



• Colorado River Management Report

Summary

This Report provides a summary of the activities related to management of Metropolitan's Colorado River Resources during September 2011.

Detailed Report

Imperial Irrigation District's (IID) and Coachella Valley Water District's (CVWD) Boards Adopt Competing Resolutions regarding Salton Sea Mitigation

On September 13, IID adopted a resolution directing staff to petition the State Water Resources Control Board (SWRCB) to amend its 2002 order to eliminate the requirement that mitigation water be delivered to the Salton Sea through 2017. In response to IID's petition to approve changes in its permits to allow water transfers to San Diego County Water Authority (SDCWA), the SWRCB's order required mitigation deliveries for the first 15 years of the transfers to give the state of California time to develop a restoration plan for the Salton Sea. The IID-SDCWA transfers were included in the Quantification Settlement Agreement (QSA) and the related mitigation measures are funded through the QSA Joint Powers Authority.

The California Natural Resources Agency completed an environmental impact report identifying a preferred restoration program for the Salton Sea in 2007, with an estimated construction cost of \$8.9 billion and annual operating costs of \$142 million. As of today, the state has taken no action to implement the preferred alternative or any other restoration project for the Salton Sea. In the absence of any restoration effort, and to reduce QSA mitigation costs, IID's September 13 resolution included two provisions: (1) direct staff to file a petition to the SWRCB to modify its 2002 order to eliminate Salton Sea mitigation deliveries between 2014 and 2017, and (2) include a provision to allow IID to deliver any available non-conserved water to the Salton Sea for water transfer mitigation purposes. The intervening two year period before the mitigation water ceases would allow the state a further opportunity to commence implementing a restoration plan. Otherwise, IID's proposal would hasten the time when the Salton Sea will turn hyper-saline. It would also reduce the amount of Colorado River water that would otherwise be available to Metropolitan during the period through 2014.

On September 28, CVWD's board responded with its own resolution opposing the elimination of the mitigation water deliveries to the Salton Sea. CVWD advocates that the QSA parties continue to meet all the mitigation obligations, and urges the state to do the same by funding its share of mitigation costs and implementing a restoration plan.

Metropolitan staff understands the IID position that continued deliveries of water to the Salton Sea are not likely to serve any useful purpose and that the funds spent on those deliveries would be better spent on other habitat mitigation projects. However, without the joint support of all the QSA parties, it is unlikely that any effort to resolve the Salton Sea issues will be successful. Furthermore, IID's proposal to seek approval for delivery of unused Colorado River water to the Salton Sea in the interim contradicts IID's position that mitigation water deliveries are an unreasonable cost and would be challenged as a misuse of Metropolitan's water supplies.

Notwithstanding the conflicting positions of IID and CVWD, further discussions are proceeding on efforts to obtain a state commitment to perform its obligations under the QSA agreements and statutes.

Board Report (Colorado River Management Report)

CVWD's Board Approves Exchange Water Pre-Delivery Agreement

On September 13, CVWD's board approved the agreement to pre-deliver three year's worth of QSA Exchange water in 2011. The agency's General Manager approved the agreement the next day. Under the agreement, Metropolitan will deliver three years of QSA Exchange water in 2011 (a total of 105,000 acre-feet), with no deliveries being made in 2012 or 2013. CVWD will pay Metropolitan for the costs of delivering water per the 2003 Exchange Agreement, at a rate of \$270 per acre-foot. Also included in the agreement was a reimbursement to CVWD for reducing its call on the IID-Metropolitan Conservation program by 12,000 acre-feet in 2010, at the rate of about \$66 per acre-foot. Altogether, Coachella will pay Metropolitan \$27.5 million during October 2011.