
Meeting Date: January 29, 2014
Staff Contact: John M. Stomp P.E., Chief Operating Officer

TITLE: C-14-3 - Agreement Between Albuquerque Bernalillo County Water Utility Authority (Water Authority) and the Middle Rio Grande Conservancy District (MRGCD) for 20,000 Acre-Feet of San Juan-Chama Water

ACTION: Recommend Approval

SUMMARY:

The Water Authority and MRGCD have cooperated for decades on important water management issues in the Middle Rio Grande. In 2000, the City provided 70,000 acre-feet of San Juan-Chama water for the farmers and to provide sufficient water in the Rio Grande for endangered species purposes. An Agreed Order was signed in Federal District Court in 2000 that provided for repayment of 22,500 acre-feet of water, which the City provided to MRGCD.

Under the 2000 Agreement, MRGCD has 15-years to repay the water starting in 2008 when the Drinking Water Project came on-line. To date, the MRGCD has repaid about 20,000 acre-feet leaving approximately 50,000 acre-feet to be repaid over the next nine years.

In addition, MRGCD has borrowed San Juan-Chama water under two separate agreements totaling 35,000 acre-feet. All of that water from those two agreements has been repaid to the Water Authority.

This agreement provides for a loan of 20,000 acre-feet to MRGCD, which is to be repaid separately from the 2000 agreement. MRGCD faces significant challenges in meeting the 2014 irrigation season demands given current water supplies and recent snow pack forecasts. The payment would follow the same 15-years as the 2000 agreement ending in 2030.

The Water Authority currently has approximately 200,000 acre-feet in storage.

FISCAL IMPACT:

None

**AGREEMENT BETWEEN THE
ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY
AND THE
MIDDLE RIO GRANDE CONSERVANCY DISTRICT
PROVIDING FOR A LOAN OF 20,000 ACRE FEET OF SAN JUAN-CHAMA WATER
FOR THE 2014 IRRIGATION SEASON**

THIS AGREEMENT ("Agreement") between the Albuquerque Bernalillo County Water Utility Authority ("Water Authority") and the Middle Rio Grande Conservancy District, a political subdivision of the State of New Mexico ("MRGCD") is made this ____ day of _____, 2014.

RECITALS:

WHEREAS, the farmers served by the MRGCD acting through the MRGCD Board of Directors are interested in supplementing the water available during the 2014 irrigation season and the MRGCD has requested a loan of 20,000 acre-feet of the San Juan-Chama water stored in Abiquiu Reservoir; and

WHEREAS, the MRGCD receives 20,900 acre-feet of San Juan-Chama project water every year under its contract with the United States Bureau of Reclamation and, therefore, has a dependable and immediate source of water from which to re-pay the water borrowed from the Water Authority; and

WHEREAS, the Water Authority has provided water to the MRGCD on numerous occasions in exchange for a promise to pay back an equal amount of San Juan-Chama water on a future date; and

WHEREAS, a 2000 Agreement (the "2000 Agreement") between the Water Authority and MRGCD advanced 22,500 acre-feet on behalf of the MRGCD and that agreement requires the MRGCD to re-pay the Water Authority 22,500 acre-feet over ten years under a stipulated Federal Court Order; and

WHEREAS, a 2002 Agreement (the "2002 Agreement") provided 70,000 acre-feet on behalf of the MRGCD and that agreement requires the MRGCD to re-pay the Water Authority, 70,000 acre-feet over fifteen years commencing in 2008 when the Drinking Water Project came on-line, also as part of an overall federal legal settlement process; and

WHEREAS, the MRGCD has paid back over 20,000 acre-feet of the borrowed water and it currently owes approximately 50,000 acre-feet of water to the Water Authority under the 2002 Agreement;

WHEREAS, this Agreement obligates the MRGCD to re-pay to the Water Authority the 20,000 acre feet advanced for the 2014 irrigation season on the terms set out below; and

WHEREAS, the Water Authority and the MRGCD have cooperated on water management issues in the Middle Rio Grande for decades; and

WHEREAS, the Water Authority and the MRGCD desires to cooperate to their mutual benefit;

**NOW, THEREFORE, IT IS MUTUALLY AGREED BETWEEN THE PARTIES HERETO
AS FOLLOWS:**

AGREEMENT

1. To allow the MRGCD to supplement its 2014 irrigation season, the Water Authority agrees to provide the MRGCD with 20,000 acre-feet of San Juan-Chama Project water from water stored in Abiquiu Reservoir. The MRGCD agrees to re-pay the 2014 Water on or before April 30, 2030. Water shall be released from the Water Authority storage account in Abiquiu Reservoir.
2. The Water Authority and the MRGCD recognize that repayment water may not be available every year and that repayment may be made by the MRGCD so as to avoid injury to the irrigators of the MRGCD. The MRGCD is provided under this Agreement alternative methods for repayment which it may choose in its discretion.
3. The MRGCD may choose to re-pay the 2014 Water loan with MRGCD's San Juan-Chama Project water. Alternatively, the MRGCD may re-pay the loan by working with the Water Authority to obtain approval of a waiver of offset requirements imposed on the Water Authority by the New Mexico State Engineer as a result of effects of pumping of the aquifer by the Water Authority wells.
4. The MRGCD further agrees that the 2014 Water, when released from Abiquiu Reservoir, shall be applied to beneficial consumptive use within New Mexico in the manner required by the Colorado River Compact, 45 Stat. 1028 (1928), and the Upper Colorado River Compact, 63 Stat. 31 (1949).
5. The MRGCD shall pay back only the amount of water borrowed from Authority from its storage account in Abiquiu Reservoir. The obligation for payback is separate from and distinct from all other current obligations of the MRGCD to re-pay water to the Water Authority.
6. MRGCD agrees to keep a written accounting of the water released from Abiquiu Reservoir on a daily basis which shall be coordinated with the Water Authority during the conference calls. The amount to be paid back at the end of the season or the full amount of 20,000 acre-feet shall be documented starting from the first release date to the final release date and shall coincide with the daily URGWOM accounting. The final accounting shall be provided to the Water Authority no later than November 1, 2014.
7. If the MRGCD requires additional water, such additional water must be provided under a new agreement that will need to be approved by both parties.
8. This Agreement constitutes the entire agreement and understanding between the Authority and the MRGCD with respect to the 2014 loan of San Juan-Chama water to the MRGCD. Nothing in this Agreement shall be construed to nullify, amend, or alter any previous agreements, contracts or obligations between the parties. No alteration, modification, or amendment of this Agreement shall be valid except when in writing and when signed by the parties.

ALBUQUERQUE BERNALILLO COUNTY WATER UTILITY AUTHORITY

BY: _____

DATE: _____

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

BY: _____

DATE: _____