

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

April 10, 2007

ADMINISTRATION

Approval of Board Meeting Minutes – March 14, 2007

Included in the Board folder is a copy of the March 14, 2007, Board meeting minutes. Based upon Board member's review and comment, I am asking for approval and adoption of these meeting minutes.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of April 1, 2007, storage in the major Upper Basin reservoirs increased by 226,500 acre-feet and storage in the Lower Basin reservoirs decreased by 290,900 acre-feet during March 2007. Total System active storage as of April 4th was 33.327 million acre-feet (maf), or 56 percent of capacity, which is 0.230 maf less than one year ago (Upper Basin reservoirs increased by 1.167 maf and Lower Basin reservoirs decreased 1.397 maf).

March releases from Hoover, Davis, and Parker Dams averaged 15,780, 14,540, and 11,120 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of April 2007 are 18,700, 17,300, and 13,000 cfs, respectively. The April releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of April 4th, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2007, as forecasted by the U.S. Bureau of Reclamation (Reclamation), totals 7.566 maf and is described as follows: Arizona, 2.819 maf; California, 4.438 maf; and Nevada, 0.309 maf. The Central Arizona Project (CAP) will divert 1.583 maf, of which 0.249 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.636 maf, which is 3,000 acre-feet more than its 2006 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2007 projects that the California agricultural consumptive use of Colorado River water under the first three priorities and the sixth priority of the 1931 *California Seven Party Agreement* to be approximately 3.746 maf. This estimate is based on the collective use, through March 2007, 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

Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead – Draft Environmental Impact Statement

As reported at the last Board meeting, in a notice published in the *Federal Register* on February 28th, Reclamation released the draft environmental impact statement (DEIS) related to Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lakes Powell and Mead. Copies of the DEIS are available online through Reclamation's website at [http:// www.usbr.gov/lc/region/programs/strategies.html](http://www.usbr.gov/lc/region/programs/strategies.html). Reclamation scheduled three public hearings in conjunction with the release of the DEIS. The hearings were held April 3-5, 2007, in Henderson, Nevada; Phoenix, Arizona; and Salt Lake City, Utah, respectively. Comments on the DEIS are due in Reclamation's Lower Colorado Regional Office by close-of-business on April 30, 2007.

At the public hearings, Reclamation provided an overview of the DEIS and then solicited questions or comments from members of the audience. In Henderson, Nevada, there were sixteen representatives from various agencies or the general public, and only a few comments or questions were received. On the following day in Phoenix, Arizona, twenty-seven people attended the public hearing, with several comments and questions. Of note, the conservation organization, Living Rivers, made a presentation which posed the question as to why the removal of Glen Canyon Dam, the centerpiece of their "One Dam Solution" proposal, was not analyzed in the DEIS. Finally, at the hearing in Salt Lake City, Utah, thirteen people attended the meeting; again, with just a few general questions or comments being received.

Representatives from Reclamation will be attending the Board meeting to provide a briefing on the DEIS process and schedule, the results contained in the DEIS, and the input that has been received during the public comment period. Following the Board meeting, technical comments on the DEIS will be provided to Reclamation by the Board staff and agency representatives.

Central Arizona Water Conservation District Letter Regarding Determination to Maintain Full Aqueduct Conditions in the Central Arizona Project Canal

On March 26, 2007, the Board received a letter from the Central Arizona Water Conservation District (CAWCD) stating CAWCD's intent to continue to divert more than 2,500 cubic-feet-per-second (cfs) in the Central Arizona Project (CAP) canal system, even though there is language in the 1968 Colorado River Basin Project Act (CRBPA), Section 301(a), that only allows diversions above 2,500 cfs in the event that there are flood control or equalization releases from Lake Powell. The letter further indicates that it is CAWCD's opinion that clarifying language in the 1984 Hoover Power Plant Act superseded the intent of the CRBPA, through promoting operational efficiency and power management. CAWCD also stated that it does "...not intend to operate the CAP in a manner that will cause Arizona's Colorado River water use to exceed its legal entitlement."

In response to the CAWCD letter, I have prepared a draft response for the Board's review and consideration. In the letter, I have raised several concerns with CAWCD's current position regarding CAP canal system maximum diversion amount. I believe that the Board may want to preserve its legal position regarding the prohibition expressed in section 301(a) of the 1968 CRBPA and insist that subsequent legislation, such as the Hoover Power Plant Act, has not modified that prohibition. The Board's letter indicates its receptiveness to begin discussions with representatives of the CAP to work out any differences that it may have regarding CAP's ability to use its canal capacity up to 3,600 cfs in order to provide the benefits of the augmentation programs currently being planned by the Basin states, the operational efficiency and power management that CAP desires, and the flexibility that CAP needs to continue to meet its critical water demands. A copy of CAWCD's letter, as well as a copy of the Board's proposed response were e-mailed to the Board members for their review and consideration and are included in the Board's hand-out material.

All-American Canal Lining Lawsuit

On April 6, 2007, a panel of the United States Ninth Circuit Court of Appeals lifted an injunction that had temporarily blocked the lining of a portion of the All-American Canal. The Court further remanded the case back to the District Court with instructions to dismiss the case. The panel recognized the recent legislation that was passed and signed into law by President Bush requiring Reclamation to initiate construction of the project without delay and that Mexico is entitled to the amounts of water specified in the 1944 Mexican Water Treaty "...and no more." A copy of an article from the Los Angeles Times, describing the Court's decision has been included in the Board folder.

Colorado River Commission of Nevada Conference: The Colorado River – Conflicts, Concerns, and Challenges – April 26-27, 2007

The Colorado River Commission of Nevada (CRC) is hosting a conference on April 26-27, 2007, in Las Vegas, Nevada. The theme of the conference is "The Colorado River: Conflicts, Concerns, and Challenges." I have been asked to participate in a facilitated panel discussion associated with the current perspectives of the Basin States, Tribes, and Mexico regarding the current Basin States issues and activities. A copy of the registration form and proposed conference agenda has been included in the Board folder.

Basin States Discussions

Basin States Agreement Associated with the Seven Basin States' Proposal Regarding Colorado River Interim Operations

The Basin states representatives met on April 5-6, 2007, in Denver, Colorado, to continue discussions related to the various Basin states agreements and the interim guidelines for Colorado River operations. As has been discussed at prior Board meetings, the Basin states representatives intend that a final package of agreements and proposed Colorado River operations would be submitted to the Secretary of the Department of the Interior for consideration in the development of the preferred alternative and subsequent Record of Decision

(ROD). It is also the Basin states' intention that the term of the proposed agreements would be in effect as long as the ROD and the Interim Shortage Guidelines (ISG) are in effect (i.e., through December 31, 2025), or upon termination of the ROD or the ISG, whichever is earlier.

The Basin states agreement will be further discussed at the Board meeting. The intent is to have the Basin states agreement executed at the next Basin states meeting, which is scheduled to be held on April 23rd in Las Vegas, Nevada.

Reclamation's Scoping Report for the Glen Canyon Dam Adaptive Management Program Long-Term Experimental Plan Draft Environmental Impact Statement

As has been discussed at previous Board meetings, Reclamation's Upper Colorado Region is in the process of developing a draft environmental impact statement (DEIS) associated with the development of a Long-Term Experimental Plan (LTEP) to assist in the implementation of the Glen Canyon Dam Adaptive Management Program. As you may recall, the Board submitted a comment letter regarding the scope of the DEIS, maintaining the position that the LTEP needed to be structured to support the needs of the Glen Canyon Dam Adaptive Management Program, pursuant to the 1992 Grand Canyon Protection Act, and the 1995 Record of Decision in the Glen Canyon Dam Operations EIS.

Reclamation's LTEP DEIS Scoping Report indicates that 651 distinct comments were received during the public scoping period. According to Reclamation's review of the submitted comments, approximately seventy percent of the comments relate to potential alternatives addressing threatened and endangered species the category of the affected environment of greatest concern to the public. Public concern was also specifically expressed for the endangered humpback chub population within the Grand Canyon, as well as the managed non-native trout fishery. A copy of the LTEP DEIS Scoping Report executive summary has been included in the Board folder.

WATER QUALITY

Colorado River Basin Salinity Control Program Work Group Meeting, March 27-28, 2007

The Colorado River Basin Salinity Control Forum's Work Group met in Las Vegas, Nevada, on March 27-28, 2007. The issues discussed at the meeting included Reclamation's salinity control program review plan, the Paradox Project scoping plan, and two Natural Resources Conservation Service issues.

Reclamation provided a Draft "Project Management Plan" for the Work Group's review and comment. With this plan, it is Reclamation's intention to: (1) provide a report documenting the policies and procedures related to implementation of the Colorado River Basin Salinity Control Program; (2) seek input from a Review Team, including Forum/Work Group representation; and (3) make modifications and/or improvements to the program and develop new procedures, manuals, guidelines, etc., to improve the effectiveness of Reclamation's basin-wide salinity control program activities. In consultation with Reclamation, the Work Group

recommended that the first two items be initiated immediately, and at some future time, begin working on the third item.

With respect to the Paradox Project, Reclamation provided an informal draft scoping plan to analyze and evaluate the proposed alternatives for the existing Paradox Project. Depending upon the extent of the environmental studies needed, the project study may take up to five years to complete. It is estimated that approximately \$2.85 million will be needed to complete the studies and analyses.

The Natural Resources Conservation Service (NRCS) presented a revised evaluation spreadsheet that will be used for project ranking purposes. NRCS expects that by June 2007, the new procedures will be applied to the ranking of project applicants. Toward this end, the NRCS reported that the environmental impact analysis associated with the Manila-Washam Salinity Control Project has been prepared. To date, NRCS has received 29 applications for project implementation that are being ranked. The Forum approved this Manila-Washam as a salinity control project at its October 2006 meeting.

Status of Perchlorate Remediation, Las Vegas Wash

The Tronox treatment system, Fluidized Bed Reactor (FBR), continues to operate and perform as expected. According to the Nevada Department of Environmental Protection (NDEP) Tronox is working on to further optimize the operation of the treatment system, capture more perchlorate load, and reduce the load to Las Vegas Wash.

According to NDEP the perchlorate load to Las Vegas Wash is reduced to approximately 125 pounds-per-day. The goal is to have it less than 100 pounds-per-day by optimizing the FBR operation. The perchlorate removal is 1,800-2,000 pounds-per-day. As of April 1, 2007, approximately 2,230 tons of perchlorate has been removed from the environment. The perchlorate concentration at the Willow Beach monitoring station is about 2 parts-per-billion (ppb) now.

At the last update, I reported that AMPAC started its interim bioremediation system in June of last year and expected permanent full scale operation in January of 2007. AMPAC system switched to permanent status in December of 2006. According to NDEP the AMPAC system is working as expected. Total flow to this system is about 185 gallons-per-minute (gpm) at this time; and it will be increased to about 380 gpm when all of the wells come online. Six of nine wells are running at this time. The system perchlorate load is about 12 pounds-per-day; and it will be increased to about 35 pounds-per-day.

On a related note, a press release on March 28 indicated that the Congresswomen Hilda L. Solis (D-CA), who is Vice Chair of the Environment and Hazardous Materials Subcommittee, introduced the Safe Drinking Water for Health Communities Act of 2007. This legislation will require the U.S. Environmental Protection Agency to establish a national standard for drinking water for perchlorate.

Status of Hexavalent Chromium Remediation, PG&E Topock Gas Compressor Station

The Arizona Department of Environmental Quality (ADEQ) has conducted a groundwater study to evaluate the nature and extent of hexavalent chromium (CrVI) groundwater contamination in wells near Topock and Golden Shores, Arizona. ADEQ has indicated that the primary objectives of the study were as follows:

- Assess whether there is an immediate threat to human health based on Arizona's reliance on groundwater as a source of drinking water in the region;
- Assess whether there is a potential long-term threat to human health and the environment in Arizona; and
- Identify what additional steps are needed to characterize and protect Arizona groundwater resources.

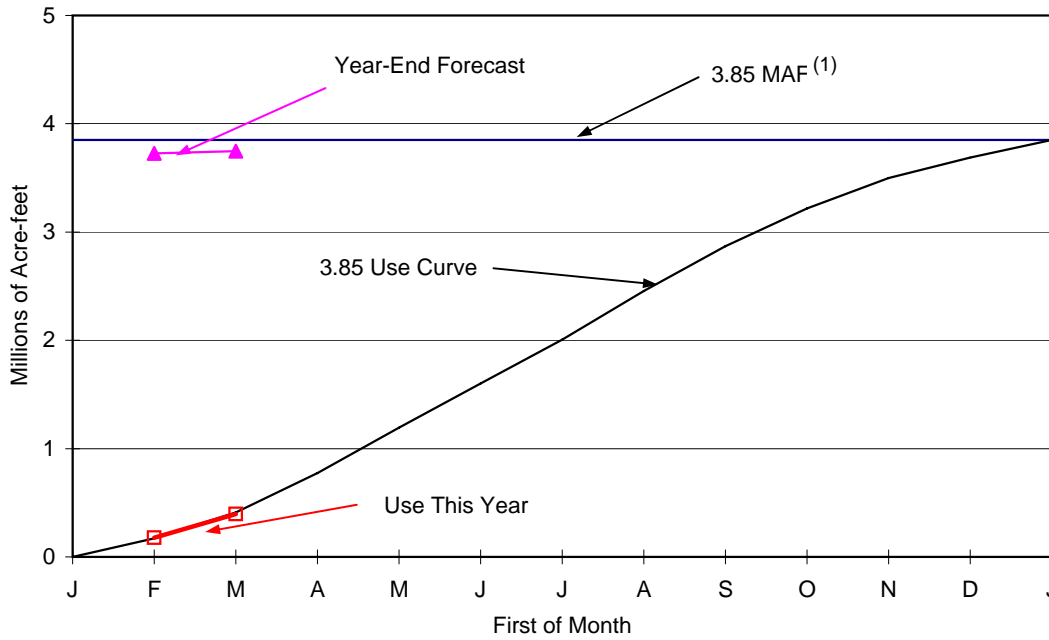
The main conclusions of the ADEQ study report include the following:

- The currently available data do not indicate that there have been impacts to Arizona residents;
- Low levels of chromium were detected throughout the study area. Concentrations did not exceed the Maximum Contaminant Level;
- Generally, within the study area in Arizona, the flow direction is westerly and the groundwater flows toward the Colorado River;
- The chromium-contaminated water may have migrated into Arizona, or may do so in the future. Additional data are needed to evaluate these possibilities; and
- Data obtained in the study suggest that with additional development in the area and increasing demand for water, sufficient drawdown may occur to reverse gradients throughout the area and allow groundwater to move from the west toward the areas of groundwater use; and
- It is recommended that additional studies be conducted.

At previous Board meetings, representatives from The Metropolitan Water District of Southern California (MWD) have provided briefings on the of hexavalent chromium (CrVI) groundwater contamination near Topock. At this Board meeting, MWD staff will provide another status report.


Gerald R. Zimmerman
Executive Director

FIGURE 1
APRIL 1 FORECAST FOR 2007 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	0.178	3.726	-0.020
Mar	0.396	3.746	-0.040
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.657 MAF under the first three priorities of the water delivery contracts. This accounts for the: 81,940 af of conserved water available to MWD under the 1988 IID-MWD Conserv. agreement and the 1989 IID-MWD-CVWD-PVID Agreement as amended; 60,000 af of conserved water available to SDCWA under the IID-SDCWA Transfer agreement as amended; 14,500 af of water IID and CVWD are forbearing to permit the Secretary of the Interior to satisfy a portion of Indian and Miscellaneous present perfected rights use; 35,450 af of water IID is forbearing to pay back Colorado River Water Delivery Agreement Exhibit C overruns; 1,000 af of water IID is conserving to create Intentionally Created Surplus in Lake Mead. As USBR is charging disputed uses by Yuma Island pumpers to Priority 2, the amount of unused water has been reduced by those uses --0.008 maf. The CRB does not concur with USBR's viewpoint on this matter.