



● **Board of Directors**  
***Water Planning and Stewardship Committee***

8/18/2015 Board Meeting

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**8-3**

**Subject**

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Authorize amendment to the California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus

**Executive Summary**

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Authorization is requested to amend the 2007 California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus (California ICS Agreement). The California ICS Agreement includes conditions for Imperial Irrigation District (IID) to store conserved water in Lake Mead and in Metropolitan's system. The proposed amendment would increase the maximum amount of conserved water that IID may store in Metropolitan's system for a three-year term. Utilization of this additional storage by IID would provide Metropolitan access to additional water during the ongoing California drought.

**Details**

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In December 2007, Metropolitan and IID, along with Palo Verde Irrigation District, Coachella Valley Water District, and the City of Needles executed the California ICS Agreement which established terms and conditions for the creation, accumulation, and delivery of ICS by California contractors receiving Colorado River water. The California ICS Agreement apportioned the state's ICS creation, accumulation, and delivery limits provided to California under the 2007 Interim Surplus Guidelines between IID and Metropolitan. Under the terms of the agreement, IID is allowed to store up to 25,000 acre-feet per year of conserved water in Lake Mead with a cumulative limit of 50,000 acre-feet. In addition, the agreement allows IID to store up to 25,000 acre-feet per year within Metropolitan's system with a cumulative limit of 50,000 acre-feet. Since the agreement was signed in 2007, IID stored ICS in Lake Mead on a few occasions, but it was not until 2014 that IID stored ICS with Metropolitan. IID has identified a desire to store more conserved water with Metropolitan than is provided in the existing California ICS Agreement, which could be accessed to avoid potential inadvertent overruns or conservation shortfalls. Such storage within Metropolitan's system would provide Metropolitan access to additional water during the ongoing California drought.

Under the proposed amendment, IID would be allowed for a three-year term to store up to an additional 75,000 acre-feet per year of conserved water within Metropolitan's system with a cumulative limit of 200,000 acre-feet. Additionally, water that could be stored with Metropolitan would be expanded so that IID would be allowed to store water conserved from on-farm and system conservation measures, provided the water is conserved in accordance with the Quantification Settlement Agreement and provided that IID consults with Metropolitan on the conservation savings methodology prior to storage. As under the existing agreement, IID would be financially responsible for the cost to create any additional conserved water, making this a no-cost arrangement.

When requested by IID, Metropolitan would be required to return to IID the lesser of either: 50,000 acre-feet per year, or in a year in which Metropolitan's member agencies are under a shortage allocation, fifty percent of the cumulative amount of water IID has stored with Metropolitan under the proposed amendment. Metropolitan's return requirement would be reduced by five percent if IID requests return prior to 2020. Commencing in 2020, IID's storage balance would be reduced by up to three percent per year.

IID would be responsible for and would defend and indemnify Metropolitan from any claim or liability associated with the Salton Sea from this action. Palo Verde Irrigation District, Coachella Valley Water District, and the City of Needles would agree to forbear any right to ICS delivered to or created by Metropolitan or IID, respectively, in accordance with the proposed amendment.

## **Policy**

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

## **California Environmental Quality Act (CEQA)**

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### **CEQA determination for Option #1:**

The proposed action is not defined as a project under CEQA because it involves continuing administrative activities (Section 15378(b)(2) of the State CEQA Guidelines). In addition, the proposed action qualifies for a Class 1 categorical exemption from the provisions of CEQA because the amendment is associated with operating existing public water conveyance facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment, and the general rule that CEQA applies only to projects with the potential for causing significant effects (Section 15301 and 15061 (b)(3) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is exempt from CEQA pursuant to Sections 15301 and 15061 (b)(3). In addition, the continuing administrative activities are not defined as a project under CEQA (Section 15378 (b)(2) of the State CEQA Guidelines).

### **CEQA determination for Option #2:**

None required.

## **Board Options**

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### **Option #1**

Adopt the CEQA determination that the proposed action is exempt from CEQA and is not defined as a project under CEQA, and

Authorize the General Manager to enter into an amendment to the 2007 California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus consistent with the terms outlined herein and in a form approved by the General Counsel.

**Fiscal Impact:** No immediate direct costs

**Business Analysis:** Increases Metropolitan's short-term supplies

### **Option #2**

Continue to operate under existing terms and conditions of the 2007 California ICS Agreement.

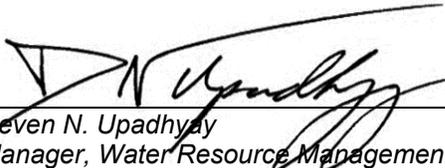
**Fiscal Impact:** No immediate direct costs

**Business Analysis:** No increase in short-term supplies from IID

**Staff Recommendation**

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Option #1

  
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Deven N. Upadhyay  
Manager, Water Resource Management

8/6/2015  
Date

  
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Jeffrey Lightinger  
General Manager

8/6/2015  
Date

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