

2025 California Forbearance Agreement

Coachella Valley Water District, Imperial Irrigation District, The Metropolitan Water District of Southern California, Palo Verde Irrigation District, and the City of Needles, each of which is a “Party” and together are the “Parties,” enter into this Agreement as follows:

Recitals

A. Each of the Parties to this Agreement is a California Colorado River contractor pursuant to a contract with the Secretary of the Interior for delivery of Colorado River water under Section 5 of the Boulder Canyon Project, which contracts, together with subsequent agreements among some or all the Parties or among some or all of the parties and the United States Department of Interior Bureau of Reclamation, and along with applicable State and Federal laws, define the rights of each Party to request and receive delivery of Colorado River water for diversion for beneficial uses within the State of California.

B. The Metropolitan Water District of Southern California (MWD) and Coachella Valley Water District (CVWD) executed agreements with the U.S. Bureau of Reclamation to conserve water to assist in maintaining storage in the Colorado River reservoirs to help prevent the reservoirs from declining below critical elevations as a result of recent hydrologic conditions in the Colorado River system. This Agreement provides assurance that no Party will claim a right to the benefit of, the delivery of, or to the diversion of the water conserved through 2026 under the Conservation Programs listed in Section 1 below in order to enable the water conserved to increase storage in the Colorado River reservoirs.

C. On December 13, 2007, the Secretary of the Interior adopted the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (2007 Interim Guidelines), which provide for the creation of Intentionally Created Surplus (ICS) through 2026 and the delivery of ICS through 2036. On December 13, 2007, the Parties along with the State of Arizona acting through the Arizona Department of Water Resources, the Southern Nevada Water Authority (SNWA), and the Colorado River Commission of Nevada (CRCN) entered into the Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement (2007 Lower Basin Forbearance Agreement) which provides forbearance for ICS creation through 2025 and ICS delivery through 2035. This Agreement extends the term of the 2007 Lower Basin Forbearance Agreement, as to the Parties, for creation of ICS through 2026 and delivery of ICS through 2036 in order to match the term for such actions provided for in the 2007 Interim Guidelines.

Now THEREFORE, in consideration of the agreements and covenants herein, the Parties agree as follows:

Forbearance of Conservation Programs

1. Each of the Parties hereby forbears any claim to the benefit of, to divert, or to seek the delivery of Colorado River water conserved by any of the following programs (“Conservation Programs”):

a. The System Conservation Implementation Agreement (SCIA) Between the United States Bureau of Reclamation and The Metropolitan Water District of Southern California to Replace Non-Functional Turf on Commercial, Industrial, and Institutional Properties to Implement Phase Two of the Lower Colorado River Basin Conservation and Efficiency Program (LC Conservation Program Phase Two), SCIA No. 24-XX-30-W0838 dated December 16, 2024 (up to 97,296 acre-feet through 2026).

b. The System Conservation Implementation Agreement (SCIA) Between the United States Bureau of Reclamation and The Metropolitan Water District of Southern California to Construct a Groundwater Bank to Capture Surplus State Water Project Supplies to Implement Phase Two of the Lower Colorado River Basin Conservation and Efficiency Program (LC Conservation Program Phase Two), SCIA No. 24-XX-30-W0839 dated December 16, 2024 (up to 168,000 acre-feet through 2026).

c. The System Conservation Implementation Agreement (SCIA) Between the United States Bureau of Reclamation and The Metropolitan Water District of Southern California to Conduct Leak Detection and Repairs that Benefit Disadvantaged Communities to Implement Phase Two of the Lower Colorado River Basin Conservation and Efficiency Program (LC Conservation Program Phase Two), SCIA No. 24-XX-30-W0846 dated January 15, 2025 (up to 4,000 acre-feet through 2026).

d. The amendment dated January 22, 2025 to the System Conservation Implementation Agreement (SCIA) between the United States Bureau of Reclamation and the Coachella Valley Water District to Implement the Lower Colorado Conservation and Efficiency Program (LC Conservation Program) based upon temporary and compensated conservation of Colorado River water historically used to recharge groundwater aquifers, SCIA No. 23-XX-30-W0764 dated July 24, 2023 (up to 35,000 acre-feet in 2026).

e. The System Conservation Implementation Agreement (SCIA) between the United States Bureau of Reclamation and Coachella Valley Water District to Install Tertiary Treatment at Water Reclamation Plant No. 4 (WRP 4 Recycled Water Project) to Implement Phase Two of the Lower Colorado River Basin Conservation and Efficiency Program (LC Conservation Program Phase Two), SCIA No. 24-XX-30-W0831 dated December 16, 2024 (up to 33,600 acre-feet through 2026).

2. The forbearance given by this Agreement as to the Conservation Programs identified in Section 1 above shall be for the benefit of each of the Parties and shall also be for the benefit of the United States Department of Interior, Bureau of Reclamation. This Agreement does not create any third-party beneficiary rights in any person other than the Parties and the United States Department of the Interior, Bureau of Reclamation.

3. The forbearance given by this Agreement as to the Conservation Programs identified in Section 1 is conditioned upon the annual verification of the conserved water after a workgroup consultation between the United States Department of Interior, Bureau of Reclamation, MWD, IID, and Coachella Valley Water District. Any objection must be conveyed in writing within twenty-one (21) days following the consultation.

Extension of 2007 Lower Basin Forbearance Agreement

4. The term of the 2007 Lower Basin Forbearance Agreement (provided for section 1.2 of that agreement), as to the Parties, for creation of ICS is extended through 2026 and for the delivery of ICS through 2036 in order to match the term for such actions provided for in Section XI.G.8 of the 2007 Interim Guidelines.

Agreement Is Non-Precedential, Contains No Admissions, and Modifies No Other Agreements

5. The Parties agree that this Agreement shall not in any matter constitute a precedent as to the following:

- (a) any right, obligation, or authority of any Party to engage in a conservation program;
- (b) any methodology used to establish a baseline of consumptive use by which conservation for a program is measured or established in any future year; and
- (c) the quantity of water or the proportion of reduction of contractual entitlement that an agency may be required to conserve or not divert, during any declared shortage.

6. The Parties agree that the reference to “forbearance” in this Agreement does not constitute an admission by any Party that any Party actually has a legal right to claim the conserved water created by any other Party in the absence of a forbearance agreement.

7. Some of the Parties are parties to other agreements among themselves and others relating to drought or shortages on the Colorado River. Nothing in this Agreement expressly or implicitly amends, modifies, or conflicts with the provisions of any of those other such agreements.

Term

8. This Agreement shall be effective when signed by two or more Parties as between the initial signatory Parties and shall be binding upon a subsequent signatory Party as of the date of signature of that Party.

9. The obligations related to the forbearance of conserved water conserved relating to the Conservation Programs under Section 1 of this Agreement shall terminate on May 31, 2027. Otherwise, the provisions of this Agreement shall remain enforceable.

Miscellaneous

10. The rights and obligations under this Agreement do not commit any Party to engage in the creation of conserved water under the Conservation Programs identified in Section 1 above.

11. Each Party represents and warrants that each person or persons executing this Agreement on its behalf is duly authorized to do so by the respective Party and that this Agreement binds that Party.

12. This Agreement may be executed in counterparts, each which is an original, but all of which together will constitute one and the same instrument.

[Signatures on following page]

The Parties are signing this Agreement as of the dates indicated below:

Approved as to form:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

General Counsel

General Manager

Approved as to form:

COACHELLA VALLEY WATER DISTRICT

Legal Counsel

General Manager

Approved as to form:

IMPERIAL IRRIGATION DISTRICT

General Counsel

General Manager

Approved as to form:

PALO VERDE IRRIGATION DISTRICT

Legal Counsel

General Manager

Approved as to form:

CITY OF NEEDLES

City Attorney

City Manager