

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

**July 8, 2008**

**ADMINISTRATION**

**Approval of Board Meeting Minutes – June 11<sup>th</sup>**

A copy of the June 11<sup>th</sup> Board meeting minutes has been included in the Board folder for review and comment. I am asking for approval and adoption of these meeting minutes by Board members.

**Fiscal Year 2008-2009 Assessment Letters**

As an informational item for Board members, with the start of the new fiscal year the 2008/2009 Assessment letters were recently sent out to each of the agencies.

**Special Meeting of the Board – August 13, 2008, San Diego, California**

I want to remind the Board that its August meeting will be held in conjunction with the Urban Water Institute's (UWI) annual water conference. The UWI conference will be held at the Hilton Mission Bay Resort in San Diego, California on August 13-15, 2008. The special meeting of the Board will be held at 10:00 a.m. on August 13<sup>th</sup>.

**AGENCY MANAGERS' MEETING**

There has not been a meeting of the Agency Managers since the June Board meeting; however, there is a meeting of the Agency Managers scheduled for July 9<sup>th</sup> immediately following the Board meeting. At this meeting the following issues will be discussed: 1) the Inadvertent Overrun and Payback Policy; 2) Interim Surplus Conditions; 3) 2007 Decree Accounting; 4) 2008 Operations for the remainder of the year; 5) development of the 2009 AOP; 6) Yuma Desalting Plant Operations; 7) Navajo-Gallup legislation; 8) Lake Powell Pipeline Project; and 9) IBWC working group update.

**PROTECTION OF EXISTING RIGHTS**

**Colorado River Water Report**

As of July 1, 2008, storage in the major Upper Basin reservoirs increased by 2,427,980 acre-feet and storage in the Lower Basin reservoirs decreased by 211,500 acre-feet during June 2008. Total System active storage as of July 2<sup>nd</sup> was 34.763 million acre-feet (maf), or 58

percent of capacity, which is 1.009 maf more than one year ago (Upper Basin reservoirs increased by 1.774 maf and Lower Basin reservoirs decreased 0.765 maf). As of today, Lake Powell is at its highest level in six years and it is rising.

June releases from Hoover, Davis, and Parker Dams averaged 15,950, 15,650, and 11,610 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of July 2008, are 14,100, 14,200, and 11,500 cfs, respectively. The July releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of July 2<sup>nd</sup>, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2008, as forecasted by Reclamation, totals 7.643 maf and is described as follows: Arizona, 2.847 maf; California, 4.516 maf; and Nevada, 0.280 maf. The Central Arizona Project (CAP) will divert 1.578 maf, of which 0.188 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.793 maf, which is 80,000 acre-feet more than its 2007 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2008 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 May 2008, 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

#### *2009 Annual Operating Plan for the Colorado River Reservoirs*

On July 14<sup>th</sup>, the first consultation meeting of the Colorado River Management Work Group will be held to begin development of the 2009 Annual Operating Plan for the Colorado River System Reservoirs (2009 AOP). During the meeting the Work Group will review the first draft of the 2009 AOP that has been prepared by Reclamation. When released, this draft of the 2009 AOP will be posted on Reclamation's website.

Although the final 2008 AOP was written to be consistent with the Record of Decision on the Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines) that was issued on December 13<sup>th</sup> by Secretary Kempthorne, the 2009 AOP will be the first plan to be developed under these Interim Guidelines. As such, I anticipate extensive discussions on several provisions contained in the Interim Guidelines, as well as how those provisions should be handled in the 2009 AOP.

Following the July 14<sup>th</sup> meeting, additional consultation meetings will be held in order to finalize the recommended 2009 AOP by the end of the water year. When approved by the

Secretary of the Interior, it will be sent to the Governors of each of the Colorado River Basin states.

### *Reactivation and Operation of the Yuma Desalting Plant*

As discussed during previous Board meetings, efforts have been underway to evaluate the reactivation and operation of the Yuma Desalting Plant. These efforts have led to formation of a small work group to look at developing a funding agreement and other agreements necessary to move forward with a “demonstration” project. Water produced during the demonstration period could be considered System Conservation Intentionally Created Surplus (SC-ICS) and an agreed upon quantity of water could be made available to the entities who agree to fund operation of the plant during the demonstration period. This program would work similar to the one that was implemented for funding the construction of the Drop 2 Reservoir.

The small group is also identifying the monitoring that needs to occur during the demonstration period, the permits and environmental compliance that is needed, and the estimated cost to start-up and operate the plant during the demonstration period. Following the initial efforts by the small group, negotiations will occur regarding the quantity of ICS water that will be made available and who the funding partners and beneficiaries will be.

Meetings are scheduled to be held on July 17<sup>th</sup> and 18<sup>th</sup> to obtain input from the small group and to determine the next steps to be taken. It is anticipated that, if this demonstration project moves forward, limited operation of the Yuma Desalting Plant would begin in early 2009.

### Basin States Discussions

#### *Comment Letters to the Federal Energy Regulatory Commission Regarding the Proposed Lake Powell Pipeline Project*

As was reported at last month’s Board meeting, the U.S. Department of Energy’s Federal Energy Regulatory Commission (FERC) recently published a notice in the *Federal Register* of a Notice of Intent to File License Application, Filing of the Pre-Application Document, and the Issues Scoping for the Project. The *Federal Register* Notice was published on May 12<sup>th</sup>. FERC has indicated that it has designated the Utah Division of Water Resources as FERC’s non-federal representative for informal consultation with the U.S. Fish and Wildlife Service and issues regarding the National Historic Preservation Act.

FERC has initiated the scoping of environmental issues process pursuant to the National Environmental Policy Act (NEPA) related to the proposed 180 mile pipeline project from Lake Powell to the St. George, Utah region. FERC held three scoping meetings that occurred on June 10-12, 2008, respectively in St. George, Cedar City, and Kanab, Utah. Copies of the *Federal Register* notice, FERC’s memorandum to interested parties, and the proposed NEPA Scoping Issues document were included in last month’s Board folder. At last month’s Board meeting, I proposed that the Board send a letter to FERC indicating that it is interested in following the

progress of this project, wishes to receive information regarding the scoping and NEPA processes, and may provide comments, as appropriate, throughout the process.

In its June 12<sup>th</sup> comment letter to FERC, the Board indicated that it wished to be placed on the EIS mailing list and receive any documents and correspondence associated with the project and the draft EIS. Similar comment letters were also sent to FERC by the Arizona Department of Water Resources and Southern Nevada Water Authority. Copies of these letters have been included in the Board folder and in the handout materials.

### *Status of the Navajo-Gallup Water Supply Project Legislation*

On June 25<sup>th</sup>, Senate Bill 1171, The Northwestern New Mexico Rural Water Projects Act, was reported on in the Senate. This version of the draft legislation is the version that has been intensively discussed and worked over by the Basin states over the past couple of months. At this time, there does not appear to be consensus among the states on all aspects of the proposed legislation. The primary differences appear to be between Colorado and Arizona. Meetings among representatives of Colorado, Arizona, New Mexico, and the Navajo Nation are being held in an attempt to resolve their differences. An attempt is being made to reach a compromise so that none of the seven Basin states will actively oppose the bill. A copy of the Senate's report accompanying S. 1171 has been included in the handout material for the Board meeting.

### *Lower Basin States Meeting (July 14, 2008)*

A meeting of the Lower Basin states has been scheduled for July 14<sup>th</sup> in Las Vegas, Nevada. The primary items to be discussed at this meeting include: 1) IOPP procedures and payback plans for 2009; 2) plans by entities to create Intentionally Created Surplus (ICS) in 2008; 3) the schedule and approval of post-2008 ICS plans; 4) 2007 Decree Accounting issues; 5) reservoir operations for the remainder of 2008 and the assumptions for development of the 2009 AOP; 6) the demonstration program for operation of the Yuma Desalting Plant; and 7) transbasin diversions associated with the Navajo-Gallup Pipeline Project and the Lake Powell Pipeline Project. The Colorado River Board Agency Managers will be meeting on July 9<sup>th</sup> to discuss each of these agenda items.

### Environmental Programs

#### *Upper Basin Endangered Fish Recovery Program*

On June 25<sup>th</sup>, Senators Bingaman and Domenici introduced proposed legislation (S. 3189), the Endangered Fish Recovery Programs Improvement Act of 2008. This legislation would amend Public Law 106-392 to require the Administrator of the Western Area Power Administration and the Commissioner of Reclamation to maintain sufficient funds in the Upper Colorado River Basin Fund for the recovery of endangered fishes through implementation of the Upper Basin's species recovery programs. The proposed legislation also extends the term of the programs and increases the level of funding for the recovery programs. A copy of the proposed legislation has been included in the handout materials.

*Status of Grand Canyon Trust v. U.S. Bureau of Reclamation*

On June 16<sup>th</sup>, the Basin States filed an answer to Counts Six, Seven, and Eight of the Grand Canyon Trust's supplemental complaint. The sixth count names the Bureau of Reclamation and alleges violations of NEPA pertaining to the 2008 Experimental Plan. The seventh count names Fish & Wildlife Service and alleges violations of the Endangered Species Act and the Administrative Procedures Act as it pertains to the biological opinion for the 2008 Experimental Plan. The eighth count names the Bureau of Reclamation and alleges violations of the Grand Canyon Protection Act pertaining to the 2008 Experimental Plan.

The trial court has announced that it will hold a hearing on August 29, 2008, pertaining to the motions for summary judgment and the motion to dismiss on Counts One through Five.



Gerald R. Zimmerman  
Executive Director