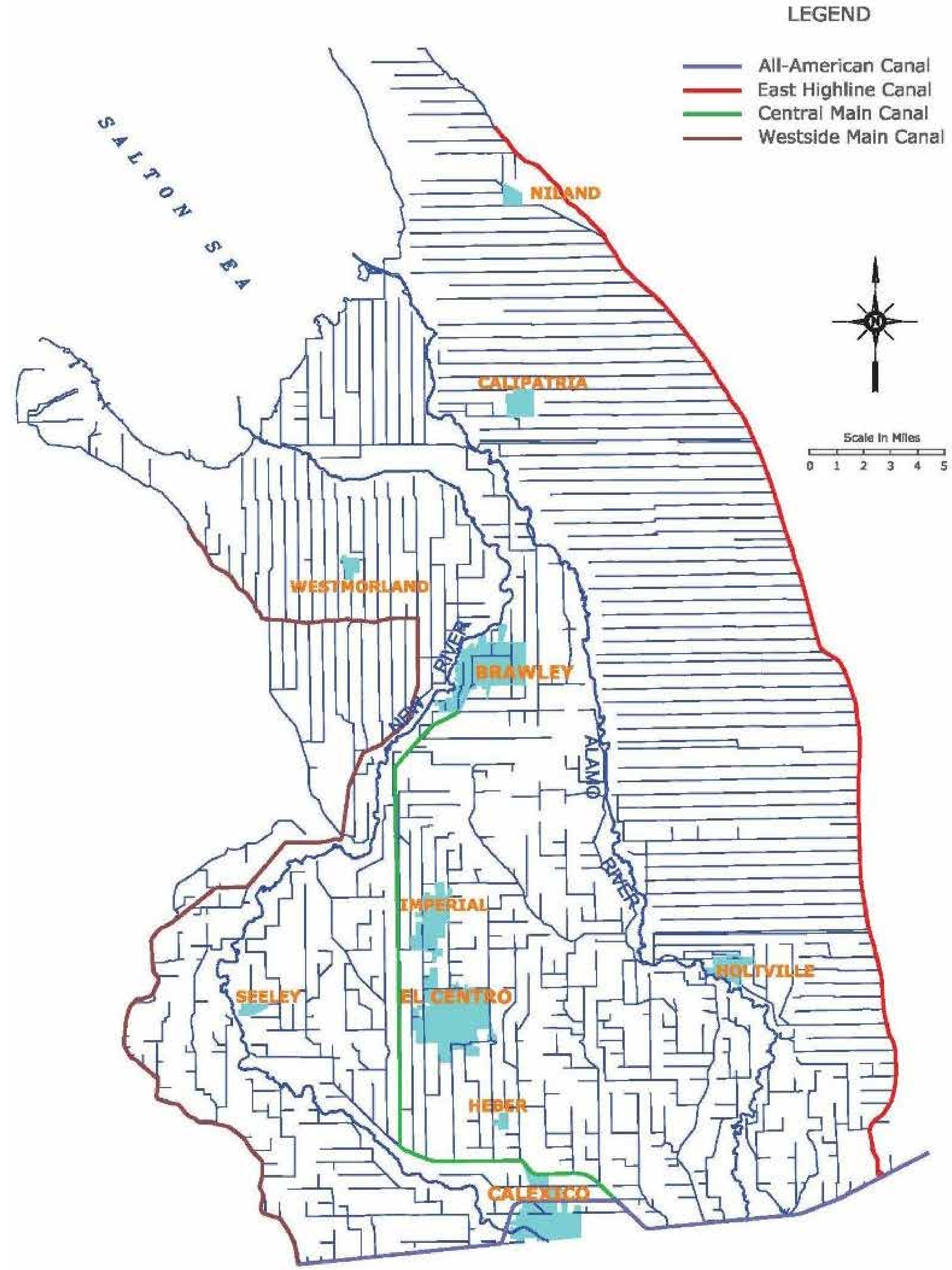


2022 WATER & QSA IMPLEMENTATION REPORT

IMPERIAL IRRIGATION DISTRICT

CONTENT

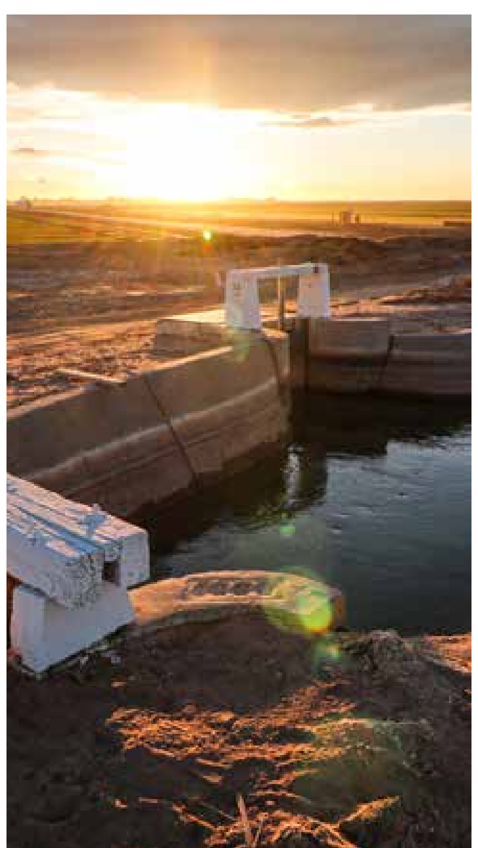
IMPERIAL UNIT CANAL NETWORK



LETTER FROM THE WATER MANAGERS

The Colorado River operated under shortage conditions for the first time in 2022 under the increasing severity of the Western drought. The Imperial Irrigation District, similar to other water entities that rely on Colorado River water, spent much of 2022 ensuring its local water supply uses did not exceed its available supplies while developing a collaborative response within California as to how to contribute to the depleted reservoir conditions affecting the Basin States. Albeit a challenging task in itself, the district did not lose sight of the fact that IID continues to have close to half a million acre-feet of annual conserved water transfer obligations under the Quantification Settlement Agreement, the largest ag-to-urban water conservation and transfer pact in the United States.

Throughout 2022, the IID board of directors and the Water Department held steadfast to the district's commitment to provide an uninterrupted and unsurpassed level of service to our in-valley customers while honoring its QSA water transfer commitments. IID continued to responsibly manage and protect Imperial Valley's 3.1 million acre-feet entitlement and its sole water source all while pursuing opportunities for future collaborative and voluntary contributions to Lake Mead for the benefit of IID and the Colorado River basin. The district ended 2022 with an underrun of 6,470 acre-feet after satisfying all local water use demands and creating 38,365 acre-feet of excess conservation, which is less than 0.2 percent of the district's full water entitlement. This measurable excellence of efficiency was only feasible through decades of IID's extraordinary water conservation practices and continuous noteworthy contributions from our local agricultural growers participating in IID's On-Farm Efficiency Conservation Program.



The following is a brief overview of the Water Department's 2022 record of success and sustainability during these challenging times:

- *Reached a 20-year milestone of fulfilled QSA Transfer obligations amounting to over 7.25 million acre-feet in total water conservation.*
- *Adopted IID's revised Equitable Distribution Plan and began an annual apportionment of water to all district water users retroactively to January 1, 2022.*
- *Secured $250 million in federal funding for Salton Sea Management Program implementation in collaboration with U.S. Bureau of Reclamation, California Natural Resource Agency and Coachella Valley Water District.*
- *Paid off IID's share of the QSA Joint Power Authority Environmental Mitigation Obligation 13 years early. IID's scheduled contributions collectively result in the total maximum contribution of $44.1 million (2003 value) and has ended with an actual $104 million final contribution in 2022 instead of the projected $126.7 million at full term.*
- *Applied for, and subsequently secured, over $9.5 million in grant funds for system efficiency and water conservation projects.*
- *Under threat of potential federal regulatory action amidst severe drought conditions, and in collaboration with the Colorado River Board, the Metropolitan Water District of Southern California, the Palo Verde Irrigation District and Coachella Valley Water District, IID worked to develop California's Conservation Proposal to conserve up to 400,000 acre-feet annually from 2023-2026. Through a voluntary program, IID and its water users would generate 250,000 acre-feet per year of conserved water for up to four years to benefit Lake Mead, with California's conservation totaling up to 1.6 million acre-feet.*
- *Created an additional 25,000 acre-feet of Intentionally Create Surplus System Conservation Water, through an agreement with Reclamation, to help meet system water conservation efforts described in the Lower Basin's 500+ Plan, which aims to add 500,000 acre-feet of additional water to Lake Mead in 2022.*

The efforts and accomplishment of the Water Department's staff in 2022 are broader than what can be quantified in this publication; nonetheless, we trust this communication provides a glimpse of the multi-tiered, team effort that IID employees engage in on an ongoing basis in support of, and for the benefit of, not just our local community, but a broader network of water users in the region.

IID's Water Department will continue to ensure long-term water supply reliability for in-valley users and to fulfill its ongoing water transfer commitments. Despite the mounting uncertainties of the Colorado River hydrology, IID is also preparing plans to make additional collaborative, voluntary, compensated contributions to Lake Mead, while remaining committed to protecting the district's senior water rights which are held in trust for its beneficial users.

Tina Shields
Water Manager

Mike Pacheco
Water Manager

OPERATING UNDER SHORTAGE CONDITIONS

Drought conditions in 2022 became widespread and severe. In June, U.S. Bureau of Reclamation Commissioner Camille Touton testified before Congress, calling for the seven Basin States to develop a plan before the end of the year to reduce Colorado River water demands by 2-4 million acre-feet per year, through 2026. Absent of a plan to accomplish this, she warned that the Secretary of the Interior would take regulatory action to force these reductions to protect the Colorado River system in light of the prolonged drought conditions and climate change impacts. The Colorado River Basin was in its first year of operating under shortage conditions, with a second Tier 2 shortage determination forecasted for 2023, and immediate actions were anticipated to be necessary to prevent reservoirs from falling to critically low elevations that would threaten Colorado River water deliveries and power production.

The shortage operating conditions resulted in the suspension of the federal Inadvertent Overrun and Payback Policy, which eliminated IID's ability to overrun its 3.1 million acre-feet entitlement. In an effort to address any potential water supply/demand imbalance, in June of 2022, the IID Board of Directors adopted a revised Equitable Distribution Plan for the apportionment of water to all categories of water use. Implementation of the EDP initiates every January 1, and continues throughout the respective year unless the IID board of directors takes specific action.

IID's EDP implementation efforts in 2022 coincided with efforts communicated by the U.S. Bureau of Reclamation to all Colorado River Basin contractors during the same time period to limit water supply demands. Worth noting is that the Basin States and the federal government have known for decades that, independent of climate change, reoccurring episodic droughts in the Colorado River Basin have reduced the reliable flow below the total water supply apportionments to the Basin States. Although this reality was labeled a

“structural deficit,” no shortage or reduction in diversions occurred until 2022. While other states that have junior water rights preferred to defer hard planning and investment decisions until a crisis was imminent, IID, a holder of senior water rights but with no alternative water supply, diligently reached out in good faith efforts to federal agencies and Colorado River contractors to minimize any impacts to the Imperial Valley.

Attempts by IID and the state of California to work collaboratively with other Basin States were largely unsuccessful in 2022. Despite the shortfall in collaboration, IID marched forward and did not ignore the Colorado River crisis nor did it concede efforts to find a consensus solution. IID is a major contributor to the California Plan, which is the only voluntary state proposal to reduce its consumptive uses of Colorado River water, despite having senior water rights. The California proposal involves conserving an additional 400,000 acre-feet each year through 2026 utilizing federal compensation, which would leave up to 1.6 million acre-feet of new water in Lake Mead, in addition to any state Drought Contingency Plan commitments.

By the end of 2022, IID submitted a voluntary conservation proposal in support of California’s drought protection plan to Reclamation, seeking federal drought support from the $4 billion in Inflation Reduction Act funding authorized by Congress for implementation in years 2023-2026. IID went on record that its share of the California proposal, under a voluntary plan for the benefit of Lake Mead, could generate up to 250,000 acre-feet per year of conservation provided no mandatory reductions were imposed.

Additionally, at the local level, IID proposed to implement system conservation projects for a smaller mid-lateral reservoir that would save 400 acre-feet of water annually and for a larger upstream operational reservoir that would conserve up to 15,000 acre-feet per year. Funding for both projects was sought through Reclamation. These proactive measures took place, all while ramping up local on-farm water conservation programs in partnership with Imperial Valley growers. California reductions, or the potential for future regulatory reductions, by the Secretary of the Interior, remained undefined through 2022.

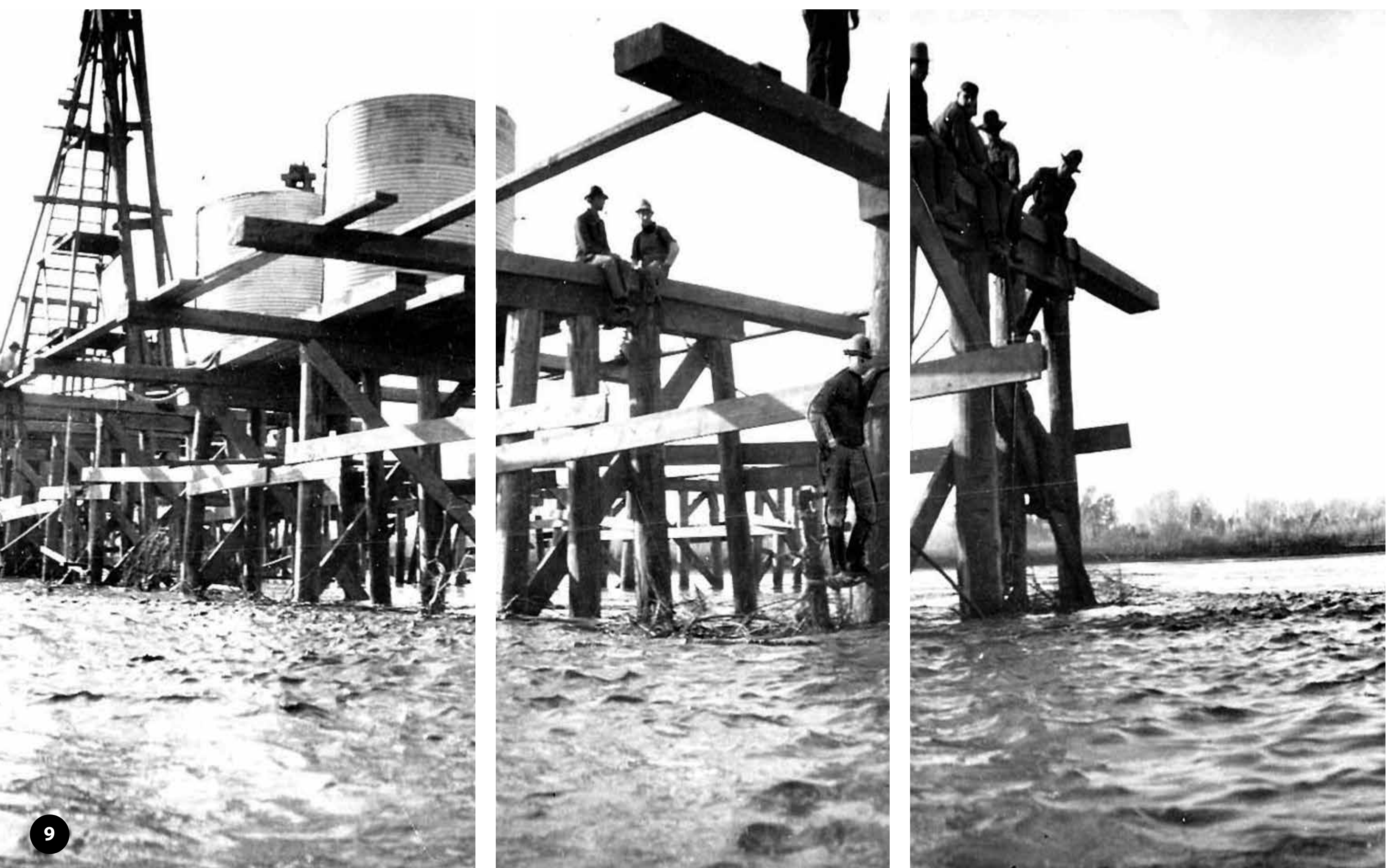
It is of utmost importance to note that all water conservation efforts put forth by IID involve the voluntary and active engagement of Imperial Valley agricultural growers. IID recognizes and appreciates the immense role the Imperial Valley farming community has on water use, conservation and the regional benefits contributed to the Colorado River system as a whole. In 2022 alone, IID’s On-Farm Efficiency Conservation Program conserved just under 180,000 acre-feet of water and, since the program was initiated in 2013, has conserved over 1.3 million acre-feet of Colorado River water.

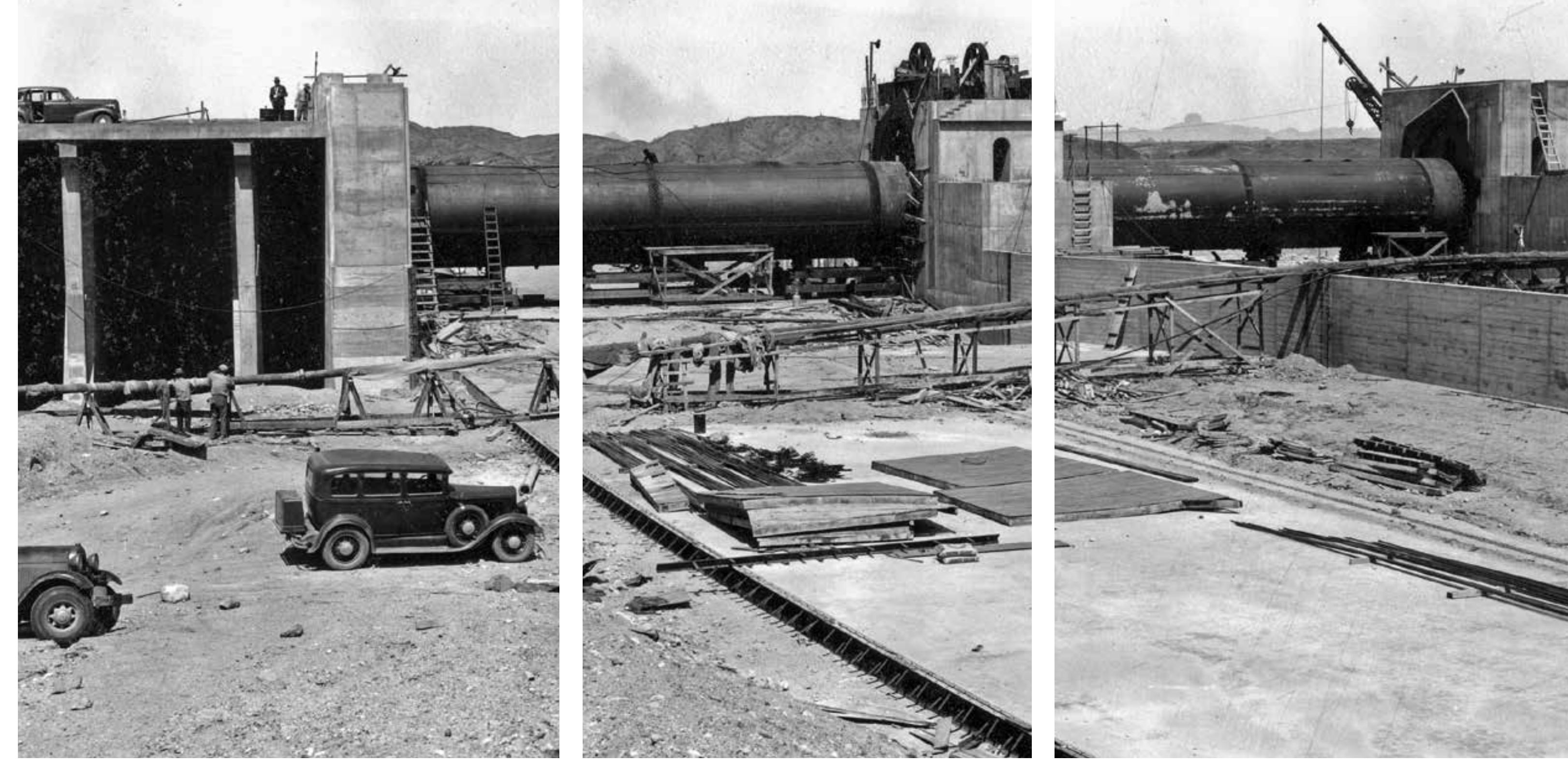
HISTORY, PRESENT DAY INITIATIVES AND CHALLENGES

The Colorado River Compact

Imperial Irrigation District's rights to appropriate Colorado River water are long-standing. Beginning in 1885, a number of individuals, as well as the California Development Company (CDC), made a series of appropriations of Colorado River water under California law for use in the Imperial Valley. Pursuant to then-existing California laws, these appropriations were initiated by the posting of public notices for approximately 7 million acre-feet of water per year at the point of diversion and recording such notices in the office of the county recorder. The individual appropriations were subsequently assigned to the CDC, whose entire assets, including its water rights, were later bought by the Southern Pacific Company and ultimately bought by the IID which was formed in 1911. By 1922, IID had acquired 13 mutual water companies that developed and operated the distribution canals under "the Law of the River."

The Colorado River has long been managed and operated under numerous compacts, federal laws, an international treaty, court decisions and decrees, contracts, and regulatory guidelines collectively known as "the Law of the River." The Colorado River Compact is a 1923 agreement among the seven Colorado River Basin States that governs the allocation of the River's water rights. The compact divides the River Basin into two areas, the Upper Basin (comprising of Colorado, New Mexico, Utah and Wyoming) and the Lower Basin (comprising of Nevada, Arizona and California). The compact required that the Upper Basin states not deplete the flow of the River below 75 million acre-feet during any period of 10 consecutive years. The amount specified in the compact was assumed to allow a roughly equal division of water between the two regions amounting to 7.5 million acre-feet per year for each. In addition to this, 1.5 million acre-feet per year of Colorado River water is allocated to Mexico.





Under the Boulder Canyon Project of 1928, President Coolidge signed a bill authorizing the construction of Imperial Dam and the All-American Canal, both of which serve for the diversion and channeling of water into the Imperial Valley and IID's water service territory. The bill permitted the compact to go into effect when at least six of the seven states approved it, which occurred on March 6, 1929. In 1932, IID entered into a contract with the Secretary of the Interior to receive an annual entitlement to 3.85 million acre-feet of water minus priorities one (Palo Verde Irrigation District) and two (Yuma Project).

Arizona was dissatisfied with the Lower Basin allotment and refused to sign the agreement until 1944. The specific allotments were disputed by Arizona until the United States Supreme Court upheld the amount in the 1963 Arizona v. California decision, ending (to some extent) many years of dispute. Nonetheless, the Supreme Court has been asked to readjust Arizona's water allocation more than half a dozen times - to no avail. Arizona did, however, set the precedent of the Supreme Court using water rights. The case ultimately decided that the Boulder Canyon Provision was correct for the Lower Basin states (despite the Court ultimately ruling in favor of Arizona) and it agreed with California's interpretation of how the state receives surplus water supplies. As Arizona and Nevada's water demands grew, California encountered increasing pressure to live within its annual Priority 1-4 rights of 4.4 million acre-feet under the Law of the River. After years of negotiating among Colorado River Compact States and affected California water delivery agencies, the 2003 Quantification Settlement Agreement (QSA) and Related Agreements and associated documents were signed by the affected parties and IID's Priority 3 (a) annual consumptive use was capped at 3.1 million acre-feet per year for the 45-year term of the agreement with a possible extension for an additional 30 years.

The Law of the River is undisputable, historical and decided precedent. As the U.S. Supreme Court ruled in Arizona v. California: "A major purpose of this litigation, from its inception to the present day, has been to provide the necessary assurance to States of the Southwest and to various private interests, of the amount of water they can anticipate to receive from the Colorado River System."

The Colorado River is the sole source of

water for the Imperial Valley, unlike most other Basin States and water agencies that have multiple water supply alternatives. California has senior water rights, and more specifically, IID has 2.6 million acre-feet of Present Perfected Rights that pre-date the compacts. In 1979, PPRs referred to in the Colorado River Compact and in the Boulder Canyon Project Act were addressed by the Supreme Court in the form of a Supplemental Decree. These vested rights are not subject to reclamation law limitations and in times of shortage, PPRs must be satisfied first. These water rights are the great heritage that generations of Imperial Valley farmers and IID have worked so hard to preserve.

IID's Present Day Initiative and Challenges

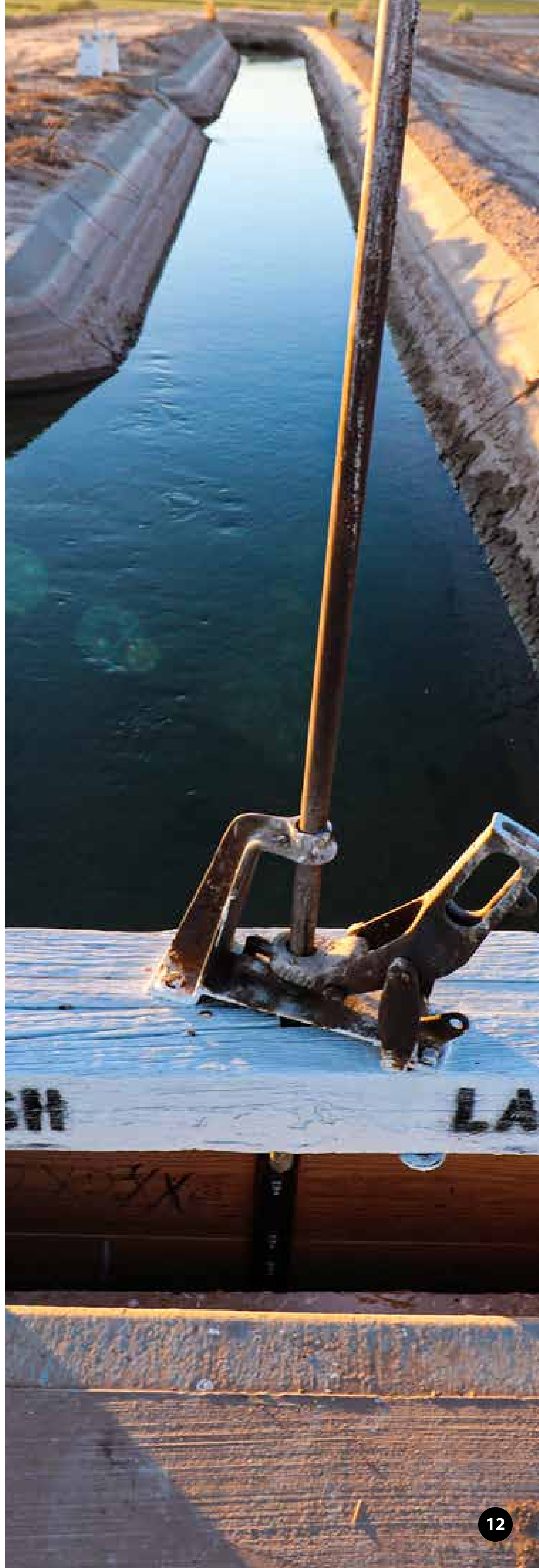
IID's present day initiative is longstanding and remains steadfast in preserving and maintaining IID's long-term water service delivery reliability and resiliency. IID's exemplary water conservation programs are designed to accommodate new growth and development within its existing consumptive use without adverse impacts to agricultural production or hindering growth. This objective has become increasingly challenging as the QSA water transfer obligations have ramped up and drought conditions enter its third decade. IID has to ensure that it not only continues to best manage its water resource not just for its Imperial Valley customers, but for the state and for the West as a sustaining party to the nation's largest agriculture-to-urban water transfer.

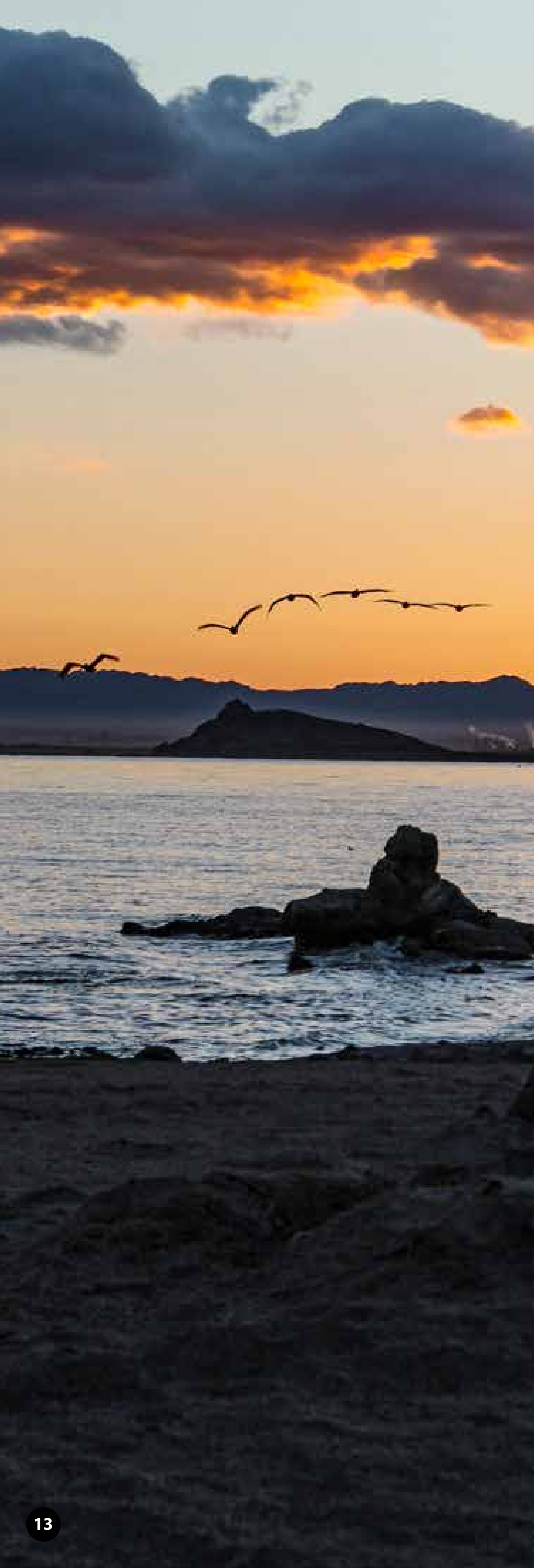
The district meets its water conservation goals year after year by implementing numerous efficiency-based water conservation programs that have proven successful as noted throughout this publication. Unfortunately, successful conservation for water transfer obligations have had a detrimental effect to the Salton Sea. The serious and far-reaching environmental effects of the QSA on the Salton Sea were widely known at the time the 2003 agreement was reached. Absent the Legislature's statutory commitment, which the QSA parties relied on in approving the QSA, the agreement would have not moved forward.

IID was faced with even more challenging prospects in 2022. IID's conservation efforts in 2022 were heightened by the efforts communicated by the U.S. Bureau of Reclamation to all Colorado River Basin contractors during the same time period. In June, Commissioner Camille Touton testified before a congressional committee and called for the Basin States to develop a plan before the end of the year to reduce demands by 2-4 million acre-feet per year, through 2026, or the Secretary of the Interior would take regulatory action to force these reductions in order to protect the Colorado River system in light of the prolonged drought conditions and climate change impacts.

IID has been working diligently with federal agencies and Colorado River contractors to minimize impacts to the local community while simultaneously ramping up water conservation programs in an effort to augment local water supplies, to some degree, should Basin-wide voluntary cutbacks be unavoidable. The Lower Basin Plan proposes California, Arizona and Nevada water users to voluntarily conserve at least 1.5 million acre-feet by the end of the 2024 calendar year. In the interim, IID has gone on record that its share of the California proposal under a voluntary plan would not exceed 250,000 acre-feet per year (through 2026) as long as there are no obligatory reductions imposed.

These additional conservation efforts to voluntarily contribute to the Colorado River system and more specifically to protect critical reservoir elevation levels, will accelerate the impacts to the Salton Sea. The IID Board of Directors, through an agreement with the Bureau of Reclamation, will dedicate 25,000 acre-feet of its 2022 excess conservation to Lake Mead. The reduction in agricultural return flows results in receding water and expanding playa at an earlier level than anticipated under the QSA. The decreased return flow also increases the salinity level concentrations at the Salton Sea, which . averaged 45.80 parts per thousand (ppt) in 2004 as reported by BOR's water quality monitoring efforts (LCR Salton Sea Salinity



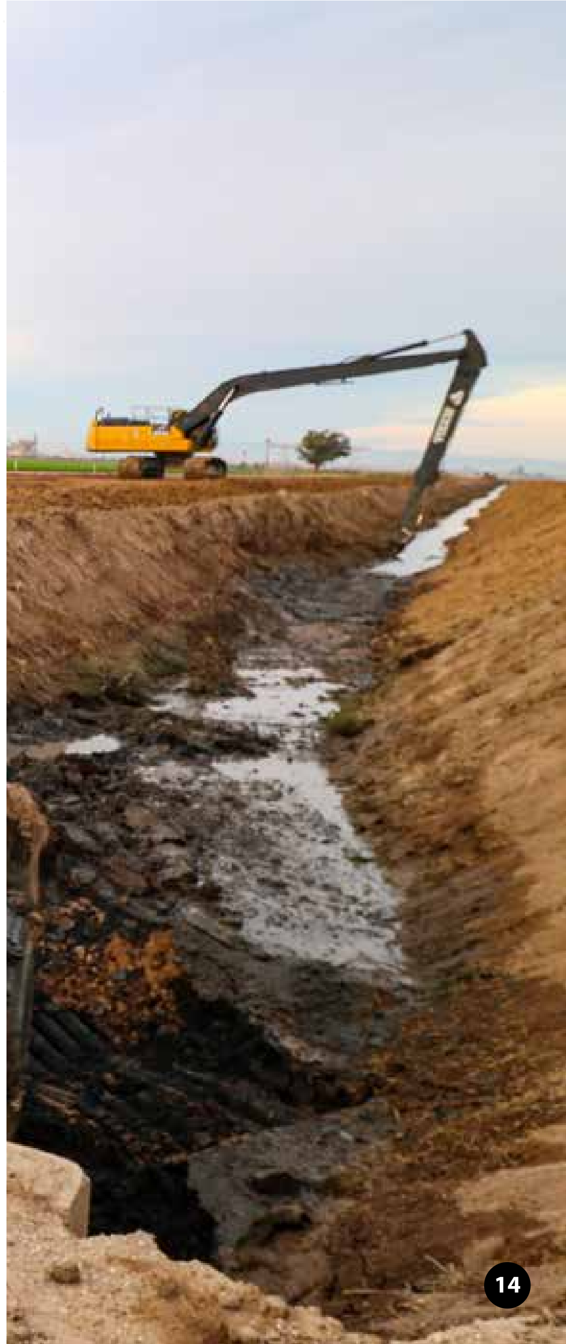


Levels) and had reached a salinity level of 76.75 ppt in 2022 based on the average sampling, collected quarterly at four separate sites (with some data collected as high as 86 ppt for IID accepted samples). The current salinity level of the Salton Sea represents more than twice the salinity levels of that of the ocean (ocean salinity is between 34 ppt and 36 ppt) and thus unable to adequately support aquatic life.

In result of an IID filed petition to modify the State Water Resource Control Board Order to add a condition requiring the State to fulfill its commitment to restore the Salton Sea, Order WR 2017-013 was modified to set restoration milestones for the Salton Sea to be led by the Secretary of the California Natural Resources Agency to address these environmental concerns. The long-awaited Species Conservation Habitat project began to fulfill several of the established milestones in 2022. By August of 2022, CNRA reported SCH Project construction at 60 percent complete with work progressing on the saline intake and New River intake. Bird nesting and loafing islands were reported at 75 percent complete and all perimeter berms were largely reported as completed by year-end. Vegetation enhancement projects for dust suppression were also initiated in 2022 on exposed lakebed near the communities of Salton City and Bombay Beach which incorporate natural recruitment, seeding and planting.

The linkage between Colorado River water and the Salton Sea is inextricable. Additional contributions by IID to the Colorado River system are pre-conditioned, in part, on state and federal commitments to address Salton Sea mitigation and restoration funding obligations. Under the 2022 Inflation Reduction Act, Reclamation was able to authorize $250 million in federal Salton Sea funding of Salton Sea impacts related to accelerated playa exposure.

WATER OPERATIONS



The IID Water Department manages all water services, operations and facilities. The approved budget for 2022 estimated $343 million in total revenue and funding, a 9 percent increase from the 2021 adjusted budget. The budget supported 478 regular positions within the department, which operates under one administrative and nine operational sections. Collectively, these sections are responsible for carrying out a number of services and functions to ensure efficient and reliable water service delivery to IID customers.

Water Administration

Water Managers Tina Shields and Mike Pacheco lead the Water Administration Section and the Water Department as a whole. Water Administration is responsible for the oversight of all water operations, maintenance, engineering services, budgetary processes and accountability for the department. Administration staff interfaces with regulatory agencies, the IID Board of Directors, general manager and the public to insure effective communication and proper administration of policies and procedures. Key responsibilities include oversight of sections and units within the Water Department to make sure goals and objectives established by, and for, the department are met consistent with the IID Strategic Plan.

Activities implemented under the Water Administration Section involve planning, development and management of water resource programs of interest to the district, including activities involving water conservation proposals and agreements, implementation of special projects related to the district's water resources, planning and grant management and state and federal reporting.

Engineering Services Section

The Engineering Services Section is led by Ismael Gomez, Assistant Water Manager. Water Engineering Services is responsible

for three primary functions: 1) provision of engineering services, 2) management of the Capital Improvement Program and 3) serves as a liaison for the water Department. Engineering services that are delivered through this section include management and administration, planning and preliminary engineering, design and drafting, survey investigations, inspection, project management, construction support (staking, engineering input, etc.) and construction management services. Services are provided to the Water Department, outside agencies, developers, special fund, miscellaneous power (primarily surveying investigations and drafting) and other capital maintenance and planning projects. This section also supports and manages the System Conservation Program.

Other responsibilities include providing protection of district interests through planning reviews and commenting on technical and legal documents and/or issues involving policies, procedures, legal, real estate, engineering, financial, operation and maintenance, construction and water resources in response to internal and external inquiries.

Agriculture Water Resources Section

This section is comprised of an Agriculture Water Management unit and a Farm Programs unit led by Benjamin Brock. The Ag Water Management Unit serves as a key liaison between agricultural water users and district programs that relate to water limitations, irrigation standards, water quality issues and regional water use coordination. The Farm Programs Unit incorporates all water conservation programs and is responsible for long-term implementation of water conservation and transfer programs between IID and other agencies. Areas of responsibility include: apportionment (when EDP is in effect), Clearinghouse and on-farm conservation programs. Staff provides regular program updates to the IID Board of Directors as well as stakeholder agencies regarding budget, expenditures, program schedules and objectives.

Water Quality Programs Section

The Water Quality Programs Section is led by Stephen Charlton and is comprised of the Water Quality and Water Biological Control units. This section is responsible for collecting, maintaining and reporting water quality data for regulatory compliance purposes, as well as coordination of Water Department weed spray activities. Areas of responsibility include TMDL/Ag Waiver, Safe Drinking Water Act, Title 22 Joint Monitoring program and Vegetation Management programs. The section is also

responsible for the biological control of invasive species within the IID canal system by use of grown and raised sterile grass carp.

Environmental Mitigation Section

This section, led by Jessica Humes, is comprised of Environmental Mitigation and is responsible for implementing environmental mitigation measures for the Quantification Settlement Agreement and water transfers, including Water Department operation and maintenance activities. This unit performs wildlife species monitoring and conservation activities, Managed Marsh complex operation and maintenance, desert pupfish refugium construction, and Salton Sea air quality mitigation. It also coordinates all related permitting for compliance with QSA EIR/EIS, biological opinion, Incidental Takes Permit 2081 and other environmental permits that may be required for projects.

System Control, Monitoring & Data Management Section

The System Control, Monitoring and Data Management Section was led by Assistant Water Manager, Carlos Villalon who retired in late 2022. This section maintains the automated control and monitoring sites distributed throughout the irrigation system and manages the maintenance of Metropolitan Water District Conservation projects. These tasks utilize approximately 80 percent of the section's budget resource. The remaining 20 percent is used to conduct flow measurement and carry out data management tasks using the SCADA, WISKI, Truepoint, GIS and Decision Support systems.

All-American Canal/Dam Operations & Maintenance Section

The Water Department AAC/Dam Operations and Maintenance Section is managed by Merlon Kidwell as the Water Master and Interim Superintendent General of Water Operations and Maintenance, Imperial Dam. The section transports irrigation, industrial and municipal water through the main canals for scheduled delivery. It also plans, organizes, directs, prioritizes and implements comprehensive strategies and programs for the construction, maintenance and repair of Senator Wash, Imperial Dam and related structures.

Water Dispatch Section

The Water Dispatch Section oversees the complex task of estimating and ordering Colorado River water for Imperial Valley irrigation distribution and is led by IID's Water Master, Merlon Kidwell. The section makes the irrigation water available to the water divisions for delivery to farmland and local communities by routing the available irrigation water through the main canal system using IID's SCADA system. It also does quality control of water data and creates water analysis reports as requested. Lastly, develops final All-American Canal water accounting from AAC Station 1117 to AAC Station 4242, which becomes part of USBR Colorado River accounting.

Northend & Southend Division Sections

The Northend and Southend divisions are led by John Rodrigues and Henry Dollente, respectively. These sections are primarily responsible for delivering irrigation water to customers in the most economical and efficient manner. They are also responsible for the district's irrigation and drainage systems, including the maintenance of open channel concrete/earthen canals, pipeline canals, water deliveries and open channel drains. The division offices interface with water customers involving water orders, water card processes, service pipes and small acreage accounts.

IID WATER DEPARTMENT

Administration

5,150+ farm accounts

2.5+ MAFY of water used on average in Imperial Valley

~495,000 AFY of water conserved

Operation & Maintenance

445,000+ annual irrigated acres

1,668 miles of canals

1,456 miles of drains

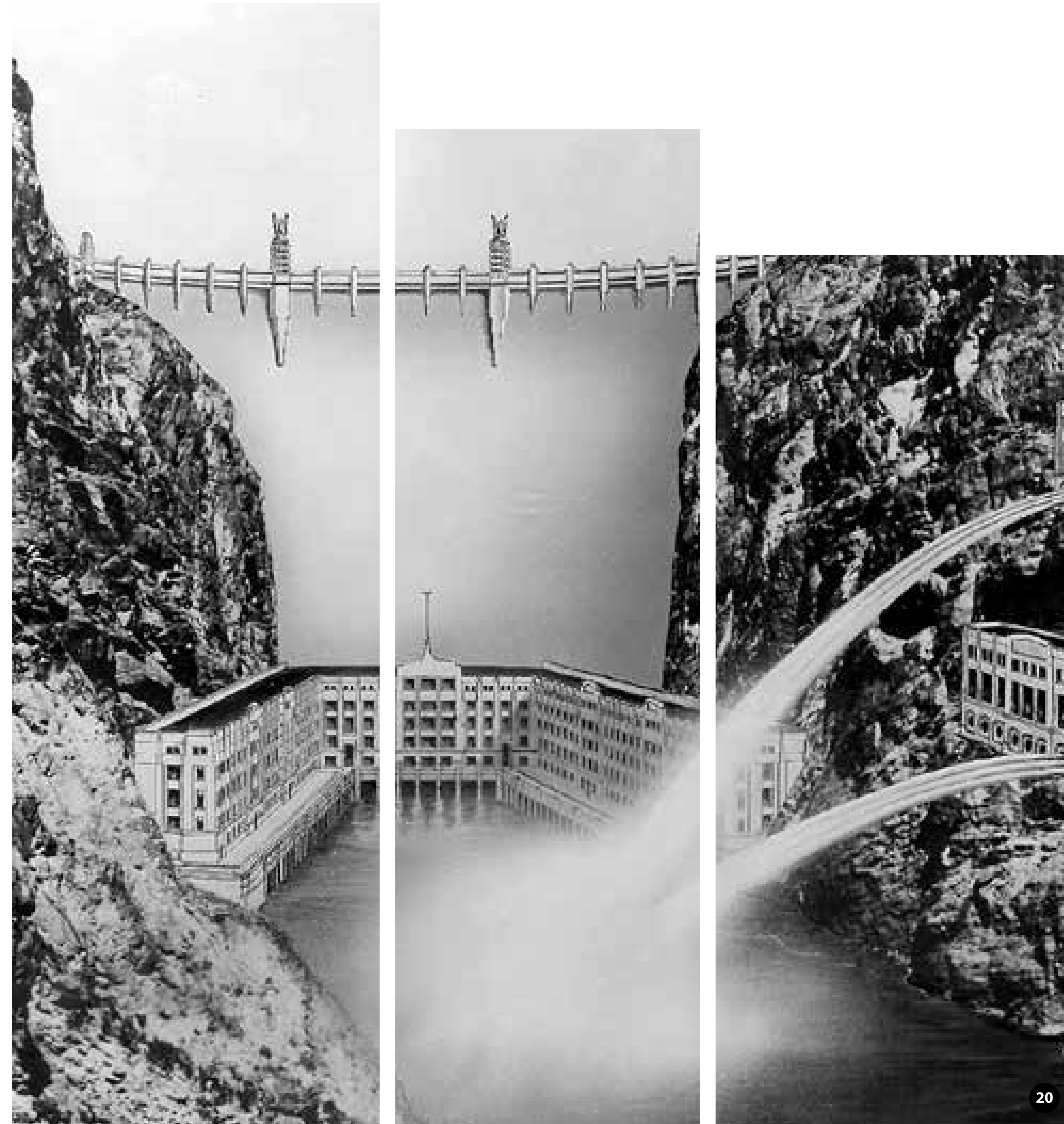
Support Services

95 construction sites had Burrowing Owl field inspections

14,239 miles of drains and laterals sprayed for weed control

2,010 acres of dust control projects at the Salton Sea

WATER RIGHTS



CALIFORNIA LAW

IID has a longstanding right to divert Colorado River water and holds legal title to all its water and water rights in trust for landowners within the district (California Water Code §20529 and §22437; Bryant v. Yellen, 447 U.S. 352, 371 (1980), fn.23.).

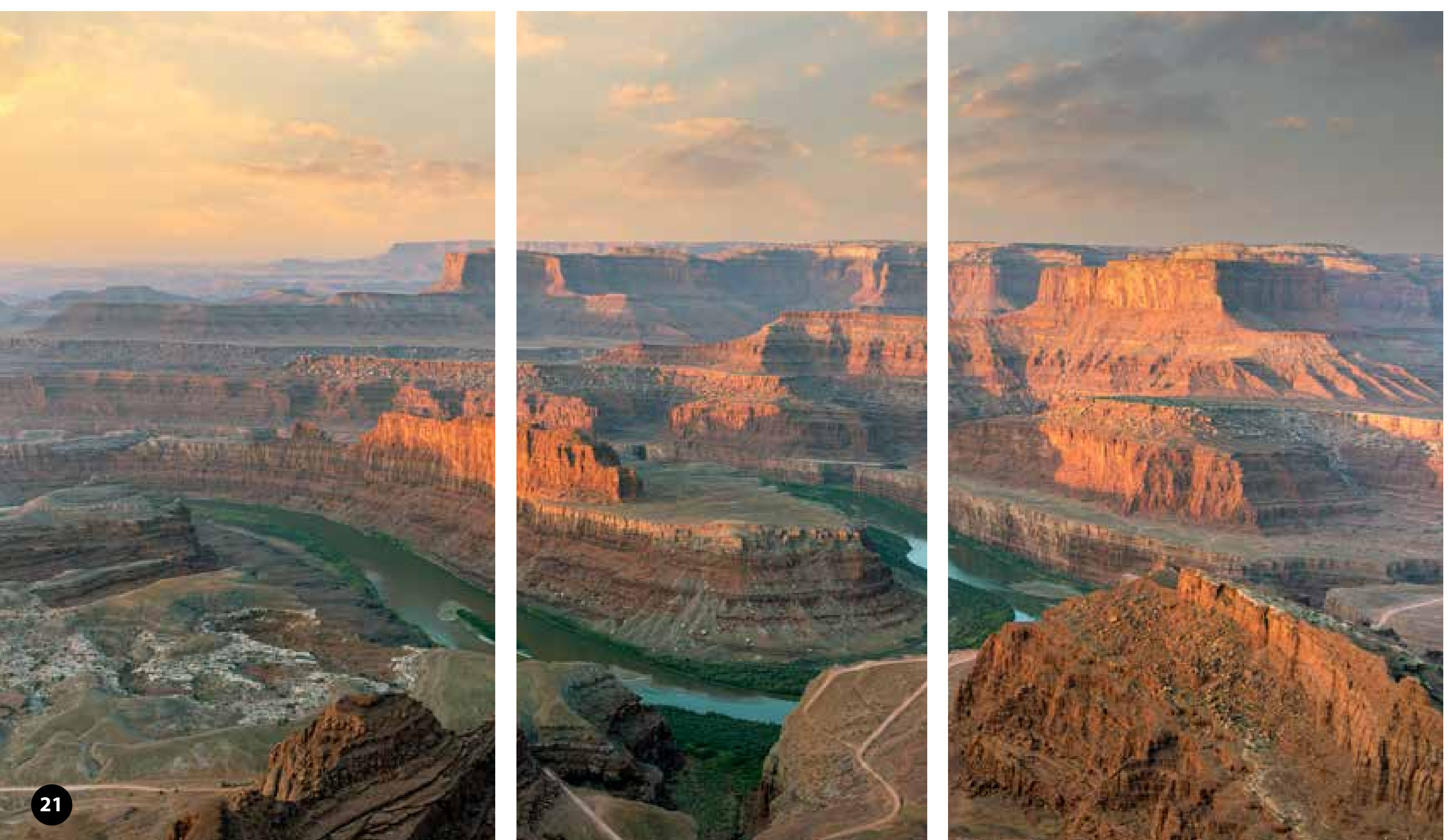
LAW OF THE RIVER

The right to water from the Colorado River is governed by numerous compacts, state and federal laws, court decisions and decrees, contracts and regulatory guidelines collectively known as the "Law of the River." Together, these documents form the basis for allocation of the water, regulation of land use and management of the Colorado River water supply among the seven basin states and Mexico. Of all regulatory literature that governs Colorado River water rights, the following are the specifics that impact IID:

The Colorado River Compact (1922)

In 1921, representatives from the seven Colorado River basin states, with the authorization of their legislatures and at the urging of the federal government, began negotiations regarding the distribution of water from the Colorado River. In November of 1922, the representatives from the upper (Colorado, New Mexico, Utah and Wyoming) and lower (Arizona, California and Nevada) basin states signed the Colorado River Compact, an interstate agreement giving the lower basin perpetual rights to annual apportionments of 7.5 million acre-feet of Colorado River water (75 MAF over 10 years). The upper basin was to receive the remainder, which, based on the available hydrological record, was also expected to be 7.5 MAF annually, with enough left over to provide 1.5 MAF annually to Mexico.

The Boulder Canyon Project Act (1928)
The 1922 Compact was made effective by provisions in the 1928 Boulder Canyon Project Act (45 Statute 1056), which authorized the construction of Hoover Dam and the All-American Canal and served as the United States' consent to accept the Compact. Officially enacted on June 25, 1929, through a presidential proclamation, this act resulted in the ratification of the Compact by six of the basin states and also required California to limit its annual consumptive use to 4.4 MAF of the lower basin's apportionment, plus not less than half of any excess or surplus water unapportioned by the Compact. Arizona refused to sign and subsequently filed a lawsuit. California abided by this federal mandate through the implementation of its 1929 Limitation Act. The Boulder Canyon Project Act further authorized the Secretary to "contract for the storage of water…and for the delivery thereof…for irrigation and domestic uses," and further defined the lower basin's apportionment split with an annual allocation of 0.3 MAF to Nevada, 2.8 MAF to Arizona, and 4.4 MAF to California. While the three states never formally accepted or agreed to these terms, a 1964 Supreme Court decision (Arizona vs. California, 373 U.S. 546) declared their consent to be inconsequential since the Boulder Canyon Project Act was authorized by the Secretary.



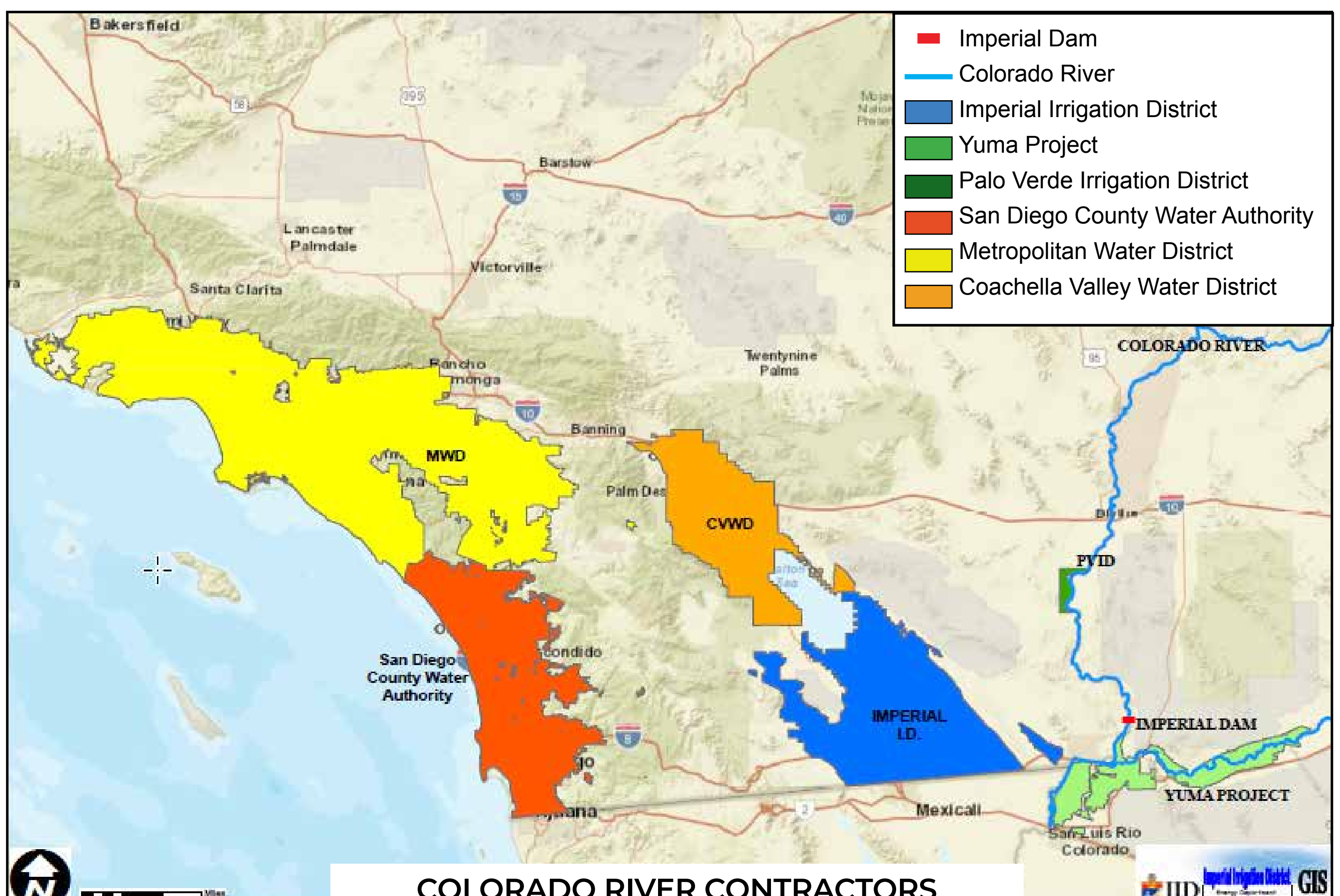
California Seven-Party Agreement (1931) - Following implementation of the Boulder Canyon Project Act, the Secretary requested that California make recommendations regarding distribution of its allocation of Colorado River water. In August of 1931, under the chairmanship of the state engineer, the California Seven-Party Agreement was developed and authorized by the affected parties to prioritize California water rights. The Secretary accepted this agreement and established these priorities through general regulations issued in September of 1931. The first four priority allocations account for California's annual apportionment of 4.4 MAF, with agricultural entities using 3.85 MAF of that total. The remaining priorities are defined for years in which the Secretary declares that excess waters are available.

Priority Order	Description	Annual Apportionment (Acre-feet)	Annual Present Perfected Rights (PPRs) (Acre-feet)
1	**Palo Verde Irrigation District** – for use exclusively on a gross area of 104,500 acres of land within and adjoining the district	3,850,000	**219,790** *(or consumptive use for 33,604 acres)*
2	**Yuma Project (Reservation District)** – for use on California Division, not exceeding 25,000 acres of land		**38,270** *(or consumptive use for 6,294 acres)*
3(a)	**Imperial Irrigation District** - for use on lands served by All-American Canal in Imperial and Coachella Valleys (Coachella Valley Water District*)		**2,600,000** *(or consumptive use for 424,145 acres) (IID only)*
3(b)	**Palo Verde Irrigation District** – for use exclusively on an additional 16,000 acres of mesa lands		
4	**Metropolitan Water District** – for use by themselves and/or others on Southern California coastal plain	550,000	
	Subtotal of California Limit (not including surplus waters)	**4,400,000**	
5(a)	**Metropolitan Water District** - for use by themselves and/or others on Southern California coastal plain	550,000	
5(b)	**City and County of San Diego** – through Metropolitan Water District	112,000	
6(a)	**Imperial Irrigation District** - lands served by the All-American Canal (AAC) in Imperial and Coachella Valleys	300,000	
6(b)	**Palo Verde Irrigation District** – for exclusive use on 16,000 acres of mesa lands		
	Total	**5,362,000**	
7	**California Agricultural Use** - Colorado River Basin lands in California	All remaining available water	

**Subordinated right.*

Arizona v. California U.S. Supreme Court Decision (1964, 1979) - In 1963, the Supreme Court issued a decision settling a 25-year old dispute between Arizona and California, which stemmed from Arizona's desire to build the Central Arizona Project to enable use of its full apportionment. California argued that Arizona's use of water from the Gila River, a Colorado River tributary, constituted use of its Colorado River apportionment and that California had developed a historical use of some of Arizona's apportionment, which, under the doctrine of prior appropriation, precluded Arizona from developing the project. The Supreme Court rejected California's arguments, enjoined the Secretary from delivering water outside the framework of apportionments defined by the law and mandated the preparation of annual reports documenting the consumptive use of water in the three lower basin states. In 1979, the Supreme Court issued a Supplemental Decree which addressed present perfected rights (PPRs) referred to in the Colorado River Compact and in the Boulder Canyon Project Act. These rights are entitlements essentially established under state law, and have priority over later contract entitlements. On March 27, 2006, the Supreme Court issued a Consolidated Decree to provide a single reference to the provisions of the original 1964 decree and several subsequent decrees (1966, 1979, 1984, and 2000) that stemmed from the original ruling. This decree also reflects the settlements of the federal reserved water rights claim for the Fort Yuma Indian Reservation.

Colorado River Basin Project Act (1968) - In 1968, Congress authorized construction of a number of water development projects in both the upper and lower basins, including the Central Arizona Project. The act made the priority of Arizona's CAP water supply subordinate to California's apportionment in times of shortage, and directed the Secretary of the Interior to prepare, in consultation with the Colorado River Basin states, long-range operating criteria for the Colorado River reservoir system.



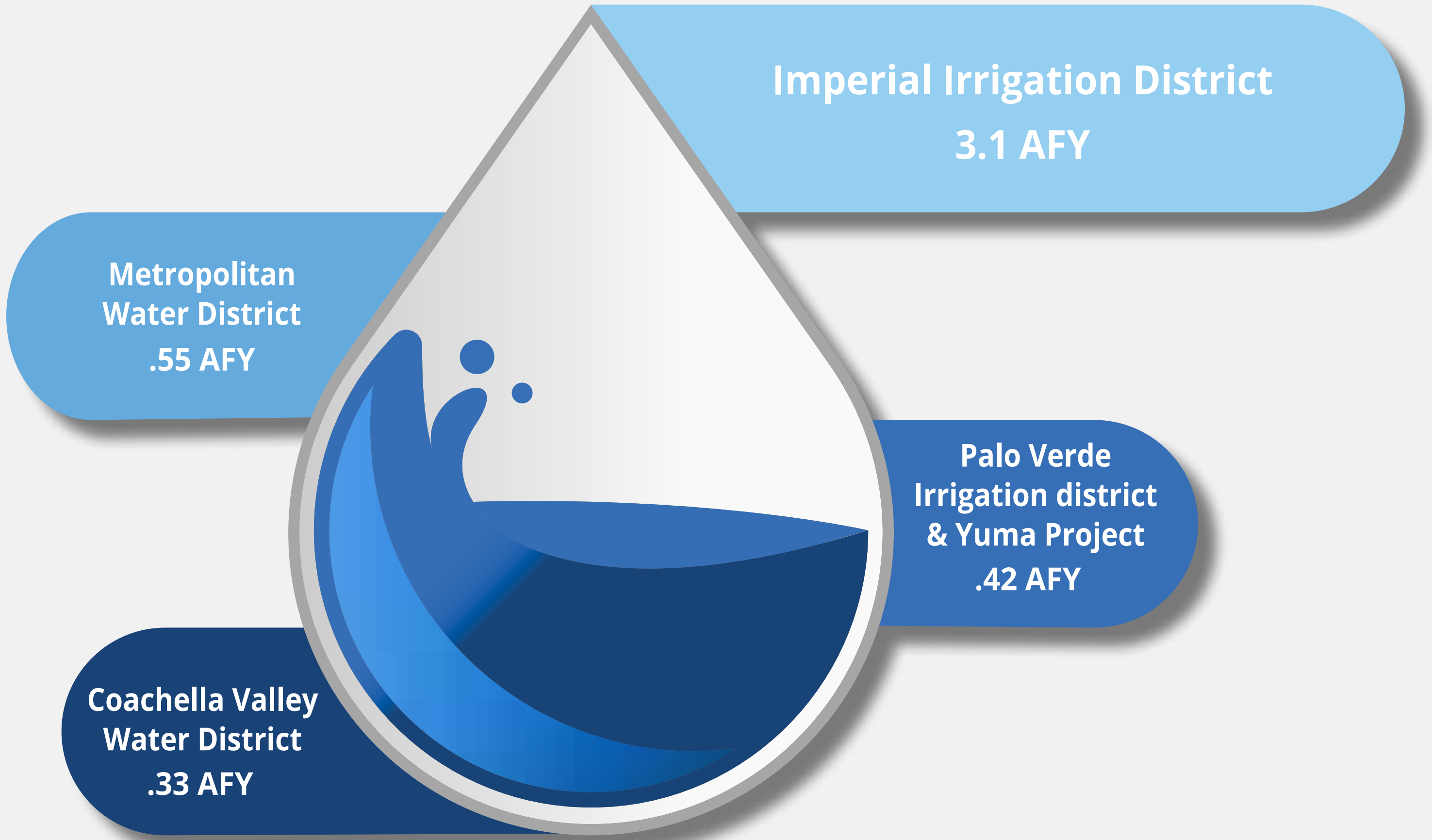
COLORADO RIVER CONTRACTORS

1988 IID/MWD Agreement - In 1988, IID entered into an agreement with Metropolitan Water District of Southern California to implement a water conservation program. Under the agreement, MWD agreed to pay capital and indirect costs for conserved water projects. IID also entered into an approval agreement with MWD, CVWD and PVID that created a conservation measurement committee to determine the annual amounts of water conserved under the program. Originally designed to conserve 106,110 acre-feet annually, the program constructed projects over an 11-year period averaging 105,000 acre-feet per year. In 2007, the transfer was fixed at 101,500 AF annually, plus up to 3,500 acre-feet of tailwater recovery conservation, subsequently disbanding the conservation measurement committee. In 2014, the agreement was amended to substitute conservation projects to maintain a fixed 105,000 AF transfer.

Quantification Settlement Agreement (2003) - With substantial completion of the CAP infrastructure in 1994, creation of the Arizona Water Banking Authority in 1965 and growth of Las Vegas in the 1990s and 2000s, California experienced increasing pressure to live within its rights under the Law of the River. On October 10, 2003, after years of negotiation among Colorado River Compact States and affected California water delivery agencies, the Quantification Settlement Agreement and related agreements and documents were signed by the Secretary of the Interior, IID, CVWD, MWD, SDCWA and/or other affected parties.

The QSA quantifies California's Priority 3a apportionment for a period of 35 to 75 years (2003 through 2037, or 2077) between IID and CVWD, with provisions for transfer of water involving IID, CVWD, MWD and SDCWA. In general, the terms of the QSA defines allocations for consumptive use of Colorado River water by IID, CVWD and MWD that will enable California to stay within its basic annual apportionment, of 4.4 MAF plus not less than half of any declared surplus. As such, the QSA lays out Colorado River use water budgets for IID, CVWD and MWD. As specified in the agreements, IID will transfer nearly 415,000 AF annually over a 35-year period (or longer).

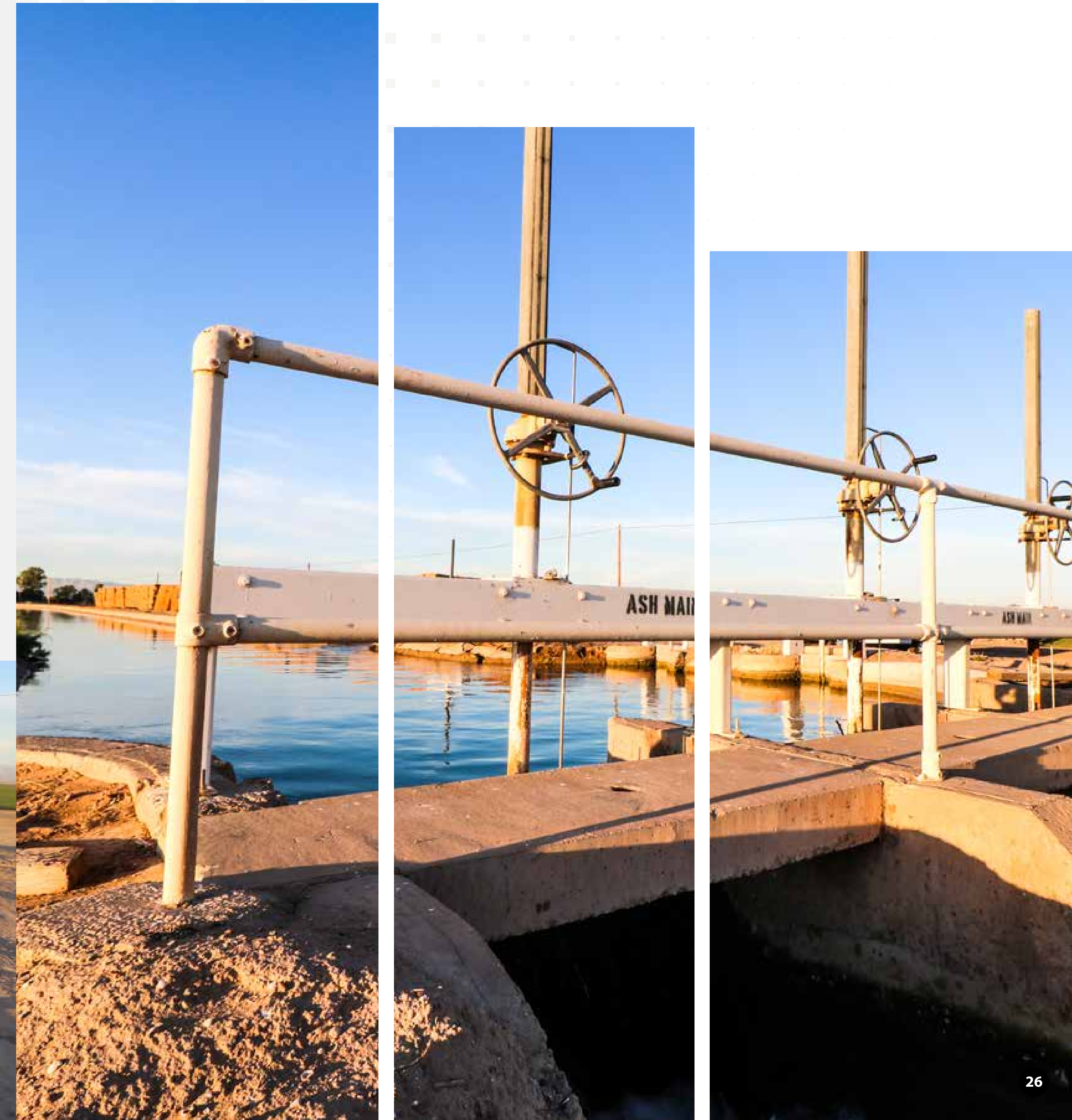
QSA ANNUAL APPORTIONMENT 4.4 CAP FOR **AGRICULTURAL CONSUMPTIVE USE (AFY)**



NOTE: Excludes Transfers and Exchanges.

* *Palo Verde Irrigation District & Yuma Project did not agree to a cap; value represents a contractual obligation by MWD to assume responsibility for any overages or be credited with any volume below this value. Cap excludes transfers and obligations.*

WATER POLICY UPDATES



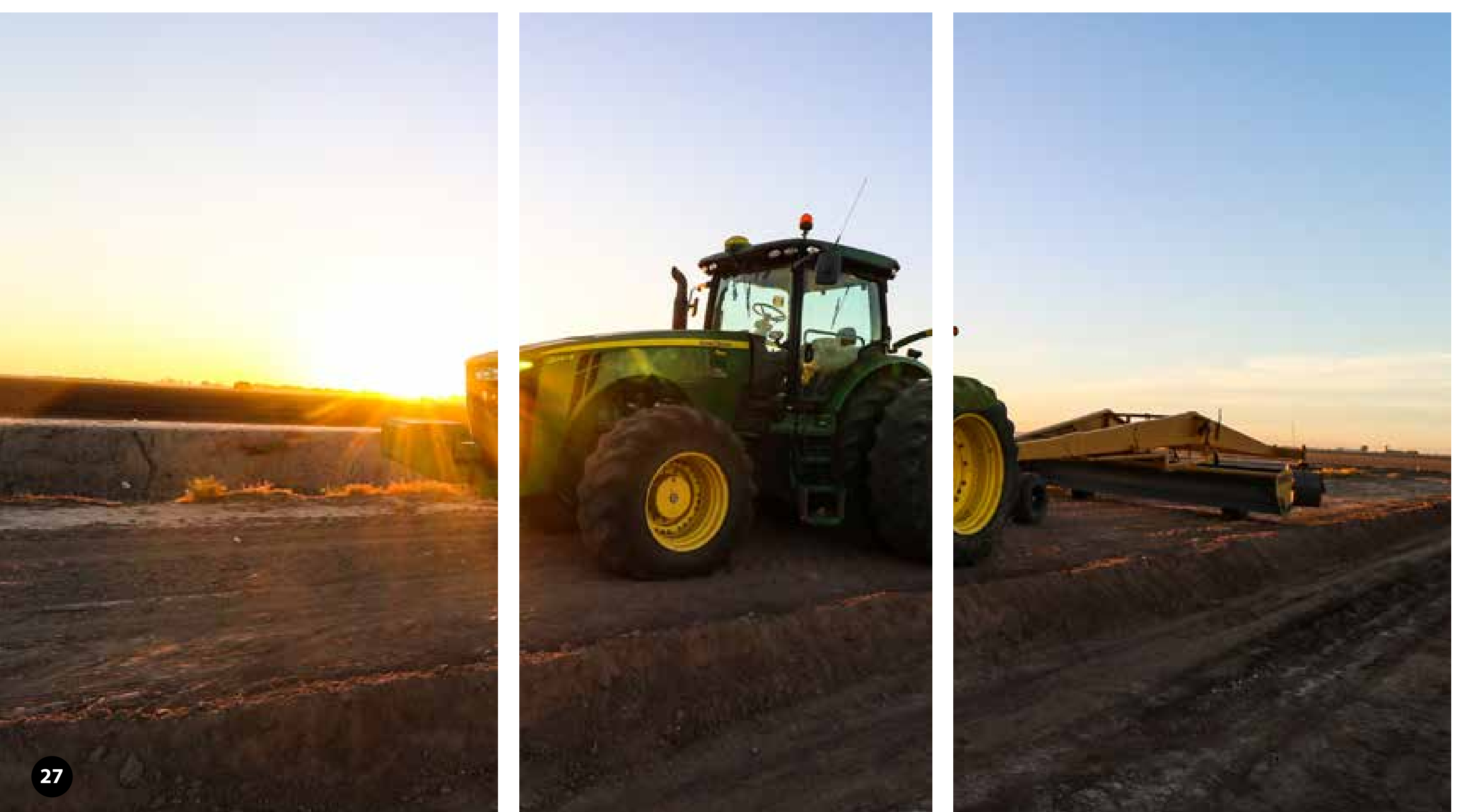
IID's water policies are designed to complement and protect its users' water rights. IID exclusively holds the contract with the United States to deliver water for beneficial use on lands in the Imperial Valley. Together, the IID's contract to divert water from the Colorado River and Imperial Valley water users' right to be served constitutes Imperial Valley's water right. Imperial Valley's world class agriculture, an industry that creates a multi-billion-dollar farming economy and thousands of local jobs, is the result of this arrangement that serves to highlight the importance of IID's responsibility on maintaining a balancing regulatory strategy.

Consistent with Water Code Section 100, the IID exercises its responsibility so that the available water resources are put to beneficial use to the fullest extent possible, preventing any waste or unreasonable use, or unreasonable method of use, of water. In this vein, the IID board adopted policies and programs to address how to best accommodate water demands, especially those under the terms of the QSA/transfers agreements, and minimize potential negative impacts on agricultural water uses. The Rules and Regulations Governing the Distribution and Use of Water underwent a comprehensive update during the calendar year 2022. For a complete description of IID's Water Rules and Regulations, please refer ***www.iid.com/water/rules-and-regulations.***

Interim Water Supply Policy for Non-Agricultural Projects

Although, on average, approximately 96 to 97 percent of IID's raw water is for agricultural purposes, IID provides raw (untreated) Colorado River water to municipal, industrial and commercial customers in the Imperial Valley. In response to projected increases in water demands associated with urban growth, the IID board adopted the Interim Water Supply Policy for Non-Agricultural Projects on September 29, 2009 to ensure sufficient water may be made available for new non-agricultural development within the IID service area.

The environmental impacts of conserving up to the 25,000 acre-feet of IWSP water were analyzed in the Imperial Irrigation



District Interim Water Supply Policy for Non-Agricultural Projects Negative Declaration, State Clearinghouse No. 2009061103 dated June 25, 2009. The IID board adopted this Negative Declaration on September 29, 2009 and may designate up to 25,000 acre-feet of IID's annual Colorado River water to be conserved for new non-agricultural projects, providing for a mechanism and process to develop a water supply contract/agreement for any appropriately permitted project. It also establishes the framework to meet demands without any adverse impacts to current users while establishing fees to be collected from new development for the funding of water conservation or augmentation projects. As of the end of 2022, the balance that may be available for conservation under the IWSP was 23,020 acre-feet.

The policy and its fees are applicable when:

- *A project will require water for an industrial/non-agricultural use in an unincorporated area of the County of Imperial; or,*
- *A project will require raw water for an industrial/non-agricultural use in an incorporated area of the County of Imperial and the respective jurisdiction requests an additional water supply; or,*
- *The project is a mixed-use project.*

Industrial/non-agricultural water users may be required to sign a contract, which sets a cap on water availability to their specific project and limits the amount of water discharged into IID drains. Projects may also be required to maintain a water-metering device or install water-holding facilities. Each project contract will have a term and be subject to the annual water supply development fee. A project is subject to a reservation fee (for approved contracts during construction) and a development fee (for all projects during operation) which are calculated by AF demand of water. The calculation is based on a tiered fee schedule as noted in the table below for the 2023 calendar year. For more details, go to: ***www.iid.com/water/municipal-industrial-and-commercial-customers.***

Interim Water Supply Policy Fee Schedule		
Annual Demand (AF)	Reservation Fee*	Development Fee*
0-500	$85.26	$341.03
501-1000	$120.04	$480.17
1001-2500	$150.74	$602.94
2501-5000	$186.20	$744.81

**To be adjusted annually in accordance with the Consumer Price Index (CPI). Table reflects 2023 Fees.*

Equitable Distribution Plan

Under California state law, water must be distributed equitably as determined by the IID Board of Directors. On November 28, 2006 the board adopted Resolution No. 22-2006 approving the development and implementation of an Equitable Distribution Plan and in 2007 the board adopted an EDP that has been subsequently modified.

In November 2013, a lawsuit was filed challenging the October 2013 EDP, and a writ of mandate was subsequently issued by the trial court for its repeal. The 2013 EDP was effectively repealed via IID Resolution No. 4-2018. Litigation continued through 2020 at which time a California Court of Appeals affirmed the trial court's ruling solely with regard to how the October 2013 EDP prioritized apportionment among categories of water users. The IID board determined in 2022 that it was in the best interest of its water customers to implement a revised EDP to address the outstanding legal issue, update certain operational provisions and provide a defined quantity of available water supply apportioned to each water user to prevent, as feasible, cumulative demands from exceeding IID's available, authorized annual Colorado River water supply of 3.1 million acre-feet (2022 EDP).

Concurrent with the adoption of the June 21, 2022 EDP, the IID board authorized implementation of the EDP, which includes apportionment of water to three water user categories (agricultural, potable and industrial/commercial) using a modified 10-year historical use average. Implementation of the EDP initiates every January 1, and continues throughout the year unless the IID board takes specific action. For details regarding the EDP and its implementation, including related forms, please visit IID's website at ***www.iid.com/water/rules-and-regulations/equitable-distribution.***

HYDROLOGY, CONSERVATION & STORAGE

Despite the increasingly threatening drought conditions in the West, IID's senior priority within its annual 3.1 million acre-feet cap of Colorado River water supply, coupled with progressive, collaborative efforts for water conservation, continue to situate IID in a very reassured position with respect to water availability for IID's water service area. Nonetheless, the Colorado River Basin, IID's sole source of water, is experiencing a prolonged period of drought and record-low runoff conditions that have resulted in historically low reservoir levels in both Lake Powell (Upper Basin) and Lake Mead (Lower Basin). The period from 2000 through 2022 was the lowest 23-year inflow into Lake Powell in the historical record and has severely strained the Colorado River system. Since 2000, Lake Mead has been below the "average" level of lake elevations (see Figure 1). Such conditions have caused the activation of shortage plans for water users in Arizona and Nevada, and in Mexico. By May of 2022 Lake Mead's elevation had declined to 1,048 feet. Lake Mead's elevation forecasts predicted it could approach Deadpool (elevation 895 feet) as soon as 2025 if no action was taken. These conditions resulted in the U.S. Secretary of the Interior declaring the first-ever Tier 2a Shortage on the Colorado River.

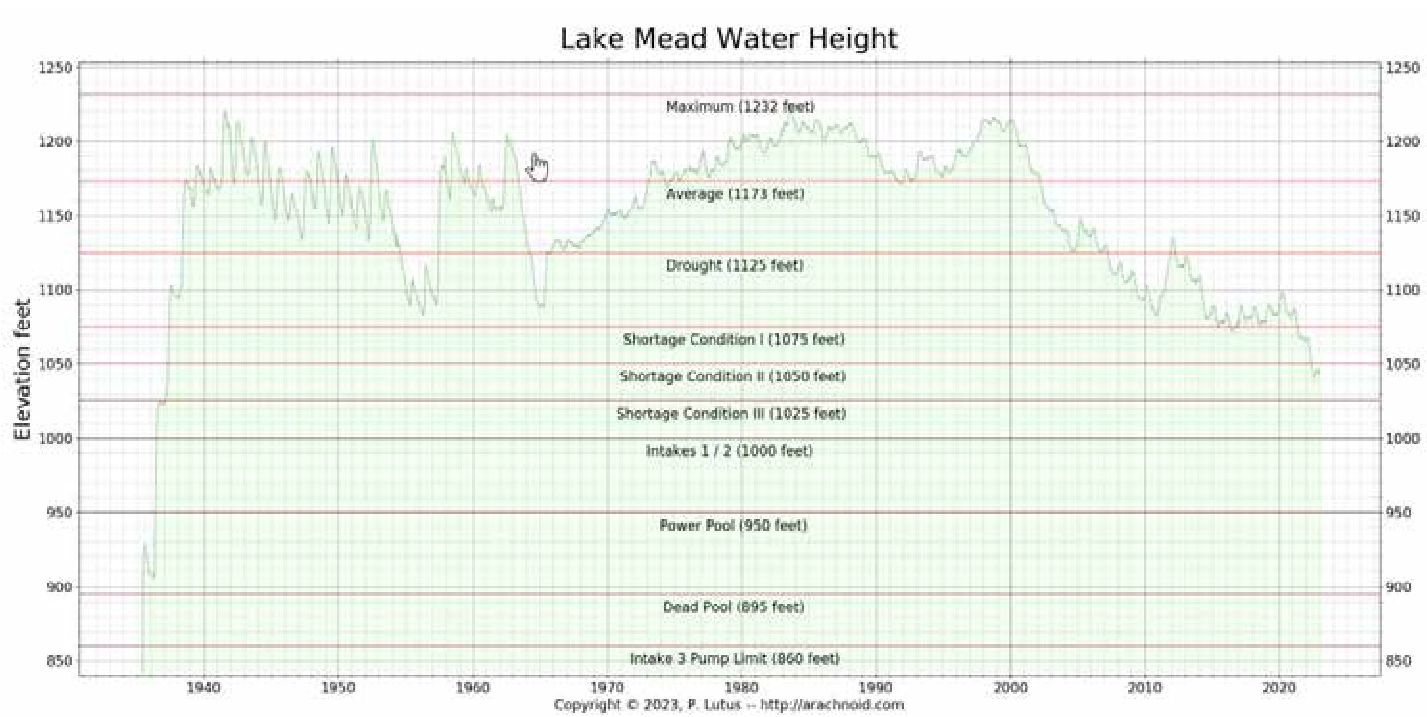


Figure 1. Lake Mead Water Elevation Levels 01.29.23 visit www.arachnoid.com/NaturalResources/index.html.

California has no stipulated reduction to its water supplies under a Tier 2a Shortage declaration. While not directly affected by the shortage reductions announced by Reclamation, the Shortage condition does prevent IID from overrunning its approved water order and, as stated earlier, contributions to address Lake Mead water elevation are anticipated by IID. IID proposed in 2022, voluntary water conservation for the benefit of Lake Mead, up to 250,000 AFY, as long as there are no obligatory reductions.

The uncertainty associated with ongoing drought conditions, varying agricultural water demands and projected industrial water supply demands, coupled with IID's task of managing its water supply under the QSA/Transfer Agreements and any other voluntary contributions to Lake Mead, became increasingly challenging in 2022 and are not taken lightly by IID leadership. IID has consistently fulfilled its water conservation and transfer obligations by adopting proactive water conservation plans and implementing numerous efficiency conservation programs and projects, thus fulfilling its part to help California live within the state's 4.4 million acre-foot apportionment of Colorado River water. IID has again taken the lead on proposals to Reclamation to meaningfully contribute to the protection and long-term reliability of the Colorado River system, which is of critical importance to the Imperial Valley as it is our community's only source of water.

Since 2003, IID's water conservation efforts to meet the commitments under the Quantification Settlement Agreement are inspiring as it has conserved more than 7.2 million acre-feet of water as accounted for at the end of 2022. This impressive volume is more Colorado River water than the state's annual 4.4 million entitlement. Presented herein are some of the most current accomplishments throughout the 2022 calendar year.

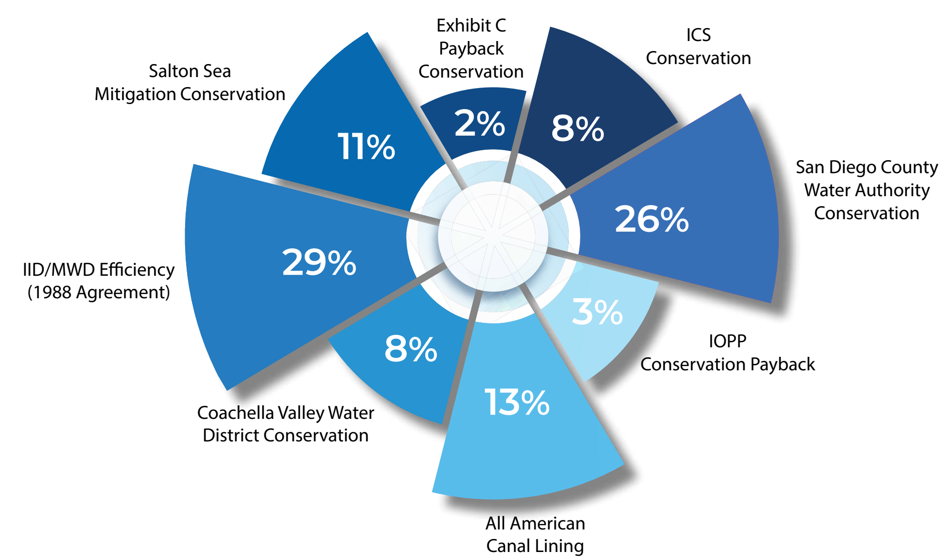
Quantification Settlement Agreement Conservation

District-wide conservation efforts during 2022 continued to enable IID to successfully implement the nation's largest agriculture-to-urban water conservation and transfer agreement. The Quantification Settlement Agreement (QSA), entered among IID, SDCWA, CVWD, MWD and the federal government, are formalized by, and over, 40 related agreements and amendments. To enable IID to meet its water transfer obligations under the QSA, IID and its agricultural water users would develop a total of 303,000 acre-feet of conserved water per year via efficiency conservation implemented through an integrated

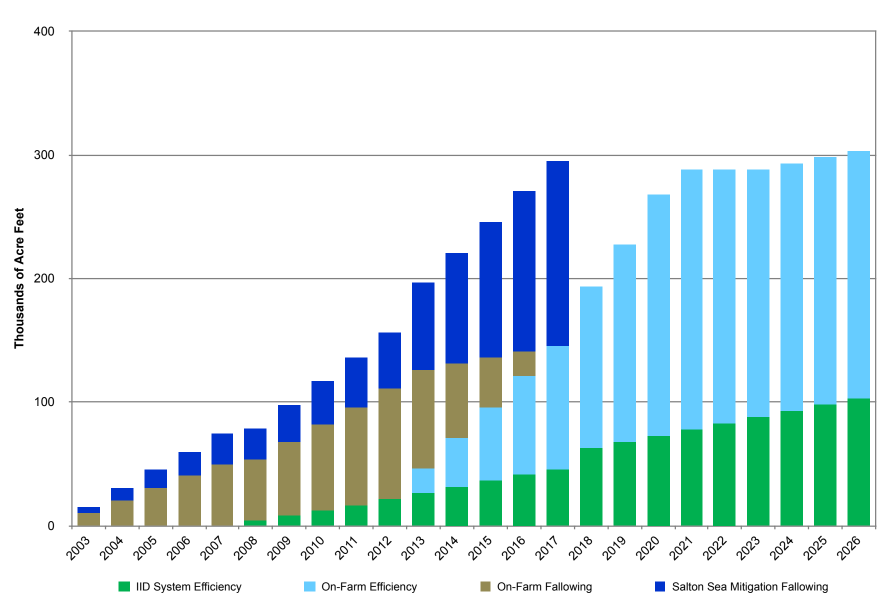
program of on-farm and delivery system conservation projects. IID's water conservation programs yield totaled over 496,000 acre-feet in 2022, amounting to approximately 16 percent of its annual 3.1 million acre-feet entitlement. These conservation yields were achievable through the aggressive implementation of water conservation programs and projects described throughout this publication.

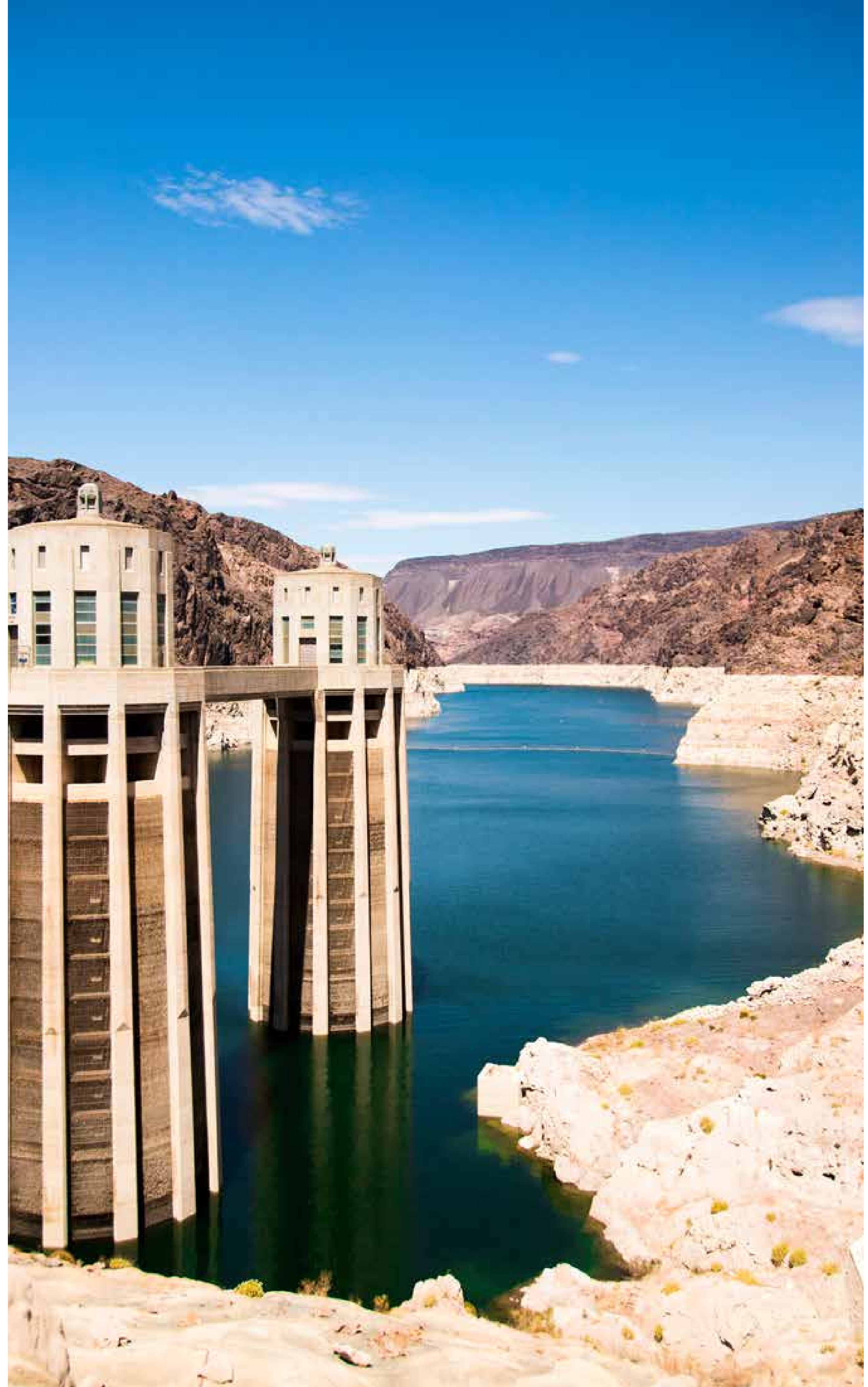
IID QSA CONSERVATION SUMMARY

2003-2022 TOTAL CONSERVATION OF 7,250,852 AF



IID QSA TRANSFER SCHEDULE (2003-2026)





IID 2022 Excess Conservation Contribution to Lake Mead

The IID Board of Directors, through an agreement with the Bureau of Reclamation, agreed to dedicate 25,000 acre-feet of its 2022 excess conservation to Lake Mead as system conservation to protect critical reservoir elevation levels. The agreement recognized the 25,000 acre-feet of conserved water from IID remained in Lake Mead, and was not available for delivery to any Lower Basin entitlement holder in 2022.

IID's dedication of the 25,000 acre-feet of excess conservation generated $6.54 million under this federal system conservation program. The IID Board directed these funds to be used to increase the 2022 On-Farm Efficiency Conservation Program budget.

Storage Capacities for Intentionally Created Surplus

IID continues to explore storage opportunities for Intentionally Created Surplus generated through extraordinary conservation measures including, but not limited to, the lining of canals, efficiency-based conservation programs and land fallowing. ICS water is available for use under the terms and conditions of water delivery agreement and related agreements enacted under the 2007 Interim Guidelines to encourage efficient use and management of Colorado River water, to manage shortage conditions in the Lower Basin, and to integrate the operations of Lakes Mead and Powell. Under the current guidelines , the total amount of Efficiency Conservation Intentionally Created Surplus that IID may store within its Lake Mead ICS account in any year is limited to an annual creation of 25,000 AF and a cumulative limit of 50,000 AF total.

IID is engaged in collaborative efforts to further increase ICS conservation opportunities and California water storage partnerships. IID entered into a Settlement and Release Agreement (SARA) in 2021 with the Metropolitan Water District of Southern California that resulted in IID's ability to store up to 25,000 acre-feet annually (50,000 acre-

feet cumulatively) of conserved water in MWD's Lake Mead Intentionally Created Surplus storage accounted via an IID ICS sub-account which was maximized in 2021. IID's additional storage capacity at Lake Mead further benefits the Colorado River system.

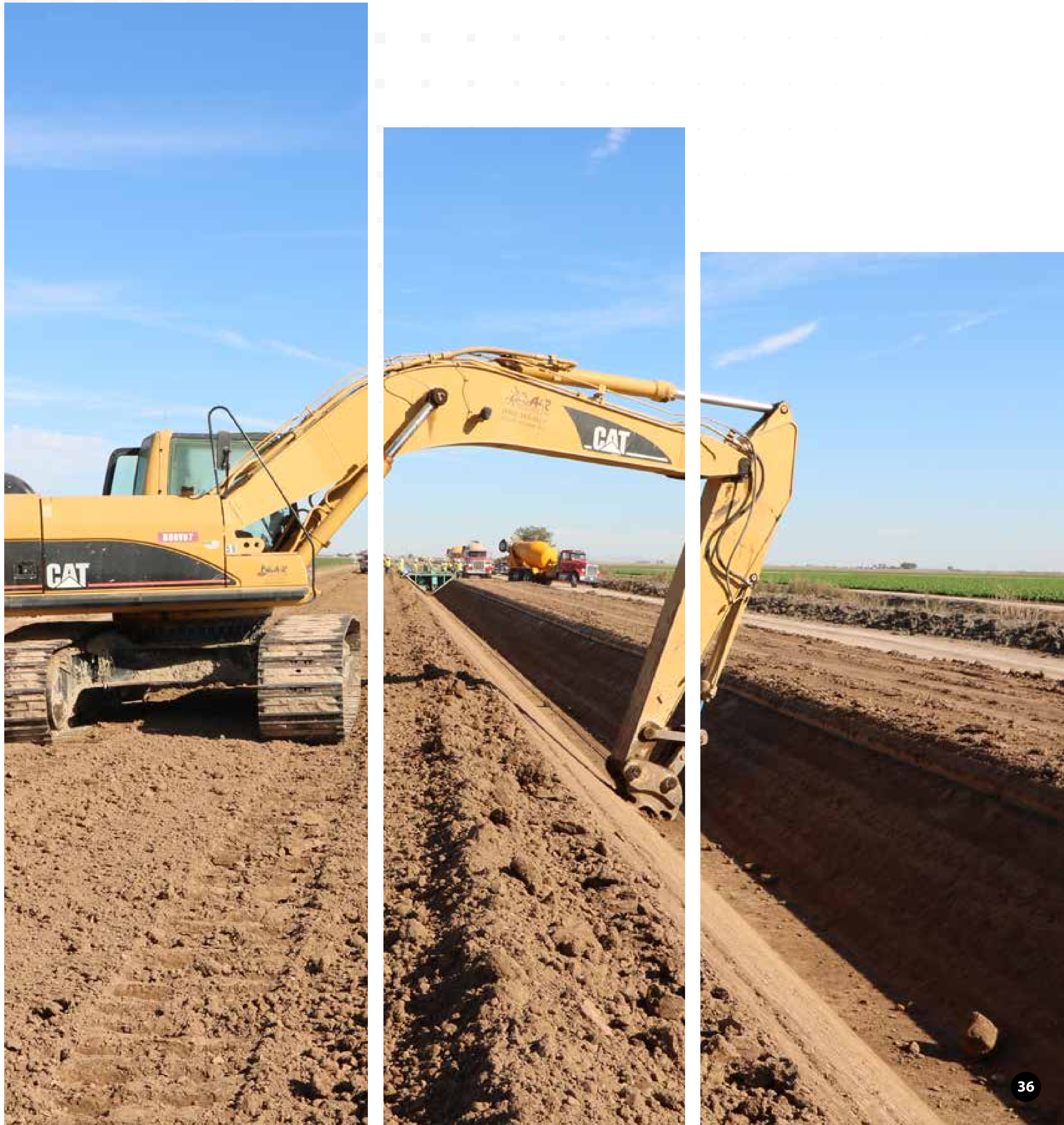
IID's total year end ICS storage was 348,697 acre-feet. The district generated 38,365 acre-feet of excess conservation during 2022 which was accounted for as follows:

- *25,000 acre-feet of excess conservation remained in Lake Mead for the benefit of the system pursuant to an agreement with Reclamation; and*
- *due to policy limitations and storage capacity limits, the additional 13,365 acre-feet of IID's excess conservation was left in Lake Mead with the benefit accruing to the System and all Colorado River water users.*

Binational Intentionally Created Surplus

The 348,697 acre-feet of conserved water storage included 32,842 acre-feet stored in Lake Mead under the Binational Intentionally Created Surplus Delivery Agreement of 2017 under Minute 319 and 323. Under the BICS, IID and three other Lower Basin water contractors (MWD, Southern Nevada Water Authority and Central Arizona Project) partnered in 2017 to provide $3.75 million each (over nine years) for infrastructure upgrades in Mexico. Through the authorization of Minute 323 to the 1944 treaty with Mexico, the water agencies agreed to provide funding for Mexico to further invest in its water conveyance infrastructure. This opportunity was an expansion of a Minute 319 program implemented to help Mexico rebuild its water system after the 2010 Easter earthquake, with Mexico providing conserved water storage credits to the funding entities. IID will receive the balance of 18,183 acre-feet of BICS credits over the next six years for a total of 51,025 acre-feet of conserved water.

2022 CONSERVATION PROJECTS & PROGRAM NARRATIVES



PROJECTS

Canal Lining

IID's water distribution system consists of 1,668 canal miles, inclusive of the 80-mile long All-American Canal. As of 2022, approximately 1,125 (67 percent) of IID canals are concrete lined, excluding an additional 23 miles of the AAC. IID canal lining projects began as early as 1954 and were ramped up in 1990 as part of the 1988 Water Conservation Agreement IID entered into with the Metropolitan Water District of Southern California for the transfer of conserved water. Canal lining projects were earmarked where projected conservation savings cost was $125 per acre-foot or less (in 1988 dollars). Lateral canal sections throughout the IID irrigated lands containing lighter soils have been prioritized for lining as they are generally the most economically feasible from a cost benefit approach. Approximately 26 percent of IID's irrigated acreage consists of lighter soils and fine sands according to the Web Soil Survey (WSS) operated by the USDA Natural Resources Conservation Service. The 1988 water conservation approach resulted in over 200 miles of lined laterals including some sections of main canals.

IID continues to line canals and laterals as opportunities arise, factoring not only water conservation but reduced annual maintenance costs stemming from seepage induced vegetation. In 2022 alone, IID completed four concrete lining projects amounting to 1.85 miles, consisting of earthen sections of four different canals/laterals as noted below:.

Canal Lining Projects	Cost	Total LF Lined	Cost Per LF
Oat Canal	$1,120,900	2,612 LF	$429/LF
Oak Lateral	$692,200	1,934 LF	$358/LF
Mesquite Lateral	$953,500	2,600 LF	$367/LF
Ash Lateral 34	$1,059,500	2,600 LF	$407/LF

Canal Pipelines

Similar to canal lining projects, earthen canal sections are piped by IID to reduce/eliminate seepage and reduce maintenance costs associated with erosion, excessive sediment and vegetation growth. Additionally, as municipalities grow and encroach into rural areas and farmland, there is an increasing need to underground and pipe the canals and laterals for safety, aesthetics and maximum use of right-of-way. Under these latter situations, the cost is generally borne to the developer.

Pipeline diameter preference varies in size from 42-inch to 72-inch diameter depending on the flow and service area demand. Generally, pipeline projects involve rubber gasketed reinforced concrete pipe and incorporate manholes to accommodate ongoing maintenance. A potential risk of piped canals is invasive quagga mussels which can cause pipeline clogging. Quagga mussels have been previously documented at Imperial Dam and can result in a costly operation and maintenance challenge to control. A very small percentage of IID's canal system is piped, 27 miles (< 2 percent), due to higher construction costs per lineal foot and potential risk of mussels. The following table identifies two pipeline projects that were completed by IID in 2022.

2022 Pipeline Projects	Cost	Total Piped	Cost Per LF
Dogwood Canal	$2,250,000	1,700 LF	$1,323/LF
Trifolium Extension Lateral 2	$825,500	1,300 LF	$635/LF

Operational Reservoirs

Regulating reservoirs are critical for increased water management and efficiency of agricultural water supply delivery. Agricultural water use accounts for 97 percent of IID's total annual 2.6 million acre-feet, in-valley consumptive use. IID's distribution system includes seven regulating and four interceptor reservoirs with a total water storage capacity of 4,372 acre-feet at the end of 2022. The existing reservoirs vary in size from 200 acre-feet to 1,251 acre-feet in capacity. These reservoirs manage and regulate approximately 15 to 25 percent of IID's total annual flow. The reservoirs allow increased delivery flexibility, improved system efficiency and provide for conservation opportunities within the IID water service area. Efficient and timely operational coordination together with use of IID's various regulating reservoirs allow IID to provide delivery flexibility to farmers and minimize operational discharge even though Colorado River diversions at Imperial Dam remain fixed for 24-hour periods.

By the end of 2022 IID had completed the design and broke ground on the E Lateral Reservoir. The E Lateral reservoir is designed to have an operational capacity of

45± acre-feet. The new reservoir is anticipated to support the efficient water management of approximately 4,660 acre-feet of water per year, resulting in the conservation of at least 400 acre-feet of water annually, based on project modeling. The proposed E Lateral Reservoir project would be the first of a series of smaller reservoirs (those having approximately 40 acre-feet capacity) prioritized to be constructed by IID as identified in IID's System Conservation Plan. The project was contracted for construction at a total cost of $5.7 million.

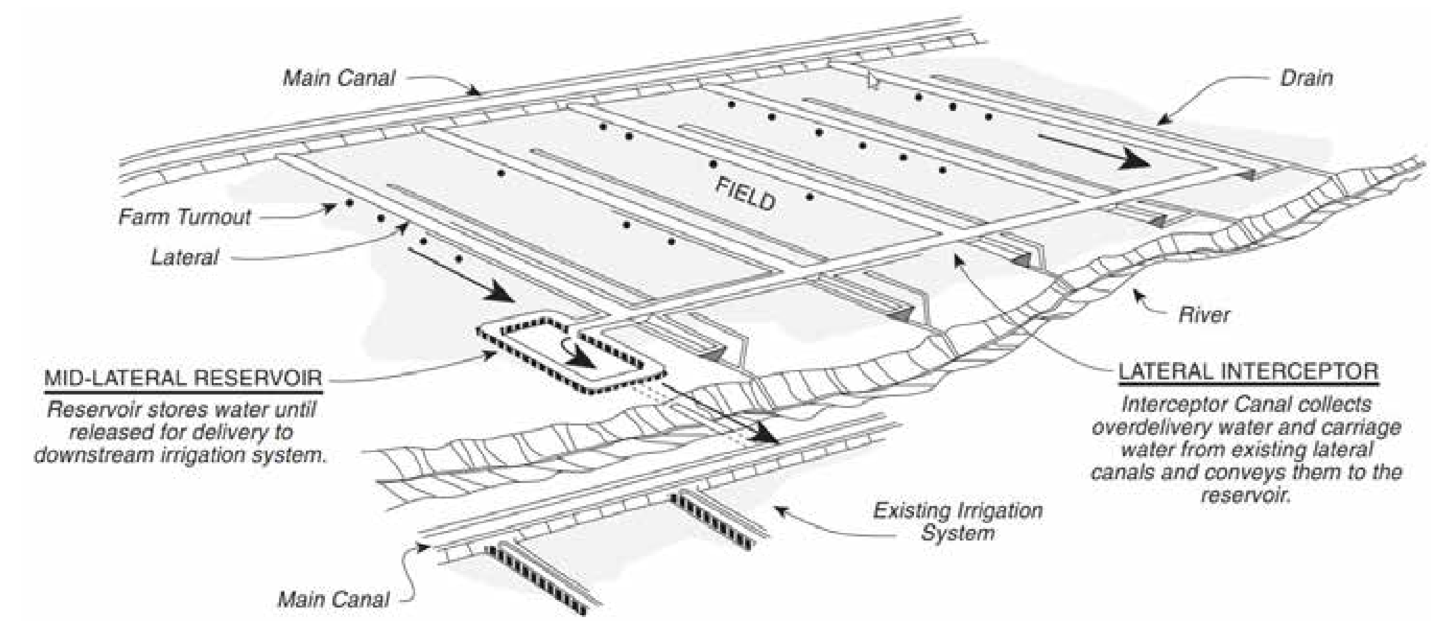
By the end of 2022 IID had also completed numerous environmental, technical studies and hydrological analysis associated with a much larger, upstream operational reservoir to be located along the East Highline Canal. An upstream, operational storage reservoir with a minimum capacity of 2,100 acre-feet would provide substantial relief from challenging water management conditions associated with the span of time between an IID delivery request to an actual water supply delivery in-valley. IID orders water from Hoover Dam on the Colorado River taking four days for water released at Hoover Dam to arrive at Imperial Dam and the head gates of the All-American Canal. Once turned into the AAC, the ordered water takes an additional 24-30 hours to reach the ends of the irrigated farm lands of the Imperial Valley via gravity flow. The proposed reservoir would not only help manage an estimated 365,000 acre-feet of water annually but is projected to augment IID's water supply for consumptive use via discharge reduction and capturing and conserving a minimum of 15,000 acre-feet annually.

Interceptor Projects

Despite the intent to balance each day's water supply with demand, imbalances do occur. The long transportation time from Hoover Dam (four days), the need to give growers delivery flexibility, canal storage variations, and storm events are among the many factors that can cause a mismatch between supply and demand flow. Fortunately, IID has interceptor systems to reduce shortages and/or minimize main canal operational discharge in most instances via increased water distribution control. The interceptor systems allow the Water Department to increase flexibility and thereby provide additional capacity to accommodate water returned to the delivery system.

Interceptor canal systems collect returned water from existing lateral canals and convey the water to a temporary storage reservoir (mid-lateral reservoirs). Automated drop-leaf gates control flow from each intercepted lateral. The mid-lateral reservoirs store the conserved water until released for downstream beneficial use, as needed.

IID's distribution system includes four interceptor reservoirs with a storage capacity of just over 4,000 acre-feet. Three interceptor projects were constructed with automated reservoir facilities as part of the IID/MWD Water Conservation Program and remain in the program to date with conservation savings in the range of 33,000 acre-feet per year.



Groundwater Test Well Project for Dust Suppression

IID initiated the Tule Wash/Groundwater groundwater test well project via a funding opportunity through the U.S. Bureau of Reclamation back in 2018. Reclamation owns approximately 90,000 acres of land under and around the Salton Sea, a portion of which has or will become exposed near the groundwater test well area over the next 10 years as the Salton Sea recedes due to decreased water flow from a combination of factors, including record drought conditions, water transfers and on-farm irrigation efficiencies.

Drilling at the test well site began in late 2021 to evaluate water supply options and vegetation establishment and maintenance requirements along the west side of the Salton Sea with measurable results in early 2022. Subsequent drilling for three shallow groundwater wells began in late 2022 within the Clubhouse project area. The additional well development was funded by the QSA Joint Powers Authority. Initial pump tests showed a potential extraction volume of up to 63 acre-feet per year among all four wells.

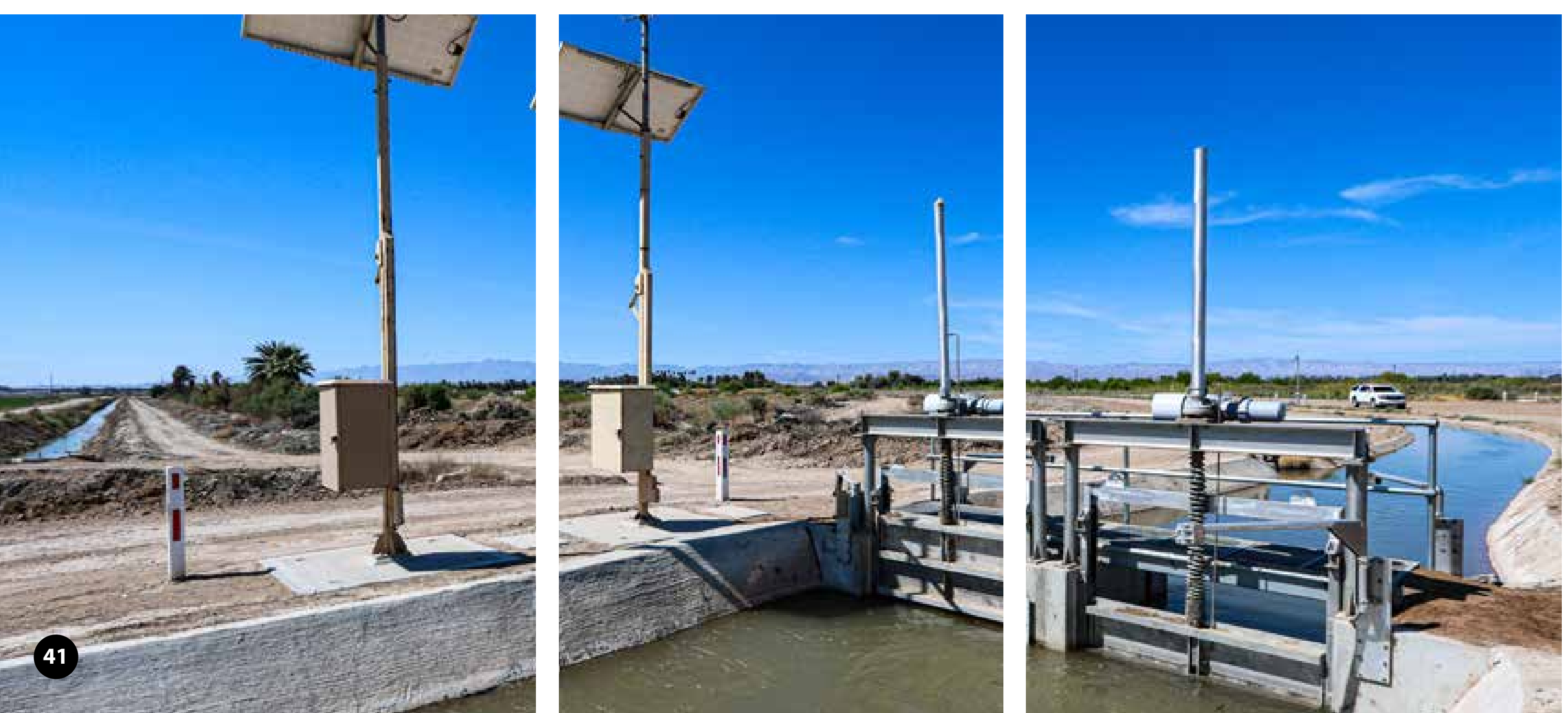
The quality of the water extracted was determined to be brackish and not considered fresh water by California State standards but may be suitable for dust control measures. Continued monitoring of the Clubhouse Vegetation Project will evaluate the use of the brackish groundwater for irrigation of vegetation-based dust control. The project's results will be used to inform water supply development and planning for dust control on a broader area along the west side of the Salton Sea.

PROGRAMS

Operational Discharge Reduction Program

IID's System Conservation Program (SCP) incorporates a number of key conservation strategies with the ultimate goal of conserving 103,000 acre-feet by 2026. The district is able to achieve its contractual obligations for conserved water under the QSA in part from a suite of continuing infrastructure projects such as the canal lining, pipelines and intertie projects. System Conservation Programs alone yielded (at-river) 74,347 acre-feet in 2022. Throughout 2022, IID's SCP continued to maximize efficiency via the following additional initiatives under its Operational Discharge Reduction Program:

- *Remote Lateral Management - All Zanjeros are equipped with tools to remotely adjust each of the lateral headings they manage to minimize operational discharge. The program now provides all 112 Zanjero/Water Patrolmen with laptops, allowing real time data in Zanjero vehicles that enables them to make immediate adjustments to the laterals as excess flows develop.*
- *Automated Lateral Headings- In 2022, twelve additional automated lateral headings were developed and added to the distribution system, for a total of 157 automated lateral headings in operation by year end.*
- *Monitoring Discharge - Monitoring equipment at discharge sites were increased to a total of 207 monitored sites in operation by year end. In 2022, the ODR program yielded approximately 35,610 acre-feet (at-river).*
- *12-Hour Deliveries – IID continues to offer the 12-hour delivery schedule to provide additional flexibility to growers to match crop requirements and conserve water. Unlike the historical 24-hour water orders, the 12-hour delivery allows growers to take AM or PM orders to coincide with normal AM turn times. In 2022 there were a total of 64,284 12-hour delivery service calls by Imperial Valley agricultural customers system-wide (an increase from 62,828 in 2021). Conservation projections are estimated based on the current systemwide number of 12-hour delivery events to be approximately 50,000 acre-feet for each of the last three years.*



On-Farm Efficiency Conservation Program

IID continued to maintain an open solicitation process for the On-Farm Efficiency Conservation Program through 2022. The farming community continued to actively engage in the OFECP as evidenced in the total conservation yield of 179,620 acre-feet (at-river) throughout 2022 (an increase from 163,069 acre-feet in 2021). The OFECP was in its 10th year of implementation during 2022, with nine complete years of conservation yielding over 1.3 million-acre-feet of conserved water through 2022. The following table summarizes OFECP yields over the last ten years, since program inception.

On-Farm Efficiency Conservation Program Historic Yields		
Year	Participating Acres	Documented Conservation Yield
2013	26,955	17,276 AF
2014	54,345	44,371 AF
2015	115,173	87,721 AF
2016	189,823	138,585 AF
2017	250,022	151,750 AF
2018	318,193	190,969 AF
2019	238,764	178,742 AF
2020	201,335	177,552 AF
2021	196,180	163,069 AF
2022	328,786	179,620 AF

NOTE: Participating Acres includes all acres enrolled in the program for the applicable year the crop was harvested including acres without water savings. Volumes in acre-feet at Imperial Dam.



The landowners and tenants continue to participate in conservation measures, delivery reduction volume, contract duration and cropping plans that best suit their individual needs. The growers conservation success is attributed to a number of on-farm water conservation measures with sprinkler irrigation and land leveling being the most popular among participants (constituting 76 percent of the overall participating acreage). The tailwater recovery systems was also a popular method with increased participation from last year incorporated by 22 percent of participants. This could be largely attributed to IID's Rural Energy System Distribution Expansion Funding Program for OFECP participants (see highlights within this publication).

A total of 5,881 fields have been documented as participating under the OFECP. Some of these conservation methods may be on the same acreage due to multiple crop acreage. For example, a total of 430,795 crop acres participated under the OFECP, however, when only the unique canal gate acre combinations are considered, participation derived from 328,786 acres given that several of the participating acres have more than one crop type per year. A total of 3,319 unique fields participated in the program in 2022, with some of them under multiple crops. Overall, the OFECP has been deemed a success thanks to the local grower community and only limited by IID's and/or our transfer agency partner's funding potential.

Temporary Land Conversion Fallowing Program

Under the terms of the legislation adopted to facilitate the QSA and enacted in California Water Code 1013, the IID Temporary Land Conversion Fallowing Policy (TLCFP) was adopted by the IID Board of Directors on May 8, 2012 and revised on March 29, 2016 in anticipation of the Salton Sea's Fallowing Program ending in 2017. The policy developed a framework for a temporary, long-term fallowing program to work in concert with the district's Interim Water Supply Policy (IWSP) adopted in 2009, and in line with the coordinated land use/water supply strategy for the Imperial Valley. The IWSP policy designates up to 25,000 acre-feet of IID's annual water entitlement be made available for new non-agricultural projects until such time that the planned water conservation or supply augmentation projects are implemented to address new water demands.

While the conserved water generated from the TLCFP is limited for use toward transfer or environmental purposes, by satisfying multiple district objectives, the TLCFP also serves to reduce the conservation and water use demands on other IID water users and thus continues to provide district-wide benefits. As new lower water demand development projects are sited on agricultural lands, this would then offset higher water use developments without impacting existing agricultural water users that would maintain their stable water supply and longer-term certainty. The following table provides the historic conservation yield under IID's TLCFP through 2022.

Solar TLCFP Historic Conservation Yields		
Year	Participating Acres	Documented Conservation Yield
2012	1,386	5,545 AF
2013	6,859	31,372 AF
2014	6,912	36,265 AF
2015	7,104	37,320 AF
2016	7,864	38,717 AF
2017	10,146	48,040 AF
2018	12,354	66,034 AF
2019	12,404	65,791 AF
2020	12,404	65,964 AF
2021	13,165	69,623 AF
2022	13,177	69,898 AF

Source: Provisional Past Fallowing Conservation Reports at IID TLCFP. Volumes in acre-feet at Imperial Dam.

Rural Energy System Distribution Expansion Funding Program

IID has been collecting backfeed power service payments for a number of years from generating facilities located within IID's service area. These generators are interconnected to the transmission system operated by the California Independent System Operator and receive backfeed power service at transmission voltage-levels of 34.5 kV or higher to operate its generating facilities on the transmission system under the operational control of the CAISO instead of IID. Since the district has given up its exclusive right to serve these generators within IID's electrical service area, the Energy Department assesses a backfeed power service charge for all energy produced by the generator. As of the end of 2022 there were a total of 12 backfeed generator customers that either made a one-time $1 million contribution or that are contributing, cumulatively, over $700,000 annually. These funds are used to support the Rural Energy System Distribution Expansion Funding Program which subsidizes electrical infrastructure needed by growers that participate in the OFECP. The funds are especially popular for projects that extend power services to energize tailwater return systems or drip irrigation systems that would otherwise have to operate via diesel pumps, if at all.

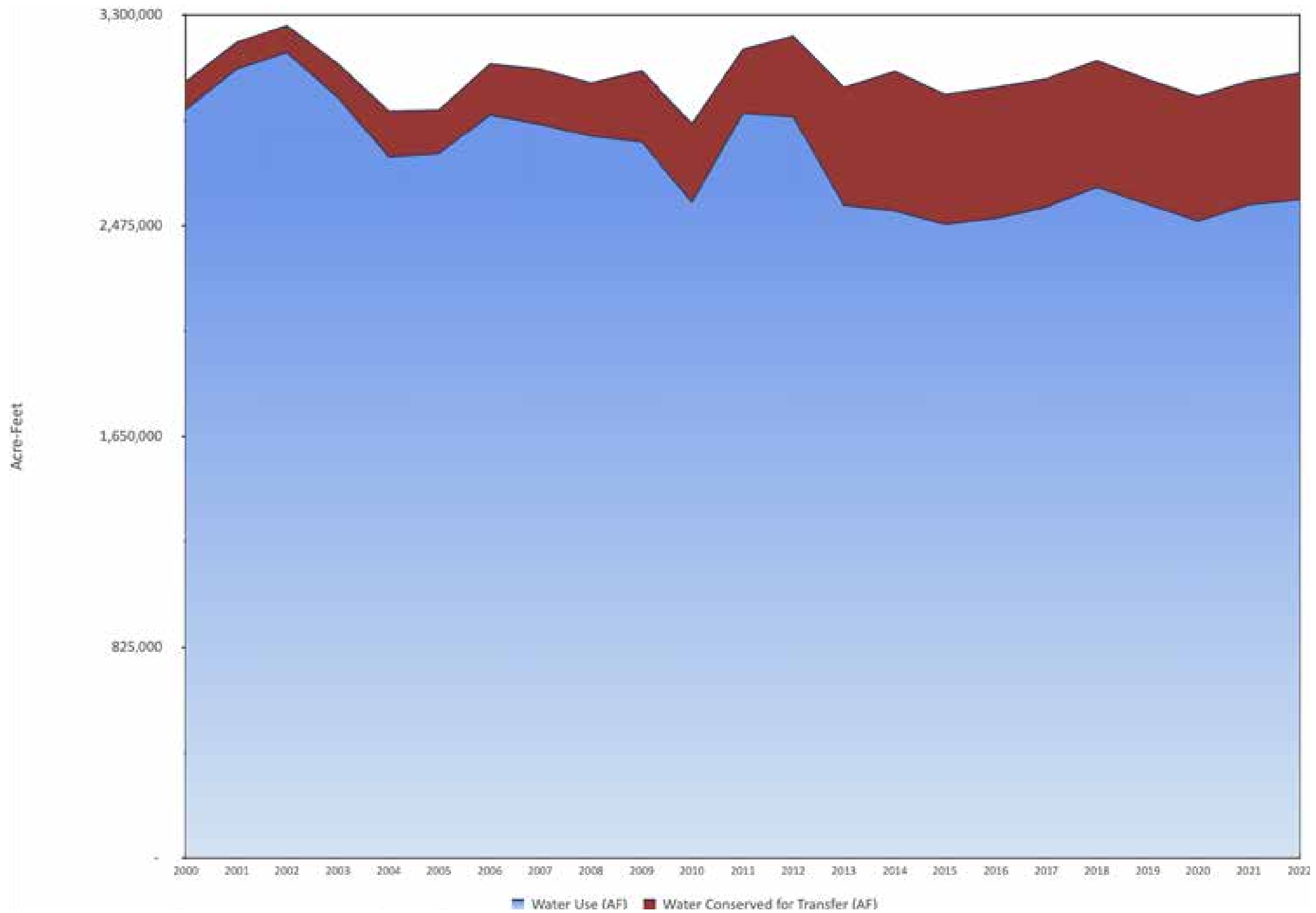
The cash balance under the Funding Program was slightly over $10 million at the end of 2022. Sixteen farm units have participated with full project implementation under the Program since inception. Nine program applications were approved in 2022 alone, pending full project implementation.

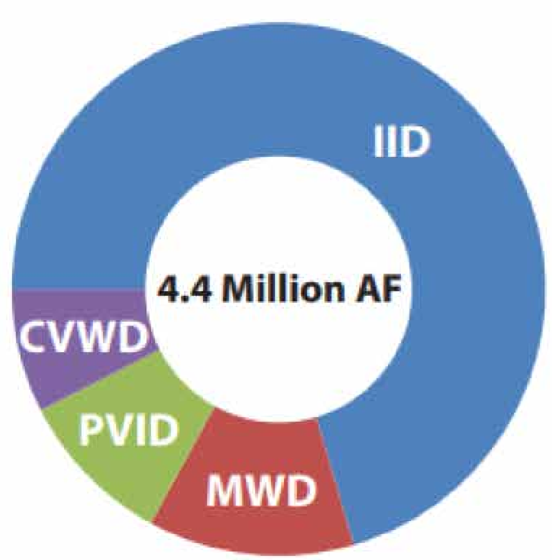
Funding Program guidelines for participation are as follows:

- *Funds must be used for projects that expand the existing rural electrical system and provide increased electrical service/ revenues from agriculture customers.*
- *Funds are limited to projects participating in IID's On-Farm Efficiency Conservation Program or facilitating an on-farm conservation method.*
- *Project funding is limited each year to the annual backfeed power service revenues available.*
- *Applications are accepted year-round and approved on a case-by-case basis as long as annual funding remains available.*
- *An annual funding cap of $200,000 per farm unit is applicable (costs in excess of $200,000 are the applicant/customer's responsibility).*
- *The Program's cost-share is capped at 85 percent of the electrical upgrade, not to exceed $170,000 per project.*

WATER FACTS & FIGURES

IID COLORADO RIVER WATER USE 2000-2022





QSA Colorado River Use

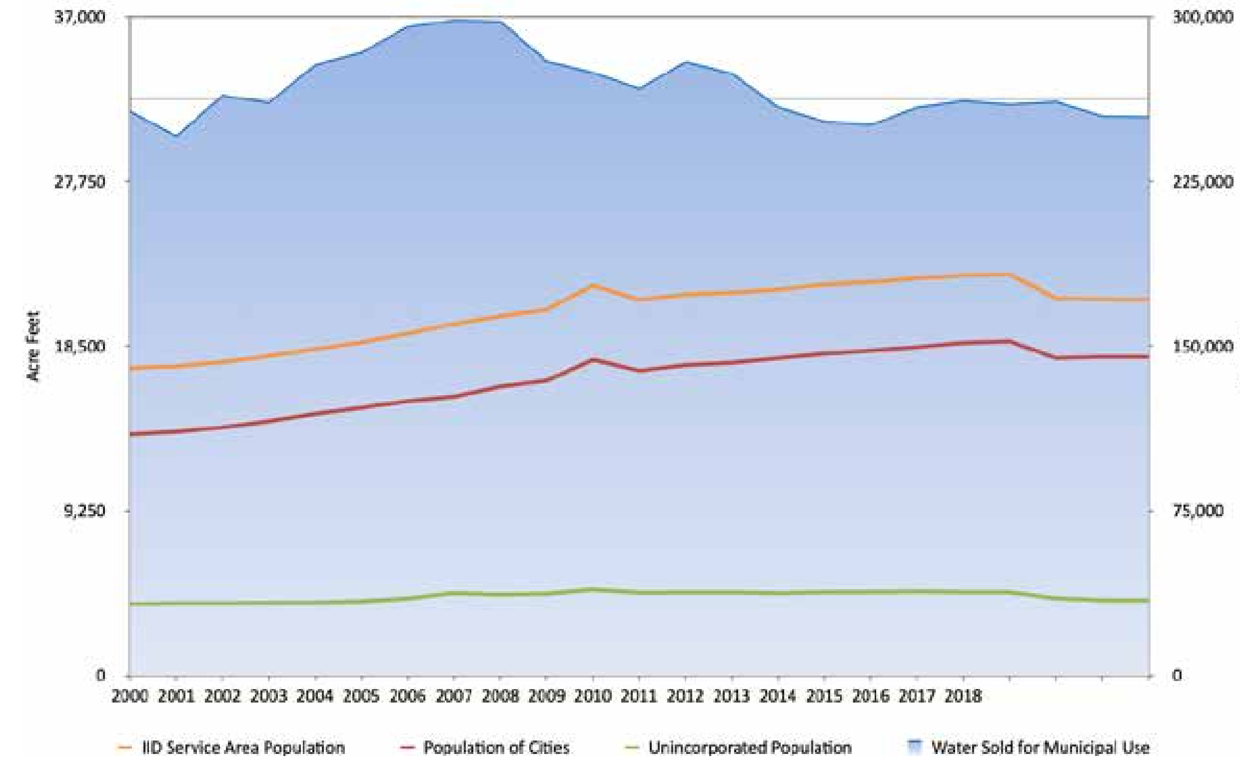
Annual Apportionment Cap for Ag Consumptive Use

(Excluding Transfers and Exchanges)

User	Apportionment (AF)
Imperial Irrigation District	3,100,000
Metropolitan Water District*	550,000
Palo Verde Irrigation District & Yuma Project*	420,000
Coachella Valley Water District	330,000

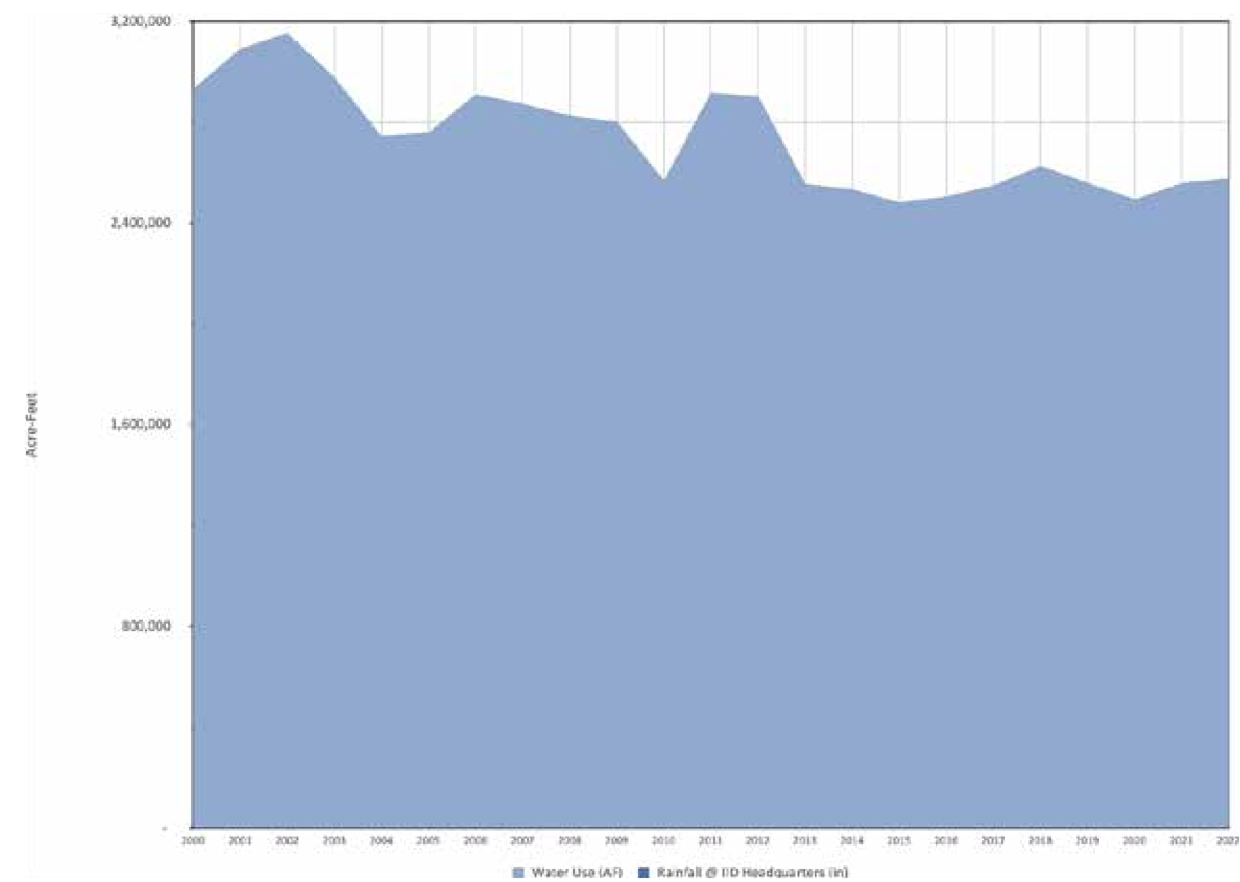
*PVID & Yuma Project did not agree to a cap; value represents a contractual obligation by MWD to assume responsibility for any overages or be credited with any volume below this value.

IID WATER SERVICE AREA & WATER SALES FOR MUNICIPAL USE 2000 - 2022



Cities: Brawley, Calexico, Calipatria, El Centro, Holtville, Imperial, Westmorland

WATER DELIVERED VERSUS RAINFALL 2000-2022



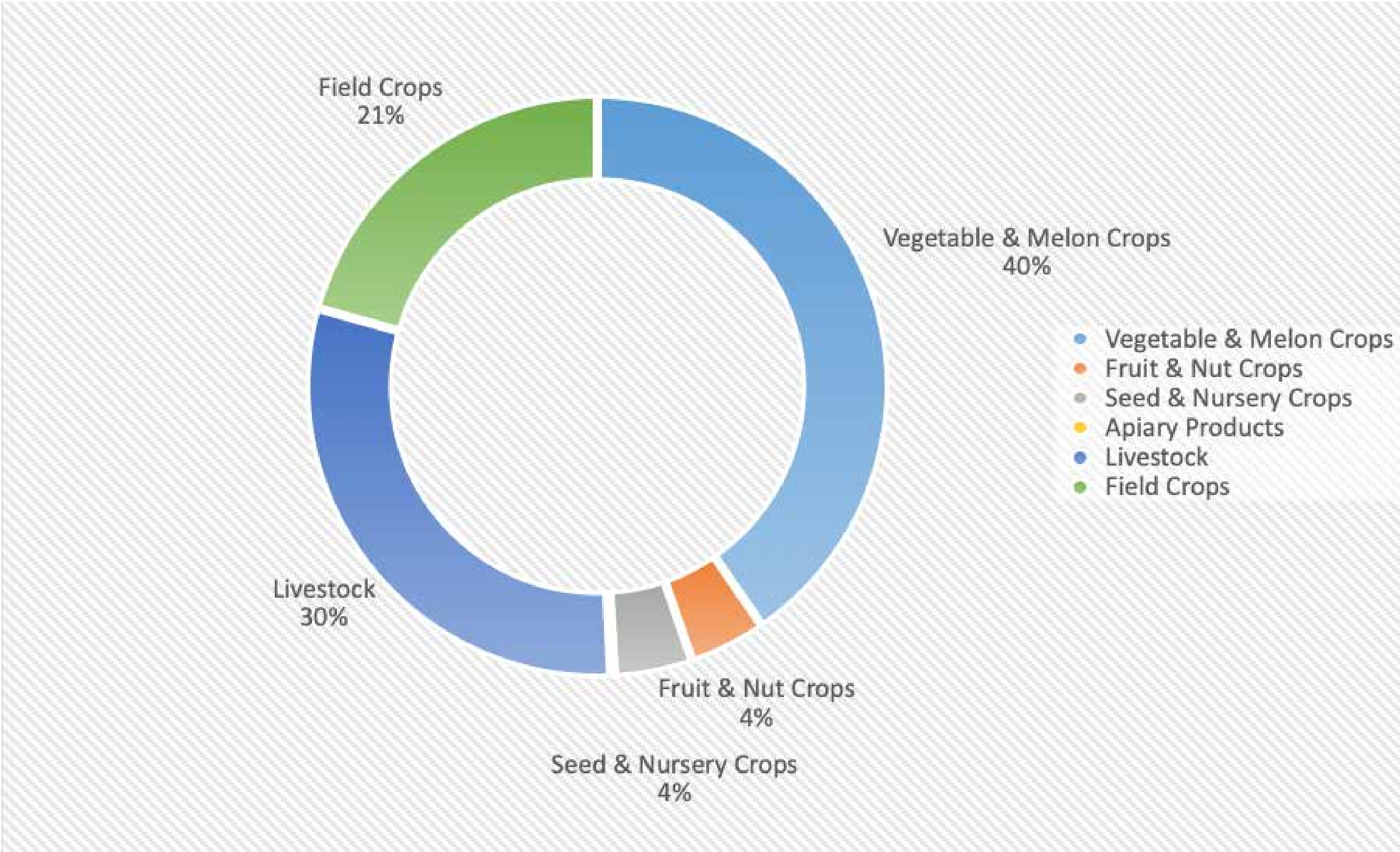
2021 & 2022 WATER OVERVIEW	2021	2022
Total Customers (Farm Accounts)	5,015	**5,020**
Owner Operated	2,091 (42%)	**2,180 (42%)**
Tenant Operated	2,924 (58%)	**2,970 (58%)**
Schedule 1 General Agriculture Water Rate	$20/AF	**$20/AF**
District Gross Area	1,062,216 AC	**1,062,216 AC**
Farmable Area	471,364 AC	**471,570 AC**
Net Irrigated Area (includes leached areas)	446,670 AC	**447,147 AC**
Temporary Land Conversion Fallowing Program	13,165 AC	**13,177 AC**
Water Received for IID Use ((Station 60 + Brock Reservoir)	2,557,242 AF	**2,577,164 AF**
Miles of Canals (AAC, Mains, Laterals)	1,668	**1,668**
Miles of Drains (AAC, Divisions, Drainage)	1,456	**1,456**

ANNUAL AG WATER DELIVERED IN AF PER WIS PROVISIONAL WATER BALANCE (ANNUAL AG WATER DELIVERY)	
Year	Acre-Feet
2018	2,319,622 AF
2019	2,227,679 AF
2020	2,168,405 AF
2021	**2,224,760 AF**
2022	**2,368,642 AF**

Source: Water Balance Run 3.28.23

2022 IID WATER RATE SCHEDULE	
Description	Rate
Agricultural Water (Schedule No. 1- General Agriculture)	Calendar year 2021 - $20/AF
	Calendar year 2022 - $20/AF
	January 1, 2023 - $20/AF
Municipal Water (Schedule No. 14) Municipal and Miscellaneous Services	$20/AF
Pipe Service (Schedule No. 3 – Pipe and Small Parcel Service)	Tier 1 - $250/yr
	Tier 2 - $100/ac/yr
Conserved Water (Schedule No. 13 – Water delivered outside IID Boundary, inside Imperial County)	Calendar year 2019 - $562.05/AF
	Calendar year 2020 - $579.28/AF
	Calendar year 2021 - $588.69/AF
	Calendar year 2022 - $611.25/AF
	Calendar year 2023 - $618.46/AF
Annual Water Availability Charge	$4 gross acre ($3.80 net)

2022 ECONOMIC IMPACT OF IMPERIAL VALLEY AGRICULTURE



Source: 2022 Imperial County Agricultural Crop & Livestock Report (Provisional)

2021 & 2022 IID TOP TEN CROPS BY ACRES

2022 Rank	2021 Rank	Crop Type *	Crop Description	Acres	%	Cumulative Acres	Cumulative %
1	1	F	Alfalfa (All)	134,767	29.0%	134,767	29.0%
2	2	F	Bermudagrass (All)	63,968	13.8%	198,735	42.7%
3	3	F	Sudangrass (All)	46,888	10.1%	245,623	52.8%
4	7	F	Wheat	38,536	8.3%	284,159	61.1%
5	5	F	Sugarbeets	25,001	5.4%	309,160	66.5%
6	4	G	Lettuce (all)	22,799	4.9%	331,959	71.4%
7	6	F	Kleingrass	20,107	4.3%	352,066	75.7%
8	8	G	Onions (All)	16,802	3.6%	368,868	79.3%
9	9	G	Carrots (All)	13,014	2.8%	381,882	82.1%
10	10	P	Duck Ponds	10,057	2.2%	391,939	84.3%

2021 & 2022 TOP COMMODITIES

2022 Rank	Commodity	2022 Gross Value	2021 Rank
1	Cattle	**$477,421,000**	1
2	Alfalfa	**$269,735,000**	2
3	Head Lettuce	**$216,536,000**	3
4	Leaf Lettuce	**$141,110,000**	5
5	Bermuda	**$101,542,000**	6
6	Broccoli	**$92,982,000**	4
7	Spinach	**$90,497,000**	10
8	Alfalfa Seed	**$78,853,000**	12
9	Carrots	**$69,004,000**	8
10	Wheat	**$65,807,000**	20

2021 & 2022 PRODUCTION SUMMARY

Category	Harvested Acres		Changes in Harvested Acres	Gross Value (000's)		Changes in Gross Value
	2021	2022		2021	2022	
Livestock				$ 527,490,000	$ **616,699,000**	16.91%
Field Crops	348,553	**366,087**	5.03%	$ 516,626,000	$ **640,095,000**	23.90%
Vegetable & Melon Crops	125,623	**127,246**	1.29%	$ 1,039,092,000	$ **1,115,591,000**	7.37%
Fruit & Nut Crops	10,655	**9,112**	-14.48%	$ 75,573,000	$ **77,893,000**	3.07%
Seed & Nursery Crops	54,798	**49,690**	-9.32%	$ 117,650,000	$ **153,850,000**	30.77%
Apiary Products				$ 5,005,000	$ **8,450,000**	68.83%
Total	**539,629**	**552,135**	2.32%	$ 2,281,436,000	$ **2,612,578,000**	14.51%

Source: Imperial County Ag Commissioner 2021 and 2022 Annual Crop and Livestock Report Provisional July 2023

For more details on each of these categories, please scan the following QR code:

AGRICULTURAL PRODUCTION AREAS

Imperial Valley	463,824
Bard/Winterhaven	15,763
Palo Verde	7,634
Total	487,221

Source: 2022 Imperial County Agricultural Crop & Livestock Report.

CROP SURVEY

Annual Inventory of Areas Receiving Water
2022, 2021 & 2020

GARDEN CROPS	2022	2021	ACRES 2020
ALOE VERA	**78**	55	72
ARTICHOKE	**93**	50	93
ARTICHOKE (SEED)	**0**	0	93
BEANS	**0**	51	0
BROCCOLI	**8,722**	8,109	8,507
BROCCOLI (SEED)	**1,325**	1,431	1,632
CABBAGE	**1,476**	1,942	1,709
CABBAGE, CHINESE	**134**	102	101
CARROTS	**12,941**	12,900	13,974
CARROTS (SEED)	**73**	88	5
CAULIFLOWER	**2,466**	3,938	3,714
CELERY	**977**	883	898
CELERY (SEED)	**0**	0	0
CILANTRO	**444**	762	720
COLLARDS	**0**	0	0
CORIANDER SEED	**733**	692	255
CORN, SWEET	**7,054**	8,046	7,623
DILL	**0**	0	59
DILL (SEED PRODUCTION)	**0**	0	0
FENNEL	**10**	0	2
FLOWERS	**136**	133	185
FLOWER (SEED)	**64**	7	40
GARLIC	**639**	58	58
HERBS, MIXED	**131**	147	146
KALE	**250**	407	403
LETTUCE	**5,558**	5,975	5,352
LETTUCE (SEED)	**0**	0	0
LETTUCE, BUTTER	**0**	0	52
LETTUCE, GREEN	**219**	0	13
LETTUCE, MIXED	**9,542**	10,654	12,001
LETTUCE, RED	**0**	0	128
LETTUCE, ROMAINE	**7,480**	8,650	9,940
MELONS			
CANTALOUPES, FALL	**0**	0	0
CANTALOUPES, SPRING	**3,211**	4,382	3,562
CRENSHAW, FALL	**0**	0	5
CRENSHAW, SPRING	**25**	14	0
HONEYDEW, SPRING	**204**	74	96
MIXED, FALL	**0**	0	20
MIXED, SPRING	**839**	836	544
WATERMELONS	**415**	386	288
WATERMELONS (SEED)	**0**	0	0
MUSTARD	**449**	384	169
MUSTARD (SEED)	**243**	65	65
OKRA	**492**	522	453
ONIONS (DEHY)	**12,932**	10,204	7,867
ONIONS (MARKET)	**3,424**	3,483	3,636
ONIONS (SEED)	**446**	639	544
PARSLEY	**68**	289	165
PEPPERS, HOT	**22**	0	0
POTATOES	**1,820**	1,782	1,584
RADISHES	**48**	0	11
RAPINI	**1,386**	1,651	1,525
ROCKETT	**333**	105	544
ROMANESCO	**44**	0	0
SESAME	**36**	5	25
SPINACH	**6,436**	6,104	5,038
SQUASH	**139**	93	18
SUNFLOWERS	**0**	38	590
SUNFLOWERS (SEED)	**0**	0	0
SWEET BASIL	**189**	94	182
SWISS CHARD	**24**	24	168
TOMATOES, FALL	**148**	0	0
TOMATOES, SPRING	**0**	291	0
THYME	**0**	0	0
VEGETABLES, MIXED	**5,355**	9,014	6,540
VEGETABLES, MIXED (SEED)	**30**	0	30
TOTAL GARDEN CROPS	**99,303**	105,559	101,947

FIELD CROPS	2022	2021	ACRES 2020
ALFALFA, FLAT	**90,821**	92,695	87,261
ALFALFA, ROW	**28,409**	30,178	32,348
ALFALFA (SEED)	**15,537**	24,532	19,380
BAMBOO	**0**	0	0
BARLEY	**2**	0	3
BERMUDAGRASS	**58,779**	60,218	61,102
BERMUDAGRASS (SEED)	**5,189**	14,519	10,661
CORN, FIELD	**5,598**	5,391	3,920
CORN, SILAGE	**107**	112	0
COTTON	**67**	35	0
FLAX	**86**	65	94
GRASS, MIXED	**590**	1,187	1,125
HEMP	**32**	61	1,515
KENAF	**0**	24	0
KLEINGRASS	**20,107**	19,691	21,585
OATS	**1,867**	1,723	702
QUINOA	**2**	19	2
RAPESEED	**73**	167	177
RED BEETS	**141**	62	197
RYEGRASS	**1,153**	1,049	1,209
RYEGRASS (SEED)	**62**	62	0
SAFFLOWER	**13**	13	13
SESBANIA	**295**	0	118
SORGHUM GRAIN	**38**	51	38
SORGHUM SILAGE	**331**	45	24
SOYBEANS	**144**	0	0
SPIRULINA ALGAE	**85**	85	85
SUDANGRASS	**46,735**	39,117	42,284
SUDANGRASS (SEED)	**153**	289	262
SUGARBEETS	**25,001**	25,212	25,103
SUGARCANE	**323**	252	308
TEFF GRASS	**416**	130	102
TRITICALE GRAIN	**74**	10	0
WHEAT	**38,536**	16,599	10,357
TOTAL FIELD CROPS	**340,766**	333,593	319,975

PERMANENT CROPS	2022	2021	ACRES 2020
ASPARAGUS	**39**	39	39
CITRUS			
GRAPEFRUIT	**642**	641	641
LEMONS	**4,919**	4,672	4,257
LIMES	**39**	90	90
MIXED	**940**	1,099	1,408
ORANGES	**298**	230	285
TANGERINES	**233**	314	442
DATES	**1,650**	1,603	1,564
DUCK PONDS	**10,057**	9,888	9,823
EUCALYPTUS	**6**	7	7
FIGS	**0**	0	0
FISH FARMS	**485**	485	485
FRUIT, MIXED	**1**	2	2
JUJUBE	**169**	163	153
MANGOS	**34**	36	40
NURSERY	**137**	137	119
RESEARCH FARMS	**310**	0	0
OLIVES	**648**	667	663
ORNAMENTAL TREES	**47**	67	108
PALMS	**176**	179	250
PASTURE, PERMANENT	**276**	295	298
PECANS	**0**	0	0
POMEGRANATE	**0**	0	0
SMALL ACREAGE	**4,001**	4,059	0
TOTAL PERMANENT CROPS	**25,107**	24,672	20,674
TOTAL ACRES OF CROPS	**465,176**	**463,824**	**442,596**

Note: Crops are listed for the year in which they are predominately harvested.

ACCOUNT SUMMARY

Annual Inventory of Areas Receiving Water
2022, 2021 & 2020

	2022		2021		2020	
Number of Farm Accounts	**5,150**		5,015		5,260	
Number of Owner-Operated Farm Accounts	**2,180**	42.3%	2,091	40.6%	2,085	41.6%
Number of Tenant-Operated Farm Accounts	**2,970**	57.7%	2,924	56.8%	3,175	63.3%
Average Acreage of Farm Account	**91.57**		93.99		89.63	

SUMMARY OF AREA SERVED

	2022	2021	2020
Field Crops	**340,766**	333,593	319,975
Garden Crops	**99,303**	105,559	101,947
Permanent Crops	**25,107**	24,672	20,674
TOTAL ACRES OF CROPS	**465,176**	463,824	442,596
Total Multiple Cropped Acres	**27,817**	28,260	8,366
TOTAL NET ACRES IN CROPS	**437,359**	435,564	434,230
Area Being Reclaimed: Leached	**9,788**	11,106	11,819
NET AREA IRRIGATED	**447,147**	446,670	446,049
IID Fallowing Program	**0**	0	0
Temporary Land Conversion Fallowing Program (12 Month Avg)	**13,177**	13,165	12,404
Area Farmable But Not Farmed During Year (Fallowed land)	**11,246**	11,529	12,982
TOTAL AREA FARMABLE	**471,570**	471,364	471,435
Area Of Farms In Homes, Feed Lots, Corrals, Cotton Gins, Experimental Farms, Solar and Industrial Areas	**15,905**	16,117	16,119
Area In Cities, Towns, Airports, Cemeteries, Fairgrounds, Managed Marsh, Golf Courses, Recreational, Parks, Lakes, and Rural Schools	**32,832**	32,826	32,753
TOTAL AREA RECEIVING WATER	**520,307**	520,307	520,307
Area In Drains, Canals, Reservoirs, Rivers, Railroads, and Roads	**74,742**	74,742	74,742
Area Below -230 Salton Sea Reserve Boundary & Area Covered By Salton Sea, Less Area Receiving Water	**40,150**	40,150	40,150
Area in Imperial Unit Not Entitled to Water	**63,933**	63,933	63,933
Undeveloped Area of Imperial, West Mesa, East Mesa, and Pilot Knob Units	**278,168**	278,168	278,168
TOTAL ACREAGE INCLUDED - ALL UNITS	**977,300**	977,300	977,300
Acreage Not Included - All Units*	**84,916**	84,916	84,916
TOTAL GROSS ACREAGE WITHIN DISTRICT BOUNDARIES	**1,062,216**	1,062,216	1,062,216

** Acreage within District boundaries that is not included in District.*

WATER TRANSFER REVENUE AND EXPENDITURES

2022 Budget & Actual

IID/SDCWA	2022 BUDGET	2022 ACTUAL
REVENUE AND FUNDING		
Water Sales to SDCWA	$ 139,489,200	$ 146,613,748
Water Sales to CVWD	11,567,600	13,364,670
QSA/JPA Environmental Mitigation	12,065,000	5,396,369
Other Income - Grant Mitigation (non JPA)	1,047,000	-
Interest Income	500,000	(11,547,056)
Capital Settlement Payment (SDCWA)	4,968,700	1,880,852
Capital Funding from Grants	340,000	-
Total Revenue and Funding	**169,977,500**	**155,708,584**
Transfer in from Water Transfer-Reserve	**39,589,600**	**39,402,706**
EXPENDITURES		
Environmental Mitigation (JPA)	12,016,300	4,818,577
Environmental Obligation Payments	4,348,600	49,498,063
Mitigation - Misc. Projects	1,307,000	43,830
System Conservation O&M	10,244,000	10,317,769
On-Farm Payments	39,599,500	-
On-Farm Payments-prior year (carryover)	39,589,600	39,402,706
Administration/Program Management	3,036,000	731,929
General and Administrative Expense (Legal)	1,076,300	694
Capital Projects (SCP)	15,568,900	1,880,852
Capital (Mitigation)	1,435,700	483,330
Lost Water Sales	5,710,000	5,710,000
Total Expenditures	**133,931,900**	**112,887,749**
Transfer out to Water Department	**(42,844,400)**	**(38,200,000)**
Total IID/SDCWA	**$ 32,790,800**	**$ 44,023,541**
Western Farm Lands		
Revenue and Funding	1,600,000	2,866,258
Expenditures	772,900	632,240
Total Western Farm Lands	**$827,100**	**$2,234,018**
Local Entity		
Revenue and Funding	0	339,686
Expenditures	0	339,686
Total Local Entity	**$ -**	**$ -**
Total Water Transfer Programs	**$ 33,617,900**	**$ 46,257,559**

Note to readers: The information contained in this report is based on data available at the time of publication for budget only. Please refer to Imperial Irrigation District's audited financial reports for the District's official financial records.

QSA IMPLEMENTATION REPORT

WATER TRANSFER & ACCOUNTING

ANNUAL WATER ACCOUNTING SUMMARY

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Misc PPRs	Conserved Water								
		IID/MWD Efficiency (1988 Agreement)	All-American Canal Lining	San Diego County Water Authority Conservation	Salton Sea Mitigation Conservation	Exhibit C Payback Conservation	IOPP Conservation Payback	ICS Conservation	Coachella Valley Water District Conservation	Total Conservation
2003	11,500	105,130	--	3,445	0	0	--	--	0	108,575
2004	11,500	101,900	--	20,000	15,000	48,149	0	--	0	185,049
2005	11,500	101,940	--	30,000	15,000	31,266	0	--	0	178,206
2006	11,500	101,160	--	40,000	20,000	37,154	0	1,000	0	199,314
2007	11,500	105,000	--	50,000	25,021	34,831	1,263	0	0	216,115
2008	11,500	105,000	8,898	50,000	26,085	0	16,197	0	4,000	210,180
2009	11,126	105,000	65,577	60,000	30,133	0	0	13,797	8,000	282,507
2010	11,500	105,000	67,700	70,000	33,761	0	0	0	6,809	283,270
2011	11,500	103,940	67,700	63,278	0	0	0	10,528	16,000	261,446
2012	11,500	104,140	67,700	106,722	15,182	0	14,299	0	21,000	329,043
2013	11,500	105,000	67,700	100,000	71,398	0	93,057	0	26,000	463,155
2014	11,500	104,100	67,700	100,000	89,168	0	117,391	37,735	31,000	547,094
2015	11,500	107,820	67,700	100,000	153,327	0	0	45,477	36,000	510,324
2016	11,500	105,000	67,700	100,000	130,796	0	0	70,077	41,000	514,573
2017	9,913	105,000	67,700	100,000	105,311	0	0	80,937	45,000	503,948
2018	9,705	105,000	67,700	130,000	0	0	0	130,197	63,000	495,897
2019	6,992	105,000	67,700	160,000	46,555	0	0	43,405	68,000	490,660
2020	9,081	105,000	67,700	192,500	0	0	0	51,023	73,000	489,223
2021	9,314	105,000	67,700	205,000	0	0	0	30,008	78,000	485,708
2022	9,804	105,000	67,700	202,500	0	0	0	38,365	83,000	496,565
Total	215,435	2,090,130	954,575	1,883,445	776,737	151,400	242,207	552,549	599,809	7,250,852

2022 IID WATER ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

	Consumptive Use	Fallowing	Efficiency	System Conservation Water[3]	IID ICS Account	Storage at MWD	Excess ICS Left in River[4]
Miscellaneous Present Perfected Rights	9,804						
1988 IID/MWD Transfer	105,000		105,000				
SDCWA Transfer	202,500		202,500				
CVWD Transfer	83,000	69,898	13,102				
San Diego Transfer - Salton Sea Mitigation	0						
Inadvertent Overrun Payback	0						
Intentionally Created Surplus	38,365		38,365	25,000		13,365	
AAC Lining Project Transfer	67,700		67,700				
IID Water Users[1]	2,577,164						
LCWSP Wellfield Pumpage[2]	9,997						
Total	3,093,530	69,898	426,667	25,000	0	13,365	0
IID QSA Entitlement	3,100,000						
EOY Inadvertent Overrun Reported by USBR	0						
Overrun/Underrun	-6,470						

Notes:

1) *USBR Decree Accounting 5/15/2023*
2) *Included as part of IID's CU in lieu of an equivalent diversion.*
3) *In an agreement with the United States Bureau of Reclamation, IID agreed to make 25,000 acre-feet of conserved water available in calendar year 2022 as System Conservation Water with the intent that USBR will apply such water to help meet the Secretary's commitment under Section 3b. of the LBDCP and to help meet the water conservation efforts described in the 500+ plan.*

SDCWA TRANSFER ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Obligation	Fallowing	Efficiency	Total Volume	Annual Over/Under Obligation
2003[1]	10,000	3,445	0	3,445	-6,555
2004	20,000	20,000	0	20,000	0
2005	30,000	30,000	0	30,000	0
2006	40,000	40,000	0	40,000	0
2007	50,000	50,000	0	50,000	0
2008	50,000	50,000	0	50,000	0
2009	60,000	60,000	0	60,000	0
2010	70,000	70,000	0	70,000	0
2011[2]	80,000	63,278	0	63,278	-16,722
2012[2]	90,000	106,722	0	106,722	16,722
2013	100,000	80,000	20,000	100,000	0
2014	100,000	60,000	40,000	100,000	0
2015	100,000	40,000	60,000	100,000	0
2016	100,000	20,000	80,000	100,000	0
2017	100,000	0	100,000	100,000	0
2018	130,000	0	130,000	130,000	0
2019	160,000	0	160,000	160,000	0
2020	192,500	0	192,500	192,500	0
2021	205,000	0	205,000	205,000	0
2022	202,500	0	202,500	202,500	0
Total	**1,890,000**	**693,445**	**1,190,000**	**1,883,445**	

Notes:

1) *Since the QSA was executed in October of 2003, IID was only able to fallow 3,445 AF and therefore had an inadvertent overrun of 6,555 AF which was used to satisfy IID's 10,000 AF obligation to SDCWA. The USBR waived payback for 2003 overruns for all Lower Basin entities.*

2) *Due to the risk associated with QSA litigation, IID was able to create only 63,278 AF of the required 80,000 AF by fallowing in calendar year 2011. The balance of 16,722 AF of fallowed water, while under contract in the 2011-2012 Fallowing Program, was conserved in calendar year 2012. While IID considers the 16,722 AF to have been transferred by utilization of IID's IOPP right in calendar year 2011, to satisfy accounting deadlines, IID agreed to transfer 106,722 AF of conserved water instead of 90,000 AF in calendar year 2012; however IID reserves its position regarding the utilization of its IOPP right for transfer shortfalls.*

CVWD TRANSFER ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Obligation	Fallowing	Efficiency	Total Volume	Annual Over/Under Obligation
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	4,000	0	4,000	4,000	0
2009	8,000	0	8,000	8,000	0
2010	12,000	0	12,000[1]	12,000	0
2011	16,000	0	16,000	16,000	0
2012	21,000	0	21,000	21,000	0
2013	26,000	0	26,000	26,000	0
2014	31,000	0	31,000	31,000	0
2015	36,000	8,983	27,017	36,000	0
2016	41,000	0	41,000	41,000	0
2017	45,000	0	45,000	45,000	0
2018	63,000	25,010	37,990	63,000	0
2019	68,000	65,782	2,218	68,000	0
2020	73,000	65,964	7,036	73,000	0
2021	78,000	69,623	8,377	78,000	0
2022	83,000	69,898	13,102	83,000	0
Total	**605,000**	**305,260**	**287,740**	**605,000**	

Notes:

1) *6,809 AF created by Main Canal Seepage Recovery Project and 5,191 AF delivered from IID's ICS account - See ICS Accounting.*

SALTON SEA MITIGATION ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Obligation			Delivery to Sea				Inflow/Outflow	
	Fallow	Fallow (revised)	Entitlement	Delivery to Sea	CR Rereg Conservation & Storage	Total Volume	Remaining Obligation Balance	Annual Over/Under Obligation	Running Balance in Salton Sea
2003[1]	5,000			0	0	0	725,182	-5,000	-5,000
2004	10,000			14,359	15,880	30,239	715,182	20,239	15,239
2005	15,000			0	21,476	21,476	700,182	6,476	21,715
2006	20,000			0	0	0	680,182	-20,000	1,715
2007	25,000			23,306	0	23,306	655,182	-1,694	21
2008	25,000			26,085	0	26,085	630,182	1,085	1,106
2009	30,000			30,158	0	30,158	600,182	158	1,264
2010[2]	35,000			80,282	0	80,282	565,182	45,282	46,546
2011[3]	~~40,000~~	0	26,667	0	0	0	565,182	-26,667	19,879
2012[4]	~~45,000~~	15,182	19,879	15,110	0	15,110	550,000	-19,951	-72
2013	70,000			71,470	0	71,470	480,000	1,470	1,398
2014	90,000			89,168	0	89,168	390,000	-832	566
2015	110,000			153,327	0	153,327	280,000	43,327	43,893
2016	130,000			130,796	0	130,796	150,000	796	44,689
2017	150,000			105,155	0	105,155	0	-44,845	-156
2018[6]	0			149	0	149	0	149	-7
2019[7]	0			16	0	16	0	16	9
Total[5]	**730,182**		**46,546**	**739,381**	**37,356**	**776,737**			**9**

Notes:

1) *Since the QSA was executed in October of 2003, SWRCB approved the 2003 obligation being satisfied in 2004.*
2) *46,521 AF of IID's entitlement water was delivered to the Salton Sea for storage as early mitigation water in 2010 for the scheduled obligations of 2011 and half of 2012.*
3) *IID delivered entitlement water to the Salton Sea in 2010 for storage to be used for future mitigation. When entitlement water is used to mitigate transferred water created by fallowing, the transferred volume is multiplied by 1/3 to determine the entitlement water mitigation volume (i.e., 80,000 AF x .33 = 26,667 AF).*
4) *19,879 AF of entitlement water (see footnote 3) accounted for 66.3% of the 2012 Salton Sea obligation. The remaining 33.7% of the 2012 Salton Sea obligation totaled 15,182 AF from fallowing.*
5) *Due to the use of entitlement water, adjustments were made to the calculation of the fallowing obligation volumes, resulting in a lower total delivery obligation than the initial 800,000 AF calculation. The final mitigation delivery obligation was completed in 2019, with a net over-delivery of 9 AF due to delivery imprecision.*
6) *In 2017, IID conserved 105,311 AF of Colorado River water for Salton Sea mitigation purposes, but delivered 105,155 AF to the Sea. In 2018, IID delivered 149 AF of conserved water, coming within 7 AF of its obligation.*
7) *In 2019, IID delivered 16 AF of conserved water, 7 AF from the 2017 conservation to complete is Salton Sea mitigation obligation and 9 AF of excess 2019 extraordinary conservation due to delivery imprecision.*

IID'S CVWD GROUNDWATER STORAGE ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	IID Water Delivered to CVWD MP 0.2 Turnout	5% Canal Conveyance Losses	5% Storage Losses	Amount Withdrawn	Net IID Water Stored as of Jan 1 following year
2003	0	0	0	0	0
2004	0	0	0	0	0
2005	0	0	0	0	0
2006	0	0	0	0	0
2007	0	0	0	0	0
2008	0	0	0	0	0
2009	0	0	0	0	0
2010	525	25	6	0	494
2011	0	0	25	0	469
2012	0	0	21	448	0
2013	0	0	0	0	0
2014	0	0	0	0	0
2015	0	0	0	0	0
2016	0	0	0	0	0
2017	0	0	0	0	0
2018	0	0	0	0	0
2019	0	0	0	0	0
2020	0	0	0	0	0
2021	0	0	0	0	0
2022	0	0	0	0	0
Total	**525**	**25**	**52**	**448**	

IID'S INADVERTENT OVERRUN PAYBACK ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Inadvertent Overrun	Other Applied to IOP	ICS Applied to IOP	Fallowed Amount Applied to IOP	Efficiency Applied to IOP	Cumulative Remaining Inadvertent Overrun Balance
2003	--	--	--	--	--	--
2004	0	0	0	0	0	0
2005	0	0	0	0	0	0
2006	18,914	8,957[1]	1,000	0	0	8,957
2007	6,358	0	0	1,263	0	14,052
2008	0	0	0	11,965	4,232	0[2]
2009	0	0	0	0	0	0
2010	5,191[3]	0	5,191	0	0	0
2011[4]	82,662	0	0	0	0	82,662
2012[5]	134,076	448	5,842	0	0	210,448
2013	0	0	0	91,005	2,052	117,391
2014	0	0	0	111,789	5,602	0
2015	0	0	0	0	0	0
2016	0	0	0	0	0	0
2017	0	0	0	0	0	0
2018	0	0	0	0	0	0
2019	0	0	0	0	0	0
2020	0	0	0	0	0	0
2021	0	0	0	0	0	0
2022	0	0	0	0	0	0
Total	247,201	9,405	12,033	216,022	11,886	

Notes:

1) *II B (6) Applied to IOP*
2) *MWD diverted 2,145 AF of IID early payback per settlement agreement dated 08/10/2009.*
3) *IID was able to create only 6,809 AF of the required 12,000 AF by efficiency conservation due to Main Canal Seepage Recovery Project pump outage problems; balance was delivered from IID's ICS account.*
4) *USBR reported overrun as 82,662 AF, which does not include the conservation shortfall of 16,722 AF that was delivered using the IOPP - See SDCWA Transfer Accounting for details.*
5) *5,842 AF from ICS and 448 AF from CVWD groundwater storage (See 2010 IID Water Use footnote 4) applied as 2011 overrun early payback, reducing the balance to 76,372 AF (See IID's letter to USBR dated 12/27/2012).*

IID'S TOTAL EFFICIENCY CONSERVATION

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Annual Volume[1]	System Efficiency	On-Farm Efficiency	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2005	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2006	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2007	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
2008	8,232	7,651	581	0	141	524	697	811	805	906	868	856	1,022	854	748
2009	21,797	21,561	236	719	628	725	888	1,612	2,386	2,199	2,295	2,620	2,879	2,506	2,340
2010	6,809	6,809	0	2,021	671	0	0	0	0	0	0	0	33	1,709	2,375
2011	26,528	26,528	0	2,115	1,980	2,414	2,573	2,494	2,458	2,491	2,296	1,121	2,043	2,159	2,384
2012	31,888	31,888	0	2,363	2,172	2,645	2,752	2,718	2,852	2,931	2,940	2,563	2,860	2,777	2,315
2013	48,052	30,776	17,276	2,649	2,762	3,779	4,058	4,223	4,188	4,540	5,141	4,929	4,724	3,742	3,317
2014	76,602	32,231	44,371	5,598	6,880	10,129	8,836	7,378	5,938	6,984	6,225	5,698	5,232	4,201	3,503
2015	132,494	44,773	87,721	6,093	8,349	11,618	12,741	11,528	11,564	13,559	13,366	12,536	12,744	10,603	7,792
2016	189,232	50,647	138,585	15,219	15,123	15,108	15,658	15,710	15,680	16,066	16,052	16,137	16,127	16,190	16,162
2017	215,962	64,212	151,750	17,402	17,458	17,400	18,114	18,189	18,164	18,350	18,290	18,275	18,017	17,813	17,948
2018	257,163	66,194	190,969	21,084	20,753	21,149	21,147	21,681	21,592	21,575	21,960	21,628	21,902	21,577	21,115
2019	252,169	73,427	178,742	20,516	20,253	20,730	20,820	21,059	21,004	21,406	21,582	21,473	21,492	21,036	20,798
2020	250,559	73,007	177,552	20,462	20,287	20,509	20,791	21,300	21,199	21,397	21,418	21,078	20,941	20,649	20,528
2021	243,385	80,316	163,069	19,645	19,335	19,766	20,229	20,596	20,646	20,742	20,846	20,641	20,747	20,384	19,808
2022	253,967	74,347	179,620	20,260	20,313	21,070	21,257	21,455	21,450	21,682	21,747	21,501	21,562	21,118	20,552
Total	2,014,839	684,367	1,330,472												

Notes:

1) *Annual Volume does not include 1988 IID/MWD Transfer or All-American Canal Lining Project Transfer volumes.*

IID'S LAKE MEAD ACCOUNTING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	IOPP			ICS: Lake Mead ICS Account				ICS: Imperial ICS Sub-Account[9]				Salton Sea Mitigation		CR Rereg Conservation & Storage				Total Balance
	Inadvertent Overrun	Payback	Balance	Created	Delivered	Losses	Balance	Created	Delivered	Losses	Balance	Remaining in Lake Mead	Balance	Payback	Diverted To SS	Over/Under	Balance	Annual
2003	0	0	0	0	0	0	0	--	--	--	--	0	0	0	0	0	0	0
2004	0	0	0	0	0	0	0	--	--	--	--	641	641	0	15,880	-15,880	-15,880	-15,239
2005	0	0	0	0	0	0	0	--	--	--	--	0	641	15,000	21,476	-6,476	-22,356	-21,715
2006	18,914	9,957[1]	-8,950	1,000	1,000	0	0	--	--	--	--	0	641	20,000	0	20,000	-2,356	-10,665
2007	6,358	1,263	-14,045	0	0	0	0	--	--	--	--	-641	0	2,356	0	2,356	0	-14,045
2008	0	16,197	2,145[2]	0	0	0	0	--	--	--	--	0	0	0	0	0	0	0
2009	0	0	1,797[3]	12,000	0	600	11,400	--	--	--	--	-25	-25	0	0	0	0	11,375
2010	5,191	5,191[4]	0	0	5,191	186	6,023	--	--	--	--	25	0	0	0	0	0	6,023
2011[5]	82,662	0	-82,662	0[6]	0	181	5,842	--	--	--	--	0	0	0	0	0	0	-76,820
2012	134,076	6,290	-210,448	0[7]	5,842	0	0	--	--	--	--	72	72	0	0	0	0	-210,376
2013	0	93,057	-117,391	0	0	0	0	--	--	--	--	-72	0	0	0	0	0	-117,391
2014	0	117,391	0	18,867	0	943	17,924	--	--	--	--	0	0	0	0	0	0	17,924
2015	0	0	0	0	0	538	17,386	--	--	--	--	0	0	0	0	0	0	17,386
2016	0	0	0	13,845	0	1,214	30,017	--	--	--	--	0	0	0	0	0	0	30,017
2017	0	0	0	45,733	0	2,000	73,750	--	--	--	--	156	156	0	0	0	0	73,906
2018	0	0	0	1,579	0	1,579	73,750	--	--	--	--	-149	7	0	0	0	0	73,757
2019[8]	0	0	0	1,579	0	1,579	73,750	--	--	--	--	-16	-9	0	0	0	0	73,741
2020	0	0	0	10,671	0	1,579	82,842	--	--	--	--	--	--	0	0	0	0	82,842
2021	0	0	0	1,579	0	1,579	82,842	25,000	0	2,500	22,500	--	--	0	0	0	0	105,342
2022	0	0	0	0	0	0	82,842	13,365	0	1,337	34,529	--	--	0	0	0	0	117,371
Total	247,201	249,346		106,853	12,033	11,978		38,365	0	3,837		0	-9	37,356	37,356	0		

Notes:

1) *Includes 1,000 AF from ICS and 8,957 AF from II (B) 6.*
2) *MWD diverted 2,145 AF of IID early payback per settlement agreement dated 08/10/2009.*
3) *Additional water created by efficiency conservation left in Colo. River System as early payback and lost to IID.*
4) *IID was able to create only 6,809 AF of the required 12,000 AF by efficiency conservation due to Main Canal Seepage Recovery pump outage problems; 5,191 AF delivered from IID's ICS account - See ICS Accounting.*
5) *USBR reported overrun as 82,662 AF. A conservation shortfall of 16,722 AF was included in this value*
6) *10,528 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.*
7) *14,299 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.*
8) *In 2017, IID conserved 105,311 AF of Colorado River water for Salton Sea mitigation purposes, but delivered 105,155 AF to the Sea. In 2018, IID delivered 149 AF of this 2017 conserved water. In 2019, IID delivered 16 AF of conserved water, 7 AF from the 2017 conservation to complete is Salton Sea mitigation obligation and 9 AF of excess 2019 extraordinary conservation due to delivery imprecision. As of 2019, IID has completed its cumulative Salton Sea mitigation delivery obligation.*
9) *Pursuant to the Settlement and Release Agreement (SARA) between IID and MWD, the Imperial ICS Sub-Account was authorized by MWD in which IID may accumulate 50,000 AF of additional conserved water through qulified measures up to 25,000 AF per year.*

IID'S TOTAL FALLOWING

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	Annual Volume	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2003	3,445	0	0	0	0	0	0	0	0	0	0	0	3,445
2004	79,781	3,445	3,445	3,445	3,445	3,445	3,445	13,925	11,316	11,458	9,976	6,678	5,758
2005	71,205	3,040	3,197	7,815	8,350	8,865	8,262	10,085	9,218	6,873	2,911	1,860	729
2006	98,619	1,132	1,294	10,673	12,028	12,899	11,047	13,815	10,705	10,725	6,480	4,469	3,352
2007	111,115	2,620	6,004	8,693	13,504	16,266	13,428	13,629	12,317	9,235	6,427	3,913	5,079
2008	88,050	5,287	6,278	11,930	12,041	8,361	6,652	11,033	9,158	6,585	5,460	2,295	2,970
2009	90,133	2,479	4,286	8,124	9,323	7,206	4,720	14,050	11,900	10,065	7,613	5,713	4,654
2010	103,761	4,906	4,745	12,528	14,170	9,790	7,536	12,856	9,946	7,430	9,140	5,809	4,905
2011	63,278	2,008	3,996	7,924	12,783	10,901	9,679	3,971	3,405	3,885	1,538	1,925	1,263
2012	125,315	10,426	10,426	10,426	11,216	11,354	11,354	9,449	9,449	9,449	10,589	10,589	10,589
2013	242,403	19,328	19,437	19,438	19,461	19,807	20,734	20,436	20,928	20,740	20,739	20,678	20,677
2014	298,692	25,281	25,281	25,292	25,292	25,292	25,292	24,512	24,512	24,512	24,512	24,512	24,402
2015	202,310	22,541	22,541	22,541	22,541	22,541	22,541	11,127	11,188	11,188	11,187	11,187	11,187
2016	152,641	10,900	10,900	10,901	10,901	10,901	10,901	14,307	14,586	14,586	14,586	14,586	14,586
2017	115,286	3,636	3,636	3,636	3,636	3,636	3,636	15,045	15,667	15,667	15,697	15,697	15,697
2018	66,034	5,503	5,503	5,503	5,503	5,503	5,503	5,502	5,502	5,503	5,503	5,503	5,503
2019	65,791	5,483	5,483	5,483	5,483	5,483	5,483	5,482	5,482	5,482	5,482	5,482	5,483
2020	65,964	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497	5,497
2021	69,623	5,802	5,802	5,802	5,802	5,801	5,802	5,802	5,802	5,802	5,802	5,802	5,802
2022	69,898	5,825	5,825	5,825	5,825	5,824	5,825	5,824	5,825	5,825	5,825	5,825	5,825
Total	2,183,344												

Notes:

Each year the monthly breakdown of the annual fallowed volume of water will be refined as time and resources permit.

2003-2004 monthly distribution was assumed to be equally distributed over 13 months (December 2003 through December 2004).

2005-2011 Monthly distribution computed using the previous 12 months (Jul-Dec and Jan-Jun) delivery history for the participating gates in each of the fallowing programs.

2012-2018 Monthly conservation determined by programatic monthly proration.

IID'S INTENTIONALLY CREATED SURPLUS ACCOUNTING - LAKE MEAD

All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	ICS Creation				Lake Mead ICS Storage													MWD ICS Storage	Total Year End Storage Balance	Excess ICS Left in River[11]
	Fallowed	Seepage Interception	Other Qualified Efficiency	Total	2007 Interim Guidelines					Binational Minute 319 and 323			Imperial ICS Sub-Account[12]				Year End Storage Balance			
					Delivered to Storage	Introduction Loss (5%)	Delivered from Storage	Annual Carry Over Loss (3%)	Year End Storage Balance	Delivered to storage	Delivered from Storage	Year End Storage Balance	Delivered to Storage	Introduction Loss (10%)	Delivered from Storage	Year End Storage Balance		Year End Storage Balance		
2003	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2004	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2005	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2006[1]	1,000	0	0	1,000	1,000	0[1]	1,000	0	0	--	--	--	--	--	--	--	0	0	0	--
2007	0	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	0	0	0	--
2008	0	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	0	0	0	--
2009	0	13,797[2]	0	12,000	12,000	600	0	0	11,400	--	--	--	--	--	--	--	11,400	0	11,400	1,797
2010	0	0	0	0	0	0	5,191[3]	186	6,023	--	--	--	--	--	--	--	6,023	0	6,023	--
2011	0	10,528[4]	0	0	0	0	0	181	5,842	--	--	--	--	--	--	--	5,842	0	5,842	--
2012	0	14,299[5]	0	0	0	0	5,842[6]	0	0	--	--	--	--	--	--	--	0	0	0	--
2013	0	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	0	0	0	--
2014	37,735	0	0	37,735	18,867	943	0	0	17,924	--	--	--	--	--	--	--	17,924	16,981	34,905	--
2015[7,8]	0	12,000	33,477	45,477	0	0	0	538	17,386	--	--	--	--	--	--	--	17,386	58,934	76,320	--
2016[9]	1,845	12,000	56,232	70,077	13,845	692	0	522	30,017	--	--	--	--	--	--	--	30,017	111,770	141,787	--
2017	25,000	12,000	43,937	80,937	21,983	1,099	0	901	50,000	23,750	0	23,750	--	--	--	--	73,750	167,776	241,526	--
2018[10]	41,024[11]	16,164	73,009	130,197	1,579	79	0	1,500	50,000	0	0	23,750	--	--	--	--	73,750	167,776	241,526	--
2019	0	1,579	41,826	43,405	1,579	79	0	1,500	50,000	0	0	23,750	--	--	--	--	73,750	167,776	241,526	41,826
2020	0	31,998	19,025	51,023	1,579	79	0	1,500	50,000	9,092	0	32,842	--	--	--	--	82,842	164,243	247,085	49,444
2021	0	3,341	26,667	30,008	1,579	79	0	1,500	50,000	0	0	32,842	25,000	2,500	0	22,500	105,342	239,651	344,993	1,762
2022	0	0	38,365[13]	38,365	0	0	0	0	50,000	0	0	32,842	13,365	1,337	0	34,529	117,371	231,327	348,697	0
Total	**106,604**	**127,706**	**332,538**	**540,224**	**74,011**	**3,650**	**12,033**	**8,328**		**32,842**	**0**		**38,365**	**3,837**	**0**					**108,194**

Notes:

1) 2006 ICS was created for the Demonstration ICS Program but used for early payback of Inadvertent Overrun. ICS Policy was adopted in December of 2007.

2) According to ICS policy, IID is limited to 12,000 AF per year from seepage interception pumps-1,797 AF created by seepage interception unused and left in Colorado River system.

3) IID was able to create only 6,809 AF of the required 12,000 AF by efficiency conservation due to Main Canal Seepage Recovery pump outage problems; 5,191 AF delivered from IID's ICS account to meet SDCWA transfer obligations.

4) 10,528 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.

5) 14,299 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.

6) Early IOPP payback for 2011 overrun - See IOPP Accounting.

7) The first 25,000 AF of storage delivered under the 2007 California ICS Agreement created using 12,315 AF tailwater return systems, 12,000 AF seepage interception, and 685 AF 12-hour delivery system conservation.

8) ICS volume revised from 38,313 AF to 45,477 AF in 2017 Decree Accounting to correct an error in loss calculations.

9) 11,688 AF of tailwater return system conservation used to meet the 50,000 AF cumulative storage volume authorized by the 2007 California ICS Agreement.

10) 41,024 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.

11) Due to policy limitations, any extraordinary conservation in excess of IID's consumptive use, transfer obligations and storage capacity limits are left in Lake Mead with the benefit accruing to the System and all Colorado River water users unless diverted by junior priority water users for their own purposes.

12) Pursuant to the Settlement and Release Agreement (SARA) between IID and MWD, the Imperial ICS Sub-Account was authroized by MWD in which IID may accumulate 50,000 AF of additional conserved water through qulified measures up to 25,000 AF per year.

IID'S INTENTIONALLY CREATED SURPLUS ACCOUNTING - MWD SYSTEM

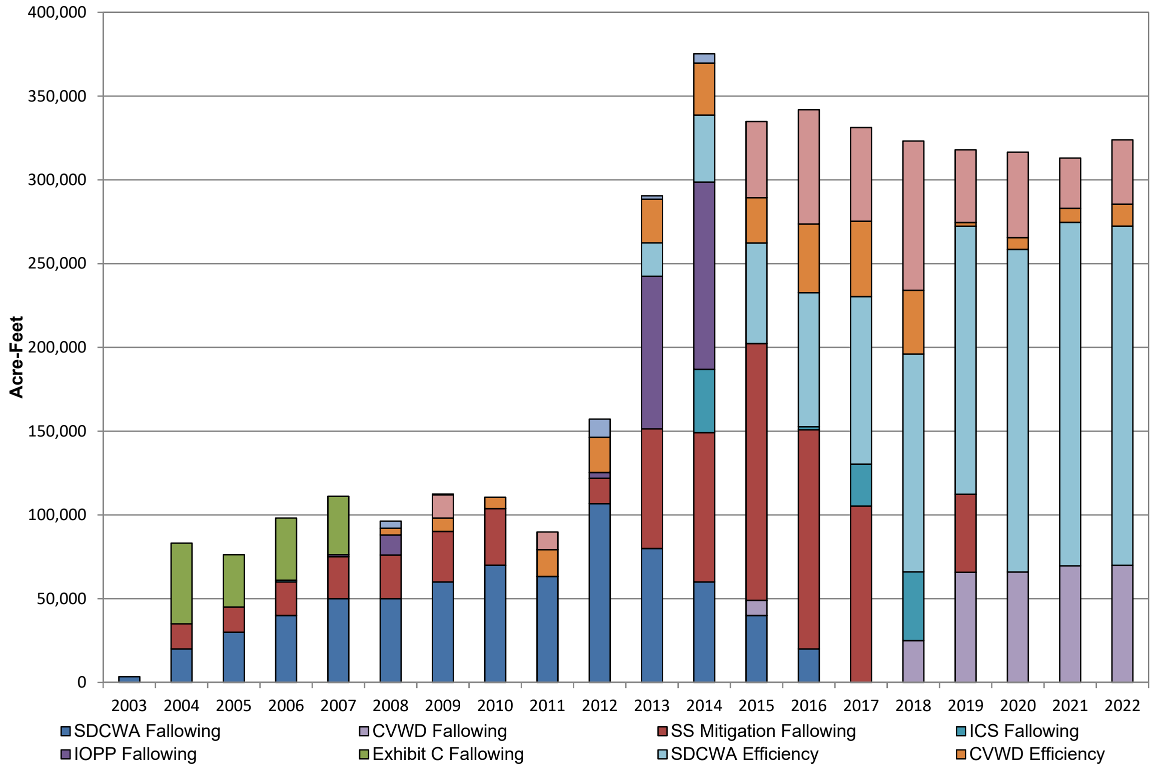
All values are provisional consumptive use volume in acre-feet at Imperial Dam

Year	ICS Creation				MWD ICS Storage														Lake Mead ICS Storage	Total Year End Storage Balance	Excess ICS Left in River[12]
	Fallowed	Seepage Interception	Other Qualified Efficiency	Total	2007 California ICS Agreement				Amendment 1					Settlement and Release Agreement[11]				Year End Storage Balance			
					Delivered to Storage	Introduction Loss (10%)	Delivered from Storage	Year End Storage Balance	Delivered to Storage	Introduction Loss (5%)	Delivered from Storage	Annual Carry Over Loss (3%)	Year End Storage Balance	Delivered to Storage	Losses	Delivered from Storage	Year End Storage Balance		Year End Storage Balance		
2003	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2004	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2005	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
2006[1]	1,000	0	0	1,000	0	0	0	0	--	--	--	--	--	--	--	--	--	0	0	0	--
2007	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	0	0	--
2008	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	0	0	--
2009	0	13,797[2]	0	12,000	0	0	0	0	--	--	--	--	--	--	--	--	--	0	11,400	11,400	1,797
2010[3]	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	6,023	6,023	--
2011	0	10,528[4]	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	5,842	5,842	--
2012[6]	0	14,299[5]	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	0	0	--
2013	0	0	0	0	0	0	0	0	--	--	--	--	--	--	--	--	--	0	0	0	--
2014	37,735	0	0	37,735	18,868	1,887	0	16,981	--	--	--	--	--	--	--	--	--	16,981	17,924	34,905	--
2015[7,8]	0	12,000	33,477	45,477	25,000	2,500	0	39,481	20,477	1,024	0	--	19,453	--	--	--	--	58,934	17,386	76,320	--
2016[9]	1,845	12,000	56,232	70,077	11,688	1,169	0	50,000	44,544	2,227	0	--	61,770	--	--	--	--	111,770	30,017	141,787	--
2017	25,000	12,000	43,937	80,937	0	0	0	50,000	58,954	2,948	0	--	117,776	--	--	--	--	167,776	73,750	241,526	--
2018	41,024[10]	16,164	73,009	130,197	0	0	0	50,000	0[11]	0	0	--	117,776	--	--	--	--	167,776	73,750	241,526	--
2019	0	1,579	41,826	43,405	0	0	0	50,000	0	0	0	--	117,776	--	--	--	--	167,776	73,750	241,526	41,826
2020	0	31,998	19,025	51,023	0	0	0	50,000	0	0	0	3,533	114,243	--	--	--	--	164,243	82,842	247,085	49,444
2021	0	3,341	26,667	30,008	0	0	0	50,000	0	0	0	3,427	110,816	89,261	10,426	0	78,835	239,651	105,342	344,993	1,762
2022	0	0	38,365[13]	38,365	0	0	0	50,000	0	0	0	3,324	107,492	0	5,000	0	73,835	231,327	117,371	348,697	0
Total	**106,604**	**127,706**	**332,538**	**540,224**	**55,556**	**5,556**	**0**		**123,975**	**6,199**	**0**	**10,284**		**89,261**	**15,426**	**0**					**108,194**

Notes:

1) *2006 ICS was created for the Demonstration ICS Program but used for early payback of Inadvertent Overrun. ICS Policy was adopted in December of 2007.*
2) *According to ICS policy, IID is limited to 12,000 AF per year from seepage interception pumps-1,797 AF created by seepage interception unused and left in Colorado River system.*
3) *IID was able to create only 6,809 AF of the required 12,000 AF by efficiency conservation due to Main Canal Seepage Recovery pump outage problems; 5,191 AF delivered from IID's ICS account to meet SDCWA transfer obligations.*
4) *10,528 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.*
5) *14,299 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.*
6) *Early IOPP payback for 2011 overrun - See IOPP Accounting.*
7) *The first 25,000 AF of storage delivered under the 2007 California ICS Agreement created using 12,315 AF tailwater return systems, 12,000 AF seepage interception, and 685 AF 12-hour delivery system conservation.*
8) *ICS volume revised from 38,313 AF to 45,477 AF in 2017 Decree Accounting to correct an error in loss calculations.*
9) *11,688 AF of tailwater return system conservation used to meet the 50,000 AF cumulative storage volume authorized by the 2007 California ICS Agreement.*
10) *41.024 AF created for ICS purposes but due to policy limitations in overrun years was used instead to reduce current year's overrun.*
11) *In 2018, 87,594 AF of excess conserved water was created by IID and diverted by MWD, but not credited to IID. This became the subject of a dispute between the two districts that was resolved pursuant to the IID-MWD Settlement and Release Agreement (SARA) dated September 16, 2021. The SARA provided II with 87,594 AF of 2018 storage credits within MWD's system in 2021, less a one-time 10% assessment (8,759 AF) and 5,000 AFY annual losses, prorated for 2021 (1,667 AF). It also authorized IID to use additional 2021 conserved water to satisfy the 2021 prorated annual losses, so while 2021 losses totaled 10,42 AF, 1,667 AF of additional conserved water created by IID in 2021 were applied to the 2021 prorated annual losses rather than these losses being deducted from the storage credits.*
12) *Due to policy limitations, any extraordinary conservation in excess of IID's consumptive use, transfer obligations and storage capacity limits are left in Lake Mead with the benefit accruing to the System and all Colorado River water users unless diverted by junior priority water users for their own purposes.*
13) *In an agreement with the United States Bureau of Reclamation, IID agreed to make 25,000 acre-feet of conserved water available in calendar year 2022 as System Conservation Water with the intent that USBR will apply such water to help meet the Secretary's commitment under Section 3b. of the LBDCP and to help meet the water conservation efforts described in the 500+ plan.*

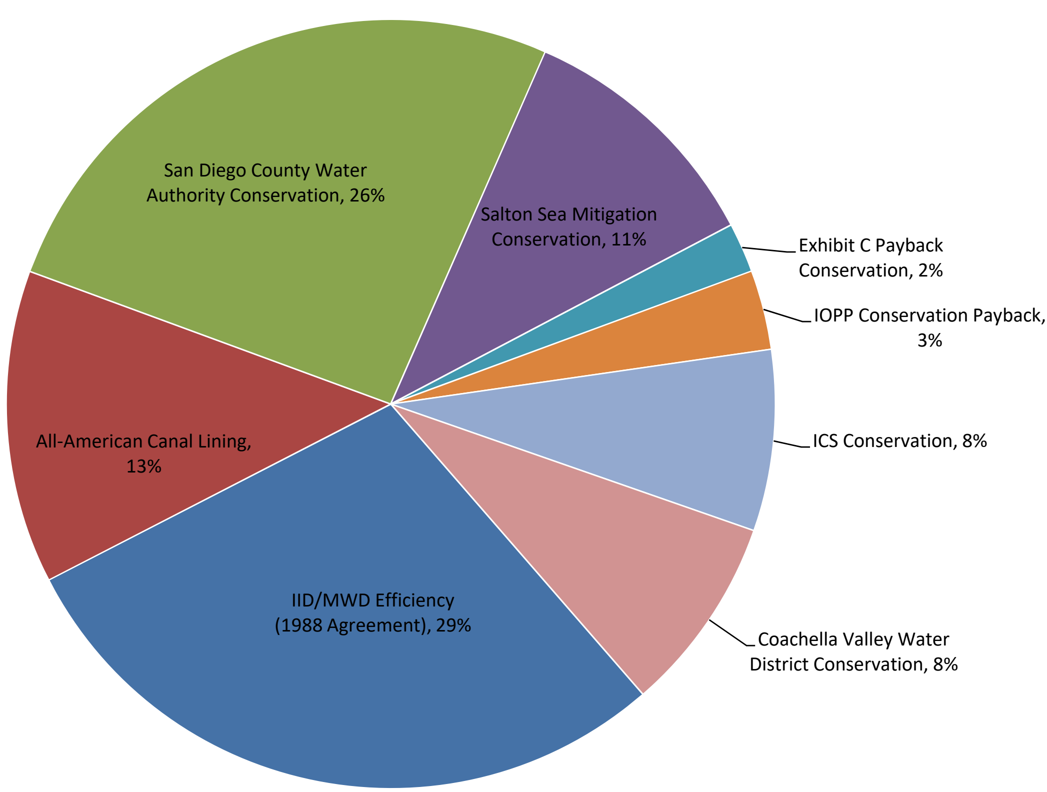
IID QSA ANNUAL CONSERVED WATER SUMMARY



Notes:
• 2004, 2005 and 2006 Exhibit C Fallowing include 9,339 AF of Colorado River Reregulation Conservation and storage and 1,375 AF reduction for loss agreement.
• 2009 IOPP Efficiency includes 1,797 AF of unused fallowed water left in Colorado River System.
• In 2011 and 2012, water created for ICS or IOPP purposes was used to reduce that years' overrun.

IID QSA CONSERVATION SUMMARY

2003-2022 Total Conservation= 7,250,852 AF



IID ENVIRONMENTAL PAYBACK OBLIGATIONS

Year	QSA /JPA Payments	Salton Sea Restoration Payments	Total Environmental
2003	$131,395	$29,638	$161,033
2004	$270,674	$61,054	$331,728
2005	$418,191	$94,329	$512,520
2006	$574,316	$129,545	$703,861
2007	$2,398,382	$166,789	$2,565,171
2008	$1,638,487	$171,793	$1,810,280
2009	$941,356	$212,336	$1,153,692
2010	$1,131,196	$255,157	$1,386,353
2011	$1,331,579	$300,356	$1,631,935
2012	$1,542,967	$348,038	$1,891,005
2013	$1,765,841	$398,310	$2,164,151
2014	$1,818,816	$410,259	$2,229,075
2015	$8,373,380*	$422,567	$8,795,947
2016	$7,054,582	$435,244	$7,489,826
2017	$6,237,469	$448,301	$6,685,770
2018	$5,761,221	$600,275	$6,361,496
2019	$5,273,610	$760,965	$6,034,575
2020	$4,551,346	$930,755	$5,482,101
2021	$4,385,115	$1,009,134	$5,394,249
2022	**$48,458,655**	**$1,039,408**	**$4,348,648**
2023		$1,070,590	$5,816,874
2024		$1,102,708	$5,991,381
2025		$1,135,789	$6,171,122

Year	QSA /JPA Payments	Salton Sea Restoration Payments	Total Environmental
2026		$1,169,863	$6,356,256
2027		$1,204,959	$6,546,944
2028		$1,241,108	$6,743,352
2029		$1,278,341	$6,409,252
2030		$1,316,691	$6,625,280
2031		$1,356,192	$6,678,584
2032		$1,396,878	$5,953,802
2033		$1,438,784	$7,443,804
2034		$1,481,947	$7,125,678
2035		$1,526,406	$6,670,380
2036		$1,572,198	$1,572,198
2037		$1,619,364	$1,619,364
2038		$1,667,945	$1,667,945
2039		$1,717,983	$1,717,983
2040		$1,769,523	$1,769,523
2041		$1,822,608	$1,822,608
2042		$1,877,287	$1,877,287
2043		$1,933,605	$1,933,605
2044		$1,991,613	$1,991,613
2045		$2,051,362	$2,051,362
2046		$2,112,903	$2,112,903
2047		$2,176,290	$2,176,290
Total	**$104,058,578**	**$47,257,190**	**$173,978,806**

IMPERIAL IRRIGATION DISTRICT
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