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

October 14, 2003

ADMINISTRATION

CRB Budget for FY 2003-04

Included in the Board folder is a copy of Standard Agreement No. 36, to be signed by the Executive Director of the Colorado River Board and Chairman of the Six Agency Committee, approving the revised funding arrangement for the Board's Fiscal Year 2003-2004 Budget. You will recall, the Board's budget for FY 2003-04 had its General Fund contribution reduced from $192,000 to zero. The only external funds to be provided to the Board will be $14,000 from the Environmental License Plate Fund.

At last months Board meeting, the Six Agency Committee agreed to increase its contributions, in the amount of $258,000, to support the Colorado River Board's activities for Fiscal Year 2003-2004.

AGENCY MANAGERS MEETING

The Agency Managers have not met since the last Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of October 1, 2003, storage in the major Upper Basin reservoirs decreased by 105,000 acre-feet and storage in the Lower Basin reservoirs decreased by 253,000 acre-feet during September. Total System active storage as of October 2nd was 34.058 million acre-feet (maf) or 56 percent of capacity, which is 3.793 maf less than one year ago.

September releases from Hoover, Davis, and Parker Dams averaged 9,830, 11,090 and 9,630 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of October 2003 are 8,600, 11,200, and 8,700 cfs, respectively. The October releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

The final October 6, 2003, observed April through July 2003 unregulated inflow into Lake Powell was 3.918 maf, which is 49 percent of the 30-year average for the period 1961-1990. The

final October 6, 2003, observed unregulated inflow into Lake Powell for the 2003-04 water year was 6.358 maf, or 53 percent of the 30-year average.

Without an executed Quantification Settlement Agreement, the Lower Division States' consumptive use of Colorado River water for calendar year 2003 is limited to 7.5 maf, i.e., Arizona 2.8 maf, California 4.4 maf, and Nevada 0.3 maf. For calendar year 2003, it is estimated the Central Arizona Project (CAP) will divert 1.580 maf, of which 0.273 maf is to be credited to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will be required to reduce its consumptive use to 0.581 maf or 47 percent of its actual use of mainstream water in 2002.

As of October 2nd, and taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2003, as forecasted by the Board's staff, totals 7.613 maf before deduction of 0.264 maf for unmeasured return flow credits and is distributed as follows: Arizona, 2.888 maf; California, 4.414 maf; and Nevada, 0.311 maf.

The preliminary end-of-year estimate for 2003 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 3.764 maf. This estimate is based on the collective use through August 2003 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

2004 Annual Operating Plan

The final draft of the 2004 Annual Operating Plan (AOP) for Colorado River System Reservoirs has been prepared and transmitted to the Department of the Interior (DOI) for review and approval. Changes resulting from the September 11, 2003, meeting in Las Vegas, Nevada, with stakeholders have been incorporated into the final draft of the AOP. I anticipate that DOI will be transmitting the 2004 AOP to the seven Basin State Governors prior to the end of the year.

Reclamation's Study of 602(a) Storage Criteria

On January 16, 2001, the Secretary of the Interior signed the record of decision (ROD) for the Colorado River Interim Surplus Guidelines. During the public comment period on the draft Environmental Impact Statement (EIS), the Basin States submitted information concerning interim surplus criteria and other related issues. The final EIS was based in large part on the Basin States' proposal except for Lake Powell "equalization" releases.

The Basin States' had proposed that during the Interim Period, 602(a) storage requirements determined in accordance with Article II (1) of the Long-Range Operating Criteria shall utilize a

value of not less that 14.85 maf (elevation 3,630 feet) for Lake Powell. Since the Colorado River Basin is in its fourth year of drought, Reclamation, on January 28, 2003, published a notice in the *Federal Register* announcing its intention to consider adoption of a specific interim 602(a) storage guideline. Within its proposed guideline, Reclamation proposed to adopt the proposal submitted by the representatives of the seven Basin States. Thirteen letters of comment were received.

On September 30th, Reclamation published a notice in the *Federal Register* concerning the availability of an Draft Environmental Assessment (EA) for an Interim 620(a) Storage Guideline for Management of the Colorado River. The proposed federal action is based on the proposal submitted by the representatives of the seven Basin States. Written comments on the draft EA are due by October 30, 2003.

5-Mile Zone Study Area Resources Management Plan

Included in the Board folder is a letter from the Arizona Department of Water Resources to the Yuma Area Manager of Reclamation concerning Reclamation's interpretation of the Law of the River associated with pumping groundwater within the 5-Mile Zone along the Southerly International Boundary.

The 5-Mile Zone is located along the southern boundary of Arizona, adjacent to Mexico, and is 5-miles wide, and extends east from the Colorado River for 13 miles. The Minute 242 well field is included within this area. According to the Mexican Treaty, each country is entitled to pump no more than 160,000 acre-feet annually. Private interests are not authorized to pump groundwater within the 5-mile area without approval from Reclamation as it has jurisdiction over the land surface and operates the well field.

Changing Name of Lake Powell

Included in the Board folder, as an informational item, is a copy of a letter from the state of Utah to the U.S. Board of Geographic Names regarding a proposal to change the name of Lake Powell to Glen Canyon Reservoir. In its letter, Utah adamantly opposed any change in the name of Lake Powell and says the proposal is self evident in what the environmental community is attempting to do to decommission Glen Canyon Dam.

<u>California's Colorado River Water Use Plan</u>

Status of the QSA Discussions and Activities

On September 29, 2003, Governor Davis signed S.B. 277 (Kuehl and Machado), S.B. 317 (Kuehl, Ducheny, and Machado), and S.B. 654 (Alpert, Ducheny, Escutia, and Kuehl) which commits the State of California to a restoration plan for the environmentally sensitive Salton Sea as well as provides full mitigation for these water supply programs.

On October 10, 2003, the Quantification Settlement Agreement (QSA) and its related documents were signed. The QSA will provide California a transition period to implement water transfers and supply programs that will reduce California's dependence upon the Colorado River and allow it to live within its 4.4 million acre-foot basic annual apportionment when conditions on the River dictate. With execution of the QSA, California is assured of up to 75 years of stability in its Colorado River water supplies and provides for a lasting peace among Colorado River users, not only in California, but also among the seven states that share the Colorado River. Also, with this action, it is expected that the Department of the Interior will reinstated the Interim Surplus Guidelines and issue the Record of Decision on its Inadvertent Overrun and Payback Policy.

Basin States Discussions

As has been reported at previous Board meetings, representatives from the six other Colorado River Basin states have been extremely interested in the status of execution of the QSA and its contents. A number of meetings have been held to advise the states of the status and to obtain their input over the last few months.

Colorado River Environmental Activities

Lower Colorado River Multi-Species Conservation Program

Significant progress continues to be made in the development of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP). Final Administrative Drafts of the LCR MSCP Habitat Conservation Plan (HCP) and Biological Assessment (BA) have been submitted to the Washington Offices of the Bureau of Reclamation and the U.S. Fish and Wildlife Service for internal review and comment. Additionally, the Technical Contractors have prepared an Administrative Draft Programmatic Environmental Impact Statement/Report (EIS/R) for review and comment.

Members of the LCR MSCP Implementation Issues Subcommittee have prepared a draft of proposed federal legislation authorizing implementation of the LCR MSCP, cost-sharing, program management, funds appropriations, governance, and reporting requirements. The draft legislation is being circulated among the LCR MSCP participating agencies for review and comment and has been distributed to agency lobbyists. The intent is to have the agency Washington D.C. representatives begin to circulate the proposed legislation with staffers in Congress and identify potential sponsors.

Mr. Harris and I, and other LCR MSCP representatives met with the Fort Yuma-Quechan Tribal Council and provided a status update and LCR MSCP program overview on October 8, 2003, at the Tribal Headquarters in Winterhaven, California. The purpose of the meeting was to update the Tribe on the status of the Program, identify potential areas of cooperation related to implementation of the LCR MSCP and the Tribes interest in implementing potential habitat restoration on Tribal lands along the lower Colorado River in the Yuma region.

Also, Mr. Harris and I recently met with members of the Palo Verde Irrigation District's Board of Directors and senior management staff. The purpose of the meeting was to discuss potential issues related to implementation of the LCR MSCP, scope of California covered projects, habitat restoration opportunities in the Palo Verde Valley, cost-sharing, long-term funding, and so forth. PVID is also concerned about the potential ramifications associated with the listing of the Burrowing owl by the California Department of Fish and Game and impacts on PVID operations and maintenance activities in the Palo Verde Valley.

Colorado River Pikeminnow

Recently I received a copy of a letter from the National Wildlife Federation (NWF) to Mr. Curt Taucher, in his role as chair of the Colorado River Fish and Wildlife Council (CRFWC), regarding the potential repatriation and management of the Colorado pikeminnow (*Ptychocheilus lucius*) in the Lower Colorado River below Glen Canyon Dam. The CRFWC is an ad hoc organization comprised of representatives of wildlife resource agencies from the seven Colorado River Basin states. The NWF also indicated its support for SB 412 (Sher) advocating the incidental taking of fully protected species in conjunction with necessary scientific research. The NWF believes that Colorado pikeminnow should be repatriated to the Lower Colorado River and managed as an "experimental non-essential" population, pursuant to Section 10(j) of the federal Endangered Species Act. Included in the Board folder is a copy of NWF's letter to the CRFWC.

Lower Colorado Water Supply Project (LCWSP)

Blythe Energy Project

Included in the Board folder, for your information, are copies of the latest correspondence related to the Blythe Energy Project's (BEP) use of Colorado River water for power plant cooling.

In response to the Board's letter to the California Energy Commission (CEC) concerning BEP II, the PVID has informed the CEC, that in its opinion the pumping of groundwater for power generation purposes on the lower Palo Verde Mesa, within PVID's service area, is not an unauthorized use.

With regard to BEP I, a representative from the project has written to Reclamation, asking it to reaffirm its prior statements concerning BEP's Water Conservation Offset Program (WCOP) for the use of Colorado River water or supply it with any information Reclamation has or recently received to cause it to change its position. In its initial letter, Reclamation indicated its acceptance of the Water Conservation Offset Program. In a subsequent letter, Reclamation indicated that the WCOP proposed for BEP I may not meets Reclamation's criteria since it had recently learned that the lands to be fallowed did not have a recent history of irrigation.

Advance Delivery of LCWSP Water

At previous Board meetings the concept of advance delivery of Project water to a third party, as well as, the water quality of the water being pumped from the well field have been discussed. Current testing by Reclamation shows that, the water quality from the well field is better than the water quality in AAC. However, both the Exchange Agreement between the United States, Imperial Irrigation District (IID) and Coachella Valley Water District (CVWD) and the Operating Agreement between the United States and IID, indicate that IID and CVWD can reject receiving Project water if the quality of the Project water, on an annual basis, is not better than or equal to the quality of the Colorado River water diverted at Imperial Dam. This statement is a very general and leaves several questions open to interpretation. However, the Exchange Agreement does provide a mechanism for establishing criteria to deal more specifically with conditions for rejecting the receipt of Project water. In order to take some of this ambiguity out of the equation, it has been suggested that more specific criteria for when Project water can be rejected be developed and incorporated into Exhibit A of the existing Exchange Agreement.

At the August Board meeting I reported the issue of the well field water quality was discussed at an Agency Manager's Technical Committee meeting in late July. A draft of the proposed criteria for discharging LCWSP well field water into the AAC has been prepared and has been forwarded to the Technical Committee members for their review and comments. When the Technical Committee generally agrees on the criteria, it will be brought to the Agency Managers and the Board for their considerations.

Gerald R. Zimmerman
Executive Director