



DOUGLAS A. DUCEY
Governor

THOMAS BUSCHATZKE
Director

ARIZONA DEPARTMENT of WATER RESOURCES
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007
602.771.8500
azwater.gov

May 22, 2020

Honorable Douglas Nicholls
Mayor, City of Yuma
Mayor and Council Offices
One City Plaza
Yuma, Arizona 85364

Dear Mayor Nicholls:

The Arizona Department of Water Resources (Department) is in receipt of your letter dated May 21, 2020, regarding the proposed transfer of Colorado River entitlement from GSC Farm, LLC (GSC) to the Town of Queen Creek (Queen Creek). The Department received similar letters from other entities that claimed negative impacts from the proposed transfer.

The Department's CR10 *-Policy and Procedure of Transferring an Entitlement of Colorado River water* (Transfer Policy) does not require transferring and receiving entities to consult with and negotiate with entities that claim negative impacts from the transfer. The policy also does not expressly state that the transferring and receiving entities may respond to claims of negative impacts. However, the Department's February 10, 2020 letter to GSC and Queen Creek granted them an additional 90 days to attempt to resolve and/or respond to any claims of negative impacts from the proposed transfer. The Department provided the transferring and receiving entities in a prior proposed transfer a similar opportunity to respond to public comments.

The Department has decided that it will not disregard the GSC and Queen Creek response to claims of negative impacts submitted on May 7, 2020 (GSC/Queen Creek Response) given the Department's February 10, 2020 letter providing them an opportunity to submit such a response. However, the Department will provide commenters an additional 45 days to respond to the GSC/Queen Creek Response. This opportunity does not allow entities to raise new issues, but rather only to respond to statements and information contained in the GSC/Queen Creek Response.

The Department will begin the 45-day period to respond to the GSC/Queen Creek Response on May 22, 2020. July 6, 2020 will mark the end of the 45-day period by which the commenters must

submit to the Department any responses to the GSC/Queen Creek Response. At the conclusion of the 45-day period, the Department will have 60 days to review the transfer action and make its recommendation to the Secretary.

Should you have any questions or concerns, please feel free to contact Kelly Brown, at 602.771.8472 or via email at kbrown@azwater.gov

Sincerely,

A handwritten signature in blue ink, appearing to read "Tom Buschatzke".

Thomas Buschatzke
Director, Arizona Department of Water Resources

cc: Dan Bunk, Deputy Office Chief, Boulder Canyon Operations Office, Bureau of Reclamation
Michael Bernardo, Acting Chief, Boulder Canyon Operations Office, Bureau of Reclamation
Leslie Meyers, Area Office Manager, Phoenix Area Office, Bureau of Reclamation
Michael Pearce, Attorney for GSC Farm LLC and Town of Queen Creek
Michael Schlehuber, GSC Farm LLC
Michael Malano, GSC Farm LLC
John Kross, Town Manager, Town of Queen Creek
Scott Holcomb, Dickinson Wright PLLC