



- Board of Directors
Water Planning and Stewardship Committee

4/10/2012 Board Meeting

9-1

Subject

Proposal to enter into agreements related to implementation of interim international cooperative measures in the Colorado River Basin

Description

In December 2007, Metropolitan entered into agreements allowing for the storage of certain categories of water in Lake Mead. The Bureau of Reclamation's Interim Guidelines for the Operation of Lake Powell and Lake Mead revised criteria related to Colorado River surplus conditions, established criteria related to Colorado River shortage conditions, and provided contractors the ability to store water in Lake Mead. The guidelines did not address the conditions under which water delivery to Mexico would be reduced or include an opportunity for Mexico to store water in the Colorado River system reservoirs. In 2010, the United States and Mexican Commissioners of the International Boundary and Water Commission (IBWC) signed Minute 317, Conceptual Framework for U.S.-Mexico Discussions on Colorado River Cooperative Actions. The Commissioners agreed to explore opportunities for binational cooperative projects that:

- minimize the impacts of potential Colorado River shortage conditions;
- generate additional volumes of water using new water sources by investing in infrastructure, such as desalinization facilities;
- conserve water through investments in a variety of current and potential uses, including agriculture; and
- envision the possibility of permitting Mexico to use United States infrastructure to store water.

Proposed agreements have been developed to augment Colorado River supply through the funding of an international pilot conservation project in Mexico, deferral of the delivery and storage in Lake Mead of the portion of Mexico's Colorado River water conserved by the project, and conversion of the stored water in Lake Mead for later diversion by any funding partner.

Background

The United States and Mexico are considering a draft IBWC Minute 319, Interim International Cooperative Measures in the Colorado River Basin. Minute 319 considers joint measures, including a pilot program, that would allow both countries to pursue opportunities for water conservation, management, and development over a five-year period. If approved, Minute 319 would allow Mexico to defer delivery and store up to 200,000 acre-feet of water annually through 2016, thus creating Intentionally Created Mexico Allocation (ICMA) for storage in Lake Mead, from water conserved by Mexico or new sources of supply created by Mexico, subject to specified conditions. Minute 319 also would provide for a pilot exchange program, whereby up to 16,200 acre-feet of ICMA would be made available for exchange to Intentionally Created Surplus (ICS) for storage and subsequent delivery to United States partners. In addition, Minute 319 would address distribution of flows to Mexico under both low and high reservoir conditions, a project that would provide water for environmental benefits, and other joint cooperative projects to be pursued following the execution of Minute 319.

Implementing Agreements

Five agreements are proposed to accomplish the conversion of deferred delivery by Mexico to ICS for storage in Lake Mead and later diversion by a United States partner.

Interim Operating Agreement

The interim operating agreement among the United States and Lower Basin states' agencies would set forth the rules under which ICMA is converted to ICS for storage in and delivery from Lake Mead.

Forbearance Agreement

The forbearance agreement would ensure that the ICS made available to a contractor that invests in conservation in Mexico would not be claimed by another contractor in another state.

Delivery Agreement

A delivery agreement between Reclamation and the funding partner would secure delivery of the ICS water made available by exchange and specify the manner in which this water would be accounted.

California Forbearance Agreement

A California forbearance agreement would ensure that the ICS made available to a contractor that invests in conservation in Mexico would not be claimed by another contractor in California.

Funding Agreement

The funding agreement would identify the parties and payment terms for the international pilot project. The conserved water would convert to ICS that would be made available as a result of the exchange. The agreement would be between the United States , and other agencies participating in the pilot project.

Policy

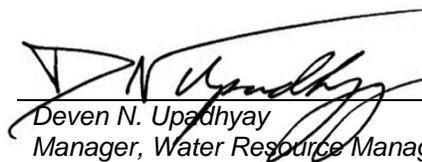
By Minute Item 41222, dated January 10, 1995, the Board adopted a set of Colorado River Basin Management Policy Principles that include continuing to seek ways to increase the reliability of Metropolitan's Colorado River supplies and collaborate with the other Colorado River Basin states and the Department of the Interior on innovative strategies requiring interstate cooperation.

By Minute Item 42820, dated February 10, 1998, the Board approved a policy principle to protect Metropolitan's interests and increase its dependable entitlements to Colorado River water, while collaborating with other California Colorado River agencies.

By Minute Item 47327, dated December 11, 2007, the Board authorized execution of agreements related to implementation of Reclamation's Interim Guidelines for the coordinated operation of Lake Powell and Lake Mead.

Fiscal Impact

Metropolitan's total contribution toward the pilot project would be determined. Monies are available within the Supply Programs budget previously approved by the Board for this fiscal year.


 Deven N. Upadhyay
 Manager, Water Resource Management

3/22/2012
Date


 Jeffrey Kightlinger
 General Manager

3/28/2012
Date