



**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

FILED by order  
of the Board of Directors of  
The Metropolitan Water District  
of Southern California  
at its meeting held MAR 10 1992

39519

9-14

*Karen E. [Signature]*  
Executive Secretary

February 26, 1992

To: Board of Directors (Water Problems Committee--Information)  
From: General Manager  
Subject: Proposed Test Land Fallowing Program with Palo Verde Irrigation District

Report

By letters dated December 17, 1991 and January 28, 1992, your Board was informed of the principles on which Metropolitan has been negotiating a test land fallowing program with Palo Verde Irrigation District (PVID). Those draft principles provide for the fallowing of 22,000 acres in PVID over a two-year period and provide for Metropolitan to compensate the growers at a rate of \$620 per acre per year. Metropolitan in total would pay approximately \$27 million dollars plus administrative costs for the program and approximately 200,000 acre-feet would be available to it up to January 1, 2000.

In developing the principles into a draft Program Agreement with representatives from PVID, Imperial Irrigation District (IID), Coachella Valley Water District (CVWD), the United States Bureau of Reclamation (United States), and the states of Arizona and Nevada, further minor revisions have been made to those principles presented to your Board in my January 28, 1992 letter. These further revisions include:

- providing for the United States to be a party to the Program Agreement instead of the previous procedure of approving of such agreement,
- proportioning the amount of saved water for the partial years of 1992 and 1994 based on the past historical average to provide certainty for the accounting of the water saved under the agreement,
- protecting against impairment of the agricultural agencies' water use in 1994 as a consequence of possible excessive water use on the fallowed acres when the land is brought back into agricultural production, and

- developing a Measurement Committee similar to that used under the MWD-IID Water Conservation Agreement.

Copies of the February 26, 1992 draft Program Agreement and Fallowing Agreement containing these revisions are on file in the Executive Secretary's office. There will undoubtedly be further revisions to the language as each of the parties review the agreements. However, based on the current indications, it is anticipated that they would be minor revisions.

CVWD has requested that in addition to the revisions that have been made to the Program Agreement discussed above, Metropolitan provide it with additional clarifications and assurances which do not appear to pose any major significant costs or risks to Metropolitan.

The revised schedule of the contracting process Metropolitan is following in order to have a program in place this summer includes:

- continued circulation and inclusion of appropriate comments in the draft Program Agreement and Fallowing Agreement among the parties during March with an objective of reaching a final consensus by March 31,
- filing environmental documentation to satisfy the requirements of the California Environmental Quality Act in March as well as requesting an interim show of interest by the growers and landowners in the Palo Verde Valley during the week of March 2, and
- following approval by your Board, execution of the Program Agreement among the California contractors and the United States during April.

Final sign-up of the landowners and growers would occur during May.

As previously indicated, there are still significant uncertainties associated with beginning implementation of the test program by this summer and to the extent the program is implemented by this summer your Board would need to identify a funding source for the program.

#### Board Committee Assignment

This letter was referred for information to the Water Problems Committee because of its jurisdiction to study

and advise on the sources of importing water required by Metropolitan pursuant to Administrative Code Section 2481(a).

Recommendation

For information only.

  
for Carl Bononkay

RWS:vb

Attachments