

**EXECUTIVE DIRECTOR'S MONTHLY REPORT
TO THE
COLORADO RIVER BOARD OF CALIFORNIA**

November 10, 2003

ADMINISTRATION

Tentative Board Meeting Schedule for Calendar Year 2004

Included in the Board folder is a copy of the Board's tentative schedule for calendar year 2004. I would request that each Board member, alternate, and agency manager review the proposed schedule and give me your comments prior to our December meeting, at which time I will seek approval of the schedule.

AGENCY MANAGERS MEETING

The Agency Managers have not met since the last Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of November 1, 2003, storage in the major Upper Basin reservoirs decreased by 106,000 acre-feet and storage in the Lower Basin reservoirs decreased by 253,000 acre-feet during September. Total System active storage as of November 6th was 33.482 million acre-feet (maf) or 56 percent of capacity, which is 3.947 maf less than one year ago.

October releases from Hoover, Davis, and Parker Dams averaged 8,750, 11,480 and 8,280 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of November 2003 are 11,600, 9,800, and 6,300 cfs, respectively. The November releases represent those needed to meet downstream water requirements including those caused by the reduced operation of Senator Wash Reservoir for safety of dams reasons.

Without an executed Quantification Settlement Agreement (QSA), the Lower Division States' consumptive use of Colorado River water for calendar year 2003 is limited to 7.5 maf, i.e., Arizona 2.8 maf, California 4.4 maf, and Nevada 0.3 maf. For calendar year 2003, it is estimated the Central Arizona Project (CAP) will divert 1.555 maf, of which 0.273 maf is to be credited to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will be required to reduce its consumptive use to 0.621 maf or 50 percent of its actual use of mainstream water in 2002.

As of November 6th, and taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2003, as forecasted by the Board's staff, totals 7.651 maf before deduction of 0.264 maf for unmeasured return flow credits and is distributed as follows: Arizona, 2.875 maf; California, 4.465 maf; and Nevada, 0.311 maf.

The preliminary end-of-year estimate for 2003 California agricultural consumptive use of Colorado River water under the first three priorities and the sixth priority of the 1931 *California Seven Party Agreement* is 3.785 maf. This estimate is based on the collective use through August 2003 by the Palo Verde Irrigation District, the Yuma Project-Reservation Division (YPRD), the Imperial Irrigation District, and the Coachella Valley Water District. Figure 1, found at the end of this report, depicts the historic projected end-of-year agricultural use for the year.

Colorado River Operations

Reclamation's Draft Environmental Assessment of the Proposed Revised 602(a) Storage Guidelines

Last month the Board discussed the Secretary of the Interior's Record of Decision (ROD) for the Colorado River Interim Surplus Guidelines and the impact it will have on Lake Powell "equalization," or the 602(a) storage releases.

On September 30th, Reclamation published a notice in the *Federal Register* concerning the availability of the Draft Environmental Assessment (EA) for an Interim 620(a) Storage Guideline for Management of the Colorado River and requested written comments on the draft EA by October 30, 2003.

The Board provided comments on the draft EA stating that it supports the proposed 602(a) guidelines that were developed by the seven Colorado River Basin States as an integral part of the Interim Surplus Guidelines. Additionally, a copy of the State of Colorado's comments on the draft EA is included in the Board folder for the Board member's reference.

Consumptive Uses and Losses Report 1996-2000

Every five years, Reclamation issues, for public review and comment, a Colorado River System Consumptive Uses and Losses Report. On October 9th, Reclamation released a draft of the subject Report for the period 1996-2000. The purpose of this Report is to present estimates of the consumptive uses and losses from the Colorado River System for each calendar year from 1996 through 2000. It includes a breakdown of the beneficial consumptive use by major types of use, by major tributary streams, and where possible, by individual States. This Report shows that average annual consumptive use of System water for the period 1996 through 2000 was 19.3 maf. Of that amount the average annual consumptive use in the United States was 16.3 maf distributed as follows: 4.5 maf in the Upper Colorado River Basin, 9.2 maf from the mainstream in the Lower Colorado River Basin, and 2.5 maf from the tributaries in the Lower Basin. Also, the average annual delivery

of water to Mexico during this period was 2.9 maf. The Board's staff is reviewing this document and will be providing comments on it to Reclamation.

Interim Surplus Guidelines

Included in the handout material, as an informational item, is a letter from Mr. Robert Johnson to the parties to the QSA, informing them that with execution of the Colorado River Water Delivery Agreement on October 10, 2003, it constitutes completion of "all required actions" according to Section 5(B) of the Interim Surplus Guidelines, and therefore, the interim surplus determinations under Section 2(B)(1) and 2(B)(2) of the Interim Surplus Guidelines are reinstated.

As a result of reinstatement of the surplus provisions of the Interim Surplus Guidelines, Reclamation will allow those entities eligible to receive surplus water under a partial domestic surplus to resubmit their water delivery schedule for water year 2004.

2004 Annual Operating Plan

With the California agencies executing the Quantification Settlement Agreement and reinstatement of the surplus provisions of the Interim Surplus Guidelines, Reclamation is now revising the 2004 Annual Operating Plan for the Colorado River System Reservoirs (2004 AOP). This revision to the 2004 AOP focuses on eliminating references to the dual track, with or without reinstatement of the Interim Surplus Guidelines. This action is causing some delay in getting the 2004 AOP released by Secretary Norton; however, it is still anticipated that the 2004 AOP will be released prior to January 1, 2004.

Yuma Desalting Plant

Over the past 18 months, the Board has discussed the status of the Yuma Desalting Plant (YDP). Should it be operated, or should it remain in ready reserve? Reclamation is having to make excess releases from Lake Mead of more than 100,000 acre-feet of water per year from storage to meet the delivery requirements of the 1944 Mexican Water Treaty. This loss of water has become acute due to the drought in the Colorado River Basin.

Both the House and Senate Committees on Energy and Water Appropriations have agreed to appropriate \$857,498,000, in FY 03/04 to Reclamation, for Water and Related Resources. The conference agreement includes \$4,500,000 for the Colorado River Front Work and Levee system project. Within this amount, the Committees directed Reclamation to carry out work on the water management reservoirs near the All-American Canal and associated facilities. Also, the Committees directed Reclamation to expedite its modifications of the YPD to accomplish state of the art operation, and accelerate the permitting and environmental compliance activities that are needed for operation of the YDP. Reclamation has been requested to prepare a status report to the Committees, on these activities, within 180 days.

Salton Sea Restoration

Also included within the FY 03/04 appropriations for Reclamation were funds in the amount of \$4,000,000 for the Salton Sea Research Project in California, including \$1,000,000 to continue environmental restoration efforts at the New and Alamo Rivers, including efforts in and around Calexico, California. Also, \$1,000,000 has been appropriated to continue the Imperial Valley groundwater assessment in cooperation with Lawrence Livermore National Laboratory, and \$1,000,000 for additional work needed to prepare for the construction of pilot desalination and demonstration facilities.

California's Colorado River Water Use Plan

Status of the Colorado River Water Use Plan, QSA, and Related Activities

Board staff are in the process of revising the May 2000 version of California's Colorado River Water Use Plan (Plan). The intent is to update the document to reflect the recent execution of the Quantification Settlement Agreement (QSA) and related agreements. Board staff are working to have a review draft available for agency review and comment by the end of the year.

IBWC Technical Work Groups

The International Boundary and Water Commission (IBWC) has formed several technical working groups to study and share information regarding issues along the border with Mexico. Most of these technical groups are composed of only federal members and include: Work Group 1 - Salinity; Work Group 2 - Sediment; Work Group 3 - Limitrophe Reach; Work Group 4 - Delta; Work Group 5 - All-American Canal Lining; and the Advisory Group - Colorado River Delta. At this time only Work Group 5 and the Advisory Group for the Colorado River Delta have non-federal representatives participating in the meetings.

Work Group 5 met on November 4th to discuss with Mexico the status of the All-American Canal lining project and to determine Mexico's interest in receiving a portion of its Treaty water deliveries through the All-American Canal at a turnout at drop three. During the meeting, Mexico focused the discussions on the impacts that Mexico believes will occur as a result of lining the All-American Canal. It is Mexico's position that this is a modification to the Project that results in a 10 percent reduction in the flow to drains in Mexico, a drop in the groundwater elevation of up 15 meters, a 26 percent increase in the cost of pumping, 1,200 hectares of land being immediately impacted by a lack of water and over time 16,000 hectares being impacted. Also, there would be an increase of the salinity of the water in the entire region and certain wetlands would disappear.

During the discussions at the meeting, representatives from Mexico agreed to reactivate Work Group 5 and to develop an agenda for the issues that it wants to discuss. This information will be shared with the member of this group prior to the next meeting, which is scheduled to be held by December 5th.

The Advisory Group for the Colorado River Delta met on November 7th. The relationship between the activities being conducted by Work Group 4 and those activities of Advisory Group was discussed. As was discussed during the meeting, Work Group 5 has been in existence for a number of years with its primary mission to develop a river model for the reach of the Colorado River below Morelos Dam, to develop a bibliography of information regarding the Delta, and to implement a pilot restoration project. The Advisory Group was established in response to Minute 306 of the 1944 Mexican Water Treaty to allow IBWC to deal with technical issues related to the Delta and make recommendations to the IBWC for its consideration. During the meeting the United States Section of IBWC presented a draft of the Terms of Reference for the conduct of the Advisory Group.

It was Mexico's suggestion that Work Group 4 and the Advisory Group be combined, as the activities of each of those groups involve the same people. This suggestion is being considered by the United States Section of IBWC and Reclamation. Prior to the next meeting, which is scheduled to be held on February 25th, Mexico will review the Terms of Reference; each country will develop a list of priority activities to be investigated; and each country will share a list of representatives to be on the Advisory Group. In addition, the United States will indicate its receptiveness to combining Work Group 4 and the Advisory Group into one group.

Colorado River Environmental Activities

Lower Colorado River Multi-Species Conservation Program

As mentioned at last month's meeting, the U.S. Fish and Wildlife Service (USFWS) is in the process of providing a Washington Office and Regional Office review of the administrative draft Biological Assessment and Habitat Conservation Plan. Additionally, Reclamation's Washington Office staff are reviewing both documents as well. These reviews are scheduled to be completed in mid-December 2003. At that point the documents will be revised based upon the comments of the USFWS and Reclamation, and then released for public review and comment in the spring of 2004.

On November 4, 5, and 6, representatives of the LCR MSCP Steering Committee conducted an additional round of public information and scoping meetings in communities within the planning area along the Lower Colorado River. The meetings were held in Yuma, Arizona; Blythe, California; and Laughlin, Nevada. The purposes of the information and scoping meetings were to provide an up-to-date status of the LCR MSCP and to solicit additional issues from the general public for potential review and analysis in the Environmental Impact Statement (EIS) and Environmental Impact Review (EIR) documents.

The LCR MSCP representatives presented a 30-minute PowerPoint presentation and then opened the meeting to public comments and questions. The public comments were recorded for the record by a court reporter at each of the meetings. The public was invited to review a series of enlarged posters describing the various elements of the LCR MSCP. Handout materials and comment forms were available for interested parties to take home and review.

The presentation provided a detailed overview of the proposed alternative that is currently the focus of the Biological Assessment and the Habitat Conservation Plan. Additionally, pursuant to the requirements of NEPA and CEQA, the presentation provided a description of the three alternatives to the proposed action. These alternatives include the following: (1) No Action; (2) Listed-Species Only; and (3) Off-Site Conservation alternative. The primary elements of each alternative were described during the presentation.

The No Action Alternative would maintain *status quo* conditions along the Lower Colorado River. In other words, as each new activity or action was proposed, project-specific environmental compliance and review would be required. This would result in less mitigation being implemented, and ESA consultation would only be required for federally listed species. More importantly, there would be no coordinated-comprehensive conservation strategy in place for the Lower Colorado River, nor would there be any requirement for monitoring, research, or adaptive management. Finally, this alternative would not provide the ability for the USFWS to issue incidental take authorization permits under Section 10 of the ESA.

The Listed-Species Alternative reduces the number of covered species from 32 to 6 (i.e., Yuma clapper rail, southwestern willow flycatcher, desert tortoise, humpback chub, bonytail, and razorback sucker). This alternative would also reduce the potential mitigation requirements (e.g., no honey mesquite restoration would be required). This alternative could still allow the issuance of section 10 incidental take authorizations, however the permit would be limited in scope corresponding to the reduced number of species being covered.

The Off-Site Mitigation Alternative would provide for the same total amount of mitigation (i.e., 8,132 acres of habitat restoration), but the mitigation would be implemented in locations off of the mainstream of the Lower Colorado River. Specifically, this alternative has identified suitable conservation sites along the lower Muddy and Virgin Rivers in Nevada, and the Bill Williams and lower Gila Rivers in Arizona. This alternative would provide for the same number of covered species and would allow the USFWS to issue incidental take authorizations under section 10 of the ESA.

The meeting in Yuma was attended by approximately 10 members of the public, followed by approximately 15-20 in Blythe, and about 20 in Laughlin. There were questions or comments associated with potential impacts to recreational use along the river, recovery of covered species, water quality issues, and potential impacts to land development and land use. Comments are due on November 26, 2003, and are to be submitted to Reclamation or The Metropolitan Water District of Southern California.

Colorado River Pikeminnow

Based upon direction provided at the last Board meeting, and subsequent discussions with LCR MSCP participants, and the state wildlife resource agencies in the three Lower Basin states, Board staff has prepared a draft response to the National Wildlife Federation's (NWF) proposal to

evaluate the feasibility of repatriating Colorado pikeminnow in mainstream aquatic habitats in the Lower Basin. Essentially, the Board's proposed response focuses on the following impediments to Colorado pikeminnow reintroduction: (1) lack of clear management goals and objectives in the Lower Basin; (2) California's fully protected species status; (3) potential negative effects on LCR MSCP native fish augmentation efforts; and (4) potential interactions with other endangered native fishes in Lower Basin mainstream aquatic habitats. The Board suggests that it is premature to consider feasibility assessments of Colorado pikeminnow reintroduction until such time as these issues have been adequately resolved. A copy of the Board's proposed letter to the NWF is included in the Board handout materials.

Lower Colorado Water Supply Project (LCWSP)

At the October Board meeting, it was reported that the well field will continue to pump next year, as we continue to work on two related issues, i.e., Advanced Delivery of Project water and well field water quality criteria. With regards to the concept of Advanced Delivery, the efforts include; determining the cost, developing a contract, and resolving other related issues with Reclamation (exchange, forbearance, etc.).

An initial draft contract for Advanced Delivery has been prepared by the City of Needles and is being reviewed by Reclamation and CRB staff. Also, Needles' original contract needs to be amended to accommodate the development of phase 2 of the Project. The City of Needles has drafted this amendment and it is also being reviewed by Reclamation and CRB staff. When these documents are finalized, they will be presented to the Board.

At last months Board meeting, it was reported that staff was working on developing criteria for the water quality of the well field water that is acceptable to IID and CVWD. A draft of proposed criteria was provided to the Agency Manager's Technical committee members. The Board staff has received comments from IID and CVWD and it is working on addressing these concerns. When these criteria are finalized by the Technical Committee, they will be presented to the Agency Managers and the Board.

The City of Needles has been executing subcontracts with Project beneficiaries to receive Project water who have been approved by Reclamation. As of November 1, 2003, subcontracts for 208 acre-foot of current use and 440 acre-foot of future use have been executed.

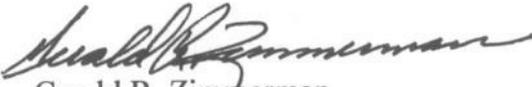
There has not been any development on the Blythe Energy issue since the last Board meeting. Also, there has not been any progress on identifying the 16,000 acres of PVID lands on the Mesa.

Water Quality

Perchlorate

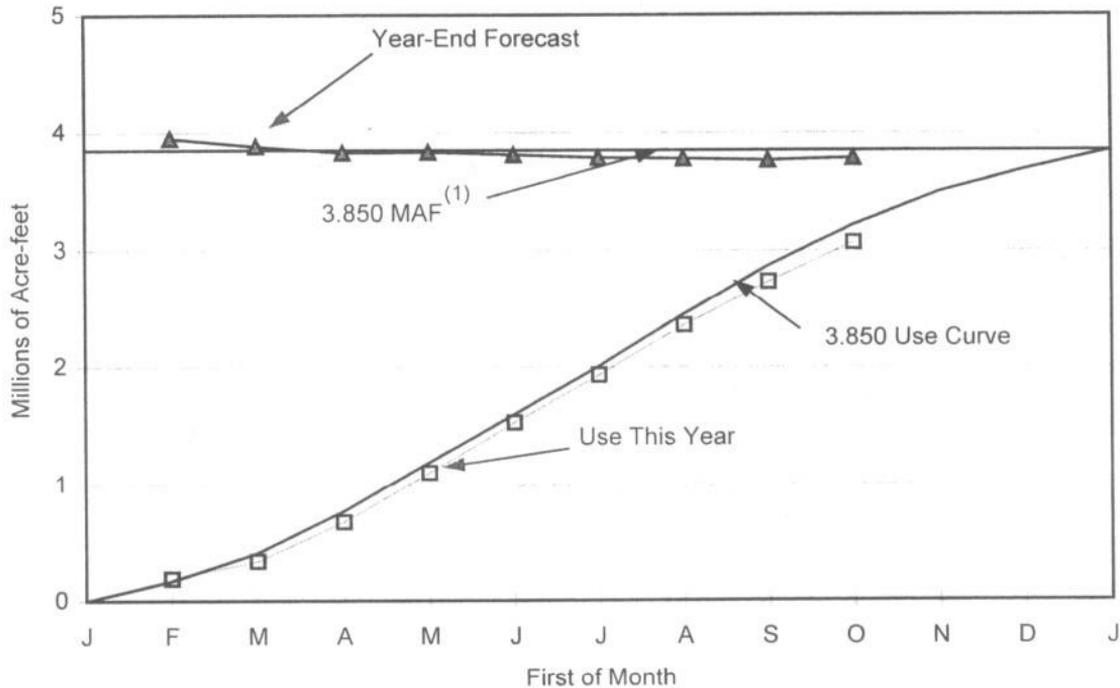
As has been reported, the State Department of Health Services (DHS) has planned to produce a maximum contaminant level (MCL) for perchlorate in June of 2004. For your information, the Urban Water Research Center, located at UC Irvine, has convened a committee of the UC professors and other academic experts, in consultation with DHS, to determine the nature and the effect of different standard levels on human health, California's water supplies, the types of treatment available, and the cost of compliance.

The committee's charge is to review the relevant information available on the health effects, risk assessment and risk management information on perchlorate. The committee will also take into consideration the impact of perchlorate on water agencies, the cost of compliance for agencies throughout the state to meet different potential values of MCLs, and analytical limitations in measuring perchlorate in water. The committee's views regarding the perchlorate issue will be presented to DHS to help advance its decision-making process.



Gerald R. Zimmerman
Executive Director

FIGURE 1
NOVEMBER 1 FORECAST OF 2003 YEAR-END COLORADO RIVER WATER USE
BY THE CALIFORNIA AGRICULTURAL AGENCIES



Forecast of Colorado River Water Use by the California Agricultural Agencies (Millions of Acre-feet)			
Month	Use as of First of Month	Forecast of Year End Use	Forecast of Unused Water (1)
Jan	0.000	-----	-----
Feb	0.190	3.951	-0.157
Mar	0.339	3.882	-0.088
Apr	0.676	3.827	-0.033
May	1.102	3.833	-0.039
Jun	1.530	3.811	-0.017
Jul	1.933	3.788	0.006
Aug	2.358	3.777	0.017
Sep	2.732	3.764	0.030
Oct	3.065	3.785	0.009
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.794 million acre-feet under the first three priorities of the water delivery contracts which accounts for the 55,592 acre-feet of conserved water available during 2002 respectively in accordance with the 1988 IID-MWD Conservation Agreement and the 1989 IID-MWD-CVWD-PVID Approval Agreement.