

**SPECIAL REGULAR MEETING
MOHAVE VALLEY IRRIGATION AND DRAINAGE DISTRICT**

Request for Board Action

Meeting Date: November 15, 2021

Item Number 4 Of:

 Consent Agenda √ Regular Agenda Other

PROPOSED ACTION:

Bureau of Reclamation (BOR) Amendment No. 1 to SCIA No. 20-XX-30-W0686. Discussion and possible action to approve the amendment for System Conservation Water for calendar year 2021.

STAFF RECOMMENDATION:

BOARD ACTION TAKEN:

 Approved as Requested Disapproved No Action Taken
 Tabled to _____ Approved with following changes:

CHANGES:

AMENDED SYSTEM CONSERVATION IMPLEMENTATION AGREEMENT (SCIA)
BETWEEN THE UNITED STATES BUREAU OF RECLAMATION AND
THE MOHAVE VALLEY IRRIGATION AND DRAINAGE DISTRICT

1. PREAMBLE This SCIA Amendment No. 1 is entered into this ___ day of _____, 2021, hereinafter referred to as “Amendment No. 1” by and between the United States Bureau of Reclamation (Reclamation), represented by the Secretary of the Interior acting through the official executing this SCIA, and the Mohave Valley Irrigation and Drainage District (MVIDD), an irrigation district formed under Arizona Revised Statutes, Title 48, Chapter 19, hereinafter referred to singularly as “Party” or collectively as “Parties” and pursuant to the Act of Congress approved June 17, 1902 (32 Stat. 388), designated the Reclamation Act, and acts amendatory thereof or supplementary thereto, the Act of December 21, 1928 (45 Stat. 1057), designated the Boulder Canyon Project Act, and Public Law 116-14, the Colorado River Drought Contingency Plan Authorization Act, dated April 16, 2019.

2. EXPLANATORY RECITALS

2.1 WHEREAS, Reclamation and MVIDD entered into System Conservation Implementation Agreement No. 20-XX-30-W0686 dated December 17, 2020 (SCIA), whereby MVIDD agreed, among other things, to: (1) in calendar year 2020, fallow 1,196 acres of farmland and reduce its annual water order by 8,372 acre-feet that results in an estimated reduction in consumptive use of 6,137 acre-feet; (2) in calendar year 2021, fallow 1,344.4 acres of farmland and reduce its annual water order by 9,411 acre-feet that results in an estimated reduction in consumptive use of 6,925 acre-feet; and (3) allow such consumptive use volumes to remain in Lake Mead in exchange for financial compensation;

2.2 WHEREAS, pursuant to Section 8 of the SCIA, Reclamation paid MVIDD the payments for calendar year 2020 totaling a maximum payment of \$1,196,715.00, and Reclamation paid MVIDD Payment 1 for calendar year 2021, in the amount of \$675,187.50 and Payment 2 for calendar year 2021, in the amount of \$225,062.50, on or about April 2, 2021, and on or about September 11, 2021, respectively;

2.3 WHEREAS, Section 10 of the SCIA provides for a price adjustment in the event the United States enters into an agreement for the creation of System Conservation Water with another entity at a higher price per acre-foot than \$195.00 during the duration of this SCIA;

2.4 WHEREAS, Funding Agreement No. 21-XX-30-W0714 among Reclamation, the Central Arizona Water Conservation District, The Metropolitan Water District of Southern California, and the Southern Nevada Water Authority (Funding Parties), was entered into on December 17, 2020, for the creation of Colorado River System water at a higher price per acre-foot than \$195.00, and Reclamation notified MVIDD in writing on **October _____, 2021**, of such action;

2.5 WHEREAS, as provided in Section 10 of the SCIA Reclamation will, among other things, adjust MVIDD's price per acre-foot under this SCIA for the last two payments (Payments 3 and 4) of calendar year 2021 from \$195.00 per acre-foot to the price per acre-foot given to the Funding Parties, and will amend this SCIA in writing, accordingly; and

2.6 WHEREAS, Reclamation and MVIDD desire to enter into this Amendment No. 1 to amend Section 8.2 to adjust the maximum payment amount that Reclamation will pay MVIDD for System Conservation Water, and amend Sections 8.2.3 and Section 8.2.4, which are the last two payments (Payments 3 and 4) of calendar year 2021, to adjust the payments to reflect the higher price per acre-foot, in accordance with Section 10 of the SCIA.

NOW, THEREFORE, in consideration of the terms and conditions set forth herein, Reclamation and MVIDD agree as follows:

3. DEFINITIONS

3.1 Colorado River Compact means the document signed on November 24, 1922, at Santa Fe, New Mexico, pursuant to an act of Congress approved August 19, 1921 (42 Stat. 171). The Colorado River Compact was approved in Section 13(a) of the Boulder Canyon Project Act.

3.2 Colorado River System shall have the meaning ascribed to such term in the Colorado River Compact.

3.3 System Conservation Water means Colorado River water that is conserved by MVIDD under this SCIA for storage in Lake Mead to benefit the Colorado River System.

4. PURPOSE OF AMENDMENT NO. 1

4.1 The purpose of this Amendment No. 1 is to amend: (1) Section 8.2 to adjust the maximum payment amount that Reclamation will pay MVIDD for System Conservation Water, and (2) Sections 8.2.3 and Section 8.2.4, which are the last two payments (Payments 3 and 4) of calendar year 2021, to adjust the payments to reflect the higher price per acre-foot, in accordance with Section 10 of the SCIA.

5. AMENDMENT OF SCIA

5.1 Section 8.2 and Sections 8.2.3 and 8.2.4 of the SCIA are hereby superseded and replaced in their entirety with the following:

“8.2 CALENDAR YEAR 2021 For calendar year 2021, Reclamation will pay MVIDD a maximum payment in the amount of \$1,366,532.66 for a total of 6,925 acre-feet of System Conservation Water as follows: (\$195.00 per acre-foot x up to 4,616.67 acre-feet of System Conservation Water which is \$900,250.00, and \$202.00 per acre-foot x up to 2,308.33 acre-feet of System Conservation Water which is \$466,282.66).

8.2.3 Payment 3 in the amount of \$233,141.33 will be made by Reclamation to MVIDD no later than 30 days after December 31, 2021, the date which is the end of the following period for calendar year 2021; provided that, Reclamation verified that the

farmlands associated with this SCIA as shown in Exhibit B were followed the entire following period beginning January 1, 2021 and ending December 31, 2021.

8.2.4 Payment 4 in the amount of up to \$233,141.33 will be made by Reclamation to MVIDD no later than 30 days after the letter is signed by the Regional Director verifying the amount of System Conservation Water created in calendar year 2021. Such letter is anticipated to be signed May 2022.”

6. OTHER PROVISIONS REMAIN UNAFFECTED Except as amended by this Amendment No. 1, all other provisions of the SCIA remain the same and are in full force and effect.

7. EFFECTIVE DATE

7.1 This Amendment No. 1 shall become effective upon the date of its execution by both Parties. Once effective, this Amendment No. 1 will remain in effect until all of the terms and conditions are satisfied and Reclamation provides a notice of termination to MVIDD.

7.2 The Parties hereto have executed this Amendment No. 1 on the day and year first written above.

Approved as to form:

**MOHAVE VALLEY IRRIGATION AND
DRAINAGE DISTRICT**

By: _____
Michael J. Pearce
District Counsel

By: _____
Charles B. Sherrill, Jr.
Chairman

THE UNITED STATES OF AMERICA

By: _____
Jacklynn L. Gould
Regional Director
Interior Region 8: Lower Colorado Basin
Bureau of Reclamation