

**COACHELLA VALLEY WATER DISTRICT
COLORADO RIVER WATER CONSERVATION PROGRAM
PROGRAM RULES AND REGULATIONS**

PART 1. OVERVIEW

- 1-1 Purpose.** To assist in a coordinated effort to protect critical reservoir water levels in the Colorado River Basin during the current drought, CVWD is establishing this Colorado River Water Conservation Program (“Program”) to reduce the consumptive use of Colorado River water during calendar years 2022 and 2023. This Program consists of the voluntary, temporary, and compensated conservation of Colorado River water historically used for the irrigation of farmlands within CVWD.
- 1-2 CVWD Responsibilities.** CVWD will (1) administer the Program, (2) review applications from growers willing to participate in the program, (3) determine from CVWD records the baseline historical use against which conserved water amounts will be measured, (4) select the applicants who will enter into contracts with CVWD to conserve a specific amount of Colorado River water for a specified period of time, (5) verify the amount of water conserved and (6) pay the grower for each acre-foot of verified water conservation.
- 1-3 Metropolitan Assistance.** CVWD will receive funding for the program from The Metropolitan Water District of Southern California who may also provide technical assistance in the review of applications and verification of the amount of water conserved. CVWD and Metropolitan will agree to forbear diverting and using the water conserved as specified in the Program Agreement.

PART 2. DEFINITIONS

The following terms shall have the following meanings:

“Conserved Water” means the amount of water saved by Conservation on the Grower’s Land that is verified by CVWD.

“Conservation” means either (1) the complete cessation of irrigation of Grower’s Land or (2) the planting of an irrigated crop on Grower’s Land that requires the application of a lesser amount of water than was applied during the historic baseline, as specified in a Grower Agreement.

“Conservation Commencement Date” means the date, no earlier than October 1, 2022, on which a Grower’s obligation to engage in Conservation begins as set forth in a Grower Agreement.

“Conservation Termination Date” means the date, no later than December 31, 2023, on which the Grower’s obligation to Conserve ends as set forth in a Grower Agreement.

“CVWD” means the Coachella Valley Water District.

“Eligible Land” means land within CVWD that has an established history of irrigation of commercial crops with Colorado River water delivered from CVWD’s irrigation distribution system.

“Grower” means the owner and/or lessee of the Grower’s Lands.

“Grower Agreement” means a contract between CVWD and a Grower to engage in Conservation on Grower’s Land.

“Grower’s Land” means the land described in Exhibit C-1 of a Grower Agreement.

“Historical Baseline of Water Use” means the amount of water determined under these rules that will serve as the baseline for determining the amount of Conserved Water not used on the Grower’s Land during the Participation Period as result of Conservation, and that is set forth in Exhibit C-2 to a Grower Agreement.

“Metropolitan” means The Metropolitan Water District of Southern California.

“Participation Period” means the period of time beginning on the Conservation Commencement Date and ending on the Conservation Termination Date.

“Payment Schedule” means the schedule of dates set forth in Exhibit C-3 of a Grower Agreement on which CVWD will verify and determine the amount of Conserved Water and make payment for the Conserved Water.

“Program” means the Colorado River Water Conservation Program established by Board Resolution No. 2022-29.

“Program Agreement” means the Forbearance and Water Conservation Program Agreement between CVWD and Metropolitan.

PART 3. GROWER APPLICATIONS

3-1 Grower Applications. A Grower on Eligible Land who desires to participate in the Program shall submit a completed application to CVWD in the form attached as Exhibit A hereto. A Grower who does not own the land shall also submit a completed Landowner Consent Form in the form attached as Exhibit B hereto and proof that the Grower is entitled by lease to have possession of and farm the land for the Participation Period.

3-2 CVWD Determination of Historical Baseline of Water Use. CVWD shall, using CVWD’s records, as supplemented by other available data, determine the Historical Baseline of Water Use for the Eligible Land for each month of the year (Exhibit C-2 of Grower Agreement).

[Criteria for determination TBD]

CVWD will provide a copy of the schedule to the Grower.

3-3 Metropolitan Technical Assistance in Evaluating Applications. CVWD shall provide Metropolitan with a copy of each application and the schedule of the Historical Baseline of Water Use to Metropolitan to be used by Metropolitan to provide technical comment to CVWD regarding the application and the Historical Baseline of Water Use.

3-4 Evaluation of Applications and Selection of Applicants for Grower Agreements. CVWD, in its sole discretion, may decline to proceed with an application if the records and data or the varied history of irrigation of the lands set forth in the application and/or other land owned or farmed by the Grower within CVWD is insufficient in CVWD's sole judgment, to determine a Historical Baseline of Water Use that will provide an accurate determination of the amount of water saved by Conservation and/or provide an accurate determination of compliance with the obligation of the Grower under Section 4.3 of the Grower Agreement.

After receiving any technical comments from Metropolitan regarding the application and the schedule of Historical Baseline of Water Use, and evaluating other applications received, CVWD shall select and prepare a schedule of best qualified applications and determine which applications may be offered a Grower Agreement. CVWD may exercise discretion in offering Grower Agreements to applicants based upon considerations of administrative efficiency, including but not limited to the volume of Conserved Water projected to be saved during the Participation Period, both per acre and in total, and the ease of verifying the amount of Conserved Water, so that the Program may be economically administered without undue cost or use of staff time.

PART 4. GROWER AGREEMENT

4-1 Form of Grower Agreement. A successful applicant shall execute a Grower Agreement in the form attached as Exhibit C. The Grower Agreement shall (1) describe the Grower's Land on which the Grower will engage in Conservation, (2) specify the method of Conservation, (3) specify the Participation Period, including the Conservation Commencement Date and Conservation Termination Date, (4) state the Historical Baseline of Water Use against which Conserved Water will be measured, (5) provide for the calculation of any credit to be applied to the Irrigation Water Availability Assessments against the Grower's Land; and (6) include a Payment Schedule.

4-2 When Grower Agreement Effective. The Grower shall return the executed Grower Agreement to CVWD for execution by CVWD's General Manager. No Grower Agreement shall be effective until executed by CVWD's General Manager.

- 4-3 **Conflicts of Interest.** No member of the Board of Directors of CVWD or of the Board of Directors of Metropolitan shall be eligible for a Grower Agreement or be financially interested in any Grower Agreement.

PART 5. CONSERVATION AND VERIFICATION OF CONSERVED WATER

- 5-1 **Closure of Meters.** At the commencement of the Participation Period, the service meters to the Grower's Land shall be locked closed, except in cases where this may not be practical, for example, where the method of Conservation is crop substitution or if the meter serves multiple accounts that are not enrolled in the Program.
- 5-2 **Inspection of Grower's Land.** CVWD staff may periodically inspect irrigation service meters and well meters to ensure Grower's compliance with the Grower Agreement. As provided in the Grower Agreement, the Grower shall provide CVWD and Metropolitan staff with access to the Grower's Land to verify compliance with the Grower's obligations under the Grower's Agreement.
- 5-3 **Determination of Amount of Conserved Water.** The amount of water conserved under the Grower Agreement will be determined by CVWD using the Historical Baseline of Water Use for each month and subtracting therefrom the amount of water that was applied to the Grower's Land in each month.

CVWD will provide the Grower and Metropolitan with CVWD's written determination of Conserved Water for the payment period.

- 5-4 **Resolution of Disputes.** Any dispute by the Grower over the amount of Conserved Water determined shall be resolved pursuant to sections 14.4 (Appeals) and 14.5 (Exhaustion of Administrative Remedies) of Part 14 of the Canal Irrigation and Drainage System Rules and Regulations.

CVWD will provide Metropolitan with a copy of the General Manager's determination of any appeal.

PART 6. PAYMENT FOR CONSERVED WATER

- 6-1 **Per Acre-Foot (af) of Conserved Water.** Upon verification by CVWD of the amount of Conserved Water saved by Conservation on the Grower's Land, CVWD shall pay the Grower \$200/af of Conserved Water on the Payment Date set forth in the Payment Schedule of the Grower Agreement.

If additional payment is due because of the General Manager's determination of an appeal, CVWD will make payment within 30 days of the General Manager's determination.

- 6-2 **Use Credit for Satisfaction of Irrigation Water Availability Assessment.** As additional consideration for Conservation, CVWD will, for purposes of

satisfying the Irrigation Water Availability Assessment (IWAA) for Grower's Land, presume the Grower has paid irrigation water service charges each month during the Participation Period as if the Grower had used irrigation service for the Grower's Land in the amount specified for that month in Exhibit C-2.

PART 7. METROPOLITAN CONTRIBUTIONS

- 7-1 Invoices to Metropolitan.** CVWD will timely invoice Metropolitan under the Program Agreement for Conserved Water for which payments have been made to Growers.
- 7-2 Supplemental Invoices to Metropolitan.** CVWD will submit supplemental invoices to Metropolitan when the General Manager has sustained an appeal in whole or in part.

PART 8. RESOLUTION OF DISPUTES OVER SUSPENSION OR TERMINATION OF GROWER AGREEMENT

CVWD may elect to terminate or suspend a Grower Agreement as provided in the Grower Agreement. Any dispute by the Grower over suspension or termination of the Grower Agreement shall be resolved pursuant to sections 14.4 (Appeals) and 14.5 (Exhaustion of Administrative Remedies) of Part 14 of the Canal Irrigation and Drainage System Rules and Regulations.