

WATER

Proposal would allow more water to move from rural Arizona to cities



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Key Points

Residents in La Paz County fear a proposed water transfer to Central Arizona cities will cause their wells to go dry.

Opponents argue the transfer would devastate the rural communities, while proponents claim it is a better use of water than growing alfalfa.

A proponent of the plan told lawmakers that ag users would grow lower water-use crops, helping protect rural supplies.

Wells are going dry and the ground is sinking in the towns of Wenden and Salome in eastern La Paz County. Residents fear a proposed water transfer from their basin to Central Arizona cities will force them to chase water deeper, which they cannot afford. But the New York-based hedge fund attempting the transfer argues this would save more water than their current land use: growing alfalfa.

The towns are within McMullen Valley, an area that in 1991 was written into law as one of five "transportation basins," areas where water from the aquifer can be pumped from farmland and taken away to urban areas with groundwater regulation. The five basins have different rules.

Now Rep. Gail Griffin, R-Herford, has proposed legislation that would make water transfers from McMullen Valley a reality.

Existing law wouldn't allow Water Asset Management, a firm that owns nearly

13,000 acres of alfalfa fields north of Wenden, to act as an intermediary for the transfers. By amending the law with Griffin's bill, the transfer could go forward.

Some potential buyers for this water could be Buckeye and Queen Creek, along with the Central Arizona Groundwater Replenishment District, or CAGRD, a political entity in charge of replacing groundwater that developers in Central Arizona use for new housing.

Three residents from Wenden drove to Phoenix to testify against the bill.

Gary Saiter, chairman of the Wenden Domestic Water Improvement District board, said if the proposed law goes forward, the water investment company would be allowed to draw down the aquifer to 1,200 feet, and estimated that would make most private wells go dry in 8 to 10 years.

"It would devastate this community," Saiter told The Republic. His district serves some 450 people. There are two other small water systems in Salome and about 800 private wells across the valley.

La Paz County: [Rural Arizona leaders want Hobbs to impose controls on groundwater overpumping](#)

Law would expand rural transfers

Water Asset Management purchased the farmland near Wenden for \$100 million in 2024. The investment firm also purchased land in Mohave County, Yuma County, and has an active role in the [water transfers from Harquahala](#) to Buckeye and Queen Creek. Other [water investment companies](#) have been doing the same for years.

Stan Barnes, a lobbyist representing the firm and a former Arizona lawmaker who was instrumental in passing the original water transportation law, said the firm would mitigate damage to locals and extend the life of the aquifer by planting a lower water-use crop instead of the current thousands of acres of

alfalfa. There is no law restricting what or how much they can plant.

Some locals weren't comforted: "WAM was certain that they could get the legislation changed to favor them, and guess what? Here we are now," Saiter told the House committee at the Jan. 27 hearing.

The original water transfer law establishes that groundwater can be transported from the McMullen Valley to the [Phoenix active management area](#) by a city, town or private water company that purchased land in the area before 1988.

The new law would expand who can transport that water, said Kathy Ferris, a water expert and former director of Arizona's water authority: "I do not think expanding transportation from McMullen Valley is appropriate. La Paz County deserves some protections."

The bill, [House Bill 2758](#), passed the committee reading on a 6-4 vote. There were 15 signatures from the public in favor and 223 against. The bill will go to the rules committee and would have to be approved by the House and Senate before making it to the governor's desk.

Rural water: [It's not just big alfalfa farms. La Paz residents fear groundwater grab by big cities](#)

Water transfer law answered rural concerns

In the mid 1980s, not long after lawmakers passed the hallmark groundwater law to protect finite aquifers in growing urban areas, cities began purchasing farmland hundreds of miles away, hoping one day they could use that water to support their growth.

Some worried this would deplete rural water supplies and hurt local businesses. So Arizona lawmakers passed another law prohibiting the transportation of groundwater from one basin to another. But, arguing cities had made major capital investments, they made exceptions: Transfers could happen as long as they came from the basins of Butler and McMullen Valley, Harquahala, Big Chino

and the Yuma basin.

Land that Water Asset Management bought in hopes of selling it to cities was long ago owned by Phoenix. The private capital investment is a good thing, Barnes told the House committee. He gave the example of the most recently approved water transfers.

"It costs over \$50 million to set Harquahala in motion. That's pumps, that's pipes, that clean in the water to a standard that can be put in the CAP Canal and moved to Buckeye and Queen Creek," he said. "Who's going to spend the \$50 million, other than the private sector?"

A couple of weeks ago, the firm invited 20 locals in McMullen Valley to discuss their water transfer plans and make it clear that they wanted to invest in the "water security" of the area by helping local water companies.

Saiter, who was one of the 20 people invited to that small meeting, said he didn't hear any plan from the firm on how it planned to do that. In conversation with friends and water providers from other rural areas of the state, he said they worried this could be "the first of many dominoes" and that more rural areas would be subject to water transfer with the aid of new legislation.

"La Paz County does not deserve to be the sacrificial lamb for urban Arizona," wrote County Supervisor Holly Irwin in a statement to the committee, opposing the bill. She has demanded groundwater regulation for her district for decades. When Gov. [Katie Hobbs toured Wenden and Salome](#) last year, Irwin introduced her to residents who told Hobbs they wanted to see the "transfer basin" status removed.

That's not something the Hobbs administration is focused on, [the governor told The Republic in June](#).

The transfer basins have been designated now for 35 years. Some cities have made investments or look to those areas as their future water supply if there are

deep cuts to Colorado River water, said Sarah Porter, director of ASU's Kyl Center for Water Policy, in a Q&A for the university. "Eliminating or redefining transportation basins would potentially be disruptive to those plans."

Barnes, the former lawmaker representing Water Asset Management, said the water transfer was better than the status quo, where that land is used to grow alfalfa.

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"If water is flowing from McMullen to where it wants to go to — the population center to central Arizona — there will be water security for Wenden and Salome. That's part of the bargain," Barnes told the committee.

"Why doesn't anyone grab onto that? Because they're living in a world of denial where they are hoping that someday magically the Arizona legislature will unwind decades of commitment to urban Arizona."

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