

**MEMORANDUM OF AGREEMENT
ON THE IMPLEMENTATION OF MINUTE NO. 319**

The Secretary of the Interior ("Secretary"); the Commissioner of the Bureau of Reclamation ("Reclamation"); the Commissioner of the United States Section of the International Boundary and Water Commission ("USIBWC"); the State of Arizona, acting through the Arizona Department of Water Resources, the State of Colorado, the State of Nevada, acting through the Colorado River Commission of Nevada, the State of New Mexico, the State of Utah, the State of Wyoming; the Upper Colorado River Commission; the Central Arizona Water Conservation District; the Coachella Valley Water District; the Colorado River Board of California; the Metropolitan Water District of Southern California; and the Southern Nevada Water Authority; collectively the "Parties,"

Recognizing and appreciating the historic opportunity presented to cooperate together with Mexico in the international management of the waters of the Colorado River to ensure the effective use and enjoyment of these waters; and

Desiring to gain experience through a series of temporary measures, including a pilot project to improve infrastructure and conservation in Mexico and share additional flows in Mexico and the United States;

Hereby affirm the following understandings and agreements:

1. The Colorado River is a vital resource to vast areas of the southwestern United States and northwestern Mexico, where it serves as the primary water supply to support agriculture, municipalities, energy, and natural resources.
2. Distribution and use of Colorado River water in the United States is governed by a complex framework of state and federal law, including for the operation of Colorado River infrastructure in the United States by Reclamation. Delivery of specific annual quantities of water from the Colorado River to Mexico is provided for in the 1944 Treaty Concerning the Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande (Feb. 3, 1944, U.S.-Mex., 59 Stat. 1219, T.S. 994) ("1944 Water Treaty"), which is administered for the United States by the United States Section of the International Boundary and Water Commission ("USIBWC").
3. Since 2007, the United States and Mexico have been voluntarily seeking to identify cooperative opportunities to help ensure that the Colorado River system is able to continue to meet the needs of the people of both countries, particularly through innovative and proactive measures for water conservation, storage, supply augmentation, and environmental protection that both countries could implement consistent with the 1944 Water Treaty.
4. On June 17, 2010, the United States and Mexican Commissioners of the International Boundary and Water Commission ("IBWC") agreed to establish a binational Consultative Council composed of representatives of the Commission, the respective federal governments and the seven United States Colorado River Basin States, to facilitate consideration of the

legal, administrative and policy matters associated with developing opportunities for binational cooperative projects with benefits to both countries.

5. On December 17, 2010, the United States and Mexican IBWC Commissioners executed Minute No. 318 under the 1944 Treaty, providing for the temporary adjustment of delivery schedules for water allotted to Mexico under the 1944 Water Treaty to address Mexico's urgent needs as a result of infrastructure damage in Irrigation District 014 caused by the April 2010 earthquake in the Mexicali Valley, Baja California, Mexico.

6. The most recent binational, cooperative effort between the United States and Mexico, including participation by representatives of the seven United States Colorado River Basin States, has been memorialized in Minute No. 319, to be signed on November 20, 2012. Minute No. 319 provides for a five-year pilot project of temporary measures and increased cooperation and management of the water resources of the Colorado River, including:

- a. Extension of the provisions of Minute No. 318 to address Mexico's continuing need to recover from severe earthquake damage to water infrastructure in the Mexicali Valley, Baja California;
- b. Acceptance by Mexico of voluntary reductions of water deliveries under certain low reservoir conditions;
- c. Provision by the United States for increases of water deliveries to Mexico under certain high reservoir conditions;
- d. Provision for the creation and later delivery of Intentionally Created Mexican Allocation ("ICMA") and the minimization by Mexico of increased salinity impacts; and
- e. Provision by the United States for investment in water conservation and infrastructure projects in Mexico that will generate water for environmental flows in Mexico, as well as for allocation and use of waters within the United States, and to create long-term benefits for water use within Mexico.

7. Because of the vested legal rights to water allocations in the United States of certain governmental, agricultural, and municipal entities represented by the Parties, as well as the desire of some of the non-federal Parties to invest in Mexican conservation projects and generate additional water for use by those entities, Minute No. 319 requires the mutual acceptance, cooperation, and coordination of the Parties for its implementation in the United States. The Parties hereby confirm their mutual acceptance, cooperation and coordination to carry out the terms of Minute No. 319, which is memorialized through the agreement and execution on this day of a number of implementing arrangements, in the absence of which Minute No. 319 cannot be implemented. These are:

- a. The Interim Operating Agreement for Implementing Minute No. 319;

- b. The 2012 Lower Colorado River Basin Forbearance Agreement for Binational Intentionally Created Surplus; and
- c. The 2012 Contributed Funds Agreement.

8. Section III.3 of Minute No. 319 provides that Mexico will decrease its order of Colorado River water when Lake Mead is at or below specific elevations. Reclamation and the USIBWC hereby confirm that they will implement such decreased deliveries strictly according to the terms of Minute No. 319. Any impacts to salinity resulting from these decreases will be minimized through measures other than through the release of additional water to Mexico.

9. Under Section III.2 of Minute No. 319, Mexico may order specific limited amounts of additional deliveries under certain high reservoir conditions. Reclamation and the USIBWC recognize and acknowledge that these additional deliveries may only be made available with the agreement of the non-federal Parties. The non-federal Parties hereby confirm that they have agreed to make arrangements to make this quantity of water available to Mexico, consistent with the agreements executed this day.

10. Section III.6 of Minute No. 319 requires Mexico to provide to the United States 124,000 acre-feet of ICMA or water deferred under Section III.1 of Minute No. 319 to the United States in consideration for funding provided by the United States for infrastructure and conservation improvements in Mexico to generate and conserve water. The non-federal Parties hereby confirm that they have approved the provision of \$10 million to the United States for transfer to Mexico, and the USIBWC and Reclamation confirm that they have secured approvals for the provision of \$11 million to Mexico for this purpose. The USIBWC hereby confirms that it will implement Minute No. 319 to assure that 124,000 acre-feet of water are available in Mexico's account and are transferred to the United States according to the terms of the Minute. Reclamation confirms that it will transfer the necessary amounts of water to contractors as provided in the implementing agreements executed this day.

11. Because Minute No. 319 can only be implemented with the support, cooperation, and agreement of the non-federal Parties, the USIBWC and Reclamation confirm that they would necessarily consult with, and seek the continued support, cooperation, and agreement of, the non-federal Parties before extending the terms and cooperative programs of Minute No. 319 or negotiating a new arrangement involving similar or different terms and cooperative programs.

12. Consistent with the assurances and commitments set forth in the February 16, 2012, letter from the Commissioners of Reclamation and the USIBWC, the assurances and commitments set out in this Memorandum of Agreement, and the implementing agreements executed this day, the Parties hereby mutually confirm their agreement to support execution and implementation of Minute No. 319, and to avoid circumstances that could in any way lead to disputes or controversies over interpretation or application of Minute No. 319, the 1944 Treaty, or other applicable provisions of law that govern the Colorado River. If an international or domestic dispute does arise, the USIBWC and Reclamation confirm their intention to consult and work with the non-Federal Parties to resolve any such dispute arising during implementation of Minute No. 319.

13. The Parties confirm their mutual understanding that nothing in Minute No. 319 or in its implementation alters or in any way affects the provisions of the Department of the Interior's 2007 Interim Guidelines for the Operation of Lake Powell and Lake Mead, or their respective rights and obligations thereunder. Nor have they waived any rights, claims, or defenses now or in the future under any applicable federal or state law or administrative rule, regulation or guideline.

Signed, on the 20th day of November, 2012, in Coronado, California.

THE UNITED STATES OF AMERICA

By: 
Kenneth L. Salazar
Secretary
Department of the Interior

By: 
Michael L. Connor
Commissioner
Bureau of Reclamation

By: 
Edward Drusina
Commissioner
United States Section, International
Boundary and Water Commission

CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: 

David V. Modeer
General Manager

COACHELLA VALLEY WATER DISTRICT

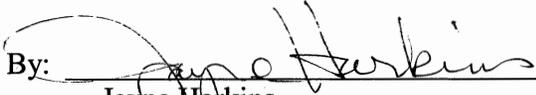
By: 

J. M. Barrett
Acting General Manager

COLORADO RIVER BOARD OF CALIFORNIA

By: 
Dana B. Fisher, Jr.
Chairman

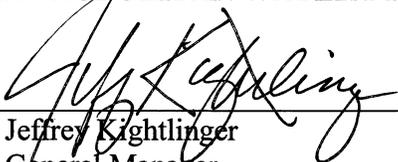
**THE STATE OF NEVADA acting through the
COLORADO RIVER COMMISSION OF NEVADA**

By: 
Jayne Harkins
Executive Director

SOUTHERN NEVADA WATER AUTHORITY

By: 
Patricia Mulroy
General Manager

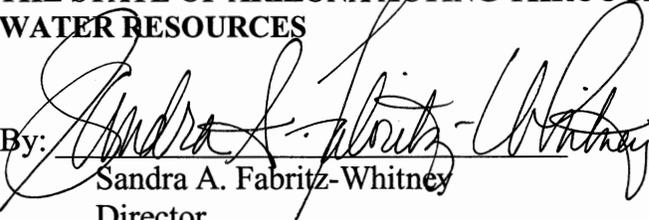
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

By: 

Jeffrey Kightlinger
General Manager

**THE STATE OF ARIZONA ACTING THROUGH THE ARIZONA DEPARTMENT OF
WATER RESOURCES**

By: _____

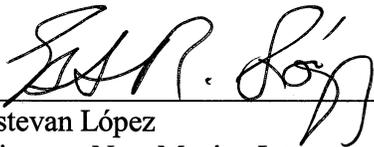

Sandra A. Fabritz-Whitney

Director

THE STATE OF COLORADO

By: 
Jennifer Gimbel
Colorado Commissioner, Upper
Colorado River Commission
Director, Colorado Water Conservation
Board

THE STATE OF NEW MEXICO

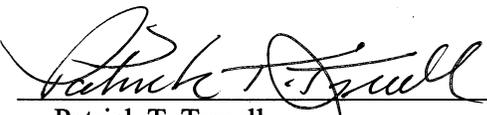
By: 

Estevan López
Director, New Mexico Interstate
Stream Commission

THE STATE OF UTAH

By: 
Dennis J. Strong
Director, Utah Division of Water Resources
Commissioner, Utah Interstate Stream

THE STATE OF WYOMING

By: 
Patrick T. Tyrrell
Wyoming State Engineer

UPPER COLORADO RIVER COMMISSION

By: 
Don Ostler
Executive Director
Upper Colorado River Commission