



● Colorado River Management Report

Summary

This report provides a summary of the activities related to management of Metropolitan's Colorado River Resources for the month of August 2012.

Detailed Report

Metropolitan and SNWA Revise Storage Agreement

Metropolitan and Southern Nevada Water Authority (SNWA) have reached agreement to revise the existing agreement to store and exchange Colorado River water between the two agencies. The revised amendment would be in place for five years, and Metropolitan would divert and store a minimum of 200,000 acre-feet and a maximum of 400,000 acre-feet of water apportioned to SNWA during this period. SNWA would not ask for the water back for at least ten years. In recognition of losses associated with storing Nevada's water, for every 3 acre-feet stored under the agreement, 2 acre-feet would be returned to SNWA, while Metropolitan would retain 1 acre-foot. Metropolitan anticipates storing 40,000 acre-feet of Nevada's water in 2012.

California Agencies Meet to Discuss QSA Benchmarks

In response to a Bureau of Reclamation (Reclamation) request to California water agencies, staff from agencies receiving Colorado River water met to discuss options for addressing the benchmarks included in the Quantification Settlement Agreement (QSA). A "benchmark" is a level at which agricultural use in California must be reduced to in order for domestic water districts in the Lower Colorado Basin to be eligible to receive special surplus, including Metropolitan. In general, as long as the QSA transfers are implemented, then the associated benchmarks are being met. There are four years that have such a benchmark in the QSA – 2003, 2006, 2009, and 2012 – and to date, a benchmark has always been met. However in 2012, it is very likely that, for the first time, the benchmark level will not be met, and access to special surplus could be suspended. One of the reasons that the benchmark is not likely to be met is that the benchmark calculation included a transfer associated with Salton Sea restoration that was never implemented. California agencies have proposed to adjust the 2012 benchmark to match the approved QSA transfers and have developed a draft whitepaper describing the proposal. The Colorado River Basin States (Basin States) had some preliminary discussions about the QSA benchmark issue during an August 20 Basin States Principals' meeting and agreed to have further dialogue on the matter.

Basin States Discuss Binational Proposal

On August 20, the Basin States met with Reclamation to recap recent meetings between representatives from the United States and Mexico. The two countries have made progress, but still have outstanding issues on a few items. The next meeting of the international group will be during the first week of September 2012. If the remaining issues can be addressed, the current plan would call for the Lower Basin agencies to seek approval to execute implementing agreements in November 2012, with the Minute being signed in December 2012. For Metropolitan, the agreements would include a forbearance agreement and cost-sharing agreement to participate in a water conservation pilot project. Staff will update the Board during the September Board meeting on the latest discussions.