

IID

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December 27, 2012

Terry Fulp, Regional Director
Bureau of Reclamation
Lower Colorado Regional Office
Attn BC00-4200
P.O. Box 61470
Boulder City, NV 89006-1470

EXTRA COPY		
DATE:	INITIALS:	TO:
12/31/12		4000
FILE:		

OR TO 1000
CR TO 4200

Dear Terry:

**Subject: IID 2nd Revised Estimates of 2012 Colorado River Diversion
(Ref. BCOO-4226/WTR 4.03)**

This letter should serve as the Imperial Irrigation District's request to revise certain line items in its 2012 revised estimate of diversions submitted to the Bureau of Reclamation on November 21, 2012. As a result of the changes noted below, IID requests an increase of 8,141 acre-feet to its revised consumptive use approval of 2,740,578 AF for a second revised consumptive use estimate of **2,748,719 AF** for 2012.

This second revised 2012 water order reflects an 860 AF reduction in the annual water conservation yield attributable to the full operation of Project 18 (Tailwater Return Systems) of the IID/MWD Water Conservation Program, as noted in footnote 2 of the table below. Project 18 is responsible for up to 3,500 AF of the program's annual water savings; however, the 2012 conservation objectives for this component of the 1988 IID/MWD Agreement were not met and resulted in only 2,640 AF of adjusted savings (see attached letter dated January 10, 2012, from Robert Krieger, chairman of the IID/MWD Program Coordinating Committee). IID, in accordance with Sections 2.2A and 4.1(ii)(a) of the June 18, 2007 *Second Amendment of the Approval Agreement among the IID, MWD, PVID and CVWD*, requires this reduction for a revised total 2012 conservation yield of 104,140 AF.

In addition, footnote 4 of the table below describes a 7,281 AF reduction in the 2012 Salton Sea mitigation obligation based on the true-up of actual delivered water volumes from 2010 and the recalculation of 2011 and 2012 mitigation requirements based on the use of this storage water. IID acknowledges that Reclamation has noted the appropriate accounting for the 2010 delivery of water to the Salton Sea is an issue under review, and any final decisions or agreements regarding this issue may result in additional recalculations to this mitigation requirement. In addition, final true-ups will be necessary to reflect actual year-end water deliveries and conservation program implementation efforts.

IID 2012 Estimated Consumptive Use¹ Table in Acre-Feet (December 27, 2012 - 2nd revision)	
Priority 3 Cap	3,100,000
Miscellaneous PPR's	(11,500)
1988 IID/MWD Agreement ²	(104,140)
IID/SDCWA Transfer ³	(106,722)
Salton Sea Mitigation ⁴	(15,219)
AAC Lining	(67,700)
IID/CVWD Transfer	(21,000)
Estimate of Additional Conserved Water ^{5,6,7,8,9,10}	(25,000)
Total IID 2012 - 2nd Revised Consumptive Use¹ Estimate	2,748,719

As described in IID's proposed payback plan for its 2011 overrun, IID requests that the balance of its ICS account, 5,842 AF, be credited as early payback to reduce its 62,000 AF obligation in 2013. In light of IID's current overrun projection, IID also requests than any excess conservation from its 2012 fallowing and main canal interception programs, identified initially in its 2012 ICS Plan, be considered early payback and similarly used to reduce the 2013 payback requirement for its 2011 overrun.

Finally, in October 2010, IID stored 500 AF of water in the Coachella Valley groundwater basin in accordance with its 2003 *Agreement for Storage of Groundwater with the Coachella Valley Water District* (see attached letters dated May 25 and June 3,

¹ Consumptive uses include agricultural, municipal, industrial, environmental, environmental mitigation uses and storage purposes.
² In 2007 (by agreement between IID and MWD), the annual conservation yield of the 1988 IID/MWD Agreement was fixed at 105,000 AF provided the Project 18 (Tailwater Return Systems) component of the IID/MWD Agreement is at full operation; otherwise, the 3,500 AF conservation yield attributable to Project 18 can be reduced. In 2012, Project 18 was not fully operated so the 2012 conservation yield of 2,640 AF will likely result in an 860 AF decrease to this program.
³ This volume reflects the 2012 conserved water transfer obligation of 90,000 AF and the additional conservation for the 2011 conservation balance of 16,722 AF conserved in calendar year 2012 attributable to the 1998 Agreement for Transfer of Conserved Water by and between IID and SDCWA, as amended.
⁴ In 2010, IID delivered 46,546 AF of Colorado River water to the Salton Sea, without exceeding its 2010 consumptive use limit, to be stored and used to meet the mitigation delivery requirements for 2011 and the first half of 2012. This is consistent with the early delivery of mitigation water to the Salton Sea by IID in 2004 and 2005 done at the request of Reclamation. The 2010 early delivery of mitigation water was intended to reduce the cost of environmental mitigation in light of QSA litigation concerns affecting mitigation funding by the state of California and the uncertainty IID faced while contracting to create mitigation water because of the QSA litigation. As such, the 2012 Salton Sea mitigation obligation of 45,000 was reduced by approximately half. Actual deliveries and existing Salton Sea mitigation delivery balances, when trued-up to account for the 2010 early delivery and the recalculation of mitigation volumes based on the use of storage water instead of conserved water, reduced the 2012 Salton Sea mitigation balance from the prorated estimate of 22,500 AF to 15,219 AF.
⁵ Additional conserved water uses include Intentionally Created Surplus (ICS), Inadvertent Overrun Payback (IOP), early IOP payback, early IOP payback on behalf of another Colorado River contractor, groundwater storage, groundwater recharge, storage in the Salton Sea, delivery of ICS to meet water transfer obligations and/or other allowed uses of conserved water. This estimate will be adjusted and specific uses defined more appropriately as the year progresses.
⁶ The truing-up of all 2011 and 2012 fallowing and main canal seepage interception program yields at year-end may necessitate an adjustment to this volume, as would approval of any requested II(B)(6) water to reduce IID's 2011 overrun, should it exist.
⁷ Final contracting of IID's 2012-2013 Fallowing Programs and a true-up of all 2011 IID fallowing and other conservation program yields at year-end will require an adjustment to this volume.
⁸ Pursuant to Section 3.B.9 of the Interim Guidelines for the Operation of Lake Powell and Lake Mead, IID's estimated volume of ICS water may decrease in 2012 with the appropriate notifications. A range of estimates is provided for operational planning purposes only.
⁹ Current end-of-year estimates project approximately 10,000 AF of conservation yield in excess of QSA obligations will be available from IID's main canal seepage interception program.
¹⁰ Current estimates indicate that less than 10,000 AF of additional conserved water is likely to be available from IID's various agricultural and solar fallowing programs.

2010, memorializing this transaction). On September 25, 2012, IID requested CVWD return this stored water to benefit IID, and on October 3, 2012, CVWD confirmed to IID that it could return the balance of the IID groundwater in December 2012 via a reduction in consumptive use at Imperial Dam (letters attached). IID requests that this balance, now quantified at 448 AF, also be credited as early payback toward its 2013 obligation.

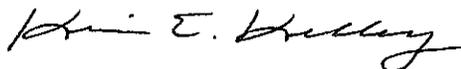
This water order should be considered by Reclamation in the context of the signed Quantification Settlement Agreement and the reservation of legal positions contained in the dismissal of IID v. USA, et al. As historically recognized by Reclamation and the position of many other Colorado River contractors, water orders submitted in advance of the full water year are merely estimates of anticipated water use that may need adjustment based on a variety of factors that impact water use during the course of a year. Thus, water orders may require subsequent revision and should not be regarded as a volume limitation on the annual exercise of the water right.

Additionally, conservation program contracting parameters and conserved water requirements for 2012 are also dependent on Reclamation's or third-party measurement, reporting and calculation of IID's diversions, return flow credits and consumptive uses for the current and previous water years. The accuracy and timeliness of these final measurement and decree accounting records are significant variables that they may require subsequent revision and should not be considered a volume limitation for purposes of IID's annual consumptive use or diversion calculation. As long as the revised water order is within the volume of the annual entitlement, evidence of an emergency or hardship circumstance is unnecessary.

IID still anticipates final true-ups to this 2012 revised estimate due largely to year-end contracting and final accounting for its fallowing and main canal seepage interception programs; however, based on its most recent estimates, IID submits this second revised 2012 water order for 2,748,719 AF.

If you have any questions regarding this revised order, please contact Tina Shields at 760-339-9038.

Sincerely,



Kevin E. Kelley
General Manager

Attachments (6 pages)

cc: Steve Hvinden/Paul Matuska, USBR
Colorado River Board of California



IMPERIAL IRRIGATION DISTRICT

OPERATING HEADQUARTERS • P. O. BOX 937 • IMPERIAL, CALIFORNIA 92251

MAY 25 2010

May 25, 2010

File: 0645.61
0043.1

CVWD

Mr. Steve Robbins
General Manager/Chief Engineer
Coachella Valley Water District
PO Box 1058
Coachella, CA 92236

Subject: 2010 Groundwater Storage Pilot Project

Dear Steve:

This will confirm our recent discussions regarding a pilot project for the storage of IID Water in CVWD's existing groundwater basins (collectively "Basins") pursuant to our Agreement for Storage of Groundwater ("Agreement") entered into on October 10, 2003.

IID would like to store 500 acre-feet in the Basins in 2010. Notwithstanding the notice provisions set forth in Article 2.2 of the Agreement, this letter confirms that CVWD has agreed to store this IID Water in 2010 subject to all other provisions of the Agreement.

At your earliest convenience and in accordance with Article 5.1 of the Agreement, IID requests notification of all costs associated with the storage of the 500 acre-feet of IID Water. In addition, IID will need to be apprised of a Delivery Date to ensure that the 525 acre-feet of IID Water for this pilot project is scheduled appropriately for diversion to the Coachella Canal Heading (or some other volume of IID Water if a different Point of Delivery location is agreed to), as outlined in Article 4.1.

Please sign each of the duplicate originals enclosed herein and return one to me along with the information requested above.

Sincerely,

BRIAN J. BRADY
General Manager

Agreed this 3 day of JUNE, 2010

STEVE ROBBINS
General Manager, Coachella Valley Water District



Established in 1918 as a public agency
Coachella Valley Water District

Directors:
Patricia A. Larson, President
Peter Nelson, Vice President
Tellis Coekos
Franz W. De Klotz
Russell Kifanora

Officers:
Steven S. Robbins, General Manager-Chief Engineer
Julia Fernandez, Board Secretary

Reedwire and Sherrill, Attorneys

June 3, 2010

File: 0043.1
0645.61

Brian J. Brady
General Manager
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251

Dear Mr. Brady:

Subject: 2010 Groundwater Storage Pilot Project

As you requested, enclosed is an executed original of your letter dated May 25, 2010, confirming that Coachella Valley Water District agrees to store 500 acre-feet of Imperial Irrigation District water in 2010 pursuant to our Agreement for Storage of Groundwater entered into on October 10, 2003.

Staff is working on the costs associated with the storage of the 500 acre-feet of IID water, as well as a delivery date. This information will be provided to you soon.

Yours very truly,

Steve Robbins
General Manager-Chief Engineer

Enclosure/1/as

SR:R/Robbins 2010 June Brady-IID/2010 Groundwater Storage Pilot Project

6/7/10
cc W/D



IID

A century of service.

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*of Mr. DeChalton
Barrett
Johnson
Reynolds
Sibley*



September 25, 2012

File 0043.1
0645.61
0643.5212 - TEL

Mr. Jim M. Barrett
Acting General Manager
Coachella Valley Water District
P.O. Box 1058
Coachella, CA 92236

Dear Mr. Barrett:

Subject: 2012-2013 Groundwater Storage Return Water Notice

In accordance with Section 7.1 of the October 10, 2003 *Agreement for Storage of Groundwater By and Between Coachella Valley Water District and the Imperial Irrigation District*, IID formally requests the 2013 withdrawal of the balance of the water delivered in 2010 to the Thomas Levy Recharge site for storage purposes. In addition, should capacity exist this year and pending approval of its inadvertent overrun and payback plan, IID may be interested in accelerating this withdrawal to 2012.

In 2010, IID delivered 525 acre-feet of its entitlement water to CVWD to cause 500 acre-feet of Colorado River water to be stored in its groundwater basins. According to the accounting methods defined in the agreement and CVWD's October 14, 2010 memo describing the IID groundwater storage charges, delivery loss (5 percent, one-time) and storage losses (5 percent annually), there should be a balance of 451 acre-feet of water available for return to IID in 2013. If the 2012 option is mutually agreeable, the stored water balance to be returned to IID prior to the end of the year would be 475 acre-feet.

As outlined in the agreement, IID anticipates the return of this water to be accomplished through a reduction in CVWD's consumptive use and exchange at the Imperial Dam diversion facilities.

We look forward to working out the operational details of this request with your staff. If you have any questions, please contact Vince Brooke at (760) 339-9277.

Sincerely,

Kevin E. Kelley
General Manager

IMPERIAL IRRIGATION DISTRICT
333 E. BARIONI BLVD • PO BOX 937 • IMPERIAL, CA 92251
TELEPHONE (760) 339-9477 • FAX (760) 339-9392

40 SCANNED

SCAN/SHRED



Established in 1918 as a public agency
Coachella Valley Water District

Lead
10-5-12
for
TAS

Directors:
Peter Nelson - President - Div. 4
John P. Powell, Jr., Vice President - Div. 3
Patricia A. Larson - Div. 2
Dabi Livesay - Div. 5
Franz W. De Klotz - Div. 1

Officers:
Steven B. Robbins, General Manager - Chief Engineer
Julia Fernandez, Board Secretary

October 3, 2012

Redwine and Shorill, Attorneys
File: 0043.1
00645.61

Kevin Kelley
General Manager
Imperial Irrigation District
Post Office Box 937
Imperial, CA 92251

Dear Mr. Kelley:

Subject: Return of IID Groundwater Storage Water

This serves to respond to your letter dated September 25, 2012 whereby the Imperial Irrigation District (IID) requests the return of groundwater storage water (IID water) within the Coachella Valley groundwater basin (CV Basin) in accordance with the Agreement for Storage of Groundwater (Agreement) dated October 10, 2003.

On May 25, 2010 (letter attached), IID requested the Coachella Valley Water District (CVWD) to store 500 acre-feet of IID water within the CV Basin in 2010. Although this request did not meet the timeline requirements of Article 2.2 (a) of the Agreement, CVWD agreed to receive and store 500 acre-feet of IID water in October 2010. Attached is our letter of February 22, 2011 memorializing this transaction and the current IID Groundwater Storage Account Summary.

Article 7.1 of the Agreement requires IID to request return of IID water by October 1 of the preceding year. Accordingly, CVWD will return 446 acre-feet in January 2013. CVWD will return the IID water through a reduction in consumptive use at Imperial Dam.

CVWD is willing to return the IID water in 2012 during the month of December. The exact amount to be returned shall be equal to the IID Storage Account Balance on January 1, 2012 minus the pro-rated Storage Loss per Article 6.3 of the Agreement.

This issue has been discussed with Vince Brooke (IID staff) but please let us know of your decision to have the IID water returned in 2012 or 2013 by November 1, 2012.

If you have any questions or require additional information, please contact Dan Charlton, Engineering Manager, at Extension 2316.

Yours very truly,

J.M. Barrett
Acting General Manager



Enclosures/2/as

DC:\ch\eng\rr\12\Oct\Return of IID Groundwater Storage Water

COACHELLA VALLEY WATER DISTRICT



IID Groundwater Storage Account Summary

Date	Amount of IID Water Delivered to CVWD MP 0.2 Turnout (AF)	Canal Conveyance Losses (AF)	Net IID Water Stored in Basin as of October 1, 2010 (AF)	Cost of Water Stored in Basin (\$)	Calendar Year 2010 Storage Losses (AF)*	Net IID Water Stored as of January 1, 2011 (AF)	Calendar Year 2011 Storage Losses (AF)	Net IID Water Stored as of January 1, 2012 (AF)	Calendar Year 2012 Storage Losses (AF)	Net IID Water Stored as of January 1, 2013 (AF)	Cumulative total IID Water in Basin
10/1/2010	525	25	500	\$147,550.00							
1/1/2011					6	494					
1/1/2012							25	469			
1/1/2013									23	445	445

* Per Article 6.3 of the Agreement for Storage of Groundwater dated October 10, 2003

PROGRAM COORDINATING COMMITTEE
The Metropolitan Water District of Southern California
and
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251

ROBERT A. KRIEGER - CHAIRMAN
KEVIN A. DONHOFF - MWD
JOHN M. CURTIS - IID

Telephone
(760) 339-9287

Telecopier
(760) 339-9355

January 10, 2012

Tina L. Anderholt Shields, P.E.
Assistant Water Department Manager
Water Supply Planning-QSA & Colorado River Issues
Imperial Irrigation District
P. O. Box 937
Imperial, CA 92251

Subject: IID/MWD Water Conservation Program
Project 18 (TRS) Water Conservation Savings

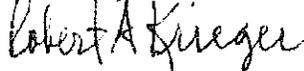
Dear Ms. Anderholt Shields:

In response to your November 14, 2011 letter pertaining to Project 18, the 2011 water conservation savings pursuant to the established verification procedure is 2,440 acre-feet based on the 2009-2010 water year.

With respect to Project 18 water conservation savings, I suggest that we formally consider the annual water year savings at the December meeting through a specific item on the agenda and by incorporating the Project 18 yield tabulation in the meeting packet. As a matter of interest, Bryan Thoreson of Davids Engineering (one of the verification consultants that established the verification procedure) has and continues to review and confirm the annual savings quantity, which for 2012 will be 2,640 acre-feet based on the 2010-2011 water year.

The language in the Second Amendment to the Approval Agreement has proven to be somewhat confusing and unclear, thus allowing differing interpretations of the document, intent aside. I hereby request that management of each district join together and prepare a suitable working document acceptable to both parties for use by the PCC in performing its duties. The document needs to address the implementation procedure with more clarity and specificity, citing each party's responsibilities, actions, and timing.

Sincerely,



ROBERT KRIEGER
Chairman

cc: Kevin Donhoff, MWD PCC Representative
John Curtis, IID PCC Representative
Fadi Kamand/Jim Martin, MWD
David Bradshaw/Sylvester Jones, IID
Jeffrey Kighlinger, MWD
Jesse Silva, IID