

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

August 21, 2007

**ADMINISTRATION**

Approval of Board Meeting Minutes – July 11, 2007

Included in the Board folder is a copy of the July 11<sup>th</sup> 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 August 1, 2007, storage in the major Upper Basin reservoirs decreased by 495,700 acre-feet and storage in the Lower Basin reservoirs decreased by 177,300 acre-feet during July 2007. Total System active storage as of August 8<sup>th</sup> was 33.077 million acre-feet (maf), or 56 percent of capacity, which is 1.272 maf less than one year ago (Upper Basin reservoirs increased by 0.123 maf and Lower Basin reservoirs decreased 1.395 maf).

July releases from Hoover, Davis, and Parker Dams averaged 15,450, 14,900, and 12,200 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2007 are 12,300, 12,100, and 9,900 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 13<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 2007, as forecasted by Reclamation, totals 7.465 maf and is described as follows: Arizona, 2.762 maf; California, 4.376 maf; and Nevada, 0.327 maf. The Central Arizona Project (CAP) will divert 1.548 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 0.642 maf, which is 9,000 acre-feet more than its 2006 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2007 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 3.789 maf. This estimate is based on the collective use, through July 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

#### *Final 2007 Upper Basin Hydrologic Determination*

On June 8<sup>th</sup>, Secretary of the Interior, Dirk Kempthorne, issued the final 2007 Hydrologic Determination (Determination) for a proposed contract from Navajo Reservoir in support of the Navajo-Gallup Water Supply Project. This determination is required for all potential contracts for water from Navajo Reservoir, pursuant to Public Law 87-483.

Based upon the final Determination, the Department of the Interior has determined that the Navajo Nation's proposed contract for 20,780 acre-feet of annual consumptive use through the Navajo-Gallup Water Supply Project, and an additional 270,000 acre-feet of annual consumptive use through the Navajo Indian Irrigation Project would be available from New Mexico's Upper Basin allocation through at least 2060. This Determination was based upon Reclamation's analyses and conclusion that, for the period 1906 through 2000, the natural runoff from the Upper Colorado River Basin averages about 15.3 million acre-feet per year at Lee Ferry. The Determination reports that neither the Upper Colorado River Commission, nor the Lower Division states, agrees with some of the modeling assumptions utilized in the Determination. The Determination does not attempt to quantify the Colorado River Compact Article III(c) requirement, or make any interpretation regarding Article III(c).

In conclusion, the Determination resulted in a finding that the Upper Basin yield through the planning horizon is 5.76 million acre-feet annually; and that New Mexico's average annual consumptive use in New Mexico is at least 642,000 acre-feet. Once the proposed legislation for the Navajo-Gallup Water Supply Project has been passed, and appropriate water service contracts have been executed, the Department of the Interior will forward the final Determination to Congress, pursuant to P.L. 87-483. Copies of Secretary Kempthorne's cover letter, as well as, the final Determination are included in the Board folder.

#### *MWD's Recovery of Interstate Underground Storage Credits in 2008*

In a June 27<sup>th</sup> letter, The Metropolitan Water District of Southern California (MWD) requested that the Central Arizona Water Conservation District (CAWCD) release, for recovery in 2008, 25,000 acre-feet of water stored in the Arizona Water Bank as Long-Term Storage Credits. A copy of MWD's letter to CAWCD is included in the Board folder.

#### *Arizona Water Banking Authority Final Verified Accounting of the Southern Nevada Water Authority Account for Calendar Year 2006*

On July 2<sup>nd</sup>, the Arizona Water Banking Authority (AWBA) released its final calendar year 2006 accounting of the Southern Nevada Water Authority's (SNWA) account. On January 1, 2006, the SNWA account contained 237,065 acre-feet of Long-Term Storage Credits (LTSC). The total number of LTSC earned in 2006 was reported to be 175,569 acre-feet. The total

amount of LTSC available to SNWA is 412,634 acre-feet. A copy of the Arizona Water Banking Authority's letter and accounting are included in the Board folder.

*Board Testimony to the Senate Subcommittee on Water and Power Regarding S. 1171 (Northwestern New Mexico Rural Water Project Act)*

As has been discussed at previous Board meetings, the Northwestern New Mexico Rural Water Projects Act (i.e., S. 1171 and H.R. 1970) legislation is moving forward in the Congress. The U.S. Senate Subcommittee on Water and Power held a hearing on S. 1171 on July 24<sup>th</sup> in Washington, D.C. Toward this end, the Board authorized me to submit written testimony to the Subcommittee with California's comments and concerns regarding the legislation. Generally, the Board's written testimony supports the proposed federal legislation, requests some clarification of various provisions, and maintains that the legislation must be consistent with the Law of the River. A copy of the Board's written testimony is included in the Board folder.

*Calendar Year 2007 Bureau of Indian Affairs Revised Approval of Tribal Diversion Estimates*

On August 7<sup>th</sup>, I received a copy of a letter from Reclamation detailing the revised determinations of mainstream Tribal diversions of Colorado River water for calendar year 2007. The determination lists each mainstream Tribe with an entitlement and the approved diversion amount identified by the Bureau of Indian Affairs. The determination also lists the Tribal entitlements and diversion amounts within each of the Lower Division states. A copy of the determination is included in the Board folder.

*Non-Native Invasive Mussel Reaches Lake Powell*

A copy of a recent article from *The Arizona Republic* regarding the discovery of a non-native invasive mussel in the waters of Lake Powell is included in the Board folder. Currently, biologists from the Arizona Game and Fish Department, Utah Division of Wildlife, and U.S. Fish and Wildlife Service are examining the mussels to determine if they are indeed Quagga or the closely-related Zebra mussel. The article indicates that stricter rules on boaters will likely be implemented in Lake Powell to attempt to control the spread of the mussel. This would likely include rigorous boat washes and inspection stations.

Basin States Discussions

*Reclamation Releases Proposed Preferred Alternative for Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lakes Powell and Mead*

As we discussed at last month's Board meeting, on June 18<sup>th</sup>, Reclamation issued an announcement that it had developed a preferred alternative for the draft Environmental Impact Statement (DEIS) associated with Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lakes Powell and Mead. According to Reclamation, the proposed preferred alternative incorporates the key elements of the Basin States' Alternative. Additionally, the preferred alternative creates flexibility for potential storage of additional

conserved Colorado River water or non-Colorado River water in Lake Mead. As identified in Reclamation's press release, the key elements of the preferred alternative include the following:

- Shortages – that is reduced deliveries to U.S. water users in the Lower Basin – would be tied to Lake Mead's elevation. If Lake Mead's elevation drops, reductions in water deliveries to Lower Basin users would increase, thereby conserving water in the reservoir;
- The preferred alternative would adopt detailed guidelines to improve coordinated operations of Lakes Powell and Mead through the full range of reservoir levels;
- Credits for Colorado River or non-Colorado River water that has been conserved by users in the Lower Basin (i.e., Intentionally Created Surplus) would be made available for release from Lake Mead at a later date. The total amount of credits would be 2.1 million acre-feet, but this amount could be increased up to 4.2 million acre-feet in future years; and
- Interim Surplus Guidelines – adopted in 2001 – would be modified and extended to 2026. The revised surplus guidelines would address the operation of Lake Mead at relatively full reservoir conditions, and would specify when surplus water supplies would be made available to Lower Basin water users.

Reclamation indicated that the preferred alternative will be fully analyzed and evaluated and the potential environmental impacts will be addressed in the final EIS that is anticipated to be released in September 2007. Currently, Reclamation is reviewing comments provided by interested parties on the preferred alternative. As a reminder, a copy of the Reclamation's proposed preferred alternative can be accessed via Reclamation's Lower Colorado Regional Office website at <http://www.usbr.gov/lc/region/programs/strategies/documents.html>.

On August 16<sup>th</sup>, the Basin states' Technical Committee and Principals met with representatives of the Department of the Interior Solicitor's Office and Reclamation to review the August 15<sup>th</sup> revision of the proposed Guidelines. Reclamation had included additional information and background related to the implementation of the guidelines, and the conditions for future consultations with the Secretary regarding application of the Guidelines during the interim period. A draft of the August 15<sup>th</sup> revised Guidelines in the handout materials.

There is still one significant area of disagreement among the Basin states related to the Guidelines. This concern is associated with the interpretation of Lake Powell's equalization tier included in the draft Guidelines. As we have discussed at previous meetings, when Reclamation prepared modeling analyses for the DEIS, it utilized assumptions associated with the 602(a) equalization criteria that protected a minimum power pool within Lake Powell. Arizona and the other Lower Basin states are concerned that the continued use of this algorithm and the protection of a minimum power pool in Lake Powell are inconsistent with the agreement that was reached among the states. The Upper Basin states are taking the opposite position. Based upon this disagreement a small group has been formed.

The small group of representatives from the Upper and Lower Basins and from the Solicitor's Office are currently working on developing compromise language that can be incorporated into the Guidelines and that can satisfy the concerns of each the Basin states. Working with the other California interests, I have been involved in the small group as California's representative. I will provide an update on the status of the discussions at the Board meeting.

*Joint United States/Mexico Statement on Lower Colorado River Issues*

On August 13<sup>th</sup>, Secretary of the Interior Kempthorne released an announcement that the governments of Mexico and the United States have renewed their commitment to cooperate and collaborate on Colorado River issues. The two governments will work together to address issues that affect the environment, and agricultural and urban water uses. The two countries pledged to evaluate methods for improving water use efficiencies, coastal desalination, delta and riparian habitat restoration needs, water supply augmentation, climate change impacts, and improving water delivery efficiencies. A copy of Secretary Kempthorne's statement has been included in the Board folder.

In a related vein, a meeting has been scheduled for September 5<sup>th</sup>, in Washington, D.C., for Basin states representatives to meet with representatives of the Departments of the Interior and State to discuss U.S./Mexico issues, particularly those related to the impending release of the final EIS, Preferred Alternative, and the proposed Guidelines. One of the primary goals of this meeting will be to help the Department of State develop a working strategy and framework for addressing Colorado River issues with Mexico as the final EIS is released and as the proposed Guidelines are implemented. Additionally, during the meeting it is anticipated that the status of binational meetings addressing water use and environmental issues related to the All-American Canal Lining Project and the Drop-2 Reservoir Project will be discussed. I plan to attend the September 5<sup>th</sup> meeting in Washington, D. C. on behalf of the Board.

Lower Colorado River Multi-Species Conservation Program Act (H.R. 2515 and S. 300)

On July 24<sup>th</sup>, and August 3<sup>rd</sup> respectively, I provided testimony before the House Subcommittee on Water and Power of the House Natural Resources Committee considering H.R. 2515, and the Senate Subcommittee on Water and Power considering S. 300 (Lower Colorado River Multi-Species Conservation Program Act). This proposed federal legislation has been discussed at previous Board meetings, and has not been modified from the earlier iteration. A representative of CAWCD, and Nevada's Colorado River Commission (CRC) also provided testimony in support of the legislation. Representative Grace Napolitano followed up the hearing with several written questions which were addressed by me, CAWCD, and the CRC of Nevada. A copy of the testimony that was provided at the hearing is included in the Board folder.

  
Gerald R. Zimmerman  
Executive Director