

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

January 13, 2004

AGENCY MANAGERS MEETING

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

CONSENT ITEMS

Lower Colorado Water Supply Project

Work is continuing on the Lower Colorado Water Supply Project (Project). As a consent item, I have included in the Board folder the fifth submittal of applications for Lower Colorado Water Supply Project water. I am requesting that the Board recommend to the U. S. Bureau of Reclamation (Reclamation), with the approval of Resolution 2004-1, that the following applicants are eligible to receive Project water and that the City of Needles should offer a subcontract to each applicant.

For this fifth submittal, there are 13 new applicants requesting water and four previously approved applications requesting a change in ownership. A listing of the number of the 13 parcels and the water requested by county is shown below:

<u>County</u>	<u>Number of Parcels</u>	<u>Current Use (Acre-feet/yr)</u>	<u>Future Use (Acre-feet/yr)</u>	<u>Total Request (Acre-feet/yr)</u>
Imperial	1	0	1	1
Riverside	3	0	8	8
<u>San Bernardino</u>	<u>9</u>	<u>3</u>	<u>239</u>	<u>242</u>
Total	13	3	248	251

In total, for all five submittals, there are 539 applicants requesting a total of 5,414 acre-feet of Project water annually. Of this amount, 514 acre-feet are being used annually by current users and 4,900 acre-feet annually are being reserved for future use. Of this 4,900 acre-feet, 1,690 acre-feet have been requested by the County of Riverside.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of January 1, 2004, storage in the major Upper Basin reservoirs decreased by 330,000 acre-feet and storage in the Lower Basin reservoirs decreased by 17,000 acre-feet during December.

Total System active storage as of January 1st was 32.899 million acre-feet (maf) or 54 percent of capacity, which is 3.880 maf less than one year ago.

December releases from Hoover, Davis, and Parker Dams averaged 10,130, 8,780 and 5,640 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of January 2004 are 10,400, 9,700, and 5,800 cfs, respectively. The January 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.

With the Quantification Settlement Agreement signed by four California water agencies and approved by the Secretary of the Interior, a Full Domestic Surplus will govern the remaining releases during 2003 pursuant to the Interim Surplus Guidelines (ISG). With reinstatement of the surplus provisions of the ISG, the Lower Division States' consumptive use of Colorado River water for calendar year 2003 is estimated that the Central Arizona Project (CAP) will divert 1.686 maf, of which 0.273 maf is to be credited to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.671 maf or 54 percent of its actual use of mainstream water in 2002. In addition, MWD wheeled 315 acre-feet, in November 2003, through its system to the city of Tijuana.

As of January 1st, 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 7.674 maf before deduction of 0.264 maf for unmeasured return flow credits and is distributed as follows: Arizona, 3.008 maf; California, 4.355 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 3.625 maf. This estimate is based on the collective use through November 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

Colorado River Water Users Association Conference, in Las Vegas, Nevada

Assistant Secretary of the Interior Bennett Raley for Water and Science stood in for Secretary Gale Norton at the annual meeting of the Colorado River Water Users Association Conference in Las Vegas, Nevada on December 11th. In her prepared remarks she stated "What a difference a year can make..." "With the execution of the Colorado River Water Delivery Agreement..., we achieved a great victory for the people of the Colorado River Basin..." Her comments were tempered, however, when she added, "the current drought on the Colorado may emerge as the next major challenge for the Basin. Should current drought conditions continue and should Lake Mead fall another fourteen feet, access to surplus water in the Lower Basin could be eliminated as early as January 1, 2005."

MOU Between MWD and DOI

Included in the Board folder is a copy of the Memorandum of Understanding between the Department of the Interior and the Metropolitan Water District of Southern California for Cooperative Planning and Resource Management Programs (MOU) which was signed by Commissioner Keys and MWD Chairman Pace in Las Vegas, Nevada, on December 11, 2003. The intent of the MOU is to speed water efficiency and conservation projects called for in California's plan to reduce its use of Colorado River water. The MOU will help implement the San Luis Rey Indian Water Rights Settlement Act. The first major conservation effort agreed to under the MOU is the lining of the All-American Canal.

2004 Annual Operating Plan

With the California agencies executing the Quantification Settlement Agreement (QSA) and reinstatement of the surplus provisions of the Interim Surplus Guidelines (ISG), Reclamation has revised the 2004 Annual Operating Plan for the Colorado River System Reservoirs (2004 AOP). Included in the Board folder is a copy of the Final 2004 Annual Operating Plan, that has been submitted to the Secretary of the Interior for approval and signature.

The 2004 AOP acknowledges execution of a QSA and determines that, through application of the ISG, calendar year 2004 will be governed by a Partial Domestic Surplus, rather than a Normal condition. The table below shows the water use for both the Normal determination and the Partial Domestic Surplus determination for comparison purposes.

Calendar Year 2004 Water Use

ENTITY	Partial Domestic Surplus (AF)	Normal (AF)
Arizona Total	2,800,000	2,800,000
Central Arizona Project	1,603,000	1,603,000
Other AZ Users	1,197,000	1,197,000
California Total	4,563,000	4,400,000
Metropolitan Water District	853,000	592,500
Agriculture Districts	3,696,900	3,794,400
Other CA Users	13,100	13,100
Nevada Total	315,000	300,000
Southern Nevada Water System	295,000	280,000
Other NV Users	20,000	20,000
Total Lower Basin States	7,678,000	7,500,000

The 2004 AOP contains the following determinations:

- Upper Basin Delivery: The minimum objective release criterion will control the annual release from Glen Canyon Dam during water year 2004 in accordance with Article II(2)

of the Operating Criteria unless spill avoidance and/or the storage equalization criteria in Article II(3) is controlling.

- Lower Basin Delivery: Under the most probable inflow scenario, downstream deliveries are expected to control the releases from Hoover Dam. The Partial Domestic Surplus condition is the criterion governing the operation of Lake Mead for calendar year 2004 in accordance with Article III(3)(a) of the Operating Criteria and Article II(B)(1) of the Decree.
- Water Apportioned but Unused: Reclamation does not anticipate any available unused apportionment for calendar year 2004 at this time. However, if any unused apportionment is available, the Secretary shall allocate any available unused apportionments for calendar year 2004 in accordance with Article II(B)(6) of the Decree and Section 1(B) of the ISG.
- 1944 U.S.-Mexico Water Treaty Delivery: A volume of 1.5 maf of water will be allowed to be scheduled for delivery to Mexico during calendar year 2004 in accordance with Article 15 of the 1944 U.S.-Mexico Water Treaty and Minute No. 242 of the International Boundary and Water Commission.

Navajo - Gallup Water Supply Project/Navajo Nation Water Rights Settlement

Included in the Board folder is a copy of the Executive Summary from the proposed Settlement Agreement to resolve the claims of the Navajo Nation to the use of waters of the San Juan River Basin in New Mexico in a manner that would inure to the benefit of the Navajo Nation and the State of New Mexico. The proposed Settlement Agreement is intended to provide water rights and associated water development projects, including the Navajo-Gallup Water Supply Project, for the benefit of the Navajo Nation in exchange for a release of claims to water that potentially might otherwise displace existing non-Navajo water uses in the Basin in New Mexico. The proposed Settlement Agreement is currently undergoing review by the Navajo Nation, the State of New Mexico and the United States. The New Mexico Interstate Stream Commission will take comments on the proposed Settlement Agreement through January 15, 2004.

In fulfillment of this Agreement, the State of New Mexico, would transfer a portion of its Colorado River apportionment from a diversion point in the San Juan River in the Upper Colorado River Basin to places of use on the Navajo Indian Reservation located within the Lower Colorado River Basin and the Rio Grande Basin. The transport of the water would be through a pipeline nearly 100 miles in length. All of the water proposed for use in New Mexico would be a depletion of the Colorado River at Lee Ferry, and would be charged against New Mexico's Upper Colorado River Basin apportionment.

The Navajo Nation is seeking water right settlements from New Mexico, an Upper Basin state, and Arizona, a Lower Basin state. New Mexico's proposal to take water from the San Juan River to serve the Navajo in the northern portion of the Navajo Nation would entail a Colorado River transbasin transfer, from the Upper Basin to the Lower Basin. As we have discussed in the past,

Arizona via the Arizona Settlement Act is also attempting to resolve similar water right issues with the Navajo Nation for lands within the State of Arizona. Included in the Board folder is a map of the Colorado River Basin which shows the location of the various Indian Tribes in the Basin.

Yuma Desalting Plant - Letters from Environmental Organizations and Central Arizona Water Conservation District

Included in the Board folder are copies of two letters for your information. The first letter, dated November 5, 2003, is from several environmental organizations, and is addressed to Arizona Governor Janet Napolitano. The letter urges Governor Napolitano to take all measures to ensure that the Yuma Desalting Plant is not operated in order to protect the natural resources of the Cienega de Santa Clara. The environmental organizations suggest that the most appropriate water to make up the water necessary to replace the bypass flows is for Reclamation to lease water from willing sellers, at an approximate cost of \$60 to \$250 per acre-foot. They suggest that Reclamation could lease this water throughout the Colorado River Basin, including states in the Upper Division. They believe that this action would result in a cost savings to the United States, as well as avoid any environmental harm to one of North America's premier wetland and avian sanctuary.

The second letter, dated December 4, 2003, is from the President of the Central Arizona Water Conservation District (CAWCD), Mr. George Renner. CAWCD's letter is also addressed to Governor Napolitano and responds to the earlier environmental organization's letter. The CAWCD expresses concern that if the Yuma Desalting Plant is not operated, that Arizona, and particularly central Arizona, could suffer shortages of mainstream water supplies. CAWCD is skeptical that Reclamation could procure adequate water supplies on an annual basis from a water market. CAWCD believes that acquiring these water supplies could result in economic impacts to Arizona's agricultural economy. Finally, CAWCD believes that if the Cienega de Santa Clara is of significant value to Mexico, then Mexico should count the bypass flows delivered to the Cienega as part of the Treaty delivery each year, or should take steps in Mexico to acquire an adequate water supply to protect the natural resources of the Cienega de Santa Clara.

43 CFR Part 417 Process

On August 29th, Reclamation issued its final determination, pursuant to 43 CFR Part 417, of the amount of Colorado River water (2,834,100 AF) approved for beneficial use by the Imperial Irrigation District for calendar year 2003. As an informational item, I have included in the Board folder a copy of a letter dated November 19th from Reclamation notifying IID that this recommendation has been irrevocably terminated in accordance with Article 10.b. of the Colorado River Water Delivery Agreement which was executed by the Secretary of the Interior on October 10, 2003.

Revised Water Orders for 2003

As calendar year 2003 winds down, Reclamation continues to monitor California's diversions from the River and adjust the agencies use of water within California's 4.4 maf allocation of Colorado River water. Included in the Board folder, as an information item, is a letter to MWD from

Reclamation informing it of the availability of an additional 21,551 acre-feet of Colorado River water.

CAP Revised Water Order for 2004

At the Board's November meeting, we discussed several issues raised by Arizona concerning its water order for 2004 and its interpretation of the Interim Surplus Guidelines. Arizona believes that any surplus must be both quantified and based on the water orders; the surplus water must be apportioned among the states in accordance with the percentages contained in the 1964 decree in *Arizona v. California*; and under State law, Arizona cannot forbear water for use by Nevada. Arizona can only forbear water for use by MWD.

On December 19th, a meeting of Basin State representatives and Reclamation was held to discuss concerns raised by Arizona's interpretation of the ISG. As a result of that meeting, the CAP informed Reclamation, by letter dated December 23rd, that it was withdrawing its request for surplus water in 2004.

Recovery of Interstate Storage Credits

In August 2003, the MWD in a letter to the Central Arizona Water Conservation District (CAWCD), submitted a tentative schedule for recovering water stored in the Arizona Groundwater Bank. MWD asked the CAWCD to schedule 80,000 acre-feet (Interstate Underground Storage Credits) by exchange during calendar year 2004.

Included in the Board folder, is a letter from MWD to the CAWCD canceling its August 28th request due to the availability of other sources of water to meet its service area requirements in 2004. In its letter, MWD indicated it would like to move forward with the development of an interstate storage agreement with the Arizona Water Banking Authority and reestablish a Surplus Guidelines Agreement with the State of Arizona.

Unauthorized Use of Colorado River Water

At last month's Board meeting in Las Vegas, the unauthorized use of Colorado River water was discussed, at which time, I quantified the amount at approximately 10,500 acre-feet being charged against California's 4.4 apportionment. As a result of that discussion, included in the Board folder is a copy of a draft letter that I propose be sent to Reclamation urging it to move forward in developing a process and establishing a schedule to address the issue. This is the second letter addressing this issue that has been sent to Reclamation within the last six months.

Renaming of Lake Powell

Last October the Board discussed the efforts of an organization entitled Coalition to Rename Lake Powell to change "Lake Powell" with "Powell Reservoir". At that time the State of Utah wrote a letter to the U.S. Board on Geographic Names opposing any name change. On January 6th, an article appeared in the Los Angeles Times in support of the name change. I believe that it is

important for the Board to go on record opposing any such change and I have included in the Board folder a draft letter for the Board's review.

California's Colorado River Water Use Plan

Status of the Colorado River Water Use Plan

The Board staff continues to prepare the next draft of California's Colorado River Water Use Plan (Plan). The version currently available for public review and comment is dated May 2000. As soon as the next iteration is completed, I will transmit it to the water agencies and others, for their review and comment. The next draft of the Plan will include a detailed description of the agreements and activities associated with implementation of the ISG, QSA, and related agreements, as well as provide updated information on other programs and activities.

Colorado River Environmental Activities

Spirit of the Sage Council, et al. vs. Gale Norton, Secretary of the Department of the Interior, et al. - Memorandum Opinion and Order - December 11, 2003

As you may recall, the United States District Court, for the District of Columbia, vacated the "No Surprises" rule and permit revocation rule aspects of the Endangered Species Act policy guidelines prepared by the Clinton Administration. Unfortunately, at the time of the Court's Order, no memorandum and opinion was released to explain the Court's order. On December 11, 2003, the Court released the memorandum opinion.

It is worth briefly explaining the issues that were argued in the lawsuit. The Spirit of the Sage Council (SSC) is an organization, based in Pasadena, California, comprised of several southern California Native American Tribes and environmental organizations. The SSC had challenged the No Surprises Rule and Permit Revocation Rule (PRR) aspects of the Clinton Administration on the grounds that the rules violated the Administrative Procedures Act (APA) and that the rules violated the substantive meaning of the Endangered Species Act (ESA).

The Court reviewed the claims and arguments offered by the government and determined that the Department of the Interior had violated the APA through issuance of the PRR, and that since the No Surprises Rule was inextricably tied to the PRR, that the No Surprises Rule also violated the APA. Consequently, the Court ordered that the government must submit both proposed rules for adequate notice and solicit public review and comment prior to finalization of the rules or regulations.

I have included a copy of the Court's memorandum opinion for your review and information in the Board folder. I might add that this decision does affect the preparation of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP). It has always been the intent of the LCR MSCP participants to obtain the coverage provided by the No Surprises Rule. Therefore, the LCR MSCP Implementation Agreement will need to ensure that there is sufficient and explicit language included to protect the participants from untimely permit revocation such that it provides

coverage similar to that provided in the No Surprises Rule.

Rio Grande Silvery Minnow, et al. vs. John Keys, et al.

On January 5th, the United States 10th Circuit Court of Appeals dismissed the appeal in the Rio Grande Silvery Minnow case and vacated the Circuit Court's earlier panel opinion. The Court noted that because of climatological conditions within the Rio Grande basin, Reclamation did not have to reduce any water deliveries to water users. The Court noted that favorable climatic and hydrologic conditions worked to preserve the habitat of the Silvery minnow and the Southwestern willow flycatcher. Given that the U.S. Fish and Wildlife Service had prepared a revised biological opinion associated with Rio Grande reservoir operation, which Reclamation was implementing, the Circuit Court's prior opinion and order were now moot. The Court vacated the prior opinion. The Circuit Court did not vacate the District Court's order, as there may still be unresolved issues that require additional litigation.

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

First, the Technical Contractors and LCR MSCP participants have reviewed all of the comments received on the administrative draft EIS/R documents and are incorporating suggested comments and editorial changes in the next iteration of the documents. The next iteration of the LCR MSCP EIS/R is slated for release in the Spring 2004.

Second, the Department of the Interior has confirmed that the LCR MSCP EIS/R Record of Decision (ROD) will be signed by Secretary of the Interior Norton. The schedule for finalization and signing of the ROD is late-November 2004. This requires a substantial period of review and surnaming within the Department, and means that the documents (i.e., HCP, BA, and EIS/R) need to be ready for review in the Washington Office by late-spring or early-summer.

Third, the Technical Contractors have refined a mitigation proposal addressing the Arizona Bell's vireo (BEVI), an LCR MSCP covered species. There has been some concern that the LCR MSCP Conservation Plan did not adequately mitigate all impacts if some of the proposed BIA agricultural development projects were implemented. Consequently, the revised BEVI mitigation proposal addresses all potential impacts to honey mesquite types III and IV and ensures that there is sufficient mitigation included in the Conservation Plan. Currently, a total of 1,200 acres of mesquite mitigation is included in the Plan, of this 1,200 acres, 610 acres could be classified as mitigation toward impacts to honey mesquite type III. If additional impacts to BEVI habitat in honey mesquite type IV, the BIA will identify the amount of acreage affected and propose a mitigation strategy at the time the specific agricultural development project is proposed and analyzed.

Finally, the LCR MSCP Implementation Issues Subcommittee continues to refine the proposed LCR MSCP legislative strategy. Draft legislation is being prepared and reviewed by the participants. A scope-of-work for a Legislative Coordinator is being developed and reviewed. This proposed position would coordinate all activities related to the development of legislation, working with agency legislative liaisons in Washington, D.C., and ensuring that all appropriate congressional

staff, committees, and subcommittees are contacted and utilized in advancing the legislation. Toward this end, I attended a meeting of the Implementation Issues in Phoenix, Arizona, on January 9, 2004. At the meeting we reviewed the draft Implementation Agreement for the LCR MSCP, the draft legislation, and the draft cost-sharing proposal. All of these drafts require significant work and rewriting prior to a more broad distribution to the full Steering Committee and agency managers in the three states.

Lower Colorado Water Supply Project (LCWSP)

The City of Needles (Needles) is continuing to execute subcontracts with Project beneficiaries to receive Project water. As of January 1st, subcontracts in the amount of 3,164 acre-feet for current and future use have been forwarded to potential applicants for execution. The initial 2004 water order placed for Project water by the City of Needles for Project beneficiaries was 649 acre-feet and BLM 517 acre-feet.

With regard to the concept of Advanced Delivery, two alternatives are now being considered for the Project. The first alternative is basically an exchange and forbearance arrangement, while the second alternative is selling water at near market prices. Discussions with potential customers who would receive this water are being held to determine their interest in pursuing each of these alternatives. Also, discussions are being held with Needles and Reclamation on the mechanics of implementing these alternatives.

In order to implement either of these alternatives, Needles' original contract will have to be amended to accommodate development of Phase 2 of the Project. This amendment is currently being reviewed by Reclamation and CRB staff.

Blythe Energy Project Phase II

Last month we discussed the status of the Blythe Energy Project Phase II, and I informed the Board that on November 18, 2003, the California Energy Commission (CEC) had released its Blythe II Preliminary Staff Assessment (PSA) for agency comments. The PSA contains the CEC staff's draft environmental, engineering, and public health and safety evaluation of the Blythe Energy Project Phase II. Comments were due by December 18, 2003.

The CRB staff has completed its review of the PSA. I have included in the Board folder a copy of the Board's response to the CEC's notice. Our letter did not endorse any of the recommendations in the PSA, however, our letter reaffirmed the comments we provided to the CEC on September 11, 2003, concerning the proposed use of water by BEP II.

Proposed Revision to Exhibit A of Exchange Agreement

At previous Board meetings, it has been reported that staff was working on developing criteria for the water quality of the well field water that is acceptable to IID and CVWD. The Board's staff has reached agreement with the technical staff of IID and the CVWD on the proposed criteria. The revised criteria has been incorporated into the proposed Exhibit A which is included

in the Board folder. On Monday, January 12th, the Agency Managers via a conference call, reviewed the draft exhibit. As a result of that conference call, the exhibit was revised to include Item 5, which allow IID and CVWD to revisit the issue of water quality if the well field water were to begin to deviate from present conditions. The new draft Exhibit A is in the handout material. The CRB staff recommends that the Board write a letter to Reclamation recommending that the proposed Exhibit A be incorporated into the Exchange Agreement between IID, CVWD, and Reclamation, and the LCWSP contract between Reclamation and the City of Needles.

Palo Verde Mesa Lands

There continues to be little progress on identifying the 16,000 acres of PVID lands on the Lower Mesa. In our monthly conference call on the LCWSP, we continue to encourage the BLM to consider formally requesting, from the PVID, exclusion of its lands (8,089 acres) from PVID's service area on the Mesa. Also on the Mesa, Riverside County owns approximately 3,564 acres of land surrounding the Blythe airport. I have included in the Board folder a copy of a letter I sent to the Riverside County Administrator inquiring of its plans for development in the area. In that letter, I outlined a process for Riverside County to acquire water from the LCWSP and also exclude its lands from the PVID service area.

WATER QUALITY

January 2004 Update on Perchlorate Remedial Activities in the Las Vegas Wash

This brief report is a quarterly update on the status of the perchlorate remediation activities in the Las Vegas Valley to reduce the load to the Las Vegas Wash and consequently to the Colorado River. At the September Board meeting, it was mentioned that two entities, i.e., Kerr-McGee, and AMPAC are responsible for remedial activities.

It was reported that the plume from Kerr-McGee site contributes to Las Vegas Wash at this time and Kerr-McGee has constructed several facilities including three ion exchange treatment systems to remove perchlorate before it enters the Wash. The following data on the perchlorate load to the Wash at the North Shore Road Station, that were presented, indicated that the remedial efforts have been effective:

Prior to construction of the Athens Road Wells:	500 lbs/day
Based on June 2003, monitoring data:	200-300 lbs/day

Also, at the September meeting, it was reported that Kerr-McGee was in the process of design and installation of a new treatment system, Fluidized Bed Reactor (FBR) with an average capacity of 1,000 gpm. Schedule for completing the FBR is as follows:

Completed installation:	December 2003
Startup:	January/February 2004
Optimization and performance testing:	March 2004
Fully operational:	April 2004

Influent concentration of perchlorate to the treatment system varies depend upon how much water is pumped from each area. The average to the FBR would be 300 ppm to 350 ppm. According to NDEP, the new FBR system effluent perchlorate would be less than 20 ppb.

When the FBR becomes operational, the load to the Wash depends on the capture efficiency at the Athens Road facilities. The conceptual model that has been developed to evaluate the load at the North Shore Road station, has used 90%, 95%, and 100% capture efficiencies. According to NDEP, the conceptual model data indicate that the load to the North Shore Road is expected to drop to 100 lbs/day, 70 lbs/day, and 20 lbs/day by October 2004, with 90%, 95%, and 100% capture efficiency, respectively. The goal is to have 97% capture efficiency.

MWD has developed its own model to evaluate concentration of perchlorate in the Colorado River based on the results of the remedial activities at Las Vegas Wash. The MWD study, using the 90% capture efficiency from NDEP studies, has demonstrated that the perchlorate concentration at the MWD intake would be less than 4 ppb by mid 2004 and less than 2 ppb by mid-2005.

The AMPAC plume does not contribute to contamination of the Wash at this time. AMPAC has constructed 20 wells at leading edge of the plume. It is expected that a full-scale biological treatment system will be installed by April 2004, to remove the perchlorate.


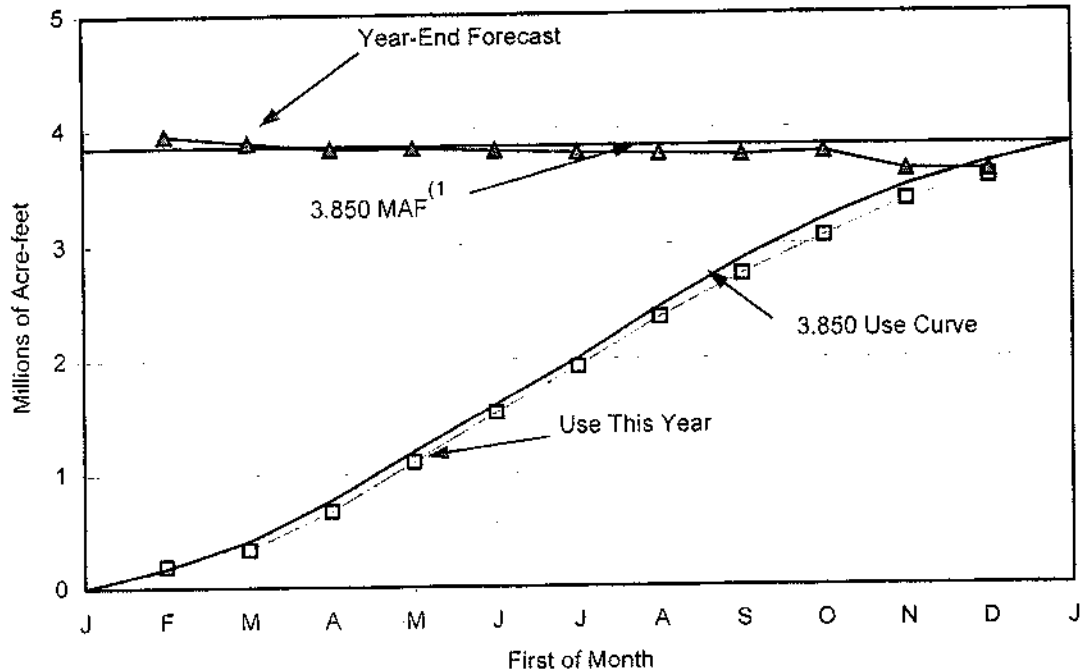

for Gerald R. Zimmerman
Executive Director

FIGURE 1
JANUARY 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	-0.216
Mar	0.339	3.882	-0.147
Apr	0.676	3.827	-0.092
May	1.102	3.833	-0.098
Jun	1.530	3.811	-0.076
Jul	1.933	3.788	-0.053
Aug	2.358	3.777	-0.042
Sep	2.732	3.764	-0.029
Oct	3.065	3.785	-0.050
Nov	3.375	3.630	0.105
Dec	3.568	3.625	0.110
Jan			

(1) The forecast of unused water is based on the availability of 3.735 MAF under the first three priorities of the water delivery contracts. This accounts for the 105,130 acre-feet of conserved water available to MWD during 2003 in accordance with the 1988 IID-MWD Conservation Agreement and the 1989 IID-MWD-CVWD-PVID Agreement as amended and 10,000 AF of conserved water available to SDCWA in accordance with the IID-SDCWA Transfer Agreement as amended.