

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

February 10, 2004

AGENCY MANAGERS MEETING

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

ADMINISTRATION

Appointment of California Department of Fish and Game Director

On January 20th, Governor Schwarzenegger appointed L.Ryan Broddrick as the new Director of California Department of Fish and Game (CDFG). Mr. Broddrick had previously worked 20 years for CDFG before becoming Conservation Director in the western regional office of Ducks Unlimited in 2001.

Appointment of Deputy Director for the Resources Agency

On January 28th, Governor Schwarzenegger appointed Karen Scarborough as the Undersecretary of Resources. She had been a top aide to former San Diego Mayor Susan Golding and later as a resources consultant to Assemblywoman Christine Kehoe.

Statement of Economic Interest

On January 21st, all Colorado River Board Members and Alternates were notified that their Annual Statement of Economic Interests, for the period January 1, 2003 through December 31, 2003, were due in my office by March 1st so they can be assembled and transmitted to Sacramento.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of February 1, 2004, storage in the major Upper Basin reservoirs decreased by 551,000 acre-feet and storage in the Lower Basin reservoirs increased by 166,300 acre-feet during January. Total System active storage as of February 1st was 32.528 million acre-feet (maf) or 53 percent of capacity, which is 3.608 maf less than one year ago.

January releases from Hoover, Davis, and Parker Dams averaged 10,300, 9,430 and 5,420 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of February 2003 are 13,900, 12,100, and 8,200 cfs, respectively. The February 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 reinstatement of the surplus provisions of the Interim Surplus Guidelines (ISG), the Lower Division States' consumptive use of Colorado River water for calendar year 2004 is based on a partial domestic surplus. As of February 1st, the Lower Division States' consumptive use of Colorado River water for calendar year 2003, as calculated by the Board's staff, totals 7.832 maf before deduction of 0.195 maf for unmeasured return flow credits and is distributed as follows: Arizona, 3.035 maf; California, 4.492 maf; and Nevada, 0.305 maf. In 2003 the Central Arizona Project (CAP) diverted 1.686 maf, of which 0.213 maf is to be credited to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) used about 0.684 maf or 55 percent of its actual use of mainstream water in 2002. MWD wheeled a total of 666 acre-feet in both November and December 2003 through its system to the city of Tijuana.

The preliminary end-of-year measure 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 measured as 3.750 maf.

Colorado River Operations

Renaming of Lake Powell

Last month the Board discussed the ongoing efforts to rename Lake Powell, at which time the Board authorized me to write a letter to the U. S. Board of Geographic Names expressing its opposition to any change in the name of Lake Powell. I have included in the Board folder, as an information item, a copy of the letter that was transmitted to the U. S. Board of Geographic Names.

In response to the Board's letter, on February 4th, I received a letter from the U.S. Board of Geographic Names acknowledging receipt of the Board's letter and outlining its process for considering a name change. A copy of the letter has been included in the handout material.

Mr. Sonny Gowan's Proposed Lease of His PPR No. 32

At the Board's October and December 2001 meetings, Board members discussed Mr. Gowan's proposal to lease water from his Present Perfected Right (PPR) No. 32 entitlement located in Imperial County to Moabi Regional Park, located adjacent to the Colorado River, in San Bernardino County. As a result of those discussions, the Board elected to take no action in support of, or rejection of, Mr. Gowan's proposal.

Since then, Reclamation met with Mr. Gowan, San Bernardino County, and the Bureau of Land Management (BLM) upon whose land Park Moabi resides, to discuss the issue of water use within the park. BLM has indicated a willingness to lease a portion of its entitlement from the Lower Colorado Water Supply Project for use at Park Moabi.

On January 30, 2004, Reclamation after consultation with the Interior Department Solicitors' office has notified Mr. Gowan that it would not approve the proposed lease between him and San

Bernardino County because of Article II(C)(1) of the Decree in *Arizona v. California*, which limited uses of miscellaneous PPR water "...within the boundaries of the land described..." in the Decree.

Yuma Desalting Plant and Arizona Colorado River Operational Priorities Workshop

On February 2, 2004, Mr. Harris attended a meeting hosted by the Arizona Department of Water Resources (ADWR), in Phoenix, Arizona, with interested parties, including several American and Mexican non-governmental organization, to discuss Arizona's Colorado River operational priorities, particularly those related to potential operation of the Yuma Desalting Plan (YDP) and impacts to the Cienega de Santa Clara. This meeting, as well as an earlier meeting, were scheduled in response to separate letters written to Arizona's Governor Napolitano by several environmental organizations and the Board of the Central Arizona Water Conservation District. As you will recall, these letters were provided to you in the Board folder for the January 2004 meeting. The letters discussed the relationship between operation of the YDP, potential impacts to the Cienega de Santa Clara, and potential impacts to Arizona's long-term water supply needs.

Mr. Tom Carr, of ADWR, identified the purposes of the meeting as the following: (1) Identify the water management goals and objectives; and (2) Identify the potential options that might help in meeting these water management goals and objectives. The meeting was facilitated and the goals, objectives, and potential options were recorded on flip-chart notes.

During the discussion, the participants identified the following major categories of water management goals and objectives:

- Protect and preserve Arizona's Colorado River water entitlement;
- Decrease the risk of shortage to users of mainstream water;
- Adhere to the Law of the River;
- Manage the Colorado River to fully meet the obligations of the 1944 Mexican Water Treaty;
- Maintain the biological diversity of the Lower Colorado River shared by Arizona and Mexico (i.e., Limitrophe Division) and the Colorado River Delta;
- Manage the Yuma-area water resources, including groundwater resources;
- Obtain and manage mainstream water supplies necessary to implement the LCR MSCP;
- Promote water efficiency among users of the CAP;
- Manage the Colorado River to reduce contaminants such as NaCl, Perchlorate, and Se; and
- Replace the Bypass Flow and maintain the existing flows to Cienega de Santa Clara.

Some of the potential options associated with the water management goals and objectives identified by the group included the following:

- Develop shortage criteria associated with Colorado River reservoir operations;
- Development of equitable shortage-sharing relationships among the Lower Division States;
- Development of water markets based upon "willing sellers-willing buyers;"
- Amend the 1944 Mexican Water Treaty to recognize deliveries to the Cienega de Santa Clara as part of the delivery obligation to Mexico (i.e., part of the 1.5 maf in a normal

- year); and
- Utilize groundwater pumpage in the Yuma area to meet Treaty needs and to maintain the Cienega de Santa Clara.

At the conclusion of the meeting, ADWR committed to prepare detailed meeting notes capturing the discussions, the identified management goals and objectives, and the potential options. The notes will be distributed for review and comment among the meeting participants and interested parties. Finally, ADWR does plan to hold a follow-up meeting to identify the next steps.

Basin States/Tribe Discussions

Lower Division States Meeting

Representatives from the Lower Division states met on February 6, 2004, with Reclamation to discuss several issues, including: 1) shortage criteria, 2) illegal diverters, 3) options to operation of the Yuma Desalting Plant, 4) Nevada's revised return flow credit, and 5) the need for a seven Basin states meeting. During the meeting there was an expressed need to begin to address shortage criteria for operation of the Colorado River System reservoirs because of the extended drought conditions and the increased water demands in the Basin. In addition to looking at shortage criteria and factors to be considered in determining when a shortage should be declared, it was felt that the states and Reclamation should be looking at cooperative programs that could lessen the impact or avoid shortage declarations. Both the shortage criteria and possible cooperative management programs to avoid shortages will be a topics of further discussion at the next Lower Division states and Reclamation meeting to be held in about two months.

During the February 6th meeting the impact that unauthorized and illegal water use is having on the junior priority water users in the three Lower Division states and on the storage contents in the reservoir system was discussed. During the discussion, Reclamation committed to outlining a process for addressing the unauthorized use of Colorado River water and sharing it with the states prior to the next meeting.

Reclamation indicated that it is continuing to look at options that would allow it to not operate the Yuma Desalting Plant, as well as, continuing to move forward with making the Plant operational. Reclamation is continuing to look at the possibility of pumping perched ground water in the Yuma area to replace a portion of the drainage water from the Wellton Mohawk Irrigation and Drainage District that currently is released into the Bypass Drain and to the Cienega de Santa Clara. Also, soon Reclamation will release a request for proposals that would identify additional possible sources of water that could be used to replace the water released into the Bypass Drain and to the Cienega de Santa Clara.

During the meeting the Nevada representatives indicated a desire to have a seven Colorado River Basin states meeting where Nevada could fully explain the water situation in Southern Nevada, as well as, its increased water demands. Also, during that meeting it would be prepared to explain the rationale and data used to revise the methodology for determination of Nevada's return flow credits.

Upper Colorado River Commission Vacancy

Wayne Cook, Executive Director of the Upper Colorado River Commission (Commission) has announced his intentions to retire. The Commission has issued a Job Vacancy Notice for those who may be interested in filling the position. Resumes are due in the Salt Lake City office of the Commission by February 22, 2004.

Water 2025 Budget Proposal

On June 6, 2003, the Department of the Interior (DOI) initiated a new policy entitled "Water 2025." Water 2025 is a blueprint for DOI and other federal agencies to work with state and local officials, water user groups, environmental organizations, tribes, and others in a strategic, focused approach to predicting, preventing, and alleviating water supply crises and conflicts.

Included in the Board folder is a copy of a press release from DOI announcing that President Bush's Fiscal Year 2005 budget calls for \$21 million in Water 2025 funds to help communities to develop conservation, efficiency and water-marketing projects and avoid future water supply crises. The President's proposal is an increase of \$13.4 million over Western Water initiative funds enacted in FY 2004.

Colorado River Environmental Activities

Lower Colorado River Multi-Species Conservation Program

The LCR MSCP Technical Contractors are preparing the public review draft Habitat Conservation Plan (HCP), Biological Assessment (BA), and Environmental Impact Statement/Report (EIS/R) for release, review, and comment in early-March 2004. These documents will be reviewed for approximately 90-120 days prior to finalization. The LCR MSCP Steering Committee is continuing to maintain the schedule leading to a Record of Decision in late-November 2004 by the Secretary of the Interior.

The Steering Committee continues to make progress in the development of a federal/nonfederal cost-sharing package for long-term funding of implementation of the 50-year program. The nonfederal partners have prepared a proposal that has been forwarded to Reclamation for consideration. The proposal reflects a total program need of \$600 million. Of the \$600 million, \$200 million would be made available from the Boulder Dam Fund, \$300 million in appropriations to the Bureau of Reclamation, and the remaining \$100 million from the nonfederal participants.

The Steering Committee continues to work on the development of proposed federal legislation authorizing the implementation of the LCR MSCP. The proposed legislation lays out the findings and purposes for the Program; authorizes expenditures and appropriations; nonfederal fiscal contributions; addresses roles, responsibilities, authorities, and the role of Native American Tribes; authorizes the governance and implementation authorities; authorizes mainstream water use in conjunction with Program implementation; and authorizes the construction of the habitat and species conservation projects; and Congressional reporting requirements. As some of the key details of the

proposed legislation become more fully defined and described, I propose to convene a meeting of the Board's Agency Managers to discuss these elements in more detail (e.g., cost-sharing and water use provisions, etc.).

The Steering Committee is also significantly involved in the preparation of an Implementation Agreement (IA). The IA, and related documents, define the roles and contractual responsibilities and guide the implementation of the long-term Program. Most, if not all, HCPs utilize an IA to identify the contractual obligations and responsibilities of the HCP proponents and the U.S. Fish and Wildlife Service. The LCR MSCP is in a unique situation of also including federal agencies, i.e., the Bureau of Reclamation, Bureau of Land Management, et al., as participants in the implementation of the Program and receiving incidental take authorizations from the USFWS. This requires a more complex contractual arrangement.

The LCR MSCP Compliance Subcommittee is meeting on February 12, 2004, to review a list of remaining compliance-related issues. Some of the issues that remain to be addressed in the HCP, BA, and EIS/R include the following: (1) mitigation in perpetuity; (2) indirect effects; (3) finalization of the environmental baseline definition; (4) multiple incidental take authorizations versus a single all-inclusive permit; and (5) opportunities for LCR MSCP mitigation projects and credit on USFWS National Wildlife Refuge lands along the Lower Colorado River. The results and agreements associated with these issues will be included within the public review documents to be released in March 2004.

Finally, on January 30, 2004, Mr. Harris participated in a detailed staff briefing for Mr. Dale Hall, the USFWS Southwest Region Regional Director in Albuquerque, New Mexico. The purpose of the briefing was to provide the Regional Director and his senior management staff with an overview of the current status of the LCR MSCP and the remaining significant issues. The meeting was very positive, with Mr. Hall and his staff being enthusiastic and supportive of the progress made and general direction of the LCR MSCP. Regional Director Hall indicated that he was firmly committed to help with the coordination efforts necessary to complete the Program on schedule in late-2004.

Proposed Designation of Critical Habitat for the Southwestern Willow Flycatcher

On January 26, 2004, Mr. Harris attended a public scoping meeting in Phoenix, Arizona, associated with the USFWS's proposed designation of critical habitat for the Southwestern willow flycatcher (WIFL). The meeting was the first in a series of scoping meetings held throughout the Southwestern United States. The purpose of the meeting was to provide the public with information related to the process the USFWS intends to utilize for designation of critical habitat for the WIFL and to solicit concerns and issues that the public believes the USFWS should consider in preparing the critical habitat designation. Included in the Board folder for your information is the Federal Register notice and related documents.

The Board is preparing a draft letter providing initial comments and concerns associated with the proposed critical habitat designation. For example, an issue that Board staff believes should be considered is whether the USFWS should designate critical habitat in areas with existing HCPs or

conservation plans addressing WIFL conservation (e.g., the LCR MSCP planning, Lake Roosevelt HCP, etc.). The Board will also urge the USFWS to carefully consider and evaluate all of the recent WIFL survey data that seems to indicate that the species is perhaps more numerous than originally thought at the time of its listing as an endangered species. The Board intends to circulate the draft letter for review and comment to Board members and Agency Managers prior to the comment deadline of March 8, 2004.

Glen Canyon Dam Adaptive Management Program

Mr. Harris attended a two-day session of the Glen Canyon Dam Adaptive Management Program Technical Work Group (TWG) on February 2-3, 2004, in Phoenix, Arizona. The meeting focused on a review of the Glen Canyon Dam Multi-Attribute Trade-off Analysis (MATA) evaluation process. The MATA process was intended to review the science-based aspects of the Glen Canyon Dam Adaptive Management Program (GCDAMP) and develop proposed recommendations leading to adaptively changing program elements to better manage the natural resources of the Glen and Grand Canyons. The significant recommendation coming out of the MATA process was that the preferred alternative, modified low-fluctuating flows, identified in the 1995 Final Operation of Glen Canyon Dam Environmental Impact Statement was, in fact, damaging the downstream resources, particularly the endangered Humpback chub populations, as well as, the sediment budget of the river. Information from the MATA process should help the GCDAMP's Adaptive Management Work Group develop an alternative operational paradigm that better addresses the needs of the species and habitats below Glen Canyon Dam.

The Grand Canyon Monitoring and Research Center (GCMRC) also provided an overview of its proposed reorganization plan under the umbrella of the United States Geological Survey (USGS) Southwest Science Center. The GCMRC, as you may recall, is the science center tasked with providing the science and data management functions related to the GCDAMP. The proposed GCMRC strategic plan would utilize a more robust decision-support modeling system and rely on other available science resources within the USGS. Finally, with the proposed strategic plan and annual work plan in mind, the GCMRC and the Adaptive Management Program are currently requesting \$11.3 million for FY-2005.

Lower Colorado Water Supply Project (LCWSP)

The City of Needles (Needles) is continuing to execute subcontracts with Lower Colorado Water Supply Project (Project) beneficiaries to receive Project water. As of February 1st, over 475 subcontracts have been mailed to Project beneficiaries for execution. To date 317, or 67 percent of the subcontracts have been executed and returned to the City of Needles.

With regard to the concept of Advanced Delivery, two alternatives were considered for the Project. The first alternative was 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 have been held to determine their interest in pursuing each of these alternatives. Through those discussions, it appears that the second option, selling the water at near market prices is the preferred alternative. Also, discussions are being held with Needles and

Reclamation on the mechanics of implementing these alternatives.

WATER QUALITY

Colorado River Basin Salinity Control Forum

Salinity Control Forum Work Group Meeting of January 22nd and 23rd

A summary of the issues discussed is as follows:

- **Lake Powell Salinity Trends Studies**

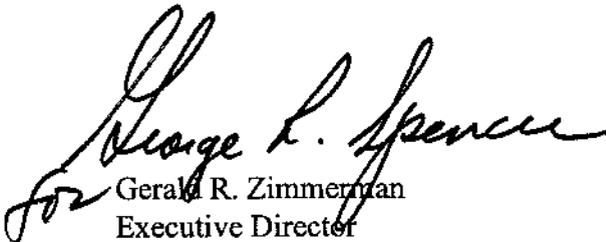
At previous Board meetings I have discussed the work Reclamation has undertaken to identify the potential increase in downstream salinity due to the impact drought conditions is having on reservoir elevations in Lake Powell and Lake Mead. At the Work Group meeting, Reclamation indicated from its investigations, that if the drought should continue, it is theoretically possible that the salinity below Hoover Dam could reach the Forum's numeric value of 723 ppm by the end of next year.

- **Selenium**

Reclamation also made a presentation on a pilot study on selenium. The pilot study indicates that lining canals and laterals over very shallow soils on Mancos shales, produced approximately 0.1 lb. of selenium reduction per ton of salt reduction. Based on its work, Reclamation estimated that the selenium level in the River might be reduced by 2 ppb for every 400,000 tons of salt reduction.

- **2005 Triennial Review**

Discussion concerning preparation of the 2005 Triennial Report were initiated. The Forum will consider approving the final report at its October 2005 meeting, which will necessitate the Forum to release a draft for public comment by its June 2005 Forum meeting. In order to be able to address the projected salinity levels in the River and the salinity programs ability to meet the numeric criteria, a new salinity model needs to be up and running by June 2004. This issue will be further discussed at the March Work Group Meeting.


for Gerald R. Zimmerman
Executive Director