

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

April 11, 2006

CONSENT ITEMS

Approval of Lower Colorado Water Supply Project Water Applications

Work is continuing on the Lower Colorado Water Supply Project (Project). As a consent item, included in the Board folder is the eighth submittal of applications for the receipt of Project water. The staff is requesting the Colorado River Board (Board) to approve the consent items and recommend to the U.S. Bureau of Reclamation (Reclamation), with the approval of Resolution 2006-1, that the following applicants are eligible to receive Project water and that the City of Needles should offer a subcontract to each applicant.

For this eighth submittal, there are eight applications requesting water. A list of the number of the four parcels and the water requested is shown below:

RECOMMENDED LCWSP APPLICATIONS

| COUNTY | PARCELS | CURRENT USE (AF/YR) | FUTURE USE (AF/YR) | TOTAL (AF/YR) |
|----------------|----------------|--------------------------------|-------------------------------|--------------------------|
| Riverside | 1 | 0 | 1 | 1 |
| San Bernardino | <u>7</u> | <u>7</u> | <u>3</u> | <u>10</u> |
| TOTAL | 8 | 7 | 4 | 11 |

To date, the Board has recommended entering into subcontracts for Project water associated with 574 applications requesting a total of 5,482 acre-feet of consumptive use of Project water annually. Of this amount, 540 acre-feet annually are for current use and 4,942 acre-feet annually are for future use. The distribution of the total current and future annual consumptive use in the three counties is as follows: Imperial County - 88 acre-feet of current use and 1,907 acre-feet of future use; Riverside County - 11 acre-feet of current use and 1,999 acre-feet of future use; and San Bernardino County - 441 acre-feet of current use and 1,036 acre-feet of future use.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of April 1, 2006, storage in the major Upper Basin reservoirs decreased by 125,530 acre-feet and storage in the Lower Basin reservoirs decreased by 127,200 acre-feet during March

2006. Total System active storage as of April 5th was 33.557 million acre-feet (maf) or 56 percent of capacity, which is 2.397 maf more than one year ago.

March releases from Hoover, Davis, and Parker Dams averaged 13,500, 12,430 and 10,000 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of April 2006 are 17,800, 16,600, and 13,100 cfs, respectively. The April releases represent those releases that are needed to meet downstream water requirements, including those caused by reduced operation of Senator Wash Reservoir.

As of April 5th, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2006, as forecasted by Reclamation, totals 7.456 maf and is described as follows: Arizona, 2.811 maf; California, 4.344 maf; and Nevada, 0.301 maf. The Central Arizona Project (CAP) will divert 1.600 maf, of which 0.178 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.641 maf, which is 256,000 acre-feet less than its 2005 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2006 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 3.741 maf. This estimate, by Board staff, is based on the collective use, through November 2005, 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

Resignation of Commissioner John Keys III

On March 17th, the Department of the Interior announced the resignation of Reclamation Commissioner John Keys III. According to the press release, Commissioner Keys leaves Reclamation after nearly 40 years of federal service. His resignation is effective April 15th. A copy of the press release has been included in the Board folder.

Miscellaneous News Articles

Included in the Board folder are several miscellaneous news articles of interest. These articles describe the newly nominated Secretary of the Department of the Interior, Idaho Governor Dirk Kempthorne. Other articles discuss water conservation efforts related to lining of the Coachella Canal and the status of the Hoover Dam Bypass Bridge.

Lower Colorado River Review Field Inspection (Fall 2006, or Spring 2007)

Typically, Reclamation conducts field inspections of the Lower Colorado River for interested stakeholders in the spring and fall annually. These trips generally start in Yuma, Arizona and terminate at Lake Mohave near Laughlin, Nevada. The trips are scheduled over a

three day period with stops at all of the prominent features along the Lower Colorado River. An emphasis is placed on water operations, the frontwork and levee maintenance, and environmental activities. Most of the inspection trip is conducted by boats. The river review trip provides an excellent opportunity to see the river and all related facilities and have in-depth discussions with Reclamation and agency staff regarding topical issues related to water management, water uses, river operations, and ongoing or proposed environmental mitigation activities. Reclamation has indicated a willingness to provide a trip for Colorado River Board members and selected agency staff at some point in the near future. The purpose of this notification is to determine if there is an interest on the part of Board members to attend this type of inspection tour.

Basin States Discussions

Status of Seven Basin States Discussions

On March 31st, Reclamation announced the public availability of its Scoping Summary Report on “Development of Lower Basin Shortage Guidelines and Coordinated Management Strategies for Lake Powell and Lake Mead, Particularly under Low Reservoir Conditions” (Scoping Report). The Scoping Report describes potential strategies associated with the development of shortage guidelines and coordinated reservoir management strategies for the operations of Lakes Mead and Powell and will be utilized in the development and analyses of alternatives to be developed during the preparation of the environmental impact statement (EIS) pursuant to the National Environmental Policy Act (NEPA). Comments on information provided in the Scoping Report can be submitted to Reclamation’s Lower Colorado Regional Office in Boulder City, Nevada. Copies of the associated *Federal Register* notice and Scoping Report have been included in the Board folder. Also, the Scoping Report, along with the Appendices, is available on the web at: www.usbr.gov/lc/region/programs/strategies.html

The Scoping Report was prepared after consideration of the 5,340 comments that were received during the scoping process. Of the 5,340 comments that were received, it was determined that there were 278 unique comments. Based upon those comments, Reclamation, in the Scoping Report, identified the proposed action in moving forward with its NEPA and EIS processes and has determined that elements of the proposed action include the following four areas:

- Adoption of guidelines under which the Secretary will reduce the quantity of water available for release from Hoover Dam to the Lower Division states (Arizona, California, and Nevada) below 7.5 maf (a shortage condition under the Supreme Court Decree in *Arizona v. California*),
- Adoption of guidelines for the coordinated operations of Glen Canyon and Hoover Dams,
- Adoption of guidelines for the storage and delivery of non-Colorado River System water, water exchanges, and water conserved through extraordinary conservation measures to increase the flexibility to meet water needs and reliability in the Lower Basin below Hoover Dam, and

- Modification of the substance and terms of the 2001 Interim Surplus Guidelines to run concurrent with the guidelines being considered through the proposed action.

In implementation of the NEPA and EIS processes associated with the proposed action, there will be five cooperating federal agencies: the Bureau of Indian Affairs, the National Park Service, the U.S. Fish and Wildlife Service, the Western Area Power Administration, and the U.S. Section of the International Boundary and Water Commission. These Cooperating Agencies will assist Reclamation throughout the process. Currently, this NEPA process is scheduled to produce a draft Environmental Impact Statement (EIS) in September 2006 and to conclude in December 2007 with the issuance of the Department of the Interior's Record of Decision regarding operations of the Colorado River System reservoirs.

Regarding the Basin states discussions, the focus of the discussions have been on: 1) obtaining consulting services to look at opportunities to augment the water supply of the Colorado River; 2) determining if further refinement and detail need to be incorporated into the agreements reached among the Basin states; and 3) evaluating the need to have additional documents that implement the agreement reached among the Basin states.

Several meetings among representatives of the Basin states have been held in the selection of consulting services to identify and evaluate potential opportunities for augmenting the water supply of the Colorado River System. During the Basin states meeting held on April 4th, the consulting firm, a joint venture between CH2M Hill and Black & Veatch, was selected to provide the desired consulting services. Now, representatives of the Southern Nevada Water Authority (SNWA) are meeting with representatives of CH2M Hill/Black & Veatch to develop the scope of work for this effort. It is anticipated that the SNWA Board will present the proposed scope of work at its May Board meeting. The current schedule anticipates that this effort will be completed in nine months.

The California parties as well as representative from the Lower Basin states have been meeting to further refine and provide more detail to the agreements reached among the Basin states. Those discussions have focused on the Basin states' February 3, 2006, Preliminary Proposal Regarding Colorado River Interim Operations and specifically on the Intentionally Created Surplus (ICS) programs contained in that agreement. The discussions have included: who can participate in the ICS programs; how that participation can occur; the forbearance agreements that would be required; the contents of the required forbearance agreements; and who must sign the forbearance agreements. Also, the Lower Basin states have identified four areas in which the Basin states Technical Committee needs to conduct additional analysis. Those areas include: 1) the impact of equalizing Lakes Powell and Mead on December 31st, rather than on September 30th; 2) an analysis to determine the impact of assuming all of the ICS credits are located in Lake Mead in determining a quantified surplus and in reducing the ICS credits when flood control releases occur; 3) an analysis of the sensitivity of the conditions that may avoid shortage determinations as reservoir elevations approach critical thresholds; and 4) the modeling assumptions that should be utilized by Reclamation in evaluating the alternatives in the draft EIS.

During the Lower Basin states meeting held on March 27th, the Arizona representatives distributed two draft documents: 1) a Lake Mead Intentionally Created Surplus Forbearance Agreement and 2) a Lake Mead Supplemental Shortage Water Forbearance Agreement. Both documents are being reviewed by the Lower Basin states and will be the topic of further discussion before either of these documents is finalized.

The next meeting among representatives from the seven Basin states will be held on April 13th. During that meeting it is anticipated that there will be discussion of the Department of the Interior's Scoping Report, Arizona's draft forbearance agreements, the 2006 and 2007 Pilot ICS Program, and the upcoming June 2006 Weather Modification Workshop.

Weather Modification Conference, June 19-21, 2006

On June 19th through the 21st, a conference on weather modification is scheduled to be held in Boulder, Colorado. The conference will be held at the Hotel Boulderado and will include tours of the National Oceanographic and Atmospheric Administration laboratory in Boulder. A copy of the proposed conference agenda is included in the Board folder.

In a related vein, the Administration, in a letter dated December 13, 2005, has requested that the Congress defer consideration of the pending Weather Modification Research and Development Policy Authorization Act of 2005. The Administration suggests that the Office of Science and Technology would coordinate a review to be conducted by several Departments (e.g., Justice, Defense, Interior, State, etc.) regarding potential litigation or national security impacts. After the review is completed, the Administration will forward its recommendations regarding the proposed legislation to the Congress for future consideration and action. A copy of the letter from the Administration to U.S. Senator Kay Bailey Hutchison is included in the Board folder.

Appointment of Mr. Dennis J. Strong

In an April 5th letter, Utah's Governor, Jon M. Huntsman, Jr., has appointed Mr. Dennis J. Strong to replace Larry Anderson as Utah's representative in Colorado River water issues; however, Larry will continue to be involved in Colorado River matters and serve as an advisor to Mr. Strong on Colorado River issues. As you are aware, this appointment has occurred as result of Mr. Anderson's announced retirement.

Colorado River Environmental Activities

Status of the Lower Colorado River Multi-Species Conservation Program

Discussions among the Lower Divisions States regarding LCR MSCP water use are ongoing. These discussions are ongoing in the context of the proposed LCR MSCP authorizing legislation being advanced by the permittees. Two of the primary issues being discussed include the following questions: (1) Can Section 5 entitlement water be utilized by LCR MSCP participants for habitat creation and maintenance activities (i.e., on the Palo Verde Ecological Reserve or Cibola Valley Conservation Area lands); and (2) Can "salvaged" water supplies

developed through the removal and/or eradication of non-native riparian vegetation be utilized for authorized LCR MSCP purposes at the same or a different location within the LCR MSCP planning area? Currently, it is the position of the State of Arizona that the answer to the first question is unclear, and the answer to the second question is in the negative. A conference call to continue the discussions is scheduled for April 14th. It is the general opinion of California participants that resolution of these two provisions is the key reason for supporting enactment of legislation.

On April 7th, Congressman J.D. Hayworth of Arizona introduced legislation authorizing appropriations for Reclamation to carry out the LCR MSCP. The current cosponsors are Mr. Renzi (AZ), Mr. Gibbons (NV), Mr. Calvert (CA), Mr. Kolbe (AZ) and Mr. Porter (NV). Additional cosponsors are being sought and there is an attempt to make this a bi-partisan bill. It is anticipated that a hearing on the bill will be held later this year. A copy of the bill will be distributed at the Board meeting.

WATER QUALITY

Colorado River Basin Salinity Control Forum

The Colorado River Basin Salinity Control Forum will meet in St. George, Utah, on May 4th. There will be a tour on May 3rd focusing on water quality issues within this area. During the Forum meeting there will be reports from each of the federal agencies implementing salinity control measures. Also, Commissioner Marin, of the United States Section of the International Boundary and Water Commission will provide a report on the border issues.

Reclamation's Report to Congress on the Yuma Desalting Plant

On October 26, 2005, the Department of the Interior submitted a letter to Senator Pete Domenici regarding the potential future operation of the Yuma Desalting Plant by Reclamation. Accompanying the letter was an August 2005 report entitled, "The Yuma Desalting Plant and Other Actions to Address Alternatives." This report provides information on the actions being taken by Reclamation to resolve the design deficiencies. It also describes the anticipated costs associated for correcting the design deficiencies, as well as, the cost associated with operation of the Yuma Desalting Plant (YDP) at various capacity levels.

Currently, Reclamation is spending about \$4.4 million to maintain the YDP in "ready reserve." To correct the design deficiencies and to get it ready for start-up is estimated to cost \$26.2 million, over a four year period. Once operational, the estimated cost to operate the plant at full capacity is \$26 million annually. Additionally the environmental compliance cost is estimated to be \$1.6 million.

Because of the high costs associated with operation of the YDP and the potential impacts that operation of the Plant would have on the Cienega de Santa Clara, Reclamation has proposed a process to identify the best approach for the recovery and replacement of the bypass flows. That approach includes:

- Begin a public process to identify and evaluate options for replacing and recovering the bypass flow to Mexico,
- Continue correcting the design deficiencies and maintain the YDP in “ready reserve”, and
- Initiate a demonstration program to determine the viability of paying holders of Colorado River water delivery contracts to temporarily forbear their use of Colorado River water to replace flow in the bypass drain.

The letter indicates that the Department of the Interior believes that this approach provides a solid basis for continuing to meet the 1944 Mexican Water Treaty obligations in a cost effective manner. Copies of the letter and the attached report have been included in the Board folder.

A handwritten signature in black ink, reading "Gerald R. Zimmerman". The signature is written in a cursive style with a long horizontal flourish underneath.

Gerald R. Zimmerman
Executive Director