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

10/13/2026 Board Meeting

**9-2**

## Subject

Information on extending agreements with (1) Bard Water District and farmers within Bard Unit, and with (2) the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing related to the Bard Seasonal Fallowing Program and the Quechan Seasonal Fallowing Program, respectively, for years 2027 to 2028

## Executive Summary

Metropolitan has a 10-year history of collaborating with the Bard Water District (BWD) to implement a seasonal fallowing program. Following the success of this program with BWD, Metropolitan initiated another seasonal fallowing program in 2021 with the Quechan Tribe of Fort Yuma Indian Reservation (Quechan Tribe). Both programs have augmented Colorado River supplies. Staff is bringing to the Board information on extending the Metropolitan/Bard Seasonal Land Fallowing Program (Bard Program) with the BWD, for fallowing up to 6,000 acres, and the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program (Quechan Program) with the Quechan Tribe, for fallowing of up to 1,600 acres, in years 2027 and 2028. Fallowing for both programs would occur from April to July in years 2027 and 2028. The programs would provide an incentive rate of $584.07 per acre fallowed, escalated annually, and up to $15,000 per fallow season to BWD and the Quechan Tribe to cover administrative costs. If Metropolitan extends the agreement with BWD for calendar years 2027 and 2028, and chooses not to fund the additional conserved water, the U.S. Bureau of Reclamation (Reclamation) would pay $617.50 per acre fallowed under Reclamation's Lower Colorado River Basin System Conservation and Efficiency Program (LC Conservation Program).

## Fiscal Impact

In a year when Metropolitan decides to increase its Colorado River supplies, the fiscal impact for the fallowing program with BWD will be up to $3.5 million per year, escalated annually. For Fiscal Year 2026/27, $3.7 million has been budgeted. For Fiscal Year 2027/28, $2 million has been budgeted, but additional funds will come from unspent program funds. Costs for Fiscal Year 2028/2029 will be proposed in the next biennial budget.

The fiscal impact for the Quechan Tribe will be up to $936,000 of budgeted funds for Fiscal Year 2026/2027 and $972,000 of budgeted funds for Fiscal Year 2027/2028. Costs for Fiscal Year 2028/2029 will be proposed in the next biennial budget.

## Applicable Policy

By Minute Item 51833 in December 2019, Metropolitan's 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 52585 in November 2021, Metropolitan's Board authorized the General Manager to enter into agreements with the Quechan Tribe of the Fort Yuma Indian Reservation and farmers within Quechan tribal land

to provide incentives for land fallowing related to the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program, for up to $1.6 million in 2022 and 2023.

By Minute Item 53435 in November 2023, Metropolitan's Board authorized the General Manager to extend the Metropolitan/Quechan Tribe Seasonal Fallowing Pilot Program with the Quechan Tribe of the Fort Yuma Indian.

Reservation and farmers within Quechan tribal land, to provide incentives for land fallowing for up to $864,000 in 2024 and escalated annually through 2026.

By Minute Item 53469 in December 2023, Metropolitan's 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.

By Minute Item 53973 in March 2025, Metropolitan's Board approved an expansion of the Bard Seasonal.

Fallowing Program and an amendment to the System Conservation Implementation Agreement for the Bard Seasonal Fallowing Program.

## Board Action(s)/Future Action(s)

Staff will request board authorization for the extension at the November 2026 board meeting.

## Details and Background

**Background**

The Bard Unit and the Quechan Indian Unit together constitute the Reservation Division of the Yuma Project, a federal Reclamation project located in southeastern California. The Yuma Project holds the second priority to the use of Colorado River water in California. BWD diverts water from the All-American Canal for the irrigation of nearly 6,400 acres in the Bard Unit. Over 6,100 acres are irrigable in the Indian Unit. The Quechan tribal lands of the Fort Yuma Indian Reservation reside along the Colorado River in southeastern California and southwestern Arizona. The Quechan tribal lands receive water from the All-American Canal, the Yuma Main Canal, groundwater wells, or directly from the Colorado River. Colorado River supplies for the Quechan tribal lands are accounted for as miscellaneous Present Perfected Rights (PPR) within California, and Colorado River supplies for BWD are accounted for under California's Priority 2. Metropolitan's supplies are reduced by PPR use above 14,500 acre-feet and by higher priority uses, and Metropolitan's supplies are increased by reductions in such uses. As such, any savings from fallowing from either BWD or the Quechan Indian Tribe will move through California's priority system to benefit Metropolitan.

**Quechan Fallowing Pilot Program**

In December 2021, Metropolitan's Board authorized a two-year Quechan Pilot to evaluate farmer interest in fallowing and the amount of water saved from fallowing Quechan tribal land. Metropolitan incentivized farmers to fallow lands in the spring and summer months in years 2022 and 2023. In November 2023, Metropolitan's Board approved extending the Pilot term by an additional three years, through 2026, to allow more time to increase participation from the results seen in the first two years. To qualify for the Pilot, irrigable land submitted for consideration must have been actively farmed or enrolled in a fallowing program during three of the previous five years, and excluded areas used for roads, ditches, canals, and buildings. The eligible lands must have had access to a canal, direct-from-river pumping, or a groundwater well (the U.S. Bureau of Reclamation considers wells within the Pilot as diversions of Colorado River water). The Pilot also required farmers to take appropriate actions to ensure the fallowed lands did not degrade or cause dust. Additionally, farmers were required to allow representatives from Metropolitan to inspect the fallowed lands.

**Bard Fallowing Program**

In 2019, Metropolitan and BWD entered into the Bard Program in which Metropolitan pays for seasonal fallowing in the Bard Unit from 2020 through 2026. The Bard Program reduces water consumption in the Bard Unit that helps augment Metropolitan's Colorado River supplies. BWD diverts Colorado River water for crop irrigation year-round in the warm, dry climate. Farmers typically grow high-value winter crops (vegetables) 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. 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 initial maximum acreage that could be fallowed under the program was 3,000 acres.

On September 23, 2024, Metropolitan and BWD entered into the System Conservation Implementation Agreement (SCIA) with Reclamation to fund Metropolitan's Bard Program. Reclamation agreed to reimburse Metropolitan for creating Colorado River system water in Lake Mead from water conserved with the Bard Program. For the purposes of the SCIA, the average water savings are 1.9 acre-feet per irrigable acre. Under the SCIA, Metropolitan and BWD agreed 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.
On April 10, 2025, Metropolitan, BWD and Reclamation amended the SCIA to expand the Bard Program, increasing the program size from 3,000 acres to 6,000 acres for program years 2025 and 2026.

On August 18, 2026, Metropolitan, BWD, and Reclamation entered into a second amendment to the SCIA for Metropolitan's Bard Program. Under this amendment, Metropolitan and BWD agreed that seasonal fallowing in Bard for the four-month fallowing periods in program years 2027 and 2028 could be used to create system water, if Metropolitan and BWD entered into a successor written agreement extending the seasonal fallowing program. If such a successor agreement is executed, and if Metropolitan chooses not to fund land fallowing under the program with BWD, then Reclamation would pay for and retain the system water.

**Proposed Action**

Staff will return to the Board with a proposed extension of the Bard Program to calendar years 2027 and 2028 with modifications to the original program terms. These modifications include Metropolitan continuing the program size of 6,000 acres through the extended term of the program. The Metropolitan Board last authorized this modification for calendar years 2025 and 2026 in February 2025. Staff will also be proposing to add terms to the agreement granting Metropolitan the right to decline to pay for fallowing each year from the Bard Program consistent with the amended SCIA. Thus, if Metropolitan determined it does not need the water in a particular year, system water would be created and paid for by Reclamation under the second amendment to the SCIA. In years when Metropolitan determines it needs the water, Metropolitan would pay for and receive the water, in which case Metropolitan would provide an incentive rate of $584.07 per acre fallowed, escalated annually, and up to $15,000 per fallow season to BWD to cover administrative costs. In years when Reclamation funds the program, Reclamation would pay $617.50 per acre fallowed under Reclamation's LC Conservation Program. Metropolitan's July 2026 board letter, which authorized the second amendment to the SCIA, inadvertently stated that the maximum annual amount of system conservation would be 6,000 AF. The maximum annual amount of system conservation should be 11,400 AF. Thus, staff will also request authorization for this correction. In addition, staff will also request an extension of the Quechan Program to encourage continued participation and provide Metropolitan with additional data to refine water savings estimates and inform future program planning.

Staff will return to the Board with a proposed amendment extending the Quechan Program to calendar years 2027 and 2028. The program would provide the same incentive rate of $584.07 per acre fallowed, escalated annually, and up to $15,000 per fallow season to the Quechan Tribe to cover administrative costs.

**Next Steps**

Staff will incorporate committee feedback and return to the Board in November 2026 to request authorization to extend the BWD Program and the Quechan Program.

10/1/2026

*Brandon J. Goshi* *Date*
*Manager, Water Resource Management*

10/1/2026

*Shivaji Deshmukh* *Date*
*General Manager*