



MEMORANDUM

TO: IEDA Board
RE: Water Committee Report
DATE: August 6th, 2025

Turbulent Flow!

Despite articles reporting on the ongoing discussions amongst the Upper & Lower Basins, it appears that negotiations have actually broken down and that the path to Federal action &/or litigation is likely. The “Natural Flow” (or “Amicable Divorce”) may only connect the basins via the amount of releases from the Upper to Lower Basin. The federal clock is ticking and an agreement by November 11th, 2025 is needed to prevent them from stepping in. If nothing occurs by then, the government is prepared to release the draft Environmental Impact Statement in December.

Scott Cameron expressed that an act of Congress is likely necessary to finalize the Colorado River situation. An interesting point of fact, the Upper Basin pursued the Colorado River Compact because the Supreme Court ruled that prior appropriation on river courses transcend states, so the only way to protect their future opportunities was to sign the compact.

Ag to Urban & Harquahala Water Transfers

Senate Bill 1611 was signed into law June 30th, allowing farmers to sell their water rights to developers. The move is to help restart homebuilding in certain areas in Arizona without an existing assured water supply. Governor Hobbs pause on homebuilding that relies strictly on groundwater in 2023 has had ripple effects in the Valley. The cities most impacted by the announcement were Buckeye and Queen Creek. Both of whom will benefit from water transfers from Harquahala Basin. These actions could free up 400K+ acres for new home development.