

**MWD**

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

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

JUN 13 1995

*Debra C. Man*  
EXECUTIVE SECRETARY

May 30, 1995

**To:** Board of Directors (Water Planning and Resources Committee--Information)  
**From:** General Manager  
**Subject:** Status of the Amendment for the Demonstration Project on Interstate  
Underground Storage of Colorado River Water in Arizona

**RECOMMENDATION:**

For information only.

John R. Wodraska  
General Manager

Submitted by:

*Debra C. Man*

Debra C. Man, Chief  
Planning and Resources

Concur:

*John R. Wodraska*  
John R. Wodraska  
General Manager

HMR:arb

HMRAMEN1/BOARD

**EXECUTIVE SUMMARY:**

Following your Board authorization in October, 1994, Metropolitan and the Central Arizona Water Conservation District (CAWCD) executed on December 1, 1994, an Amendatory Agreement to the Agreement for a Demonstration Project on Underground Storage of Colorado River Water. Metropolitan currently has 50,000 acre-feet in storage in Central Arizona under the original Agreement with CAWCD. Your Board authorized an appropriation of \$8 million from the General Fund to finance the demonstration project and, to date, \$3.45 million has been expended. The Amendatory Agreement increases the total amount of water which may be stored by 200,000 acre-feet and extends the time for storage activities from December 31, 1996 to December 31, 2000. Informal, conditional, or formal approval of the Amendatory Agreement has been obtained from entities within the states of Arizona, California, and Nevada as well as the United States. The Southern Nevada Water Authority and the Imperial Irrigation District have elected to participate in the program. Based on your Board's previous authorization, under the Amendatory Agreement an additional 39,000 acre-feet of Colorado River water will be stored during 1995 for Metropolitan's benefit at a cost of \$114 per acre-foot. Metropolitan will then have stored 89,000 acre-feet. The project demonstrates a cooperative effort among the basin states for better management of the Colorado River system. Further programs are being studied among the basin states.

**DETAILED REPORT:**

Metropolitan and the Central Arizona Water Conservation District (CAWCD) executed an Agreement for a Demonstration Project on Underground Storage of Colorado River Water (Agreement) in October 1992. Your Board authorized an appropriation of \$8 million from the General Fund to finance the demonstration project and, to date, \$3.45 million has been expended. Under the Agreement, 100,000 acre-feet of Colorado River water has been released from Lake Mead, conveyed through the central Arizona Project's Hayden-Rhodes Aqueduct, and stored underground in central Arizona. Metropolitan and the Southern Nevada Water Authority (SNWA) paid the costs of storing the water, while CAWCD is responsible for costs of recovery of the water. There are two potential uses of the stored water. CAWCD could use the water during shortages declared by the Secretary of the Interior. Alternatively, Metropolitan and SNWA could exchange this water for CAWCD's Colorado River water subsequent to a surplus occurring or a release for flood control purposes from Lake Mead.

Metropolitan and CAWCD executed an Amendatory Agreement to the Agreement on December 1, 1994, following your Board authorization in October, 1994. The Amendatory Agreement will increase the total amount of water which may be stored from 100,000 acre-feet to 300,000 acre-feet and extends the time for storage activities from December 31, 1996 to December 31, 2000.

In order to move ahead with implementation of the Amendatory Agreement, entities within the states of Arizona, California, and Nevada, as well as the United States, have been contacted regarding their approval and/or their level of participation in the demonstration project. To date, informal, conditional, or formal approval has been obtained from all of the entities requested. The following entities have approved the Amendatory Agreement:

- Palo Verde Irrigation District
- Colorado River Board of California
- Colorado River Commission of Nevada
- U.S. Bureau of Reclamation (Reclamation)
- SNWA
- Imperial Irrigation District

SNWA approved the Amendatory Agreement on March 30, 1995 and indicated that it would like to continue its participation in the project at a level of 50 percent. The Imperial Irrigation District approved the Amendatory Agreement on May 23, 1995 and indicated that it would like to participate in the project.

The Coachella Valley Water District (Coachella) has taken the same position with respect to the Amendatory Agreement as it did with the original Agreement. Coachella has indicated that it would approve the Amendatory Agreement provided Metropolitan held Coachella harmless and indemnified it for any additional costs or loss of water supply that might be incurred as a result of the Agreement. Metropolitan has requested but has not received any indication from Coachella regarding how it specifically could be harmed by the demonstration project. In a letter to Coachella dated May 26, 1995, Metropolitan indicated that since specific instances of potential harm have not been identified by Coachella and because the demonstration project will assist in reducing the potential for future water shortages in Metropolitan's service area, Metropolitan intends to waive Coachella's approval and move ahead.

The Arizona Department of Water Resources (Department) expressed support for the Amendatory Agreement and endorsed the concept of the demonstration project but could not offer its approval due to legal constraints. The Department indicated that it would need the approval of the Arizona legislature to enter into an agreement of this type. The Department offered to cooperate with the Secretary of the Interior in developing annual operating plans for the Colorado River reservoirs, which provide for implementation of the Agreement.

On May 26, 1995, a letter was sent to CAWCD for its concurrence confirming that the approvals required by the Amendatory Agreement had been obtained with the exception of Coachella and the Department; and that Metropolitan would waive such approvals pursuant to the terms of the Amendatory Agreement.

Based on your Board's previous authorization, 39,000 acre-feet of water will be stored during 1995 for Metropolitan's benefit at a cost of approximately \$114 per acre-foot. Metropolitan will then have a total of 89,000 acre-feet stored. The program demonstrates a cooperative effort among the basin states for better management of the Colorado River system. Further programs are being studied among the basin states.