

under a “Normal,” “Surplus,” or “Shortage” Condition as outlined in Article III of the Operating Criteria and as implemented by the Interim Surplus Guidelines; and (5) whether water apportioned to, but unused by, one or more Lower Division States exists and can be used to satisfy beneficial consumptive use requests of mainstream users in other Lower Division States as provided in the Consolidated Decree of the Supreme Court of the United States in *Arizona v. California*, 547 U.S. __ (2006) (Consolidated Decree).

Consistent with the above determinations and in accordance with other applicable provisions of the “Law of the River,” the AOP was developed with “appropriate consideration of the uses of the reservoirs for all purposes, including flood control, river regulation, beneficial consumptive uses, power production, water quality control, recreation, enhancement of fish and wildlife, and other environmental factors” (Operating Criteria, Article I(2)).

Since the hydrologic conditions of the Colorado River Basin can never be completely known in advance, the AOP addresses the operations resulting from three different hydrologic scenarios: the probable maximum, most probable, and probable minimum reservoir inflow conditions. River operations under the plan are modified during the year as runoff predictions are adjusted to reflect existing snowpack, basin storage, and flow conditions.

Summary

Upper Basin Delivery. The objective minimum release criterion will most likely control the annual release from Glen Canyon Dam during water year 2007 in accordance with Article II(2) of the Operating Criteria unless spill avoidance and/or the storage equalization criteria in Article II(3) are controlling. To maintain, as nearly as practicable, active storage in Lake Mead equal to the active storage in Lake Powell, releases from Lake Powell greater than the minimum objective of 8.23 million acre-feet (maf), 10,150 million cubic meters (mcm), will be made if (1) storage in Lake Powell on September 30, 2007, is projected to be greater than 14.85 maf (18,320 mcm) (water surface elevation 3,630 feet [1,106.4 meters]); and (2) active storage in Lake Powell is greater than active storage in Lake Mead, consistent with Article II (3) of the Operating Criteria and Section V of the Interim 602(a) Storage Guideline.

Lower Basin Delivery. Under the most probable inflow scenario, downstream deliveries are expected to control the releases from Hoover Dam. Taking into account (1) the existing water storage conditions in the basin, (2) the most probable near-term water supply conditions in the basin, and (3) Sections 2(B)(1) and (7) of the Interim Surplus Guidelines, the Partial Domestic Surplus Condition is the criterion governing the operation of Lake Mead for calendar year 2007 in accordance with Article III(3)(b) of the Operating Criteria, and Article II(B)(2) of the Consolidated Decree. It should be noted, however, that the projected releases in 2007 currently reflect demands under the Normal Condition for the Metropolitan Water District of Southern California (MWD), the Central Arizona Project (CAP), and the Southern Nevada Water Authority (SNWA), per their request. This does not, however, preclude the MWD, CAP, and SNWA from requesting Partial Domestic Surplus water in calendar year 2007.

If any unused apportionment is available, the Secretary shall allocate any available unused apportionments for calendar year 2007 in accordance with Article II(B)(6) of the Consolidated Decree and Section 1(B) of the Interim Surplus Guidelines.

Water may be made available for diversion pursuant to 43 CFR Part 414¹ to contractors within the Lower Division States. The Secretary shall make Intentionally Created Unused Apportionment (ICUA) available to contractors in Arizona, California, or Nevada for the off-stream storage or consumptive use of water pursuant to individual Storage and Interstate Release Agreements (SIRA) and 43 CFR Part 414.

On October 10, 2003, the Secretary approved the Record of Decision for the Inadvertent Overrun and Payback Policy (IOPP) which became effective January 1, 2004. The IOPP will be in effect during calendar year 2007 with calendar year 2005 paybacks to begin in calendar year 2007.

The Colorado River Water Delivery Agreement requires payback of overruns from 2001 to 2002 as noted in Exhibit C of that document. Each district with a payback obligation under Exhibit C may at its own discretion elect to accelerate paybacks in calendar year 2007. It is anticipated that calendar year paybacks for calendar years 2006 and 2007 will total 0.073 maf (90.11 mcm) and 0.075 maf (92.58 mcm), respectively.

Reclamation implemented two demonstration programs in 2006 in the Lower Basin for Intentionally Created Surplus Water (ICS Water) and System Conservation Water (SC Water).

The ICS demonstration program allows entitlement holders to undertake extraordinary conservation activities to reduce their approved annual consumptive use of Colorado River water and store that conserved water in Lake Mead. The ICS demonstration program does not provide for the release or use of ICS Water until appropriate environmental compliance and forbearance agreements have been completed.

The SC demonstration program allows entitlement holders to participate in voluntary conservation to conserve a portion of their approved annual consumptive use of Colorado River water in exchange for appropriate compensation provided by Reclamation. The water conserved would be stored and retained in Lake Mead to assist in providing an interim, supplemental source of water to replace the drainage water from the Wellton-Mohawk Irrigation and Drainage District that is bypassed to the Cienega de Santa Clara and the reject stream from operation of the Yuma Desalting Plant.

1944 United States-Mexico Water Treaty Delivery. A volume of 1.500 maf (1,852 mcm) of water will be available to be scheduled for delivery to Mexico during calendar year 2007 in accordance with Article 15 of the 1944 United States-Mexico Water Treaty and Minutes No. 242 and 310 of the IBWC.

¹ Off-stream Storage of Colorado River Water; Development and Release of Intentionally Created Unused Apportionment in the Lower Division States: Final Rule (43 CFR Part 414).