



REQUEST FOR CITY COUNCIL ACTION

MEETING DATE:

October 7, 2020

DEPARTMENT:

City Administration

DIVISION:

Administration

- ☐ Motion
- ☒ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

TITLE:

Resolution Opposing the Transfer of 4th Priority Colorado River Water from GSC Farms, LLC to the Town of Queen Creek

SUMMARY RECOMMENDATION:

Adopt a Resolution Opposing the Transfer of 4th Priority Colorado River Water from GSC Farms, LLC to the Town of Queen Creek. The proposed transfer seeks to move 2,083.1 acre-feet of water to the Town of Queen Creek in Pinal and Maricopa Counties (Transfer). The Resolution urges the Secretary of the Interior to i) require the Bureau of Reclamation to fully comply with all federal environmental laws and the preparation of an Environmental Impact Statement in connection with the Transfer; and ii) delay consideration of the Transfer until the Arizona Reconsultation Committee has had an opportunity to formulate guidances and policies relating to future Colorado River water transfers that take into account the needs of all Colorado River water users; and iii) deny the Transfer. The Resolution also directs the Yuma City Clerk to provide a copy of the Resolution, as adopted, 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. (City Administration) (Jay Simonton)

REPORT:

GSC Farms, LLC (GSC) has filed a request with the Arizona Department of Water Resources (ADWR) on GSC's proposal to transfer 2,083.1 acre-feet of Arizona's 4th Priority Colorado River Water entitlement from land GSC owns in La Paz County to the Town of Queen Creek (Queen Creek) via the Central Arizona Project Canal system. Under the proposed water transfer, GSC would sell a water supply to the Town of Queen Creek to be used in the Town's water service area in Pinal and Maricopa Counties.

The process for considering GSC's transfer request is for ADWR to hold public hearings on the request (the ADWR public hearings took place in November 2019) and, after taking testimony and considering the evidence in the record of the proceeding, make a recommendation on the transfer to the U.S. Bureau of Reclamation/Secretary of the Interior (Reclamation), the decision making authority for whether the transfer request will be approved or denied.

On September 4, 2020, despite overwhelming opposition from Colorado River communities to the transfer and the substantial evidence in the record of the devastating and deleterious impacts of the

transfer, the Arizona Department of Water Resources (ADWR) recommended to Reclamation that they approve the transfer of 1,078.01 acre-feet per year of GSC's 2,083.01 acre-feet per year 4th priority Colorado River entitlement, and that GSC retain 1,005 acre-feet per year of 4th priority Colorado River entitlement for future use on the land owned by GSC

The 2,083.1 acre-feet of water in GSC's proposal is part of the 4th Priority Colorado River Water that has been reserved by Arizona through the Arizona Water Commission in the 1970s as part of a 164,652 acre-feet (9.89% of Arizona's 4th Priority Colorado River entitlement) set-aside for the use of on-river, Arizona Colorado River Communities and entitlements. More recently, the State of Arizona, through ADWR, reaffirmed its commitment to the set-aside water (including the water in GSC's transfer proposal) for the benefit of Arizona's river communities when ADWR stated, "***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.***" (M&I refers to municipal and industrial use). The ADWR position letter further states, "[t]he increased quantity being recommended [for allocation] is part of the 164,652 recognized in the Central Arizona Project Master Repayment Contract as being available for contracting along the river." (See the February 28, 1990 ADWR Letter to the Bureau of Reclamation, page 2 of 5 and page 4 of 5 respectively). Should the GSC transfer be approved, the 4th Priority Colorado River Water entitlement transfer will establish a new and ominous precedent for the diversion of the reserved water away from Arizona's Colorado River communities, a significant loss to future generations of farmers and the river communities.

The City of Yuma and many of the Colorado River water users depend on the Colorado River water entitlements and carefully plan, conserve, and prioritize use of water. The Yuma City Council, the City of Yuma and other Colorado River water users have consistently opposed efforts to transfer Colorado River water away from on-river users for use in other parts of the State. Attempts to transfer water away from Arizona's Colorado River communities seriously threaten the future economic well-being of the affected river communities and deprive them of future growth opportunities in favor of remote interests in other parts of the State. Even worse, allowing such transfers creates a frightening new economic reality for water users in the Arizona desert: access to water will go to the highest bidder. Sound water policy should benefit all Arizona residents, not just the highest bidder. Lastly, the proposed transfer will result in less water being available for return flows to the Colorado River, which given the region is in a 21-year drought, is not the water policy Arizona should be pursuing.

As a result of the foregoing, the Resolution under consideration is intended to signal the City of Yuma's continued opposition to the GSC Farm, LLC transfer and to urge Reclamation to deny the transfer request in total.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$0.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$0.00	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$0.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK:			
	1. 2. 3. 4. 5. IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL? <input type="radio"/> Department <input type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	Philip Rodriguez		9/30/2020	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		9/28/2020	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
John D. Simonton		9/24/2020		
WRITTEN/SUBMITTED BY:		DATE:		