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June 22, 2020

Mr. Thomas Buschatzke, Director  
Arizona Department of Water Resources  
110 W Washington St #310  
Phoenix, AZ 85007

**Re: The proposed transfer of an Arizona 4<sup>th</sup> Priority Colorado River Entitlement between GSC Farm, LLC and the Town of Queen Creek**

The Yuma County Board of Supervisors urges the Arizona Department of Water Resources to deny the proposed transfer of an Arizona 4<sup>th</sup> Priority Colorado River Entitlement between GSC Farm, LLC and the Town of Queen Creek.

Yuma County's response includes a point-by-point rebuttal of statements made in the *Response to Public Comment Regarding GSC Farm, LLC and the Town of Queen Creek Proposed Transfer of Arizona 4<sup>th</sup> Priority Colorado River Entitlement* (Response) dated May 7, 2020.

**Responses for Section II**

1) The Response cites A.R.S. §45-401.B in support of the transfer:

*It is therefore declared to be the public policy of this state that in the interest of protecting and stabilizing the general economy and welfare of this state and its citizens it is necessary to conserve, protect and allocate the use of groundwater resources of the state....*

**Yuma County's position:** Conservation, protection, and allocation of water resources requires that cities and towns grow within the limitations of this limited resource. Cities and towns that promote growth beyond existing water resources are not operating in a sustainable manner. Simply possessing the ability to purchase water sufficient to maintain poorly managed, unlimited growth does not meet the standards implied by sustainable growth expectations.

2) The Response cites A.R.S. §45-801.01.A in support of the transfer:

*The public policy of this state and the general purposes of this chapter are to: (1) protect the general economy and welfare of this state by encouraging the use of renewable water supplies, particularly this state's entitlement to Colorado river water, instead of groundwater through a flexible and effective regulatory program for the underground storage, savings and replenishment of water....*

**Yuma County's position:** Protection of the general economy and welfare of the state must go beyond the limitations of the densely populated Phoenix Metro urban areas to include the

development of Arizona’s rural cities, towns, and counties. Diversification of the state’s economy ensures rural communities have growth opportunities and will create a more dynamic, sustainable statewide economy that is impacted less during economic downturns. Diversification also ensures that rural areas that rely on agriculture, military installations, tourism, and mining as base industries have industrial and manufacturing development that improves community sustainability and enhances economic diversity.

### **Responses for Section III.A**

1) The Response presents arguments that the Town of Queen Creek needs the water transfer from *GSC Farm, LLC* to meet population growth projections over the next twenty years. The Response also contends:

*Municipalities faced with large-scale growth do not have the luxury of simply turning new residents away. Rather, they must fulfill their obligations to provide the necessities of life to these new residents, and to engage in thoughtful long range planning that builds a resilient and sustainable program of municipal services.*

**Yuma County’s position:** The Town of Queen Creek’s General Plan should assume growth capped by its current water supplies. The Town of Queen Creek is seeking to acquire additional water resources to ensure that it can meet growth expectations for the next twenty years, but the Town could ensure that its growth does not exceed its available water supplies by instituting a moratorium when maximum population growth and business development is reached. Growth beyond existing capacities is not sustainable or responsible, particularly if surface water supplies are scarce.

Additionally, the Town of Queen Creek does not have an imperative to provide unlimited housing and development opportunities for new residents. Simply adding new residents does not ensure a Town’s financial sustainability as new residential growth and its demands can outpace the Town’s ability to provide those services.

From a planning perspective, sustainability means development occurs utilizing existing community-related resources (water, roads, wastewater treatment, etc.) and growth should not exceed the entity’s ability to support such development. General and Comprehensive Plans include build-out scenarios for communities based on the availability of these resources, particularly where water consumption is concerned.

### **Responses for Section III.B**

The Response presents the argument that water should be transferred for a better beneficial use:

*The issue here is whether the water subject to transfer can be put to a better beneficial use. Arizona history is replete with examples where water formerly used for successful agricultural purposes has transitioned to urban or semi-urban uses, and this transition has been relied upon by Arizona water managers as a means for sustaining the State’s rapid population growth over the last several decades.*

**Yuma County’s position:** Transferring water to the Town of Queen Creek and other municipalities in the Phoenix Metro Area will take away community and economic development opportunities from rural counties like La Paz, Mohave, and Yuma. Transfers such as the one

proposed subsidize Phoenix Metro Area growth. If development in the Phoenix Metro Area was based on existing water supplies and transfers were not allowed, companies and people would be incentivized to relocate and develop in rural counties with adequate water resources to accommodate growth. Growth opportunities in rural counties should not be limited by ill-advised water transfers.

Rural communities will continually be at a disadvantage if the “better beneficial use” calculations are used for allocating water resources to facilitate growth due to the following factors:

- The Phoenix Metro Area has numerous economic advantages related to large populations with higher levels of educational attainment and skills, land availability, higher education learning opportunities, and extensive cultural opportunities, not to mention larger representation in the State Legislature.
- State infrastructure spending disproportionately supports the development and expansion of the Phoenix Metro Area.
- In contrast, the base economic industries for rural communities are often derived from agriculture, military, and tourism industries that are extremely important to local, state, and national economies, not to mention the nation’s security. “Better beneficial use” calculations which rely solely on the assumptions generated via an Economic Impact Report related to the number of high wage jobs, property taxes, and sales taxes generated do not reflect the intangible values associated with such industries.

**Responses for Section IV:**

The Response presents numerous examples of State Legislators, materials providers, Economic Development groups, and others in the Phoenix Metro Area and Pinal County supporting the transfer within the concepts of “better beneficial use,” accommodating community and employment growth in Maricopa and Pinal Counties, and increased state shared revenues.

**Yuma County’s position:** These examples demonstrate the continuing theme that all unlimited growth in the Phoenix Metro Area should be accommodated no matter the consequences to rural Arizona and, in particular, those communities along the Colorado River. These communities view their water allocations as a valuable resource that can be used to encourage community and economic development, just as the Phoenix Metro Area has viewed the availability of agricultural and desert lands as a valuable development resource.

**Responses for Section XI:**

The Response generally defends the premise that the water transfer is an offset against existing groundwater use.

**Yuma County's position:** If the transfer is used truly as an offset against existing groundwater use, then it could be recognized as aiding the Town of Queen Creek's attempt to establish a sustainable water supply that supports existing, planned growth. However, if the transfer helps facilitate future growth beyond what current water resources can sustain, then the transfer becomes the vehicle which perpetuates the seemingly unlimited growth in the Phoenix Metro Area.

**Responses for Section XIV:**

The Response defends against expressed general concerns regarding lost economic opportunities along the Colorado River, the likelihood of the transfer setting precedent for future transfers of a similar nature, and possible favoritism shown toward the Town of Queen Creek.

**Yuma County's position:**

- **Comment regarding Item #26:** It is easy to discern the economic disparities between the Phoenix Metro Area and the Colorado River Communities. When the economic benefits of developing residential, industrial, and commercial uses in the Town of Queen Creek are compared to that of the current agricultural uses on GSC Farm, LLC property, it is understandable why development organizations and groups in the Phoenix Metro Area would advocate for the transfer. However, this support comes at a price to rural counties, as a water transfer such as the one proposed perpetuates the seemingly unlimited growth in the Phoenix Metro Area and could stymie the growth in the areas from which the transfers originate.

**Responses for Section XIV:**

The Response attempts to refute the argument made by Yuma County residents that Yuma County is impacted by the proposed transfer.

**Yuma County's position:** This transfer is relevant to water rights discussions in Yuma County, and possible impacts should include considerations for all communities along the Colorado River since this transfer may set a precedent for future water transfer discussions. Until a definitive discussion takes place regarding the growth and development of the entire State of Arizona, Colorado River Communities are likely to view any transfers of Colorado River Water to the Phoenix Metro Area as the forced reallocation of water resources for the enrichment of that area, for sale to the highest bidder.

Again, the Yuma County Board of Supervisors urges the Arizona Department of Water Resources to deny the proposed transfer of an Arizona 4<sup>th</sup> Priority Colorado River Entitlement between GSC Farm, LLC and the Town of Queen Creek. Thank you for the opportunity to provide comments.

Sincerely,

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Marco A. “Tony Reyes  
Chairman, District No. 4

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Russell McCloud  
Supervisor, District No. 2

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Martin Porchas  
Supervisor, District No. 1

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Darren Simmons  
Supervisor, District No. 3

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Lynne Pancrazi  
Supervisor, District No. 5