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METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Laura E. DeWitt
EXECUTIVE SECRETARY

October 18, 1994

Board of Directors (Water Problems Committee--Information)

To: General Manager

From: Bureau of Reclamation's Interim Proposal to Offset Future
Overuse of Colorado River Water by Users of California's

Subject: First Three Priorities

Report

In 1931, the seven parties in California that had interests in diverting Colorado River water reached an agreement regarding apportionments and priorities of use. The attached Table 1 lists the priorities to use of Colorado River water contained in the Seven Party Agreement (Agreement). However, the Agreement did not identify each entity's entitlement to use of a specified quantity of water within the first three priorities. The first three priorities totaling 3.85 million acre-feet, are held by Palo Verde Irrigation District (Palo Verde), Yuma Project-Reservation Division (Bard Water District and Fort Yuma Indian Reservation), Imperial Irrigation District (Imperial), and Coachella Valley Water District (Coachella).

In the interest of ensuring the beneficial consumptive use of Colorado River water within the amounts specified in the Agreement, Reclamation has been actively encouraging these parties to the Agreement to consider negotiation of definitive amounts of water to be available under the first three priorities. Your Board adopted Resolution 8296 in December 1990 agreeing to enter into good faith negotiations with Palo Verde, Bard, Imperial, Coachella, and the United States to develop an agreement or agreements which would:

1. Define equitable procedures that will ensure that beneficial consumptive use of Colorado River water under the priorities of the Agreement does not exceed the specified amounts.
2. Define inadvertent overruns.
3. Define the method or methods by which inadvertent overruns will be offset.
4. Define which of the Parties will be responsible for offset of inadvertent overruns.

5. Define the time for offset of the inadvertent overruns.

In 1991, the Colorado River Board of California took the lead in facilitating discussions among the entities governed by the Agreement. However, the Parties have not succeeded at reaching closure on the issues of defining each entity's entitlement and determining a method for assigning responsibility for overuse within the first three priorities. As a result, in December 1992 the U.S. Bureau of Reclamation (Reclamation) proposed a method for administering these entitlements. This proposal assigned maximum and minimum entitlements within the first three priorities based on past water use, past efforts to implement conservation, future opportunities to implement conservation, and the senior position of Palo Verde and the Reservation Division of the Yuma Project. However, due to the concerns raised by the affected entities and the need for more accurate and complete data to base the division and quantification of entitlements, Reclamation presented an interim proposal in September 1994 with respect to offsetting overuse within the entitlement of California's first three priorities.

Reclamation's interim proposal recognizes the method for assigning reductions of Colorado River diversions defined in Article III of the 1989 Approval Agreement among Imperial, Metropolitan, Coachella, and Palo Verde (Approval Agreement). The Approval Agreement was developed to encourage Coachella and Palo Verde to agree to the Metropolitan-Imperial Water Conservation Agreement. Subject to certain conditions, Article III of the Approval Agreement requires Metropolitan to reduce its use of water conserved under the Metropolitan-Imperial Water Conservation Program in years when net Colorado River diversions under the first three priorities exceed 3.85 million acre-feet.

Reclamation's interim proposal would be issued as a regulation and based on a method for assigning reductions of Colorado River diversions established in the Approval Agreement. Under the Approval Agreement, if the use of water by the first three priorities, plus any conserved water used by Metropolitan, exceeds 3.85 million acre-feet, Metropolitan, Coachella and Palo Verde are required to reduce their diversions according to a set formula. The formula applies if Imperial has declined to reduce its use of water, and Imperial's net diversions exceed 2.719 million acre-feet upon completion of the conservation program. Furthermore, Coachella's diversions cannot exceed 450,000 acre-feet under the third priority. The interim proposal would follow the procedure contained in the

Approval Agreement for reductions required up to the amount of water conserved by the Metropolitan-Imperial Water Conservation Program. Any remaining reduction required would be borne by Coachella, Palo Verde and Imperial, based on their respective percentages of use within the third priority. An example of the payback obligations is shown in Table 2.

Staff will discuss these and other related issues with Reclamation and the other parties involved and report back to your Board. Whether this method to offset overuse within the first three priorities will serve in the interim until individual entitlements are established remains to be determined. Imperial and Coachella have verbally indicated disfavor with this interim proposal. From Metropolitan's perspective, the proposal is consistent with the terms and conditions of the various water supply programs that staff have been working on and poses less of a threat for having to renegotiate those agreements that have been completed. Reclamation believes that establishment of individual entitlements will assure reasonable beneficial use, maximize use of California's apportionment, provide for drought mitigation and management, avoid administrative proceedings and litigation, and achieve compliance with water use restrictions when California's Colorado River supply is limited.

Recommendation

For information only.


John R. Wodraska
General Manager

Submitted by:

Debra C. Man

Debra C. Man
Chief of Planning and Resources

Concur:


John R. Wodraska
General Manager

for
Attachments

HMR:gcb

Table 1

Priorities to Use of Colorado River Water
Specified in Seven Party Agreement

<u>Priority</u>	<u>Party</u>	<u>Annual Quantity (acre-feet)</u>
1	Palo Verde (104,500 acres of valley lands)	--
2	Yuma Project--Reservation Division (25,000 acres of land)	--
3(a)	Imperial and Coachella	--
3(b)	Palo Verde (16,000 acres of mesa lands)	--
Subtotal for Agricultural Entities (Priorities 1-3)		3,850,000
4	Metropolitan	<u>550,000</u>
California's Basic Apportionment to Use of Colorado River Water (Priorities 1-4)		4,400,000
5(a)	Metropolitan	550,000
5(b)	Metropolitan	<u>112,000</u>
Subtotal for Metropolitan's Contract for Colorado River Water with the Secretary (Priorities 4-5)		1,212,000
6(a)	Imperial and Coachella	--
6(b)	Palo Verde (16,000 acres of mesa lands)	--
Subtotal for Agricultural Entities (Priority 6)		<u>300,000</u>
Quantified Total for California's Contracts with the Secretary (Priorities 1-6)		5,362,000
7	Remaining water available for agricultural use in the Colorado River Basin in California	--

Table 2

Example of Payback of Overuse of 125,000 Acre-Feet

	Calendar Year <u>Use</u> (acre-feet)
Palo Verde (Exclusive of its Third Priority Mesa Land) & Yuma Project, Reservation Division	450,250
Imperial	2,966,140
Palo Verde for its Third Priority Mesa Land	20,000
Coachella	<u>432,500</u>
Imperial, Palo Verde for its Third Priority Mesa Land, and Coachella Subtotal	3,418,640
Conserved Water (Metropolitan)	<u>106,110</u>
Total	3,975,000
Limitation	- <u>3,850,000</u>
Reduction Required	125,000
<u>Allocation of Reduction Required:</u>	
Approval Agreement	
Metropolitan	50,000
Palo Verde	602
Coachella	<u>55,508</u>
Subtotal	106,110
Remaining Reduction Required	
Imperial (86.76% of third priority use)	16,389
Palo Verde (0.59% of third priority use)	111
Coachella (12.65% of third priority use)	<u>2,390</u>
Subtotal	18,890
Total Reduction Required	
Metropolitan (Conserved Water)	50,000
Imperial	16,389
Palo Verde	713
Coachella	<u>57,898</u>
Total	125,000