ARIZONA DEPARTMENT OF WATER RESOURCES
PUBLIC COMMENT MEETING ON
PROPOSED TRANSFER OF ARIZONA 4th PRIORITY
COLORADO RIVER WATER:
GSC FARM LLC TO THE TOWN OF QUEEN CREEK
* * *

Bullhead City, Arizona
November 20, 2019
(Transcribed from audio recording.)

Prepared by:
Dorothy A. Schulte, RPR, CCR
Certificate No 50459

PERFECTA REPORTING
602-421-3602
<table>
<thead>
<tr>
<th>Speaker:</th>
<th>Page:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mayor Brady</td>
<td>16</td>
</tr>
<tr>
<td>Regina Cobb</td>
<td>16</td>
</tr>
<tr>
<td>Hildy Angius</td>
<td>18</td>
</tr>
<tr>
<td>Jean Bishop</td>
<td>23</td>
</tr>
<tr>
<td>Ron Gould</td>
<td>25</td>
</tr>
<tr>
<td>Mayor Miles</td>
<td>26</td>
</tr>
<tr>
<td>Vice Mayor Lingenfelter</td>
<td>28</td>
</tr>
<tr>
<td>Lois Wakimoto</td>
<td>29</td>
</tr>
<tr>
<td>Mark Clark</td>
<td>31</td>
</tr>
<tr>
<td>Perry Muscelli</td>
<td>34</td>
</tr>
<tr>
<td>Chip Sherrill</td>
<td>36</td>
</tr>
<tr>
<td>John Pynakker</td>
<td>37</td>
</tr>
<tr>
<td>Michael Curtis</td>
<td>40</td>
</tr>
<tr>
<td>Grady Gammage</td>
<td>41</td>
</tr>
<tr>
<td>Paul Gardner</td>
<td>44</td>
</tr>
<tr>
<td>Michael Pearce</td>
<td>46</td>
</tr>
<tr>
<td>Larry Morse</td>
<td>49</td>
</tr>
<tr>
<td>Sandy Morse</td>
<td>50</td>
</tr>
<tr>
<td>Josh Meyer</td>
<td>52</td>
</tr>
<tr>
<td>Dan Oehler</td>
<td>54</td>
</tr>
<tr>
<td>Jamie Kelley</td>
<td>56</td>
</tr>
<tr>
<td>Nick Parsons</td>
<td>58</td>
</tr>
</tbody>
</table>
**S P E A K E R  I N D E X**

<table>
<thead>
<tr>
<th>SPEAKER:</th>
<th>PAGE:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bart Anderson</td>
<td>61</td>
</tr>
<tr>
<td>Patrick Cunningham</td>
<td>62</td>
</tr>
<tr>
<td>Wade Noble</td>
<td>64</td>
</tr>
</tbody>
</table>
PROCEEDINGS

MS. KARTHA: Okay. Good morning everyone. I'll officially start the meeting. For the record, today is Tuesday(sic), November 20th, 2019, and the time is 10:03 a.m. We are at the City of Bullhead City, City Council Chambers at Bullhead City, Arizona.

My name is Vineetha Kartha. I am the Manager for the Colorado River Section at the Arizona Department of Water Resources, and I will be facilitating today's meeting.

With me are Clint Chandler, Assistant Director; Douglas McEachern, Communications Administrator; Kelly Brown, Deputy Counsel; Sharon Scantlebury, Docket Supervisor; and Amy Levy, Water Resources Specialist. Also with me today from the Department is Tom Buschatzke, Director of the Department of Water Resources.

Because the Department is the entity that makes the recommendation to the Secretary of the Interior, the Director is here to listen to your comments and observe the proceedings but will not be making any comments or responding to any inquiries.

We do not have a court reporter here today,
but we are using an audio recorder to record your
comments. As such, it is important for speakers to
please speak up and speak slowly so that the audio
recorder can accurately record your comments. If
anyone has difficulty hearing me or a speaker, please
let me know.

If you haven't already done so, please sign
the sign-in sheet on the table near the entrance.
There are also speaker cards available on the table.
Like this. If you desire to speak today, please fill
out a speaker card, if you haven't done so already, and
submit your card to Sharon Scantlebury.

The purpose of today's meeting is to provide
members of the public with the opportunity to make oral
or written comments on the pending application for the
proposed transfer of the GSC Farm LLC's 4th Priority
Arizona Colorado River Entitlement to the Town of Queen
Creek.

Pursuant to the Department's substantive
policy statement entitled "Policy and Procedure for
Transferring an Entitlement of Colorado River Water,"
the Department advertised the proposed transfer on
November 7th and November 14th, 2019, in Arizona
Republic, a newspaper of general circulation within the
state of Arizona.
The application is also available on the Department's website at:

The Department's substantive policy statement states that the Department will accept comments on a proposed transfer for 30 days following the second advertisement of the proposed transfer. Because the 30th day following the second advertisement of this proposed transfer is a Saturday, comments will be accepted until 5 p.m. on the following Monday, which is Monday, December 16th, 2019.

The Department held a meeting at the ADWR offices yesterday and will also be holding meetings at the Town of Parker this afternoon and the City of Yuma tomorrow to provide members of the public additional opportunities to make oral or written comments on the proposed transfer. The times and locations of those meetings are shown on the Department's website at the address mentioned previously.

Today's meeting will be conducted in a formal manner. As I mentioned previously, an audio recorder is recording all the statements. A copy of the transcript will be available for review at the Department's office and will also be posted on the
Department's website when it is available. Please be aware that the Department will not be responding to any questions or comments at today's meeting. If anyone has any questions or comments on issues or programs that are outside the scope of today's meeting, you can contact either me or any of our staff members after the meeting.

At the conclusion of the meeting, I will be accepting any written comments or documentary evidence that anyone may wish to submit to the Department regarding the pending application. The Department will also accept written comments until 5 p.m., December 16th, 2019.

The written documents should be submitted to the Department's Docket Supervisor, Sharon Scantlebury by email to ssc antlebury@azwater.gov. I will spell it out. S-S-C-A-N-T-L-E-B-U-R-Y@azwater.gov or fax at 602-771-8686. A copy of the public notice with Sharon's contact information is posted on the Department's website. Sharon's business cards with her contact information are available at the sign-in desk if you would like one.

Within 60 days from December 16, 2019, the Director of ADWR will issue a recommendation regarding the proposed transfer to the United States Secretary of
the Interior, unless additional time is needed to resolve claims of negative impacts to third parties. Some entities or individuals may claim that they will be negatively impacted if the proposed lease and transfer is approved. If potential negative impacts are claimed, the Department will notify GSC Farm, LLC, and the Town of Queen Creek about the claimed impacts.

Upon notification of the claims, 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. If agreed by all parties, an extension may be granted if more time is needed to resolve outstanding issues.

I will now describe the proposed transfer in greater detail.

Please watch your monitors. Also please let me know if I go -- I'm going really fast and if you are unable to understand what I am saying.

So my presentation today is roughly divided into three sections. I will start with a broad overview of the Department's authorities, followed by the key points of the Substantive Policy Statement, the policy that guides the mainstream Colorado River transfers.
Finally, I'll go over the key details of the proposed transfer from GSC Farm, LLC, to the Town of Queen Creek for 4th Priority Arizona Colorado River Water Entitlement to the Town of Queen Creek.

Pursuant to State Statute at 45-105, the Director is generally responsible for the management and also for formulating plans and programs for the development, conservation and use of surface and groundwater throughout the state.

Pursuant to State Statute 45-107, the Director is to serve as the State's representative in matters relating to the State's interests in Colorado River, specifically the Director is authorized on behalf of the State of Arizona to consult, advise and cooperate with the Secretary of Interior of the United States.

In that regard, the Department of Water Resources is the entity charged with promoting, protecting and comprehensively managing Arizona's annual apportionment of 2.8 million acre-feet of Colorado River water.

Consistent with these responsibilities under State Statute at 45-107, entities that contemplate the transfer of their entitlements are required to cooperate, confer and obtain the advice of the Director
of the Department.

Due to the importance of the distribution of Colorado River water to the welfare and economy of the state and because in most cases mainstream water is the only dependable supply for urban, industrial and agricultural water users, Substantive Policy Statement was adopted to ensure adequate and consistent evaluation of any proposed transfer of a Colorado River entitlement.

The policy statement establishes the policy and procedure for transferring an entitlement of Colorado River water. The policy statement also describes the criteria and analysis the Department will utilize to evaluate proposed transfers, including conveyances, leases or assignments, of mainstream Colorado River water.

After all the necessary documents have been submitted, conveyance and lease actions are subject to a public notice process. The public notice process includes advertising the proposed transfer once a week for two consecutive weeks in a newspaper of general circulation within the state.

In this case the newspaper advertisement was on November 7th and November 14th. The Department will also provide a notice to the County Planning and Zoning
Department office within the county of origin. We had
sent out a notice to the La Paz County Planning and
Zoning Department for this particular case.

The contractor conveying its entitlement must
provide notice to all water users within its contract
service area. The Department also maintains a list of
interested parties, and notices are sent to those
entities on the list as well.

Pursuant to the Substantive Policy Statement
the Director will review any proposed transfer by a
non-Federal Arizona contractor of the Colorado River
entitlement for the purpose of determining the
potential impacts caused by the redistribution of
water.

During the review, the Director will consider
several factors including potential negative impacts to
the water supplies of other Colorado River entitlement
holders, water quality impacts to the water supplies of
other Colorado River entitlement holders, and water
quality impacts related to return flows and other
pertinent impacts that could occur as a result of the
proposed transfer.

Public comment is also considered during the
Department's review. The Director will issue a
recommendation within 60 days from the end of the
comment period unless additional time is needed to
resolve claims of negative impacts to third parties.
If there are claims of negative impacts, the Department
will also provide up to 90 days for all parties to
resolve or mitigate claimed impacts. An extension may
be requested.

This slide provides a snapshot of the
transferring entity, GSC Farm, LLC. GSC Farm, LLC, is
located within La Paz County, Arizona. GSC Farms
currently holds a Section 5 contract with the U.S.
Bureau of Reclamation for a Colorado River Arizona 4th
Priority Diversion Entitlement of 2,913.3 acre-feet per
year.

GSC Farms own around 504 acres of land, out
of which 485.5 acres are irrigable acres. Based on the
information provided to the Department by the GSC Farm,
all the irrigable acres are being irrigated annually.

GSC Farm is proposing to transfer a
consumptive use volume of 2,083.1 acre-feet. This
quantification is based on an unmeasured return flow
factor of 28.5 percent. If the Colorado River water
entitlement is transferred from GSC Farm, these lands
will be retired from agricultural production.

Future water supplies that may be available
to these lands include Cibola Valley Irrigation and
Drainage District, which holds 300 acre-feet per year of 4th priority entitlement for domestic use, which could serve as a water supply for the potential development of the land.

The Town of Queen Creek is a receiving entity located within Maricopa and Pinal Counties. The request for consultation states that the Town of Queen Creek's current annual demand is 15,100 acre-feet. Queen Creek fulfills these demands through a groundwater supply of 42,421 acre-feet, a CAP supply of 495 acre-feet and an effluent supply of 2,000 acre-feet. Queen Creek's future demand is expected to be 43,500 acre-feet.

In addition to the proposed transfer of Colorado River water, the request for consultation states that Queen Creek's foreseeable future water sources include an additional 4,100 acre-feet of CAP water and 8,000 acre-feet of effluent water supplies.

Queen Creek is proposing to store the transferred water within the Roosevelt Water Conservation District and recover water within Queen Creek's service area. The proposed transfer will change the place of use, type of use and the point of diversion.

The request for consultation that was
submitted by GSC and Queen Creek also includes other supporting documents including Section 5 contracts and a purchase agreement between GSC and Queen Creek. These documents are available for viewing and downloading on the Department's website.

This concludes my presentation on the proposed transfer. We shall now move on to the public -- we shall now move on to the comment segment of the agenda.

I also want to point out that this presentation is posted on our website. This is the exact same presentation I will be providing to all the venues.

Yesterday's presentation is already on our website; and as soon as we're done, we'll present -- we'll post this on our website as well.

As I mentioned earlier, the purpose of today's meeting is to provide members of the public with the opportunity to make oral or written comments on the pending application for the proposed transfer of GSC Farm, LLC's 4th Priority Colorado River Water Entitlement to the Town of Queen Creek.

We, therefore, want to ensure that every person who wishes to speak today has an opportunity to be heard, so I will ask that only one person speak at a
time. All speakers should use the microphone and give their name and affiliation.

All comments should be addressed to the Department of Water Resources, should be relevant to the application, and should be respectful of the process.

Each speaker will be allowed no more than three minutes so everyone has an opportunity to speak. Time allotted for public comments can be used most efficiently by selecting a single representative to speak on behalf of a group or organization.

Please be respectful and allow the speaker to proceed without interruptions. This will allow us all to hear and listen to each other's comments and for the audio recorder to accurately capture today's dialogue.

I will now begin calling the names of the individuals who submitted speaker cards. If you wish to speak and have not filled out a speaker card, please fill out one of the cards on the table near the entrance and provide your card to Sharon.

When I call your name, please come up to the podium, state your name, identify any person or entity that you represent and then provide your comments.

The first name is Tom Brady, Mayor of Bullhead City.
MAYOR BRADY: Good morning. My name is Tom Brady. We all realize the importance of the Colorado River water. Mark Clark is our City Council member. He is going to address it in further length than I will, so I'm not going to take much of your time, but I just want to go on the record that Bullhead City Council and the Mayor of Bullhead City are opposed to any transfer of Colorado River water.

MS. KARTHA: Next we have Regina Cobb, state representative.

MS. COBB: Good morning. For the record, State Representative Regina Cobb, District 5. I represent Mohave and La Paz County. Thank you all for coming in, and I appreciate the Department of Water Resources for holding these meetings in all of our communities. I think this was the most important time to -- or the most important place to be able to hold these. These are the people it's going to be impacting. We have that one in Parker this afternoon and one in Yuma tomorrow.

I opened the meeting yesterday telling a lot of facts and thank God we had a few people behind me that kind of supported everything that I -- I presented and some articulate, really great speakers, and I lost a contact just before I got up here yesterday, so I
brought my glasses today so that I won't have that issue again. So it was -- it was a great meeting yesterday.

A couple of things. One of the things is that when I left the meeting yesterday, a reporter came up to me and asked me -- he said what do you know about Greenstone and what -- what's going on with their company? And I said, you know what, all I know is that I -- I have been told that they are a water broker; but before tomorrow, I'll learn more about them.

I'll tell you that's a difficult task. It was very difficult finding anything out about this company. It's a company out of Delaware. They are a water broker. They purchase properties, 450 acres in 2008, and then they purchased them again in 2000 -- another 40 acres in 2014, and then they also went in with El Mirage as a -- as a company that they went together and bought extinguishing -- extinguishing credits, and I think have sold those since, but there was about 29,000 plus extinguishing credits bought for $150.

So that's what they're doing. They're selling water. They're brokering water. They're not coming into our communities. They're not investing in our communities. And yesterday we heard a lot from the
advocates on -- some cases that they had cited. All those cases that they cited yesterday were not anything to do with Colorado River water. Every one that they cited were surface water, were property rights waters, was all about surface water, not about Colorado River water.

And I also was taken back by the demeaning. I also said they were arrogant and greedy, but they proved it. A lawyer yesterday demeans Cibola area and said that this godforsaken place on the east side of the -- of the state and we don't even know where they're at and that Queen Creek is deserving of this water. That's what we're talking about. This sets a priority for all of us. It sets a priority.

Yuma came in yesterday. They spoke against it. And they said this has nothing to do with Yuma. Why are you here speaking against it? And that's because they are a Colorado River community and they know what happens here in Mohave County, what happens in La Paz County is going to happen in Yuma, and so I appreciate all of you being here today and thank you again for giving me the time.

MS. KARTHA: The next speaker is Chairman Hildy Angius.

MS. ANGIUS: I'm going to speak a little
Good morning. For the record, I'm Hildy Angius. I'm speaking today as the Chairman of the Mohave County Board of Supervisors, and I am the supervisor for District 2. That covers Bullhead City down to Fort Mohave. I appreciate the opportunity to make these comments today, and I ask that they be submitted in the written record as written comments as well. I want to thank Director Tom Buschatzke and the Department for conducting this public meeting and comment process regarding the proposed transfer and for holding meetings here in Bullhead City, Parker and Yuma.

As for Greenstone and the Town of Queen Creek's proposed transfer of 2,088 acre-feet of Arizona 4th Priority Colorado River Water Entitlement to the Central Arizona and to the Town of Queen Creek, I rise today to advise Arizona Department of Water Resources and Director Tom Buschatzke of Mohave County's position.

As a matter of public policy, Mohave County opposes the transfer of 4th priority Colorado River water that has already been allocated to communities along the river away from the main stem of the river for use in Central Arizona. It is the transfer of this
water away from the main stem of the river that Mohave County must oppose by all means and all forms and for as long as it takes.

Of course, this is not the first attempt -- attempt to transfer of 4th priority rights from river communities. I wish to recognize the Central Arizona Water Conservation District and their Board of Directors. Those Directors heard all of our voices in 2017 and 2018, and they decided by a unanimous vote in June of 2018 to withdraw from a proposed purchase and sale agreement to acquire water contracts from the company, Water Asset Management, and inside the Mohave Valley Irrigation and Drainage District in Mohave County.

Also the Town of Quartzsite has attempted a lease of their 4th priority rights from the river communities, and this Department did not give that proposal a favorable recommendation.

And so today we, again, ask you to recommend disapproval to the Department of Interior and its Bureau of Reclamation of this proposed transfer by Greenstone of its contract with the Bureau of Reclamation to the Town of Queen Creek in the form of a new contract approved and issued by the Bureau of Reclamation.
Here are reasons: First, the water Greenstone seeks to transfer is the economic life blood of our river communities. It is our very future, and Greenstone seeks to wheel it to far wealthier communities for their own benefit. Our citizens demand that we protect their interests and oppose this action by all means.

The damage this transfer will cause for the people of my district and inevitably all of rural Arizona if it goes through, is the wealth produced by this water through economic development will be generated in Central Arizona. That water is the economic life blood of the river communities and once it is gone, it will never return.

This water was reserved to the river communities in the 1970s for their future economic security, and the water will move up and down the river to benefit us all. And now we are growing in the river communities. Third party companies from out of state seek to transfer this water away from us.

If the Department breaks with precedent and allows the water to leave this or any rural region, those communities left behind cannot grow. Our future will be shipped to Central Arizona.

MS. KARTHA: Ms. Angius, your time is
up, but I could certainly take your written comments.

MS. ANGIUS: Okay, and we also have the resolution that we passed unanimously from the Board of Supervisors on Monday.

That was three minutes?

MS. KARTHA: Yes.

MS. ANGIUS: It goes fast. I was reading as fast as I can.

SCOTTY: She can have my three minutes.

MS. ANGIUS: Thanks, Scotty.

All right. This water is -- Where was I?

You may ask the value of this water to our river communities. The Town of Queen Creek has answered that question in their press release of August 1st, 2019, in which they value this water at 307.7 million dollars of annual economic impact in Central Arizona. That is wealth that will eventually, not tomorrow, be generated right here in the river communities. It cannot be transferred away from the river. The 307.7 million dollars of annual wealth is the value of this water, and it cannot leave these communities.

Second, there exists today other sources of water that are available to Queen Creek to provide water for Arizona's urban growth.

Three examples: The Harquahala Basin --
sorry I mispronounce that -- offers water that can be obtained in transfer today to Queen Creek, the Central Arizona Groundwater Replenishment District or CAGRD is available today for development in Queen Creek and the Gila River Indian Community water is available today, and the community has created an entity to lease water to other parties in Central Arizona.

Please include in your record that the County Supervisors Association Resolution 2019-03 passed on October 30th, 2019, in which the Association opposes this transfer and our own Mohave County Board Resolution that I just mentioned, Number 2019-138, issued on November 18th, 2019. I'd attach them to my comments today.

As your public comment period extends to December 16th, 2019, I anticipate additional counties and cities will pass resolutions opposing this proposed transfer and will provide those resolutions to the Department.

Thank you very much again for conducting this public process to consider this proposed transfer. And thank you, Scotty, for giving me your time.

MS. KARThA: Next we have Jean Bishop.

MS. BISHOP: Good morning everyone, and thank you for this opportunity to speak to you today.
For the record, my name is Jean Bishop, but I'm speaking today as a supervisor for District 4. That covers parts of Kingman, Golden Valley and Meadview. I appreciate the opportunity to make these public comments today, and I ask that they also be submitted in the written record as written comments as well.

So I want to thank Director Buschatzke and the Department for conducting this meeting and the public comment process regarding the proposed transfer and holding these meetings not only here in Bullhead City but also this afternoon in Parker and then tomorrow in Yuma.

So as far as Greenstone and the Town of Queen Creek's proposal to transfer the 2,088 acre-feet of Arizona 4th Priority Colorado River Water Entitlements to Central Arizona and the Town of Queen Creek, I rise today to advise the Arizona Department of Water Resources and Director Buschatzke that Mohave County's position is, as a matter of public policy, Mohave County opposes the transfer of 4th priority Colorado River water that has already been allocated to communities along the river, away from the mainstream of the river for use in Central Arizona.

It's the transfer of this water away from the main stem of the river that Mohave County must oppose
by all means and all forms and for as long as it takes.

    Supervisor Chairman Angius pretty much already gave the speech that I was going to give and she did it eloquently, so I'll just ditto what she said and -- and ask you to -- to oppose this transfer, and I've submitted my written comments, so they are on the record, and I will relinquish the rest of my time.

    Thank you very much.

    MS. KARTHA: Next we have Ron Gould.

    MR. GOULD: Thank you. Good morning.

You heard two other members of the Mohave County Board of Supervisors talk about our unanimous resolution that we oppose transfer of Colorado River water that was intended for the use along the Colorado River to Central Arizona.

    I don't know how many of you ever watched the show Cadillac Desert. Well, Cadillac Desert is about the City of Los Angeles taking the water from the Owens Valley in California and how it dried up farming and dried up their economy in that area.

    I don't want that to happen in my area. I represent the 5th District, which is essentially along the Colorado River.

    What happens, people move here and raise their children and their children then have to leave
because their children can't find an adequate job in
our area because of our lack of economic development.
If you take our water, you're going to make our
situation even worse.

If I want to visit my grandchildren, I have
to go down to Phoenix to do that. And if you talk to
other constituents in my area, they have to do the same
thing. Their children are dispersed because they can't
find a job that will support their family in our area.

So I ask you please don't transfer this water
to the Phoenix area and make Mohave County Arizona's
version of the Owens River Valley.

Thank you.

MS. KARTHA: Next we have Jen Miles,
Mayor of City of Kingman.

MAYOR MILES: Good morning. Thank you
for the opportunity to make comments on this transfer
of water. I appreciate this. I am Jen Miles, the
Mayor of City of Kingman, and I'm here representing the
entire Council and the resolution that we passed last
evening opposing the transfer of this 2,083.1 acre-feet
of 4th priority water from La Paz County to the Town of
Queen Creek.

Kingman is a city that relies on groundwater.
We do not draw from the Colorado River; however, we are
here to support what we call the on-river communities because we are a region. Our region grows together and we work together as three -- three major cities in Mohave and with our partners in La Paz.

I think it's been well stated that the transfer of this water sets a precedent that is unacceptable. Our economic vitality and growth depends on water. And we are growing, as I said, and we are growing in a way that is going to enrich not only our region but the whole state of Arizona.

And so we passed a resolution, and I won't read the whole thing, but I will mention the obvious. Water is one of Mohave County's most precious resources that is in jeopardy of being depleted if not managed adequately. It is an essential scarce resource necessary for continued growth and economic development of these on-river communities.

And both Mohave and La Paz Counties have previously received disaster drought designations and termed water shortage hotspots in a Bureau of Reclamation report, which serves to intensify our concern.

And basically the transfer of water entitlements from smaller river communities to benefit metropolitan areas which have alternative water
resources available to them sets a bad precedent and places the local water supplies and economic future of rural jurisdictions at risk.

Therefore, the Mayor and Common Council of the City of Kingman, Arizona oppose the contemplated transfer of 2,083.1 acre-feet of 4th priority water from La Paz to the Town of Queen Creek. Thank you for your time.

MS. KARTHA: Next we have Travis Lingenfelter, Vice Mayor of City of Kingman.

VICE MAYOR LINGENFELTER: Thank you very much for your time this morning. I appreciate it. Very proud of the resolution that the City of Kingman just adopted last night.

This is not a precedent that should be set. And Kingman, Arizona stands with our partners in the river communities against this, and we will stand against water transfers outside of Mohave County for as long as it takes.

From what I've seen, Central Arizona already has 90 percent of the CAP allocation and now they are coming for that last 10 percent. And the river communities they have the right to this water. They have just as much right to grow and prosper and to be successful as Queen Creek does. So I'll leave it very
short and say that the City of Kingman stands with the
to river communities against this transfer. Thank you.

MS. KARTHA: Next we have Lois Wakimoto.

MS. WAKIMOTO: I'm going to say thank you first. Don't count that against my three minutes. Thank you, Director Buschatzke, and the DWR staff for traveling out here. Don't start my three minutes. I want to tell you how much we appreciate you coming out here.

My name is Lois Wakimoto. I live in Mohave Valley, and for the record I'm a retired farmer, and I also represent Bullhead City Water Advisory Council.

This transfer that we're talking about -- and I'm going to start out with the end of my speech just in case I run out of time.

To be clear, I oppose the proposed transfer and ask you to oppose it and recommend it against -- recommend against the approval by BOR.

But I learned several things yesterday as I listened to the -- to the meeting that was going on. First of all, I learned that the 164,000 acre-feet of 4th priority Colorado River water that was set aside by the State of Arizona for the river communities -- well, the river communities don't really -- that's just a thought.
So as a previous farmer who has farmed in Mohave Valley, the east side of Maricopa and the west side of Maricopa and happened to move here to Mohave Valley because of water, I'm glad nobody told me that it was just kind of a place that I was moving to, that the river communities actually exist, and I hope that the people from Page to Yuma realize that we kind of exist.

It's really sad if you look at everything that the river communities bring to the state of Arizona.

And as we look at farming as one of the big assets, transferring this water from this area will devastate that farm. It will no longer be in production, which in a sense for a state that was based on -- oh, one minute -- okay, based on cotton, cattle and -- cotton and cattle, devastating the agriculture itself is wrong. Look at Yuma that provides not only produce for this state but for the entire nation.

We as a river community, as good ambassadors for the state of Arizona, bring people to this area, and we ask that they not only move to the river cities but they move to Central Arizona. So what is good for us in this area, as we learn from Central Arizona, is that he who has water wins. We've learned that from
Central Arizona. We want to win. We want to keep our water. And taking any part of the 164,000 acre-feet of 4th priority water from this area means less development, less economic growth and reduction of agriculture. Thank you.

MS. KARTHA: Next we have Mark Clark, and because Mr. Clark is representing more than one organization, we'll be giving him an extra minute.

MR. CLARK: Extra three minutes, right?

Maybe Scotty can give me some of his time, too, since it wasn't all used by Hildy.

I'd like to thank you for coming to the river communities to hear our concerns about this proposed transfer. For the record, my name is Mark Clark. I am the Chairman of the Mohave County Water Authority, and I am a Bullhead City Councilman.

Yesterday the Bullhead City Council passed Resolution 2019R-49 opposing this transfer. And on December 17th, 2018, the Mohave County Water Authority passed a similar resolution opposing this transfer. And, in fact, in -- next month the Mohave County Water Authority will take this up again and pass another resolution, a little stronger resolution in opposition to this transfer.

I want to make our policy position perfectly
clear. We oppose the proposed permanent sale and
transfer of any 4th priority water off the river to
Central Arizona.

This is the third time in a short time span
that an entity in Central Arizona is considering the
transfer of rural Arizona's water supply from the
Colorado River main stem and the resulting detrimental
impact on rural Arizona's future water and economy.

The water that Greenstone seeks to -- your
approval to sell and transfer is the economic life
blood of rural communities in La Paz, Mohave and Yuma
Counties. It is our very future that Greenstone seeks
your approval to wheel to Central Arizona.

Our citizens demand that we protect their
interests and that we oppose this action by all means.
This lost economic opportunity can never be recovered.

Here are some of the reasons why I ask you to
recommend disapproval to the Department of Interior and
the Bureau of Reclamation of this proposed transfer:
Arizona specifically reserved the 164,652 acre-feet or
9.89 percent of Arizona's 4th priority Colorado River
Water Entitlement for on-river entitlements.

This water Greenstone seeks to transfer is
reserved to Arizona's Colorado River communities. The
reservation of this 164,652 acre-feet to the river
communities is recognized in the master repayment contract between the Department of Interior and CAWCD.

   Historically Arizona has taken the position that it's the Department's unequivocal position that this water is to be reserved for the future M&I use along the river. It is not to be considered as surplus available for any other purpose. See the 1990 ADWR letter from Director Bill Plummer.

   The contract between Greenstone and Queen Creek is designed such that 450 acres of cultivated land will have no contract water rights left on it. Greenstone then intends to turn around and ask its neighbors for additional water for it to develop those lands.

   Once Greenstone receives that additional water from its neighbors, there's nothing to preclude them should this transfer go through from transferring that additional water to Central Arizona.

   Apparently sending 2,000 -- roughly 2,088 acre-feet of water to Central Arizona, Greenstone will turn and obtain more water from other river entities. This transfer will negatively impact 4th priority mainstream entitlement holders because there is no other water source available for future M&I and agricultural uses along the Colorado River. I repeat
the mainstream users have no other alternative water resources as Central Arizona does.

In closing, please include in the record our Resolution 2019R-49 from Bullhead City and Resolution 19-001 from the Mohave County Water Authority opposing this transfer that I have attached to my record today.

Thank you for letting me speak this afternoon or this morning.

MS. KARTHA: Next we have Perry Muscelli.

MR. MUSCELLI: Thank you. My name is Perry Muscelli, and I'm a farmer in the Mohave Valley, and I'm here today on my own volition, and there was no quid pro quo. Let me get that out there.

Water rights are a property right that I -- and I reject the idea that the County controls the farmers' water and can take it. The farmers and their farms are the reason the water is even here. It was their efforts dating back almost a 100 years, that the water rights are -- are -- are here on the river in many, many cases here including the Mohave Valley where -- where I farm.

Forcing farmers to continue to farm alfalfa perpetuate is a very bad water policy in my opinion.
The river communities in the Mohave County have plenty
of surplus water today. In fact, I think it should be -- everyone should be concerned that they will forfeit surplus water that's not put to beneficial use. In the coming shortages, I think this is a real risk, yet the County wants to claim control of even more water without compensation.

If shortages continue and the County has its way, the water will continue to be squandered growing low value crops while other urgent needs in Arizona go unsatisfied.

Why does Mohave County want the water locked down so badly? It's only because they feel they may need it in the long-term, the indefinite long-term future, and they don't want to have to compete and pay a fair price for water to the farmers, whose efforts are the sole reason it's even there to talk about.

It is like if the County refuses to allow an owner of vacant land to build a house on it because they might need it someday to build a freeway. It is -- it is like telling someone they cannot rent or sell their house for the same reason, to keep the price down in case they might need it for -- for their future use.

In my experience when government uses authority to take rights from an owner, it must pay
fair and just compensation. There's no fair and just
compensation being offered at all.

Restricting farmers from renting or selling
their perpetual rights to use Colorado water is forcing
them to grow alfalfa in the Mohave desert is very bad
policy.

Treating water like it has no value and it
belongs free of charge to the County is tantamount to
eminent domain taking without compensation. Thank you.

MS. KARTHA: Next we have Chip Sherrill.
MR. SHERRILL: Good morning. My name is
Chip Sherrill. I'm a farmer in Mohave Valley, and I
feel the same way Perry does. If you take and let
government control our water and tell us what they're
going to do with the water when we got it here in the
first place to help development, to help water supplies
up and down the Colorado River and the whole state for
that matter --

If we don't help mitigate problems that are
in Phoenix, problems that are in Buckeye and work
together instead of getting these lawyers and
everything else together and fighting everything that
you see about water -- I think it needs to be studied
more. I think everybody needs to calm down and think
about what's going on here and what the farmers' rights
are. The farmers have rights. They brought this water here. It's the only reason it's here.

Can transfers be done? I think they should to help mitigate the problems that they have in the Phoenix and the Buckeye and all the different cities, to help them out. They'll help us out in the future. And that's my feeling. And I know that everybody goes, oh, it's Owens Valley all over again. I don't believe that. I believe that farmers should have the right to use that water, and it should not be taken by government. So that's where I stand. Thank you.

MS. KARTHA: Next we have Nan Nicoll.

UNKNOWN VOICE: She left.

MS. KARTHA: Please let the record reflect that Nan Nicoll left.

Next we have John Pynakker.

MR. PYNAKKER: Thank you. Good morning. I thank you for coming here, especially you, Director Buschatzke, and allowing our citizens, businesses, community leaders, local and county governments to give you their input on this very important issue.

My name is John Pynakker. I'm the president and CEO of the Bullhead area Chamber of Commerce. I represent 617 businesses and over 13,000 employees of these companies. Companies located in my area
including -- include the on-river communities of Bullhead City, Laughlin, Fort Mohave, Mohave Valley and Needles, and we oppose the transfer of 4th priority water from any on-river community to Central Arizona.

We opposed it when the Central Arizona Project tried to purchase it in Mohave Valley. We oppose it being sold to Queen Creek, and we will oppose it every time that it comes up in the future. The 4th priority water is the only water available for the on-river cities.

And Queen Creek they have other options available, as Queen Creek Mayor Gail Barney stated in her(sic) press release dated August 1st of 2019.

The water is part of the 164,652 acre-feet of water reserved for the on-river communities and is recognized in the master repayment contract between the Department of the Interior and the Central Arizona Water Conservation District, as Mark Clark stated.

This water transfer is not only wrong in that it will move water away from areas where it was designated, but it will also have a devastating effect on our economic opportunity and growth in an area where we have seen substantial growth. We have many businesses that move here due to the cost of living, the scenery, the business-friendly local and gov --
government and the availability of resources, water
being one of those resources.

Queen Creek is asking to take water away from
our -- from an on-river community to help develop an
area lacking those resources. I can't see why anyone
would want to move to an area that lacks what they
need. However, that seems to be exactly what is
happening over and over again.

Mr. Sherrill -- I respect him a lot by saying
that we need to help these other parts of the state.

If there's a problem, you should -- should
not move there. We have a very limited supply of
4th priority water. And allowing Queen Creek to
purchase it, because in the words of Mayor Barney this
helps us move away from our long-term dependence on
groundwater, is ridiculous. Build your community based
on the groundwater or water allocation that you have.
If a community is lacking the resources, perhaps that
is a community you should not move to.

This is a fight we have fought before with
our own MVIDD and the result was the fallow land to
keep the water behind the dam. We have cited how
losing water allocation even temporarily could have
damaging consequences to our economic development.

We have had attorneys, politicians, community
leaders, and many, many organizations speak on behalf of protecting our water, so on behalf of the Chamber, our 617 businesses, our 13,000 member employees, please listen to us and keep our water where it was intended to be. Thank you.

MS. KARTHA: Next we have Mike Curtis. Because he is representing more than one entity, we will be giving him an extra minute.

MR. CURTIS: My name is Michael Curtis. I'm an attorney at 148 North Country Club Drive. I'm here today on behalf of Cortaro-Marana Irrigation District, the Avra Valley Irrigation District and the Hohokam Irrigation and Drainage District.

And years ago I also learned never to cross the Sherrills. I just want to say that I think that people in here representing support the concept of rights there by contract or otherwise that are alienable and able to be severed.

In this particular instance, the Cortaro-Marana Irrigation District actually helped form the Town of Marana in order to help protect it from not having enough water.

There's not a problem with not enough water in the Cortaro-Marana area. It's -- in Pima County -- yesterday somebody said that Avra Valley and
Cortaro-Marana were interested in water. They're interested in communities. They work with Oro Valley and with Tucson, with Marana.

Also the Hohokam District works with, as we mentioned yesterday, the Coolidge, Casa Grande, Florence.

And we believe that Queen Creek needs to have urbanization and that this is sound water management. It seems to comply with contractual law and that farmers that do have rights, contract and otherwise, ought to be able to sell their water in a society that recognizes freedom to buy and sell, more or less not rob the river of any water that these communities need; but as has been noted, there apparently is plenty of water here for the foreseeable future.

We concur with some of the thoughts that were made here about freedom of contract. We're particularly interested, however, my clients are, in protecting communities that have a need for urbanization. We think this is sound water management policy consistent with the law, consistent with the law of the river.

MS. KARTHA: Next we have Grady Gammage.

MR. GAMMAGE: My name is Grady Gammage, Junior. My address is 2 North Central in Phoenix, and
I am an attorney for GSC Farms. The process which we've here engaged in today is a process to evaluate individual transactions. That process wants to look at the various factors in an individual water transaction and evaluate whether or not it makes sense from a statewide perspective.

When you use that kind of an evaluative process in this circumstance, we feel strongly that you will conclude that this transfer is in the interests of all of Arizona.

If we didn't want to transfer anything, if we had a blanket prohibition on transfer, we wouldn't need that sort of evaluative process.

First, let me focus on this water for a minute. This water was -- is subject to a right that was created in the early 1950s by farmers such as the ones we heard from today who diverted it directly from the river themselves. That right is now memorialized in a Section 5 contract with the Bureau of Reclamation, a permanent contract.

We feel, as others did who spoke earlier, strongly that that is a property right. There's a debate about that, which we can talk about more, but the reality is one way or another it is subject to transfer if recommended by the Department and approved
by the Bureau of Reclamation.

There is 1.3 million acre-feet of Colorado River water to be used on the river. There is no way that can ever move to Central Arizona because we only have one CAP canal, and it's close to full. It can take a little bit of extra water.

There is only 15,000 acre-feet of that water that is water like this, that is to say, Section 4 priority water where a contract is held by an individual private party, not by a public entity. 15,000 is the total amount that we can talk about in this kind of a transaction, and this transaction is only 2,000 of that 15,000.

So the notion that this is somehow going to be creating falling dominoes that will destroy the on-river communities, I think is very unrealistic.

Queen Creek is trying to do the responsible thing, that is to follow Arizona policy that urban development should only take place on sustainable resources.

Once the water is transferred, the property that Greenstone, GSC, owns, will be subject to development. And there was some misinformation given out earlier about the 300 acre-feet that is held by the Cibola District. That is held for domestic purposes
within the Cibola District.

GSC Farms is a member of the Cibola District and can apply for that water. It can only be used within the Cibola District. It can't be transferred somewhere else. And it is only for domestic purposes and only a portion of that would be needed to develop this property. And when this property is developed, it will have much more economic impact to this entire area than the existing farming operation. The existing farming operation is connected to California and all of the economic benefit of it flows into California.

So, again, we feel when you fairly evaluate this proposition --

MS. KARTHA: Mr. Gammage, your time is up.

MR. GAMMAGE: -- this is to the benefit of all of Arizona. Thank you.

MS. KARTHA: Next we have Paul Gardner.

MR. GARDNER: My name is Paul Gardner. I'm the Director of Utilities for the Town of Queen Creek, and I've never felt so welcomed at a public event. I'm glad to have all my close personal friends in attendance.

Our -- my charge for the utility is to go out and to pursue renewable water resources to supplement
the legal right we have to pump groundwater. And there have been many articles lately printed about the impacts of CAGRD and the costs thereof and impact to our citizens.

As a young community incorporated in 1989, we are limited in the ability to access certain infrastructure resources available to other valley municipalities, requiring the town to pursue alternative avenues for important capital improvements and investments like roads and water.

We have a robust 495 acre-feet of CAP water. Can I just say that is the smallest amount of CAP water owned by a municipality in the greater Phoenix area by at least ten times.

There was a transaction done by the City of Surprise with Circle City that had maybe 3,000 residents that had close to eight times that amount of water set aside for Circle City.

The Town of Queen Creek is developing in a multi-facet approach for ensuring long-term generational access to water, and one of the elements of this overall strategy -- and there's been many suggestions we need to look elsewhere -- we are looking at every available water resource in this state.

And through an agreement with our neighbor,
Roosevelt Water Irrigation District, and permitted recovery wells that the town owns, we'll have immediate ability to use this transferred water by storing it and recovering it.

The transferred water will help the town minimize its reliance on groundwater, which we are legally allowed to pump, preventing nearly 200,000 acre-feet of groundwater from being pumped over the next 100 years, benefiting current and future generations.

Reducing the reliance on groundwater with renewable water is the intention of the Groundwater Management Act; and while the town has the legal right to pump up to 43,000 acre-feet a year of groundwater, the transfer will help the town be good stewards of water, leave as much groundwater as possible and move us closer to safe-yield, which is the State of Arizona's mandate in the Phoenix AMA.

And, again, I thank the Department of Water Resources for holding these hearings and allowing us to at least give our point of view. Thank you.

MS. KARTHA: Next we have Mike Pearce.

MR. PEARCE: Good morning, Ms. Kartha, Director Buschatzke, and members of the public. My name is Michael Pearce. I'm an attorney. I am
representing both the GSC Farm and the Town of Queen Creek in attempting to facilitate this transfer, so I'm going to speak obviously in favor of it.

But I want to address one specific point here this morning. I have in my hand a letter written by my former boss and now friend, N.W. or Bill Plummer, dated February 28th, 1990. I was working for Mr. Plummer when this letter was written, and I know the context of it.

And in this letter, Mr. Plummer promises unequivocally to reserve 4,900 acre-feet of future M&I allocation for distribution along the Colorado River. 4,900 acre-feet. Not 164,000 acre-feet? No, it's 4,900 acre-feet.

What he's doing in this letter is allocating some of the unallocated resources of the co-equal 4th priority to anybody that was interested. So he solicited applications, received several and in response to comments even increased the allocations.

Mr. Plummer had no authority in 1990 to reserve 164,000 acre-feet. By the time this letter was written, two-thirds of that water had already been allocated to Cibola in 1983, to Mohave Valley in the mid 1980s.

This was about the remaining unallocated
water that he had. So I got to thinking, well, what
about Mr. Plummer's prognosis on the health of the
river.

His point in the letter was I've given you
quite a bit. Let's see how that goes. I'm going to
hold 4,900 back.

So today -- these numbers come direct from
the Bureau of Reclamation -- Bullhead City, allocation
24,349. Actual use last year, 10,000, 43 percent.
Lake Havasu City, allocation 28,332, last year 12,005,
44 percent. Golden Shores 2,000 acre-feet, last year's
use 428 -- 21 percent, 19 percent, 50 percent, 47
percent.

Representing cities and towns across Arizona,
I can tell you these are very favorable numbers, and I
say good for you. This is -- and good for Mr. Plummer
to have the foresight back in 1990 to allocate enough
water that it's been good for 30 years of uninterrupted
growth with 50 percent still to go. Maybe it's enough
water for the next 50 years or even the next 100 years,
but in any event he still has 4,900 acre-feet to go
that's never been allocated.

MS. KARTHA: Mr. Pearce.

MR. PEARCE: Thank you.

MS. KARTHA: Next we have Larry Morse.
MR. MORSE: Thank you. I'm Larry Morse. I'm a civil engineer here in Bullhead City. I've been here for about 30 years. I graduated University of Arizona in -- a degree in hydrology.

During my course work, one of the most influential courses that I had dealt with the Owens Valley and what -- the progression that happened with that when water was taken away from one area and wholly transmitted to another area, basically drying it up almost completely. They made a few more mistakes after -- after they got through drying it up, they made a few more mistakes by trying to recover some of their -- their investment by selling the land again, which created a whole nother pile of issues.

It just -- it just -- it befuddles me, you know, in working this -- and we've worked with -- with groundwater issues and -- and surface water issues for -- forever around here. As a matter of fact, we're instrumental in helping Bullhead City obtain their last allocation, not -- or the last allocation from unallocated water in the United States or in the Colorado River.

I guess in looking back, you know, I just -- just -- It's incredible that we would do the same thing over and over again expecting a different outcome or
Albert Einstein. Thank you.

MS. KARTHA: Next we have Sandy Morse.

MS. MORSE: Hello, my name is Sandy Morse. I'm from Fort Mohave, Arizona, and my husband and I, who just spoke, we have our engineering -- I graduated from the University of Arizona with a master's degree in soil and water science with the College of Agriculture, and I just have a few points. A lot of them were covered.

I oppose the transfer of water, and I want to address a couple of issues. About -- one about the low-value crops that they say that the farmers are growing these days. Mohave Valley in the past has used crop rotation and did cotton, alfalfa and then some grain crops.

Well, with the advent of the purchase of all the water rights, most of the farmers in a lot of the allocated areas are no longer farming, and we find that a lot of them don't want to farm anymore, and they plant low-value crops like alfalfa, and that's all they grow out here because it's high water use. It is a plant to stand, and it can last several years. They can get several cuttings out of it because of our area and that they can claim -- come here and claim that they use all this water and keep their allocations by
using these high-water-use crops.

Now, in Yuma, they still grow food crops. Now, of course, I can't -- alfalfa you feed to dairy cattle, horses, but -- and if you like yogurt, ice cream, things like that, it is like a secondary crop.

In Yuma, it is our salad bowl. It produces salads -- excuse me -- produces lettuce. I'm nervous. It produces direct food crops that go to the market.

So I have a -- a quote here that I had found. "The price that society has to pay for food is the water and the land required to produce the crops needed for food. There is no other choice."

We have prime farmland right along in -- along the Colorado River -- and if you look at Cibola -- and if it wasn't prime, it wouldn't be farmed. So you take this out of production, where are your future food crop going to come from, so that is an issue.

Now, as far as agricultural concern, agribusiness in -- in Arizona, it still is an important contributor to our economic base. It says here, this is in 2017, Arizona agricult -- agribusiness -- and that's everything related to agricultural and -- oops, stuck. Everything related to agriculture --

MS. KARTHA: Ms. Morse, your time is up.
MS. MORSE: -- is 23.3 billion dollars in the state of Arizona in 2017. Do not transfer water.

MS. KARTHA: Ms. Morse, you can provide us written comments if you'd like to.

MS. MORSE: Pardon?

MS. KARTHA: You can provide written comments if you want to.

Next is Josh Meyer.

MR. MEYER: My name is Josh Meyer, Meyer Farms. We own property, farmland in the Yuma area and in Imperial Valley of California. And Mike from GSC Farms asked me to speak today because he knows that I support transfers like this.

And the reason I support it is because I feel that with the growing population of the area, the reduction in the water supplies due to global warming, the environmental issues, that we need to be more flexible in the management of our water. And so a lot of water is used by agriculture, some of it is going to have to come from there.

And I think -- I'd like to address the slippery slope argument, that the people here in Mohave think that if this is approved that they're coming after their water next. I would say I don't believe that argument is valid.
Each water transfer is evaluated independently, so this one is not the same as the transfer from Mohave Valley. Just because this one is approved, there's no reason that transfers from Mohave Valley would be approved. And I actually believe the opposite. I believe that if some transfers are approved it will reduce the pressure on the remaining communities to transfer their water.

So -- and I mean and look at this transfer. Cibola, I think, probably a handful of people here have even been to Cibola. And farmland down there, cotton, last I checked I think cotton is around 65 cents for it to take 74 to 76 cents to grow it. So why are we using our valuable water on cotton? Alfalfa, we're sending that to Saudi Arabia and exporting it to other places. It doesn't make sense to me.

Also I think if the people here think you can just say "no" to all transfers and that you'll have your water in the future when you need it, I would say ask people from Imperial Valley how that worked out for them.

They have prior perfected rights there; and when they didn't agree to sell their water to Los Angeles in the early 2000s, the Federal government just came in and said you're wasting water and cut their
water over.

So -- so I don't think that you can count on just saying "no" to everything. I think we need to be flexible. We need to be proactive. We need to make transfers when we want to and not have them forced on us. Thank you.

MS. KARTHA: Next we have Dan Oehler. Sorry if I mispronounced your name.

MR. OEHLER: Good morning. My name is Dan Oehler. I'm a resident here in Bullhead City. I have lived here, well, in the next two months it will be 50 years. Although I originally came to Bullhead City back in the early 1960s when I had just started high school. At that time our community had a population of about -- this is about -- 500 people. There's been fairly significant growth over the 50 years that I've been here.

Certainly I am opposed to allowing the camel to get his nose into the tent, and that's exactly what is occurring here. It's exactly what was occurring about a year ago.

I -- I -- I think it is all said with simply repeating one of your comments, Ms. -- is it Kartha, I believe. I -- I think I wrote this down correctly -- but it may not be -- but I -- I believe that her
comment was the only dependable supply of water, or
words to that effect, is Colorado River.

While I certainly sympathize with the
gentleman from Queen Creek and his efforts to supply
his community with future water resources, I don't
think a person here is opposed to Queen Creek's growth.

The issue is we're opposed, I believe, to
other communities' growth to our detriment, and that is
exactly what will ultimately occur here.

The law, I believe and as I see it, is really
based on precedence, and what we're looking for here
with this issue is creation for bringing about a
precedence, and I think it is a very negative one for
our community.

Our company has developed something in the
range of a thousand residential lots in this area
since -- since I've been here. And there are thousands
more yet to develop for the benefit of our community,
and we can only do that with water.

So the only dependable supply of water is the
Colorado River. I will tell you unalike Queen Creek,
unalike Maricopa County, unalike Pima County, we have
no groundwater in our community of Bullhead City or
along the river. We do not have a drop as Mark Clark
indicated to you. Our only supply, our only supply is
the Colorado River. We need to retain that supply of river for the benefit of this community --

MS. KARTHA: Mr. Oehler --

MR. OEHLER: -- and all of the Colorado River communities.

MS. KARTHA: -- time's up.

MR. OEHLER: Thank you.

MS. KARTHA: But I can take your written comments.

Next we have Gary Genovese. Okay. Let the record reflect that Mr. Genovese may have left. Next we have Eva Corbett. Let the record reflect that Eva Corbett left as well. Next we have Jamie Kelley.

MS. KELLEY: Good morning. I'm Jamie Kelley. I'm representing myself. I just -- for the record, I was one of the 500 people living here when Dan Oehler came to visit in the 1960s.

There's a few things I'd like to address relative to comments from others. Somebody referenced surplus waters. That's a term of art in the law of the river. We don't have any surplus water right now. We're in a time of drought.

Relative to Mr. Sherrill, I'd like to say we want the farmers to use their water. Please start growing those crops and produce crops in our economy.
We want you to grow them in our economy, not grow rooftops in Central Arizona.

I think there's some confusion. There's been a lot of talk as if the rights under a Section 5 contract under the Boulder Canyon Project Act for the right to use 4th priority Colorado River water is a private property right. It is not. It's a use of right right. It is the right to use that water on defined land for defined purposes.

And I know we've heard testimony that the farmers were here and they created the rights for us. Well, guess what, folks, as Mr. Pearce said, they're co-equal 4th priority rights. If you had a right that was entitled to protection, you were awarded present perfected rights under the Arizona-California decree, and we're not talking about those today. We are just talking about 4th priority water rights.

It's interesting in the contracting question, if you look at paragraph 36, it states that no official is to benefit from the contract other than the right to use the water.

If this transfer is approved, it sets a terrible precedence because it transfers water for profit, some 20 million dollars of profit at the cost of the economic future of the river communities.
That's a really steep price. That's a lot of money that Queen Creek is paying for the water, but we don't have any water to replace it if it goes because we only(sic) have groundwater.

      I have less than a minute now.

      If Queen -- if GSC Farms does not need the water, the contract should be canceled and reallocated in accordance with DWR's policy.

      We disagree with the proponents of the transfer that it is sound water management policy to transfer water from on-river communities, that only have 4th priority water, to Central Arizona. That prioritizes growth in Central Arizona at the expense of the river communities, and that simply is bad policy.

Thank you.

      MS. KARTHA: Next we have Nick Parsons.

      Nick Parsons may have left. Please let the record reflect that. Nick Parsons is here.

      MR. PARSONS: Yes, I am.

      Hello, my name is Nick Parsons. I'm -- I've moved here from Alabama, and my first time coming here was Prescott, and I went -- a mistake -- and went and swam in Lynx Lake up there, and apparently you're not supposed to because what I considered a pond was their water source.
So I mean it was very obvious in the beginning of me coming to this state, which I've been here for about 20 years now. I bought land over in Apache County and St. Johns and my home here in Bullhead City.

So I've learned a little bit about the water tables here. And I didn't even know there was a Little Colorado River over there in Apache County, but there's a -- was something implemented in 1980, the Water Conservation Act, and it was grandfathered in to prevent -- and I'm glad you guys said some dates because Queen Creek was implemented in '89, so that means that 1980 grandfather would trump your '89 town. I mean, I'm sorry.

But -- and when I bought my 40 acres, I was only -- I thought I was going to be able to do like California and subdivide every half acre and be -- be rich, right. I was only able to subdivide into 10-acre parcels.

So it has been written in Arizona for a very long, long time of the development, and that's what the Conservation Act implements, is that we only could use the water of -- surface water that's seeped its -- decked back down into the groundwater. It's been in there. You guys lower it. You should know this.
So, like I said, it -- it is a Water Conservation Act at this point that I think is going to be -- you guys really do need to take a look at because we're a desert and you can only limit the amount of development in our desert.

And sorry that Phoenix is so much more bigger, but if you didn't work smart enough to buy where the water was, why did you move to a desert? You have Gila River. You have Salt Lake. You have the Verde River, so I think your 10 million people down there -- population is enough, and we need some more.

I'd love to see an Apple store up here. I'd love to see Boeing. I've been pushing -- I'm going to push advance in writing about electric solar things and -- and add science. I've already put -- tried pushing this agenda too. We need to start using our reclaimed water in Arizona. It's -- it's becoming a very close fact. I mean, it's nose on even -- nose on your face like this.

So, see, I'm out of time. She already put her one minute up. I don't want to use too much time, so -- but reclaimed water is going to be our future in Arizona, and it will make a difference in our entire state. It'll become a space program. NASA will love us. Have a great day, guys.
MS. KARTHA: Could I have Bart Anderson up here, please.

MR. ANDERSON: Good morning. I'm Bart Anderson. I'm a resident here of Bullhead City. I feel a little ill-prepared. I don't have notes or a speech written, but I'm here to oppose this transfer because I think it's -- I mean water obviously is essential and limited, and I think it's important that we as citizens need to stand up for transfers of water at corporate profiteering at the expense of citizens.

I -- as I listen to the farmers, I understand the limitations of government controlling water rights. I mean, I understand it on the surface, at least; but I guess my thoughts are they -- the farmers should be able to sell their water, but I believe it should be limited to the community in which they're located. So to transfer it out of the area for corporate profiteering in a completely different area concerns me.

So, again, I'm just here to publically speak that I'm against the movement of water, and thank you for your time.

MS. KARTHA: That was the last speaker card. Is there anyone else who would like to speak? We have Patrick Cunningham.
MR. CUNNINGHAM: Hi, I'm Patrick Cunningham from HighGround Public Affairs. We represent Mohave County, Mohave County Water Authority. I wanted to specifically welcome Paul Gardner, my colleague, to Mohave County. Paul is a distinguished water professional, and he is carrying out the policy of his Mayor and his city, his town, to find water from all of the above.

And we met with Paul and his Mayor, his City Council, his -- his City Manager way back in January, and they explained their need for water and that they were seeking it from all sources.

We, as you might imagine, Mohave County, have some sources that we think should be higher on their priority list, and I just want to go through them quickly with you.

First of all, we think that the Harquahala Basin is a transfer basin. The legislature made it a transfer basin way back in 1991. It could have 15 million acre-feet. It could have 40 million acre-feet, depending on who you believe, and it is a place where a political subdivision like Queen Creek could buy land or buy credits, put the water in the canal and move that water on a permanent basis to their -- to their town.
Secondly, we think CAGRD is a viable option. CAGRD, the Central Arizona Groundwater Replenishment District. CAGRD was created by the legislature again in the 1990s to help developers make -- make their commitments under the Groundwater Management Act and be able to develop in Central Arizona.

There are many CAGRD lands that are inside Queen Creek. That water may be more expensive than coming all the way to the Colorado River, but that water is available. We think that's the second option.

The third option is the Gila River Indian Community. Gila River Indian Community leases water, and we think they'll have some available. They have a very favorable settlement with a lot of water.

On the horizon is the Colorado River Indian Community, which is working hard to decide how they're going to develop some of their resources and bring some of that water, maybe as much as 150,000 acre-feet, to Central Arizona.

So we think there are alternatives now and alternatives in the future for Queen Creek's growth as opposed to doing this transfer.

And, finally, I'd like to read just portions of a letter -- with my one-minute sign -- from Leo Biasiucci. He's your representative. He is traveling
out of the country today, but he took the time to write a letter.

And he, obviously, opposes this transfer, and he says perhaps my most passionate argument rests in the damage this transfer will cause for the people of my district and inevitably all rural Arizona if it goes through.

That water is the economic life blood of the river communities. Once it's gone it will never return. Therefore, I urge the Department to follow the established precedent, reject this transfer it represents because it represents far more than 2,000 acre-feet of water. Thank you very much.

MS. KARTHA: May I have Wade Noble?

MR. NOBLE: My name is Wade Noble. I'm here today representing Yuma Irrigation District, North Gila Valley Irrigation and Drainage District, and I represent other districts in the Yuma area.

First let me explain, the Yuma Irrigation District and North Gila Valley Irrigation and Drainage District are opposed to this proposed transfer of water. Wellton-Mohawk Irrigation and Drainage District is seriously concerned about this particular transfer.

As Grady said, this is a process to evaluate the transaction. What haven't we heard? Even though
many of us are opposed to it, we should be asking
questions about some things that haven't been stated.
You would think that everything about this particular
transaction has been made public, and perhaps in some
ways it has; but until Jamie Kelley got up and told you
what the value of this contract is, we really hadn't
heard it stated. I think her 20 million dollars for
2,088 feet of water might be a little bit low as
compared to what they're probably actually getting.

They tell us, well, don't worry about this
because it's not going to start a big demand to go
ahead and transfer water.

At that price per acre-foot, even Josh Meyer
couldn't stay away, and we recognize that. Water Asset
Management, they own land down in the Yuma area. They
can't stay away from this. It just simply starts
salivation as to what can be gotten for water if you
can transfer it. That's why this transaction is not
beneficial to all of Arizona. It's not beneficial to
us here on the river.

Finally, I looked at the press release from
the Town of Queen Creek. I -- One thing jumped out at
me. If you'll allow us to take this water off the
river, we can put 200,000 acre-feet of groundwater back
in the ground or keep it in the ground in Pinal County
and other areas that are in Active Management Areas commonly known as AMAs.

M'mm, if I'm sitting over there and I'm running out of water, I think I'll find a way to make sure that I can buy the water, put it in the canal, and the capacity will be there. We can assure you that. Put it in the canal and get it into Central Arizona. This is a gate. If we open the gate, we on the river are going to suffer, whether it is municipalities or agriculture. We suggest the gate not be opened.

MS. KARTHA: Is there anyone else that would like to speak?

Let the record reflect that no one else wishes to speak.

Is there anyone here who wishes to submit any written comments or evidence that they have brought with them?

Let the record reflect that no one wishes to submit any written comments or evidence.

As I mentioned earlier, written comments maybe submitted until 5 p.m., December 16th.

If you would like to submit written comments after the close of the meeting but no later than December 16th, please mail, fax or email them to Sharon Scantlebury, the Department's Docket Supervisor. Her
fax number is 602-771-8686 and her email address is sschantlebury@azwater.gov.

If you would like to mail your comments, the mailing address is: Arizona Department of Water Resources, Attention Sharon Scantlebury, Docket Supervisor. PO Box 36020, Phoenix, Arizona 85067-6020.

The information that I just provided to you is on the slide that is on the monitor right now. In addition, it is also posted on our website. If you go to our ADWR -- www.azwater.gov and if you scroll down, it is at the bottom under Current Initiatives, click on the link to Public Notice: Proposed Transfer of GSC Water, and you will find this PowerPoint presentation for all the meetings at that site.

This public meeting is now adjourned. Thank you all for attending and providing comments.

(WHEREUPON, the public hearing was adjourned.)

* * * * *
CERTIFICATE

BE IT KNOWN that the foregoing proceedings were reported by Dorothy A. Schulte, Certified Reporter, Certificate No. 50459, State of Arizona, from an audio recording, and reduced to written form under my direction; that the foregoing 67 pages constitute a full, true, and accurate transcript from an audio recording; all done to the best of my skill and ability.

DATED at Phoenix, Arizona, this 8th day of December, 2019.

Dorothy A. Schulte, RPR
Certified Court Reporter
Certified No. 50459
<table>
<thead>
<tr>
<th>Column 1</th>
<th>Column 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3 [1] 43/2</td>
<td>3,000 [1] 45/16</td>
</tr>
<tr>
<td>12,005 [1] 48/10</td>
<td>43,000 [1] 46/14</td>
</tr>
<tr>
<td>164,000 [4] 29/21 31/2 47/13 47/21</td>
<td>19/16 19/22 20/5 20/16 24/15 24/20</td>
</tr>
<tr>
<td>25/22</td>
<td>57/17 58/12</td>
</tr>
<tr>
<td>36 [2] 2/14 57/19</td>
<td>54/16</td>
</tr>
<tr>
<td>23 [1] 2/7</td>
<td>29 [1] 83/12</td>
</tr>
<tr>
<td>23.3 [1] 52/1</td>
<td>30 [1] 84/12</td>
</tr>
</tbody>
</table>
because... [17] 35/18 39/14 40/7 43/4 50/21 50/23 52/12 52/14 53/3 57/12 58/3 58/24 59/12 60/3 61/7 64/12 65/11
become [1] 60/24
becoming [1] 60/17
been [23] 10/17 17/9 19/23 24/21 27/5 41/14 45/2 45/22 47/22 48/18 48/22 49/2 53/11 54/16 54/17 55/7 57/3 59/2 59/20 59/24 60/13 65/2 65/4
befuddles [1] 49/15
begin [1] 15/16
beginning [1] 59/2
behalf [5] 9/14 15/11 40/1 40/2 40/11
behind [3] 16/22 21/23 39/22
being [7] 12/7 18/21 27/14 36/2 38/7 39/2 46/8
believe [12] 37/8 37/9 41/7 52/4 53/5 53/6 54/24 54/25 55/7 55/10 61/15 62/21
belongs [1] 36/8
beneficial [3] 35/3 65/19 65/19
benefit [8] 21/5 21/18 27/24 44/11 44/16 55/18 56/2 57/20
benefitting [1] 46/9
best [1] 68/15
between [4] 14/3 33/2 33/9 38/16
Biasucci [1] 63/25
big [2] 30/12 65/11
bigger [1] 60/7
Bill [2] 33/8 47/6
billion [1] 52/1
Bishop [4] 27/3 23/23 23/24 24/1
bit [4] 43/6 48/5 59/6 65/8
blanket [1] 42/12
blood [4] 21/2 21/13 32/11 64/8
Board [5] 19/4 20/7 22/3 23/11 25/11
Boeing [1] 60/13
BOR [1] 29/18
boss [1] 47/6
both [2] 27/18 47/1
bottom [1] 67/11
bought [4] 17/18 17/20 59/3 59/15
Boulder [1] 57/5
bowl [1] 51/6
Box [1] 67/6
Brady [4] 24/15 24/16 16/1 16/2
breaks [1] 21/21
bring [3] 30/10 30/21 63/17
bringing [1] 55/12
broad [1] 8/21
broker [2] 17/9 17/14
brokering [1] 17/23
brought [3] 17/1 37/1 66/16
Brown [1] 4/15
Buckeye [2] 36/20 37/5
build [3] 35/18 35/19 39/16
Bullhead [23] 1/5 4/7 4/8 15/5 16/6 17/6 19/12 24/10 29/12 31/16 31/17 34/4 37/23 38/2 48/8 49/2 49/19 54/10 54/12 55/23 59/5 61/4
Bureau [9] 12/11 20/21 20/22 20/24 27/20 32/19 42/19 43/1 48/8
Buschatzke [8] 4/18 19/9 19/19 24/7 24/18 29/6 37/19 46/24
businesses [4] 37/19 37/24 38/24 40/3
buy [5] 41/12 60/7 62/22 62/23 66/5
CAGR [6] 23/4 45/3 63/1 63/2 63/3 63/7
California [6] 25/19 44/10 44/11 52/11 57/15 59/17
call [2] 15/1 27/1
calling [1] 15/16
cam [1] 36/24
came [5] 17/5 18/15 53/25 54/12 56/17
camel [1] 54/18
can [33] 5/4 7/5 15/9 22/8 22/9 23/1 31/10 32/16 34/17 37/3 42/3 43/4 43/5 43/11 44/3 44/12 45/12 48/15 50/22 50/23 50/24 52/3 52/6 53/17 54/2 55/19 56/8 60/4 65/17 65/18 65/24 66/5 66/6
can’t [6] 26/1 26/8 39/5 44/4 51/3 65/16
canal [4] 43/5 62/23 66/5 66/7
canceled [1] 58/7
cannot [4] 21/23 22/18 22/15 35/12
Canyon [1] 57/5
CAP [6] 13/10 13/17 28/21 43/5 45/11 45/12
capacity [1] 66/6
capture [1] 45/9
capure [1] 15/15
cards [4] 5/9 7/20 15/17 15/19
carrying [1] 62/6
Casa [1] 41/5
cases [4] 10/4 18/1 18/2 24/1
content [3] 30/16 30/17 51/4
cause [2] 21/8 64/5
CAWCD [1] 33/2
CCR [1] 1/24
Central [33] 19/17 19/25 20/6 21/12 21/24 22/16 23/3 23/7 24/16 24/23 25/15 28/20 30/23 30/31 32/12 32/5 32/31 33/18 33/20 34/2 38/4 38/5 38/17 41/25 43/4 57/2 58/12 58/13 63/2 63/6 69/19 66/7
CEO [1] 37/23
certain [1] 45/6
certainly [3] 22/1 54/18 55/3
Chairman [4] 18/24 19/3 25/2 31/15
Chairner [2] 37/23 40/2
Members [1] 4/8
Chandler [1] 4/13
change [1] 13/23
charge [2] 36/8 44/24
charged [1] 9/18
checked [1] 53/12
Chip [3] 2/14 36/10 36/12
choice [1] 51/12
Circle [2] 45/16 45/18
circumstance [1] 42/8
cited [4] 18/1 18/2 18/4 39/22
cities [6] 23/17 27/3 30/22 37/5 38/10
I've [8] 23/13 31/12 52/21 56/18 56/23 60/12 60/12 63/23
I'll [7] 4/5 9/1 17/10 17/11 25/4 28/25 66/4
I'm [43] 8/18 16/5 18/25 19/2 19/3 24/1
26/19 29/4 29/11 29/14 30/4 34/12
34/13 36/12 37/22 40/10 40/44 20/
51/2 51/6 52/10 64/16 64/18 64/19 65/15

Z

Y
year [6] 12/13 13/1 46/14 48/9 48/10 54/21
year's [1] 48/11
Yes [2] 22/6 58/19
Yesterday's [1] 14/14
yet [2] 35/5 55/18
yield [1] 46/17
yogurt [1] 51/4
you [115]
you'd [1] 52/4
you'll [2] 53/18 65/23
young [1] 45/5
Yuma [17] 6/15 16/20 18/15 18/16 18/20 19/13 24/12 30/7 30/18 32/11