

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF RECLAMATION

BOULDER CANYON PROJECT

CONTRACT WITH GSC FARM, LLC  
FOR DELIVERY OF COLORADO RIVER WATER  
FOR USE IN ARIZONA  
AMENDMENT NO. 2

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AMENDMENT NO. 2

1. PREAMBLE: THIS AMENDMENT NO. 2 made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), and Acts amendatory thereof or supplementary thereto, including but not limited to the Boulder Canyon Project Act of 1928 (43 U.S.C. § 617, et seq.), all of which are commonly known and referred to as Federal Reclamation law, between THE UNITED STATES OF AMERICA, hereinafter called the “United States,” and GSC FARM, LLC, a Delaware limited liability company, hereinafter called “GSC;” the United States and GSC are each individually sometimes hereinafter called “Party” and sometimes collectively called “Parties”;

WITNESSETH THAT:

2. EXPLANATORY RECITALS:

2.1 WHEREAS, under Contract No. 13-XX-30-W0571, as amended, between GSC and the United States dated December 23, 2013 (GSC Contract), GSC has an entitlement to an annual diversion of up to 2,913.3 acre-feet of Colorado River water for Irrigation Use within GSC’s Contract Service Area;

2.2 WHEREAS, as approved by the Mayor and Council in Queen Creek Resolution Nos. 1246-15 and 1246-18, on December 17, 2018, Queen Creek entered into a Purchase and Transfer Agreement for Mainstream Colorado River Water Entitlement with GSC to acquire GSC’s Arizona fourth-priority Colorado River water entitlement held by GSC under the GSC Contract;

2.3 WHEREAS, Contract No. 13-XX-30-W0571, Partial Assignment and Transfer

No. 1 between GSC and Queen Creek assigning 2,033.01 acre-feet per year of the historic consumptive use of GSC's Arizona fourth-priority Colorado River water entitlement to Queen Creek for Domestic Use was approved by the United States;

2.4 WHEREAS, the Parties desire to amend the GSC Contract to: (1) decrease GSC's Arizona fourth-priority Colorado River water entitlement as shown in Exhibit B – Revision 1 from an annual diversion of up to 2,913.3 acre-feet to an annual diversion of up to 69.93 acre-feet for use within GSC's Contract Service Area; (2) change the type of use from Irrigation Use to Domestic Use; and (3) revise Exhibit A – Revision 1 to include Cibola Mutual Water Company's point of diversion.

2.5 WHEREAS, GSC's Contract Service Area remains the same;

2.6 WHEREAS, Cibola Mutual Water Company will divert and treat Colorado River water on behalf of GSC for use within the GSC Contract Service Area;

2.7 WHEREAS, GSC has consulted with the Arizona Department of Water Resources (ADWR), and ADWR by letter dated September 4, 2020, recommended that an amendment to the GSC Contract be approved;

2.8 WHEREAS, following the GSC Development Plan submitted by GSC to ADWR in November 2020, ADWR by letter dated January 20, 2021, recommended that GSC retain 50 acre-feet per year for future Consumptive Use (69.93 acre-feet per year on a diversion basis) on the GSC lands consistent with permanent covenants, deed restrictions, and other restrictions on the GSC lands;

2.9 WHEREAS, the GSC Contract historical return flow of 830.29 acre-feet per year is based on an unmeasured return flow factor of 0.285 (calculated as 2,913.3 acre-feet per year of diversions \* 0.285);

2.10 WHEREAS, 810.36 acre-feet per year of the historical return flow will remain stored in Lake Mead until released to fulfill the Entitlements of downstream water users;

2.11 WHEREAS, the purpose of this Amendment No. 2 is to conform with Contract No.

13-XX-30-W0571, Partial Assignment and Transfer No. 1 between GSC and Queen Creek that assigns a portion of GSC's Arizona fourth-priority Colorado River water entitlement pursuant to the GSC Contract;

2.12 WHEREAS, in accordance with the National Environmental Policy Act, 42 U.S.C. 4321 et seq., the United States completed a Final Environmental Assessment and a Finding of No Significant Impact No. PXAO 22-01, dated August 24, 2022, for this action.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree as follows:

3. AMENDMENT TO CONTRACT:

3.1 In order to amend GSC's entitlement to conform with Contract No. 13-XX-30-W0571, Partial Assignment and Transfer No. 1, Exhibit A – Revision 2 and Exhibit B – Revision 2 attached hereto supersede and replace Exhibit A – Revision 1 and Exhibit B – Revision 1, dated December 3, 2014.

4. OTHER PROVISIONS UNAFFECTED: Except as expressly modified by this Amendment No. 2, all other terms and provisions of Contract No. 13-XX-30-W0571, as amended, remain in full force and effect, including Exhibit A – Revision 1 of Contract No. 13-XX-30-W0571, as amended.

5. OFFICIALS NOT TO BENEFIT: No member of or delegate to Congress, Resident Commissioner, or official of GSC shall benefit from this Amendment No. 2 other than as a water user or landowner in the same manner as other water users or landowners.

6. CONTINGENT ON APPROPRIATION OR ALLOTMENT OF FUNDS: The expenditure or advance of any money or the performance of any obligation of the United States under this Amendment No. 2 shall be contingent upon appropriation or allotment of funds. Absence of appropriation or allotment of funds shall not relieve GSC from any obligations under this Amendment No. 2. No liability shall accrue to the United States in case funds are not appropriated or allotted.

7. EXHIBITS MADE PART OF THE CONTRACT: GSC's entitlement to Mainstream Water is set forth in Exhibit B – Revision 2 and may be revised by mutual written agreement of the Parties. GSC's Contract Service Area is set forth in Exhibit A – Revision 2. Exhibit A – Revision 2 and Exhibit B – Revision 2 are attached hereto and made part of Contract No. 13-XX-30-W0571, as amended, supersedes and replaces Exhibit A – Revision 1 and Exhibit B – Revision 1, dated December 3, 2014, and shall be in full force and effect in accordance with its respective provisions until superseded by a subsequent exhibit or exhibits executed by the Parties hereto.

8. COUNTERPARTS:

8.1 This Amendment No. 2 to Contract No. 13-XX-30-W0571, as amended, may be executed in any number of counterparts, each of which when executed and delivered shall constitute a duplicate original, but all counterparts together shall constitute a single, executed Amendment No. 2 to Contract No. 13-XX-30-W0571, as amended.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment No. 2 to Contract No. 13-XX-30-W0571, as amended, including the revised Exhibit A – Revision 2 and Exhibit B – Revision 2, the day and year first written above.

**THE UNITED STATES OF AMERICA**

By: \_\_\_\_\_

Jackynn L. Gould, P.E.  
Regional Director  
Interior Region 8: Lower Colorado Basin  
Bureau of Reclamation

*Signatures continue on next page.*

*Signatures continue from previous page.*

Attest:

**GSC FARM, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

DRAFT

**MAP OF THE GSC FARM, LLC (GSC) CONTRACT SERVICE AREA**

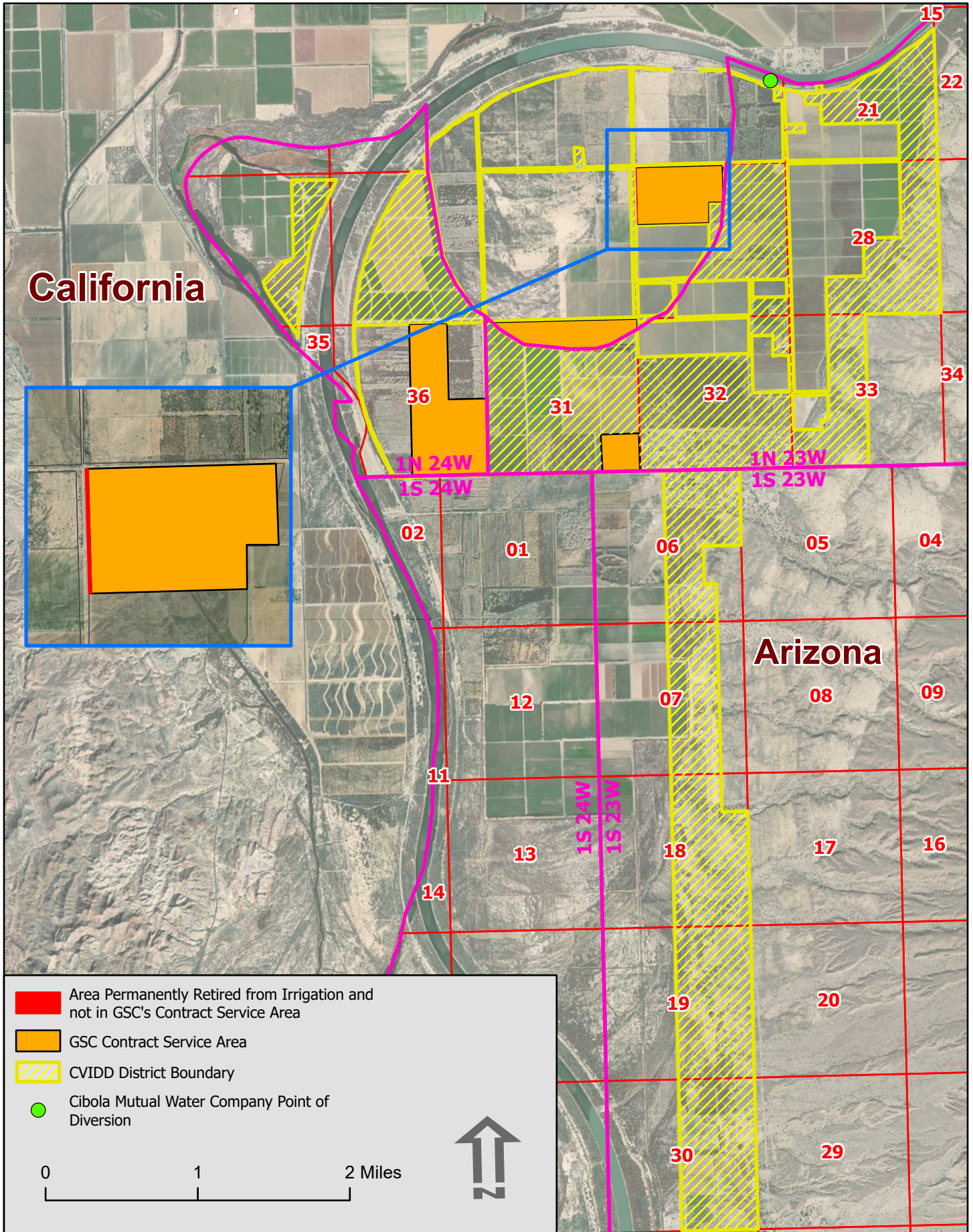
1. This Exhibit A – Revision 2, made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, to be effective under and as a part of Contract No. 13-XX-30-W0571, hereinafter called “Exhibit A – Revision 2,” shall supersede and replace Exhibit A – Revision 1, that became effective on December 3, 2014, and shall remain in effect until superseded by another Exhibit B executed by the Parties; Provided, That this Exhibit A – Revision 2 or any superseding Exhibit A shall terminate with termination of the Contract.
  
2. The following map depicts the GSC Contract Service Area and the approved point of diversion.
  
3. GSC will utilize the Cibola Mutual Water Company’s (CMWC) point of diversion, as depicted in this Exhibit A – Revision 2. CMWC will wheel treated water to GSC for Domestic Use.





BUREAU OF RECLAMATION

Exhibit A - Revision 2  
Contract No. 13-XX-30-W0571  
Amendment No. 2  
GSC Farm, LLC





**MAINSTREAM WATER ENTITLEMENT FOR GSC FARM, LLC (GSC)**  
**CONTRACT SERVICE AREA**

1. This Exhibit B – Revision 2, made this \_\_\_\_\_ day of \_\_\_\_\_, 2023, to be effective under and as a part of Contract No. 13-XX-30-W0571, hereinafter called “Exhibit B – Revision 2,” shall supersede and replace Exhibit B – Revision 1, that became effective on December 3, 2014, and shall remain in effect until superseded by another Exhibit B executed by the Parties; Provided, That this Exhibit B – Revision 2 or any superseding Exhibit B shall terminate with termination of the Contract.
  
2. Contract No. 13-XX-30-W0571, Partial Assignment and Transfer No. 1 assigned 2,033.01 acre-feet per year of GSC’s Colorado River water entitlement under Contract No. 13-XX-30-W0571, as amended, to the Town of Queen Creek, which was approved by the United States.
  
3. GSC has the following Entitlement to the diversion of Mainstream Water for beneficial Domestic Use within the GSC Contract Service Area. The following table lists the type of water use, contract date, priority within the State of Arizona, and the annual Entitlement diversion amount in acre-feet.

TYPE OF WATER USE	PRIORITY DATE	STATE OF ARIZONA PRIORITY	ANNUAL DIVERSION
Domestic	January 31, 1983	Fourth-Priority	69.93 acre-feet
<b>Total Annual Diversion:</b>			<b>69.93 acre-feet</b>