



## YUMA COUNTY WATER USERS' ASSOCIATION

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OFFICE OF THE DIRECTOR

June 23, 2020

Director Thomas Buschatzke  
Arizona Department of Water Resources  
Attn: Sharon Scantlebury, Docket Supervisor  
P.O. Box 36020  
Phoenix, AZ 85967-6020

Re: ***Request for Consultation on Transfer of 4<sup>th</sup> Priority Colorado River Water Right  
GSC Farm, LLC to the Town of Queen Creek - Rebuttal to GSC Farm, LLC and  
Queen Creek Response to Public Comment dated May 7, 2020***

Dear Director Buschatzke,

Thank you for the opportunity on behalf of the Yuma County Water Users' Association (Association) to respond to GSC Farm, LLC and the Town of Queen Creek's response to the negative public comments to their proposed transfer as entered in to the Arizona Department Water Resources (ADWR) transfer process and also for the opportunity to present reasons the Applicants' transfer should receive an unfavorable recommendation. The Applicants' cavalier dismissal of the numerous comments in opposition to the proposed transfer were expected but were not persuasive. Most all of the comments in opposition were made by people who are not speculators, but by people whose livelihoods depend on a resilient Colorado River. Many of those in opposition are second, third and fourth generation families that have been sustained for decades by this river.

Those in opposition have a legitimate concern that the approval of the proposed transfer would "open the floodgates" to future transfers by speculators to purchase river water rights to sell and transfer these rights at a profit to the densely populated areas of the state. The result would be a price war with water going to the highest bidder regardless of their immediate need for the water. I am not aware of one citizen from the Town of Queen Creek who testified as to their immediate need for the water considered in this transfer. The result of such transfers would be the eventual loss of sustained agriculture crop production and the destruction of agribusiness that support the economies of towns and communities along the river. There can be no attainable mitigation for the economic damage resulting to the river communities.

This proposed transfer is in violation of the purpose and right to the use of the river water as was granted by the State of Arizona through the USDI-Bureau of Reclamation (BOR). The BOR was created and the irrigation projects were authorized by the US Congress to develop and sustain agriculture business and develop resilient communities throughout the western states. This proposed transfer flies in the face of the intent of Congress.

Director Thomas Buschatzke  
Arizona Department of Water Resources  
June 3, 2020  
Page Two

GSC Farm, LLC is requesting to transfer a water right that they do not own in its entirety. GSC Farm only has a contract with the BOR for the diversion and delivery of Colorado River water for a specified acre foot amount, at a described point of diversion, for a specific purpose and place of use. Such a contract grants GSC Farm a "usufructuary right" or a right to use the water as governed by the contract stipulations. GSC Farm does not have a personal property ownership in a full water right that can be sold and transferred off the main stem of the Colorado River.

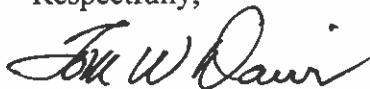
GSC Farm's contract with the BOR is clear that the river water diversion is only for that land as described within the boundaries of the CVIDD's contract service area. It is also an Arizona fourth priority Colorado River water entitlement for irrigation use. BOR policy defines this in Contract No. 13-XX-30-W0571 Amendment No. 1 Subsection 3.15 and reads as: "3.15 Irrigation Use means the use of contract water to irrigate land primarily for the production of commercial agricultural crops or livestock, and domestic and other uses that are incidental thereto". This wording clearly does not convey GSC Farm a water right that can be sold off river to a municipality located in another part of the state to use for what ever purpose it may desire. If GSC Farm no longer desires to contractually engage with the BOR for a right to use the associated water, the BOR may enter into a contract with another entity on the river to divert that water for beneficial use as specified by Contract as has been the past practice.

In short GSC Farm, LLC has nothing of value to transfer or sell to the Town of Queen Creek. It is disturbing to me that hedge fund speculators are attempting to change long standing Arizona and BOR water policy to reap a profit to the detriment of on river water users and communities.

I request the ADWR issue an unfavorable recommendation and also encourage it to request the BOR to deny this proposed transfer.

Thank you Director Buschatzke for your consideration in this matter.

Respectfully,



Tom W. Davis  
Manager