

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

August 28, 2006

**PROTECTION OF EXISTING RIGHTS**

Colorado River Water Report

As of August 1, 2006, storage in the major Upper Basin reservoirs decreased by 405,500 acre-feet and storage in the Lower Basin reservoirs decreased by 152,000 acre-feet during July 2006. Total System active storage as of August 16<sup>th</sup> was 34.251 million acre-feet (maf) or 58 percent of capacity, which is 1.456 maf less than one year ago (Upper Basin reservoirs decreased by 111,000 acre-feet and Lower Basin reservoirs decreased by 1.345 maf).

July releases from Hoover, Davis, and Parker Dams averaged 15,730, 15,170, and 12,070 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2006 are 13,400, 12,900, and 10,800 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 2006, as forecasted by Reclamation, totals 7.419 maf and is described as follows: Arizona, 2.784 maf; California, 4.333 maf; and Nevada, 0.302 maf. The Central Arizona Project (CAP) will divert 1.586 maf, of which 0.220 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.675 maf, which is 222,000 acre-feet less than its 2005 use of mainstream water.

The preliminary end-of-year estimate by 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 3.720 maf. This estimate is based on the collective use, through June 2006, 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

*Draft 2007 Annual Operating Plan (AOP) Consultation Meeting, June 16, 2006*

On August 16th, the Bureau of Reclamation hosted the second meeting of the Colorado River Management Work Group related to the development of the 2007 Annual Operating Plan for the Colorado System Reservoirs (2007 AOP). Reclamation provided overviews of Upper

and Lower Basins hydrology and river system operations. Additionally, Reclamation provided an updated version of the proposed 2007 AOP for review and discussion. Included in the Board folder is a copy of the redline/strikeout version that reflects comments submitted on the first draft 2007 AOP. The draft 2007 AOP is available for review and comment on Reclamation's internet webpage at [http://www.usbr.gov/uc/water/rsrvs/ops/aop/aop07\\_draft.pdf](http://www.usbr.gov/uc/water/rsrvs/ops/aop/aop07_draft.pdf). Based upon the draft 2007 AOP, operations at Lake Powell will result in the objective minimum release of 8.23 million acre-feet. Operations at Lake Mead are expected to result in a Partial Domestic Surplus for water users in the United States and Mexico can schedule the delivery of 1.5 million acre-feet of mainstream water during calendar year 2007.

*Arizona Water Banking Authority Annual Accounting of Southern Nevada Water Authority's Interstate Account – Calendar Year 2005*

On July 18<sup>th</sup> the Arizona Water Banking Authority (AWBA) submitted its annual accounting to Reclamation regarding the status of the Southern Nevada Water Authority's (SNWA) interstate account for calendar year 2005. As of January 1, 2005, SNWA had 125,260 acre-feet of water in its account. During calendar year 2005, the AWBA stored an additional 120,541 acre-feet on behalf of SNWA. After accounting for operational and evaporation losses, and less the mandatory five percent cut to replenish local aquifers, the SNWA retains 237,066 acre-feet of long-term storage credits. A copy of the AWBA annual accounting report is included in the Board folder.

*Notice of Preparation of a Supplement to Environmental Impact Report/Environmental Impact Statement for the IID Water Conservation and Transfer Project*

On July 17<sup>th</sup> the California State Clearing House distributed a notice of preparation of a supplement to the environmental impact report (EIR) associated with the Imperial Irrigation District (IID) Water Conservation and Transfer Project. Based upon several changes to the proposed project made in the course of processing the approvals of the Habitat Conservation Plan (HCP) with the U.S. Fish and Wildlife Service and California Department of Fish and Game, IID and Reclamation have decided to prepare supplemental environmental documentation pursuant to the National Environmental Policy Act and California Environmental Quality Act. Comments, based upon the notice of preparation, were to have been submitted to IID by August 17<sup>th</sup>. A copy of the State Clearinghouse letter and IID's notice of preparation have been included in the Board folder.

*All-American Canal Lining Lawsuit*

As you are aware, a coalition of business and environmental groups had filed a lawsuit challenging the All-American Canal Lining Project on the grounds that it would negatively affect business opportunities in the cross-border region and damage environmental resources and species in both countries. On July 3<sup>rd</sup> U.S. District Court Judge Philip M. Pro issued an order in the case. The Judge's order was entered in favor of the defendants. On July 24<sup>th</sup>, the plaintiffs filed a notice of motion for injunction to stop the proposed canal lining project in the interim while the appeal of the Court's decision moves forward with the Ninth U.S. Circuit Court of

Appeals. A copy of the motion to enjoin the project and memorandum of points and authorities has been included in the Board folder.

On August 24<sup>th</sup> a two-judge panel of the Ninth U.S. Circuit Court of Appeals granted the plaintiffs motion to enjoin the canal lining project pending the appeal by the first available panel of the Court of Appeals. The order states that the case will be calendared with the panel the week of December 4<sup>th</sup>. A copy of the Circuit Court's order has been included in the handout materials.

*Notice of Proposed Rulemaking Regarding Regulating Non-Contract Use of Colorado River Water in the Lower Basin, August 18, 2006*

On August 18<sup>th</sup>, Reclamation published a *Federal Register* Notice (71 FR 47763-47764) regarding the initiation of a proposed rule-making process to address and reduce the use of mainstream Colorado River water in the Lower Basin without a Section 5 contract. As you may recall, the Board has, on several occasions, submitted correspondence to Reclamation to urge it to undertake just such a task. Comments, based upon information provided in the *Federal Register* Notice are due in Reclamation's Lower Colorado Regional Office on or before October 17<sup>th</sup>. Board staff will be preparing a comment package that I will circulate among the Board members and agencies in the near future. A copy of the Notice has been included in the Board folder.

Basin States Discussions

*Seven Basin States Representatives Meetings*

Discussions among representatives of the Colorado River Basin states are continuing. A meeting of the Lower Basin States was held in Denver, Colorado on July 13<sup>th</sup>. During the meeting the primary items of discussion were: 1) the draft May 2006 Hydrologic Determination on the Water Availability from Navajo Reservoir and the Upper Colorado River Basin for Use in New Mexico (2006 draft Hydrologic Determination); 2) Reclamation's alternatives to be considered in its NEPA/EIS processes to develop Lower Basin Shortage Guidelines and Coordinated Management Strategies for Operations of Lake Powell and Lake Mead; and 3) Options of continuing the demonstration weather modification program to augment the water supply in the Colorado River Basin.

Regarding the 2006 draft Hydrologic Determination, Reclamation staff described how the determination was prepared and the rationale that was used to determine the yield in the Upper Basin. A number of questions and issues were raised during the meeting regarding the yield determination and the analysis that supports it. Based upon the discussion, representatives of the Lower Basin states decided to prepare a letter to Secretary Kempthorne outlining their concerns. The primary areas of concern that were raised during the meeting were: 1) the process that was used by Reclamation did not involve the Lower Division states, even though methodologies and assumptions have been utilized that are not consistent with past hydrologic determinations or processes involving ongoing Basin states discussions; 2) the exclusion of an alternative that analyzes the Lower Basin's position regarding the Upper Basin's water delivery obligation to the

Lower Basin; 3) the assumptions regarding the non-Colorado River Storage Project reservoirs and the role that they may play during the assumed critical period; and 4) the modeling that was utilized in the 2006 draft Hydrologic Determination should have been expanded. An attempt to finalize the Lower Division states letter will occur during the Lower Basin states meeting in San Diego on August 31<sup>st</sup>.

Reclamation described the five alternatives that it is proposing to evaluate in its NEPA/EIS processes to develop Lower Basin Shortage Guidelines and Coordinated Management Strategies for Operations of Lake Powell and Lake Mead. The five alternatives include: 1) the No Action Alternative; 2) the Basin States Preliminary Alternative; 3) the Conservation Before Storage Alternative; 4) the Water Supply Alternative; and 5) the Reservoir Storage Alternative. Each of these alternatives was discussed at length during the July Board meeting. With the identification of these five alternatives, Reclamation is of the opinion that a broad range of alternatives have been identified for analysis in the NEPA/EIS process. Reclamation is still on schedule to publish the draft EIS in December 2006

During the July 13<sup>th</sup> Lower Basin states meeting it was decided that the weather modification demonstration effort that was initiated in 2006 should be continued in 2007. This would involve extension of ongoing efforts in Colorado, Utah, and Wyoming. Also, it was decided to form a committee to develop a 5-Year Program that could be considered by the Basin states representatives.

On July 14<sup>th</sup> a meeting of all seven Basin states was held in Denver, Colorado. At this meeting, status reports were given by Reclamation on the Intentionally Created Surplus (ICS) Demonstration Program for 2006 and 2007, the Drop 2 Reservoir, alternatives to be considered in Reclamation's process for development of Guidelines for the Coordinated Operations of Lakes Powell and Mead and for Shortage Determinations in the Lower Basin, Reclamation's proposed System Conservation Demonstration Program to replace a portion of the water currently released in the Bypass Drain and lost from consumptive use in the United States, and operation of the Yuma Desalting Plant in 2007. The next Basin states meeting was scheduled to be held in San Diego on August 31, 2007.

Because of the limited progress that has been made in the discussions among the Lower Basin states, the August 31<sup>st</sup> meeting of the seven Colorado River Basin states has been cancelled. Instead, the Lower Basin states plan to meet on August 31<sup>st</sup> in San Diego to continue their discussions. The primary items on the agenda for this Lower Basin states meeting include: status reports from Reclamation on its NEPA/EIS process on Colorado River operations and its individual meetings with each of the Lower Basin states on needed forbearance agreements; the draft letter to Secretary Kempthorne on the Upper Basin's 2006 Hydrologic Determination; and the water supply augmentation efforts being pursued by the Basin states. These include the Long-Term Water Supply study being conducted by the Southern Nevada Water Authority, extension of weather modification programs in the Upper Basin, and a demonstration vegetation management program (tamarisk control). It is also anticipated that there may be some discussion of how shortages will be shared within the Lower Basin during a Secretarial declared shortage.

The next meeting of the Basin states is being scheduled for the end of September. This meeting will be held in Phoenix, Arizona.

*Letters to Secretary of the Interior Regarding Navajo Nation Water Rights Claims, San Juan River Basin, New Mexico*

On July 12<sup>th</sup>, New Mexico U.S. Senator Jeff Bingaman sent a letter to Secretary of the Interior Kempthorne regarding the current status of the Navajo Nation's San Juan River Basin water rights, as well as the recent hydrologic determination prepared by the Upper Basin and Reclamation. In the letter, Senator Bingaman urges Secretary Kempthorne to move the NEPA process forward and issue a record of decision on the Navajo-Gallup Water Supply Project. In the context of the recent Upper Basin's hydrologic determination, Senator Bingaman requests that the Secretary approve the recent hydrologic determination that establishes that sufficient water supplies will be available for the Navajo-Gallup Water Supply Project through 2060 from New Mexico's Upper Colorado River apportionment. Finalization of the determination will permit the issuance of long-term contracts and delivery of water currently stored in Navajo Reservoir to the Navajo-Gallup Water Supply Project.

On August 21<sup>st</sup>, U.S. Senator Jon Kyl of Arizona sent a letter to Secretary Kempthorne requesting that the Secretary hold off final approval of the 2006 Upper Basin Hydrologic Determination. Senator Kyl informed Secretary Kempthorne that it was his understanding that the Lower Division States were in the process of preparing a letter to him regarding the subject. Additionally, Senator Kyl recommended that the current process of involving all seven Basin states in these discussions was the preferable route to follow. Senator Kyl urged Secretary Kempthorne to wait until the Department has reviewed the Lower Division States' letter before making a final decision regarding the 2006 Hydrologic Determination. A copy of Senator Kyl's letter is included in the handout materials.

*SNWA Letter to Reclamation Regarding Pilot Programs for Intentionally Created Surplus and System Conservation*

On July 28<sup>th</sup> the Southern Nevada Water Authority (SNWA) submitted a letter to Reclamation regarding the proposed pilot programs for Intentionally Created Surplus (ICS) and system conservation. In effect, with this letter, the SNWA will not request that the Secretary of the Interior make any of California's unused apportionment, stored in Lake Mead as a result of the demonstration ICS programs, be made available for use by SNWA during 2006 or 2007. A copy of SNWA's letter is included in the Board folder. A similar letter was received from the Central Arizona Water Conservation District (CAWCD) indicating that it would not request the Secretary to make California unused apportionment arising from the ICS demonstration available for use by CAWCD.

## Colorado River Environmental Activities

### *Status of the Glen Canyon Dam Adaptive Management Program*

On July 13<sup>th</sup>, the Grand Canyon Trust responded, via letter correspondence, to the June 16<sup>th</sup> memorandum distributed by Assistant Secretary of the Interior for Water and Science, Mark Limbaugh to the members of the Glen Canyon Dam Adaptive Management Work Group providing an update on several significant items of interest.

As background, Assistant Secretary Limbaugh stated that Secretary Kempthorne has been fully briefed about the importance of the Glen Canyon Dam Adaptive Management Program. Also, the Assistant Secretary indicated that he had visited with the staff of the Grand Canyon Monitoring and Research Center and visited several monitoring sites in the Grand Canyon. The Assistant Secretary also stated that he was encouraged by recent reports that the endangered humpback chub population in Grand Canyon seems to have stabilized. Finally, the Assistant Secretary had identified a proposed short-term schedule for upcoming AMWG meetings.

In the Grand Canyon Trust (GCT) letter, the GCT felt obliged to respond to two issues, including: (1) the role of the Secretary's Office in the AMWG; and (2) the hydrograph for Water-Year 2007. Toward the first point, the GCT is concerned that the Secretary's Office may be unduly influencing the AMWG process, particularly in the context of recommending a schedule to design an experimental flow regime that was intended to be initiated in Water-Year 2007. The GCT is concerned because several meetings of the Technical Work Group, as well as the AMWG have been cancelled or rescheduled, and thus not permitting the time for careful and deliberative decision-making related to developing a proposed experimental flow regime.

With respect to the WY-2007 hydrograph, the GCT urges the Assistant Secretary to implement the recommended experimental flows in WY-2007, i.e., some form of "seasonally adjusted steady flows" (SASF). This is in response to nearly ten years of data that indicates that the "modified low-fluctuating flow" alternative identified as the preferred alternative in the original Glen Canyon Dam EIS has not been effective. The GCT also urges the Secretary's Office to maintain the current non-native predator control programs, as these seem to have positively benefited the endangered humpback chub population, particularly those near the confluence of the Little Colorado River and the mainstem. The GCT maintains, in its letter, that performing the experimental flows and maintaining the non-native controls can provide valuable information that may influence the decision-making associated with the potential construction and utilization of a temperature control structure on Glen Canyon Dam to warm downstream releases.

## WATER QUALITY

### *Regional Water Quality Board Intention to Adopt a Negative Declaration for Renewal of Waste Discharge Requirements for the PG&E Topock Gas Compressor Station*

On July 25<sup>th</sup>, the California Regional Water Quality Control Board for the Colorado River Basin Region (RWQCB) issued a notice of intent to issue a negative declaration pursuant to the California Environmental Quality Act (CEQA) associated with renewing the waste discharge requirements for the injection of treated groundwater at the PG&E Topock Gas Compressor Station. As you may recall, PG&E is currently in the process to remediate the hexavalent chromium contamination of groundwater in the area surrounding the Topock Gas Compressor Station. Currently, PG&E pumps the contaminated groundwater, strips out the hexavalent chromium contaminants, and then injects the treated groundwater back into the aquifer.

The proposed notice of issuance of a negative declaration simply renews the existing waste discharge requirements established by the RWQCB for the project. According to the RWQCB notice, no additional facilities would be constructed or expanded, and no change to the existing groundwater treatment facility operations would occur as a result of renewal of the waste discharge requirements. The comment period associated with the notice expires on August 31<sup>st</sup>. A copy of the notice and background information has been included in the Board folder.



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