

# MOHAVE VALLEY IRRIGATION & DRAINAGE DISTRICT

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## Re: DCP Water Conservation Program

Dear Director Buschatzke and Mr. Cooke

Responsive to our joint telephone conference on Thursday, October 18, 2018, Mohave Valley Irrigation & Drainage District (MVIDD) held an open public meeting of its Board on Tuesday, October 23, 2018 to discuss and consider a proposal for DCP related water conservation within MVIDD. We had prepared, and considered in detail, a draft concept paper that outlines the basic terms of a conservation oriented land fallowing program within MVIDD intended to result in reduced agricultural consumptive use of water, allowing water to be conserved in Lake Mead consistent with DCP principles. At the end of the meeting, the Board voted unanimously to present the attached concept paper to you for your further review and consideration.

Comment from Board members, and the public, wanted to insure that this paper be received as intended—as a preliminary statement of concept. It is not intended to bind any party to participation or any particular detail of participation, as there are many areas where further discussion and consideration must occur. At the same time, however, it does represent considerable thought and attention to detail as to how such a program would fit within MVIDD and the greater community.

We appreciate the opportunity to be considered to participate in the DCP effort, and we are committed to working with you to see if our participation can be implemented on mutually agreeable terms.

Charles B. Sherrill



Chairman,

Mohave Valley Irrigation & Drainage District

## Exhibit XX

# Mohave Valley Irrigation and Drainage District (MVIDD) Extraordinary Water Conservation ICS

## Land Fallowing Program

**Activity:** 2.1 A - Extraordinary Conservation ICS – Fallowing of land.

**Description of MVIDD:**

Mohave Valley Irrigation and Drainage District (MVIDD) is an irrigation district formed under Title 48, ch. 19, Arizona Revised Statutes, to provide irrigation water to lands within its boundaries. MVIDD holds a contract with the United States Bureau of Reclamation (USBR) issued under Section 5 of the Boulder Canyon Project Act of 1928, being USBR Contract No. 14-06-W-204 in the amount of 41,000 acre feet annually, and also holds a supplemental contract for use of Colorado River water through the Mohave County Water Authority (Contract No. 09-101) in the amount of 1,250 acre feet annually. MVIDD's exterior boundaries include lands that are part of the Fort Mohave Indian Tribe reservation. MVIDD does not deliver water to those lands. All references to MVIDD and MVIDD water use described here are solely for non-Indian lands within MVIDD.

MVIDD has entered into subcontracts for its water entitlements described above with entities and individuals for permanent water service at the local level. Approximately 32,500 acre feet is currently allocated to agricultural subcontracts.

**Basic Description of Conservation Project:**

The purpose of this program is to conserve water by reducing the consumptive use of Colorado River water within MVIDD by fallowing lands that are currently used within MVIDD for active agricultural production. The program is intended to coordinate with the State of Arizona's Drought Contingency Planning program (DCP) and shall abide by the terms imposed by the DCP. The conserved water will be left behind Hoover Dam either as Intentionally Created Surplus (ICS) or System Conservation Water, depending on the overall structure of the DCP program. The participating farmers within the MVIDD will voluntarily fallow lands with a demonstrated irrigation history and rotate commercial crop production among enrolled lands, thus providing a regulated and verifiable reduction in the consumptive use of water by MVIDD against its demonstrated water use history.

### **Term of Program:**

MVIDD envisions that the program will be structured based on a 3 to 7 (three to seven) year minimum term, depending on available participation in the DCP, with possibility of extension upon mutual agreement. MVIDD believes that it could implement the program in 2019, subject to the constraints of the DCP.

### **Administration:**

MVIDD will undertake to administer the conservation at the local level, including preparation of necessary enrollment documents, scheduling of annual participation quantities, verification of compliance, impact mitigation, overall reporting and distribution of proceeds.

Because all production and distribution facilities are owned by the individual farmers, MVIDD will obtain necessary permission to lock out any gates for participating fields as needed. In the case of shared gates, a physical obstruction will separate the fallowed fields and prevent delivery of water.

To administer the program, MVIDD will expect an administrative fee from the DCP in the amount of \$7.00 per acre foot of conserved water.

### **Enrollment:**

The following program participants will consist of owners of agricultural land within MVIDD. An enrollment process will be created whereby participating farmers will voluntarily agree to limit planting of crops on land that has been verified as actively cultivated (or enrolled and fallowed) in the prior year. To make participation equitably available, the minimum number of acres will be small, approximately 10-15 acres. Only ½ (50%) of enrolled lands will be eligible for fallowing in any year, and requirements will be imposed to require rotation of planted crops among the enrolled acres at least every three years. MVIDD envisions that enrollment will remain open, allowing lands to enroll or de-enroll during the course of the program.

Based on informal polling of agricultural landowners within MVIDD, MVIDD anticipates that the program will yield of approximately 10,000 acre feet of conserved water per year.

### **Verification:**

Conserved water yield estimate for fallowed fields will be based on the previous year's water and crop history. Enrolled field locations will be identified, mapped and checked for irrigation history promptly following the farmer's enrollment application. That information will be shared with appropriate DCP coordinators as soon as available.

MVIDD staff will monitor fields throughout the year to verify water is not being used on fallowed lands. In addition to MVIDD verification, USBR may conduct an independent annual verification with its own staff.

At year end, MVIDD will prepare a report identifying the fallowed acres and calculating the net reduction in consumptive use within MVIDD. That report shall be promptly delivered to appropriate DCP coordinators for review and additional verification.

**Cost of Conserved Water:**

Based on informal polling of agricultural landowners within MVIDD, the compensation needed to offset the economic benefit of maintaining lands in agricultural production would start at \$250.00 per acre foot of conserved water net to the participating landowner, with an annual increase of 3% for each year of the program.

**Impact Mitigation:**

MVIDD and the participating farmers shall be responsible for controlling the use of fallowed land and maintaining such land to avoid noxious weeds, undue dust conditions, and rotation capacity.

**Overall Water Use by MVIDD:**

As noted, MVIDD has allocated water to M&I uses within MVIDD, including water dedicated to amenity users (golf courses and homeowner association uses), subdivision use, industrial users and other miscellaneous uses. Currently, water is allocated to subdivisions platted but not yet built. This allocation represents a quantity of water available for use within MVIDD under a pricing category called "Allocated but Unused" water (ABU). The present demand for ABU water within MVIDD is relatively stable, but may increase over time. Similarly, MVIDD may allocate additional water to new M&I uses, which allocations are expected to occur over time. Thus, M&I water use in MVIDD is likely to increase over the term of this program.

To provide assurance that water conserved by active fallowing of agricultural lands will result in a reduction of agricultural consumptive use within MVIDD, MVIDD will administer the following safeguards:

- During the term of the program, there shall be no net increase of agricultural land or agricultural water entitlements within MVIDD.
- Water that is currently allocated to agricultural use may return to MVIDD for reallocation (e.g. agricultural water allocations forfeited for non-use) and such water may be reallocated to any available lands within MVIDD to accommodate the waiting list for agricultural water currently pending in MVIDD.
- Any water reallocated shall be reflected in an adjustment to any associated acres enrolled in the program by reduction of those enrolled acres and substitution of new acres as may be applicable.

- Any water transferred, under MVIDD policies and approvals, between lands within MVIDD shall also be reflected in an adjustment to enrolled acres, with transferor lands being de-enrolled and substitute land being enrolled as applicable. If such new lands are offered for enrollment, there shall be a minimum of one year of actual, verified agricultural production before such lands may participate in the following program.
- Any agricultural water that is transferred, according to MVIDD policies, to a non-agricultural use shall result in a corresponding permanent reduction in the enrolled acres for the duration of the program.

**Effect of Shortage Conditions:**

For a variety of reasons, MVIDD believes that the imposition of shortage conditions on the mainstream of the Colorado River by the Secretary of the Interior may not result in any curtailment of water available for diversion by MVIDD during the term of this program.

In the event, and subject to MVIDD's right to contest same, a curtailment on MVIDD's ability to divert water in any year of shortage condition is imposed, MVIDD would need to determine, based on facts available at that time, how the shortage will be allocated amongst MVIDD users. For purposes of this program, however, MVIDD would offer enrolled lands the option to curtail water use dedicated to actual agricultural production (i.e. shortage to be borne within MVIDD) or to water intended to be conserved (i.e. shortage to be borne by DCP). If allocated by the individual user to water intended to be conserved, that allocation would result in a net corresponding decrease in compensation by DCP to the user under this program.

In Witness of this Exhibit XX to the Forbearance Agreement executed contemporaneously herewith the Parties affix their official signatures below, acknowledging approval of this document on the XX day of XX.