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May 14, 2019

Commissioner Brenda Burman
United States Department of the Interior
Bureau of Reclamation
1849 C Street, N.W.
Washington DC 20240

Re: Lower Basin Drought Contingency Operations Intentionally Created Surplus Exhibits

Dear Commissioner Burman:

On April 16, 2019, President Trump signed H.R. 2030 and the Colorado River Drought Contingency Plan Authorization Act (the “Act”) became law (Public Law No. 116-14). Among other matters, the Act directs the Secretary of the Interior to execute and carry out certain agreements concerning Colorado River Drought Contingency Management and Operations after execution by the other parties thereto, including the Lower Basin Drought Contingency Plan Agreement (“LB DCP Agreement”). Exhibit 1 to the LB DCP Agreement contains the Lower Basin Drought Contingency Operations (or “LBOPs”) provisions for implementing drought actions in the Lower Basin. Section IV.E.2 of the LBOPs provides that the parties from each State to the Lower Basin Drought Contingency Agreement “shall identify, for their respective States, such new or modified ICS Exhibits from that State that are necessary to implement the provisions of the LB DCP Agreement and these LBOPs, and the Secretary shall approve and implement such new or modified ICS Exhibits.” This letter is respectfully submitted on behalf of the State of Arizona pursuant to Section IV.E.2 of the LBOPs.

The ICS Exhibits necessary to implement drought actions in Arizona under the LB DCP Agreement and LBOPs are listed below and a copy of each Exhibit is attached to this letter:

- LBOps ICS Exhibit Q: Central Arizona Water Conservation District-Funded Intentionally Created Surplus Water Supply from Conserved Water
- LBOps ICS Exhibit R: Central Arizona Water Conservation District – Demand Reduction Incentives to Create Extraordinary Conservation Intentionally Created Surplus

- LBOps ICS Exhibit S: Colorado River Indian Tribes Extraordinary Conservation – Intentionally Created Surplus Fallowing
- LBOps ICS Exhibit T: Gila River Indian Community Extraordinary Conservation Intentionally Created Surplus Project
- LBOps ICS Exhibit U: Mohave Valley Irrigation and Drainage District Extraordinary Conservation Intentionally Created Surplus
- LBOps ICS Exhibit V: Wellton-Mohawk Irrigation and Drainage District Extraordinary Water Conservation Intentionally Created Surplus Land Fallowing

We wish to thank you and the many Bureau of Reclamation and Department of the Interior employees who have helped us cross the finish line with this landmark series of agreements designed to help sustain the entire Colorado River System.

Sincerely,



Thomas Buschatzke
Director

LBops ICS Exhibit Q

Central Arizona Water Conservation District (CAWCD)- Funded Intentionally Created Surplus (ICS) Water Supply from Conserved Water

Type: Consistent with Article 2 of the Forbearance Agreement, CAWCD will create the following types of Extraordinary Conservation ICS:

- 2.1 A. Fallowing of land that currently is, historically was, and otherwise would have been irrigated in the next Year; and,
- 2.1. H. Other extraordinary conservation measures, including development and acquisition of a non-Colorado River System water supply used in lieu of Mainstream water within the same state, as agreed upon by the Parties pursuant to this Forbearance Agreement.

Under agreements CAWCD will execute with CAWCD customers holding contracts for the delivery of Central Arizona Project (CAP) water, CAWCD will conserve Colorado River water that would otherwise be delivered to these CAWCD water users from the Colorado River Mainstream by offsetting or reducing that Colorado River Mainstream water use.

Such extraordinary conservation will be achieved by: fallowing irrigated agricultural lands within CAWCD's service area and use non-Mainstream water supplies in lieu of Colorado River Mainstream water which may include the transfer or delivery of long-term storage credits, investment in new conservation programs and infrastructure, investment in new water development projects and infrastructure, investment in new reuse programs, and investment in new demand reduction programs.

Verification: On or before October 1 of each year, CAWCD receives water orders from all of its customers for the coming year. For each CAWCD customer participating in this Extraordinary Conservation (EC) ICS program, CAWCD shall submit the participating customers' original water order to the United States Bureau of Reclamation prior to January 1 of the following year.

By delivering non-Mainstream water in lieu of Colorado River Mainstream water to CAWCD customers or by its customers' reducing their usage of water through extraordinary conservation programs, CAWCD will reduce its deliveries of Colorado River Mainstream water by an equal quantity of water. This reduction in net deliveries will therefore result in an equivalent reduction in net diversions by CAWCD of Colorado River Mainstream water at the Mark Wilmer Pumping Plant and a net reduction in releases from Colorado River Mainstream system storage. Only those reductions in diversions to the Mark Wilmer Pumping Plant, as measured against CAWCD's original water orders submitted by CAWCD customers, shall be eligible for creation of EC ICS pursuant to this Exhibit Q.

Total Amount of ICS Credited Annually: The amount of EC ICS that can be created during any Year is limited to the reduction in deliveries to CAWCD ICS Program participating customers from those CAWCD deliveries of Colorado River Mainstream water that were originally scheduled to be delivered to those CAWCD ICS Program participating customers, provided that CAWCD does not divert such water.

The volume of water conserved pursuant to this program eligible for the creation of EC ICS is

further limited to 100,000 acre-feet per year and is subject to the following:

Limitations on Creation of EC ICS

The amount of EC ICS that CAWCD may create in any Year is limited to the amount of Colorado River Mainstream water that, if added to its consumptive use, would not result in an inadvertent overrun pursuant to the October 10, 2003 Inadvertent Overrun and Payback Policy.

- a) The total amount of annual EC ICS created by this program is limited to the amount of water that would have otherwise been delivered for beneficial use from the Colorado River Mainstream.
- b) Underused or unused CAWCD apportionment is not eligible for creation of EC ICS. EC ICS may only be created on CAWCD water orders that are reduced by the delivery of non-Mainstream water supplies or through extraordinary conservation programs.
- c) EC ICS may only be created in 2015 and 2016.

Limitations on Delivery of EC ICS

In addition to the conditions specified in Article 2.6 of this Forbearance Agreement:

- a) CAWCD will limit the delivery of EC ICS to Direct Delivery Domestic Use as defined in Section XI.F.13. of the Secretary of the Interior's Record of Decision, Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead, December 2007, and authorities pursuant to ARS 48-3700 et seq.
- b) CAWCD will not request delivery of EC ICS prior to January 1, 2020, unless the August 24-Month study in years prior to 2020 projects Lake Mead's elevation to exceed 1,145 feet on January 1 of the subsequent year.

LBOps ICS Exhibit R

Central Arizona Water Conservation District (CAWCD) – Demand Reduction Incentives to Create Extraordinary Conservation Intentionally Created Surplus (EC-ICS)

Type: Consistent with Article 2 of the Forbearance Agreement, CAWCD will create Extraordinary Conservation Intentionally Created Surplus (EC-ICS) through investments in new projects and programs that reduce existing consumptive use of Colorado River water. Such extraordinary conservation will be achieved through payments or other incentives to CAP water users to reduce their historic beneficial and verified use of CAP water.

Basis of Water Rights: Contract Between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project, Contract No. 14-06-W-245 (Dec. 1, 1988), *as modified by Stipulated Judgment, Central Arizona Water Conservation Dist. v. United States*, Nos. CIV 95-625 TUC-WDB, CIV 95-1720-PHX-EHC (Consol.) (Nov. 21, 2007)

Term: The term of this Exhibit R is coterminous with the Interim Guidelines.

Demand Reduction Programs:

CAWCD has executed CAP demand reduction agreements with CAP water users for 2018 – 19, and intends to extend those agreements through 2026 as appropriate. The program is summarized below:

1. Through agreements executed by CAWCD with CAP water users holding contracts for delivery of CAP water, CAWCD will pay or provide incentives to those CAP water users to reduce their scheduled CAP delivery. In return for the reduction in a scheduled CAP delivery, CAWCD will forgo diversion of the Colorado River water that would otherwise be delivered to those CAP water users, creating an equivalent volume of EC-ICS for CAWCD. To be eligible to participate, the CAP water users must demonstrate full use of their CAP water supply for 4 out of the previous 5 years, which use includes participation in other conservation and forbearance programs. For those CAP water users that have not demonstrated full use for that time period, but have used a portion of their CAP entitlement for 4 out of the previous 5 years, they will agree to limit their CAP water use to that volume equal to their average CAP deliveries from the highest 4 out of the previous 5 years less the demand reduction volume.

CAP Demand Reduction Verification: For each CAP Demand Reduction EC-ICS project:

1. CAWCD will provide Reclamation executed copies of demand reduction agreements between CAWCD and participating CAP water users.
2. CAWCD and its partners will provide the recent history of the participating CAP water users' CAP allocation and deliveries to demonstrate recent history of use.

3. CAWCD will provide an original water delivery schedule reflecting the full demands from CAP water users prior to the implementation of the demand reduction programs.
4. CAWCD will adjust its water order to Reclamation downward to reflect the reduction in demands by CAP water users participating in the demand reduction program pursuant to the demand reduction agreements. Through this adjusted water order to Reclamation and other supporting documentation, CAWCD will provide a record of water delivery and consumptive use for the period of EC-ICS creation. Only those reductions in diversions to the Mark Wilmer Pumping Plant, as measured against CAWCD's original delivery schedule submitted by CAWCD customers, shall be eligible for creation of EC-ICS pursuant to this Exhibit R.

Total Amount of ICS Credited Annually: The amount of EC-ICS that can be created during any Year is limited to the reduction in deliveries by CAWCD that were originally scheduled to be delivered prior to the implementation of those CAWCD ICS Programs, provided that CAWCD does not divert such water.

The volume of water conserved pursuant to this program eligible for the creation of EC-ICS is further limited to 100,000 acre-feet per year consistent with the Section G.3.B.4.c. of the Guidelines and as amended by DCP agreements.

Limitations on Creation of EC-ICS:

1. The amount of EC-ICS that CAWCD may create in any Year is limited to the amount of Colorado River water that, if added to its consumptive use, would not result in an inadvertent overrun pursuant to the October 10, 2003 Inadvertent Overrun and Payback Policy.
2. The total amount of annual EC-ICS created by this program is limited to the amount of water that would have otherwise been delivered for beneficial use from the Colorado River.
3. Underused or unused CAWCD apportionment is not eligible for creation of EC-ICS.

Limitations on Delivery of EC ICS:

In addition to the conditions specified in Article 2.6 of the Forbearance Agreement:

1. CAWCD will limit the delivery of EC-ICS to be consistent with the terms of the Delivery Agreement between CAWCD and the Secretary.

LBOps ICS Exhibit S

Colorado River Indian Tribes Extraordinary Conservation—Intentionally Created Surplus Fallowing

Creator: Colorado River Indian Tribes (“CRIT”)

ICS Category: Extraordinary conservation from land fallowing (“EC-ICS”) as provided for in the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (“Guidelines”).

Water Right: The CRIT allocation of water from the mainstream of the Colorado River was decreed by the United States Supreme Court in *Arizona v. California*, 373 U.S. 546 (1963) and 376 U.S. 340, as revised in *Arizona v. California*, 547 U.S. 150, 158, and Appendix at 169 (2006) (commonly referred to as the 2006 Consolidated Decree.) The CRIT allocation for use in Arizona is for annual quantities not to exceed (i) 662,402 acre-feet of diversions from the mainstream or (ii) the quantity of mainstream water necessary to supply the consumptive use required for irrigation of 99,375 acres and for the satisfaction of related uses, whichever of (i) or (ii) is less. (2006 Consolidated Decree 547 U.S. at 157, 169). The CRIT water is accounted for annually by the Bureau of Reclamation (“Reclamation”) in the *Colorado River Accounting and Water Use Report: Arizona, California, and Nevada*.

Project Description: CRIT will fallow parcels of land on the part of the Colorado River Indian Reservation that is in Arizona. Parcels of land will be designated for fallowing on an annual basis and described in a Creation Plan. To be eligible for designation, each parcel will have a history of irrigation for at least 4 out of the most recent 5 years. Each parcel may be designated for fallowing for no more than 5 consecutive years.

If a parcel designated to be fallowed for EC-ICS is currently fallowed for a System Conservation program or other state or federal approved fallowing program, the time period for calculation of consumptive use (“CU”) and diversion reductions will be the 4 out of the most recent 5 years prior to designation of that parcel in an approved System Conservation, EC-ICS, or other approved program.

Annual ICS Creation Amount and Total Accumulation: CRIT will create annual amounts of EC-ICS not to exceed an annual creation of 10,000 acre-feet calculated as a reduction in CU. CRIT will accumulate a maximum of 20,000 acre-feet.

CRIT may also be creating Arizona System Conservation as part of the intra-Arizona Implementation Plan for DCP by fallowing parcels of irrigated land and may designate the volume of CU not compensated through the Arizona System Conservation program for EC-ICS creation. An example of this would be fallowing 10,200 acres of previously irrigated farm land with a CU of 5.2 acre-feet per acre for a total of 53,040 acre-feet per year. Of the 53,040 acre-feet of CU reduction, 50,000 acre-feet would be designated as Arizona System Conservation and

the balance of 3,040 acre-feet designated as EC-ICS. At no time will the same reduction in CU be counted as both Arizona System Conservation and EC-ICS, nor will the combined total volume of Arizona System Conservation and EC-ICS exceed the annual reduction in CU.

Quantification Methodology: CRIT will fallow land to create annual volumes of EC-ICS. The volume of CU reduction will be computed using the average annual net crop CU for the designated parcels in the previous 5-year period in acre-feet per acre, multiplied by the number of acres fallowed. For designated parcels that have less than 5 years of history of irrigation, the CU reduction will be equal to the average CU from the highest 3 out of the last 5 years. Crop CU or crop evapotranspiration (crop ET) for each of the previous 5 years will be determined using reference crop ET computed using operational weather data collected at Arizona Meteorological Network (“AZMET”) electronic weather stations located in the Parker Valley area and crop coefficients from the Lower Colorado River Annual Summary (LCRAS). Monthly net crop CU will be computed by reducing the crop CU (crop ET) by the monthly effective precipitation. Monthly effective precipitation will be determined from total measured precipitation in the Parker Valley area and LCRAS monthly effective precipitation coefficients.

CRIT will reduce its annual diversion water order request to the Bureau of Indian Affairs (“BIA”) under Title 43 Code of Federal Regulations Part 417 for all fallowed lands using a calculation of project efficiency. Project efficiency will be calculated as the ratio of CU to diversion of the Colorado River Indian Irrigation Project as reported in the most recent annual Reclamation *Colorado River Accounting and Water Use Report – Arizona, California, and Nevada*.

As part of the Intra-Arizona Implementation Plan for DCP, CRIT may enter into an agreement to cap the annual amount of water diverted or cap the maximum annual CU available for use in Arizona. If such an agreement is entered into, CRIT will include the agreed upon maximum diversion and CU in all Creation Plans with reference to the Arizona System Conservation Agreement to which the United States will be a party.

Verification Methodology: During the fallowing period, in order to ensure that any vegetation remaining on the fallowed lands does not consumptively use Colorado River water by drawing water from the Colorado River aquifer, and for dust control purposes, CRIT shall, at its expense, ensure that any such vegetation is desiccated through application of herbicides or other means. CRIT agrees to provide Reclamation, Arizona Department of Water Resources, and other applicable entities, with information and updates, when requested, regarding the vegetation eradication program.

CRIT will reduce its annual diversion water order request to the BIA under Title 43 Code of Federal Regulations Part 417 to ensure that its diversion is reduced by the amount of water annually conserved by the fallowing project. Reclamation will use its existing verification process and satellite imagery in conjunction with its Remotely Sensed Data Acquisition Program to determine that the lands are fallowed as proposed.

CRIT agrees to furnish and install padlocks to lock the farm gate turnouts on fields fallowed to the extent possible to do so. In the event that a turnout serves multiple fields of which not all are

being fallowed, other practical mechanisms, including but not limited to, dirt berms in the portion of the irrigation ditch serving the fallowed field, or sealing the on-farm turnouts onto fallowed fields will be used to the extent possible to ensure that no water deliveries can be made onto the fallowed fields.

Limitations on the ICS Creation Amount: CRIT will not create EC-ICS if it would result in an overrun in the year of creation.

Certification: CRIT will submit an ICS Certification Report demonstrating the amount of ICS created under this Exhibit S and that the creation was consistent with an approved ICS Creation Plan, this Exhibit S, and a Delivery Agreement. CRIT acknowledges that, in accordance with Section 2.5.B of the Lower Colorado Intentionally Created Surplus Forbearance Agreement (December 13, 2007), the Secretary shall verify information in a Certification Report in consultation with the Lower Division States and provide a final written decision to the Parties.

Delivery of ICS: Delivery of ICS created pursuant to this Exhibit S shall be consistent with terms of a Delivery Agreement entered into between the Secretary of the Interior and CRIT pursuant to the terms of the 2007 Interim Guidelines and Policy.

LBOps ICS Exhibit T

Gila River Indian Community

Extraordinary Conservation Intentionally Created Surplus (EC-ICS) Project

1. Basis of Right:

Contract No. 3-07-30-W0284, pursuant to the Arizona Water Settlements Act (AWSA), Pub. L. 108-451. The Gila River Indian Community is entitled to 311,800 acre-feet per year (AFY) of CAP Water, consisting of Colorado River Water and other Project Water as defined in the Repayment Stipulation¹, which is delivered through the Central Arizona Project (CAP Water).

ICS created through this Exhibit shall solely be through the conservation of water to which the Community is entitled pursuant to the AWSA that is delivered to it through the Amended Central Arizona Project Delivery Contract Between the United States and the Gila River Indian Community. Nothing in this Exhibit shall be construed to affect the water rights of any other tribe or reservation.”

2. Historic Use:

Not including leased or exchanged water, from 2013-2017 the Community used an average of 233,530 AFY of CAP Water for on-Reservation irrigation, storage in Groundwater Savings Facilities (GSFs) and Underground Storage Facilities (USFs), or system conservation.

As furtherance of extraordinary conservation efforts the Community is prepared to significantly curtail GSF and USF storage activities and forgo some of the revenue associated with creating long-term storage credits (Storage Credits) at these facilities in furtherance of the State of Arizona’s implementation of the Lower Basin Drought Contingency Plan. Since 2010 the Community has created approximately 150,000 Storage Credits per year. These Storage Credits are transferable. The present market value of Storage Credits can vary but is typically between \$300 and \$400 per credit.²

3. Type:

The Community agrees to develop EC-ICS through “other extraordinary conservation measures, including but not limited to, development and acquisition of a non-Colorado River System water supply used in lieu of Mainstream water within the same state”.

¹ Repayment Stipulation means the Stipulated Judgement and the Stipulation for Judgement entered on November 21, 2007, in the United States District Court for the District of Arizona in Central Arizona Water Conservation District v. United States, et. al., and numbered CIV 95-625-TUC-WBD (EHC) and CIV 95-1720-PHX-EHC.

² Proceeds from Storage Credit sales were used to establish, and are used to augment, the Community’s Permanent Water Fund. The Permanent Water Fund was established by the Community to generate income in perpetuity to be used to cover water costs associated with restoring the Community’s traditional agricultural economy and restoring portions of the Gila River on its Reservation.

4. Project Description:

The Community will reduce the quantity of CAP Water requested for delivery. The Community will conserve CAP Water in a given year by forgoing opportunities to deliver CAP Water to GSFs and USFs with whom the Community would have otherwise stored water for the purpose of creating Storage Credits, the sale of which would have generated revenue necessary to cover the Community's long-term water costs.

5. Annual EC-ICS Creation Amount:

ICS creation will be subject to the annual maximum creation limit for Arizona, including any borrowed capacity pursuant to the Lower Basin Drought Contingency Operations, and subject to applicable intrastate agreements with other ICS creators in Arizona.

6. Quantification:

The conserved water yield for foregoing storage opportunities will be based on the Community's historic use of CAP Water and deliveries to GSFs/USFs that would have been made in the year that EC-ICS is being created based upon available storage space at the GSFs/USFs that would agree to take delivery of the Community's water.

With respect to available storage space at GSFs/USFs, as part of its annual plan of creation the Community will provide letters from GSFs/USFs certifying that capacity exists and that agreements to store the water are in place.

The baseline for the Community's historic use will be the average of the highest four (4) out of the rolling five-year deliveries, not including the immediate, preceding year. For example, if the Community created EC-ICS under this Exhibit T in 2019, the baseline would be calculated using the highest four out of years 2013 through 2017, but not year 2018. Deliveries of CAP Water would include those deliveries for Community benefit (on-Reservation use, and temporary annual leases or exchanges), CAP Water delivered to off-Reservation GSFs/USFs, and CAP Water used for conservation. The baseline calculations will not include i) the full entitlement of Community's long-term leases with third parties that have been exercised, and ii) five-year rolling average of deliveries made to satisfy Community's long-term exchanges with third parties. The amount of CAP Water conserved by forgoing storage opportunities shall not exceed the Community's baseline for the Community's historic use, less:

- a. Deliveries to GSFs/USFs located on or off the Reservation in the year EC-ICS is created;
- b. Deliveries to its Reservation for irrigation in the year EC-ICS is created; and
- c. Any CAP Water conserved pursuant to a system conservation agreement or other Community ICS exhibit in the year EC-ICS is created.

The sum of the (i) delivery of CAP Water to the Community's Reservation, and temporary annual leases and exchanges, (ii) the delivery of Community CAP Water to off-Reservation

GSFs/USFs, (iii) the delivery of Community CAP Water to third-parties pursuant to long-term leases and/or exchanges, (iv) the conservation of Community CAP Water to create EC-ICS pursuant to this Exhibit T or any other Community ICS exhibit, and (v) the conservation of Community CAP Water pursuant to a system conservation agreement shall not exceed 311,800 AFY (Entitlement Maximum).

7. Verification:

The amount of CAP Water conserved by the Community through extraordinary conservation measures and the EC-ICS created will be accounted for in a report and provided to Reclamation (ICS Certification Report). The ICS Certification Report shall include the following information:

- a. End of year letters from its GSF/USF partners to confirm the specific amount of water that the Community would have stored in GSFs/USFs, as well as GSF/USF storage space that was available to the Community but not used by the Community in that year.
- b. Documentation that the amount of water conserved for forgoing storage opportunities does not exceed the Community's five-year Average Use, less:
 - i. Deliveries of Community CAP Water to GSFs/USFs located on or off the Reservation in the year EC-ICS is created;
 - ii. Deliveries of Community CAP Water to its Reservation for irrigation in the year EC-ICS is created; and
 - iii. Any Community CAP Water conserved pursuant to a system conservation agreement or other Community ICS exhibit in the year EC-ICS is created.
- c. Documentation that the Community's Entitlement Maximum of 311,800 AFY was not exceeded.
- d. Any other information requested by Reclamation.

8. Limitations on Creation of EC-ICS:

The amount of water conserved by the Community through extraordinary conservation measures may be used to create EC-ICS on an annual basis, subject to limitations set forth in 2007 Guidelines and Lower Basin Drought Contingency Operations, as well as applicable agreements with other Arizona entities creating ICS.

9. Certification:

The Community will submit an ICS Certification Report demonstrating the amount of ICS created under this Exhibit T and that the creation was consistent with an approved ICS plan of creation, this Exhibit T, and Delivery Agreement No. 19-XX-30-W0651.

10. Delivery:

Delivery of ICS created pursuant to this Exhibit T shall be consistent with the terms of Delivery Agreement No. 19-XX-30-W0651 entered into between the Secretary of the Interior and the Community.

11. Counterparts:

This Exhibit T may be executed in counterparts, each of which shall be an original and all of which, together, shall constitute only one Exhibit T.

LBOps ICS Exhibit U

Mohave Valley Irrigation and Drainage District(MVIDD) Extraordinary
Conservation Intentionally Created Surplus (EC-ICS)

Land Fallowing Program

ICS Category: 2.1 A - Extraordinary Conservation EC-ICS - Fallowing of land.

Project Description: Mohave Valley Irrigation and Drainage District (MVIDD) is an irrigation district formed under Title 48, Ch. 19, Arizona Revised Statutes. MVIDD holds a contract with the United States Bureau of Reclamation (USBR) issued under Section 5 of the Boulder Canyon Project Act of 1928, (USBR Contract No. 14-06-W-204) in the amount of 41,000 acre feet annually, and also holds a supplemental contract for use of Colorado River water through the Mohave County Water Authority (Contract No. 09-101) in the amount of 1,250 acre feet annually. MVIDD's exterior boundaries include lands that are part of the Fort Mohave Indian Reservation. MVIDD does not deliver water to those lands. All references to MVIDD and MVIDD water use described here are solely for non-Indian lands within MVIDD.

This project will conserve water by reducing the consumptive use of Colorado River water within MVIDD by fallowing MVIDD agricultural lands with a recent history of irrigation. The program is intended to coordinate with the State of Arizona's Drought Contingency Planning program (DCP).

Annual ICS Creation Amount: The program will yield up to 10,000 acre-feet of EC-ICS.

Administration: MVIDD will undertake to administer the program at the local level, including preparation of necessary enrollment documents, scheduling of annual participation quantities, verification of compliance, impact mitigation, and overall reporting to USBR.

MVIDD will obtain necessary permission to lock out any gates for participating fields as needed. In the case of shared gates, a physical obstruction will separate the fallowed fields and prevent delivery of water.

Enrollment: The fallowing program participants will consist of owners of agricultural land within MVIDD. An enrollment process will be created whereby participating farmers will voluntarily agree to limit or alter the planting of crops on land that has been verified as actively cultivated (or enrolled and fallowed} in the last 3 of the last 5 years. To make participation equitably available, the minimum number of acres will be 10 acres.

Quantification Methodology: Conserved water yield for fallowed fields will be based on a study of consumptive use of crops planted on the agricultural lands enrolled in the program

averaged over the last five year's water use and crop history. Consumptive use (CU) reduction for the parcels designated to be fallowed will be computed in acre-feet per acre, then multiplied by the number of acres fallowed. Crop CU (crop evapotranspiration) for each of the previous five years will be determined using reference crop evapotranspiration computed using operational weather data collected at Arizona Meteorological Network (AZMET) electronic weather stations located in the Mohave Valley area and crop coefficients from the Lower Colorado River Annual Summary (LCRAS). For parcels that have less than five years of cultivation, the CU reduction will be equal to the average CU from the highest 3 out of the 5 years.

Once identified, enrolled field locations will be assigned a consumptive use value for the upcoming year based on a rolling average of the actual crop CU for active fields and the calculated CU for fallowed fields as identified above. When fields are fallowed, the consumptive use value of the water not diverted shall be reported as conserved water.

MVIDD's Land Fallowing Program will enroll lands as participating in either Annual Rotational Fallowing or Seasonal/Crop Selection Fallowing, and will quantify the conserved water as follows:

- Annual Rotational Fallowing: Up to 50% of a farm's enrolled lands will be eligible for fallowing in any year. Selected acres will remain fallow for the entire year. The conserved water yield will be the difference between the selected acres' assigned consumptive use value and zero annual water use as a fallowed acre. Rules will be imposed to require rotation of planted crops among the enrolled acres at least every three years. Enrollment will remain open, allowing lands to enroll or de-enroll during the program.
- Seasonal/Crop Selection Fallowing: Up to 100% of a farm's enrolled lands will be eligible for fallowing, but for only a portion of the year. Agricultural land with a recent history of year-round irrigation will be fallowed for up to an eight-month period during the year. The selection of a crop with a shorter, and typically cooler, growing season yields conserved water. The conserved water yield will be the difference between the assigned consumptive use value associated with the crop(s) that required year-round irrigation (e.g. alfalfa) and the water that will be consumptively used growing crops that require partial year irrigation (e.g. winter wheat), using the same crop CU calculation methods identified above. Enrollment will remain open, allowing lands to enroll or de-enroll during the program.

All fields within MVIDD do not currently have flow-metered water delivery systems, but MVIDD is in the process of installing or requiring installation of meters on all points of diversion for each farm. That program should be completed in 2019 and those systems will be checked and verified by MVIDD during the year to ensure that water is not delivered to

any farm in excess of the water allocated to the non-fallowed portion of the farm. Installation of meters on the farm point of diversion shall be a prerequisite to any farm's entry into the MVIDD fallowing program.

MVIDD's consumptive use baseline will be calculated as the rolling average of the highest four (4) of the most recent five years, not including the immediately preceding year, but including the reduction in consumptive use attributable to the fallowed lands. The amount of EC-ICS that MVIDD may create in any year is limited to the amount of Colorado River water that, if added to its actual consumptive use, would not exceed the consumptive use baseline.

Verification Methodology: During the fallowing period, in order to ensure that any vegetation remaining on the fallowed lands does not consumptively use Colorado River water, and for dust control purposes, MVIDD shall, at its expense, ensure that any such vegetation is desiccated through application of herbicides or other means.

MVIDD staff will monitor fields throughout the year to verify water is not being used on fallowed lands. In addition to MVIDD verification, USBR may conduct an independent annual verification. MVIDD will also monitor total water use within each farm to ensure that remaining water use allocation for the enrolled but not fallowed lands has not been exceeded.

Limitations on the ICS Creation Amount: To provide assurance that water conserved by active fallowing of agricultural lands will result in a reduction of agricultural consumptive use within MVIDD, MVIDD will administer the following safeguards:

- During the term of the program, there shall be no net increase of agricultural water entitlements within MVIDD.
- Any land enrolled in the program will not be allowed to "overrun" any agricultural water entitlement remaining on the non-fallowed land.

Certification: MVIDD will submit an ICS Certification Report as required by Section XI.G.3.D.1 of the 2007 Colorado River Interim Guidelines, reporting the amount of ICS created under this Exhibit U and that the creation was consistent with an approved ICS Plan, this Exhibit U, and a Delivery Agreement. MVIDD acknowledges that, in accordance with Section 2.5.B of the Forbearance Agreement, the Secretary shall verify information in a Certification Report in consultation with the Lower Division States and provide a final written decision to the Parties.

Delivery: MVIDD shall enter into a separate delivery agreement for ICS consistent with Article XI.B of the 2007 Colorado River Interim Guidelines.

LBOps ICS Exhibit V

Wellton-Mohawk Irrigation and Drainage District Extraordinary Water Conservation Intentionally Created Surplus (EC-ICS) Land Fallowing

ICS Category: Extraordinary Conservation Intentionally Created Surplus

Subcategory: Land Fallowing

Background:

Wellton-Mohawk Irrigation and Drainage District is an Arizona municipal corporation established by a resolution and order dated July 23, 1951, as adopted by the Board of Supervisors of Yuma County, Arizona in conformity with the provisions of Article 2, Chapter 75, of the Arizona Code of 1939, now codified as Arizona Revised Statutes (A.R.S.) Chapter 19, Title 48, Sections 2901-2923. The resolution and order are filed in Docket 40, Pages 513-521, records of the County Recorder, Yuma County, Arizona.

Article 13, Section 7 of the Arizona Constitution states “Irrigation, power, electrical, agricultural improvement, drainage and flood control districts, and tax levying public improvement districts, now or hereafter organized pursuant to law, shall be political subdivisions of the State, and vested with all the rights, privileges and benefits, and entitled to all the immunities and exemptions granted municipalities and political subdivisions under this Constitution or any law of the state.”

A.R.S 48-2901 specifically states “All irrigation districts organized under the laws of this state are declared to be municipal corporations for all purposes.”

As a political subdivision of the State of Arizona, the Wellton-Mohawk Irrigation and Drainage District does not have organizational bylaws. The District’s governing statutes are prescribed by the State and can be found at Arizona Revised Statutes (A.R.S.), Title 48, Chapter 19.

Project Description:

The purpose of this project is to provide Wellton-Mohawk Irrigation and Drainage District (the “District”) an additional tool to manage inadvertent overruns, ensure efficient use of the District’s Colorado River entitlement (Reclamation Contract No.1-07-30-W0021 as amended), and allow District participation in the Arizona Drought Contingency Plan (DCP) Conservation Program.

Land Fallowing Project Implementation:

- a. Fallowing of up to 3,000 acres of agricultural land, on either an annual, seasonal, or crop basis, or combination thereof, to create up to 10,000 acre-feet per year of ICS. To be eligible, lands must have a recent history of irrigation for at least four out of the last five years.
- b. District-owned land will have first priority for full year fallowing. In case of landowner interest exceeding available program acreages, the District’s Board will select participating

fields to insure impacts and benefits are spread throughout the District and among interested landowners.

- c. Compensation will be based on an annual or monthly per-acre basis in alignment with common land rental practices within the District.
- d. Participating landowners will be required to pay the District's full annual per acre O&M assessment.
- e. Landowners will be responsible for weed, dust, and nuisance control. Lands fallowed for a full year must have an established cover crop (e.g., Bermuda grass) at the beginning of the fallowing period. The cover crop will be left to provide a ground cover but will not be irrigated for the duration of the fallowing period. The landowner may also implement other suitable land conservation practices.

Annual ICS Creation Amount: Up to 10,000 acre-feet per year of EC-ICS

Quantification Methodology:

Pursuant to Reclamation Contract No. 1-07-30-W0021, as amended, the Wellton-Mohawk Irrigation and Drainage District holds a consumptive use entitlement (diversions less return flows) of 278,000 acre-feet per year of Colorado River water to irrigate up to 62,744 acres of agricultural land within the boundaries of the District. Depending on cropping patterns, actual acreage farmed and weather, the District diverts between 360,000 and 415,000 acre-feet of Colorado River Water per year and returns between 100,000 and 140,000 acre-feet per year to the Main Outlet Drain as pumped drainage water.

- a. Annual fallowing: agricultural land with a recent history of irrigation (at least four of the last five years) will be fallowed for a 12-month period, either January through December or October through September. Participation will be on a full field (single delivery point) basis only. The conserved water yield will be based on the previous five years of consumptive use history for the specific field fallowed. In the absence of crop information or field level data for fields designated to be fallowed, an alternative calculation methodology may be proposed and used after approval of the appropriate parties.
- b. Seasonal fallowing: agricultural land with a recent history (at least four of the last five years) of irrigation will be fallowed for a four-month period, approximately April 15 through August 15. Participation will be on a full field (single delivery point) basis only. The conserved water yield will be based on the previous five years of consumptive use history for the specific field and specific months fallowed. In the absence of crop information or field level data for fields designated to be fallowed, an alternative calculation methodology may be proposed and used after approval of the appropriate parties.
- c. Crop Basis Fallowing: on agricultural land with a recent history of irrigation (at least four of the last five years), a full season non-hay spring crop usually grown in rotation with fall produce crops, will not be grown. The primary target crop is wheat with a December through May growing period. The conserved water yield will be based on the three-year

average District-wide consumptive use rate for that specific crop. Participation will be on a full field (single delivery point) basis only.

WMIDD's historic consumptive use baseline will be calculated as the rolling average of the highest four (4) of the most recent five years, adjusted for conservation, not including the immediate preceding year. The amount of EC-ICS that WMIDD may create in any year is limited to the amount of Colorado River water that, if added to its consumptive use, would not exceed the consumptive use baseline.

Verification Methodology:

- a. Fallowed field locations will be provided to the Arizona Department of Water Resources and the U.S. Bureau of Reclamation as soon as landowner participation agreements are executed.
- b. Participating fields will be coded as non-irrigable in the District's water accounting system, thereby prohibiting water orders from being entered for those fields.
- c. All delivery gates in the District are Reclamation-designed Constant Head Orifice (CHO) gates. The gate wheels will be removed to secure the delivery gate and avoid inadvertent irrigation.
- d. District staff will monitor participating fields to ensure compliance.
- e. In addition to field verification by the District, Reclamation will conduct an independent verification.
- f. Diversion reduction accounting will be at the District's diversion point at Imperial Dam (the Gila Gravity Weir) by adding an average loss of 6% between the diversion and the field.

Limitation on the ICS Creation Amount:

The maximum amount of ICS that the District may create in any year pursuant to this Exhibit is limited to the amount of Colorado River water, that if added to its consumptive use, would not result in an Inadvertent Overrun pursuant to the October 10, 2003 Inadvertent Overrun and Payback Policy.

The total amount of ICS created pursuant to this Exhibit shall not exceed 10,000 acre-feet per year for storage in Lake Mead and shall not exceed 20,000 acre-feet in aggregate.

Certification:

Pursuant to Section XI.F, XI.G, and Section 3.D.1 of the *Record of Decision, Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations of Lake Powell and Lake Mead*, dated December 2007, Wellton-Mohawk Irrigation and Drainage District acknowledges the requirement to submit a Certification Report for the Secretary's review and verification containing appropriate information to demonstrate the amount of ICS created and that

the method of creation was consistent with this Exhibit, and approved ICS Plan and a Delivery Agreement.

Delivery:

ICS created under this Exhibit shall be delivered in accordance with a Delivery Agreement between the United States of America and the Wellton Mohawk Irrigation and Drainage District, subject to a maximum annual delivery volume of 10,000 acre-feet or the total ICS volume created under this Exhibit and remaining undelivered, whichever is less.