



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

January 27, 2020

Michael J. Pearce  
Maguire Pearce & Storey, PLLC  
2999 N. 44<sup>th</sup> Street, Suite 650  
Phoenix, AZ 85018

Dear Mr. Pearce:

As you are aware, the public comment period regarding the *Proposed Transfer of GSC Farm, LLC's Colorado River water Entitlement to the Town of Queen Creek* closed on January 15, 2020. All public comments received during the comment period are now posted to the Arizona Department of Water Resources' website for your review.

Pursuant to the Department's *Policy and Procedure for Transferring an Entitlement of Colorado River Water*, dated January 16, 2019 (Colorado River Transfer Policy), when potentially negative impacts are claimed, the Department will notify the entity giving up the entitlement and the receiving entity about the claimed impacts. Due to the assertion of claims of "negative impacts" in several of the public comments, this correspondence serves as the Department's notification of same to the entity giving up the entitlement (GSC Farm, LLC) and the receiving entity (Town of Queen Creek).

The Policy provides that when negative impacts are claimed, the Department will provide up to 90 days for all parties to attempt to resolve or mitigate the claimed impacts and to provide information to the Secretary of the Interior. Please advise the Department within two weeks from the date of this letter (January 27, 2020), if you desire up to 90 days to attempt to resolve or mitigate the claimed negative impacts from the proposed lease and transfer. Absent a response by February 10, 2020 at 5:00 p.m., the Department will assume that neither GSC Farm, LLC nor the Town of Queen Creek seeks the additional time to attempt to resolve or mitigate claimed negative impacts and the Department will then 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](mailto:kbrown@azwater.gov).

Sincerely,

Tom Buschatzke  
Director, Arizona Department of Water Resources

Cc: Steve Hvinden, Office Chief, Boulder canyon Operations Office, Bureau of Reclamation  
Leslie Myers, Area Office Manager, Phoenix Area Office, Bureau of Reclamation  
Michael Schlehuber, GSC Farm, LLC  
Michael Malano, GSC Farm, LLC  
John Kross, Town manager, Town of Queen Creek  
Scott Holcomb, Dickinson Wright, PLLC