demonstrates that the substitute or in lieu water is the only reasonably available substitute for groundwater; (6) Describes the area of impact of the water storage.

NOTARIZED SIGNATURE

I (We), HERB KAI, the applicant(s) named in this application, do hereby certify under the penalty of perjury, that the information contained and statements made herein are to the best of my (our) knowledge and belief true, correct and complete.

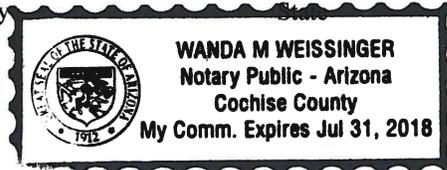
520 744-1573
Telephone

Herb Kai
Signature of owner or authorized agent

OWNER/PERMITTEE
Title

P O BOX 2305 CORTARO, ARIZONA 85652
Mailing Address City State Zip

STATE OF ARIZONA)
) ss.
County of Pima)



Subscribed and sworn to before me this 23 day of June, 2016
Wanda M. Weisinger
Notary Public My commission expires: 7/31/18

NOTICE

A.R.S. § 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.

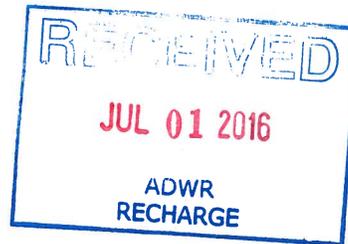
ANSWER TO QUESTION # 4

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE 06-MAY-2008
RUN TIME: 12:37:41
APPENDIX A
PAGE: 001

KE-LEASE#: 001-098981-00-011 APPTYPE: RENEWAL
AMENDMENT#: 0

LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
09.0-S-09.0-E-13-11-009-1002	SE EX PATENTED RR	0.00	159.990
09.0-S-09.0-E-24-11-024-1002	ALL NE OF RAILROAD	0.00	105.810
09.0-S-10.0-E-18-11-015-1002	LOTS 3 4 E2SW S2S2S2S2SE	0.00	167.270
09.0-S-10.0-E-19-11-015-1002	LOTS 1 THRU 4 AND E2W2 E2 N AND OF RAILROAD	0.00	610.560
TOTALS:		0.00	1,043.630



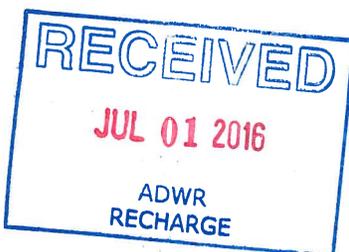
ANSWER TO QUESTION # 4

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE 23-FEB-2010
RUN TIME: 16:26:23
APPENDIX A
PAGE: 001

KE-LEASE#: 001-105222-00-014 APPTYPE: RENEWAL
AMENDMENT#: 0

LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
09.0-S-10.0-E-17-11-006-1004	S2S2S2S2S2 LY W OF CAP 93-90989	0.00	7.550
09.0-S-10.0-E-17-11-006-1005	S2S2S2S2S2 LY E OF CAP 93-90989	0.00	4.450
09.0-S-10.0-E-20-11-006-1004	ALL LY W OF CAP 93-90989	0.00	323.950
09.0-S-10.0-E-20-11-006-1005	E2 LY E OF CAP 93-90989 EX 0.26 AC IN SENESESE	0.00	287.310
09.0-S-10.0-E-29-11-040-1004	N2 N2S2 LY W OF CAP 93-90989	0.00	249.230
09.0-S-10.0-E-29-11-040-1005	NE N2SE LY E OF CAP 93-90989	0.00	208.050
09.0-S-10.0-E-30-11-015-1002	NE OF RR EX M&B SESE	0.00	242.820
TOTALS:		0.00	1,323.360



72-558092.0004

Attachment A

Wells Operated By Recipients From Which Groundwater Withdrawals Will Be Curtailed
55-507980
55-615626
55-615627
55-615630
55-615632
55-615633
55-615634
55-615636
55-615639
55-615640

RECEIVED
JUL 01 2016
ADWR
RECHARGE