



- **Board of Directors**
One Water and Stewardship Committee

2/11/2025 Board Meeting

7-6

Subject

Authorize the General Manager to expand the Bard Seasonal Fallowing Program and amend the System Conservation Implementation Agreement for Bard Seasonal Fallowing Program to increase its program size from 3,000 acres to 6,000 acres for the years 2025 and 2026; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff seeks authorization for the General Manager to expand the program size of the Bard Seasonal Fallowing Program (Bard Program) from 3,000 to 6,000 acres for years 2025 and 2026, and amend the System Conservation Implementation Agreement for the Bard Program. Under the amendment, the U.S. Bureau of Reclamation (Reclamation) would pay for conserved water under the Bard Program, as expanded.

Metropolitan is currently participating in the Lower Colorado (LC) Conservation Program with Reclamation, and on September 23, 2024, entered into the System Conservation Implementation Agreement (SCIA) with Reclamation and Bard Water District (Bard) to fund the Bard Program. Reclamation is willing to amend the SCIA to include the additional 3,000 acres in the Bard Program in program years 2025 and 2026. Metropolitan would agree to forebear water conserved in 2025 and would have the option to retain water conserved in 2026, if needed, instead of providing the water to Lake Mead as system water. Metropolitan and other Colorado River water users would also benefit from increased Lake Mead elevation.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to expand the Bard Seasonal Fallowing Program and amend the System Conservation Implementation Agreement for Bard Seasonal Fallowing Program to increase its program size from 3,000 acres to 6,000 acres for the years 2025 and 2026.

Fiscal Impact: Metropolitan would not pay for the additional land fallowing during the term of the System Conservation Implementation Agreement. Metropolitan would also receive approximately \$120,000 for Bard administrative fees through 2026.

Business Analysis: Expanding the program would fund additional land fallowing to increase Colorado River system water at no additional cost to Metropolitan.

Option #2

Do not authorize the expansion of the Bard Seasonal Fallowing Program.

Fiscal Impact: None

Business Analysis: Metropolitan would forego an opportunity to increase Colorado River system water to reduce the risk of future curtailment.

Alternatives Considered

Not applicable

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

By Minute Item 51833, dated December 10, 2019, the Board authorized the General Manager to enter into a Program agreement with Bard Water District and seasonal fallowing agreements with farmers within the Bard Unit, and approve payment of up to \$1.4 million per year, escalated annually through 2026.

By Minute Item 53469, dated December 5, 2023, the Board authorized the General Manager to enter into agreements for system conservation projects with the Palo Verde Irrigation District, Bard Water District, and the Quechan Tribe under Reclamation's Lower Colorado Conservation Program.

Related Board Action(s)/Future Action(s)

Not applicable

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is categorically exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed project involves minor modifications in the condition of land, water, and/or vegetation, which do not involve removal of healthy, mature, scenic trees. These activities would result in negligible or no expansion of use of public or private facilities or features and no possibility of significantly impacting the physical environment. Accordingly, the proposed action qualifies for Class 1 and Class 4 Categorical Exemptions (Sections 15301 and 15304 of the State CEQA Guidelines). In addition, where it can be seen with certainty that there is no possibility that the proposed action in question may have a significant effect on the environment, the proposed action is not subject to CEQA (Section 15061(b)(3) of the State CEQA Guidelines).

CEQA determination for Option #2:

None required

Details and Background

Background

In 2019, Metropolitan and Bard entered into the Bard Program in which Metropolitan pays for seasonal fallowing in Bard from 2020 through 2026. The Bard Program reduces water consumption in Bard that helps augment Metropolitan's Colorado River supplies. The Bard Program incentivizes participating farmers to fallow their land for four months. The average water savings is about 2.0 acre-feet per irrigable acre. To estimate water savings, Bard's proportional returns and consumptive use are calculated based on values reported in Reclamation's annual water accounting report. Given the total consumptive use, total irrigable acres within Bard, and acres that were actually fallowed, the acre-feet per irrigable acre for the months within a particular fallowing season is calculated. A weighted average is calculated using the acre-feet per irrigable acre for all years of Bard's participation in the fallowing program.

Bard diverts Colorado River water for crop irrigation grown year-round in the warm, dry climate. Farmers typically grow high-value crops in the winter (vegetable crops) followed by a lower-value, water-intensive field crop (such as Bermuda and Sudan grass, small grains, field grains, or cotton) in the spring and summer. Under the Bard Program, Metropolitan makes a fallowing call on October 1 for the following year, and farmers may commit to reduce water consumption during a four-month window from April 1 – July 31 on up to 3,000 acres. Participating farmers receive an annual payment per irrigable acre split between the beginning and the end of the fallowing season. Metropolitan has made full fallowing calls since the program began in 2020. The water saved

by fallowing accrues to Metropolitan. Since its inception, the program has conserved approximately 51,000 acre-feet and provided up to \$6.27 million in funding.

The 2021 Bipartisan Infrastructure Law and the 2022 Inflation Reduction Act funded water management and conservation efforts to relieve drought conditions in the western United States, with a focus on the Colorado River. The Department of the Interior, through Reclamation, created the LC Conservation Program to increase system conservation and efficiency opportunities to address drought impacts in the Lower Colorado River Basin. Similar conservation programs are being developed in the Upper Colorado River Basin. The LC Conservation Program provides funding opportunities for voluntary participation to increase system conservation.

On September 23, 2024, Metropolitan and Bard entered into the SCIA with Reclamation to fund Metropolitan's Bard Program. Under this agreement, Metropolitan and Bard agree to request from Bard farmers offers of participation to collectively fallow up to 3,000 acres for the four-month fallowing periods in program years 2024, 2025, and 2026. For the purposes of the SCIA, the average water savings are 1.9 acre-feet per irrigable acre. Reclamation agrees to reimburse Metropolitan for creating Colorado River system water from water conserved with the Bard Program, an estimated 5,700 AF per year of Colorado River system water, which will be left in Lake Mead. Metropolitan is administering the program. Reclamation will provide a payment of \$400 per AF of conserved water left in Lake Mead. Metropolitan will provide \$380 per AF to participating farmers and Bard Water District (75 percent to participating farmers and 25 percent to Bard Water District) and retain \$20 per AF for administration costs.

Increased Interest in Farmer Participation in the Bard Program

The Bard Unit has approximately 6,000 irrigable acres. Through the current Bard Program, Metropolitan provides fallowing incentives for a maximum of 3,000 acres per program year. Metropolitan has made full fallowing calls since the program began in 2020. There has been increased interest over time from Bard farmers to participate in the Bard Program and/or increase their fallowing acreage. Expanding the Bard Program size from 3,000 to 6,000 acres would allow for increased participation and provide a benefit for Bard farmers, Metropolitan, and other Colorado River users. Metropolitan would receive the regional benefit of water supply flexibility and resiliency. Other Colorado River water users would benefit from increased Lake Mead elevation. Program rules regarding eligible land would be identical to the existing Bard Program. The only change to the program would be the size.

Expansion of Bard Program Participation in the LC Conservation Program

As part of the LC Conservation Program, Reclamation is willing to amend the SCIA to include the additional 3,000 acres in the Bard Program for program years 2025 and 2026. Pursuant to the amendment, Metropolitan would request from Bard farmers offers of participation to collectively fallow up to 6,000 acres for the four-month fallowing periods in program years 2025 and 2026. Metropolitan would agree to forebear water conserved in 2025 and would have the option to divert a portion of water conserved in 2026, if needed, instead of providing the water to Lake Mead as system water. If Metropolitan determines that there is a need to divert any water conserved in 2026, Metropolitan would provide funding in the amounts consistent with the existing Bard Program rather than the higher amounts provided by Reclamation. Metropolitan would continue to administer the Bard Program. All other provisions of the SCIA related to payment terms would remain the same. Metropolitan will seek to obtain any necessary forbearance from other Colorado River contractors.

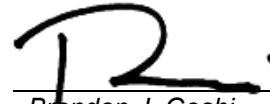
Summary

Since 2020, Metropolitan has provided incentives for Bard farmers to fallow their lands for four months out of the year to reduce water consumption and augment Metropolitan's Colorado River supplies. Metropolitan has made full fallowing calls since 2020, and farmer interest in the program has increased over time. As a result of the LC Conservation Program, Metropolitan and Reclamation entered into the SCIA. Through the SCIA, Reclamation provides a payment of \$400 per AF of conserved Colorado River water left in Lake Mead. With the expansion of the Bard Program to 6,000 acres and amendment to the SCIA, Reclamation would fund the generation of up to 11,400 AF of conserved Colorado River system water in program years 2025 and 2026. Reclamation would make payments to Metropolitan, and Metropolitan would continue to administer the program. Metropolitan would have

the option to retain a portion of water conserved in 2026, up to 5,700 AF. If Metropolitan determines that there is a need to divert any water conserved in 2026, Metropolitan would provide funding in the amounts consistent with the existing Bard Program.

Timing and Urgency

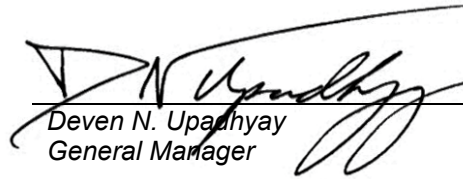
Reclamation has requested to expedite any extensions to Bucket 1 System Conservation Implementation Agreements. Funding provided by Reclamation in these agreements could be withdrawn by future congressional action or delayed by the new federal administration.



Brandon J. Goshi
Interim Manager,
Water Resources Management

2/6/2025

Date



Deven N. Upadhyay
General Manager

2/6/2025

Date

Ref# wrm12699600