

**From:** Linda Grossberg  
**To:** [Sharon Scantlebury](#)  
**Subject:** Letter from Scott Wright, President - Arizona Division of Pulte Home Company, LLC  
**Date:** Wednesday, November 15, 2017 11:25:48 AM  
**Attachments:** [ADWR 11-15-17 Letter.PDF](#)

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Good morning,

Attached please find the above-referenced letter re Town of Quartzsite proposal to lease and transfer Colorado River water to CAWCD/CAGR.

Thank you.

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November 15, 2017

Thomas Buschatzke, Director  
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RE: Town of Quartzsite proposal to lease and transfer Colorado River water to  
CAWCD/CAGRDR

Dear Director Buschatzke,

These comments are submitted in support of the Town of Quartzsite's proposed lease and transfer of 1,070 acre-feet of its fourth priority Colorado River water entitlement to the Central Arizona Water Conservation District for its Central Arizona Groundwater Replenishment District function (CAGRDR). Pulte Home Company, LLC (Pulte) strongly supports CAGRDR's efforts to lease Quartzsite's Colorado River water. The water will be used immediately and beneficially to satisfy CAGRDR's existing replenishment obligations in a manner that is both more reliable and more affordable for CAGRDR's members (water service customers and taxpayers) than spot market purchases of excess water. In addition, Quartzsite will begin collecting needed funding for water system improvements.

As a land developer and homebuilder, Pulte recognizes and has supported the State of Arizona's longstanding commitment to replenish groundwater withdrawn by CAGRDR members within the State's Active Management Areas, and the proposed Colorado River lease and transfer will continue to support that vision. Denial of the pending application, on the other hand, would be a step backward in the State's sustainable development policy.

Over the years, Arizona has enacted in statute policies that both control, and are strongly supported by, the pending lease and transfer proposal, including that Arizona's surface waters must be beneficially used, and not reserved for a future use. *See, for example*, A.R.S. § 45-141; *In the Matter of Rights to Use the Gila River*, 171 Ariz. 230, 231, 830 P.2d 442, 451 (Ariz. 1992)



(recognizing no appropriative water right claim for future uses). Similar to the water that has been reserved for other on-river contractors who are not able to order and use their full entitlements each year, Quartzsite's unused allocation has been beneficially used without payment to Quartzsite, including by CAGRDR for replenishment purposes in Central Arizona.

Arizona Revised Statute section 45-576.B. prohibits cities, towns, and counties within Active Management Areas from approving subdivision plats that lack a 100-year assured water supply. Section 45-576.L. requires that 100-year water supply be consistent with the management goal of the Active Management Area, and the Department's rules require replenishment of excess groundwater withdrawals to meet that requirement. A.A.C. R12-15-722 *et seq.* Excess groundwater use is replenished by the CAGRDR to satisfy these sustainability requirements. *See* A.R.S. 48-3701 *et seq.* CAGRDR has been fortunate in past years to be able to use readily available, affordable excess supplies, but those supplies are increasingly unavailable. CAGRDR's ability to continue to affordably replenish both for existing commitments, and for future development, is important to support sustainable communities within the Active Management Areas.

Quartzsite's proposal to lease and transfer its allocation, rather than simply allowing other water users to use Quartzsite's allocated water without compensation on an annual basis, provides an immediate financial benefit to Quartzsite's water service area, without permanent loss of the allocation. Quartzsite needs this financial support to improve and expand its water treatment and delivery infrastructure. For example, in May of 2016, Quartzsite experienced a significant water production outage, and needs to improve infrastructure now to avoid future outages. The proposed long-term lease both supports the original intent of the Colorado River allocation to benefit the Quartzsite area, and commits the physical water for the lease term to an important existing beneficial use in CAGRDR's replenishment areas.

Members of the CAGRDR, whether through a water provider holding a Designation of Assured Water Supply, or whether through individual land memberships, are relying on CAGRDR's replenishment services to replenish groundwater withdrawn within the Active Management Areas. As important, non-members are relying on CAGRDR's replenishment to restore excess groundwater withdrawn by CAGRDR members so that the Active Management Areas that include Arizona's largest cities and urban areas, continue to thrive.

I understand that some opponents of the pending application have claimed this is the first transfer application for main stem Colorado River water to be moved into the central Arizona area after the original CAP allocations were made, but this claim of absence of a precedent is simply not true. In addition to the State's multiple formal allocations of unused main stem water transported each year through the Central Arizona Project Canal, the State of Arizona accepted the permanent transfer of 50,000 acre-feet per year of Yuma Mesa Division main stem water to the Ak-Chin Community in Central Arizona as part of a water rights settlement. A portion of the overall Ak-Chin settlement water was leased for use within the Anthem subdivision north of Phoenix in 1996. And, as mentioned previously, unused main stem water has been used on an annual basis in Central Arizona, including by CAGRDR. This application is not novel, and approval is in the public interest.

Quartzsite's lease and transfer application should be approved. I appreciate your consideration of this comment.

Sincerely,



Scott Wright  
President – Arizona Division

c: The Honorable Doug Ducey, Governor  
Office of Governor  
1700 W. Washington Street  
Phoenix, Arizona 85007

D. Christopher Ward, Area General Counsel, Pulte Home Company, LLC