

NEWS RELEASE

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METROPOLITAN PROVIDES FINANCIAL INCENTIVES FOR WATER CONSERVATION IN PALO VERDE VALLEY

Agency works with farmers in Palo Verde Valley to reduce water use by at least 30 percent

Palo Verde Valley farmers of land owned by the Metropolitan Water District of Southern California will be eligible for financial incentives to reduce the amount of Colorado River water they use to grow various crops in the region, under new land leases authorized today by the district's Board of Directors.

While Metropolitan has had a partnership with the Palo Verde Irrigation District for more than a decade with its land management and fallowing program, the program approved today expands those efforts by providing financial incentives for farmers to use water more efficiently while maintaining the agricultural productivity of land Metropolitan owns.

Under the new agreements, Metropolitan will offer its new Palo Verde tenants reduced rent in exchange for using 30 percent less water than was historically used on the land. Metropolitan will also provide additional rent reductions to the tenants if they use even less water.

"We are always looking for opportunities to save water. We've had great success through our various programs to conserve water in homes, businesses and industries across our service area in Southern California. Through our long-term relationship with Palo Verde, we are now expanding that partnership to increase agricultural water use efficiency," said Metropolitan board Chairman Randy Record.

Metropolitan owns about 22,000 acres of irrigable farmland in the Palo Verde Irrigation District, along the Arizona border, and will begin new leases in 2017 that provide the new water-saving incentive. Under the agreements Metropolitan has negotiated with four tenants, each lease will have an annual target of about 3.5 acre-feet of consumptive water use per acre of crops. Farms in the area typically use about 5 acre-feet per acre of crops. (An acre-foot of water is nearly 326,000 gallons, about the amount used in a year by two typical Southland households.)

Lessees who use even less water than the target will under most circumstances receive rent credits of about \$37 per acre-foot of additional water conserved. Those who use more than the target will likely face increased rent of up to \$187 per acre-foot of additional water used.

"We're not in the agricultural business, but we are in the conservation business," Metropolitan General Manager Jeffrey Kightlinger said. "Our hope is that some of these farmers will find innovative ways to save water that can be shared across the region and state. We all benefit when water is used wisely while our economy is allowed to thrive."

The new lessees also will maintain land management practices that are consistent with Metropolitan's existing fallowing program. Under that program, Metropolitan pays farmers in Palo Verde to refrain from irrigating some of their farmland, making the saved water available to urban Southern California.

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The Metropolitan Water District of Southern California is a state-established cooperative of 26 cities and water agencies serving nearly 19 million people in six counties. The district imports water from the Colorado River and Northern California to supplement local supplies, and helps its members to develop increased water conservation, recycling, storage and other resource-management programs.