

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

August 23, 2005

**ADMINISTRATION**

Governor Schwarzenegger recently made several appointments to the Colorado River Board. They include the following individuals: Ms. Terese Ghio as one of the Public Members; Mr. Hank Kuiper, as the other Public Member; Mr. James McDaniel, representing the Los Angeles Department of Water and Power (LADWP); and Mr. Thomas Erb, as the Alternate Board Member for the LADWP. Ms. Ghio comes to the Board as the Vice President of Governmental Affairs and Environmental Health and Safety for Ligand Pharmaceuticals. Mr. Kuiper is currently an Imperial County Supervisor and self-employed broker.

**CONSENT ITEMS**

Approval of Lower Colorado Water Supply Project Water Applications

*Status of the Lower Colorado River Water Supply Project*

Work is continuing on the Lower Colorado Water Supply Project (Project). As a consent item, included in the Board folder is the seventh submittal of applications for Project water. The Board is being requested to recommend to Reclamation, with the approval of Resolution 2005-1, that the following applicants are eligible to receive Project water and the City of Needles should offer a subcontract to each applicant.

For this seventh submittal, there are 23 new applications requesting Project water and one previously approved applicant requesting a change of ownership and one additional acre-foot of Project water in future use (Document No. 551) in addition to the previously approved application (Document No. 349) of one acre-foot for current use. A listing of the number of the 24 parcels and the water being 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	3	1	2	3
Riverside	4	0	24	24
<u>San Bernardino</u>	<u>17</u>	<u>17</u>	<u>10</u>	<u>27</u>
Total	24	18	36	54

In total, for all seven submittals, there are 566 applicants requesting a total of 5,471 acre-feet of Project water annually. Of this total annual amount, 533 acre-feet are for current use and 4,938 acre-feet are reserved for future use. Of this 4,938 are-feet, 1,690 acre-feet have been requested by the County of Riverside.

## **PROTECTION OF EXISTING RIGHTS**

### Colorado River Water Report

As of August 1, 2005, storage in the major Upper Basin reservoirs increased by 140,760 acre-feet and storage in the Lower Basin reservoirs decreased by 170,700 acre-feet during July. Total System active storage as of August 18<sup>th</sup> was 35.695 million acre-feet (maf) or 60 percent of capacity, which is 5.044 maf more than one year ago.

July releases from Hoover, Davis, and Parker Dams averaged 15,860, 15,610 and 12,220 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2005 are 12,400, 11,700, and 8,900 cfs, respectively. The August releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of August 18<sup>th</sup>, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2005, as forecasted by Reclamation, totals 6.969 maf and is described as follows: Arizona, 2.515 maf; California, 4.171 maf; and Nevada, 0.283 maf. The Central Arizona Project (CAP) will divert 1.381 maf, of which 0.129 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.640 maf in 2005, which are 110,000 acre-feet less than its 2004 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2005 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 3.552 maf. This estimate, by Board staff, is based on the projected use 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

#### *2006 Annual Operating Plan Development*

Included in the handout material is a copy of the draft 2006 AOP for your review and information. Reclamation held a meeting of the Colorado River Management Work Group in Las Vegas, Nevada, on August 23<sup>rd</sup> to further development of the 2006 AOP. Based upon current and projected hydrologic conditions within the Colorado River Basin, Reclamation anticipates that 2006 will result in a "Partial Domestic" declaration regarding the releases from Hoover Dam. Additionally, Reclamation and the Basin states are continuing to discuss potential

language that could be included in the 2006 AOP associated with a mid-year review of the releases from Glen Canyon Dam.

#### *Schedule of Calendar Year 2005 Water Deliveries to Mexico*

Reclamation's Lower Colorado Regional Office informed the American Section of the International Boundary and Water Commission (IBWC) that Mexico had requested a modification in the delivery schedule during calendar year 2005. The requested change requires an increase in water delivered in August and a decrease in the amount to be delivered in December 2005. Mexico has requested that Reclamation deliver an additional 2,171 acre-feet in August, and a correspondingly equivalent decrease in the December delivery amount. Included in the Board folder is a copy of Reclamation's letter and the revised delivery schedule.

#### *Arizona Water Banking Authority Final Accounting Regarding the SNWA SIRA Account - 2004*

The Board recently received a copy of letter from the Arizona Water Banking Authority (AWBA) to Reclamation regarding a final accounting of the amount of mainstream water stored on behalf of the Southern Nevada Water Authority (SNWA) by the AWBA during calendar year 2004. The final report shows that SNWA received storage credit for 14,062 acre-feet during 2004, and the total number of storage credits available to SNWA in the interstate account is 75,260 acre-feet. Included in the Board folder is a copy of the AWBA letter to Reclamation along with the final accounting worksheet.

#### *All-American Canal Lining Project Lawsuit*

A copy of the lawsuit recently filed by Mexican and American non-profit organizations regarding the All-American Canal Lining Project is included in the Board folder. The class-action lawsuit, filed in the United States District Court, District of Nevada, against the Secretary of the Interior, Gale Norton, and the Commissioner of Reclamation, John Keys, alleges that the Department of the Interior has failed to adequately describe and evaluate potential environmental impacts associated with the All-American Canal Lining Project. The lawsuit alleges violations of federal environmental laws and regulations (e.g., ESA and NEPA), violates the Migratory Bird Treaty Act, violates the statutory requirements of the San Luis Rey Indian Water Rights Act, and that the project may jeopardize existing water rights and entitlement holders in the United States and Mexico.

#### *Miscellaneous News Articles*

Several news articles have been included in the Board folder regarding the lawsuit against the United States associated with the All-American Canal Lining Project. Additionally, a copy of an editorial from the Denver Post regarding the development of oil shales in the west and the potential environmental consequences of exploiting these resources has been included in the Board folder. The editorial expresses concern about air quality, water supply and quality, effects to climate change, and impacts to the local environments where the shales would be mined.

### *Letter to the Las Vegas Review-Journal Editor Re California's Use of Colorado River Water*

On August 3<sup>rd</sup>, an editorial appeared in the Las Vegas Review-Journal that was factually incorrect. This editorial gave the perception that California routinely utilized more Colorado River mainstream water than was lawfully allocated to it. To correct this misperception, I sent a response to the editor of the Las Vegas Review-Journal. Copies of both the editorial and my response are included in the Board folder.

### *USDA Request for Comments Regarding the 2007 Farm Bill*

I have included a copy of *Federal Register* notice published by the U.S. Department of Agriculture (USDA) regarding the development of the 2007 Farm Bill. USDA is looking for comments and recommendations to obtain public input into existing USDA programs and activities that may be included in the new farm bill. USDA plans to hold a series of public forums across the nation to receive public comments and recommendations. Comments and recommendations must be received by USDA by December 30, 2005.

### *Colorado Water Conservation Board Comment Letter Re BLM EIS Virgin-Muddy River Project*

The Colorado Water Conservation Board (CWCB) submitted comments on an EIS prepared by the Bureau of Land Management regarding a SNWA water development project on the Muddy and Virgin Rivers in Nevada. The CWCB's concern revolves around the development of tributary water and interpretations of the 1922 Colorado River Compact. The CWCB believes that the Lower Basin, as a whole, has developed more Colorado River System water than it is lawfully entitled to under the terms of the Compact. Consequently, the CWCB believes that alternatives to be considered in the EIS should also evaluate non-system groundwater uses, and programs that can augment Colorado River system water supplies.

### Basin States Discussions

#### *Basin States' Meetings*

Representatives of the Colorado River Basin states are continuing to meet and to be involved in the process established by Secretary Norton when she released her June 15<sup>th</sup> *Federal Register* notice regarding the development of management strategies associated with Colorado River reservoir operations at Lakes Powell and Mead under low reservoir conditions. The Basin states prepared a joint statement that was presented at the public meetings that were held in Henderson, Nevada, on July 26<sup>th</sup> and Salt Lake City, Utah, on July 28<sup>th</sup>. In their statement the Basin states supported the process initiated by the Secretary of the Interior to develop shortage guidelines for the release of water from Lake Mead. The statement indicated that these guidelines should be coordinated with anticipated releases from Lake Powell during low reservoir conditions. The economies of all seven Basin states depend on the effective management of the Colorado River System reservoirs. The primary objective in the development of such strategies must be the conservation of water supply consistent with the purposes for which Lakes Mead and Powell were authorized by the Congress.

The Basin states are committed to work cooperatively together with the Department of the Interior in the development of these strategies. We have agreed that shortage guidelines should be designed to delay the onset and minimize the extent and duration of shortages in the Lower Basin. Also, we have agreed that management strategies should maximize the protection afforded to the Upper Basin by Lake Powell against possible calls upon the Upper Basin to curtail uses. Finally, the shortage guidelines should be premised upon proportionate sharing of shortages by Mexico pursuant to the Mexican Water Treaty.

As model studies continue to be run to identify possible reservoir operating strategies that can meet the above two objectives, representatives from the Basin states are attempting to develop a joint letter to be submitted to the Secretary of the Interior by the August 31, 2005, deadline to submit comments on the scope of Secretary Norton's process to develop reservoir management strategies under low reservoir conditions. The Board will review and consider approval of the draft letter to Secretary Norton at its August 24<sup>th</sup> meeting. The next meeting of the Basin states will be held on August 25<sup>th</sup>.

#### Colorado River Environmental Activities

##### *Implementation of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP)*

Reclamation is currently finalizing the Fiscal-Year 2006 work plan associated with LCR MSCP implementation. A working group of LCR MSCP stakeholders met in Phoenix, Arizona on August 8-9, 2005, and worked closely with Reclamation staff to adequately describe each of the proposed work tasks or projects, and ensure overall compatibility and compliance with the terms and conditions of the federal and California incidental take permits. The FY-2006 Work Plan is to be considered for approval by the LCR MSCP Steering Committee at its regularly scheduled meeting on August 24<sup>th</sup> in Las Vegas, Nevada.

Reclamation is continuing to work with stakeholders in Arizona and California in identifying potential restoration activities that can be implemented over the next few years on portions of the newly acquired lands within the Cibola Valley Irrigation and Drainage District and the California Department of Fish and Game (CDFG) lands within the Palo Verde Irrigation District. A meeting is scheduled with CDFG, Reclamation, and Board staff for August 25<sup>th</sup> in Blythe, California to discuss the next steps for the Palo Verde Ecological Preserve (formerly known as 'Travis Ranch'). It is likely that restoration activities on portions of these lands can begin in 2006.

##### *LCR MSCP Funding Requirements for FY-2006*

Pursuant to the LCR MSCP Funding and Management Agreement (FMA) executed on April 4, 2005, twenty-five percent (25%) of the total annual funding commitment for Fiscal Year 2006 will be due on September 30<sup>th</sup>. Based upon Section 8.3 of the FMA, California's share of the non-federal funding commitment for FY-2006 will be \$3,491,619.08. The remaining increments of California's share will be due on January 1<sup>st</sup>, April 30<sup>th</sup>, and July 31<sup>st</sup>. Included in the Board folder is a copy of Reclamation's letter requesting the FY-2006 funding, as well as a

memorandum from the Central Arizona Water Conservation District detailing how the contribution amounts have been determined and inflation index used in the calculations.

## **WATER QUALITY**

### Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Forum Work Group (Work Group) held a meeting in Cortez, CO from July 19 through July 21, 2005. The meeting agenda included; discussion of new projects to be considered and recommended to Forum for funding (Muddy Creek Salinity Area, Eden Lateral, and Huntington-Cleveland Canal Company area), status of Paradox Project, discussion and work distribution for a new Forum Report, and a one-day tour of the salinity control projects of the area.

The Work Group started the meeting on July 19th with discussions on Muddy Creek Project. This is a project that has a low salt load factor. The cost per ton of salt removal is about \$75, which is more than the cost for other approved projects. The conclusion of the discussions was that the Work Group will recommend to the Forum to consider this project as a salinity control project.

Then the Work Group discussed the Huntington-Cleveland and Eden Lateral Projects. The Huntington-Cleveland project already has a contract with Reclamation. Therefore, it is considered an approved project. The cost for salinity reduction in this area is about \$20/ton. The Eden Lateral Project needs about \$1.5 million in matching funds. However, the funding for this project is only possible through discretionary fund due to the mechanism of funding for the project in Wyoming. The work Group concluded that a recommendation will be made to the Forum to approve funding for this project. About \$500,000 is available from discretionary fund for 2005. The remaining project costs can be funded in the next two years, provided that this funding source is available. This project will be further discussed at the August Work Group meeting in Salt Lake City, Utah, at which time more information will be provided by the State of Wyoming.

A very informative tour of the salinity control projects in this area was held on July 20<sup>th</sup>. The Work Group continued its meeting on July 21<sup>st</sup> at which time updates on the Paradox Project were provided by Reclamation. In its report, Reclamation indicated that the injection well pumpage resumed in June after being shut down in May due to occurrence of seismic activities. The pressure in the injection well is about 4,610 psi, the flow is about 210 gpm and the estimated annual tonnage of salt removed is about 110,000 tons. Reclamation will conduct studies in 2006 to evaluate several alternatives, including a replacement project or a second injection well. An outline of the studies may be available for the Work Group to review in January of 2006. The repayment issue associated with Paradox Project was also discussed. However, due to lack of sufficient accounting information, Reclamation was requested to report to the Work Group with details of the accounting at the next meeting of the Work Group.

One of the main topics of the Work Group agenda was the new report that Forum intends to prepare focusing on the economic damages associated with high salinity concentrations and the need for salinity control programs. The consensus of the Work Group was that the new report should be in the format of having several bulletins instead of a larger narrative report. The topic for each bulletin was discussed and each topic was assigned to individuals or a team to work on and bring the outlines to the August Work Group meeting (the topics included: History, Program Coordination, Funding, Plan of Implementation, Economic Justification, Technical Issues, Policies, and Environmental Benefits). It is intended that the outline of the report be presented to the Forum at its October of 2005 meeting.

The next Work Group meeting is scheduled for August 29-31 in Salt Lake City, Utah.

### Las Vegas Wash Perchlorate Remediation and Cleanup Project

At the February 2005, Board meeting it was reported that the Kerr-McGee's new treatment system, Fluidized Bed Reactor (FBR) began full operations in December of 2004, after being optimized for performance. The FBR treatment system continues to operate and perform as expected. The flow to FBR is about 1,000 gpm and the perchlorate concentration to the FBR system varies between 200 to 250 ppm. According to the Nevada Department of Environmental Protection (NDEP) the effluent concentration is below 16 ppb. At this concentration, the permit condition of 18 ppb is being consistently met.

According to NDEP the perchlorate load to Las Vegas Wash is reduced to approximately 100 lbs per day (as expected in the model). As of the first of August 2005, approximately 1,650 tons of perchlorate have been removed from the environment.

The perchlorate concentration at the Willow Beach monitoring station is about 2-3 ppb now. According to NDEP, current perchlorate concentration in Lake Mead is less than 4 ppb and the MWD data indicate that perchlorate concentrations are less than 4 ppb at its intake.

There has been progress with the AMPAC remediation efforts. The AMPAC plume is a deep plume and has not contributed to the Wash until now. According to NDEP, AMPAC submitted its Work Plan, which has been approved by NDEP. AMPAC has obtained the permit for its remediation system, which includes two extraction well fields and two injection well fields to control the leading edge of the plume. One-half of the proposed system is expected to be operational by the end of September of this year and the other half by the end of the year. As of August 17, AMPAC has installed the extraction and the injection wells and is in the process of developing the wells. Also, the pipeline from the extraction wells to the injection wells is being constructed.

The AMPAC system is an in-situ remediation system, in which ground water is extracted, filtered (5 micron filter), then a biocide is added, then transported about a mile to the injection well field where a donor is added prior to injection. The tests from the pilot studies have indicated good results with this method.

Also, monitoring with the addition of a tracer (sodium bromide) will be conducted to determine if the water from the injection wells (that are close to the Wash) enters the Wash.

Total flow of this system will be about 325 gpm (260 gpm for the first well field and 65 gpm for the second well field). The system perchlorate load would be about 35 lbs/ day. AMPAC has conducted an extended amount of modeling for optimum operation of the extraction and injection well fields.

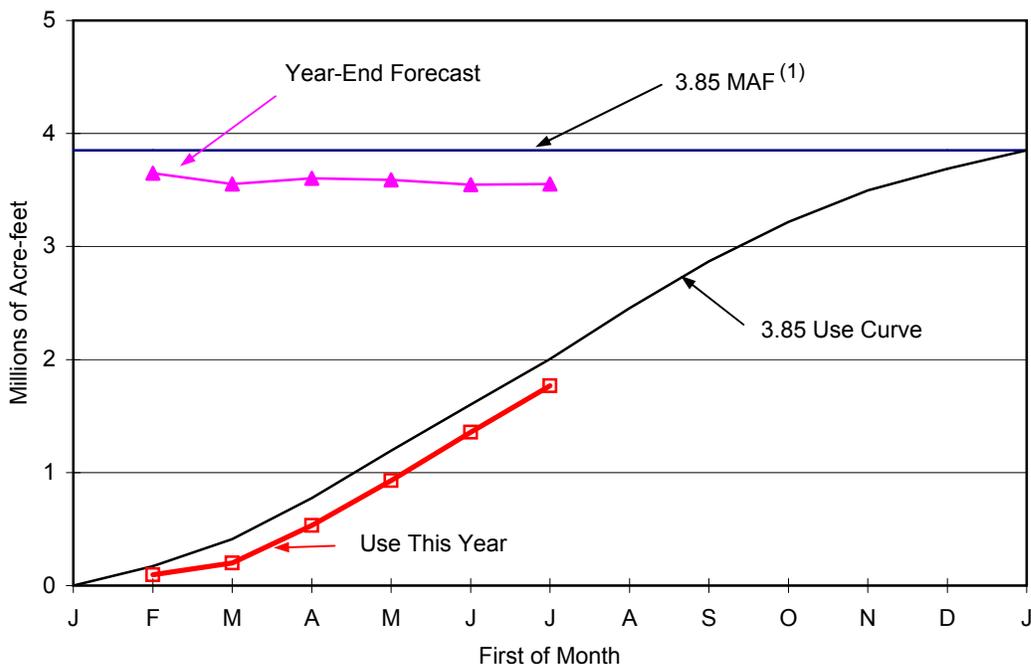
#### Department of Energy's Final EIS for Moab Uranium Mill Tailings Site Remediation Project

Included in the Board folder is a copy of Department of Energy's (DOE) letter indicating that the Final Environmental Impact Statement (FEIS) entitled *Remediation of the Moab Uranium Mill Tailings, Grand and San Juan Counties, Utah* (DOE/EIS-0355) is available for final review. In this FEIS, DOE proposes to clean up surface contamination and implement a ground water compliance strategy to address contamination that results from historical ore processing at the Moab Uranium Mill Tailings Site. In April 2005, DOE announced its preferred alternatives of off-site disposal using rail transportation to move the uranium tailings to the Crescent Junction, Utah, and implement active ground water remediation. DOE will specify its final decision in a Record of Decision after U.S. EPA publishes a Notice of Availability in the *Federal Register*. The FEIS is also available electronically on the DOE Moab Project website at <http://gj.em.doe.gov/moab> or on the DOE NEPA website at <http://www.eh.doe.gov/nepa>.

Also, included in the Board folder for your information are various news articles reporting DOE's proposed action to move ahead with its plan to relocate nearly 12 million tons of uranium tailings and contaminated soil away from the banks of the Colorado River. It is estimated that the surface and groundwater remediation of the site will cost \$472 million.

  
Gerald R. Zimmerman  
Executive Director

**FIGURE 1**  
**AUGUST 1 FORECAST FOR 2005 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	0.097	3.650	0.056
Mar	0.199	3.554	0.152
Apr	0.533	3.604	0.102
May	0.929	3.589	0.117
Jun	1.356	3.547	0.159
Jul	1.769	3.552	0.154
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.713 MAF under the first three priorities of the water delivery contracts. This accounts for the 101,900 acre-feet of conserved water available to MWD during 2004 in accordance with the 1988 IID-MWD Conservation Agreement and the 1989 IID-MWD-CVWD-PVID Agreement, as amended; and 35,000 AF of conserved water available to SDCWA in accordance with the IID-SDCWA Transfer Agreement, as amended. As USBR is charging disputed uses by Yuma Island pumpers to priority 2, the amount of unused water has been reduced by those uses - - 0.007 maf. The CRB does not concur with the USBR's viewpoint on this matter.