



Considerations for Purchasing Land Which Uses Higher-Priority Colorado River Water Supplies

Water Planning and Stewardship Committee

Item 9-3

September 13, 2021

Outline

- Background and Need for Water Savings
- Methods of Saving Water in Senior Priority Agricultural Areas
 - Following
 - MWD Land Ownership
- Policy Considerations
- Board Feedback

Background – Colorado River Senior Priority Areas



Quantification Settlement Agreement (2003)

Priority		Thousand Acre-Feet
1 & 3b	Palo Verde Irrigation District	~420 (uncapped)
2	Yuma Project	
3a	Imperial Irrigation District	3,100
3a	Coachella Valley Water District	330
4	Metropolitan Water District	550
California Total		4,400

Methods to reduce uncapped Senior Priority water use

Fallowing

- Palo Verde Irrigation District Fallowing Program
- Bard Water District Seasonal Fallowing Program

Land Ownership

- Metropolitan lands are enrolled in Fallowing Program
- Exploring incentives to reduce water use
- Partnering on alternative agricultural practices

Following

Fallowing - Palo Verde Irrigation District

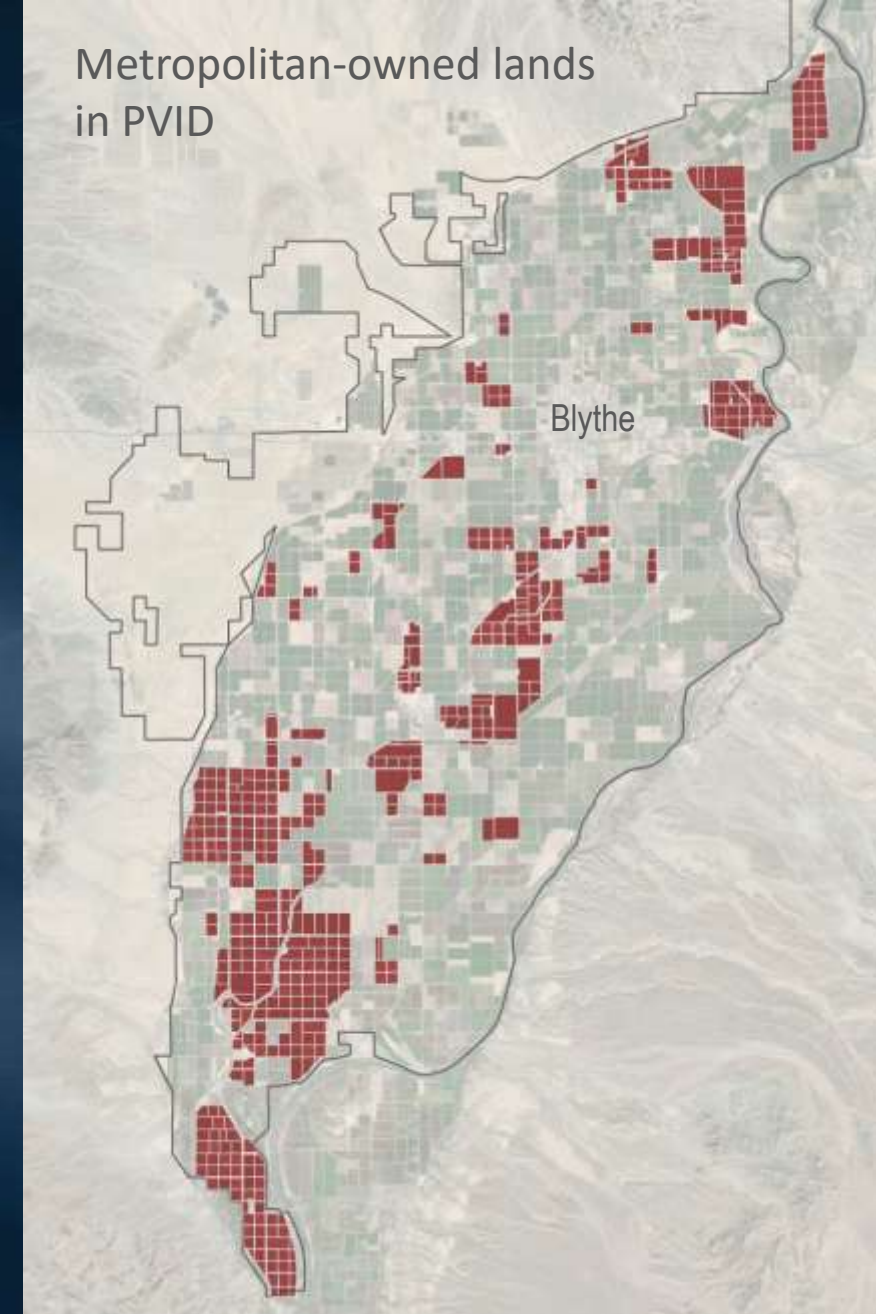
Senior priority Colorado River rights (1 & 3b)

Metropolitan-PVID Fallowing Program

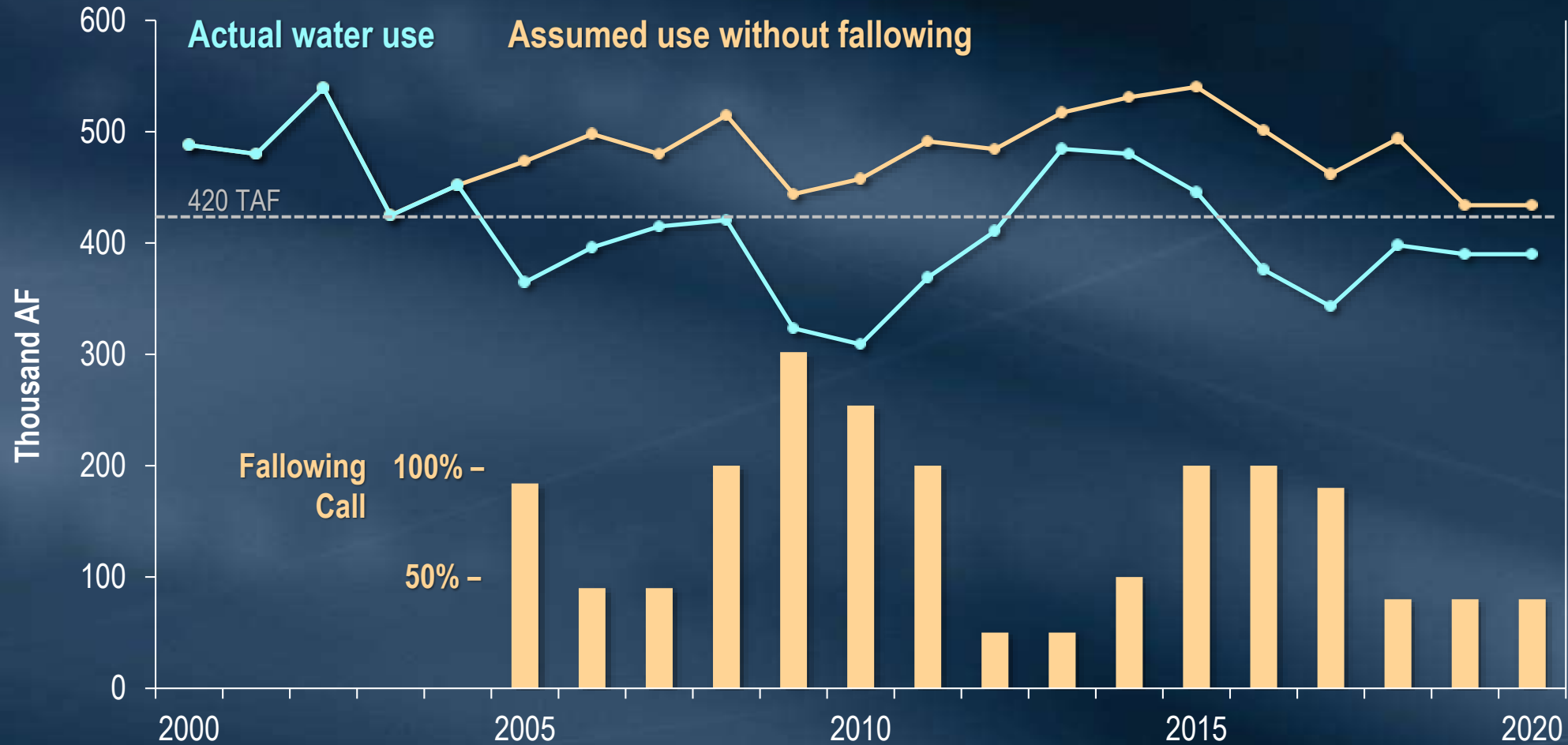
- Fallow up to 25,947 acres of land
- Save up to 120,000 AF of water per year

Metropolitan owns 29,126 acres of land in and around PVID

- Single largest landowner in PVID
- 7,311 acres enrolled in fallowing program



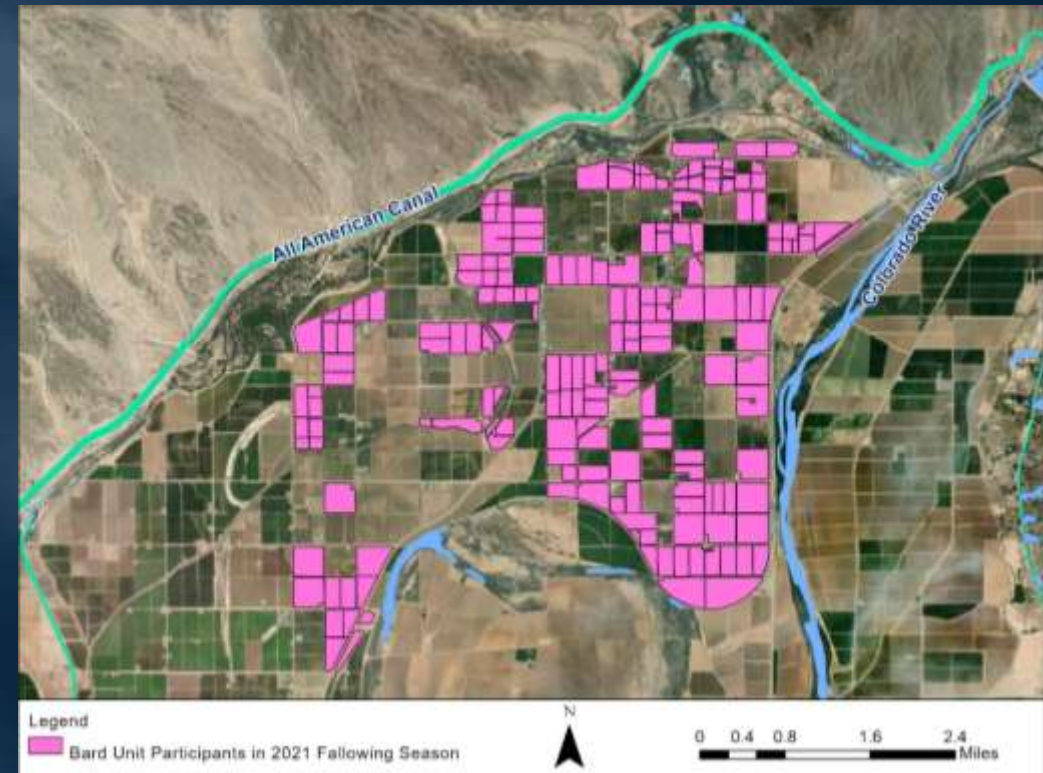
PVID following reduces Priority 1 & 3b water use



Bard Water District Fallowing Reduces Priority 2 Water Use

Metropolitan-Bard Seasonal Fallowing Program

- Fallow up to 3,000 acres per year
- Fallow for four months in Spring/Summer
- 6,000 AF per year saved



Land Ownership

History of purchasing land to save Colorado River water

- 1975 SDG&E purchased land in Palo Verde Valley to provide water for proposed nuclear power plant
- 2001 MWD purchased 16,344 acres in PVID from Sempra (SDG&E) to enroll in planned fallowing program
- 2003 Quantification Settlement Agreement was signed, settling priorities to meet California's 4.4 MAF diversion target
- 2005 PVID-MWD Fallowing Program began – MWD-owned lands enrolled
- 2015 MWD purchased 12,782 acres in PVID from Verbena LLC



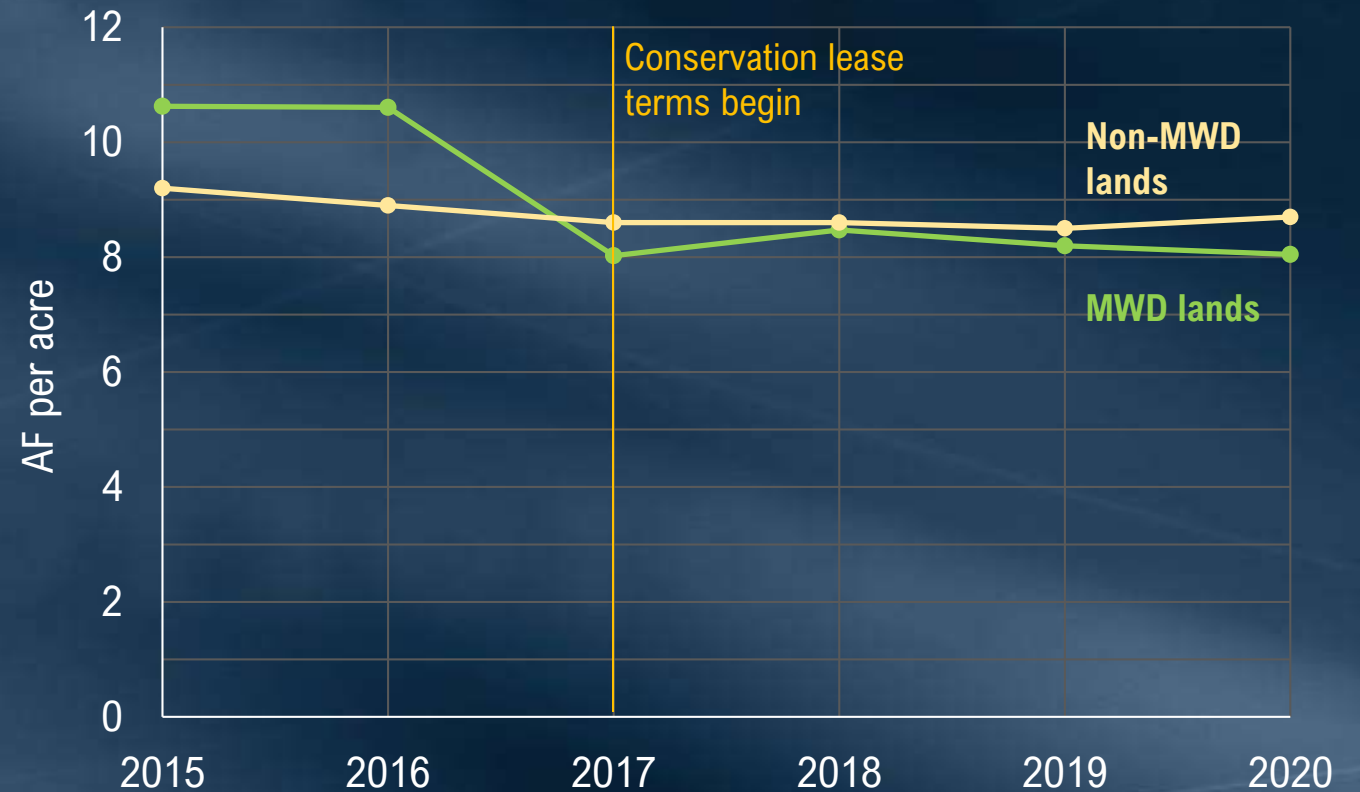
History of Metropolitan leases in PVID

- 2001** MWD assumed existing leases from SDG&E
- 2005** PVID-MWD Fallowing Program began – MWD-owned lands were also enrolled
- 2015 - 17** As lessor, MWD solicited new lessees and included water savings incentives in lease terms
- 2021** MWD is negotiating to extend leases and maintain water saving initiatives

Innovative lease structures conserve water

- Farmers on MWD-owned land apply less water per acre than average PVID water use
- Lease structures adapted over time

Applied water use on MWD vs. non-MWD lands in PVID



Policy Considerations

Considerations for MWD agricultural land ownership

- Potential water supply benefits
- Ownership and leasing for the long-term
- Allows for community investment and support
- Creates opportunities for partnerships to improve Colorado River sustainability

Specific considerations for land purchases

- Location and use of senior-priority water
- Acreage, price, desirability, adjacency to existing properties
- Potential water supply benefits
- Methods for funding land purchases
 - Replacement and Reimbursement Fund
 - Unrestricted reserves
 - Capital financing to fund assets with long useful lives

Next Steps

Staff seeks board input on the following:

- Considerations for purchasing land in the senior priority areas
- Direction to actively pursue land or to only respond to unsolicited offers
- Options for funding land purchases

