

## RESOLUTION NO. R2019-051

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUMA, ARIZONA, OPPOSING THE TRANSFER OF ANY COLORADO RIVER WATER RIGHTS OR ALLOCATIONS DESIGNATED, GRANTED OR LEASED TO GSC FARM, LLC, A DELAWARE LIMITED LIABILITY COMPANY, OWNING LAND IN LA PAZ COUNTY, ARIZONA, SEEKING TO TRANSFER WATER FROM LA PAZ COUNTY TO THE TOWN OF QUEEN CREEK IN PINAL AND MARICOPA COUNTIES**

WHEREAS, the City Council of the City of Yuma met in Regular Session on this 20<sup>th</sup> day of November, 2019; and,

WHEREAS, the Arizona Department of Water Resources (ADWR) is holding a public hearing on November 21, 2019 in the City of Yuma City Council Chambers at 10:00 a.m. to hear public comment on GSC Farm, LLC's (GSC) proposal to transfer 2,083.1 acre-feet of Arizona's fourth priority Colorado River water used in La Paz County to the Town of Queen Creek (Queen Creek) via the Central Arizona Project Canal system; and,

WHEREAS, the 2,083.1 acre feet of water in GSC's proposal is part of the Fourth Priority Colorado River Water that has been reserved by Arizona through the Arizona Water Commission in the 1970's as part of a 164,652 acre-feet (9.89% of Arizona 's Fourth Priority Colorado River entitlement) set-aside for the use of on-river, Arizona Colorado River Communities and entitlements; and,

WHEREAS, the State of Arizona, through the ADWR has taken the following position regarding the 164,652 acre-feet (which includes the GSC water): ***"it is the Department's unequivocal position that this water is to be reserved for future M&I use along the River. It is not to be considered as supplies available for any other purpose"***; and,

WHEREAS, the water GSC is seeking ADWR permission to transfer to Queen Creek is currently held under a contract for lease directly between GSC and the United States Bureau of Reclamation and is currently used to irrigate and would fallow approximately 485 acres of farmland located within the Cibola Valley Irrigation and Drainage District in La Paz County; and,

WHEREAS, under GSC's proposal, the 485 acres of land irrigated by the leased water will be retired from agricultural uses and the 2,083.1 acre-feet of Colorado River water will be transferred to Queen Creek to be used to service, among other things, new residential and commercial development within Queen Creek's water service area located in Maricopa and Pinal Counties; and,

WHEREAS, despite the commitment of Arizona for the reservation of the water for the use of on-river, Arizona Colorado River Communities and entitlements, GSC and Queen Creek have entered into an agreement for the sale and transfer of the water from GSC to Queen Creek to be used in Queen Creek to fuel new residential and commercial development; and,

WHEREAS, the agreement for the sale and transfer of the 2,083.1 acre-feet of water between GSC and Queen Creek will reportedly cost the Town of Queen Creek \$20,880,000, plus the cost of financing, which amounts to \$10,000 per acre-foot of water; and,

WHEREAS, Queen Creek has estimated the economic value of the GSC water to the Town of Queen Creek is in excess of \$307,000,000, most of which will exclusively benefit Queen Creek at the expense of the Colorado River Communities whose economic well-being was intended to be protected by the 164,652 reservation; and,

WHEREAS, Queen Creek has many other options to address its water needs which do not punish Colorado River Communities for their sound water stewardship programs and include (i) undertaking conservation efforts similar to ones taken by La Paz County water users to create a water reserve; (ii) obtaining a water transfer from the Harquahala Basin; (iii) obtaining water from the Central Arizona Groundwater Replenishment District; (iv) obtaining water from the Gila River Indian Community; (v) obtaining water from the Colorado River Indian Tribes; and (vi) obtaining water from other Central Arizona Water Entities; and,

WHEREAS, the City of Yuma recognizes water is one of the region's most precious resources, is essential to the economic and social well-being of all Yuma residents and is a resource that must be safe-guarded and capably managed or its depletion will continue; and,

WHEREAS, the City of Yuma does not believe appropriating any part of the 164,652 acre-feet of reserved water to serve remote, sprawling residential and commercial developments in Queen Creek is sound water policy; and,

WHEREAS, the City Council of the City of Yuma believes Arizona water policy should consider the needs of all water users and should not be based solely on allocating this scarce resource to just those users willing to pay the highest price; and,

WHEREAS, the Yuma Region has vigorously defended against attempts to raid and reallocate Colorado River water under similar circumstances as the GSC water transfer and firmly believes continual raids of water rights/allocations reserved to smaller river communities to benefit larger metropolitan areas sets a bad precedent and places the water supplies of rural jurisdictions at grave risk.

NOW THEREFORE, BE IT ORDAINED by the City Council of the City of Yuma as follows:

SECTION 1: That the City Council of the City of Yuma does hereby oppose the transfer of any Colorado River Water Rights or Allocations Designated, Granted or Leased to GSC Farm, LLC, a Delaware limited liability company in La Paz County, Arizona, to the Town of Queen Creek or any other entity for use in Central Arizona.

SECTION 2: That the City of Yuma City Clerk is directed to send a copy of this Resolution to the Mayor and Council of the Town of Queen Creek, Arizona, the City of Yuma's Federal and State legislators, the Governor of Arizona, the Commissioner of the Bureau of Reclamation, the Director of the Arizona Department of Water Resources, and the Statutory Agent of GSC Farm LLC, a Delaware limited liability company.

SECTION 3: That the City of Yuma Mayor, Douglas J. Nicholls, is authorized to provide public comment, as the official spokesperson for the City of Yuma at the November 21, 2019 Arizona Water Department Public Hearing on GSC's transfer request to be held at the City of Yuma City Council Chambers.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

APPROVED:

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Douglas J. Nicholls  
Mayor

ATTESTED:

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Lynda L. Bushong  
City Clerk

APPROVED AS TO FORM:

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Richard W. Files  
City Attorney