



THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

Office of the General Manager

May 13, 2020

Dr. Terry Fulp, Regional Director
Interior Region 8: Lower Colorado Basin
U.S. Bureau of Reclamation
P.O. Box 61470
Boulder City, NV 89006

Storage of The Metropolitan Water District of Southern California's (Metropolitan) 2019 Excess
Extraordinary Conservation (EC) in Lake Mead for Future Intentionally Created Surplus (ICS)
Purposes

Dear Dr. Fulp:

As you are aware, the seven Colorado River Basin states and Department of Interior collaborated to develop and implement the *Agreement Concerning Colorado River Drought Contingency Management and Operations* (Colorado River Drought Contingency Plan (DCP)), which was executed on May 20, 2019. The DCP incentivizes storage of conserved water in Lake Mead as ICS to help Lake Mead and Lake Powell avoid reaching critical elevations. With those incentives in place, Metropolitan submitted an ICS Creation Plan to create up to 450,000 acre-feet of EC ICS to be left in Lake Mead in 2019, which Reclamation approved on August 13, 2019. Metropolitan exceeded that goal and left over 450,000 acre-feet of conserved water in the Colorado River system last year, raising the level of Lake Mead by more than 5 feet.

Even with the increased flexibility afforded by the DCP, the constraints in the current agreements limit the amount of EC ICS Metropolitan could create in 2019. As you know, in accordance with Section IV.B of the *Lower Basin Drought Contingency Operations*, the Lower Basin States can share any unused EC ICS creation capacity that may be available during the year. In a joint letter dated June 17, 2019, Metropolitan and Southern Nevada Water Authority (SNWA) agreed to provide Arizona access to the first 50,000 acre-feet of unused EC ICS creation capacity that became available in 2019, as needed, to assist Arizona in implementing the DCP. Provisional data indicate that, after accounting for EC ICS creation by the states of Arizona and Nevada, approximately 12,000 acre-feet of creation capacity remain for California to utilize. So, while Metropolitan conserved over 450,000 acre-feet in 2019, after considering Imperial Irrigation District's (IID) EC ICS creation, current agreements limit the amount of EC ICS Metropolitan could create to approximately 410,000 acre-feet.

In the Colorado River Basin, there is a history of Section 5 contractors piloting new water storage mechanisms at their own risk in advance of formal implementation of programs. For example, in 2006 and 2007, Metropolitan left conserved water in Lake Mead in advance of the adoption of the ICS

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program. In 2015 and 2016, before its ICS exhibits were approved, Central Arizona Water Conservation District left water in Lake Mead with the anticipation that the water would be used to create EC ICS. In 2017, SNWA left water in Lake Mead that was previously slated for storage offshore with the intent that the water would be credited as ICS at a future date. And in 2017, MWD and IID left conserved water in Lake Mead while they worked with Reclamation to implement a previously unused provision of the 2007 Interim Guidelines that allows one contractor to credit EC ICS to the ICS account of another contractor. In all of those cases, the water was left in Lake Mead at the contractors' own risk with the goal of developing and implementing agreements at a later date that would retroactively credit the water as ICS to the contractors' EC ICS accounts. The adaptability that Reclamation and the Basin States have shown in the past have succeeded in incentivizing additional volumes of water stored in Lake Mead.

Consistent with the Basin's history of water storage innovation and the intent of the DCP to encourage additional storage in Lake Mead, Metropolitan proposes that the excess extraordinary conservation created by MWD in 2019 and left in Lake Mead, estimated to be 40,140 acre-feet, remain in Lake Mead with the possibility of being credited to Metropolitan as EC ICS at a future date. This excess extraordinary conservation would not be credited to Metropolitan's EC ICS account, nor would it be available for delivery, unless and until Reclamation and the parties to the DCP reach agreement on changing annual EC ICS creation limits and agree to retroactively implement such changes. If that were to occur, we anticipate that Reclamation would credit some or all of Metropolitan's 2019 excess extraordinary conservation to its EC ICS account at that time, deducting appropriate losses.

Finally, Metropolitan understands that IID is submitting a parallel proposal that its excess extraordinary conservation created and left in Lake Mead in 2019 be given consideration for future crediting as EC ICS as described in its letter to you, dated May 13, 2020. Metropolitan supports IID's proposal and agrees to forgo any claim it would have on this water in 2019.

Metropolitan appreciates Reclamation's continued leadership to develop innovative strategies to protect Lake Mead for the benefit of all Colorado River water users.

If you have questions about this proposal, please contact Bill Hasencamp of my staff at 213-217-6520.

Sincerely,


Jeffrey Kightlinger
General Manager

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