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# COACHELLA VALLEY WATER DISTRICT

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**DIRECTORS:**

JOHN W. McFADDEN, PRESIDENT  
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TELLIS CODEKAS  
RUSSELL KITAHARA  
PATRICIA A. LARSON

June 16, 2003

Robert W. Johnson, Regional Director  
Lower Colorado Region  
U.S. Bureau of Reclamation  
Post Office Box 61470  
Boulder City, Nevada 89006

Dear Mr. Johnson:

Subject: Part 417.4 Request for Hardship Waiver

As a result of the reduction in Coachella Valley Water District's (CVWD) 2003 water order from 347,000 acre-feet to 238,000 acre-feet, the Coachella Valley agricultural economy is in dire peril.

The reduction in CVWD's 2003 water order has caused and will continue to cause extreme hardship on the farmers and others who rely on Colorado River water for irrigation of permanent crops, seasonal crops that were planted in reliance on the original 2003 Water Order approval, and generally for their livelihood. The majority of the crops in the Coachella Valley are permanent crops, such as citrus, grapes, and dates. Our annual water use pattern is that 50 percent of our water is used by July 1 and 80 percent of our water is used by October 1. Finding replacement water is a matter of up most urgency.

To address this need, CVWD and Palo Verde Irrigation District (PVID) are cooperating in a land-fallowing program. CVWD is currently in the process of entering into leases with individual growers within the Palo Verde Valley to fallow approximately 16,000 acres, which is intended to result in a lowering of PVID's Water Order by 40,100 acre-feet for the current water year. To date, leases for over 10,000 acres totaling 25,000 acre-feet of water have been signed. The leases for the remaining 6,000 acres should be signed this week.

Time is of the essence. The hot growing season is upon us and we need this additional water now to reduce the impacts of the reduction on our growers. Our other sources of replacement water are very limited and it is uncertain that we will be able to acquire sufficient other supplies to avoid losses.

MR OFFICIAL OFFICE COPY		
RECEIVED 6/18/03		
REPLY DATE		
DATE	INITIALS	CODE
6/27	Harkin	30001000
6/30	Mayer	4200
		4600
		4400
CLASSIFICATION		
PROJECT		
CONTROL NO.		
FOLDER I.D.		
KEYWORD		

TRUE CONSERVATION  
USE WATER WISELY

Robert W. Johnson, Regional Director  
Lower Colorado Region  
U.S. Bureau of Reclamation

-2-

June 16, 2003

For these reasons, we are requesting, pursuant to 43 CFR Part 417.4, that the Bureau of Reclamation make a declaration that hardship conditions justify deliveries to CVWD of water not used as a result of the fallowing of approximately 16,000 acres within the Palo Verde Valley. PVID has previously notified you by letter of its intent to reduce its water order by 40,100 acre-feet as a result of the program.

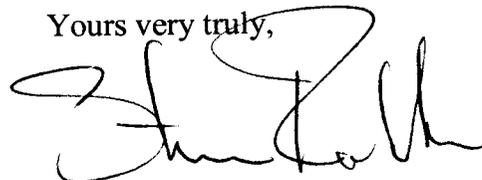
Based on our condition of extreme hardship, we hereby request that you make the 40,100 acre-feet of water released by PVID available to CVWD immediately by increasing our approved Water Order by this amount.

We also renew the request contained in our letter of May 28 that if any additional water becomes available from PVID or other agricultural contractors, that such water be made available to CVWD as soon as possible.

I cannot overemphasize the importance of this water to the Coachella Valley. It is imperative that we receive this 40,100 acre-feet immediately and any other water that should become available in order to reduce losses in the Coachella Valley.

If you have any questions or need additional information, please call me.

Yours very truly,



Steve Robbins  
General Manager-Chief Engineer

cc: Ed Smith  
Palo Verde Irrigation District  
180 West 14<sup>th</sup> Avenue  
Blythe, California 92225

SR:il/ltrs/may/johnson-417.4

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JUN 16 2003

EARL REDWINE (1894 - 1967)

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\* DENOTES PROFESSIONAL CORPORATION

June 12, 2003

REPLY TO: Riverside Office *B001000*

Mr. John Carter  
HORTON, KNOX, CARTER & FOOTE  
Attorneys at Law  
895 Broadway  
El Centro, CA 92243

Dear John:

Thank you for your letter faxed earlier today, I offer the information you requested below. I will be out of the office tomorrow but will be available to answer questions or provide additional information, if needed, on Monday. Thanks for your help.

1. Written Request by CVWD

On behalf of CVWD, I hereby request that IID agree that it will not seek to divert 40,100 acre feet of water being made available through a reduction in PVID's 2003 Water Order in that amount as the result of the fallowing of 16,000 acres of land in PVID by CVWD as lessee of said acres. Such agreement may be demonstrated by execution of the Agreement Provision at the end of this letter by an authorized representative of IID.

2. Basic Terms of Fallowing Program

CVWD will lease approximately 16,000 acres, June 20 - December 20, 2003, and fallow same, creating a reduction in demand within PVID of 40,000 acre feet based on five acre feet per acre annual use; there is no agreement with PVID although PVID has advised the Bureau that it will revise its 2003 Water Order to reflect a use reduction of 40,100 acre feet between June 20 and December 20, 2003, contingent upon CVWD's entering into leases of 16,000 acres.

*cy:1000*

Mr. John Carter  
Page 2  
June 12, 2003

3. Legal Structure

The legal structure relied upon by CVWD to divert the conserved water that results from its fallowing program in PVID as described above consists of the 1931 Seven Party Agreement and the 1934 Compromise Agreement. IID and YPRD are receiving the water they requested for beneficial use in their respective service areas in 2003 and are not entitled to divert more than can be put to beneficial use. CVWD, on the other hand, has suffered a very large reduction in its 2003 Water Order as originally approved and should be entitled to make use of additional supplies as they become available up to the amount of its 2003 Water Order as originally approved.

Very truly yours,

REDWINE AND SHERRILL

By   
Gerald D. Shoaf

GDS/jfv  
c: Steve Robbins

**AGREEMENT**

The Imperial Irrigation District agrees that it will not seek to divert for use in IID the 40,100 acre feet being made available through a reduction in PVID's 2003 Water Order in that amount as the result of the lease and fallowing of 16,000 acres of land in PVID by CVWD for the period June 20, 2003 through December 20, 2003.

DATED: June \_\_, 2003

IMPERIAL IRRIGATION DISTRICT

By \_\_\_\_\_

Title \_\_\_\_\_

**HORTON, KNOX, CARTER & FOOTE**  
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PAUL D. ENGSTRAND

**JUN 12 2003**

June 11, 2003

Gerald D. Shoaf, Esq.  
Redwine and Sherrill  
1950 Market Street  
Riverside, California 92501

Via Facsimile

6/25/03 *Roy*

*600-4000*  
*4201*

Re: CVWD's Proposed Purchase of Water from PVID

Dear Gerry:

I discussed this matter briefly with the IID Board yesterday. This is the first opportunity I have had to discuss your inquiry of me several weeks ago about IID's position should CVWD want to acquire some Colorado River water from PVID.

*Cy: Snow*  
*w/6333*  
*1000*  
*Verburg*

Before making a decision, the Board asked for the following:

1. A written request from CVWD.
2. A summary of the basic terms of the proposed transaction, including the amount of conserved water being made available.
3. The legal structure relied upon by CVWD to effectuate a transfer of water under PVID's entitlement around the next entitlement holders (YPRD and IID) to CVWD.

As soon as I receive this information, I will immediately fax it to the IID Board members for their review and consideration. Best regards.

Yours truly,



John P. Carter  
for  
HORTON, KNOX, CARTER & FOOTE

JPC:ta

[File No. 13945.047]

Copy: IID Board of Directors, Jesse Silva  
Elston Grubaugh, Mike King, Bob Johnson