

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

**November 8, 2005**

**ADMINISTRATION**

As many of you are aware, Dennis B. Underwood, Chief Executive Officer and General Manager of The Metropolitan Water District of Southern California (MWD), passed away on November 2, 2005, after a protracted struggle with cancer. Dennis will be recognized and remembered for his long and exemplary career in water resources management, including his tenure as Executive Director of this Board, Commissioner of the Bureau of Reclamation, stints with the California Department of Water Resources, and as a captain in the U.S. Army Corps of Engineers. Dennis was a tireless representative of California's interests in past and present negotiations with the Seven Colorado River Basin States. Dennis played key roles in the intra-California negotiations leading to finalization of the Quantification Settlement Agreement and the inter-state negotiations regarding the Lower Colorado River Multi-Species Conservation Program. I am sure that you will join Board staff and me in keeping Dennis' family and friends in our thoughts and prayers during these difficult times. Included in the Board folder are copies of the press release from MWD and an article from the Los Angeles Times announcing Dennis' passing.

**Proposed Calendar Year 2006 Board Meeting Schedule**

Included in the Board folder is a copy of the proposed Calendar Year 2006 Board meeting schedule. If the Board continues its past practice of holding its August meeting in conjunction with the Urban Water Institute's (UWI) annual meeting, the August Board meeting will be held on August 30, 2006, beginning at 1:00 p.m. at the Hyatt Regency Islandia Hotel, Mission Bay, in San Diego, California. Since the August meeting is being held so late, consideration should be given to canceling the September Board meeting. I am proposing that we finalize and approve the Board meeting schedule for Calendar Year 2006 at the Board's next meeting, which will be held in Las Vegas in December.

**New Telephone Number**

Effective Monday, November 14, 2005, the Colorado River Board will have a new telephone number, (818) 500-1625. With the new telephone system, individual staff members will no longer have direct lines. All callers must use the new main telephone number.

The Board's address and fax number, (818-543-4685), remain the same.

## AGENCY MANAGERS' MEETINGS

Representatives of the agencies have been meeting to discuss Nevada's proposals, as well as, to begin to identify elements of a package that the Colorado River Board believes should be included in the Basin states package. During the agency managers and attorneys meeting held on November 3<sup>rd</sup>, topics for about 16 discussion papers were identified and assignments were given for their preparation. As these discussion papers, when are prepared, will be brought to the Board for its consideration.

## PROTECTION OF EXISTING RIGHTS

### Colorado River Water Report

As of November 1, 2005, storage in the major Upper Basin reservoirs increased by 15,400 acre-feet and storage in the Lower Basin reservoirs increased by 1,043,700 acre-feet during October. Total System active storage as of November 3<sup>rd</sup> was 34.800 million acre-feet (maf) or 58 percent of capacity, which is 4.918 maf more than one year ago.

October releases from Hoover, Davis, and Parker Dams averaged 10,410, 11,190 and 7,090 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of November 2005 are 12,700, 10,900, and 6,300 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 3<sup>rd</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 6.984 maf and is described as follows: Arizona, 2.470 maf; California, 4.221 maf; and Nevada, 0.292 maf. The Central Arizona Project (CAP) will divert 1.352 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 0.766 maf in 2005, which represents 16,000 acre-feet more 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 3.455 maf. This estimate, by Board staff, is based upon 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

#### *Final Consultation Meeting – 2006 Annual Operating Plan*

On September 19, 2005, Reclamation held its final consultation meeting on the development of the 2006 Annual Operating Plan for the Colorado River System Reservoirs

(2006 AOP). Based upon current and projected hydrologic conditions within the Colorado River Basin, Reclamation anticipates that 2006 will result in a “Partial Domestic Surplus” declaration regarding the releases from Hoover Dam; the objective minimum release of 8.23 maf will most likely control the releases from Glen Canyon Dam; and Mexico will be allowed to schedule the delivery of 1.5 maf of water during calendar year 2006. It is still my understanding that the proposed 2006 AOP is in the Secretary of the Department of the Interior’s office awaiting final approval.

*Imperial Irrigation District Board selects Mr. Charles J. Hosken as the Next General Manager*

On October 24<sup>th</sup> the Imperial Irrigation District Board of Directors selected Mr. Charles J. Hosken as its new General Manager. Mr. Hosken comes from eastern Washington, where he served as the General Manager for the Chelan County Public Utilities District (CCPUD). Mr. Hosken has extensive experience working with state, federal, and tribal interests during his tenure with CCPUD. He has also worked with environmental interests in the region while participating in the development of a habitat conservation plan for two major hydroelectric projects. I ask the Board to join me in welcoming Mr. Hosken and his family to his new home in the Imperial Valley and responsibilities with IID. Included in the Board folder is a copy of the IID news release announcing Mr. Hosken’s appointment.

*National Research Council–Water, Science, and Technology Board, Report on the Scientific Bases of Colorado River Basin Water Management*

The Water, Science, and Technology Board (WSTB), a unit of the National Research Council (NRC), is currently engaged in preparing a report assessing the scientific bases of Colorado River Basin management. The NRC has assembled a committee, including the former Wyoming State Engineer, Mr. Jeff Fassett, to prepare the report. The committee is looking at scientific data and hydrologic studies, paleo-hydrology data, dendrochronology studies, and current and projected climatic data. All of this information will be utilized to produce a hydrologic baseline that can be used to support water management decision-making and water project operations. The committee has held, and will hold additional, public meetings and workshops to discuss issues related to the project. The committee’s final report is expected to be completed by the Fall of 2006. Two articles describing the committee’s activities are included in the Board folder.

*Arizona Department of Water Resources Whitepaper, “Water Augmentation Through Saltcedar Management”*

In late September, the Arizona Department of Water Resources (ADWR) provided the Basin States’ representatives with a copy of a paper regarding saltcedar management and potential management implications. The paper provides a review and overview of information presented in approximately 28 scientific papers. The ADWR whitepaper evaluated the feasibility of saltcedar removal and management, the potential environmental impacts, and potential environmental compliance needs. Generally, the paper found that: 1) significant augmentation of water supplies would not be achieved by wholesale saltcedar eradication; 2) wildlife resources are dependent upon saltcedar-dominated habitats in the arid Southwest; and

3) the differences in evapotranspiration between saltcedar and native riparian plant species are not significantly different. A copy of the ADWR whitepaper is included in the Board folder.

*Desert Sun Article Regarding Future Water Shortages*

Included in the Board folder is a brief article from the Desert Sun regarding the fourth annual Southern California Environmental Report Card which gave water districts in Southern California an ‘above-average’ assessment for water conservation efforts, but a ‘below-average’ grade for long-term water planning. The report identified three factors that may affect the region over the long-term: 1) overuse of Colorado River water; 2) rapid population growth; and 3) the potential for long-term drought. The report urges water resources managers to aggressively implement long-term planning efforts that involve multi-jurisdictional entities.

*Conference Report - H.R. 2419 – Energy and Water Development Appropriations Act*

I recently received a copy of the conference report associated with H.R. 2419 (Energy and Water Development Appropriations Act). There were three items of interest in the conference report. First, the conference is recommending amending the Lower Colorado Water Supply Act to authorize the Secretary of the Interior to enter into agreement(s) to allow the City of Needles or the Imperial Irrigation District to design and construct the second phase of the Project. It also permits the Secretary to contract with other municipal and industrial entities in California who Boulder Canyon Project Act section 5 contracts, when there is excess Project capacity.

Second, the conferees recommend the appropriation of \$4.75 million to the Bureau of Reclamation to continue the planning activities associated with the regulatory storage project in the Laguna Division and All-American Canal. Within the conference report it is recognized that these needed improvements in river control, management, and river system efficiency are a federal responsibility and should be undertaken at full federal expense.

Third, the conferees direct Reclamation to continue evaluations associated with replacing the by-pass flows to the Cienega de Santa Clara, and that Reclamation dedicate necessary resources to develop the operational capacity of the Yuma Desalting Plant to one-third capacity by the end of calendar year 2006. A copy of the conference report is included in the Board handout materials.

*Imperial Irrigation District Board of Directors Resolution Regarding Water Conservation and Forebearance Commitments*

On November 2<sup>nd</sup> the IID Board of Directors passed a resolution committing the IID to water conservation efforts and programs and rejected any future efforts to conserve water through fallowing or forbearance agreements. The resolution reaffirms the Board’s commitment to the Quantification Settlement Agreement executed in October 2003. Copies of the IID press release and Board of Directors’ resolution are included in the Board folder.

## Basin States Discussions

### *Basin States' Meetings*

Representatives of the Colorado River Basin states are continuing to meet. Within the Basin states discussions, there are three processes that are running concurrently: 1) The Department of the Interior's process to develop guidelines for management of the Colorado River under low reservoir and drought conditions, i.e., shortage guidelines for the Lower Basin and guidelines for coordinated management of Lakes Powell and Mead; 2) Evaluation of proposals to meet Nevada's short and long-term water supply needs; and 3) Basin states proposals to increase the available water supply through augmentation and water efficiency measures.

The Lower Division states met on October 27<sup>th</sup> in advance of the October 28<sup>th</sup> meeting of the seven Colorado River Basin states. The primary focus of the meeting of the Lower Division states on October 27<sup>th</sup> was to discuss the issues regarding Nevada's proposals and to have Arizona and California begin to identify actions or programs that they needed to have in this package. During the meeting it was decided that Nevada would develop further detail on its proposals and that the Lower Division states would hold a two-day retreat to begin to develop the Lower Basin's package of actions and programs. This retreat will be held in Las Vegas on November 21<sup>st</sup> and 22<sup>nd</sup>.

At the Basin states meeting on October 28<sup>th</sup>, Reclamation provided a summary of the modeling studies that have been conducted since the last Basin states meeting. Those model runs evaluated three scenarios: 1) Stepped Releases from Lake Powell; 2) Balancing Reservoir Contents in Lakes Powell and Mead; and 3) a Hybrid of the two previous strategies. In an attempt to narrow focus and scope of the model runs, the Basin states selected the Hybrid scenario for further analysis. The Technical Committee will now refine this scenario in an attempt to provide operational benefits to both the Upper and Lower Basins through the coordinated operations of Lake Powell and Lake Mead.

The Technical Committee has begun the process of refining the Hybrid scenario. Several modifications to the trigger elevations have been identified and the Committee will meet on November 21<sup>st</sup> to review model results.

Also, during the October 28<sup>th</sup> meeting, the Basin states agreed to not provide further scoping comments during the public meetings that the Department of the Interior is holding on its process to develop guidelines for management of the Colorado River under low reservoir and drought conditions.

### *Scoping Meetings on Preparation of Shortage and Conjunctive Management Guidelines*

The informal scoping process that Secretary Norton initiated on June 15<sup>th</sup> has now become a formal NEPA process. On September 30, 2005, the Department of the Interior released a *Federal Register* notice indicating its intent to prepare an environmental impact statement (EIS) and to solicit comments and hold public scoping meetings on the development of

Lower Basin shortage guidelines and coordinated management strategies for the operation of Lake Powell and Lake Mead under low reservoir conditions. Through this NEPA process, Reclamation is considering development of: 1) specific guidelines that will identify when releases from Lake Mead will satisfy Lower Basin mainstream consumptive use requirements of less than 7.5 maf and the manner in which those releases would be reduced; and 2) coordinated management strategies for the operation of Lake Powell and Lake Mead. Alternatives to be considered in the EIS will be developed through this NEPA process.

The dates for the four public scoping meetings to receive comments were:

- November 1, 2005, in Salt Lake City, Utah
- November 2, 2005, in Denver, Colorado
- November 3, 2005, in Phoenix, Arizona
- November 8, 2005, in Henderson, Nevada

Written comments will be received by Reclamation through November 30, 2005. Copies of the news release and project fact sheet announcing the initiation of the public scoping process are included in the Board folder.

#### *California's Position Regarding Development of Lower Basin Tributary Water Supplies*

The Basin States have been discussing Nevada's development of the Virgin River. To advance those discussions, California distributed a paper that outlines California's position regarding tributary water supply development. This paper indicates that any such development must recognize California's senior water rights priority in the event of shortages or deficiencies in mainstream water supplies. As tributary water supply development moves forward, California takes the position that efforts should be made to reasonably protect California's senior water entitlements, to the extent that those entitlements are dependent upon the historic contributions to the mainstream supply by those tributaries. A copy of California's position regarding development of Lower Basin tributaries is included in the Board folder.

#### *Draft ADWR Section 602(a) Storage Algorithm and Power Protection Briefing Paper*

The Arizona Department of Water Resources recently distributed a draft white paper associated with Arizona's analysis and policy implications associated with the Colorado River Basin Project Act (CRBPA) Section 602(a) storage algorithm. Arizona maintains that Section 602 of the CRBPA and the Criteria for Coordinated Long-Range Operation of Colorado River System Reservoirs (LROC) requires the Secretary of the Interior to make an annual determination of the quantity of water considered necessary to be in storage in the Upper Basin reservoirs to provide drought protection to the Upper Division states. Arizona also maintains that Section 602 does not permit the storage of water to protect power generation. Arizona believes that Reclamation's current utilization of the "minimum power pool storage" factor in the current 602(a) storage algorithm has "a direct and appreciable effect on Arizona's Colorado River supply." Increasing storage in Lake Powell to benefit power generation has the effect of decreasing the frequency of releases greater than 8.23 million acre-feet annually from Lake

Powell to Lake Mead. Arizona maintains that the minimum power pool storage factor must be removed from the 602(a) storage algorithm.

Also, Arizona believes that the Upper Basin's Depletion Schedule is overstated. Arizona has reviewed the actual historic and current depletions in the Upper Division states and is of the opinion that the projected Upper Basin depletion schedule utilized in the 602(a) storage algorithm are significantly overstated. Arizona believes that the depletion schedule utilized in the Interim Surplus Guidelines Environmental Impact Statement more accurately reflect and track Upper Basin depletions, both current and projected.

Arizona also maintains that the 602(a) storage requirements should be reviewed annually, particularly during periods of low reservoir conditions. Arizona has also identified several potential technical flaws in the algorithm that should be re-evaluated by Reclamation and the Basin states. For example, active storage in Powell, Navajo, Blue Mesa, and Flaming Gorge reservoirs excludes water below the power penstocks, but above the reservoir outlet works. This results in not all of the active storage in the reservoirs being included in the calculation of annual storage available to meet the 602(a) requirements.

Finally, Arizona has expressed significant concern associated with the interim 14.85 million acre-feet 602(a) storage requirement in Lake Powell. This storage level was adopted subsequent to the Interim Surplus Guidelines in 2004 and will be in effect through 2016. Arizona believes that the 14.85 maf requirement is "far in excess of the amount needed to fulfill the requirements of 602(a) of CRBPA." Arizona believes that using the 14.85 maf requirement will result in an improper protection of power and other subordinate uses, such as recreation, and may subordinate Lower Division states' beneficial consumptive uses in violation of the "Law of the River." A copy of the ADWR white paper is included in the Board folder.

#### *Miscellaneous Related News Articles of Interest*

Related to the Basin states discussions, several news articles have been included in the Board folder. The articles provide an overview of the current discussions and negotiations occurring in the Basin states processes.

#### Colorado River Environmental Activities

##### *Technical Staff Tour Lower Colorado River Multi-Species Conservation Program (LCR MSCP) Proposed Implementation Sites and Projects*

The Bureau of Reclamation and other LCR MSCP participants are conducting a tour of the Lower Colorado River for agency technical staff and interested parties on December 6-8, 2005. The tour will start in Yuma, Arizona on the morning of December 6<sup>th</sup> and conclude in the late-afternoon of December 8<sup>th</sup> in Las Vegas, Nevada. The purpose of the tour is to acquaint technical staff with the proposed restoration projects and activities associated with Reclamation's long-term implementation of the LCR MSCP over the 50-year period. Portions of the tour will involve boat trips to view activities related to aquatic and marsh restoration and species

conservation. Terrestrial habitat restoration projects will be toured via bus with scheduled stops at several key locations within the LCR MSCP planning area.

### *Final Critical Habitat Designation for the Southwestern Willow Flycatcher*

On October 19<sup>th</sup>, the U.S. Fish and Wildlife Service (USFWS) published a *Federal Register* notice with the final critical habitat designation for the endangered southwestern willow flycatcher (WIFL). The WIFL (*Empidonax traillii extimus*), a neotropical migratory songbird typically nests and breeds in riparian thickets in close proximity to moist soils or open water in southwestern riparian systems. Along the Lower Colorado River, this species generally nests in non-native tamarisk (saltcedar). Areas designated as critical habitat under the final rule receive federal protection against adverse modification or destruction associated with federal actions.

The final rule designating WIFL critical habitat recognizes areas or riverine reaches currently protected under existing habitat conservation plans, such as the LCR MSCP and the Roosevelt HCP. Consequently, the entire reach of the Lower Colorado River included within the LCR MSCP planning area has been excluded from the critical habitat designation. The USFWS has formally recognized the importance of the specific habitat restoration commitments and WIFL species conservation measures included within the LCR MSCP in making the determination to exclude the Lower Colorado River as WIFL critical habitat.

The final rule designating WIFL critical habitat can be accessed on the USFWS Arizona Ecological Services webpage at <http://www.fws.gov/arizonaes/>.

### *Glen Canyon Dam Adaptive Management Program*

On October 25-27, 2005, the Grand Canyon Monitoring and Research Center (GCMRC) held a Colorado River Ecosystem Science Symposium in Tempe, Arizona. The purpose of the symposium was to review the ‘state of the science’ and review the progress made in the Glen Canyon Dam Adaptive Management Program (GCDAMP) over the past decade. In conjunction with the symposium the U.S. Geological Survey released a Circular Report (No. 1282) entitled, “The State of the Colorado River Ecosystem In Grand Canyon.” The USGS report details the impacts of implementation of the GCDAMP on the physical, cultural, and biological resources of the Grand Canyon ecosystem. Generally, the report describes that progress has been made toward protecting the downstream resources below Glen Canyon Dam, including the following: (1) benefits to beaches and sandbars in and along the riverine corridor; (2) benefits to native aquatic species such as the humpback chub; (3) improvements in the condition of riparian vegetation along the river providing habitat and food sources for avian species such as the WIFL and peregrine falcon; (4) improvements in monitoring and stabilizing cultural resources important to Native American tribes; and (5) dam operation modifications resulting in improved recreational opportunities for visitors to Grand Canyon National Park. The USGS Circular Report can be obtained from the USGS at <http://www.usgs.gov/pubprod>.

Associated with the GCMRC’s Science Symposium, several news articles from the Phoenix and Salt Lake City newspapers, and press releases from the Living Rivers conservation organizations have been included in the Board folder. The news articles generally describe the

information presented at the symposium, and emphasize that significant issues associated with the conservation of native fishes like the humpback chub and razorback sucker still remain, as well as discuss issues associated with the future use of Glen Canyon Dam for the generation of electrical energy. The articles point out that the conservation of sediment resources for beaches and sandbars is still a problem that modification of dam operations cannot fully address due to lack of adequate sediment inputs into the system.

The conservation organization, Living Rivers, whose membership advocates the decommissioning of Glen Canyon Dam, issued a press release giving the Glen Canyon Dam Adaptive Management Program a 'failing grade.' Living Rivers assessed the USGS 'state of the science' report and concluded that most of the Adaptive Management Program goals are not being met, and that no significant progress can be documented. Living Rivers states that "the declining state of the ecosystem proves the program has been a failure and it's high time for a new EIS to be undertaken that reflects this new reality." I have included copies of the news articles and the press releases in the Board folder.

### *Salton Sea National Wildlife Refuge Listed as One of Ten Endangered Refuges*

A recent article in the San Francisco Chronicle reports that the Defenders of Wildlife prepared a list of the top-ten most endangered national wildlife refuges in the United States. The list includes the Arctic (Alaska), Buenos Aires (Arizona), and Salton Sea National Wildlife Refuges (NWR). The Salton Sea NWR was included because of the deteriorating condition of the Salton Sea.

In a related article, the Imperial Valley Press reports that two Salton Sea Authority officials are challenging Reclamation's assertion that it will cost nearly \$8 billion to implement the Authority's restoration plan. Reclamation has prepared a draft report that states that it would cost \$8 billion to construct a dike dividing the Salton Sea into a northern and southern section, and that the dike would require additional strengthening to prevent any potential failure in the future. The two members of the Authority believe that Reclamation utilized erroneous assumptions in preparing the report, and that the cost to construct the dike is approximately \$1 billion. A copy of the article is included in the Board folder.

## **WATER QUALITY**

### Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Forum (Forum) Work Group, Advisory Council, and Forum meetings were held October 24-26, 2005, at the Mission Inn in Riverside, California.

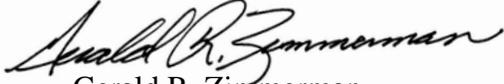
The Work Group meeting on October 24<sup>th</sup>, was held at the National Research Council Salinity Laboratory on the campus of the University of California-Riverside. The agenda of the Work Group meeting mainly focused on the review of the Forum and Advisory Council Agendas.

During the October 25<sup>th</sup> Advisory Council (AC) meeting, the federal agencies provided their accomplishment reports to the States. Also, the USGS made a presentation on the energy development in Upper Basin that may impact the salinity of the Colorado River. In the afternoon, Forum members, AC members and Work Group members participated in a tour sponsored by MWD. The tour included a visit of a reverse-osmosis plant in Riverside, owned and operated by Western Municipal Water District, a visit of MWD's Inland Feeder Arrowhead Tunnel and the Diamond Valley Lake.

The Forum meeting was held on October 26<sup>th</sup>. There were numerous items on the Forum meeting agenda. The followings are the highlights:

1. Reports to the Forum on their activities related to Colorado River Basin salinity control were made by the International Boundary and Water Commission, the U.S. Department of Agriculture, Reclamation, the Bureau of Land Management, the U.S. Fish and Wildlife Service, and the Environmental Protection Agency.
2. The Forum approved the 2005 Triennial Review Report and authorized the Forum's Executive Director to distribute the Report.
3. Based upon the Work Group's recommendations, the Forum is recommending fiscal year 2006 funding for salinity control activities of the federal agencies as follows:
  - Reclamation: \$17.5 million
  - BLM: \$5.2 million of which \$800,000 to be allocated to activities related to salinity control projects
  - USDA: 2.5% of the EQIP Funds or a minimum of \$20 million
4. A presentation was provided to the Forum by the Work Group members on nine bulletins of the new report (History, Program Coordination, Funding, Plan of Implementation, Economic Justification, Technical, Policies, Environmental Enhancement, and Mexico Issues). The Forum concurred with the Work Group's recommendations on preparing these new nine bulletins, which will be distributed to the public and others involved with the salinity control issues.
5. The Forum approved two new projects, Eden Lateral and Muddy Creek, based upon recommendations from the Work Group.
6. Based upon action by the Forum, the Work Group will be working on the following tasks:
  - Continue with preparation of the new report
  - Follow up on the Paradox Project issues
  - Reclamations' RFP process
  - Follow up on Development of Tribal water quality standards by EPA, and
  - BLM energy issues as well as salt load calculations for consistency

7. During the Forum meeting, the NRCS indicated that it intends to change the cost share ratio from 75% to 65%. Because of the impact that this may have on the salinity control program, the Forum passed a resolution, which is being sent to USDA, recommending that USDA maintain the 75% ratio through next year.
8. The next Forum meeting will be held in St. George, Utah, in late April or early May 2006.



Gerald R. Zimmerman  
Executive Director