

The Metropolitan Water District of Southern California

Revised Plan for the Creation of Extraordinary Conservation Intentionally Created Surplus During Calendar Year 2010

Introduction

This revised plan for the creation of Extraordinary Conservation Intentionally Created Surplus (ICS) has been prepared pursuant to the specifications outlined in Section 3.B.1 on page 40 of the *Record of Decision: Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* signed by the Secretary of the Interior (Secretary) on December 13, 2007.

One activity, the Metropolitan Funded Palo Verde Irrigation District Forbearance and Fallowing Program, is described in this plan. This activity is incorporated as an exhibit to the December 13, 2007, *Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement* among the Arizona Department of Water Resources, the Palo Verde Irrigation District, the Imperial Irrigation District, the City of Needles, the Coachella Valley Water District, Metropolitan, the Southern Nevada Water Authority, and the Colorado River Commission of Nevada. The projected yield of this activity is estimated to be approximately 133,000 acre-feet in calendar year 2010.

The total yield of this activity is less than the annual amount of Extraordinary Conservation ICS that can be created by Metropolitan under the December 13, 2007, *California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus*. Absent the creation of Extraordinary Conservation ICS, this water would otherwise be beneficially used by Metropolitan through diversion into the Colorado River Aqueduct. The amount of Extraordinary Conservation ICS that Metropolitan would create is limited to the amount of Colorado River water that, if added to its consumptive use, will not result in an inadvertent overrun pursuant to Reclamation's October 10, 2003, Inadvertent Overrun and Payback Policy. The total yield of this activity when added to the projected amount of Extraordinary Conservation ICS available to Metropolitan as of March 30, 2010, would be less than the total amount of Extraordinary Conservation ICS which may be accumulated by Metropolitan under the December 13, 2007, *California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus*.

Activity: Metropolitan Funded Palo Verde Irrigation District Forbearance and Fallowing Program

Project Description

Under the August 18, 2004, Forbearance and Fallowing Program Agreement with the Palo Verde Irrigation District (PVID) and landowner agreements for fallowing in PVID, Metropolitan pays landowners within the Palo Verde Valley to annually fallow a portion of their land, foregoing the

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planting and irrigation of crops, allowing PVID to forbear use of water on lands that historically were and otherwise would be irrigated, increasing the amount of water available to Metropolitan.

The volume of water that becomes available to Metropolitan is governed by the October 10, 2003, *Quantification Settlement Agreement*¹ and the October 10, 2003, *Colorado River Water Delivery Agreement*.² Under these agreements:

- Metropolitan must reduce its consumptive use of Colorado River water by that volume of consumptive use by PVID and holders of Priority 2³ that is greater than 420,000 acre-feet in a calendar year, or
- Metropolitan may increase its consumptive use of Colorado River water by that volume of consumptive use by PVID and holders of Priority 2 that is less than 420,000 acre-feet in a calendar year.

In both cases, each acre-foot of reduced consumptive use by PVID is an additional acre-foot that becomes available to Metropolitan.

Palo Verde Valley landowners decided whether to participate in the 35-year program and those participating stop irrigating from 9 to 35 percent of their land in any year at Metropolitan's request. Upon one-year notice, Metropolitan has the option to change the percentage of land fallowed, with an increase in the percentage effective for a two-year period. The land taken out of agricultural production is maintained and rotated once every one to five years. The maximum amount of farmland taken out of production is 25,947 acres; however, fallowing in excess of 23,508 acres is limited to a total of ten years under the 35-year program. The landowner is responsible for payment of taxes, PVID water tolls, vegetation abatement, dust control and all other costs related to the fallowed lands. A history of farming is required for fields to be fallowed. Parcels to be fallowed must be at least 5 acres. Through February 2010, Metropolitan has paid \$151.8 million in Program costs and another \$15.9 million in Program costs will be incurred in September 2010.

This activity is separate and distinct from Metropolitan's "Emergency Short-Term Fallowing Program" with PVID under which additional Palo Verde Valley lands are being fallowed from April 2009 through July 2010. The Emergency Short-Term Fallowing Program is not included in this ICS Creation Plan and \$21.7 million in costs were incurred for this Program in September 2009.

¹ The parties to the Quantification Settlement Agreement are Imperial Irrigation District, Coachella Valley Water District, and Metropolitan.

² The parties to the Colorado River Water Delivery Agreement are the United States, Imperial Irrigation District, Coachella Valley Water District, Metropolitan, and the San Diego County Water Authority.

³ The Yuma Project Reservation Division holds California's Priority 2.

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Term of the Activity

The Forbearance and Fallowing Program Agreement with PVID terminates on July 31, 2040. Metropolitan’s current “Fallowing Call” for 25,947 acres is in effect through July 31, 2010. Metropolitan has issued a Fallowing Call for 25,947 acres for the period commencing August 1, 2010 through July 31, 2012.

Estimate of the Amount of Water that Will be Conserved

The volume of projected savings during calendar year 2010 is 132,539 acre-feet based on the amount of water used for irrigation in the Palo Verde Valley in 2008. The monthly tabulation of this projected savings is as follows:

Month	Monthly Consumptive Use Fraction†	Acres Fallowed	Reduced Consumptive Use (acre-feet)*
January	0.00359141	25,947	476
February	0.05341147	25,947	7,079
March	0.09240248	25,947	12,247
April	0.10933428	25,947	14,491
May	0.11802433	25,947	15,643
June	0.14136546	25,947	18,736
July	0.14196060	25,947	18,815
August	0.15304101	25,947	20,284
September	0.10307295	25,947	13,661
October	0.06213304	25,947	8,235
November	0.02183917	25,947	2,895
December	-0.00017620	25,947	-23
Total	1.00000000	---	132,539

†Monthly fraction of annual use of 5.108 acre-feet per acre.
 *Volumes rounded to the nearest acre-foot.

Proposed Methodology for Verification of the Amount of Water Conserved

Upon designation of fallowed acreage, a Metropolitan representative visits the field on the date when fallowing is to commence and verifies that fallowing conditions have been met. The same procedure is followed when program participants make changes in the area or location of fallowed lands.

In addition to field verification by Metropolitan, it is proposed that the Bureau of Reclamation (Reclamation) conduct an independent verification with its own staff during the spring of 2010. Similar to past years’ practice, it is proposed that Reclamation select 5 percent of the 25,947

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acres fallowed for inspection. On-site inspection would be made of all selected fields to observe fallowing conditions and take photographs. A report would be prepared that confirms extraordinary conservation implementation, and includes field observations and relevant photographs of fallowing conditions in PVID. It is proposed that Reclamation conduct another independent verification in the fall of 2010.

A calendar year 2010 Fallowed Land Verification Report will be prepared jointly by PVID, Metropolitan, and Reclamation. The Report will determine the actual amount of water saved in 2010 by the Program.

Documentation Regarding State or Federal Permits or Other Regulatory Approvals

Pursuant to the provisions of the California Environmental Quality Act (CEQA), PVID, certified the "Final Environmental Impact Report for the Proposed Palo Verde Irrigation District Land Management, Crop Rotation and Water Supply Program" and adopted its Findings of Fact on September 18, 2002. Because no significant impacts would result with Program implementation, as determined by PVID, no statement of overriding considerations and no mitigation monitoring or reporting program were required. Metropolitan certified that it reviewed and considered the information in the certified 2002 Final EIR and adopted PVID's findings on October 22, 2002.

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