



- Board of Directors  
*Water Planning and Stewardship Committee*

9/22/2015 Board Meeting

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**7-1**

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## **Subject**

Approve forbearance agreement allowing Central Arizona Water Conservation District to add Intentionally Created Surplus to Lake Mead

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## **Executive Summary**

The State of Arizona, through its Department of Water Resources, and the Central Arizona Water Conservation District (CAWCD) have requested that Metropolitan execute an exhibit to the 2007 Forbearance Agreement agreeing to forbear diversion of Intentionally Created Surplus (ICS) water created by CAWCD in 2015 and 2016. CAWCD would create ICS through agreements with its customers to offset or reduce their Colorado River water use through land fallowing, use of local supplies, investment in conservation programs and infrastructure, and new reuse and demand reduction programs. ICS creation by CAWCD would increase the elevation of Lake Mead and, in turn, the head for power production, and would help reduce the likelihood of a shortage condition being determined by the Secretary of the Interior with respect to future Lake Mead operation. Authorization is requested to execute the exhibit to the Forbearance Agreement to which Metropolitan is a party.

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## **Details**

In December 2007, the Board authorized the General Manager to enter into agreements to improve Metropolitan's access to Colorado River water, including the Forbearance Agreement among the Lower Basin States' agencies that sets forth the rules under which ICS water is developed, stored in and delivered from Lake Mead. The parties to the agreement are the Arizona Department of Water Resources, Palo Verde Irrigation District (PVID), Imperial Irrigation District (IID), Coachella Valley Water District, the City of Needles, Metropolitan, Colorado River Commission of Nevada, and Southern Nevada Water Authority. Under the terms of the Forbearance Agreement, each of the parties to the Agreement agreed to not claim other parties' ICS water allowing the agency that creates ICS to receive the stored water in a future year. ICS can be developed through Extraordinary Conservation, which includes fallowing of land, canal lining, desalination of water, and other extraordinary conservation programs.

Metropolitan has stored Extraordinary Conservation ICS water in Lake Mead created from the IID-Metropolitan Water Conservation Program, the PVID-Metropolitan Forbearance and Fallowing Program, and by Metropolitan-funded desalination. Metropolitan has benefited from the delivery of stored Extraordinary Conservation ICS in subsequent years.

In April, the Arizona Department of Water Resources and CAWCD requested Metropolitan's approval of an exhibit to the December 13, 2007 Forbearance Agreement agreeing to forbear use of ICS water created by CAWCD this year and next year. CAWCD intends to reduce its water use through fallowing of land that historically was, and otherwise would have been irrigated, and other extraordinary conservation measures, including development and acquisition of non-Colorado River system water. Use of such local Arizona water supplies may include the transfer or delivery of long-term Arizona storage credits, and investment in new conservation programs and infrastructure, new reuse programs, and new demand reduction programs. The creation of Extraordinary Conservation ICS by CAWCD would be limited to 100,000 acre-feet per year.

By delivering local water supplies in lieu of Colorado River water to CAWCD customers or by its customers reducing their usage of water through extraordinary conservation programs, CAWCD would reduce its deliveries of Colorado River water by an equal amount. This conserved water would be stored in Lake Mead.

CAWCD would not request delivery of Extraordinary Conservation ICS prior to January 1, 2020, unless Lake Mead's January 1 elevation is projected (in August of a prior year) to exceed 1,145 feet (16.2 million acre-feet). CAWCD would limit the delivery of Extraordinary Conservation ICS to Direct Delivery Domestic Use in any year.

## **Policy**

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By Minute Item 47327, dated December 11, 2007, the Board authorized the General Manager to enter into agreements, including the Forbearance Agreement among the Lower Basin States' agencies that sets forth the rules under which "Intentionally Created Surplus" (ICS) water is developed, and stored in and delivered from Lake Mead.

## **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 is not subject to CEQA because it involves other government fiscal activities, which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment (Section 15378(b)(4) of the State CEQA Guidelines).

The CEQA determination is: Determine that the proposed action is not defined as a project and is not subject to CEQA pursuant to Sections 15378(b)(2) and 15378(b)(4) 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 not defined as a project and is not subject to CEQA, and

Authorize the General Manager to execute an exhibit to the December 13, 2007 Forbearance Agreement consistent with the terms outlined herein and in a form approved by the General Counsel.

**Fiscal Impact:** None

**Business Analysis:** Intentional creation of surplus Colorado River water by CAWCD would increase the elevation of Lake Mead, increasing head for power production, and help reduce the likelihood of a shortage condition being determined by the Secretary of the Interior with respect to future Lake Mead operation.

### **Option #2**

Do not authorize execution of an exhibit to the Forbearance Agreement agreeing to forbear use of Extraordinary Conservation ICS created by CAWCD.

**Fiscal Impact:** None

**Business Analysis:** A CAWCD decision to not create ICS would not result in an increase in head for power production and would not assist in helping to reduce the likelihood of a shortage condition being determined by the Secretary of the Interior.

**Staff Recommendation**

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Option #1

  
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Deven N. Upadhyay  
Manager, Water Resource Management

9/8/2015

Date

  
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Jeffrey Kightlinger  
General Manager

9/10/2015

Date

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