

**Background on
Irvine Ranch Water District
Land Ownership within the Palo Verde Irrigation District**

Irvine Ranch Water District (IRWD) has purchased property in Riverside County that is located within the Palo Verde Irrigation District (PVID). Ownership of this land will eventually become another element of IRWD's long-term program to increase water supply reliability for its customers during droughts and other potential water supply interruptions.

What are IRWD's plans for property purchased within PVID?

- Land purchased by IRWD within PVID consists of approximately 3,100 acres and is actively farmed; IRWD expects to continue with this practice.
- Metropolitan Water District of Southern California (MWD) and PVID have a land fallowing program through which water conserved when farm land is temporarily taken out of production is available to MWD; water conserved improves MWD's water supply reliability and landowners that fallow benefit financially.
- Approximately 2,845 acres of IRWD's 3,100 acres within PVID can be called upon to be fallowed in the existing MWD / PVID fallowing program.
- In the **near term**, land purchased by IRWD in the PVID service area would continue to be farmed essentially as it is today.
 - Agricultural farm leases, which generate income for IRWD, would be maintained on the property and the farming operations would be supervised by District staff and consultants.
 - Farmers that lease the land will maintain the ability to grow crops based on market conditions. Approximately half of the water used on farms is returned to the Colorado River for use by others.
 - As a participant in the existing MWD / PVID fallowing program, IRWD, as a landowner, will receive fallowing payments from MWD.
- In the **long term**, IRWD-owned land within PVID would be utilized as follows:
 - Continue to cultivate the land through agricultural farm leases.
 - As a land owner, IRWD intends to participate in any new fallowing and other water conservation programs developed and implemented by MWD and PVID.
 - IRWD would work with MWD and MWDOC to develop mutually-beneficial programs and agreements through which IRWD would receive increased water supply reliability during periods of drought and supply interruptions in exchange for water conserved on IRWD-owned lands in PVID.

How can IRWD increase its water supply reliability by owning land in PVID?

- PVID, located in Riverside and Imperial Counties and adjacent to the Colorado River, has highest priority rights to water from the Colorado River in California. These priority rights will insulate landowners within PVID from impact associated with any future Colorado River water supply shortages.
- As an owner of land within PVID, IRWD will participate in water conservation programs implemented by MWD and PVID, such as land fallowing, which can make water available for other uses.
- Because MWD holds the rights to any Colorado River water that is conserved within PVID, water conserved from the land owned by IRWD will benefit the MWD service area which includes IRWD.
- In the future, IRWD would work with MWD and Municipal Water District of Orange County (MWDOC) to develop mutually beneficial agreements through which IRWD would receive increased water supply reliability during periods of drought and supply interruptions in consideration of water conserved on IRWD land in PVID.

Why does IRWD's investment in property located within PVID make financial sense?

- No new infrastructure investment is necessary for IRWD to participate in the MWD / PVID fallowing program or future fallowing or on-farm conservation programs.
- Potential water supply reliability benefits associated with owning land in the PVID service area are significantly more cost-effective than other projects such as seawater desalination.
- In the event that water supply reliability benefits are not realized, IRWD retains the ability to sell its land at fair market value and pursue other water supply reliability opportunities.