



• Colorado River Management Report

Summary

This Report provides a summary of the activities related to the Colorado River during December 2009.

Detailed Report

Reclamation to Issue Refund to Drop 2 Reservoir Project Funders

In May 2008, Metropolitan and the Central Arizona Project agreed to partner with Southern Nevada Water Authority to fund the construction of the Drop 2 Reservoir Project in Imperial County. A total of \$172 million was provided to the Bureau of Reclamation (Reclamation) by the three agencies to build the project, which, when completed, is expected to conserve about 70,000 acre-feet of Colorado River water each year. Metropolitan's share of the funding was \$28.7 million, and in return for its share of funding received 100,000 acre-feet of storage credits in Lake Mead. To date, Metropolitan has taken delivery of 34,000 acre-feet of those credits.

This month, Reclamation is nearing the completion of the Drop 2 Reservoir Project, with construction costs coming in well under budget. It is now apparent that Reclamation will not need to use all of the contingency money that was included in the project cost, and is in the process of issuing a refund of \$9.6 million to the project funders. Metropolitan's share of that refund will be about \$1.6 million. The project is anticipated to be completed in spring of 2010, and Reclamation and the funding partners are planning a dedication event in April or May of 2010.

Reclamation Completes Inadvertent Overrun and Payback Policy Procedures

In December 2009, Reclamation completed the procedures that govern the paybacks of inadvertent overruns on the Colorado River. In 2003, Reclamation issued the Inadvertent Overrun and Payback Policy, which provided general guidelines but stated that specific procedures would be developed at a later date. Over the last several months, Colorado River water contractors in California, Nevada, and Arizona have met to develop the procedures, with final resolution of issues reached this month. Metropolitan's interests in the procedures document was to provide sufficient flexibility for entities to payback any overruns while complying with provision agreed to in the Quantification Settlement Agreement. Several meetings among Metropolitan, Imperial Irrigation District, Coachella Valley Water District, and the Colorado River Board were needed to reach consensus within California. In 2010, Reclamation will embark on the next phase of procedures that have to do with the specifics of creating and delivering Intentionally Created Surplus (ICS) water.

Metropolitan Stores More Than 60,000 Acre-feet in Lake Mead

During 2009, Metropolitan stored more water in Lake Mead than it has in any other year; more than 60,000 acre-feet of water under the ICS program. The supply is in addition to the 92,000 acre-feet of water Metropolitan had stored in Lake Mead in previous years. With over 150,000 acre-feet of water stored in Lake Mead going into 2010, Metropolitan has increased flexibility to meet its Colorado River water supply goals in the next few years. Additionally, by storing water in Lake Mead, Metropolitan helps reduce the likelihood of shortages in the near-term and adds to the amount of power that is being generated at Lake Mead. In addition to storing water in Lake Mead, the Colorado River Aqueduct delivered more than 1.1 million acre-feet during 2009—the most water delivered from the Colorado in seven years.

Reclamation and States Complete Plan for Colorado River Supply-Demand Imbalance Study

After being selected as one of three studies to receive matching federal funds last fall, the Colorado River Basin States and Reclamation completed the plan of study for the proposal in December 2009. The 2-year, \$2 million effort will conduct a comprehensive study to define current and future imbalances in water supply and demand in the Colorado River Basin for the next 50 years and develop and analyze adaptation and mitigation strategies to resolve those imbalances. Metropolitan is contributing funds through its annual payments to the Six-Agency

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Committee. One of Metropolitan's goals in the study is to identify options for increasing the reliability of its long-term Colorado River supplies.

Reclamation Prepares Yuma Desalting Plant for Pilot Operation

In early December 2009, Metropolitan, Southern Nevada Water Authority, and the Central Arizona Project provided the first payment for Pilot Operation of the Yuma Desalting Plant. Reclamation has used those funds to begin securing chemical and labor contracts for the operation of the plant, which is scheduled to begin in May of 2010. It is anticipated that about 29,000 acre-feet of water will be conserved by the pilot operation, with about 23,000 acre-feet of that total being provided to Metropolitan. As part of the International Boundary and Water Commission's agreement, additional water was provided to the Cienega de Santa Clara in December. About 4,600 acre-feet of groundwater that was too salty to be discharged into the Colorado River was delivered to Mexico as part of an arrangement where the United States agreed to deliver a total of 10,000 acre-feet of additional water to the Cienga in preparation for the Pilot Operation of the desalting plant.