**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

December 29, 1992

To: Board of Directors (Water Problems Committee--Information)
From: General Manager
Subject: Meetings of Representatives of Colorado River Basin Tribes Partnership and Colorado River Basin States

Report

In February 1991, Governor Roy Romer of Colorado wrote Governor Pete Wilson regarding reaching accommodations to assure that Metropolitan would receive a full supply of Colorado River water in 1991. At the same time, Governor Romer requested assurance that California was committed to formal discussions to resolve longer term issues with the other Colorado River Basin states. Governor Wilson responded that he was committed to such formal discussions and indicated that the Executive Director of the Colorado River Board of California would represent him in those discussions. As those discussions evolved, representatives of certain Indian tribes with water rights in the Colorado River Basin indicated in November 1991 that the tribes have some water available for off-reservation use and were interested in participating in the states' discussions, and in compensation for use of these waters. Representatives of the Basin states invited the tribes to participate in the discussions.

As a result, ten Indian tribes in the Basin with quantified water rights have formed the Colorado River Basin Tribes Partnership (Partnership). The ten tribes are the Northern Ute, Southern Ute, Ute Mountain Ute, Jicarilla, Navajo, Fort Mojave, Chemehuevi, Colorado, Quechan, and Cocopah. On September 1, 1992, representatives of the Partnership and the Basin states met to discuss the potential interest in the transfer of Indian tribal water rights. Tribal representatives expressed interest also in further discussing the continuing development on Indian reservations, tribal participation in river operation

recommendations, and environmental issues. The state and Tribal representatives agreed to the drafting of a memorandum of understanding (MOU) among the parties which would describe their respective obligations in further discussions. Following discussion of a MOU, the tribal representatives expressed interest in the drafting of an agreement-in-principle between the parties having an interest in acquiring water supplies and those parties having an interest in transferring water to them.

Certain of the Indian tribes may wish to transfer water now being used on their reservations while other tribes may wish to transfer water not now being used by them. Currently, that "unused" water is either utilized by another entity such as Metropolitan, or remains in storage for future allocation such as to the Central Arizona Water Conservation District (CAWCD). A number of state representatives expressed concern with the concept of transferring unused water at the September 1 meeting. The Director of the Colorado River Commission of Nevada and the General Manager of the Southern Nevada Water Authority expressed interest in pursuing the possibility of acquisition of unused water from Indian tribes. Should unused Indian tribal water be leased to an entity in Nevada, CAWCD could claim that it would be adversely impacted if the Secretary of the Interior were to impose a shortage on it earlier in time or greater in magnitude than if such a lease were not consummated.

In late September a representative of the Partnership transmitted a draft MOU to the state representatives for review. The purpose of the MOU was to establish a process that would keep all parties adequately informed of, and at the same time would obligate such parties to respond to, one or more water leasing proposals which may be developed by one or more of the Tribes and states during a twelve-month period beginning December 1, 1992. The MOU covered rules for proposing a water lease, subsequent actions pledged, communications with third parties, and pursuit of nonwater marketing issues.

On November 17, 1992, representatives of the Partnership and states met to discuss the draft MOU. A number of the representatives of states indicated that the draft MOU considered matters which were broader than the

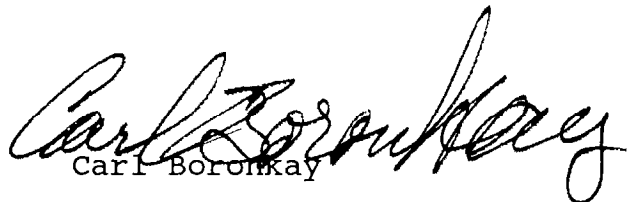
states had anticipated, based on the discussion which took place at the previous Partnership-states meeting. A representative of the State of Colorado suggested that leasing was not the only possible solution to meeting California and Nevada's needs for Colorado River water. Representatives of the Partnership indicated their interest in a consensus-driven approach to further discussions. A process was outlined for moving forward with the discussions. As a first step of the process, documents regarding California and Nevada water demands, tribal supplies, and alternatives for meeting water demands will be prepared by a number of parties and provided to the Partnership and state representatives for review. Representatives of Metropolitan are participating in the discussions. A number of legal and institutional issues would require resolution in these discussions. Such issues include the legal authority of Indian tribes to transfer off-the-reservation and the authority of the Federal Government to modify the current practice of charging the allocation of state of use. Additionally, issues of priority and potential adverse consequences to intervening user would have to be addressed. I will keep your Board informed of developments associated with continued Partnership-states meetings.

Board Committee Assignment

This letter is referred for information to the Water Problems Committee because of its authority to study and advise on the sources of importing water required by Metropolitan pursuant to Administrative Code Section 2481(a).

Recommendation

For information only.


Carl Boronkay

JPM:bvf