

**2005 ANNUAL REPORT OF
IMPERIAL IRRIGATION DISTRICT PURSUANT TO
SWRCB REVISED ORDER WRO 2002-013**

March 31, 2006

I. INTRODUCTION

On October 5, 1998, Imperial Irrigation District ("IID") and the San Diego County Water Authority ("SDCWA") submitted a joint petition to the SWRCB seeking approval to transfer conserved water from IID to SDCWA as a long-term transfer and to change the place of use, point of diversion and purpose of use necessary to allow the transfer under IID's Permit 7643. This petition was later amended to also include transfers to the Coachella Valley Water District ("CVWD"); and/or The Metropolitan Water District of Southern California ("MWD"), for water transfers to CVWD that CVWD determines to reduce or postpone. After completion of a lengthy water rights hearing, the SWRCB issued Order WRO 2002-013 and then its Revised Order WRO 2002-013 in accordance with WRO 2002-016.

Pursuant to Revised Order WRO 2002-013 (the "Order"), IID is to submit an annual report by March 31 of each year to the Chief of the Division of Water Rights reporting on certain facts and actions taken during the prior calendar year, as specified on pages 85 to 92 of the Order. This annual report covers calendar year 2005.

The long-term transfer of conserved water from IID to SDCWA commenced in calendar year 2003 following (i) IID's adoption on October 2, 2003, of the September 2003 Amended and Restated Addendum to the Final EIR/EIS for the Transfer Project, CEQA Findings and Statement of Overriding Considerations and the MMRP; (ii) the recording of a Notice of Determination for the Transfer Project and posting by the State Clearinghouse on October 8, 2003; and (iii) execution of the QSA and related agreements on October 10, 2003.

Pursuant to the Fourth Amendment to the IID/SDCWA Transfer Agreement and the Amended and Restated Addendum to the Final EIR/EIS, and other QSA and Related Agreements, IID conserved water for transfer to SDCWA in 2003 by entering into voluntary

thirteen-month contracts with farmers to fallow some of their farmland. Pursuant to a solicitation process commenced after October 10, 2003, IID entered into 69 contracts with farmers as of December 1, 2003, to fallow approximately 5,764 acres to produce the 10,000 AF of conserved water transferred to SDCWA in calendar year 2003. The monthly and annual schedule of conserved water created by fallowing for transfer to SDCWA is contained in Appendix 1. As will be noted, only 3,445 AF was created in December 2003, with the balance created from January through December 2004. Nonetheless, SDCWA received its full transfer volume in December 2003 by IID utilizing the Inadvertent Overrun and Payback Program ("IOPP") implemented by the Secretary of Interior.

IID conserved water for transfer to SDCWA in 2004 by entering into voluntary twelve-month contracts with farmers to fallow some of their farm land. Pursuant to a solicitation program between April 1 and April 30, 2004, IID entered into 118 twelve-month contracts with farmers as of July 1, 2004, to fallow approximately 12,127 acres to produce the 20,000 AF of conserved water transferred to SDCWA in calendar year 2004, plus conserved water for other QSA and Related Agreement purposes. The monthly and annual schedule of conserved water created by fallowing for transfer to SDCWA and for other purposes is also contained in Appendix 1.

IID conserved water for transfer to SDCWA in 2005 by entering into voluntary twelve-month contracts with farmers to fallow some of their farm land. Pursuant to a rollover of volunteers from the 2004 program solicitation plus the participation of IID owned land, IID entered into 105 twelve-month contracts with farmers as of July 1, 2005, to fallow approximately 11,676.2 acres to produce the 30,000 AF of conserved water transferred to SDCWA in calendar year 2005, plus conserved water for other QSA and Related Agreement purposes. The monthly

and annual schedule of conserved water created by fallowing for transfer to SDCWA and for other purposes is also contained in Appendix 1.

Transfers to CVWD are not scheduled to commence until calendar year 2008.

II. REVISED ORDER WRO 2002-013 REQUESTED INFORMATION

A. Report on Water Transferred

The Order (p.85 Condition No. 4), requests IID to verify the amount of water transferred.

Condition No. 4 requests the following information:

- (a) The quantity of water diverted at Imperial Dam;
- (b) An estimate of the quantity of water that is returned to the Colorado River from diversions made at Imperial Dam;
- (c) The quantity of water subject to variation permitted by the IOPP adopted by the Department of Interior;
- (d) Gross diversions at Whitsett Intake plus the quantity of water diverted at Whitsett Intake pursuant to the Order;
- (e) An estimate of the reductions in deliveries to participating farmers;
- (f) An estimate of the quantity of water conserved by conservation projects implemented by the permittee; and
- (g) An estimate of the quantity of water conserved by efficiency-based conservation measures.

IID is producing each year an Annual QSA Water Report that identifies IID compliance with its water conservation, transfer and mitigation obligations under the SWRCB Order and QSA and Related Agreements. Sixteen tables, based on IID's best estimates as of the date of this annual report, are included in Appendix 1 entitled:

- 2004 IID Water Use
- 2005 IID Water Use
- Provisional 2006 IID Water Use
- SDCWA Transfer Accounting
- Salton Sea Mitigation Accounting
- CRWDA Exhibit C Accounting
- Total Fallowing
- SDCWA Transfer Fallowing
- Salton Sea Mitigation Fallowing
- CRWDA Exhibit C Fallowing
- IOPP Fallowing
- Early CRWDA Exhibit C Fallowing
- Total Efficiency Conservation
- SDCWA Efficiency Conservation
- CVWD Efficiency Conservation
- SDCWA Diversion at Parker Dam Accounting.

The United States Bureau of Reclamation ("BOR") provides IID and other users of Colorado River water with annual reports containing the information requested in Condition No. 4 (a)-(d). This information can also be found on the BOR website at <http://www.usbr.gov/lc/region/g4000/hourly/use04.html>. The BOR does not generally complete its annual reports until approximately May 1 of each year, and IID has not yet received the final BOR 2004 or 2005 report. Additionally, IID and the BOR are working to solve certain minor discrepancies and disagreements over certain calculations and measurements. IID will revise

this report and the 2004 SWRCB annual report should the final BOR 2004 and 2005 reports or the resolution of any open issues with the BOR materially change any of the reported information herein.

The most recent "provisional" information from the BOR for 2005 is contained in Appendix 1. Pursuant to the information in that report, IID responds to Condition 4(a)-(d) as follows:

- (a) 2,882,166 AF diverted at Imperial Dam.
- (b) 103,844 AF measured return flows to Colorado River.
- (c) IID has an IOPP account allowing variation in consumptive use above 3.1 MAFY

in the aggregate volume of 310,000. IID inadvertently overran in 2003 in the amount of 6,102 AF. The payback of all overruns in the Lower Basin States for 2003 was waived by BOR. IID had no overrun under the IOPP for 2004 or 2005.

(d) Gross Diversions at Whitsett Intake – 901,353 AF (return flow credit of 4,452 AF). Diversions at Whitsett Intake, pursuant to the Order – 30,000 AF.

Condition 4(e)-(g). Pursuant to the following contracts in effect for 2005, IID estimates that it reduced deliveries to participating farmers by approximately 30,000 AF as measured at the Colorado River, net of return flows, and estimates the quantity of water conserved by allowing for transfer to SDCWA in 2005 at 30,000 AF. No water was conserved by efficiency-based conservation measures for transfers in 2005 pursuant to Revised Order WRO 2002-013.

However, efficiency-based conservation measures implemented pursuant to Order WR 88-20 generated 101,940 AF of conserved water that was transferred to MWD. Appendix 2 identifies the type of efficiency-based conservation measures utilized and the amount of conserved water saved by each.

B. Salton Sea Habitat Conservation Strategy Compliance

Condition Nos. 5 and 6, p.86 of the Order requires the preparation of a plan and annual reporting on Salton Sea Salinity and elevation, and implementation of the Salton Sea Habitat Conservation Strategy as described in the Final EIR. On October 23, 2003, IID petitioned the Chief of the Division of Water Rights to modify Condition Nos. 5 and 6 to be consistent with an alternate Salton Sea Habitat Conservation Strategy utilizing a specific fallowing-for-transfer schedule and a fallowing-for-mitigation schedule as reflected in the QSA and Related Agreements and the September 2003 Amended and Restated Addendum to the Final EIR/EIS. After allowing for comment on IID's request and consideration of all submitted material, on January 7, 2004, the Chief of the Division of Water Rights approved IID's use of the Alternate Salton Sea Habitat Conservation Strategy. In essence, this alternate strategy has IID create conserved water by fallowing in addition to the conserved water transferred to SDCWA, on an annual schedule attached as Appendix 3, and to cause the delivery of mitigation water to the Salton Sea in order to mitigate salinity and elevation impacts of the IID transfer to SDCWA for up to 15 years by causing replacement inflow to the Salton Sea to offset the reduced inflow caused by the IID transfer to SDCWA.

As Appendix 3 illustrates, IID was to create 5,000 AF of conserved water by fallowing in 2003 for Salton Sea mitigation purposes. However, authorization to utilize this alternative mitigation strategy was not received by IID until early January 2004. On December 19, 2003, IID informed the Chief of the Division of Water Rights of its intent to "roll over" the 2003 mitigation water into 2004, and no objection was received. Thus, for 2003, IID did not implement Condition Nos. 5 and 6, as now modified, but added 5,000 AF to its mitigation obligation for 2004. IID produced a total of 15,000 AF for Salton Sea mitigation purposes in 2004.

IID delivered 14,359 AF of fallowed conserved water to the Salton Sea in calendar year 2004. This volume is 641 AF less than IID's delivery obligation and 641 AF less than reported to the SWRCB in the 2004 Annual Report. The explanation for this discrepancy is as follows. All volumes for transferred conserved water, mitigation fallowing, and delivery of mitigation water to the Salton Sea are in common units of consumptive use, as measured at Imperial Dam, net of measured and unmeasured return flows. The BOR reports to IID the volumes of measured and unmeasured return flows several months after the end of each calendar year. Therefore, IID is required to estimate the volumes of return flows during a calendar year when determining the volume of water to divert into the delivery path to the Salton Sea in satisfaction of the mitigation requirement. IID's diversion was low by the 641 AF total, based on the report of actual measured and unmeasured return flow received by IID from the BOR in 2005. IID made up this under-diversion to the Salton Sea in 2005 as evidenced in Appendix 1, and explained further below, as advance delivery. Salton Sea mitigation water was physically delivered to the Salton Sea by taking diversions from the Colorado River into the All-American Canal and then discharging the diversion into the New River. The mitigation volumes diverted were measured by a calibrated weir equation at the AAC New River turnout. Attached as Appendix 4 is a graph identifying Salton Sea elevation changes from January 1, 2003 through December 31, 2005.

C. Advance Delivery of Salton Sea Mitigation Water

At the request of the BOR and in consultation with Lower Basin Colorado River contractors, IID caused 15,880 AF of Colorado River re-regulation water to be conserved and delivered to storage in the Salton Sea in 2004. IID caused 21,476 of re-regulation water to be conserved and delivered to storage in the Salton Sea in 2005. The current draft of the letter agreement between BOR and IID describes the conservation of re-regulation water as follows:

Water from Colorado River system storage spilled or released for flood control purposes, or released to fill a water order but not then diverted by an entitlement holder, might otherwise flow to the NIB [Northern International Boundary] in excess of Treaty obligations. Historically, when possible, this water has been subject to temporary re-regulation by Reclamation, as for example when it has been captured and held in Senator Wash Reservoir. Operation of Senator Wash Reservoir has been restricted due to dam safety concerns.

The purpose of temporary re-regulation is to permit the maximum amount of water from the Colorado River system to be put to beneficial use within the United States. Temporary re-regulation is consistent with Reclamation's goal of meeting but not exceeding Treaty obligations, and is consistent with the Decree in Arizona v. California, the 2003 Colorado River Water Delivery Agreement (CRWDA), the Inadvertent Overrun & Payback Policy (IOPP), and the Interim Surplus Guidelines (ISG). Temporary re-regulation provides Reclamation with critical flexibility in river management. The temporary re-regulation of river flow that otherwise would flow to the NIB in excess of Treaty obligations may be effected at the request of Reclamation, but only in the event the water cannot otherwise be stored by Reclamation works or diverted by an entitlement holder in satisfaction of an existing entitlement.

In the latter part of 2004 and the early part of 2005, in response to heavy rainfall occurring in a watershed that is tributary to the lower Colorado River, Reclamation released water from Lake Havasu to protect the integrity of Parker Dam. Also, as a result of these rainstorms, water ordered by entitlement holders and released from Hoover Dam was not diverted. In an effort to prevent these releases from being lost to beneficial use within the United States as excess flows to the NIB, and in light of the current storage capacity limitation at Senator Wash Reservoir, Reclamation requested that IID capture a portion of this water and convey it to the Salton Sea. IID accommodated such a request from Reclamation in 2005.

In the years subsequent to advance delivery, as identified on Appendix 1, water is conserved from fallowed lands in the amount identified in Appendix 3 and left in Lake Mead, rather than being diverted to the Salton Sea, as an exchange for the previously conserved and stored Colorado River re-regulation water. Advance deliveries of re-regulation water provide a

temporal benefit to the Salton Sea by satisfying the cumulative mitigation delivery schedule identified in Appendix 3 in advance of the annual deadlines. An accounting of the water delivered to the Salton Sea in 2004 and 2005 as advance delivery of re-regulation water is contained in Appendix 1.

D. Air Quality Mitigation

Condition No. 8, p.87, requires the IID to implement the monitoring and mitigation plan described on pp. 3-50 to 3-52 of the Final EIR/EIS; to implement best management practices ("BMPs") to mitigate PM10 emissions associated with fallowing, as described in the Draft and Final EIR/EIS; to comply with any relevant requirements of the State Implementation Plan for PM10 Emissions ("SIP") or PM10 rules of the Imperial County Air Pollution Control District ("ICAPCD") or the South Coast Air Quality Management District ("SCAQMD"); and to report annually on actions taken to comply.

1. Exposed Salton Sea Shoreline Air Quality Mitigation

The delivery of Salton Sea mitigation water under the approved Alternative Salton Sea Habitat Conservation Strategy, and the advance delivery as described in Section II.C above, prevented the IID transfer of conserved water to SDCWA from causing any exposed shoreline in 2005.

The eventual exposure of Salton Sea shoreline will be mitigated through a four-step process that includes (i) access restrictions; (ii) research and monitoring; (iii) creating or purchasing offsetting emission reduction credits; and (iv) direct emission reductions. During 2005, IID coordinated with the Department of Water Resources on air quality research and monitoring plans related to the State's Salton Sea Ecosystem Restoration Program. IID worked with the Desert Research Institute to identify properties and to provide access for a dust emissions study along the Salton Sea shoreline. IID also coordinated with the State regarding

potential dust control pilot study programs that might be implemented as part of the State Salton Sea Ecosystem Restoration Program. As part of the State's process, the IID received copies of technical data and opinions from the Salton Sea Authority regarding potential air quality impacts from a receding Salton Sea. Attached as Appendix 5, is a publicly released communication from the Salton Sea Authority regarding emissivity of exposed Salton Sea shoreline. As the SWRCB may recall, the Salton Sea Authority was the primary participant at the transfer approval hearings objecting to the transfer on the basis of possible Salton Sea-caused air quality impacts. Upon further review and reflection, the Salton Sea Authority has concluded that: "[T]he Owens Lake/Salton Sea comparison is factually invalid."

2. Fallowing-Caused PM10 Emission Mitigation

The implementation of BMPs to minimize PM10 emissions from fallowed lands below the level otherwise caused by farming the land was implemented in 2003 and continued in 2004 and 2005. All contracts between the IID and farmers participating in the fallowing program in 2005 included a contractual requirement in Section 5B, *Obligations of Fallowing Party, Dust Control and Mitigation Requirements* that states:

Fallowing Party shall be responsible for and undertake the timely control of all dust on the Fallow Lands as described on Exhibit D, and shall provide to IID proof of performance and evidence of the costs and expenses incurred for dust control and mitigation requirements. Fallowing Party must complete and return the mitigation reporting forms according to the deadlines established in Exhibit D, and Dust Control BMP's must be selected and approved by IID prior to implementation or July 1, 2005, whichever is earlier.

Exhibit D to the 2004 fallowing contracts provides the following:

In order to satisfy mitigation and reporting requirements in accordance with the Transfer EIR (defined in Recital B), the Fallowing Party shall be responsible for and comply with the following requirements:

1. MITIGATION REQUIREMENTS

A. In order to mitigate air quality impacts on Fallow Lands, only the Best Management Practices ("BMPs") recommended by the US Department of Agriculture Natural Resources Conservation Service and listed below will be considered for payment reimbursement. The Dust Control BMP(s) must be selected and approved by IID prior to implementation or July 1, 2005, whichever is earlier. Payment will be based on the Dust Control BMP Reimbursement Schedule issued annually by the IID.

- 1) Plan ahead to start with plenty of vegetation residue, and maintain as much residue on fallowed fields as possible. Residue is more effective for wind erosion protection if left standing.
- 2) If residues are not adequate, small grain can be seeded about the first of the year to take advantage of winter rains.
- 3) Avoid any tillage if possible.
- 4) Avoid any traffic on the yield or tillage when fields are extremely dry to avoid pulverization.
- 5) Apply soil stabilization chemicals to fallowed lands.

B. In addition to the above BMPs, in order to satisfy Imperial County dust control and mitigation requirements, Fallowing Party will comply with any lawful conditions required by the Imperial County Air Pollution Control District.

2. REPORTING REQUIREMENTS

Complete and return a Fallowing Program Mitigation Reporting Form (to be provided by IID) to the Manager of the Water Department of IID on or before July 31, 2005, and update the form before November 30, 2005, and July 31, 2006, verifying the method(s) used to satisfy the mitigation requirements set forth in Section 1 above and the total costs incurred by Fallowing Party therefore, including written documentation evidencing such costs.

The mitigation reporting forms submitted by fallowing participants to IID disclosed that all fallowed fields utilized BMP's as outlined by the U.S. Department of Agriculture Natural

Resources Conservation Service. The IID is unaware of any reports of noncompliance or any enforcement activity by the ICAPCD or the SCAQMD.

The following contracts also condition and limit payments to the Following Party to compliance with the mitigation requirement. (See Sections 2A and 2B and 12.) A copy of a pro forma 2005 contract between participating farmers and the IID is attached as Appendix 6. All 69 fields participating in the first thirteen-month fallowing program were inspected by IID in January 2004. In July 2004, all 118 of the newly-fallowed fields from the 2004 contracts, as well as the 69 fallowed fields from the 2003 contracts, were inspected by IID. In addition, in October 2004 IID assisted BOR in a verification of fallowed fields utilizing a random 5% acreage spot check. In January, 2005, all 105 of the newly-fallowed fields from the 2005 contracts, as well as the 118 fallowed fields from the 2004 contracts, were inspected by IID. In addition, in October 2005, IID assisted BOR in a verification of fallowed fields utilizing a random 5% acreage spot check.

3. SIP, ICAPCD and SDCQMD PM10 Mitigation Compliance

The actions required of participating farmers by IID to mitigate air quality impacts caused by fallowing also satisfy and comply with any relevant and applicable requirements for PM10 emissions under the SIP and the rules of the ICAPCD and the SCAQMD.

E. Lower Colorado River Mitigation

On October 10, 2003, BOR, MWD and SDCWA entered into an agreement whereby SDCWA and MWD shall pay up to a total of \$6.236 million in 2003 dollars to BOR, and BOR shall perform all measures required under the USFWS Biological Opinion for the Interim Surplus Criteria, Secretarial Implementation Agreements, and Conservation Measures on the Lower Colorado River, Lake Mead to the Southerly International Boundary Arizona, California and Nevada (January 12, 2001). On November 7, 2003, SDCWA established the account from

which BOR may withdraw funds to pay for work in furtherance of satisfying the BO mitigation measures. SDCWA's report to IID on mitigation activity during 2005 is attached as Appendix 7.

F. Tamarisk Scrub Habitat Conservation Strategy

The Tamarisk Scrub Habitat Conservation Strategy has three components referred to as Tree Habitat 1, 2 and 3.

Tree Habitat 1 – A Desert Habitat Survey was completed in 2005. This survey mapped existing habitat along IID's main supply canals. The results of this survey, along with the results of the drain vegetation survey (completed in 2004), will be used to identify areas of tamarisk scrub and other tree habitat for determination of necessary mitigation.

Tree Habitat 2 – No construction of seepage recovery systems was scheduled for 2005, so no habitat survey or replacement was required.

Tree Habitat 3 – No breeding surveys were necessary in 2005.

G. Drain Habitat Conservation Strategy

The Drain Habitat Conservation Strategy has three components referred to as Drain Habitat 1, 2 and 3.

Drain Habitat 1 – A vegetation survey of the drains utilizing the required protocol was completed in 2004. The IT conducted an extensive evaluation and identified a site for the proposed managed marsh habitat area in 2005. IID has started the due diligence process required for the acquisition of the identified lands.

Drain Habitat 2 – No dredging of the river deltas between February 15 and August 31 occurred in 2005.

Drain Habitat 3 – IID completed the drain vegetation survey in December 2004, which will be used to identify vegetated areas that may be potential breeding habitat for covered

species. No areas identified as potential breeding habitat by the above survey were disturbed during the 2005 breeding season.

H. Desert Pupfish Conservation Strategy

The Desert Pupfish Conservation Strategy has six components referred to as Desert Pupfish 1, 2, 3, 4, 5 and 6.

Desert Pupfish 1 – IID operated and maintained the drains in 2005 so as not to reduce any pupfish habitat.

Desert Pupfish 2 – There were no effects from water conservation on drain water quality because only fallowing conservation was utilized in 2005.

Desert Pupfish 3 – Salton Sea shrinkage as a result of the Transfer Project will not commence until 2018 because of the utilization of the Alternate Salton Sea Strategy discussed above. Therefore, creation of additional pupfish habitat by extending or modifying existing drains to maintain Salton Sea connectivity is not anticipated until 2018, at the earliest.

Desert Pupfish 4 – The IT is developing a pupfish monitoring protocol for use in the drain monitoring effort and for the pupfish abundance and distribution monitoring. Currently, the USGS is conducting water and tissue sampling in the drains (see Section G) and will be conducting fish trapping. They are coordinating with the IT to refine existing pupfish sampling methodologies and to develop a suitable monitoring program.

Desert Pupfish 5 – The study to examine the effects of drain maintenance practices on pupfish will commence following completion of the monitoring protocol referenced in Desert Pupfish 4, above.

Desert Pupfish 6 – Inapplicable in 2005 because there was no construction activity in any pupfish habitat portion of the IID drains.

I. Razorback Sucker Conservation Strategy

In 2005, the IT approved a razorback sucker capture and relocation protocol that will be used if sucker relocation is necessary.

J. Selenium Concentration, Discharge and Reduction Study

The IID is to prepare a study plan, obtain approval of the study plan by the Chief of the Division of Water Rights, complete the study and prepare a report, all before implementation of efficiency-based conservation measures that will yield 25,000 AFY. IID is implementing studies on the effects of dietary selenium on desert pupfish and a water and tissue sampling of drains to determine selenium concentrations.

IID is funding portions of an ongoing study conducted by the USGS Columbia Environmental Research Center (CERE) to determine Se threshold limits, selenium transfer mechanisms and identify applicable surrogate species. CERE continued work on developing a selenium dietary dosing system (Task 4) in 2005 and will begin dosing of pupfish in 2006. Additionally, IID has contracted with USGS-Western Fisheries Research Center to conduct a four-year evaluation for selenium concentrations in water, sediment and tissue in IID managed drains tributary to the Salton Sea.

K. Recreation and Aesthetics Mitigation

Salton Sea shrinkage as a result of the Transfer Project will not commence until 2018, at the earliest, because of the utilization of the Alternate Salton Sea Strategy described above. Therefore, no relocation of boat launch and access facilities or campgrounds was necessary during 2005.

III. ADDITIONAL INFORMATION

In addition to the information requested by the Order, the IID believes the SWRCB would benefit from receipt and review of the following information:

A. IID QSA and Transfer Public Reporting

In order to keep the public fully informed, the IID has initiated a reporting process that includes an annual report and an efficiency conservation progress report. Near the end of 2005, IID released its first Quantification Settlement Agreement, Imperial Irrigation District/San Diego County Water Authority Water Conservation and Transfer Agreement ANNUAL IMPLEMENTATION REPORT 2004 ("IID Annual Implementation Report"). The IID will release each year an IID Annual Implementation Report that describes the annual activities and progress, from October 2003, by IID to implement the QSA and conserved water transfers, provides a water accounting, includes a financial accounting, and summarizes environmental mitigation activities. A copy of the 2004 IID Annual Implementation Report is attached as Appendix 8.

In addition, IID has commenced the preparatory work necessary to commence efficiency conservation in 2008 and be fully ramped up and producing 303,000 AFY of efficiency conservation by 2026, as set forth on Appendix C. The design, analysis and effort to implement such a substantial undertaking is vast. To keep the public updated on this effort, the IID will periodically produce and disseminate a newsletter entitled "The QSA & Conserved Water: The Latest News About The Efficiency Conservation Definite Plan." The first edition of this newsletter is attached as Appendix 9.

B. IID Inventory of Areas Receiving Water

The annual inventory of areas receiving water is attached as Appendix 10. This survey identifies acreage by crop type, multiple cropped acreage, fallowed acreage, and nonfarming acreage receiving water for the calendar years 2003, 2004 and 2005.

C. Socioeconomic Impacts of Fallowing

On August 30, 2005, the SWRCB conducted a workshop to receive information regarding the socioeconomic impacts of the IID/SDCWA transfer and SDCWA progress toward implementation of desalination projects. The IID appeared and presented comments at the workshop and submitted written comments following the workshop. During the discussion at the workshop, and referenced in the IID's written comments following the workshop, the IID informed the SWRCB that Dr. Rodney T. Smith had been asked to prepare a report on the socioeconomic impacts of land fallowing by the IID for 2003 and 2004 as a model for the correct implementation of the methodology agreed upon by IID and SDCWA in their executed contract. A copy of Dr. Smith's report, dated December 9, 2005, is attached as Appendix 11.

IV. CONCLUSION

This 2005 Annual Report is based on the information available to the IID at the time of its preparation. IID staff and consultants are available to answer any questions that the Chief of the Division of Water Rights may have. For further information, please contact the following:

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Appendices

Appendix 1 – Annual QSA Water Report and BOR Data for 2005

Appendix 2 – WR 88-20 Conserved Water Transfer Report

Appendix 3 – Schedule of Mitigation Fallowing Alternative for Salton Sea Conservation Strategy

Appendix 4 - Salton Sea elevation 2005

Appendix 5 – Follow up on Salton Sea Advisory Committee Meeting on Dec. 8, 2005

Appendix 6 - Pro forma 2005 fallowing contract between participating farmers and the IID

Appendix 7 – SDCWA report to IID on mitigation activity during 2005

Appendix 8 – IID 2004 Annual Implementation Report

Appendix 9 – Newsletter "The QSA & Conserved Water: The Latest News About The Efficiency Conservation Definite Plan"

Appendix 10 – Annual inventory of areas receiving water

Appendix 11 – The Socioeconomic Impacts of Land Fallowing by the Imperial Irrigation District in 2003 and 2004