

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

June 8, 2004

AGENCY MANAGERS MEETING

The Agency Managers met on May 28, 2004, at the offices of the San Diego County Water Authority in San Diego, California. The topics discussed during the meeting were: 1) the status of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) and the recommended approach for completing the program, 2) the formula for funding the Colorado River Board and how it could be revised, 3) the upcoming briefing for the Resources Agency, and 4) the drought management discussions among representatives from the Colorado River Basin states and the U.S. Bureau of Reclamation (Reclamation).

During the meeting, the Letter of Clarification regarding the non-federal parties submittal of their application to the U.S. Fish and Wildlife Service (USFWS) for incidental take authorization was discussed. Based on initial comments received from representatives from the Department of the Interior, it has been determined that it would be desirable to send a letter clarifying the non-federal parties commitment to fund and implement the 50-year program. Along with this commitment is a recognition that currently there are a number of outstanding issues that must be resolved. Based upon those discussions and discussions with the other non-federal parties to the application to the USFWS, a letter was prepared and sent to the USFWS clarifying the non-federal parties commitment to implement the LCR MSCP.

The desire to revise the existing funding formula for the six agencies funding support of the Colorado River Board's budget was again discussed. Although progress on obtaining an acceptable funding formula was made, agreement on a recommended formula was not reached. There will need to be further discussions among the agency managers before a recommended formula can be taken to the Six Agency Committee for its consideration.

ADMINISTRATION

Approval of Fiscal Year 2004-2005 Budget

Both the Senate Subcommittee No. 2 on Resources, Environmental Protection, and Judiciary and the Assembly Resources Subcommittee No. 3 on Resources approved the Board's budget for fiscal year 2004-2005, as proposed in the Governor's Budget. For FY 2004-05 the Board will not receive any State funds; the budget of \$1,170,000 is totally funded by reimbursements from the agencies on the Colorado River Board.

A copy of the Board's proposed FY 2004-05 Budget is included in the Board folder along with the Standard Agreement 37 between the Board and the Six Agency Committee, which approves the funding arrangement between the Board and the Six Agency Committee. The Standard Agreement will be an action item to be considered by the Board members at the June Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of June 1, 2004, storage in the major Upper Basin reservoirs increased by 564,800 acre-feet and storage in the Lower Basin reservoirs decreased by 469,000 acre-feet during May. Total System active storage as of June 3rd was 31.632 million acre-feet (maf) or 52 percent of capacity, which is 3.714 maf less than one year ago.

May releases from Hoover, Davis, and Parker Dams averaged 18,280, 16,780 and 11,940 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of June 2004 are 16,000, 15,800, and 12,500 cfs, respectively. The June releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

The final June 3, 2004, observed April through July 2004 unregulated inflow into Lake Powell was 3.400 maf, which is 43 percent of the 30-year average for the period 1961-1990. The final June 3, 2004, projected unregulated inflow into Lake Powell for the 2004-05 water year was 5.945 maf, or 49 percent of the 30-year average.

As of June 3rd, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2004, as forecasted by Reclamation, totals 7.462 maf and is described as follows: Arizona, 2.816 maf; California, 4.352 maf; and Nevada, 0.294 maf. The Central Arizona Project (CAP) will divert 1.611 maf, of which 0.308 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) is projected to consumptively use about 0.551 maf, which is 0.133 maf less than its actual use of mainstream water in 2003.

The preliminary end-of-year estimate by the Board staff for 2004 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 3.702 maf. This estimate by the Board staff is based on the collective use, through April 2004, 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

Meeting With Resources Agency Executive Staff, June 2, 2004

A briefing of The Resources Agency was held on June 2, 2004 in Sacramento, California. Those in attendance from The Resources Agency were: Secretary of Resources, Michael Chrisman, Department of Water Resources Director Lester Snow, and Department of Fish and Game Director, Ryan Broddrick. Accompanying me were representatives from agencies on the Colorado River Board and included Ms. Maureen Stapleton, and Messrs. Steve Robbins, Dennis Underwood, and Elston Grubaugh. The primary purpose of the briefing was to provide an overview on the current status of the water supply conditions in the Colorado River Basin and activities being evaluated by representatives from the Basin states and Reclamation to potentially lessen the impacts of the drought and to hasten the recovery of the reservoir system following the end of the drought. Also, discussed during the briefing was the status of completing the Lower Colorado River Multi-Species Conservation Program and the outstanding issues that need to be resolved in order to move forward with its implementation.

USBR Request for Proposals to Voluntarily Forbear Water Use Pursuant to Demonstration Forbearance Program

Because of the continuing drought situation in the Colorado River Basin, Reclamation has initiated a voluntary forbearance demonstration program in an effort to reduce the loss of system storage in the mainstream reservoirs in the Lower Basin. Specifically, Reclamation is attempting to acquire up to 110,000 acre-feet annually, to replace the water currently flowing to the Cienega de Santa Clara in the Wellton-Mohawk Bypass Drain. With this program Reclamation proposes to financially compensate entitlement holders who agree to forbear the use of a portion of the entitlement holder's annual consumptive use of mainstream water. Reclamation would only consider the forbearance of water from agricultural consumptive uses as qualifying for this program, and the amounts must be in increments greater than 1,000 acre-feet from any one-entitlement holder. Additionally, Reclamation would only allow up to 33% of an entitlement holder's acreage to be fallowed, or otherwise managed, to create the mainstream water to be forborne.

Reclamation will not compete with junior priority rights holders within a Lower Division state. Consequently, any mainstream water made available pursuant to the program would first be made available to junior entitlement holders in that state. Only if there is no demand for the available supply would Reclamation agree to accept the water and reserve it within the reservoir system. As individual forbearance agreements are developed, Reclamation will complete any necessary environment compliance processes (e.g., NEPA and ESA, etc.). Additionally, Reclamation will require that a verification process be developed and in place to document any reductions in consumptive use of mainstream water by a participating entitlement holder.

The demonstration program will be evaluated for a period of time to determine the efficacy of the program. Following the evaluation, Reclamation will consult with entitlement holders and the Lower Division states to determine if establishment of a longer-term program is feasible or desirable. Included in the Board folder is a copy of the Reclamation's letter announcing the program and the proposed forbearance policy for the Board members information.

Assistant Secretary Bennett Raley's Speech at the Law of the River Conference, Las Vegas, Nevada, May 13, 2004

On May 13, 2004, Assistant Secretary of the Interior, Bennett Raley delivered a speech at the "Law of the River" conference held in Las Vegas, Nevada. Assistant Secretary Raley's remarks addressed the current drought in the Colorado River Basin, the development of potential water conservation measures and shortage criteria, and the continuing role of the Colorado River Basin States and the federal government in managing the Colorado River System in these times of increasing demand. Included in the Board folder is a copy of Assistant Secretary Raley's speech for your information.

Extraordinary Conservation and Payback of Overruns Meeting, May 18, 2004

I attended a meeting, hosted by Reclamation, in Boulder City, Nevada, on May 18th to discuss extraordinary conservation measures and payback of overruns. With the execution of the Colorado River Water Delivery Agreement in October 2003 and with implementation of its Inadvertent Overrun and Payback Policy, Reclamation is now obligated to monitor the implementation of extraordinary conservation measures and require that entitlement holders consumptive use of mainstream water be at or below their approved annual water order for that year. Also, because of the desire by some of the California agencies to begin payback, this year, of overruns that occurred in 2001 and 2002, Reclamation is attempting to identify acceptable conservation measures and have a verification process in place so that payback of overruns can begin yet this year.

Within California, CVWD, IID, and MWD have submitted plans to Reclamation to begin the payback this year. Those plans are currently being reviewed Reclamation. It is anticipated that a determination by Reclamation will be made soon so that the plans can be implemented.

2005 Annual Operating Plan (AOP)

On June 11th, the Colorado River Management Work Group, including Reclamation and representatives of the seven Basin States, will initiate the process to develop the 2005 Annual Operating Plan (AOP) for the Colorado River Reservoir System. Reclamation intends to provide updates on both Upper and Lower Basins' river and reservoir operations, review the status of the 602(a) storage requirements criteria, and announce the initiation of the sixth five-year review of the Long Range Operating Criteria.

On June 4th, Reclamation made a copy of the draft 2005 Annual Operating Plan for the Colorado River System Reservoirs (2005 AOP) available on Reclamation's Upper Colorado Region website. At this juncture, it has not been determined under what condition (i.e., surplus, normal, or shortage) the reservoir system will be operated under for 2005, although the May 24-Month Study indicates that it would still be considered a "Partial Domestic Surplus" condition. The initial draft of the 2005 AOP will be distributed at the Board meeting. If you would like an electronic version of the draft 2005 AOP, it can be obtained at (<http://www.usbr.gov/uc/water/aop/aop05draft.pdf>)

California's Colorado River Water Use Plan

Recent News Media Articles Regarding the PVID/MWD Agreement

As most of you are aware, the Metropolitan Water District of Southern California (MWD) and the Palo Verde Irrigation District (PVID) recently finalized an agreement to allow the transfer of up to 111,000 acre-feet annually from farmers within PVID to the MWD. Copies of several newspaper articles from the Los Angeles Times describing the transfer have been included in the Board folder for your information.

Status of Publication of the Revised Draft Water Use Plan

Mr. Jay Malinowski and Board staff finalized and distributed the Agency Review Draft of California's Colorado River Water Use Plan (draft Plan) in early-April 2004. A review copy was sent to each of the agencies for a technical and policy-level review and comment period. To date, I have only received comments on the Draft Plan from the Coachella Valley Water District. I would like to receive comments from the agencies at the earliest possible date so that this draft Plan can be finalized, printed and distributed.

Basin States/Tribes Discussions

Basin States Meetings of May 17th and June 7th

As has been reported at previous Board meetings, representatives from the Colorado River Basin states have been meeting to discuss managing the Colorado River System during times of low runoff conditions, especially focusing on the next 24 to 36 months. A technical committee has been formed to: 1) conduct model studies to analyze possible future water supply conditions and impact that those conditions will have on the reservoir system storage and the ability of the system reservoirs to meet future water supply demands and 2) identify potential projects, programs and actions that could avoid, or at least reduce, the impacts associated with drought and shortage conditions.

The technical committee has made a number of model runs looking at a worst-case scenario in terms potential future runoff conditions. This worst-case scenario analyzes available runoff during last five years of historic drought, followed by the driest 12-year period of the historic record. This produces a 17-year drought that is worse than any 17-year period in the historic record and one that is within the range of drought

cycles produced from tree ring analysis. Although the initial computer runs have been made, additional runs and analysis still have to be made to obtain a clearer representation of the potential affects of a prolonged drought and if actions could be taken in the near-term that would significantly lessen the impacts associated with a prolonged drought.

Concurrently with making the computer runs, the technical committee is identifying and evaluating an array of potential cooperative projects and programs that have already been undertaken or could be implemented in the near-term to reduce, or avoid, the impacts of drought and shortage conditions, as well as to hasten the recovery of system reservoir storage following the drought. The next meeting of the Basin states representatives is schedule to be held on June 17, 2004, in Salt Lake City. At that meeting, the technical committee will report on the results obtained from computer studies of the assumed worst-case scenario.

Upper Colorado River Commission Executive Director Appointed

On May 12th, the Upper Colorado River Commission appointed Mr. Don A. Ostler, P.E., as the Executive Director and Secretary of the Commission. Mr. Ostler replaces Mr. Wayne Cook, who retired in March 2004, after 13 years with the Commission. Mr. Ostler spent 32 years in state service in Utah, the last 17 years as Director of the Utah Division of Water Quality.

Colorado River Environmental Activities

Status of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP)

The LCR MSCP Technical Contractors have finalized all of the draft documents and are in the process of publishing the drafts for distribution to the Steering Committee members. Additionally, a notice will be published in the *Federal Register* on June 18th announcing the availability of the draft documents for public review and comment. Also, a series of three public informational meetings will be held on July 20th, 21st, and 22nd in Henderson, Nevada; Blythe, California; and Phoenix, Arizona, respectively.

The non-federal LCR MSCP participants recently sent a letter to USFWS Director, Mr. Steve Williams, clarifying the original letter accompanying the Draft LCR MSCP Habitat Conservation Plan and Incidental Take Authorization Permit application. In the letter of clarification, the non-federal participates reiterated their commitment, upon resolution of several remaining significant issues, to implement the full LCR MSCP Conservation Plan for the 50-year period.

Arizona Game & Fish Department Southwestern Willow Flycatcher 2003 Survey Results

I recently reported on the results of Reclamation's Lower Colorado River Southwestern Willow Flycatcher (WIFL) survey results. I thought it would be interesting to report the results of Arizona Game and Fish Department's (AGFD) 2003 WIFL surveys within the rest of the State of Arizona. AGFD, in conjunction with the Arizona

Partners in Flight program, conducts WIFL surveys within riparian habitats along most of the drainage systems within the state. This data is then collated and compared and contrasted with similar survey efforts conducted by other cooperators.

In 2003, AGFD surveyed 185 sites covering approximately 202 linear kilometers of riparian habitat. Resident WIFL, totaling 748 individuals, were detected at 44 sites. The surveys also revealed the presence of 410 WIFL territories, containing 340 pairs of birds. The surveys documented 384 nesting attempts, of which 327 were monitored and contained eggs. Of the monitored nests with eggs, 66 percent produced WIFL fledglings. Seventy-nine nests were preyed upon, 20 were deserted, and seven nests had documented brown-headed cowbird parasitism. Overall, over 500 WIFL successfully fledged from the monitored nests. The AGFD 2003 report also recommended that the highest WIFL conservation priority should be the protection of occupied habitat through partnerships with land management agencies and private landowners. The report identified a secondary conservation priority to continue surveying areas of potential WIFL occurrence. If you would like a copy of the AGFD 2003 report please contact Mr. Harris or me.

Status of the Glen Canyon Dam Adaptive Management Program (GCDAMP)

There have been no meetings of the Glen Canyon Dam Adaptive Management Work Group or Technical Work Group since the last Board meeting. A special two-day retreat is being planned for AMWG members and alternates on June 28-29, 2004 in Phoenix, Arizona. The purpose of the special retreat is to discuss the current course and direction of the Glen Canyon Dam Adaptive Management Program and the appropriate activities and levels of involvement of the participating federal, tribal and non-federal agencies and entities. Assistant Secretary Raley is expected to attend the second day of the retreat and discuss the proposed solutions and recommendations developed by participants during the retreat.

USFWS Proposed Regulations – Safe Harbor Agreements & Candidate Conservation Agreements

On May 3, 2004, the Assistant Secretary of the Interior for Wildlife and Parks, Mr. Craig Manson, published a Final Rule in the *Federal Register* regarding Safe Harbor Agreements (SHA) and Candidate Conservation Agreements with Assurances (CCAA). This rule revises existing USFWS regulations regarding administration of the Endangered Species Act (ESA). The regulations revisions provide two different vehicles for achieving ESA compliance for non-federal property owners involved in activities that have the potential for affecting listed species or critical habitats on privately owned lands.

The SHA provision of the ESA regulations provide non-federal property owners with the ability to implement an agreed upon amount of species and habitat conservation on their property, above an established baseline, and then in the future the property owner may be allowed to incidentally take an endangered species or return portions of the

habitat to the baseline condition without penalty. The SHA must, however, provide a “net conservation benefit” from the management actions taken pursuant to the permit.

The CCAA provides non-federal property owners with a mechanism to implement conservation and species protection measures for species that are not currently federally listed, but that could become listed or become listed as candidates for listing in the future. In return for the non-federal property owner’s implementation of the agreed upon conservation measures, the property owner would receive an incidental take authorization, under Section 10 of the ESA, when, and if, the species becomes listed in the future.

Both of these mechanisms have been used with some success in the southeastern United States, particularly in the forested areas that provide habitat for the endangered red-cockaded woodpecker. Generally speaking, these provisions of the ESA regulations have limited applicability in the western United States where the majority of lands containing federally-listed species or critical habitats are in federal ownership. There may, however, be instances on private lands where these provisions may apply and provide non-federal property owners with additional ESA compliance options.

Bioscience Article – Colorado River Delta, Mexico

Included in the Board folder is a copy of a recent article published in *Bioscience* (May 2004 issue) about the Colorado River Delta in Mexico. The article describes the current issues and challenges facing the proponents of habitat restoration and species protection in the Limitrophe and Delta regions of the riverine corridor in Mexico. The article emphasizes the need to procure a meaningful and reliable water supply to maintain and enhance the riverine corridor riparian habitat and the estuarine ecological complex down at the Delta. The article also describes the current status of the Cienega de Santa Clara, and the potential impacts associated with operating the Yuma Desalting Plant, which would result in diminished flow in the Bypass Drain.

Proposed Limitrophe Binational Wildlife Refuge

On May 6, 2004, Mr. Harris attended a meeting of interested stakeholders at the offices of the Cocopah Indian Tribe in Somerton, Arizona. The meeting was initiated by the environmental organizations National Wildlife Federation and Environmental Defense, the USFWS, Cocopah Indian Tribe, and Arizona Game and Fish Department. The purpose of the meeting was to provide all of the participants with an overview of the various habitat restoration and species conservation programs underway along the Lower Colorado River from Lake Mead to the Delta in Mexico. Mr. Harris provided a Power Point Presentation on the current status of the LCR MSCP. Representatives of several Mexican environmental organizations and federal agencies provided similar overviews about programs underway in the Mexican portion of the Basin as well. The Cocopah Indian Tribe, Arizona Game and Fish Department, and USFWS are exploring the feasibility of the creation of a Binational wildlife refuge or management area within the Limitrophe Division of the River.

Also at the meeting, many participants expressed significant concern about the proposed International Boundary and Water Commission's proposal to rectify the channel and restore the floodway capacity in the Limitrophe. This project could remove much of the existing native cottonwood-willow riparian habitat that covers several thousand acres in the riverine corridor below Morelos Dam. I have included a copy of the meeting notes for your information. Board staff will continue to monitor this process and provide reports and updates.

USFWS Guidance Regarding LCR MSCP Conservation Activity Implementation on LCR National Wildlife Refuges

As you may recall, there has been ample discussion over the past few years regarding the ability of the LCR MSCP participants to restore and maintain native aquatic, wetland, and riparian habitats on Lower Colorado River National Wildlife Refuge lands, with the LCR MSCP participants receiving mitigation "credits" or benefits commensurate with those activities. The USFWS Regional Director, in a letter dated May 3, 2004, has formally responded to this issue and provided guidance for the Program. Generally, the USFWS supports the concept of habitat restoration and species conservation on the refuges lands, as it is compatible with the primary purposes of the refuges. As potential LCR MSCP conservation projects are identified on refuge lands, the USFWS commits to work with the LCR MSCP participants to develop detailed plans that meet both the goals of the LCR MSCP and continue to be compatible with the refuge management plan. Those conservation projects and activities that are identified as high priority projects on refuge lands, as well as meeting the overall goals of the LCR MSCP, would be eligible to receive mitigation credit. Included in the Board folder is a copy of the letter for your information.

USFWS Guidance Regarding Designation of Critical Habitat

On April 28, 2004, the Assistant Secretary of the Interior for Wildlife and Parks, Mr. Craig Manson, issued a memorandum to the Director of the USFWS that provided specific guidance associated with the designation of critical habitat pursuant to Section 4 of the ESA. In the memorandum, the Assistant Secretary recognizes the potential social and economic impacts associated with the designation of critical habitat. Consequently, the memorandum recommends that "...critical habitat designations must be no greater than the habitat identified as essential to the conservation of the species."

The memorandum also identified several important points worth noting, including the following:

1. Habitat, as that term is used in conservation biology, is indispensable to the continued existence of the species, but critical habitat designations are only a small elements of our nation's conservation strategy, and arguably the most costly;

2. Do not designate critical habitat where existing management or protection measures adequately conserve essential habitat and those measures are likely to continue for the foreseeable future (e.g., state and national parks, refuges, national forests, etc.);
3. Designate unoccupied habitat only when there is not enough occupied habitat available for the species;
4. Areas covered under existing HCPs, or pending HCPs, should generally be excluded from designation as critical habitat;
5. When considering state or tribal lands, defer to the states or tribes on a voluntary partnership basis in the assessment of management and protection measures in the absence of contrary evidence; and
6. Working with landowners, local, state, and tribal governments on a voluntary partnership basis often provides conservation benefits superior to the designation of critical habitat.

The USFWS is in the process of developing a policy- and technical-level guidebook, or handbook, to be utilized by USFWS personnel in designating critical habitat. The handbook is being reviewed by field personnel and should become available for public review and comment in 2005.

Senate Bill 1516 – Salt Cedar & Russian Olive Control Demonstration Act

Over the past few months we have discussed Senate Bill 1516, the Salt Cedar and Russian Olive Control Demonstration Act. You may recall that this piece of legislation sets up a program to initiate a series of pilot projects, to be administered by Reclamation, to control non-native salt cedar and Russian olive along many of the river systems and stream course in the American West. On May 19, 2004, SB 1516 passed the Senate, and authorized appropriations of \$20 million for FY-2005, and \$15 million for each subsequent year. These funds are to be used to prepare an assessment of infestation of salt cedar and Russian olive, identify feasible control measures, and implement several demonstration projects to remove and control this non-native vegetation. A key feature of the legislation ensures that on lands where salt cedar and Russian olive are controlled and removed that native riparian vegetation will be restored and maintained, and that the dead non-native biomass will be removed. I have included a copy of the final legislation for your information.

Lower Colorado Water Supply Project (LCWSP)

The City of Needles (Needles) is continuing to execute subcontracts with the Lower Colorado Water Supply Project (Project) beneficiaries to receive Project water. As of June 8th, over 474 subcontracts in the amount of 3,237 acre-feet of water per year for current and for future use have been forwarded to potential applicants for execution (479 for current use and 2,758 for future use). To date, 344 or 72.6 percent, of the subcontracts have been executed and returned to Needles.

The Board staff is continuing to receive the applications for the Lower Colorado River Water Supply Project (LCWSP) water. The CRB staff plans to present a package of new applications to the Board for its consideration at the July Board meeting.

WATER QUALITY

PG&E Topock Gas Compression Station

At last month's Board meeting, the Chromium VI contamination issues at the PG&E Topock Gas Compression Station site were discussed. PG&E proposed to pump groundwater in order to create a reverse gradient to prevent the contaminated groundwater from flowing toward the Colorado River. To accomplish this, PG&E started on-site pumping and treating the water at this site on May 1, 2004. As of May 31st, the total volume of groundwater that was pumped was about 1.615 million gallons or 4.96 acre-feet from the extraction well clusters.

Included in the handout material is a copy of the Bureau of Land Management's (BLM) letter addressed to PG&E. In this letter, BLM is authorizing PG&E to treat the contaminated groundwater on public land, as a short-term solution; however, BLM expects a long-term solution to be in place soon. BLM also supports PG&E's potential acquisition of the nearby MWD land and to construct a permanent treatment facility on that parcel of land.

Colorado River Basin Salinity Control Program

Colorado River Basin Salinity Control Forum Meeting, Rock Springs, Wyoming, June 1-3, 2004

I attended the 70th meeting of the Colorado River Basin Salinity Control Forum on June 3, 2004. The meeting was held in Rock Springs, Wyoming. Although I was unable to attend, I understand that members of the Forum and the Forum's Work Group had several informative tours of potential salinity control projects and a large oil and gas well field located in southwestern Wyoming.

At the meeting of the Forum, reports were provided to Forum members from the Regional Directors of Reclamation's Upper and Lower Colorado Regions. For the Lower Colorado Region, Mr. Bob Johnson provided an update on the status of the Yuma Desalting Plant, the Report to Congress, and issues related to the salinity differential pursuant to Minute 242. Mr. Rick Gold, the Regional Director for the Upper Colorado Region, provided an overview of anticipated river and reservoir operations and implementation of salinity control projects in the Upper Basin.

The federal representatives provided an overview of the current and anticipated federal expenditures related to salinity control. Specifically, these agencies included Reclamation, Bureau of Land Management, and the U.S. Department of Agriculture

(USDA). I can report that the USDA Environmental Quality Incentives Program (EQIP) has been well funded by the Congress, and that some of these funds have been earmarked for the Colorado River Basin Salinity Control Program. In FY-2004, just under \$20 million was directed from EQIP to the Colorado River Basin Salinity Control Program.

The Forum's Work Group Chairman, Mr. Tim Henley, reported on the activities of the Work Group and the proposed work in the Mancos Valley salinity area. The geologic formation known as the Mancos Shale, which is a late-Cretaceous marine sedimentary formation, is very widespread in the Four Corners region of the American Southwest, and is one of the primary sources of both salt and selenium in the Colorado River and its major tributaries. In a related note, the Forum's Selenium Committee, chaired by Mr. Tom Carr, prepared a report with several recommendations regarding potential selenium control:

1. Selenium control, with salinity control, will be encouraged, but the cost-effectiveness of salinity control is not to be compromised by this cooperation;
2. It is asked that future salinity control projects reevaluate the selenium control being accomplished;
3. The Forum is accepting the written report of the Selenium Committee, but will not release the report as a report of the Forum;
4. The Forum has determined not to address any changes to its formal policies, numeric criteria, or water quality standards to accommodate the resolution of selenium issues; and
5. The current action of the Forum is only a recommendation to provide guidance in the future, and is not an action that is intended to be interpreted as formal Forum policy by any state or federal agency.

I would also like to report that the Forum has elected new officers for the next two-year period. Mr. Rod Kuharich of the Colorado Water Conservation Board was elected as the Chair. Mr. Dennis Underwood of MWD was elected to serve as the Vice-Chair. Finally, the State of California will host the 72nd meeting of the Salinity Control Forum in April 2005. This meeting will be held in conjunction with the International Salinity Forum scheduled for April 25-28, 2005 in Riverside, California. I will be working with the Board members and others to make the Colorado River Basin Salinity Control Forum meeting successful and interesting.

Gerald R. Zimmerman
Executive Director