



United States Department of the Interior

BUREAU OF RECLAMATION
Lower Colorado Region
Phoenix Area Office
6150 West Thunderbird Road
Glendale, AZ 85306-4001

IN REPLY REFER TO:
PXAO-1500
2.1.1.04

JUN 22 2018

MEMORANDUM

To: All Interested Persons, Organizations, and Agencies

From: Leslie A. Meyers
Area Manager

Subject: Notice of Public Scoping for Preparation of an Environmental Assessment (EA) for the Proposed Gila River Indian Community (GRIC) Central Arizona Project (CAP) Water Delivery to, and Use at, the Farmer's Investment Company (FICO) Groundwater Savings Facility (GSF) for Freeport-McMoRan – Sierrita Inc.¹
(Action by 30 days from the date of this letter)

The U.S. Department of the Interior, Bureau of Reclamation has received a request from Freeport-McMoRan to consider plans to deliver CAP water leased from the GRIC to an existing GSF operated by the FICO. Use of the renewable CAP water at the GSF would allow for the accrual of long-term storage credits for future use at the Sierrita Mine, and/or the replenishment of pumped groundwater.

BACKGROUND

Freeport-McMoRan Sierrita Inc. (Sierrita) operates the Sierrita Mine, located in the Santa Cruz Valley, south of Tucson in Pima County, Arizona. FICO owns and manages approximately 7,000 acres of pecan orchards along the Santa Cruz River. The pecan orchards of FICO's Sahuarita Farm lie within the town of Sahuarita, and extend more than 6 miles, from Duval Mine Road on the south, to Pima Mine Road on the north. Sierrita and FICO's affiliate, FICO CAP Line, LLC., executed an agreement in 2016 to construct and operate the proposed CAP water delivery pipeline to bring a renewable water supply to the GSF for use on FICO's pecan orchard, in lieu of pumping an equivalent volume of groundwater.

The proposed CAP water delivery pipeline would connect to the CAP canal near its terminus at an existing vault; west of Interstate 19 (I-19) on the north side of Pima Mine Road. The 36-inch diameter, gravity-driven pipeline would be constructed along Pima Mine Road to the east for approximately 2.5 miles, and then turn south following Sahuarita Road for another 3 miles. At Sahuarita Road the pipeline would split east and west to connect to three points of existing FICO irrigation system infrastructure. The approximately 5.5 miles of proposed pipeline would be entirely constructed along the existing water line, roadways, and private lands owned by FICO.

¹ Freeport Minerals Corporation and Freeport-McMoRan Inc. and related entities, predecessors, and subsidiaries are collectively referred to herein as Freeport-McMoRan.

At I-19, the proposed CAP water delivery pipeline would be located within the boundaries of the San Xavier Reservation and an existing right-of-way for the interstate. The crossing would require a grant of easement from the Tohono O'odham Nation, and approval by the Bureau of Indian Affairs. In addition, the crossing would require approval of an encroachment permit by the Arizona Department of Transportation (ADOT).

In 2001, the Arizona Department of Water Resources (ADWR) granted approval of FICO's GSF Permit; ADWR renewed the permit in 2017. In 2016, ADWR issued a Water Storage Permit to Freeport-McMoRan to allow the storage of up to 10,000 acre-feet per annum (afa) at the FICO GSF north of Sahuarita Road. The CAP water to be used at the GSF is leased from the GRIC. Under the terms of an executed Lease and Option Agreement, Freeport-McMoRan is entitled to lease 12,000 afa of CAP water from the GRIC, with an option to lease an additional 10,000 afa.²

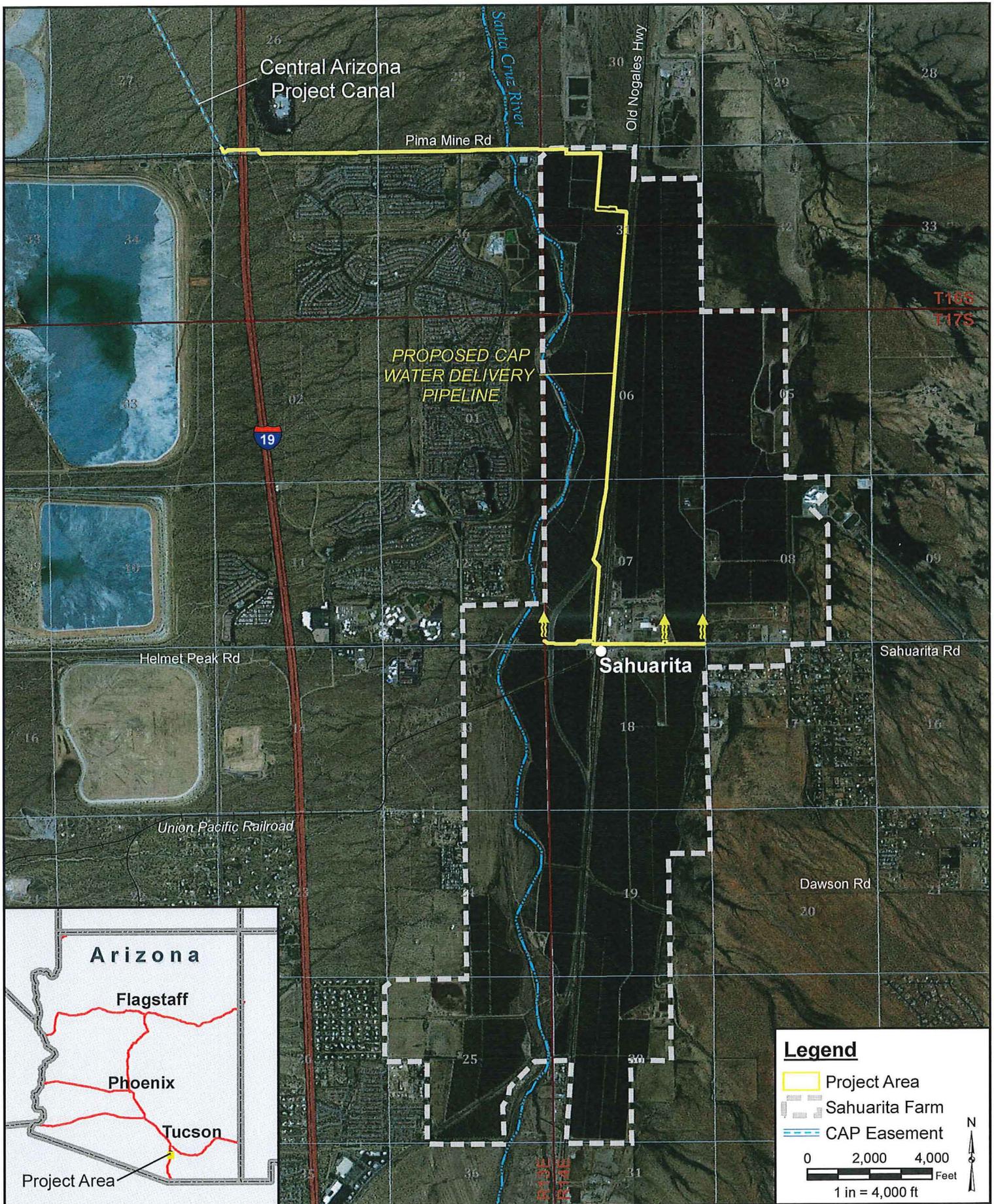
PUBLIC SCOPING COMMENTS

An EA is being prepared to describe the potential environmental consequences that may result from the construction and operation of the proposed CAP Water delivery pipeline, and the use of the renewable CAP Water at the GSF, for the accrual of long-term storage credits for future use at the Sierrita Mine, and/or the replenishment of pumped groundwater. The attached map depicts the proposed location of the CAP Water delivery pipeline, and pertinent features of the surrounding area. The final version of this EA, once reviewed and approved by Reclamation, will constitute Reclamation's compliance with applicable Federal environmental requirements.

Reclamation is inviting the public to provide input regarding issues and concerns that should be included in the EA. To be most helpful, comments should be as specific as possible, and sent to Reclamation by 30 days after the date of this letter. Comments should be submitted in writing to Mr. Dominic Graziani in writing or by email. Before including your name, address, phone number, email address, or other personal identifying information in your comment, please be aware that your entire comment, including your personal identifying information, may be made publically available at any time. While you can ask us to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. For additional information regarding this matter, please contact Mr. Graziani, Environmental Protection Specialist, at 623-773-6216, or via email at dgraziani@usbr.gov. Thank you for your interest in this project.

Attachment

² The "Lease and Option Agreement" is the 2005 *Lease and Option Agreement for CAP Water Between Phelps Dodge Corporation, Gila River Indian Community and the United States, as Trustee for the Gila River Indian Community*. In addition, a *Letter Agreement Re-confirming Secretary of Interior's Execution of the Lease and Option Agreement* was signed March 24, 2014.



PROPOSED CAP WATER DELIVERY PIPELINE

**SAHUARITA, ARIZONA
DECEMBER 2017**

