

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

November 9, 2004

AGENCY MANAGERS MEETING

The Agency Managers held a conference call on October 27, 2004, to discuss the process for obtaining California Endangered Species Act (CESA) compliance related to the Lower Colorado River Multi-Species Habitat Conservation Plan (LCR MSCP). During the conference call, the schedule for meeting with the California Department of Fish and Game (CDFG) was established and agreement was reached on the submittal of the draft CESA Section 2081 application to CDFG.

The first meeting with CDFG has been set for November 10, 2004. The focus of that meeting will be a review of the draft CESA Section 2081 application to determine if there are any points of disagreement or if there are any flaws contained in the application. Following the November 10th meeting, a series of subsequent meeting have been scheduled to finalize the CESA Section 2081 application and to obtain all necessary CESA compliance concurrent with the federal Endangered Species Act (ESA) compliance.

ADMINISTRATION

California Performance Review

I recently received a revised draft issue synopsis from the California Performance Review Commission regarding the Colorado River Board of California (Board). The synopsis, included in the Board folder, describes the public comments received at the Commission's public hearings. Additionally, some of the information provided by Mr. Jay Malinowski regarding the roles, responsibilities and major Board programs has been included in the draft synopsis paper.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of November 4, 2004, storage in the major Upper Basin reservoirs decreased by 2,279,200 acre-feet and storage in the Lower Basin reservoirs decreased by 1,344,900 acre-feet during September. Total System active storage as of November 4th was 29.883 million acre-feet (maf) or 50 percent of capacity, which is 3.624 maf less than one year ago.

October releases from Hoover, Davis, and Parker Dams averaged 5,940, 7,550 and 6,830 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of November 2004 are 11,000, 9,500, and 6,400 cfs, respectively. The November releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of November 4th, 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 7.393 maf and is described as follows: Arizona, 2.782 maf; California, 4.319 maf; and Nevada, 0.292 maf. The Central Arizona Project (CAP) will divert 1.595 maf, of which 0.177 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.653 maf, which is 0.031 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 3.646 maf. This estimate by the Board staff is based on the collective use, through September 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

2005 Annual Operating Plan

The Colorado River Management Work Group held its final consultation meeting on the 2005 Annual Operating Plan for the Colorado River System Reservoirs (2005 AOP) on September 24th in Las Vegas, Nevada. At the meeting, updates associated with basinwide hydrologic conditions and operations were provided, as well as a page-by-page review of the 2005 AOP. In the 2005 AOP, the "Normal" criterion will govern operations of Hoover Dam during Calendar Year 2005. This determination was made based upon the August 2004 24-Month Study estimate of Lake Mead's water surface elevation as of December 31, 2004. As I have reported at prior Board meetings, language was inserted into the 2005 AOP requesting the Secretary, in consultation with the Basin states' representatives, to review the 2005 annual release amount from Lake Powell in April 2005 to determine if the runoff forecast warrants an adjustment to the release amount for water year 2005. Additionally, the Interim Surplus Guidelines requires the Secretary to undertake a "mid-year review" allowing for the revision of the 2005 AOP, as appropriate, based upon actual runoff conditions in the Basin. Any revision to the AOP may occur only after a reinitiation of the AOP consultation process as required by law. A copy of the draft 2005 AOP can be obtained from Reclamation's Lower Colorado Regional Office webpage at <http://www.usbr.gov/uc/water/rsvrs/ops/aop/aop05draft.pdf>.

It is expected that Secretary Norton will soon approve the 2005 AOP and send it to the governors of the seven Colorado River Basin states.

Proposal to Rename Lake Powell – Salt Lake Tribune Article

On October 20th, the Salt Lake Tribune published an article regarding the proposal to rename Lake Powell. A coalition of nongovernmental environmental organizations have proposed changing the name of Lake Powell to the Glen Canyon Reservoir. The U.S. Board of Geographic Names, the federal agency under the umbrella of the U.S. Geologic Survey, has indicated its opposition to the proposal. Many of the Basin States congressional delegations, federal land management agencies, regional and local tourism boards and chambers of commerce have weighed in and expressed opposition to the renaming proposal. A copy of the article has been included in the Board folder.

Revision of Calendar Year 2004 Diversion Estimates for The Metropolitan Water District of Southern California and the Central Arizona Water Conservation District

On October 1st, Reclamation notified The Metropolitan Water District of Southern California (MWD) that, based upon a recent forecast of consumptive use by California diverters, it had approved the diversion of an additional 25,000 acre-feet of mainstream water by MWD in 2004. This would have increased MWD's diversion to 570,437 acre-feet during 2004. On October 28th Reclamation indicated that an additional 84,563 acre-feet of diversion and consumptive use will be made available to MWD. The additional amount of available mainstream water will bring MWD's 2004 diversion amount to 655,000 acre-feet.

Similarly, Reclamation has modified the diversion estimate for the Central Arizona Water Conservation District (CAWCD), the entity that operates the Central Arizona Project (CAP). Accordingly, Reclamation will make an additional 38,000 acre-feet available to CAWCD during the remainder of Calendar Year 2004. Because of the increased diversion, Reclamation estimates that CAWCD will divert 1,595,000 acre-feet during 2004. Additionally, CAWCD will divert an additional 10,000 acre-feet that will be stored in the Arizona Water Bank on behalf of the State of Nevada, pursuant to the existing Storage and Interstate Release Agreement (SIRA). Consequently, the total 2004 diversion for CAWCD is expected to be 1,643,000 acre-feet.

Since these increased water orders are based on projected water use and not on the approved water orders of senior water right holders, Reclamation is requiring both MWD and CAWCD to agree to reduce their diversions or repay any inadvertent overrun in accordance with Reclamation's Inadvertent Overrun and Payback Policy if actual water use by senior water right holders causes aggregate 2004 water use to exceed the approved water orders for each state.

New York Times Article Regarding New Sights to See in Lowered Lake Powell

Included in the Board folder is an article published on November 2nd in the New York Times regarding the exposed natural features now evident in Lake Powell because of the lower water surface elevation of the lake. Many of the small side canyons and natural geologic features have emerged as lake levels fell. Hikers and boaters have begun to explore and document many of these features. It appears that substantial riparian habitat is springing up in many of these side canyons and along the shoreline of the shrinking lake.

Proposed Revision of Decree Accounting Procedures in the Yuma Area in Arizona

On October 19th, Reclamation released a draft paper containing three proposed options for water use accounting, pursuant to Article V of the 1964 Supreme Court Decree in *Arizona vs. California*, in the Yuma area in southwestern Arizona. Reclamation believes that a reevaluation of the current Decree accounting requirement in this region is necessary because the area is actually part of the Colorado River Delta environment and is dissimilar to the riverine environment upstream of the Yuma area. According to Reclamation, much of the water diverted and used in the Yuma area does not naturally return to the River above Northerly International Boundary (NIB) and thus, it does not become available for diversion in the United States or for delivery to Mexico in satisfaction of the 1944 Mexican Water Treaty. Instead, much of the water that is diverted and used in this area flows underground across the Limitrophe and Southerly International Boundaries (SIB) into Mexico.

The three options include in Reclamation's draft report include the following:

- ❑ Current Article V Decree Accounting Option – This method evaluates the relationship between diversions, consumptive use, and measured and unmeasured return flows. The utilization of groundwater in the Yuma region, via pumping of wells, has proven to be problematic in quantifying annual consumptive use pursuant to Article V;
- ❑ Mainstream Water Option – This option evaluates the diversion and use of both surface and groundwater in the region and would employ an annual check to monitor groundwater withdrawals and any applicable return flow or recharge to the aquifer above and below NIB; and
- ❑ Arizona Preferred Option – This option is similar to Mainstream Water Option, but would drop the annual check of groundwater withdrawals from wells downstream of NIB. Also, this option would not credit diverters for the return flows or recharge of the aquifer if it was not available for diversion in the United States above NIB, or it could be supplied as part of the Treaty delivery to Mexico at NIB.

Board staff met with Reclamation and Arizona representatives in Las Vegas on November 3rd to discuss the proposed options and the draft report. The staff will be providing Reclamation its comments on these options.

Basin States/Tribes Discussions

Report on the November 1st Technical Committee Meeting

On November 1st, the Basin States' technical representatives met in Phoenix, Arizona, to continue discussions related to the compiling information that could be utilized in managing the Colorado River System during times of low flow and drought runoff conditions, as well as, in identifying factors that might be utilized to establish shortage criteria. Substantial time was spent on the meaning of "extra-ordinary drought" as contained in the 1944 Mexican Water Treaty. The Technical Group is planning to report the status of its activities to the Basin States representatives in December 2004.

Colorado River Water Conservation District Resolution to Preserve Lake Powell Storage

The Colorado River Water Conservation District's Board of Directors passed a resolution on October 20th urging the State of Colorado and the other Upper Basin States to take whatever actions are necessary to conserve storage in Upper Basin reservoirs and to release only the absolute minimum amount of water necessary from Lake Powell to meet obligations to downstream states. A copy of the resolution is included in the Board folder.

Colorado River Environmental Activities

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

The Final LCR MSCP Habitat Conservation Plan (HCP), Biological Assessment (BA), and Environmental Impact Statement and Environmental Impact Report (EIS/EIR) are nearing completion. Additionally, a separate volume containing all of the public comments and the Lead Agency responses has been prepared and will be distributed with the final documents. These finalized documents will be submitted to the U.S. Fish and Wildlife Service (USFWS) to initiate its internal review leading to the issuance of the Biological Opinion and Incidental Take Authorization permits for the non-federal participants. Also, many of the participating agencies legal staff and advisors are working on the development of the final drafts of the Implementation Agreement (IA) and the Funding Management Agreement (FMA). These documents are expected to be finalized and distributed in mid- to late-November 2004. With respect to completion of the LCR MSCP, the process is still on track to meet the deadline for completion in late-2004, leading to the execution of the Record of Decision by the Secretary of the Interior in early-2005.

The California agencies are working with the California Department of Fish and Game (CDFG) to develop the related CESA Section 2081 Incidental Take Authorization permit package for the LCR MSCP. The CESA 2081 permit terms and conditions must be identified and approved by all of the participating California agencies and CDFG prior to the execution of the federal IA. Toward that end, the California LCR MSCP parties

have submitted a draft of the CESA 2081 Permit Application to CDFG for its review and comment. The agencies are also meeting with representatives of CDFG following the regular Board meeting on November 10th

Glen Canyon Dam Adaptive Management Program

The Glen Canyon Dam Adaptive Management Work Group met in Phoenix, Arizona on October 25th and 26th. During the meeting a number of reports were provided on the activities of the Grand Canyon Research and Monitoring Center. The Work Group received progress reports related to the development of the Humpback Chub Augmentation Plan, Core Monitoring Plan, Grand Canyon Monitoring and Research Center Strategic Plan, and the Public Outreach Ad Hoc Group work plan. Also, there was a discussion of the current and projected Basinwide hydrologic conditions and the probability that a high-flow test experiment could be held later this fall. It appears that the late-October precipitation events in the region have provided the requisite sediment resources to trigger the scheduling of the test flow experiment in late-November of this year. The primary purposes of the test flow would be to restore sand bar deposits in the upper reaches of the Grand Canyon and restore and maintain backwater channels that are important to native fish species.

Lower Colorado Water Supply Project (LCWSP)

Status of the Lower Colorado River Water Supply Project

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 November 8th, over 474 subcontracts in the amount of 3,479 acre-feet of water per year have been forwarded to potential applicants for execution, (479 acre-feet for current use and 3,000 acre-feet 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. Staff will present all new applications to the Board for its consideration at the January 2005 Board meeting.

WATER QUALITY

Colorado River Basin Salinity Control Program Meeting of the Salinity Control Forum, Yuma, Arizona, October 18-21, 2004

The Colorado River Basin Salinity Control Forum (Forum), Work Group, and Advisory Council, held their meetings from October 18, 2004 through October 21, 2004, in Phoenix (Work Group meeting) and Yuma, Arizona (Forum and Advisory Council meetings). The main issues on the agenda were the federal agencies' accomplishment report, the salinity control model, and preparation of the 2005 Triennial Review Report.

At the Forum Work Group meeting in Phoenix, an updated model run was presented, which included the results of four different runs. The results indicate that in 2005, there is only a 3 percent chance of exceeding the numeric criteria below Hoover Dam without any additional salinity control projects. Based upon that information, the Work Group discussed the possible approaches that could be taken in preparation of the 2005 Triennial Review. The concept of preparing two reports was discussed; one report to EPA, as the formal mandatory report indicating that with implementation of the salinity control projects the numeric criteria will not exceed by 2008; and the second report would focus on the benefits of continued implementation of the salinity control projects for both Upper Basin states and Lower Basin states; this would be benefits in addition to meeting the established numeric criteria. In Yuma, there was a “states only” meeting to further discuss preparation of the 2005 Triennial Report and the approach to be taken. At this meeting, there was general consensus to prepare two reports, as discussed at the Work Group meeting.

At the Advisory Council meeting the federal agencies reported their accomplishments. There was also a report on the status of the development funds both the Upper and Lower Basins and the project payments out of these funds. It was reported that the Lower Basin fund could reach a negative balance by 2009. The Advisory Council voted to retain the current cost share percentages, 85 percent from the Lower Basin fund and 15 percent from the Upper Basin fund. It also went on record encouraging Reclamation to continue to work toward operation of the Yuma Desalting Plant (YDP) and to work with Mexico to resolve issues related to operation of YDP and in meeting the salinity differential, especially with the higher quality water reaching Mexico.

At the Forum meeting, the U.S./Mexico issues were presented by IBWC and Reclamation. Then, Reclamation, the U.S. Department of Agriculture (USDA), and the Bureau of Land Management (BLM) reported on their 2004 accomplishments in implementing salinity control projects and recent issues that have surfaced. There was also a discussion of Reclamation’s CRSS salinity Model, which is now believed to be acceptable to both Reclamation and the Forum Work Group. This new model indicates that with current salinity control projects, the numeric criteria will not be exceeded in the near term. This means that no more projects are needed to meet the salinity control standards at this time. However, all Work Group members, as well as, Forum members believe that there are significant benefits to both Lower Basin and Upper Basin states in further reducing the salinity of the Colorado River. Studies indicate that for each dollar spent in reducing the salinity, there would be two dollars savings for the Lower Basin only (in terms of reduced damages). Therefore, the Forum should continue implementing projects and request sufficient funding for this purpose from the federal agencies.

One of the primary questions for the Forum was how to approach the preparation of the 2005 Triennial Review Report. The Forum instructed the Work Group to prepare a report to analyze the situation for 2008 (short-term). Also, the Work Group would work on an analysis of the benefits to the states in continuing to reduce the salinity levels. The

Work Group will meet in January of 2005, to begin the process of preparing these two reports. The draft 2005 Triennial Review Report will then be made available to the Forum at least a month prior to the next Forum meeting in spring of 2005 in Colorado.

Gerald R. Zimmerman
Executive Director