



- Colorado River Management Report

Summary

This report provides a summary of activities related to management of Metropolitan's Colorado River resources for the month of June 2015.

Purpose

Informational

Detailed Report

Lake Mead falls below 1,075 feet

On June 23, for the first time since it was initially filled in the 1930s, Lake Mead fell below 1,075 feet, reaching 37 percent of capacity. If Lake Mead was forecast to stay below that level at the end of the calendar year, the Secretary of the Interior would declare a first-ever shortage for the Lower Colorado River. Because of very wet conditions in the Upper Colorado River Basin (Upper Basin) during May 2015, the Bureau of Reclamation (Reclamation) forecasts that Lake Powell will release higher amounts of water to Lake Mead for the rest of the year, with Lake Mead projected to increase by nearly 7 feet by the end of December 2015. With the improved conditions, Reclamation's studies suggested there is virtually no chance for a shortage declaration in 2016. While it is no longer likely that the Colorado Basin will experience a shortage next year, the record low lake levels reduce the power supplies available to Metropolitan, and has forced some marinas on Lake Mead to close.

Metropolitan Staff Testifies at Little Hoover Commission (the Commission) Hearing on the Salton Sea

On June 25, the Commission held a second hearing in Sacramento, California on the Salton Sea, seeking input for management options and funding sources for restoration of the Salton Sea. The June hearing was a follow-up to an April 2015 hearing in Palm Desert, where Imperial Irrigation District (IID), Coachella Valley Water District, San Diego County Water Authority, and others testified. At the June 25 workshop, along with Metropolitan, testimony was received from the California Air Resources Board, Natural Resources Agency, the Pacific Institute, and Defenders of Wildlife. Metropolitan's testimony focused on the legislation that authorized the Quantification Settlement Agreement, with specific reference to Fish and Game Code Section 2081.7(c)(2) (Section 2081.7), which could provide a funding source for Salton Sea restoration and an additional water supply to Metropolitan. The provisions in Section 2081.7 allow the state of California to authorize the transfer of mitigation water that is currently scheduled to be delivered to the Salton Sea to instead be provided to the Department of Water Resources (DWR), and then be sold to Metropolitan, with the proceeds benefitting the Salton Sea. At the beginning of 2015, a total of about 400,000 acre-feet of water was scheduled to be delivered to the Salton Sea over the next three years, which if it were instead provided to DWR and sold to Metropolitan, could generate about \$130 million for the Salton Sea. A member of the Commission asked the Natural Resources Agency's representative if they were considering the transfer, who explained that it is one of the options they are evaluating. The Defenders of Wildlife representative stated that the transfer might be a viable option for 2017 – the last year the water is scheduled to be delivered to the Salton Sea, and also the largest amount scheduled in any one year of 150,000 acre-feet.

Metropolitan Approves First System Conservation Project

Following Metropolitan's Board approval to fund conservation projects for the benefit of the Colorado River system in 2014, Metropolitan, along with the other funding agencies, approved the first conservation project under the program. The project will fund agricultural conservation projects in Nevada along the Virgin and Muddy rivers, both of which are tributary to the Colorado River, with the conserved water flowing into Lake Mead. Over a two-year period in 2015 and 2016, a total of 15,000 acre-feet will be conserved and added to Lake Mead, at a total cost of \$2.25 million, which is \$150 per acre-foot. Metropolitan is one of 5 entities funding the

Board Report (Colorado River Management Report)

conservation project, with the funding provided to Southern Nevada Water Authority (SNWA), which in turn will provide the funding to the local water districts. In addition to this initial program, following a request for conservation proposals, five other programs are being developed that will likely be ready for funding later this year. It is anticipated that all of the \$8.25 million allocated for Lower Basin conservation activities will be approved within the next few months. In addition to Lower Basin activities, several projects in the Upper Basin are being evaluated for funding later this summer. A total of \$2.75 million is available in the Upper Basin. Metropolitan staff will prepare a detailed report of the various projects being funded once the money has been fully subscribed.

Metropolitan Provides First Funding Installment for Conservation in Mexico

On June 15, Metropolitan provided \$3.3 million to Reclamation to cover its initial share of costs for funding the lining of an agricultural canal in Mexico, per the terms of Minute 319 and subsequent agreements that were executed in 2012. In those agreements, Central Arizona Project, SNWA, and Metropolitan agreed to provide \$10 million to Mexican agencies for conservation activities in Mexico, with a portion of the conserved water being made available to the funding agencies. The funding will help pay for the lining of the Canal Revolucion, which is near the Colorado River in eastern Mexicali Valley. Metropolitan's share of the total cost is \$5 million, and is scheduled to receive 47,500 acre-feet in 2017. In a follow-up 2013 agreement, IID agreed to reimburse Metropolitan for one-half of its costs, and receive one-half of the water available to Metropolitan under the program. Per that agreement, on June 18, Metropolitan sent an invoice to IID, requesting reimbursement for one-half of the \$3.3 million.