

Agenda

Colorado River Annual Operating Plan (AOP) Consultation Meeting
Colorado River Management Work Group (CRMVVG)
August 26, 2009
10:00 a.m. (PDT)
Mezzanine Rooms 4 & 5
McCarran International Airport, Las Vegas, Nevada

- I. Welcome and Introductions — Steve Hvinden / Dave Trueman

Upper Basin Hydrology and Operations -- Rick Clayton
- III. Lower Basin Hydrology and Operations — Dan Bunk
- IV. Review Draft 2010 AOP — CRMWG
- V. Conclusion and Wrap-Up

Managing Water in the West

DRAFT Annual Operating Plan for Colorado River Reservoirs 2010

Colorado River Basin



Managing Water in the West

YDP Pilot Run Draft FONSI and Final EA Now Available

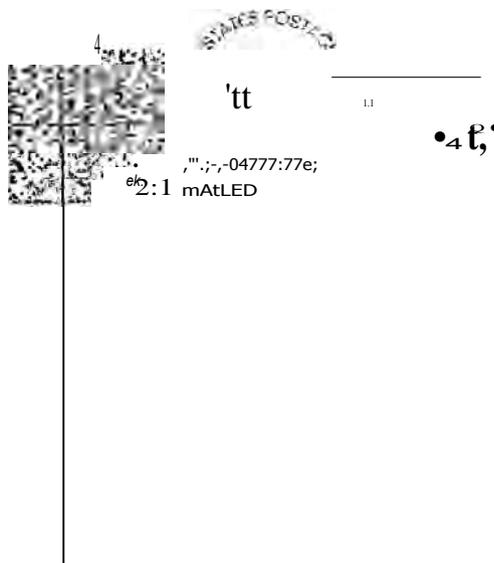
The Bureau of Reclamation announces the release of the Final Environmental Assessment (EA) and draft Finding of No Significant Impact (FONSI) for the proposed Yuma Desalting Plant Pilot Run. The documents are available on-line at: www.usbr Alo\ 'lc yurna 'en \ ironmental_docs environ_docs.hunl, or a CD copy can be picked up between 7:30 a.m. and 4:30 p.m. at:

Bureau of Reclamation
Yuma Area Office
7301 Calle Agua Salada
Yuma, AZ 85364

The draft FONSI and Final EA are available for public review and consideration for 30 calendar days from the date posted at the link referenced above. Questions should be directed to evirden@cr.usbr.gov or to the address above, Attention: Ed Virden, Assistant Area Manager.

BUREAU OF RECLAMATION
Yuma Area Office
7301 Calle Agua Salada

Colorado River Board of California
Attn: Gerald R. Zimmerman
770 Fairmont Avenue, Suite 100
Glendale, California 91203-1068



**Lower Colorado Region
Boulder City, NV**

Media Contacts: Ed Virden (928) 343-8109
evirden@usbr.gov

Bob Walsh (702) 293-8421
rwalsh@usbr.gov

Released On: August 26, 2009

Reclamation invites public review of draft Finding of No Significant Impact for the Yuma Desalting Plant pilot run

The Bureau of Reclamation, in accordance with the National Environmental Policy Act, has developed a draft Finding of No Significant Impact (FONSI) for a proposed pilot run of the Yuma Desalting Plant (YDP).

The proposed pilot run would commence in early 2010, and the plant would be run for 365 days at one-third capacity over a 12 to 18 month period. During this pilot run, the plant will produce an average of about 19.8 million gallons (61 acre-feet) of desalinated water per day. This water will be discharged to the Colorado River near the U.S. — Mexico international border for inclusion in Treaty-required water deliveries to Mexico.

Over the course of the pilot run, approximately 29,000 acre-feet of water (about 9.5 billion gallons) will be discharged to the river. This will consist of about 22,400 acre-feet of desalted water, and approximately 7,000 acre-feet of untreated irrigation drainage water. (There are 325,851 gallons of water in an acre-foot, which is enough to meet the annual needs of a family of four to six people.)

Reclamation invites public review and consideration on the draft FONSI. The public review period is open for 30 calendar days, until close of business on September 28. A copy of the final environmental assessment and draft FONSI can be downloaded from Reclamation's Yuma Area Office website, at: http://www.usbr.gov/lc/yuma/environmental_docs/enviro_docs.html.

Questions should be directed to Mr. Ed Virden, Assistant Area Manager at the Yuma Area Office. Mr. Virden's contact information is: Yuma Area Office, 7301 Calle Agua Salada, Yuma, AZ 85364; email: evirden@usbr.gov; and Office fax: 928-343-8320. Comments must be submitted in writing via U.S. mail, e-mail, or fax, and must include personal identifying information of the submitter.

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Reclamation is the largest wholesale water supplier and the second largest producer of hydroelectric power in the United States, with operations and facilities in the 17 Western States. Its facilities also provide substantial flood control, recreation, and fish and wildlife benefits. Visit our website at <http://www.usbr.gov/lc>.

Draft
FINDING OF NO SIGNIFICANT IMPACT
Proposed Yuma Desalting Plant Pilot Run

U.S. Department of the Interior
Bureau of Reclamation
Yuma Area Office

Introduction

In accordance with the National Environmental Policy Act (NEPA) of 1969 (Public Law 91-190 as amended), the Bureau of Reclamation (Reclamation) has issued the attached Environmental Assessment (EA) to disclose the environmental impacts resulting from the proposed Yuma Desalting Plant Pilot Run. The EA provides details on the Proposed Action and an analysis of potential impacts; it should be used as the basis for this Finding of No Significant Impact (FONSI).

Proposed Action

The purpose of the Proposed Action is to operate the Yuma Desalting Plant (YDP) as designed at a sufficient flow and appropriate duration to gather benchmark performance and cost data which can only be obtained through actual plant operations; determine whether any additional corrective actions to plant design or equipment would be necessary for long-term operation of the plant; and test changes and corrections (such as the fully-automated distributed control system) which have already been implemented at the YDP as part of maintaining its ready reserve status. The need for the Proposed Action is to obtain information regarding actual plant operation which will test theoretical analyses and provide information about the plant's operating capability to reliably produce product water which could be used for multiple end uses; as well as to verify the suitability of treatment processes and associated facilities during actual plant performance, determine baseline operating costs, test the effectiveness of completed plant improvements, and assess how plant equipment will respond to daily operation; and provide process related effluent and emissions data for a sufficient period of time to provide a basis to analyze, in a separate, future decision, potential environmental consequences of long-term YDP operation.

Resource Analysis

The EA focused on those resource areas identified as potentially impacted by the alternatives considered, including the No Action Alternative. Based on the location and nature of the Proposed Action, there would be no effects to aesthetics, cultural resources, geology and soils, and land use. Potential negative effects of the Proposed Action were identified for air quality, biological resources, water resources, hazardous materials, Indian trust assets, environmental justice, noise, and climate change:

1. Air quality will be affected by the Proposed Action through increased particulate matter that is 10 microns in diameter or less (PM₁₀) emissions and ozone as a result of a slight

increase in traffic to the YDP. However, the analysis in the EA indicates effects to PK^o and ozone will be negligible and not significant.

2. Biological resources may be impacted from the Proposed Action due to the conveyance of drainage water into the Colorado River from the MODE 1 Diversion/Return Facility. However, because this type of conveyance is a routine operational practice which occurs regularly, and because the additional water will not result in any significant changes in salinity and river level, no effects to fish and wildlife, including endangered species in the U.S., will occur (U.S. Fish and Wildlife Service letter dated July 13, 2009). Reclamation will obtain a National Pollutant Discharge Elimination System permit for the discharge of product water from the YDP prior to initiating the Proposed Action. This discharge will not result in any significant impacts.

3. Potential impacts to water resources include the disposal of biosolids (a byproduct of the YDP) to the A-22 evaporative ponds. These biosolids, if not disposed of properly, could affect groundwater in the Yuma area. However, the A-22 ponds (evaporative cells) are lined, which will prevent biosolids from reaching the groundwater and adversely affecting groundwater. As appropriate, Reclamation will notify the Arizona Department of Environmental Quality of the proposed quantity change discharged to the A-22 cells for the Proposed Action. In addition, during operation of the YDP about 21,700 acre feet (AF) of desalinated product water and 7,300 AF of MODE flow will be conveyed to the Colorado River. As a result, depending upon the delivery of Intentionally Created Surplus (ICS) credits, temporary reduced releases from Hoover Dam may occur, thus producing slightly lowered water elevations along the river between Hoover and Imperial Dams. However, effects resulting from the lower elevation levels would be so small as to be immeasurable, and the change in water releases would not conflict with water delivery obligations, cause significant groundwater depletion, or alter existing drainage. There will not be any significant impacts on water resources.

4. Hazardous materials to be used on-site during the proposed YDP Pilot Run will increase. Hazardous materials will continue to be managed in accordance with Environmental Protection Agency and Occupational Safety and Health Administration requirements. The existing Risk Management Plan/Process Safety Management Plan (RMP/PSMP) documents which outline preventative actions to avoid an accidental release will be revised before the Proposed Action is initiated in order to continue to ensure employee, public, and environmental safety due to the greater amounts of chemicals necessitated by the YDP Pilot Run. In addition, hazardous waste generated from the Proposed Action would continue to be transported to an off-site hazardous waste facility for treatment or disposal in accordance with state regulations. There will be no significant impact resulting from hazardous materials.

5. The Proposed Action will not affect Indian trust assets (ITA). Reclamation will continue to coordinate with the Quechan and Cocopah tribes to ensure ITA's remain unaffected.

6. The Proposed Action will not affect environmental justice considerations. It will not result in any disproportionately high and adverse human health or environmental effects on minority or low-income populations in the U.S.

7. A slight increase in ambient noise levels is anticipated as a result of the Proposed Action. However, because sensitive noise receptors are in locations which are sufficiently distant from the YDP, and existing mechanisms to minimize noise are in place, impacts will not be significant.

8. Based on the Pilot Run's short term duration, the Proposed Action will not be affected by global climate change. The Proposed Action will not cause any significant contribution of hydrocarbons to the environment; therefore, no significant climate change impact will result.

Connected Actions

The potential environmental impacts of two connected actions were also analyzed in the EA: (1) the potential approval of ICS credits associated with the proposed YDP Pilot Run; and (2) Reclamation actions within the U.S. that are documented in the "Joint Report Of The Principal Engineers Concerning U.S.-Mexico Joint Cooperative Actions Related To The Yuma Desalting Plant (YDP) Pilot Run And The Santa Clara Wetland" (Joint Report). Neither of these actions were determined to result in significant environmental impacts for the reasons identified in the EA.

NEPA Finding

Based on the analysis of the environmental impacts and mitigation measures as presented in the EA, Reclamation has determined that implementation of the Proposed Action of conducting a Pilot Run of the Yuma Desalting Plant would not significantly impact the human environment and that preparation of an environmental impact statement is not warranted. The Proposed Action does not exceed any of the significance criteria outlined in the NEPA implementing regulations at 40 CFR Section 1508.27. In addition, Reclamation has determined the implementation of the two connected actions addressed in the EA would not significantly affect the human environment.

International Considerations

Under the proposed Pilot Run, flows in the Bypass Drain would be reduced by approximately 29,000 AF, while salinity levels would be increased by about 540 parts per million (expressed as total dissolved solids). A number of public comments on the EA focused on this potential impact of the proposed Pilot Run on the environmental resources of the Cienega de Santa Clara (Cienega). As noted in Section 1.6 of the EA, the statutory provisions of NEPA and the CEQ implementing regulations do not require assessment of environmental impacts in the sovereign territory of a foreign nation. However, in the spirit of bi-national cooperation, with regard to the ecology of the Colorado River's Limitrophe Division and its Delta as established in Minute No. 306,

Reclamation, through the International Boundary and Water Commission, initiated consultation with Mexico regarding the proposed YDP Pilot Run.

The outcome of this consultation is Joint Report, dated July 17, 2009. The United States, Mexico, and a partnership of non-governmental organizations, as stated in commitment letters from each party and further outlined in the Joint Report, will each arrange for 10,000 AF of water (for a total of 30,000 AF) in connection with the reduction in flow and increase in salinity level. Furthermore, the United States, Mexico, and a partnership of non-governmental organizations committed to working through the Colorado River Joint Cooperative Process, pursuant to Minute 306, to continue to address long-term approaches to maintain the environmental values of the Cienega. The Joint Report and other related documents are included in the EA for informational purposes as Appendix C.

Decision

In light of the foregoing, I hereby approve:

- 1) implementation of the Proposed Action to initiate a Pilot Run of the YDP; and
- 2) implementation of the Reclamation actions outlined in the Joint Report.

Jennifer McCloskey, Area Manager
Yuma Area Office

Date

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JAMES H 701A
CHIEF of STAFF

August 28, 2009

Mr. Kenneth Salazar
Secretary of the Interior
U.S. Department of the Interior
1849 C Street NW
Washington, D.C. 20240

Dear Mr, Secretary.

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As chair of the Subcommittee on Water and Power, I have grave concerns I felt I must share with you. Please forgive the lengthy explanation; I felt it must be given.

Drought in California is polarizing the state, taking up valuable time and resources resulting in considerable debate and finger-pointing as to who/what to blame. Thank you for recognizing that the issue is big enough and requires you dedicating high level staff to addressing the problem.

The quandary we face is to both reduce demand and increase supply. Historically, water developers have focused on increasing the size of the water pie. Developing new water supply takes years to accomplish (fifteen years by the Governors own estimate), costs billions of dollars, presently lacks public consensus, public and political will, and united support. Addressing the water equation by reducing demand has already resulted in extensive efforts in Southern California to reduce water consumption (local regulations), improving conservation efforts (low flow toilets and shower heads) and educating the public (PSA's and notices in water bills). This has lessened impacts, but as the population continues to grow and the drought continues, the demand will increase beyond what conservation alone can provide.

The California Congressional delegation is a diverse group. One thing that we all agree on is that the water crisis in California is significant, requires leadership and development of a

solutions portfolio that builds upon our abilities to confront problems, and uses our innovation and ideas to mobilize the resources necessary to address the issues. Some of us have been giving the California water issue serious review and determined that the Subcommittee needed to explore options.

What Does a Water Solution Look Like?

Over the past two months I have had the Water and Power Subcommittee staff director, Dave Wegner, researching the issue and our potential roles. I have been briefed on initial findings and we will be briefing the subcommittee upon our return in September. We are offering our full assistance to address the long, mid and short-term actions that can be taken to develop water solutions for California and, by learning from these efforts, provide opportunities for the rest of the Western United States. Our concern is that the drought of the last three years may continue into 2010, possibly further. We need to implement actions now that will provide the ability to let the Department focus on the long-term solutions.

Solutions to the California water crisis must be based on a diversified and dynamic approach, allow for appropriate planning and permitting that will ultimately allow delivery of water in a timely and cost effective manner. There is no one single "silver bullet" that will solve the water crisis. The challenge we face is to develop a cooperative approach that cumulatively will yield a diversified portfolio and strategy that will result in increased supply, reduced risk, and improved water security, sooner rather than later.

It is indisputable and imperative that discussions and efforts directed at long-term solutions continue. At the same time, we must recognize that when creating new water from large water projects, all parties and all interests are defined by an immutable rule: the last dollar must be spent to get the first drop of water. The bottom line is that until we spend the last construction dollar, no one gets the first drop of water from any of these proposed projects.

In the course of our research, we have asked state water leaders when new water supplies could be brought on-line, addressing the question, when does California achieve that "first drop?" The answers range from 2020 to 2030, depending on a plethora of unknown factors. In reality the year doesn't really matter. The point is there is no immediate construction action that can be taken to create new water.

Creating solutions to water demands must incorporate a range of ideas and approaches. Water managers must continue to explore, and analyze long-term solutions associated with the Delta, evaluating new water sources, including storage and conveyance. At the same time, it is equally imperative that a plan be adopted to address our immediate challenges.

The Goal: Creating 1 MAF of Water for California in the Near Term

Let me reiterate again Mr. Secretary, we want and are anxious to work with the Department on a portfolio of solutions for the water crisis in California. We want to look for solutions and approaches where Congress and the Administration can work collaboratively on solutions. As Chairwoman of the Subcommittee on Water and Power, I submit the following recommendations

for immediate actions on your part, to address challenges to the California water crisis. Each is based on the concept of stretching existing water supplies in order to increase the amount of available water and does not require new legislation, only strong and decisive leadership.

Bureau of Reclamation to establish a 1 Million Acre Foot new water program

- Grow new water in the State — throughout the State
- Create, in the next 48-60 months, 1 MAF of new water annually
- Develop this new water without regional water user or environmental conflict
Accomplish this objective utilizing the Bureau's Title XVI program, identified by the Commissioner on July 21, 2009, as part of Reclamation's core mission. (We agree with the Commissioner's statement made before the Subcommittee and believe that by working with OMB we can develop support for funding.)

(2) **Bureau of Reclamation to establish a "Farmer Helping Farmer" Irrigation Efficiency Initiative**

- Make funds available to water districts, water agencies and individual irrigators to invest in on-farm irrigation efficiencies to stretch our existing available irrigation water. These funds could come from the Reclamation Rural Water Program and other funding vehicles identified in previous legislation.
- Consistent with CVPIA and Reclamation law, allow districts or irrigators to sell, rent or lease water savings to other irrigators.
- Implement improved and less bureaucratically cumbersome transfer incentives for farmers and water districts to allow the efficient and timely movement of water from and through existing facilities.

(3) **Bureau of Reclamation to establish a "Water Conservation" Initiative for urban and rural water districts.**

- Make funds available to water districts, water agencies and others as appropriate to invest in conservation efforts (i.e. irrigation methods, scheduling, land leveling, etc.) that stretch existing water supplies. These funds could come from the Reclamation Rural Water Program and other funding vehicles identified in previous legislation.
- Consistent with CVPIA and Reclamation law, allow districts and/or irrigators to sell, rent or lease water saved to others.

The objective of these recommendations is to stretch the water supplies we have. In the short term, we have adequate water supply to meet the needs of the State of California. What is lacking is the bureaucratic ability to efficiently move water, incentives for water right holders to allow for the efficient use of water, and leadership to address how to get it done.

We can implement programs here and now to create 1 MAF of new water annually through Title XVI, and supplement that initiative with projects to stretch existing supplies throughout the State — from our cities to our farms.

Recommendations requiring action:

- **The Interior Department and Bureau of Reclamation submit, urgently, a \$250 million budget amendment to the Bureau of Reclamation's budget for FY 2010 adding funds in the following amounts:**

Title XVI	200 million
Water Efficiency (Farmer-to-Farmer)	25 million
Water Conservation Initiative	25 million
- **OMB, Interior, the Administration, and others as appropriate and necessary, work with the 1-louse Budget Committee, Appropriations Committee, Energy and Water Appropriations Subcommittee, Natural Resources Committee, and the Water and Power Subcommittee to implement this prior to when the Energy and Water Appropriations bill for FY 2010 is finalized in conference.** Concurrently, coordinate with the appropriate Senate committees and subcommittees.
- **The Title XVI funds should go to develop a new generation of projects — throughout the State. The objective is to (a) fund projects not funded by the Stimulus Program; and (b) underwrite at least 40 congressionally approved new recycling projects.**

Today, projects throughout Southern California — in LA, San Diego, Riverside, Orange and San Bernadino Counties are on track to develop approximately 500,000 acre-feet of new water annually. This program will double that — to produce 1 MAF of new water annually and do so within 48-60 months.

While California puts 1 MAF water into service and on-line, long-term plans can proceed with the efforts of the Department of the Interior leading towards actions. California can manage our way through this challenge rather than be overwhelmed by it. When the day arrives where California runs short of water, the direct and indirect costs will be measured in billions and the bureaucratic stress will increase exponentially. **We need to act now and act in a concerted, strategic approach.**

What can be done immediately?

Congress has provided tools so we can begin work now to resolve the water crisis. First, the Title XVI water recycling and water reclamation program can be the centerpiece of a constructive solution. As a result of investment in it, **new wet, not paper**, water can be created and placed in service throughout the State. Recycled water developed throughout California relieves pressure on the Delta, and, in turn, helps water districts and water users in the San Joaquin Valley, particularly those on the West Side, who have junior water rights and water entitlements.

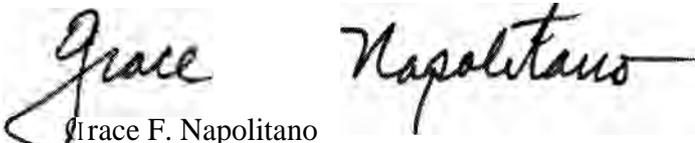
A \$200 million investment in Title XVI automatically leverages an additional \$600 million from the water districts and financial lenders. By law and policy, water districts are eligible for a 25% cost-share, not to exceed \$20 million. This is the most cost-shared water resources program in the Federal Government. This investment **stimulates new business, puts people to work, develops green jobs, produces 1 MAF of new water annually** and helps the State manage its way through this water crisis.

The bottom line to the Water and Power Subcommittee is that we believe that Congress has given the Department tools to address the California water crisis. We believe that solutions must include near, mid and long-term actions. And finally, we believe that cooperatively we can work with the Department to strategically plan for and implement actions that will result in water in the faucet, will work with local water districts, will put people to work, and will provide leadership in addressing long-term water planning and production.

What we would like to Suggest.

We respectfully request a sit down meeting to discuss these ideas with you, identifying what we can do to work with the Department in meeting the water needs of California, and doing so in a cost effective and environmentally sensitive manner. We look forward to your favorable reply and meeting with you in September. Please contact the Water and Power Subcommittee or myself to set up the meeting.

Warm Regards,

The image shows a handwritten signature in black ink that reads "Grace Napolitano". The signature is written in a cursive style. The name "Grace" is on the left and "Napolitano" is on the right, with a long horizontal stroke extending from the end of "Napolitano".

Grace F. Napolitano
Chairwoman
Water and Power Subcommittee

cc: Nick Joe Rahall, Chairman, Committee on Natural Resources
Doc Hastings, Ranking Minority Member, Committee on Natural Resources
Torn McClintock, Ranking Minority Member, Subcommittee on Water and Power
Members, Subcommittee on Water and Power
Members, California Congressional Delegation
Senator Feinstein
Senator Boxer
Phil Isenberg
John Garamendi
Darrell Steinberg, President Pro Tempore, California State Senate
Karen Bass, Speaker, California State Assembly
Governor Arnold Schwarzenegger

Supporting Justification for Proposal Suggestions

This request is consistent with:

- Bureau of Reclamation Feasibility Study on Water Recycling in Southern California
 - Bureau of Reclamation Feasibility Study on Water Recycling in the Bay Area.
 - State of California Task Force on Water Recycling
 - DWR's Bulletin 160
 - MWD and SAWPA approved programs
 - Other?
-
- Water Recycling Benefits
 - Consistent with stimulus objectives
 - Creates green jobs
 - Provides for continuity of construction jobs in counties most impacted by the recession
 - Relieves pressure on the Delta, short-term and long-term
Consistent with reduced energy and lower carbon objectives
 - Provides drought relief
 - * Consistent with climate change policy objectives
 - Develops new water supplies (and does so without generating political conflicts)
 - * Projects can be designed, approved, funded, constructed and operated within a short time.
 - No other alternative can produce 1 MAF as quickly or efficiently.

 - Farmer to Farmer Initiative Benefits
 - Allows farmers to develop and implement solutions locally
 - Can be accomplished with days, weeks and months....all short term
 - Proven technologies can be applied to modernize and improve water management locally
 - Maximizes flexibility to local districts and irrigators within their immediate regions

 - Conservation Initiative Benefits
 - Fastest and least expensive way to "create" new water
 - Urban water agencies have a demonstrated capacity



United States Department of the Interior

BUREAU OF RECLAMATION
Lower Colorado Regional Office
P.O. Box 61470
Boulder City, NV 89006-1470

TAKE PRIDE
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IN REPLY REFER TO:

BC00-4222
WTR-4.03

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Brian J. Brady
General Manager
Imperial Irrigation District
P.O. Box 937
Imperial, CA 92251-0937

**Subject: Approval of the Imperial Irrigation District's (IID) Plan for the Creation of
Extraordinary Conservation Intentionally Created Surplus (ICS) for Calendar
Year 2009**

Dear Mr. Brady:

The Secretary of the Interior issued a Record of Decision (ROD) on December 13, 2007, for Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines). Among other things, the Interim Guidelines establish criteria for the development and delivery of ICS. Prior to creating ICS, the Interim Guidelines require a contract holder to enter into a Delivery Agreement with the Secretary of the Interior and a Forbearance Agreement with Arizona, Nevada, and certain California contract holders. On December 13, 2007, IID entered into the necessary delivery and forbearance agreements.

Also, on December 13, 2007, the Palo Verde Irrigation District, IID, Coachella Valley Water District, The Metropolitan Water District of Southern California, and the City of Needles entered into the California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus (California ICS Agreement). The California ICS Agreement discusses the amount of ICS that IID can create in a given year and in total. Although the Bureau of Reclamation is not a party to the California ICS Agreement, Reclamation verified that the ICS Plan submitted by IID does not exceed the limits set forth in the California ICS Agreement.

Section 3.B.1 of the Interim Guidelines requires the submission of a plan to the Secretary for the creation of ICS that demonstrates how the requirements of the Interim Guidelines will be met. IID submitted its ICS plan to Reclamation by its letter dated December 8, 2008.

Pursuant to Section 7.B.5. of the Interim Guidelines, Reclamation conducted appropriate consultation with the Basin States regarding HD's proposed ICS plan. As part of the consultation process, IID hosted several tours of its fallowing program and seepage recovery

facilities for Reclamation staff and representatives of the Basin States. Reclamation appreciates that effort.

Based on our review of IID's proposed ICS plan and completion of the consultation process, Reclamation hereby approves IID's plan for the creation of up to 25,000 acre-feet of ICS for 2009.

The Interim Guidelines provide that a Contractor may modify its approved plan during the year of creation of ICS, subject to approval by Reclamation. In addition, Section 3.D.1 of the Interim Guidelines requires a Contractor to submit a Certification Report to the Regional Director demonstrating the amount of ICS created and that the method of creation was consistent with the approved ICS plan.

If you have questions, please contact Mr. Paul Matuska at 702-293-8164.

Sincerely,

LORRI GRAY-LEE

Lorri Gray-Lee
Regional Director

cc: Mr. Gerald Zimmerman
Executive Director
Colorado River Board of
California
770 Fairmont Avenue, Suite 100
Glendale, CA 91203-1035

Mr. Herb R. Guenther
Director
Arizona Department of Water Resources
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Phoenix, AZ 85012-2105

Mr. George M. Caan
Executive Director
Colorado River Commission of
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Las Vegas, NV 89101-1065

Mr. William Hasencamp
Manager, Colorado River Resources
The Metropolitan Water District
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Mr. Dennis Strong
Director
Utah Division of Water Resources
P.O. Box 146201
Salt Lake City, UT 84114-6201

Mr. Don Ostler
Executive Director
Upper Colorado River Commission
355 South 400 East Street
Salt Lake City, UT 84111

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Mr. John D'Antonio
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Mr. Patrick T. Tyrrell
State Engineer
State of Wyoming
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Cheyenne, WY 82002-0370

Ms. Jennifer Gimbel
Director
Colorado Water Conservation Board
1313 Sherman Street, Suite 721
Denver, CO 80123

August 11, 2009

The Honorable Daniel Inouye
Chairman
U.S. Senate Committee on Appropriations
The Capitol, S-128
Washington, D.C. 20510

The Honorable Thad Cochran
Ranking Member
U.S. Senate Committee on Appropriations
The Capitol, S-128
Washington, D.C. 20510

The Honorable Byron Dorgan
Chairman
Subcommittee on Energy and
Water Development
Dirksen Senate Office Building Rm 184
Washington, D.C. 20510

The Honorable Robert Bennett
Ranking Member
Subcommittee on Energy and
Water Development
Dirksen Senate Office Building Rm 188
Washington, D.C. 20510

Dear Senators Inouye, Cochran, Donlan, and Bennett:

We are writing to make you aware of our concern about language recently included in the committee report on the House-passed Energy and Water Development Appropriations Bill, H.R. 3183, which could adversely affect the efficient management of the waters of the Colorado River system.

The House committee report contains language criticizing the Department of the Interior's management of the Colorado River system and encourages the Bureau of Reclamation, with the concurrence of the National Park Service, to revisit the Operating Criteria for Glen Canyon Dam. We are concerned that this language may not be consistent with the existing law of the Colorado River and could interfere with the delicate balance of Colorado River operations that have been agreed to among the Colorado River Basin states and the Department of the Interior.

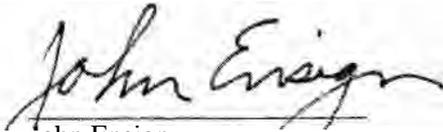
We understand and support the recreation and natural resources interests associated with the Grand Canyon National Park, and we also support the ongoing activities of the Glen Canyon Dam Adaptive Management Program. At the same time, we recognize that Lakes Powell and Mead store and release water for municipal, industrial, and agricultural purposes consistent with the obligations set forth in the fundamental allocations of the Colorado River Compact, Boulder Canyon Project Act, the Decree in *Arizona v. California*, and the 1944 Treaty with Mexico. We also recognize that, in 2007, after more than two years of negotiation among the Colorado River Basin states and with the express involvement of several agencies within the Department of the Interior, including the National Park Service, the Secretary adopted Interim Guidelines for the operation of Lakes Powell and Mead. In addition, programs such as the Glen Canyon Adaptive Management Program, which arose out of the Grand Canyon Protection Act of 1992, involve a wide array of Stakeholders who are all involved in the decision-making process for the program.

We believe that the House committee report language appears inconsistent with the Colorado River Basin Project Act and will lead to confusion regarding implementation of that act and operation of the system. To address our concern, we recommend that you include the following language in the final conference report on the Energy and Water bill:

The conferees continue to support the balance called for in the Grand Canyon Protection Act and the resulting duties placed upon the Secretary of the Interior. The conferees encourage the Secretary of the Interior to fully support the ongoing work of the Glen Canyon Dam Adaptive Management Program. The conferees view changes in the operation of the Colorado River system, as suggested in the House Report language, to be unnecessary and are omitting that section from this report.

The long-term sustainability of our states is directly tied to the proper management of the Colorado River system. We appreciate your attention to this critical issue.

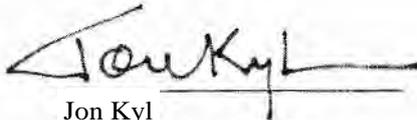
Sincerely,



John Ensign
United States Senator



Harry Reid
United States Senator



Jon Kyl
United States Senator

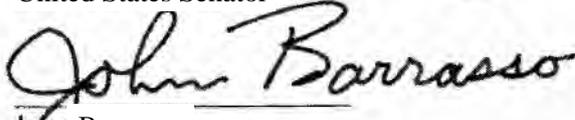


Jeff Bingaman
United States Senator



Michael B. Enzi
United States Senator

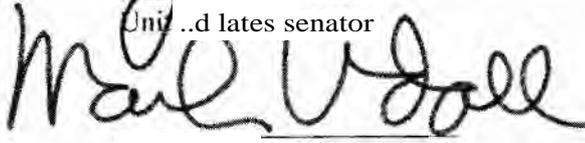
Dianne Feinstein
United States Senator



John Barrasso
United States Senator



Barbara Boxer
United States Senator



Mark Udall
United States Senator



Michael Bennet
United States Senator



Tom Udall
United States Senator



NATIONAL
 WATER
 RESOURCES
 ASSOCIATION
 Nurturing Tomorrow's Choices

V- AIR IRI, SOT. S



WATER USE



August 21, 2009

The Honorable Ken Salazar
 Secretary
 U.S. Department of the Interior
 1849 C Street, N.W.
 Washington, DC 20240

Dear Secretary Salazar;

On behalf of the undersigned organizations, we are writing to urge that you request at least \$1.2 billion in the FY 2011 Presidential budget request for the U.S. Bureau of Reclamation's Water and Related Resources account. As part of the 2011 Presidential request, we also urge your support of at least \$100 million for Reclamation's Title XVI Water Recycling program as well as significant funds to address the serious issues of aging water infrastructure and rural water needs throughout the West.

Drought and recession affect all parts of our country, but bring particular hardship for the people of western states. Today, national unemployment rate is 9.3 %, but higher in many drought-stricken states such as California which is currently 11.9 %.

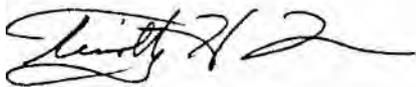
According to a recently released economic impact study prepared, for the Clean Water Council, a \$1 billion investment in water and wastewater infrastructure results in the creation of —27,000 jobs and a tripling in demand for goods and services. These projects also represent an environmentally sustainable approach to ensure a safe and reliable water supply as communities across the west seek to develop effective responses to climate change effects.

As noted by Reclamation's Commissioner Mike Connor in his July 21, 2009 testimony to the House of Representatives Natural Resources Subcommittee on Water and Power, there is a \$600 million unfunded backlog of authorized Title XVI projects. Funding to eliminate this backlog represents a unique opportunity for the Administration to create jobs and provide a near-term solution to water supply challenges facing many Western states.

The infusion of funding that was provided by the American Recovery and Reinvestment Act for the Reclamation program is a valuable step in addressing this backlog, however there is an abundance of remaining water supply and infrastructure needs that can be met in a timely manner by providing adequate FY 2011 funding necessary to address these issues.

In conclusion, we again request your support for at least \$1.2 billion in the U.S. Bureau of Reclamation's Water and Related Resources FY 2011 budget to help address western water infrastructure needs. including a \$100 million request for the Title XVI pro-am. We thank you for recognizing that water is the essential resource for our western economy and environment.

Sincerely,



Timothy Quinn
Executive Director
ACWA



Hamlet J. "Chips" Barry, III
Chairman
WESTERN URBAN WATER COALITION

/

G. Wade Miller
Executive Director
WATEREUSE ASSOCIATION



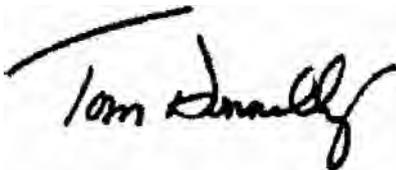
Leroy Goodson
General Manager
TWCA



Peter Carlson
Vice Chair of Western Water Programs
WATER RESOURCES COALITION



Charles Nylander
President
WESTCAS



Tom Donnelly
Executive Director
NW RA

Doug Kemper
Executive Director
Colorado Water Congress

cc: Hon. Michael Connor, Commissioner