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### SLIDES: PVID/MWD Land Management, Crop Rotation and Water Supply Program

Ed Smith

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An aerial photograph of a dam and reservoir in a desert landscape. The dam is a concrete structure with several spillways, and the reservoir is a large body of water. The surrounding area is arid with sparse vegetation and some agricultural fields in the distance. The sky is clear and blue.

# **PVID/MWD Land Management, Crop Rotation and Water Supply Program**

**Presented By Ed Smith  
General Manager  
Palo Verde Irrigation  
District**

# PVID HISTORY

- 1877 – Thomas Blythe made first filings on Colorado River water in California.
- 1923 – Palo Verde Irrigation Dist. Act was Passed.
- 1931 – Seven Party Agreement Gives PVID Unquantified 1<sup>st</sup> Priority Water Rights for use on 104,500 acres.

# PVID GOVERNANCE

- Seven Person Board.
- Votes Based on Assessed Valuation of Land.

# METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

- Consortium of 26 Cities and Water Agencies.
- 6 Counties; 5200 square miles.
- Serve over 18 million people.
- Regional Economy: \$700 Billion.
- Supplies 60% of Southern California's Water Supply.

# California Service Areas



# LAW of the RIVER

- 1922 - Colorado River Compact.
- 1928 - Boulder Canyon Project Act.
- 1929 - Ca. Limitation Act.
- 1931 - Ca. Seven Party Agreement.
- 1944 - Mexican Water Treaty Agreement.
- 1964 - Az. vs. Ca. Supreme Court Decree.
- 1968 – Colorado River Basin Project Act.
- 2003 – Quantification Settlement Agreement

# SEVEN PARTY AGREEMENT

Priorities		MAF
1. PVID (104,500 acres)		
2. Yuma Project (25,000 Acres)		
3. (a) IID/CVWD		
(b) PVID MESA (16,000 acres)		
	<b>Subtotal</b>	<b>3.850</b>
4. MWD		<b>0.550</b>
	<b>Subtotal</b>	<b>4.40</b>
5. MWD		0.662
	<b>Total</b>	<b>5.062</b>
6. IID/CVWD/PVID		0.300
7. Agricultural Use		<b>All Remaining</b>



# QSA

- IID (3a) 3,100,000 Ac. Ft.
- CVWD (3a) 330,000 Ac. Ft.
- MWD (4) 550,000 Ac. F

(4,400,000-) 3,980,000 (=420,000)

- PVID, Yuma Project, PVID Mesa remain Unquantified
- MWD assumes losses or gains from unquantified parties based on 420,000 Ac. Ft. Cumulative usage

# IID and CVWD Waiver

- Under the October 10, 2003 approved Quantification Settlement Agreement, MWD can acquire Colorado River water from PVID without objections by IID and/or CVWD.

# Program Objectives

- Develop up to 111,000 af/yr flexible and reliable water supply for a 35-year term.
- Help stabilize farm economy in the Palo Verde Valley, and further buttress the \$800 billion economy of Southern California.
- Provide funds for specific community improvement programs.
- Support implementation of the California Plan.

# Program Elements

- Program agreement between MWD and PVID.
- Landowner Agreements between MWD, PVID and Landowners.
- Funding for Palo Verde Community Improvement Board.

# How the Program Works

- Voluntary Participation.
- 6,000 to 26,500 acres of Priority 1 lands fallowed every year District wide.
- 7% minimum fallowing.
- 29% District (35% individual landowner) maximum fallowing.
- Depends on participation level and MWD call.

# Following Calls

- MWD must make a following call by August 1<sup>st</sup> one year in advance.
- Following call is for a 2 year period.
- Fall-back call is minimum acreage (7%).

# Payments to Landowners

## Sign-up Payment.

- One time payment of \$3,170 per encumbered acre.
- Paid over 2 to 5 years per landowner's option.
- First installment paid upon signup.

# Annual Payment

- \$602 per non-irrigated acre for first year.
- Annual escalation for first 10 years: 2.5%.
- Annual escalation for remaining 25 years: CPI-subject to a 2.5% minimum and 5% maximum.



# Cash Flow to a 100 Acre Farm

- Sign-up payment
  - 100 acres x 0.29 x \$3170 = \$91,930
- Annual Payment would range
  - From:
    - Base load water supply developed (7%)  
100 acres x 0.07 x \$602/acre = \$4,124/yr
  - To:
    - Maximum water supply developed (29%)  
100 acres x 0.29 x \$602/acre = \$17,458/yr

# Landowner Responsibilities

- Allow a fallowing easement on 29% of farm.
- Fallow lands as per MWD's call.
- Implement Land Management Plans.
- Provide Program related data.
- Pay PVID water toll and taxes.

# Community Improvement Program (CIP)

- A 9-member Ad-Hoc Committee formed in January 2002
- A cross section of local business and community leaders
  - PVID, MWD, City of Blythe, Chamber of Commerce, Rotary, Hospital, Community College, and various local business leaders.

# Objective of Ad-Hoc Committee

- Formation of Community Improvement Fund Board (Board)
- Duties of Board:
  - Manage funds provided by MWD
  - Develop a Regional Business Plan
  - Develop a Local Business Plan

# Payments to Community

## Community

- \$6 Million for community improvement programs.
- Assistance by MWD to community in hiring consultant to finalize Board formation and development of business plans.

# Community Improvement Programs

- Assess effectiveness every five years.
- Any additional funding requires board approval.

# Board Actions

- July 2001 – PVID and MWD Boards approved principles of agreement.
- Sept. 2002- PVID Board certified EIR.
- Oct. 2002 – MWD Board approved revised principles of agreement and appropriated funds for program.
- May 2004 – MWD Board approved revised principles of agreement and increased appropriated funds for program.

# Schedule

- July 2004
  - Enter into PVID/MWD agreement.
- August 2004
  - Enter into agreements with landowners.
- January 1, 2005
  - Begin Interim Program
- August 1, 2005
  - Full implementation start date



# Previous Programs

- 1992-1994 PVID/MWD Test Following.  
\$620/acre/Year
- 2003 PVID/CVWD Short-Term Program.  
\$750/acre/Half Year

# Web Site

- **PVID.org**