

STATE OF COLORADO

Colorado Water Conservation Board

Department of Natural Resources

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MEMORANDUM

TO: Colorado Water Conservation Board Members

FROM: Rod Kuharich
Randy Seaholm *DRX*
Ted Kowalski

DATE: January 11, 2007

SUBJECT: **Agenda Item 17, January 23-24, 2007 Board Meeting:
Water Supply Protection - Colorado River 7-State Agreement
Approval**

Bill Ritter, Jr.
Governor

Harris D. Sherman
Executive Director

Rod Kuharich
CWCB Director

Dan McAuliffe
Deputy Director

1. Background

As a result of the recent drought conditions, Lake Powell, which serves as the Upper Basin's primary storage vessel for meeting deliveries to the Lower Basin, reached a storage content in 2004 not seen since the reservoir began to fill. Lake Powell was about one-third full and had only about 4.0 million acre-feet (maf) left in active storage. The Upper Basin States became concerned that if the drought continued for another 2-years at the current severity, Powell would reach inactive storage and hydropower generation and the benefits associated therewith lost. Moreover, the Lower Basin was receiving near record precipitation and Lake Mead was about 60% full.

Because of this situation, in October 2004, the Upper Basin States asked the Secretary of Interior for a mid year review of the 2005 Annual Operating Plan for Colorado River Reservoirs. Over the objections of the Lower Basin, the Secretary conducted that mid-year review and stated that while she could legally reduce the releases from Lake Powell, elected not change the volume of water released from Lake Powell.

The Secretary did however initiate a process on May 2, 2005 for the development of Lower Basin Shortage Criteria along with a review of the **1970 Coordinated Long-Range Operating Criteria for Colorado River Reservoirs** to evaluate the potential for changes in the operations of Lakes Powell and Mead under low reservoir conditions. On

June 15, 2005, the US Bureau of Reclamation published a *Federal Register* notice to begin the NEPA process to develop the shortage criteria and coordinated operations with a deadline for completion of the process by December 31, 2007.

On August 25, 2005 Governor's representatives for the 7-Basin States (Scott Balcomb, Rod Kuharich, for the State of Colorado and Jim Lochhead in his capacity as private legal counsel for several of Colorado's major water users) wrote a letter to the Secretary of Interior stating the 7-States had agreed on a 3-pronged strategy for improving management and operations of the Colorado River. First, the states, working with Reclamation, would develop Lower Basin shortage criteria in conjunction with new coordinated operating criteria for Lakes Powell and Mead under low reservoir conditions. Second, the states, working with Reclamation, would look for ways to improve system efficiency and management. Finally the states would look for ways to augment the water supplies of the Colorado River.

On February 3, 2006, the 7-States sent a letter to the Secretary containing a draft of the proposed agreement. Since then, the States have further refined that agreement, the latest version of which is dated December 18, 2006. The agreement is specifically designed to comport with the Compacts and the "Law of the River" but seeks to find flexibility within the law to further the objectives in the 3 areas identified.

Summary and Status of the 3-Pronged Approach

NEPA Process

The US Bureau of Reclamation initiated the NEPA process for the development of Lower Basin shortage criteria and the coordinated operations of Lakes Powell and Mead under low reservoir conditions on June 15, 2005. To date, USBR has completed the Scoping Process and identified 5 alternatives that it will be evaluate in the NEPA process: 1) the Basin States Proposal; 2) a conservation before shortage proposal developed by the environmental community; 3) a water supply alternative; 4) a preservation of reservoir storage option; and, 5) a no action alternative that continues the existing coordinated long-range operating criteria. We anticipate the release of a draft EIS for review by February 28, 2007, with a final EIS in September 2007 and a Record of Decision issued by December 31, 2007. A matrix providing a brief overview of the alternatives and the states proposal is attached for reference.

States Proposal

Lower Basin Shortage Guidelines: The Lower Basin proposes to take shortages in incremental amounts that are tied to reservoir elevations in Powell and Mead. Those increments are 400,000 AF, 500,000 AF or 600,000 AF annually, larger amounts are possible but the Secretary would need to consult further with the states before making larger reductions. Most of the shortage will be born by the Central Arizona Project, but some portion can be charged to Mexico and Nevada. The details of the split remain to be worked out and could depend on how other portions of the agreement are implemented.

Coordinated Operations of Powell and Mead under Low Reservoir

Conditions: Under the current Long-Range Operating Criteria for Colorado River Reservoirs, Lake Powell and Lake Mead equalize storage whenever Powell storage is greater than storage in Lake Mead so long as Powell is above the 602(a) storage level. The 602(a) storage level is the volume of water deemed necessary in Lake Powell, Flaming Gorge, Aspinall, and Navajo to assure to the extent possible that the Upper Basin can sustain its current level of development without having to curtail uses so that during a drought the Lower Basin receives the water apportioned to it. The current 602(a) storage requirement is elevation 3630 or approximately 14.85 MAF. When Powell is below the 602(a) level, operations at Glen Canyon Dam seek to maintain a minimum objective release of 8.23 MAF (7.5 MAF per year plus one-half of the 1.5 MAF delivery obligation to Mexico, the latter condition to which the Upper Basin strongly disagrees with). The result is that Lake Powell absorbs the impact of the drought at the beginning and Lake Mead absorbs the drought impacts on the tail end until Powell has recovered to the 602(a) storage level. Under the proposed adjustment to the criteria when the reservoirs reach certain reduced levels of storage, they would be operated in a manner that keeps the amount of storage in the two reservoirs approximately equal and the Lower Basin would begin to take shortages. The range of release would be expanded in order to provide the flexibility to achieve this objective, which is beneficial to the Upper Basin. A diagram and brief description of the States proposal for the coordinated operations of Lakes Powell and Mead under low reservoir conditions is attached.

Improved System Efficiency and Management: The Lower Basin is evaluating a number of system improvements and management strategies to improve the efficiency of their operations. The Upper Basin has been adamant that these improvements remain in the Lower Basin and that the Lower Basin does not seek these types of improvements in the Upper Basin because the Upper Basin is relying on these types of improvements in the future for its own benefit.

The Lower Basin towards this end is looking at canal linings, additional storage such as that along the All-American Canal (Drop 2 reservoir), and "Intentionally Created Surplus" or ICS accounts in Lake Mead. We would note that Lake Mead has previously never had any storage accounts, rather Lower Basin water users have submitted water orders to Reclamation and deliveries have been made to them in accord with the Compacts and their contract terms. The Lower Basin is also developing groundwater banks, mostly in Arizona, where a states unused apportionment can be banked and recovered at a later date. A number of forbearance and other agreements are required to achieve this objective, some of which are already in place.

Augmentation of Colorado River Supplies: The Southern Nevada Water Authority, pursuant to the terms of the proposed 7-State Agreement, is funding a basinwide augmentation study that is looking at all potential augmentation sources. Representatives from each of the 7-States are serving on an advisory committee for the study effort (Rod Kuharich and Randy Seaholm are serving in that capacity for Colorado). The study is focused on vegetative management, desalination of brackish

groundwater and ocean water, importations, use of storage in existing flood control reservoirs such as Painted Rock, and improved methods of conjunctive use including water banking.

Weather Modification is being examined in a completely separate effort because it involves both the Upper and Lower Basins. The concept is that the Lower Basin States, under certain conditions, can help fund weather modification efforts in each of the Upper Basin States. Last year, on an interim basis only, Lower Basin funding was provided directly to a weather modification permit holder or its sponsor in accord with terms of the existing permits. Existing permits in Colorado are being or have been amended to exclude direct contributions to permit holders or sponsors from out of state sources. The states are developing a long-term weather modification program whereby future funding of weather modification from out of state sources is still possible, except, in Colorado, such out of state funding must now come to the CWCB for distribution to permit holders as deemed appropriate. The required legislation putting this process in place for Colorado was passed by the General Assembly in 2006. The states will implement the long-term program via contracts that will provide certain protections against adverse impacts to an Upper Basin state while assuring, to the extent possible, a reasonable likelihood that such effort will provide benefit to the Colorado River system on whole

Current Issues

1. In trying to finalize the 7-State agreement for signature, the states are discussing
 - a) terms under which the agreement could be modified, b) development of new water supplies and system improvements, and c) when, how and by what amount Mexico will be shorted in a manner that is consistent with the Mexican Treaty.
 - a. The Agreement, as it stands, becomes effective upon the signature of any two states. The Agreement will remain in place as long as the "Record of Decision" in the current EIS process and the "Interim Surplus Guidelines (ISG) remain in place but shall terminate on December 31, 2025. In asking for termination on a date certain, the Upper Basin wanted to be absolutely certain that the Agreement can only be extended or modified by the unanimous consent of all the parties. Compared to the Lower Basin, the Upper Basin is getting significantly less benefit and if for any reason things do not work as anticipated the states want to make sure the agreement and operations there under cease in full.
 - b. The states seek to define as much as possible what actions may be undertaken for the benefit of the state paying for the improvement and what improvements or augmentation actions should be considered as creating "system water" that is available to and benefiting all states. For example, weather modification would be an action that should benefit all the states, because the location and amount of the benefit is next to impossible to quantify.
 - c. With respect to the Mexican Treaty, the issue is one wherein the Lower Basin, particularly Arizona, wants to lock in a fixed shortage percentage (16,67%) for Mexico whenever the Lower Basin is taking a shortage. The Lower Basin

with a fixed shortage assigned to Mexico, then wants to reduce the Lower Basin portion of each shortage step accordingly. The Upper Basin believes at the very least this is premature since the matter must be handled through the State Department and the International Boundary and Water Commission. The Upper Basin is unanimous in its opinion that first it is not good public policy to try to pressure the State Dept. through the Interior Dept. to adopt an arrangement that may not fully reflect future needs or conditions; and second, there are a number of reasons why the Upper Basin should not agree to an exclusive "trigger" for shortage sharing with Mexico, for example, the Upper Basin may want to share some of the "savings benefits" the Lower Basin would realize by shorting Mexico. Furthermore, the Upper Basin wants to carefully review any such agreement and fully evaluate any possible ramifications such may have on the Upper Basin. The Upper Basin is concerned that there could be compact implications in any such agreement. We believe that the most prudent course of action is to maintain all options at this time in the event that we would like Mexico's cooperation to say construct a desalination plant for the benefit of both countries.

- d. Depending on the description of Reclamation's preferred alternative, there may still be a few areas for negotiation before the state's comments on the DEIS are submitted to Reclamation.

Conclusions:

- The 7-state agreement commits the states to solve problems, much as it has done over the years, through a consultation process. The consultation process is much more likely to minimize ones risks than litigation.
- It is intended to be consistent with existing law and provides a reaffirmation of the Compacts.
- The rights of each state and their respective positions on various legal issues will be preserved.
- The agreement forces the Lower Basin to recognize that there is some potential for shortages and that they not only need to, but will develop shortage criteria. Arizona is taking shortages voluntarily, which reinforces to some degree that CAP lacked a full water supply under full development conditions in the basin. However, Arizona gets to "limit" the shortage that the Secretary will impose to a quantity Arizona can realistically absorb, which is very important to Arizona.
- If the States reach an agreement that they can all commit too, the Secretary of Interior is far more likely to adopt that alternative in their EIS process. If the Record of Decision is not in substantial conformance with the 7-state recommendations, "off ramps" are provided
- Nevada, in addition to its existing compact apportionment, gets an interim source of water (75,000 AF annually by 2020) that they have a fairly immediate need for. This allows the fight over how to account for water development on the tributaries to be delayed. Absent this agreement, Nevada

would move forward with plans to develop water on the Virgin and Muddy River, which would precipitate the lawsuit over tributary uses under the Compact.

- The revised plan of operation for lakes Powell and Mead under low reservoir conditions will lessen the possibility of curtailments in the Upper Basin, but it will not remove the risk totally. The terms of the Agreement, if selected by USBR as the preferred alternative, will result in the protection of power operations at Glen Canyon as long as possible under extreme drought circumstances. While the added protection over present day operations is not considerably greater because the risk of curtailments and dropping below minimum power plant operating levels is already very low with or without the deal, there is still some small advantage for the Upper Basin if the States proposal is selected. The States proposal, if adopted, will allow annual releases from Lake Powell to go as low as 7.48 MAF under certain circumstances, potentially for extended periods if appropriate. Consistent with the law, the Upper Basin gets further acknowledgment that releases from Lake Powell can be less than 8.23 MAF which the current Long Range Operating Criteria presently call for.
- The conjunctive use of Powell and Mead will tend, under surplus and average conditions, to send more water to Mead and forestall the necessity for and severity of shortage in the L.B.
- The Lower Basin would achieve a framework for implementing system efficiencies and developing augmentation supplies, rather than focus solely on unused apportionment in the Upper Basin.
- Finally, the Agreement specifically states that the Agreement shall expire on December 31, 2025. Therefore, all the states get to avoid litigation through at least that date. This allows everyone to proceed with development, but certainly with a much higher degree of awareness.

Recommendation

Authorize Colorado's representatives to sign the 7-State agreement, a copy of which is attached hereto. The appropriate time for signing will likely be in February when the draft DEIS is released. However, comments on the DEIS will not be due until approximately May 1 so there is a possibility that the execution of this document would be delayed until that time. In the latter case, we would anticipate that the signed agreement would be submitted together with an agreed upon set of comments from the 7-Basin States on the DEIS.

One caution, there still may be a few areas for negotiation before the states present to Interior their "preferred alternative" and comments to the DEIS. It is still possible that we might have a seven states agreement, but disagreement as to what form the preferred alternative for river management might take.

Attachments

[Note: It is contemplated that this Agreement will be executed by the Parties and submitted to the Secretary together with seven Basin States' comments to the DEIS. Editorial changes may be needed in anticipation of this timing.]

AGREEMENT

The [name parties] hereby enter into this Agreement effective as of _____.

RECITALS

A. Parties.

1. Arizona

a. The Arizona Department of Water Resources, through its Director, is the successor to the signatory agency of the State for the 1922 Colorado River Compact, and the 1944 Contract for Delivery of Water with the United States, both authorized and ratified by the Arizona Legislature, A.R.S. §§ 45-1301 and 1311. Pursuant to A.R.S. §§ 45-107, the Director is authorized and directed, subject to the limitations in A.R.S. §§ 45-106, for and on behalf of the State of Arizona, to consult, advise and cooperate with the Secretary of the Interior of the United States with respect to the exercise by the Secretary of Congressionally authorized authority relative to the waters of the Colorado River (including but not limited to the Boulder Canyon Project Act, 43 U.S.C. § 617, and the 1968 Colorado River Basin Project Act, 43 U.S.C. § 1501) and with respect to the development, negotiation and execution of interstate agreements. Additionally, under A.R.S. § 45-105(A)(9), the Director is authorized to "prosecute and defend all rights, claims and privileges of this state respecting interstate streams."

b. Under A.R.S. § 11-951 *et. seq.*, the Director is authorized to enter into Intergovernmental Agreements with other public agencies, which includes another state; departments, agencies, boards and commissions of another state; and political subdivisions of another state.

2. California. The chairman of the Colorado River Board of California, acting as the Colorado River Commissioner pursuant to California Water Code section 12525, has the authority to exercise on behalf of California every right and power granted to California by the Boulder Canyon Project Act, and to do and perform all other things necessary or expedient to carry out the purposes of the Colorado River Board.

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3. Colorado

- a. Section 24-1-109, Colorado Revised Statutes (2005) provides that "Interstate compacts authorized by law shall be administered under the direction of the office of the governor." This includes the Colorado River Compact and the Upper Colorado River Basin Compact. Section 37-60-109 provides that "the governor from time to time, with approval of the board, shall appoint a commissioner, who shall represent the state of Colorado upon joint commissions to be composed of commissioners representing the state of Colorado and another state or other states for the purpose of negotiating and entering into compacts or agreements between said states..." By letter dated April 12, 2006, the Governor appointed Upper Colorado River Commissioner Scott Balcomb to represent the State of Colorado.
- b. Section 37-60-106, subsections (e) and (i), C.R.S. (2005), authorize the Colorado Water Conservation Board to "cooperate with the United States and the agencies thereof, and with other states for the purpose of bringing about the greater utilization of the water of the state of Colorado and the prevention of flood damages," and "to confer with and appear before the officers, representatives, boards, bureaus, committees, commissions, or other agencies of other states, or of the federal government, for the purpose of protecting and asserting the authority, interests, and rights of the state of Colorado and its citizens with respect to the waters of the interstate streams in this state." Therefore, by statute the Director of the Colorado Water Conservation Board is authorized to negotiate with and enter into agreements with other state entities within the Colorado River Basin.

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Deleted: By resolution dated _____, attached hereto as Exhibit _____, and incorporated herein by reference,

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4. Nevada

- a. The Colorado River Commission of the State of Nevada (CRCN) is an agency of the State of Nevada, authorized generally by N.R.S. §§ 538.041 and 538.251. CRCN is authorized by N.R.S. § 538.161 (6), (7) to enter into this Agreement. The CRCN, in furtherance of the State of Nevada's responsibility to promote the health and welfare of its people in Colorado River matters, makes this Agreement to supplement the supply of water in the Colorado River which is available for use in Nevada, augment the waters of the Colorado River, and facilitate the more flexible operation of dams and facilities by the Secretary of the Interior of the United States. The Chairman of the Commission, signatory hereto, serves as one of the Governor's representatives as contemplated by Section 602(b) of the 1968 Colorado River Basin Project Act, 43 U.S.C. § 1552(b) and the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act.

- b. The Southern Nevada Water Authority (SNWA) is a Nevada joint powers agency and political subdivision of the State of Nevada, created by agreement dated July 25, 1991, as amended November 17, 1994 and January 1, 1996, pursuant to N.R.S. §§ 277.074 and 277.120. SNWA is authorized by N.R.S. § 538.186 to enter into this Agreement and, pursuant to its contract issued under section 5 of the Boulder Canyon Project Act of 1928, SNWA has the right to divert "supplemental water" as defined by NRS § 538.041 (6). The General Manager of the SNWA, signatory hereto, serves as one of the Governor's Representatives as contemplated by Section 602(b) of the 1968 Colorado River Basin Project Act, 43 U.S.C. § 1552(b) and the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act.
5. New Mexico. Pursuant to NMSA 1978, 72-14-3, the New Mexico Interstate Stream Commission is authorized to investigate water supply, to develop, to conserve, to protect and to do any and all other things necessary to protect, conserve and develop the waters and stream systems of the State of New Mexico, interstate or otherwise. The Interstate Stream Commission also is authorized to institute or cause to be instituted in the name of the state of New Mexico any and all negotiations and/or legal proceedings as in its judgment are necessary. By Resolution dated _____, the Interstate Stream Commission authorizes the execution of this Agreement.
6. Utah. The Division of Water Resources (DWR) is the water resource authority for the State of Utah. Utah Code Ann. § 73-10-18. The Utah Department of Natural Resources Executive Director (Department), with the concurrence of the Utah Board of Water Resources (Board), appoints the DWR Director (Director). § 63-34-6(1). The Board makes DWR policy. § 73-10-1.5. The Board develops, conserves, protects, and controls Utah waters, § 73-10-4(4),(5), and, in cooperation with the Department and Governor, supervises administration of interstate compacts, § 73-10-4, such as the Colorado River Compact, §§ 73-12a-1 through 3, and the Upper Colorado River Basin Compact, § 73-13-10. The Board, with Department and Gubernatorial approval, appoints a Utah Interstate Stream Commissioner, § 73-10-3, currently the DWR Director, to represent Utah in interstate conferences to administer interstate compacts. §§ 73-10-3 and 73-10-4. These delegations of authority authorize the Utah Interstate Stream Commissioner/DWR Director to sign this document. He acts pursuant to a Board resolution, acknowledged by the Department, dated _____,
7. Wyoming. Water in Wyoming belongs to the state. WYO. CONST. Art. 8 ' 1. The Wyoming State Engineer is a constitutionally created office and is Wyoming's chief water official with general supervisory authority over the waters of the state. WYO. CONST. Art. 8 ' 5. The Wyoming legislature conferred upon Wyoming officers the authority to cooperate with and assist

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and incorporated herein by reference

like authorities and entities of other states in the performance of any lawful power, duty, or authority. WYO. STAT. ANN. ' 16-1-101 (LEXISNEXIS 2005). Wyoming and its State Engineer represent the rights and interests of all Wyoming appropriators with respect to other states. *Wyoming v. Colorado*, 286 U.S. 494 (1922). See *Hinderlider v. La Plata River & Cherry Creek Ditch Co.*, 304 U.S. 92 (1938). In signing this Agreement, the State Engineer intends that this Agreement be mutually and equally binding between the Parties.

B. Background

1. Federal law and practice (including Section 602(b) of the 1968 Colorado River Basin Project Act, 43 U.S.C. § 1552(b), and the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act), contemplate that in the operation of Lakes Powell and Mead, the Secretary of the Interior consults with the States through Governors' Representatives, who represent the Governors and their respective States. Through this law and practice, the Governors' Representatives have in the past reached agreements among themselves and with the Secretary on various aspects of Colorado River reservoir operation. This Agreement is entered into in furtherance of this law and practice.

2. On January 16, 2001, the Secretary adopted Colorado River Interim Surplus Guidelines (ISG) based on an alternative prepared by the Colorado River Basin States, for the purposes of determining annually the conditions under which the Secretary would declare the availability of surplus water for use within the states of Arizona, California and Nevada in accordance with and under the authority of the Boulder Canyon Project Act of 1928 (45 Stat. 1057) and the Decree of the United States Supreme Court in *Arizona v. California*, 376 U.S. 340 (1964). The ISG are effective through calendar year 2015 (through preparation of the 2016 Annual Operating Plan).

3. In the years following the adoption of the ISG, drought conditions in the Colorado River Basin caused a significant reduction in storage levels in Lakes Powell and Mead, and precipitated discussions by and among the Parties, and between the Parties and the United States through the Department of the Interior and the Bureau of Reclamation. The Parties recognize that the Upper Division States have not yet developed their full apportionment under the Colorado River Compact. Although the Secretary has not imposed any shortage in the Lower Basin, the Parties also recognize that with additional Upper Basin development and in drought conditions, the Lower Division States may be required to suffer shortages in deliveries of water from Lake Mead. Therefore, these discussions focused on ways to improve the management of water in Lakes Powell and Mead so as to enhance the protection afforded to the Upper Basin by Lake Powell, and to delay the onset and minimize the extent and duration of shortages in the Lower Basin.

4. On May 2, 2005, the Secretary announced her intent to undertake a process to develop Lower Basin shortage guidelines and explore management options for the

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coordinated operation of Lakes Powell and Mead. On June 15, 2005, the Bureau of Reclamation published a notice in the *Federal Register*, announcing its intent to implement the Secretary's direction. The Bureau of Reclamation has proceeded to undertake scoping and develop alternatives pursuant to the National Environmental Policy Act (the NEPA Process), which the Parties anticipate will form the basis for a ROD to be issued by the Secretary by December 2007.

5. On August 25, 2005, the Governors' Representatives for the seven Colorado River Basin States wrote a letter to the Secretary expressing conceptual agreement in the development and implementation of three broad strategies for improved management and operation of the Colorado River: Coordinated Reservoir Management and Lower Basin Shortage Guidelines; System Efficiency and Management; and Augmentation of Supply.

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6. On February 3, 2006, the Governors' Representatives transmitted to the Secretary their recommendation for the scope of the NEPA Process, which refined many of the elements outlined in the August 25, 2005 letter.

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7. At the request of the Secretary, the Parties have continued their discussions relative to the areas of agreement outlined in the letters of August 25, 2005 and February 3, 2006.

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8. In furtherance of the letters of August 25, 2005 and February 3, 2006, the Parties have reached agreement to take additional actions for their mutual benefit, which are designed to augment the supply of water available for use in the Colorado River System and improve the management of water in the Colorado River.

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C. Purpose. The Parties intend that the actions by them contemplated in this Agreement will: improve cooperation and communication among them; provide additional security and certainty in the water supply of the Colorado River System for the benefit of the people served by water from the Colorado River System; and avoid circumstances which could otherwise form the basis for claims or controversies over interpretation or implementation of the Colorado River Compact and other applicable provisions of the law of the river.

AGREEMENT

In consideration of the above recitals and the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The Recitals set forth above are material facts that are relevant to and form the basis for the agreements set forth herein.

2. Definitions. As used in this Agreement, the following terms have the following meanings:

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- A. Colorado River System. This term shall have the meaning as defined in the Colorado River Compact.
- B. ISG. The Colorado River Interim Surplus Guidelines adopted by the Secretary on January 16, 2001, as modified by the ROD.
- C. NEPA Process. The decision-making process pursuant to the National Environmental Policy Act, 42 U.S.C. §§ 4321 through 47, beginning with the Bureau of Reclamation's Notice to Solicit Comments and Hold Public Meetings, 70 Fed. Reg. 34794 (June 15, 2005) and culminating in a Record of Decision.
- D. Party or Parties. Any party or parties to this Agreement.
- E. Parties' Recommendation. The Seven Basin States' Proposal Regarding Colorado River Interim Operations, a copy of which is attached hereto and incorporated herein by this reference, presented by the Parties to the Secretary as part of comments to the Draft Environmental Impact Statement in the NEPA Process.
- F. ROD. The Record of Decision anticipated to be issued by the Secretary after completion of NEPA Process, pursuant to her letter of May 2, 2005, and the Notice published in the Federal Register on September 30, 2005, 70 Fed. Reg. 57322.
- G. Secretary. The Secretary of the Interior or the Bureau of Reclamation, as applicable.
- H. State or States. Any of the states of Arizona, California, Colorado, Nevada, New Mexico, Utah or Wyoming, as context requires.

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3. Support for Parties' Recommendation. After considering a number of alternatives, each Party has determined that the Parties' Recommendation is in the best interests of that Party, and promotes the health and welfare of that Party and of the Colorado River Basin States. In the NEPA Process, the Parties shall support the Secretary's adoption of the Parties' Recommendation in a ROD. If during the course of the NEPA Process any new information becomes available which causes any Party, in its sole and absolute discretion, to reassess any provision of the Parties' Recommendation, that Party shall immediately notify all other Parties in writing. The Parties shall jointly consult and, if they agree to any modification of the Parties' Recommendation, shall consult with the Secretary to advise him/her of such modification and request the adoption thereof in the ROD. If after such consultations it is apparent there is an irreconcilable conflict between the Parties as to such modification, then any Party may upon written notice to the other Parties withdraw from this Agreement, and in such event this Agreement shall no longer be effective or binding upon such withdrawing Party. All withdrawing Parties hereby reserve all rights upon withdrawal from this Agreement to

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take such actions, including support of or challenges to the ROD, as they in their sole and absolute discretion deem necessary or appropriate. In the event of the withdrawal of any one or more Parties from this Agreement, this Agreement shall continue in full force and effect as to the remaining Parties. The remaining Parties may consult to determine whether to continue this Agreement in effect, to amend this Agreement, or to terminate this Agreement. In the event of termination, all Parties shall be relieved from the terms hereof, and this Agreement shall be of no further force or effect.

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4. ROD Consistent with the Parties' Recommendation. In the event the Secretary adopts a ROD in substantial conformance with the Parties' Recommendation, the Parties shall take all necessary actions to implement the terms of the ROD, including the approval and execution of agreements necessary for such implementation.

5. ROD Inconsistent with the Parties' Recommendation. In the event the Secretary adopts a ROD that any Party, in its sole and absolute discretion, determines is not in substantial conformance with the Parties' Recommendation, such Party shall immediately notify all other Parties of such determination in writing. The Parties shall jointly consult, and consult with the Secretary as necessary, in order to determine whether the ROD is in substantial conformance with the Parties' Recommendation, or whether any action, including the amendment of this Agreement, may resolve such concern. If after such consultation it is apparent there is an irreconcilable conflict between the ROD and the concerns of such Party, then such Party may upon written notice to the other Parties withdraw from this Agreement, and in such event this Agreement shall no longer be effective or binding upon such withdrawing Party. All withdrawing Parties hereby reserve all rights upon withdrawal from this Agreement to take such actions, including support of or challenges to the ROD, as they in their sole and absolute discretion deem necessary or appropriate. In the event of the withdrawal of any one or more Parties from this Agreement, this Agreement shall continue in full force and effect as to the remaining Parties. The remaining Parties may consult to determine whether to continue this Agreement in effect, to amend this Agreement, or to terminate this Agreement. In the event of termination, all Parties shall be relieved from the terms hereof, and this Agreement shall be of no further force or effect.

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6. Additions to the ROD. The Parties hereby request that the Secretary recognize the specific provisions of this Agreement as part of the NEPA Process and, if appropriate, include in the ROD specific provisions that reference this Agreement as a basis for the ROD. The Parties also hereby request that the Secretary include in the ROD specific provision that the Secretary will first consult with all the States, through their designated Governor's Representatives, before making any substantive modification to the ROD. Finally, the Parties hereby request that the Secretary include in the ROD specific provision that upon a request by any State for modification of the ROD, or upon any request by any State to resolve any claim or controversy arising under this Agreement or under the operations of Lakes Powell and Mead pursuant to the ROD, the ISG, or any other applicable provision of federal law, regulation, criteria, policy, rule or guideline, the Secretary shall invite all of the Governors, or their designated representatives, to consult

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with the Secretary in an attempt to resolve such claim or controversy by mutual agreement.

7. Consultation on Operations. After the Secretary commences operating Lakes Powell and Mead pursuant to the ROD, the Parties shall consult among themselves as necessary, but at least annually, to assess such operations. Any Party may request consultation with the other Parties on a proposed adjustment or modification of such operations, based on changed circumstances, unanticipated conditions, or other factors.

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Upon such request, the Parties shall in good faith consult with each other to resolve any such issues, and based thereon may request consultation by the States with the Secretary on adjustments to or modifications of operations under the ROD. In any event, the Parties shall initiate consultations before December 31, 2020, to determine whether to extend this Agreement and recommend that the Secretary continue operations under the ROD for an additional period, or modify this Agreement and recommend that the Secretary modify operations under the ROD, or terminate this Agreement and recommend that the Secretary not continue operations under the ROD after the expiration thereof. Any extension of this Agreement and any recommendation by the Parties to the Secretary to extend or modify operations under the ROD shall be made by unanimous consent of the Parties. If such extension and recommendation are not made, this Agreement shall terminate in accordance with Paragraph 15.

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8. Development of Interim Water Supplies, System Augmentation, System Efficiency and Water Enhancement Projects. The Parties agree to diligently pursue interim water supplies, system augmentation, system efficiency and water enhancement projects within the Colorado River System. The term "system augmentation" includes the quantifiable addition of new sources of supply to the Colorado River Basin, including importation from outside the Basin or desalination of ocean water or brackish water. The term "system efficiency" includes efficiency projects in the Lower Basin that will result in the more efficient use of existing supplies, such as in-system storage and enhanced management. The term "water enhancement" includes projects that may increase available system water, including cloud seeding and non-native vegetation management. Due to the critical importance of implementing these projects in reducing the potential for shortages, the Parties shall continue to jointly pursue the study and implementation of such projects, and to regularly consult on the progress of such projects.

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Specifically, the Parties agree to cooperatively pursue an interim water supply of at least a cumulative amount of 280,000 acre-feet for use in Nevada while long-term augmentation projects are being pursued. It is anticipated that this interim water supply will be made available in return for Nevada's funding of the Drop 2 Reservoir currently proposed for construction by the Bureau of Reclamation. Annual recovery of this interim water supply by Nevada will not exceed 40,000 acre-feet.

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In consideration of the Parties' diligent pursuit of long-term augmentation and the availability of the interim water supply, the Southern Nevada Water Authority (SNWA) agrees that it will withdraw right-of-way Application No. N-79203 filed with the Bureau

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of Land Management on October 1, 2004 for the purpose of developing Permit No. 58591 issued by the Nevada State Engineer in Ruling No. 4151.

The SNWA will not re-file such right-of-way application or otherwise seek to divert the water rights available under Permit No. 58591 from the Virgin River prior to 2014 so long as Nevada is allowed to utilize its pre-Boulder Canyon Project Act Virgin and Muddy River rights in accordance with section 4(C) of the Parties' Recommendation, and the interim water supply made available to Nevada is reasonably certain to remain available. The SNWA will not re-file such right-of-way application or otherwise seek to divert the water rights available under Permit No. 58591 from the Virgin River after 2014 so long as diligent pursuit of system augmentation is proceeding to provide ~~or has~~ provided Nevada an annual supply of 75,000 acre-feet by the year 2020. Prior to re-filing any applications with the Bureau of Land Management, SNWA and Nevada will consult with the other Basin States.

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This agreement is without prejudice to any Party's claims, rights or interests in the Virgin or Muddy River systems.

9. Consistency with Existing Law. The Parties' Recommendation ~~has been~~ developed with the intent to be consistent with existing law. The Parties expressly agree, for purposes of this Agreement, that the storage of water in and release of water from Lakes Powell and Mead pursuant to a ROD issued by the Secretary in substantial conformance with the Parties' Recommendation and this Agreement, and any agreements, rules and regulations adopted by the Secretary or the parties to implement such ROD, shall not constitute a violation of Article III(a)-(e) inclusive of the Colorado River Compact, or Sections 601 and 602(a) of the Colorado River Basin Project Act of 1968 (43 U.S.C. §§ 1551 and 1552(a)), and all applicable rules and regulations promulgated thereunder.

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10. Resolution of Claims or Controversies. The Parties recognize that ~~judicial or administrative proceedings are not preferred alternatives to the resolution of claims or controversies concerning the law of the river.~~ In furtherance of this Agreement, the Parties desire to avoid ~~judicial or administrative proceedings,~~ and agree to pursue a consultative approach to the resolution of any claim or controversy. In the event that any Party becomes concerned that there may be a claim or controversy under this Agreement, the ROD, Article III(a)-(e) inclusive of the Colorado River Compact, or Sections 601 and 602(a) of the Colorado River Basin Project Act of 1968 (43 U.S.C. §§ 1551 and 1552(a)), and all applicable rules and regulations promulgated thereunder, such Party shall notify all other Parties in writing, and the Parties shall in good faith meet in order to resolve such claim or controversy by mutual agreement prior to ~~initiating any judicial or administrative proceeding.~~ No Party shall initiate any judicial or administrative proceeding against any other Party or against the Secretary under Article III(a)-(e) inclusive of the Colorado River Compact, or Sections 601 and 602(a) of the Colorado River Basin Project Act of 1968 (43 U.S.C. §§ 1551 and 1552(a)), or any other applicable provision of federal law, regulation, criteria, policy, rule or guideline, and no claim thereunder shall be ripe, until such ~~consultation~~ has been completed. All States shall

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comply with any request by the Secretary for consultation in order to resolve any claim or controversy. In addition, any State may invoke the provisions of Article VI of the Colorado River Compact. Notwithstanding anything in this Agreement to the contrary, the terms of this Paragraph shall survive for a period of five years following the termination or expiration of this Agreement, and shall apply to any withdrawing Party after withdrawal for such period.

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11. Reservation of Rights. Notwithstanding the terms of this Agreement and the Parties' Recommendation, in the event that for any reason this Agreement is terminated, or that the term of this Agreement is not extended, or upon the withdrawal of any Party from this Agreement, the Parties reserve, and shall not be deemed to have waived, any and all rights, including any claims or defenses, they may have as of the date hereof or as may accrue during the term hereof, under any existing federal or state law or administrative rule, regulation or guideline, including without limitation the Colorado River Compact, the Upper Colorado River Basin Compact, the Decree in *Arizona v. California*, the Colorado River Basin Project Act of 1968, and any other applicable provision of federal law, rule, regulation, or guideline. Nothing in this Agreement shall be utilized against any other Party in any administrative, judicial or other proceeding, except for the sole purpose of enforcing the terms of this Agreement. Notwithstanding anything in this Agreement to the contrary, the terms of this Paragraph shall survive the termination or expiration of this Agreement, and shall apply to any withdrawing Party after withdrawal.

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12. No Third-Party Beneficiaries. This Agreement is made for the benefit of the Parties. No Party to this Agreement intends for this Agreement to confer any benefit upon any person or entity not a signatory upon a theory of third-party beneficiary or otherwise.

13. Joint Defense Against Third Party Claims. In the event the Secretary adopts a ROD in substantial conformance with the Parties' Recommendation as set forth herein, they will have certain common, closely parallel, or identical interests in supporting, preserving and defending the ROD and this Agreement. The nature of this interest and the relationship among the Parties present common legal and factual issues and a mutuality of interests. Because of these common interests, the Parties will mutually benefit from an exchange of information relating to the support, preservation and defense of the ROD and this Agreement, as well as from a coordinated investigation and preparation for discussion of such interests. In furtherance thereof, in the event of any challenge by a third party as to the ROD or this Agreement (including claims by any withdrawing Party), the Parties will cooperate to proceed with reasonable diligence and to use reasonable best efforts in the support, preservation and defense thereof, including any lawsuit or administrative proceeding challenging the legality, validity or enforceability of any term of the ROD or this Agreement, and will to the extent appropriate enter into such agreements, including joint defense or common interest agreements, as are necessary therefor. Each Party shall bear its own costs of participation and representation in any such defense.

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14. Reaffirmation of Existing Law. Nothing in this Agreement or the Parties' Recommendation is intended to, nor shall this Agreement be construed so as to, diminish or modify the right of any Party under existing law, including without limitation the Colorado River Compact, the Upper Colorado River Basin Compact, or the Decree in *Arizona v. California*. The Parties hereby affirm the entitlement and right of each State under such existing law to use and develop the water of the Colorado River System,

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15. Term. This Agreement shall be effective as of the date of the first two signatories hereto, and shall be effective as to any additional Party as of the date of execution by such Party. Unless earlier terminated, this Agreement shall be effective for so long as the ROD and the ISG are in effect, and shall terminate on December 31, 2025 or upon the termination of the ROD and the ISG, whichever is earlier.

16. Authority. The persons and entities executing this Agreement on behalf of the Parties are recognized by the Parties as representing the respective States in matters concerning the operation of Lakes Powell and Mead, and as those persons and entities authorized to bind the respective Parties to the terms hereof. Each person executing this Agreement has the full power and authority to bind the respective Party to the terms of this Agreement. No Party shall challenge the authority of any person or Party to execute this Agreement and bind such Party to the terms hereof, and the Parties waive the right to challenge such authority.

Modeling Assumptions for Draft Alternatives

Working Draft: June 16, 2006 version

Alternatives	Shortage Guidelines to reduce deliveries/releases from Lake Mead	Coordinated Reservoir Operations (Lake Mead & Lake Powell)	Lake Mead Storage and Delivery of Conserved and Non-system Water	Interim Surplus Guidelines for deliveries/releases from Lake Mead
No Action Alternative	<ul style="list-style-type: none"> Two level shortage strategy - probabilistic protection of elevation 1050' at Lake Mead (80P1050) and absolute protection of elevation 1000' at Lake Mead. 	<ul style="list-style-type: none"> Minimum objective release of 8.23 MAF unless storage equalization releases are required. 8.23 MAF until drawn down to top of dead pool: then outflow = inflow (conditioned on outlet constraint) 	<ul style="list-style-type: none"> No water management/accounting mechanism for storage and delivery of water conserved through extraordinary water conservation and/or water augmentation programs. 	<ul style="list-style-type: none"> No modification or extension of the Interim Surplus Guidelines which end in 2016. Beginning in 2017, surplus declarations revert to the 70R strategy/flood control.
Basin States Preliminary Alternative	<ul style="list-style-type: none"> Stepped shortages up to 600 KAF. Initiate efforts to develop additional guidelines for shortages if Lake Mead falls below elevation 1025' (Note: includes reconsultation with Basin States). 	<ul style="list-style-type: none"> Under low reservoir storage conditions, either reduce Lake Powell release or balance contents depending on projected Lake Mead and Lake Powell elevations. 	<ul style="list-style-type: none"> Maximum total Lake Mead storage through extraordinary conservation and/or augmentation of 2.1 MAF. Maximum created storage credit of 625 KAF per year. System Tax of 5% on all puts. Maximum delivery from Lake Mead of water developed by extraordinary conservation and/or augmentation of 1.0 MAF per year. 	<ul style="list-style-type: none"> Modification of Interim Surplus Guidelines to eliminate Partial Domestic Surplus condition. The modified guidelines are implemented from 2008 through 2025.
Conservation Before Shortage Alternative	<ul style="list-style-type: none"> Absolute protection of SNWA intake (elevation 1000') at Lake Mead. 	<ul style="list-style-type: none"> Under low reservoir storage conditions, either reduce Lake Powell release or balance contents depending on projected Lake Mead and Lake Powell elevations. 	<ul style="list-style-type: none"> Maximum total Lake Mead storage through extraordinary conservation and/or augmentation of 4.2 MAF. ICS puts/takes for States, Mexico, and the Federal government. Dedicated environmental releases. System Tax of 5% on all puts. 	<ul style="list-style-type: none"> Modification of Interim Surplus Guidelines to eliminate Partial Domestic Surplus condition. The modified guidelines are implemented from 2008 through 2025.
Water Supply Alternative	<ul style="list-style-type: none"> Release full annual entitlement amounts until drawn down to top of dead pool: then outflow = inflow. 	<ul style="list-style-type: none"> Minimum objective release of 8.23 MAF unless storage equalization releases are required. Balancing if Powell below 3575' or Mead below 1075'. 	<ul style="list-style-type: none"> No water management/accounting mechanism for storage and delivery of water conserved through extraordinary water conservation and/or water augmentation programs. 	<ul style="list-style-type: none"> Extension of the existing Interim Surplus Guidelines through 2025.
Reservoir Storage Alternative	<ul style="list-style-type: none"> Stepped shortages up to 1.2 MAF 	<ul style="list-style-type: none"> Minimum objective release of 8.23 MAF if Powell is above 3590' unless storage equalization releases are required. 7.80 MAF release between 3555' and 3590'. Balancing below 3555'. 	<ul style="list-style-type: none"> Maximum total Lake Mead storage through extraordinary conservation and/or augmentation of 2.6 MAF. ICS puts/takes for States, Mexico, and the Federal government. System Tax of 10% on all puts. 	<ul style="list-style-type: none"> Beginning in 2008, surplus declarations revert to the 70R strategy/flood control.

Common assumptions to all Alternatives:

1. First year of modeling under above-identified alternatives is 2008 and extends to 2060 (53 years) (Note: water elevation for January 1, 2008 will be projected using the June 2006 24 -Month Study).
2. Future hydrologic sequences will be based on the 99-year natural flow record (1906-2004).

**Explanation of Compromise Scenario
As of 2/1/2006**

Powell Elevation (ft)	Powell Operation	Powell Live Storage (maf)
3700		24.32
	Equalize or 8.23 maf release <i>expected 30% of time</i>	
3630.0 - 3664.4 (2006 - 2025)		14.85 - 19.08 (2006 - 2025)
	8.23 maf release If Mead < 1075 balance contents min/max release 7.0 and 9.0 maf	
3575		9.52
	7.48 maf release If Mead < 1025 make 8.23 maf release	
3525		5.93
3490 (min. power)	Balance Contents	4.00
	min/max release 7.0 and 9.5 maf	
3370		0.00

Mead Elevation (ft)	Mead Operations	Mead Live Storage (maf)
1220	Flood Control or Quantified Surplus	25.94
70R Strategy		
1145	Domestic Surplus (+450 kaf)	15.90
Prev. Partial Dom Surp 1125		13.85
	Normal 9.0 maf release	
1075		9.37
	400 kaf shortage	
1050 (SNWA Upper Intake)		7.47 (Min. Power)
	500 kaf shortage	
1025		5.80
	600 kaf shortage	
1000 (SNWA Low Intake)		4.33
895		0.00

Historic Low - March 2005; Elevation 3555.90; Contents 8.015 maf

Projected Low - May 2007; Elevation 1125.96; Content 13.947 maf

*Mead below 1075 while Powell is in Upper Balancing Zone (eq line & 3575) = 15% of time (295/98*20)*

*Mead below 1025 while Powell is in the 7.48/8.23 Zone (3575 & 3525) = 2.6 % of time (51/98*20)*

*Mead below 1075 while Powell is in 7.48/8.23 Zone (3575 & 3525) & in previous year Powell in lower balance zone (below 3525)
= .9 % of time (17/98*20)*

*Mead at or below 1075 & Powell in Upper Balancing Zone (eq line & 3575) and in previous year Powell in the 7.48/8.23
= 3.2 % of time (62/98*20)*

Blue indicates the previous operation strategy that did not change.

Red indicates portions of previous strategy that were eliminated.

Black, in combination with Blue indicates the proposed operations strategy

STATE OF COLORADO

Colorado Water Conservation Board

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SEC D - WATER SUPPLY PROTECTION

Randy Seaholm, Ted Kowalski, Steve Miller, Michelle Garrison, Susan Maul
Ray Alvarado, Andy Moore, Susan Lesovsky, Carolyn Fritz, Heinz Weichselbaumer

Bill Ritter, Jr.
Governor

Harris D. Sherman
Executive Director

Rod Kuharich
CWCB Director

Dan McAuliffe
Deputy Director

1. Colorado River Compact

- a. 7-State Agreement (See Agenda Item 17 Board Memo)
 - i. Shortage Criteria & Coordinated Operations of Powell & Mead
 - ii. Long-Term Augmentation of Colorado River
 - iii. Weather Modification Contracts (Coordinate with Flood Section)
- b. Colorado River Operations & Monitoring
 - i. USBR Annual Operating Plans for CR Reservoirs (2007 signed)
 - ii. USBR Consumptive Uses and Losses 1970-2005 (CDSS verification)
 - iii. USBR Hydrologic Determination (UCRC resolution of support)
 1. Navajo Reserved Water Right Settlement & Navajo-Gallup
 - iv. Future Depletion Schedule (See Agenda Item 18)
- c. Upper Colorado River Commission
 - i. Alt. Commissioner, Engineering Committee, Legal Committee
- d. Coordination with Attorney General
- e. Colorado River Salinity Control Program (Updates in Director's Report)

2. Arkansas River Compact

- a. John Martin Reservoir Accounting
- b. Litigation Fund – (See Reports in agenda Item 8a & 8b (Coordinate with SEO & AG))

3. Endangered Species Recovery Programs

- a. Upper Colorado River Recovery Implementation Program (Fully Funded) (See Annual UCRIP Briefing Documents prepared by USFWS & Program)
 - i. Pikeminnow, Razorback Sucker, Humpback Chub, Bonytail
 - ii. Water Acquisition Committee Representative
 - iii. Elkhead Reservoir
 - iv. Coordinated Reservoir Operations Coordination
 - v. CRSP Reservoir Re-operation EIS
 1. Aspinall Unit - On Hold, Federal Court Decision that April 2, 2003 Agreement between Interior & State concerning water rights for Black Canyon found to be null and void. (CWCB still participating as a Cooperating Agency)
 2. Flaming Gorge – Completed (TCD operational)
 - vi. Price-Stubb Diversion (Boat Chute incorporated into fish ladder design controversy)
- b. San Juan Recovery Implementation Program (Fully Funded)
 - i. Pikeminnow & Razorback Sucker only
 - ii. Coordination Committee Rep., Hydrology Committee Rep.
 - iii. Animas – La Plata Project Mitigation

- iv. Navajo Reservoir Re-operation EIS
 - 1. Navajo, Jicarilla, Ute Mountain Ute and Southern Ute Reserved Water Right Settlement Agreements requirement
- v. Cooperative Agreement extended 2023 & Revised Program Document
- c. Glen Canyon Adaptive Mgt. (Upper Basin Importance) (FACA Funded)
 - i. Grand Canyon Protection Act - Colorado River Ecosystem
 - ii. Long-Term Experimental Plan EIS-(CBD Litigation Settlement requirement)
 - 1. CWCB will be Cooperating Agency
 - 2. Temperature Control Device & Sediment issues
 - iii. Separate Humpback Chub Recovery effort desired
- d. Platte River Recovery Program (\$24 Million SCTF Appropriation, Phase I)
 - i. Whooping Crane, Piping Plover, Least Tern & Pallid Sturgeon
 - ii. Cooperative Agreement & Program Documents just signed
 - iii. State Representatives (Don Ament, Ted Kowalski)
 - iv. Federal Legislation introduced for Federal Participation & Funding Support
 - v. Program Executive Director Needed
 - vi. SPWRAP – Participate with local water user groups
 - 1. MOU with DNR (Financial Backstop, Water & Future Depletions)
 - vii. CDOW Tamarack Project (Colorado Water Obligation, \$2.0 Million Sev Tax)
- 4. Recreational In-Channel Diversions
 - a. Revised Statute reduces CWCB hearing requirements, sets limits on amounts
 - b. Durango - Settlement Discussions or Trial in May
 - c. Carbondale – Working on Settlement
 - d. Silverthorne – Likely to Stipulate Out
 - e. Construction Fund RICD Study - \$150,000 from the Construction Fund for CWCB Recreational and Environmental Instream Flows Study, with the following objectives: 1) to analyze how instream flow water rights (ISF and/or RICD's) have affected, and will affect in the future, water management in Colorado; 2) to provide an objective analysis of the different quantification methods; and, 3) to determine the true economic benefits associated with these types of water rights; and/or, 4) other inquiries determined appropriate by the Board .
 - f. Severance Tax Litigation Funding (\$40 Million available)
- 5. Animas-La Plata Project
 - a. About 50% constructed
 - b. Operation & Maintenance Agreement among contractors receiving project water required – Negotiations on-going, CWCB participating
 - c. State of Colorado needs to decide whether or not to contract for its allocation
 - d. Consent Decree Modifications to conform with 2000 Settlement Act
 - i. Motion to Reconsider limitations Water Court placed on Tribal diversions
 - e. Southwestern Water Conservation District ALP Conditional Water Rights Diligence - CPA has appealed to Colorado Supreme Court
 - f. Administration of ALP water rights for accounting combining State Water Right Administration with Project Authorization (Coordinate with SEO & USBR)
 - g. Long Hollow Reservoir Permitting Assistance (La Plata Basin compromise on ALP)
- 6. Federal Reserved Water Rights
 - a. Black Canyon of the Gunnison National Park
 - i. Federal Ruling (EIS or Renegotiate Settlement Agreement)
 - b. Water Division 7 Forest Service Water Rights – No Action
 - i. Coordinate with Instream Flow Section

7. SB – 193 Identification of Underground water storage sites in the South Platte and Arkansas River Basins to and evaluating there potential taking into consideration technical, economic and environmental considerations. CDM is conducting this study.
8. Tamarisk and Non-Native Vegetation Control Effort – HR 2720 was recently passed requiring Federal agencies to identify extent of infestation & methods of control. \$20 million in Federal grants available in FY 2006 and \$15 million thereafter through 2010. State legislation also being considered.
9. Runoff Forecast Improvement Efforts (SNODAS Project and USGS Snowmelt timing study)
10. Colorado Decision Support System – Ray Alvarado's Group
 - a. Water Records Filing and Library Management