

RECLAMATION

Managing Water in the West

2006 Calendar Year Report to the Pecos River Commission

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Cover photo - Aerial view of the USGS gage 08386000 Pecos River near Acme, NM. Photo taken May 31, 2006 with flows of approximately 2 cfs.

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Table of Contents

INTRODUCTION.....	1
CARLSBAD PROJECT OPERATIONS	1
Crop Production	1
Reservoir Storage Entitlements.....	3
Sumner Dam and Reservoir	5
Brantley Dam and Reservoir.....	7
Avalon Dam and Reservoir.....	9
CARLSBAD PROJECT ENVIRONMENTAL COMPLIANCE	10
Endangered Species Program for Water Operations	10
National Environmental Policy Act (NEPA) Activities	11
PECOS RIVER BASIN WATER SALVAGE PROJECT	13
FORT SUMNER PROJECT	14
Crop Production	14
Operations	14
Fort Sumner Irrigation District Review of Operation and Maintenance Program.....	15
OTHER PECOS RIVER ACTIVITIES AND OPERATIONS.....	15
Reclamation's Water Offset Program	15
Carlsbad Irrigation District Water Lease Program	16
Water Release and Repayment Agreement for State Line Delivery.....	16
Lower Pecos River Basin Committee (Ad Hoc Pecos River Basin Committee).....	16
Pecos River Basin General Stream Adjudication	17
Endangered Species Act Related Litigation	17
Water 2025.....	18
Emergency Drought Relief Program	18
Carlsbad Project Vegetation Management Program.....	18

List of Tables

Table 1. 2006 Pecos River Storage Entitlements.....	3
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List of Figures

Figure 1. Project map of the Reclamation's Albuquerque Area Office.....	2
Figure 2. Area map of the Carlsbad Project.....	4
Figure 3. 2006 Sumner Dam bypass/release and total storage	7
Figure 4. 2006 Brantley Dam bypass/releases and total storage	8
Figure 5. 2006 Carlsbad Irrigation District Main Canal Diversions	10
Figure 6. 2006 Fort Sumner Irrigation District Diversions.....	15

Introduction

The Albuquerque Area Office of the Bureau of Reclamation (Reclamation) is responsible for operation, maintenance, and oversight of three projects on the Pecos River. These projects are: the Carlsbad Project, which includes Sumner, Brantley, and Avalon Dams; the Pecos River Basin Water Salvage Project; and the Fort Sumner Project, which includes the Fort Sumner Diversion Dam. Figure 1, *Project Map of Reclamation's Albuquerque Area Office* depicts the general location of Reclamation's Projects under the Albuquerque Area Office's jurisdiction.

Reclamation's Carlsbad Field Office now reports to the Albuquerque Area Office's Facilities and Lands Division. An agreement between Reclamation and Carlsbad Irrigation District (CID), finalized on October 2, 1989, provided for the CID to operate and maintain Brantley Dam, Avalon Dan, Sumner Dam, and the Pecos River Water Salvage Project. Reclamation continues to be responsible for assuring that this work is accomplished in compliance with all applicable agreements, contracts, regulations, compacts, and other related laws.

The gage data used within this report is provisional and was downloaded from the United States Geological Service web page, <http://waterdata.usgs.gov/nm/nwis/dv>. The reservoir elevation data, which is provisional as well, is recorded by the CID dam tenders and reported to Reclamation on a monthly basis.

Carlsbad Project Operations

Crop Production

As of the printing of this report, Reclamation had not received the CID's 2006 crop and water data. This information will be provided in the 2007 Calendar Year Report to the Pecos River Commission.

Since Reclamation had not received CID's 2005 and 2004 crop and water data at the time of the printing of the 2005 and 2004 Calendar Year Reports to the Pecos River Commission, this information is now being provided. As reported by CID, crops grown in the 2005 water year were as follows: oats, alfalfa hay, cotton lint, sorghums, wheat, irrigated pasture, silage, cantaloupe, watermelon, grass, peppers, and pecans. Out of a total irrigable area of 25,055 acres, 17,619 acres were irrigated in 2005. Crop and water data submitted by the CID did not contain total gross crop related income, therefore the average crop value per irrigated acre is not provided. Of the total water diverted, 53,918 af were delivered to irrigated lands for a total of 3.06 af delivered per irrigated acre.

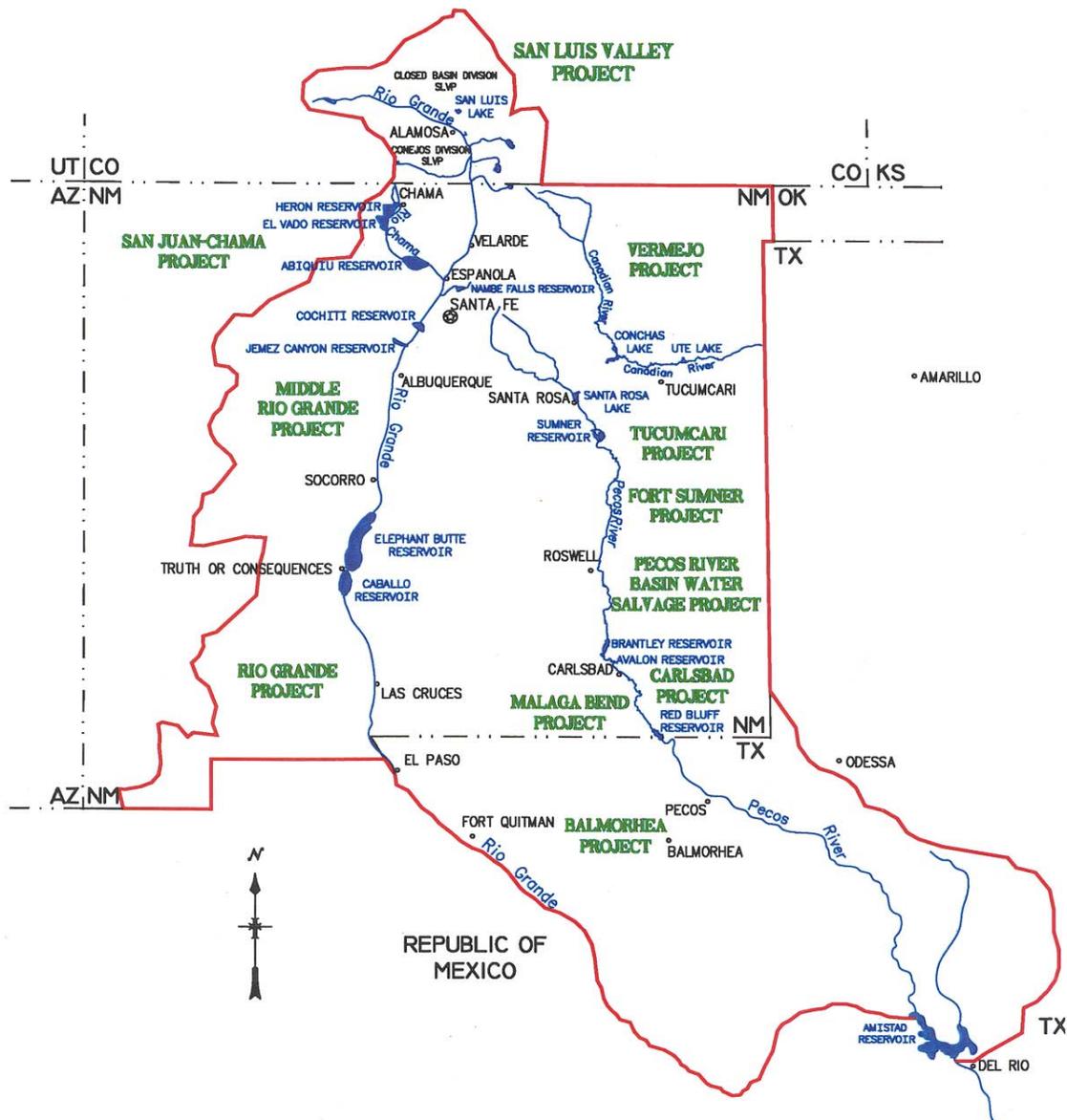


Figure 1. Project Map of Reclamation's Albuquerque Area Office.

Crops grown in the 2004 water year were as follows: oats, alfalfa hay, cotton lint, sorghums, wheat, irrigated pasture, silage, cantaloupe, watermelon, grass, peppers, and pecans. Out of a total irrigable area of 25,055 acres, 16,250 acres were irrigated in 2004. Again, crop and water data submitted by the CID did not contain total gross crop related income, therefore the average crop value per irrigated acre is not provided. Of the total water diverted, 34,716 af were delivered to irrigated lands for a total of 2.14 af delivered per irrigated acre.

Reservoir Storage Entitlements

All Carlsbad Project reservoirs were operated in accordance with the requirements of the Pecos River Compact and U.S. Army Corps of Engineers' (Corps) flood control criteria. Figure 2, *Area map of the Carlsbad Project*, depicts the location of the Carlsbad Project Storage Dams on the Pecos River.

The Corps determines area and capacity tables for Santa Rosa Reservoir. Reclamation calculates annual total conservation storage entitlements for the Pecos River reservoirs that are in New Mexico. Table 1 *2006 Pecos River Reservoir Storage Entitlements* presents the calendar year 2006 storage entitlements for the four Pecos River Reservoirs.

Table 1. 2006 Pecos River Reservoir Storage Entitlements.

Reservoir	Entitlement Storage (acre-feet)	Minimum Pool (acre-feet)	Total Estimated Sediment Accumulation	Total Conservation Storage (acre-feet)	Conservation Elevation (feet)
Santa Rosa	92,398	0	3,853	96,251	4744.78
Sumner	40,236	2,500	190	42,926	4,262.88 (NAVD88)
Brantley	40,000	2,000	788	42,788	3,256.20 (NAVD 88)
Avalon	3,866	600	0	4,466	3,117.40
TOTAL:	176,500				

Operation of the dams on the Pecos River is a joint effort between Reclamation, CID, and the Corps, in coordination with the Fort Sumner Irrigation District (FSID) and the State of New Mexico. The Corps has flood control responsibilities at Sumner Dam when the reservoir gets into the exclusive flood control pool (elevation 4262.88 to 4283.88 feet (ft) from May 1 through October 31, and 4269.16 to 4283.88 ft from November 1 through April 30). The Corps has flood control responsibilities at Brantley Dam when the reservoir elevation is above 3272.69 ft up to 3284.69 ft. Elevations are referenced to the North American Vertical Datum (NAVD 88).

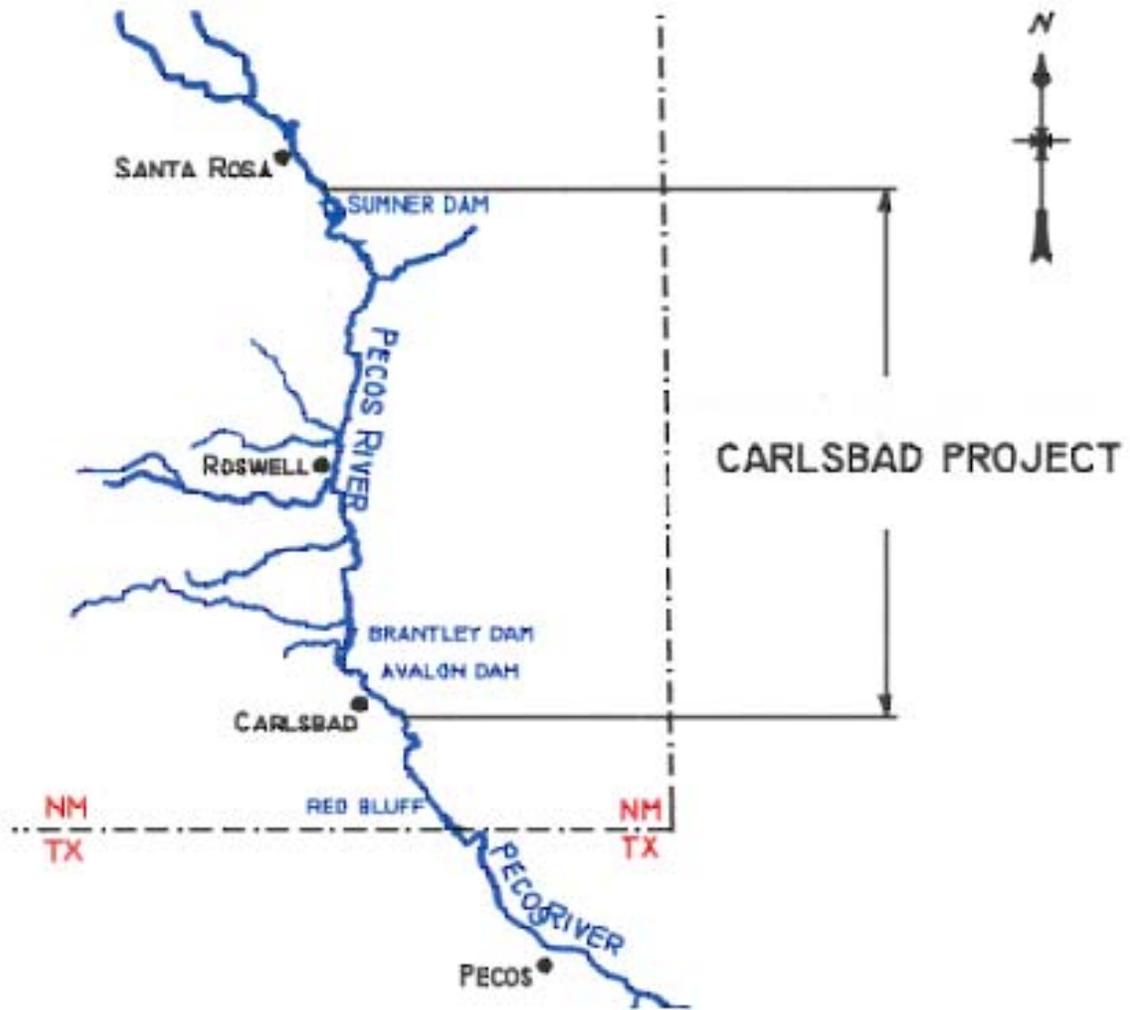


Figure 2. Area map of the Carlsbad Project.

The 2006 start-of-year total Carlsbad Project conservation storage in the four Pecos River reservoirs (Santa Rosa, Sumner, Brantley and Avalon) was 67 percent of entitlement. Santa Rosa, Sumner, Brantley and Avalon reservoirs on the Pecos River were at approximately 90, 53, 29, and 45 percent, respectively, of each reservoir's entitled conservation storage. The March 1, 2006 most probable forecasted snow melt runoff inflow into Santa Rosa Reservoir was approximately 7,000 acre-feet (af) or 13 percent of the 30-year average.

The actual March through July 2006 inflow to Santa Rosa Reservoir was approximately 5,600 af, 11 percent of the 30-year average. On December 31, 2006, the total Carlsbad Project entitlement storage in the four Pecos reservoirs was 72 percent of entitlement. Santa Rosa, Sumner, Brantley and Avalon reservoirs were at approximately 85, 71, 45, and 35 percent, respectively, of each reservoir's entitlement storage.

Sumner Dam and Reservoir

Sumner Dam Operations

The operation of Sumner Dam is to divert to storage available natural inflow above FSID's allotted direct diversion water right when bypassing this water is not required to either target 35 cubic-feet-per-second (cfs) at the United States Geological Survey (USGS) gage Pecos River Below Taiban Creek Near Fort Sumner or to maintain continuous flow in the river. FSID has a direct diversion right of up to 100 cfs of the natural inflow above Sumner Reservoir as calculated by the New Mexico Office of the State Engineer.

Releases of stored Carlsbad Project water occur as block releases for CID. The duration of block releases is restricted to a maximum of 15 contiguous days, and the cumulative annual duration of all block releases is restricted to a maximum of 65 days. Block releases are scheduled so that there is not less than 14 days between releases, and scheduling block releases during the six week period around August 1 is avoided if possible. Block releases are scheduled to alleviate river intermittency as long as this scheduling does not constitute a wasteful use of water due to excessive net losses accrued during transit, or due to excessively high net downstream reservoir evaporation. Reclamation directs the CID dam tender on gate adjustments and CID is responsible for all maintenance activities. This operating procedure does not alter the normal operations of Avalon and Brantley Reservoirs for the purpose of delivering water to CID.

Under a water right permit granted by the State of New Mexico, the Carlsbad Project is allowed to store up to an additional 20,000 af in Sumner Reservoir from November 1 to April 30 each year, provided that the entitled conservation storage of all four reservoirs on the Pecos River in New Mexico does not exceed 176,500 af. No additional storage under this water right permit occurred in 2006.

Sumner Reservoir began the year with 21,279 af in total storage. An early spring peak total storage of 25,847 af occurred on February 13 prior to the reservoir being drawn down by evaporation and a block release for the Carlsbad Project. Sumner Reservoir's lowest total storage occurred on June 13 when the reservoir was drawn down to 9,136 af during the second and final block release of the year. Sumner Reservoir ended the year with 28,764 af in storage, which was the greatest storage level during 2006.

Two block releases occurred during the 2006 calendar year. The first block release was initiated on February 20 and terminated on February 28 at a rate 1,400 cfs, for a total release of approximately 23,000 af. The second block release occurred on May 30 through June 13 when approximately 37,000 af was released at 1,400 cfs.

A total of approximately 1,560 af were bypassed for ESA related purposes during the non-irrigation season between January 1 and February 12 at an average rate of 18 cfs. During the irrigation season, which runs from March 1 through October 31, a total of approximately 340 af were bypassed for ESA related purposes. These bypasses occurred from August 28 through October 2 at an average rate of 5 cfs. Non-irrigation season ESA related bypasses were initiated for the 2006-2007 winter season on November 20, 2006 following the release of the remaining Fish Conservation Pool water. From November 20 through December 31, approximately 1,640 af was bypassed for ESA at an average rate of 20 cfs. Figure 3, *2006 Sumner Dam Bypass / Release and Total Storage*, illustrates Sumner Dam's total storage, bypasses, and releases.

The effects of these modified operations on the Carlsbad Project water supply are discussed in the section on Reclamation's water offset program. Reclamation has leased water from river pumpers and the Hagerman Irrigation Company to replace the depletions associated with the modified operations.

During 2006, Reclamation was permitted to store 1,000 af in Santa Rosa and Sumner Reservoirs to provide releases to achieve target flows at the Taiban gage and avoid intermittency in the river. Reclamation replaced the water released out of Sumner Reservoir with 750 af of water pumped directly into Brantley Reservoir. During 2006, releases from the Fish Conservation Pool were made as needed between May 5 and August 14 at rates between 5 and 20 cfs. The remainder of the Fish Conservation Pool was released from November 17 through November 20, 2006.

Sumner Dam Facility Review and Safety of Dams Programs

All three radial gates at Sumner Dam are used to pass releases up to 56,000 cfs, and all three are in need of repairs. CID is responsible for the repairs and for 68.36% of the cost, and Reclamation is responsible for 31.64% of the cost. CID has not yet scheduled for these repairs.

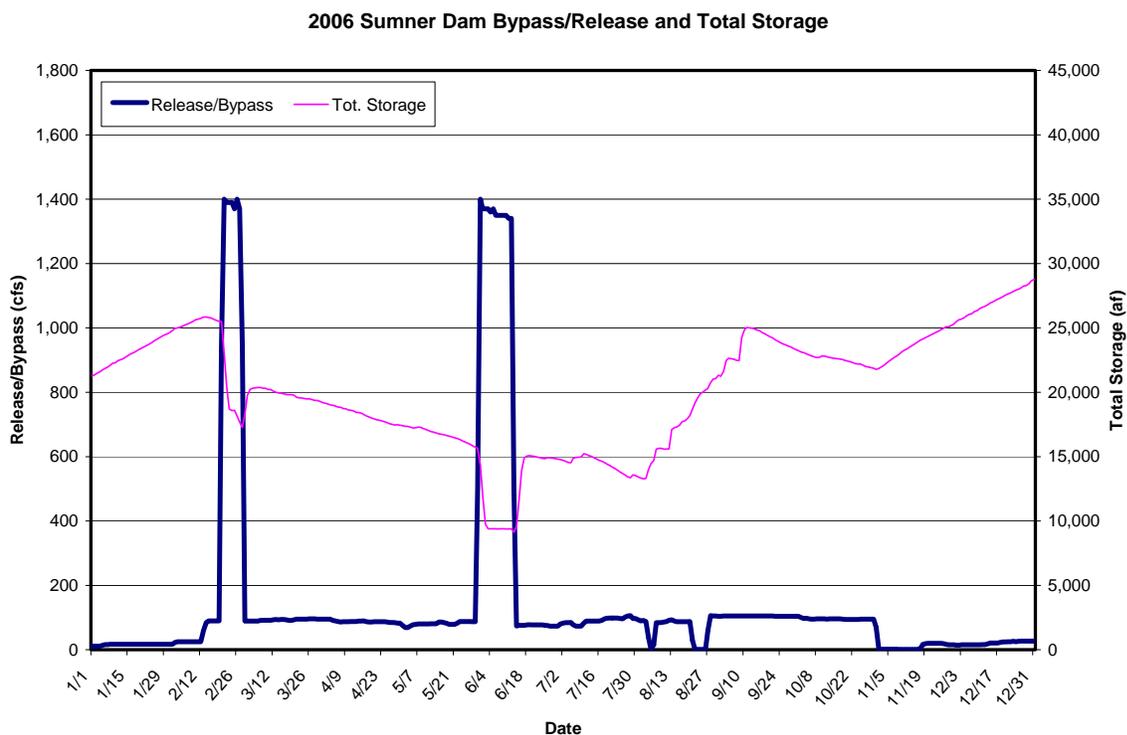


Figure 3. Calendar year 2006 Sumner Dam bypass/release and total storage (discharge downloaded from USGS web site on 01/29/07).

Sumner Dam's Standing Operating Procedures (SOP) and Emergency Action Plan (EAP) were revised in 2006. The Sumner Dam Comprehensive Facility Review (CFR) was completed in November 2005 and the report was completed in February 2006. There were 37 incomplete recommendations for Sumner Dam in 2005. A total of 21 of these recommendations were completed in 2006.

Brantley Dam and Reservoir

Brantley Dam Operations

Brantley Dam bypasses mitigation flows of 20 cfs during periods without irrigation releases. During the irrigation season (normally March through October), releases are made from Brantley Dam to Avalon Reservoir at a rate necessary to support the diversion into CID's main canal as required by irrigation demand, generally between 75 cfs and 350 cfs. Releases from Brantley Dam were also made in May and November of 2006 to assist the New Mexico Interstate Stream Commission (NMISC) in meeting New Mexico's Pecos River Compact obligations. A total of approximately 16,000 af were released from Brantley and passed through Avalon Dam during these two events as reported by the USGS gage Pecos River Below Avalon Dam, NM. Figure 4,

2006 Brantley Dam Bypass/Release and Total Storage, depicts Brantley Dam’s total storage, release, and bypasses.

The Corps has flood operation responsibility once the reservoir rises into the flood pool, as identified by the Corps in their Water Control Manual for Brantley Dam. Even though the top of the conservation or entitlement pool for Brantley Reservoir was 3,256.13 ft (NAVD 88) for 2006, the Corps does not recognize its flood operations control responsibility to start until the reservoir reaches elevation 3,272.69 ft which is the projected top of conservation after 100 years of sediment buildup. Therefore, Reclamation has flood operation control responsibility below elevation 3,272.69 (NAVD 88) ft to the top of the entitlement pool, which is adjusted each year for sediment.

2006 Brantley Dam Bypass/Release and Total Storage

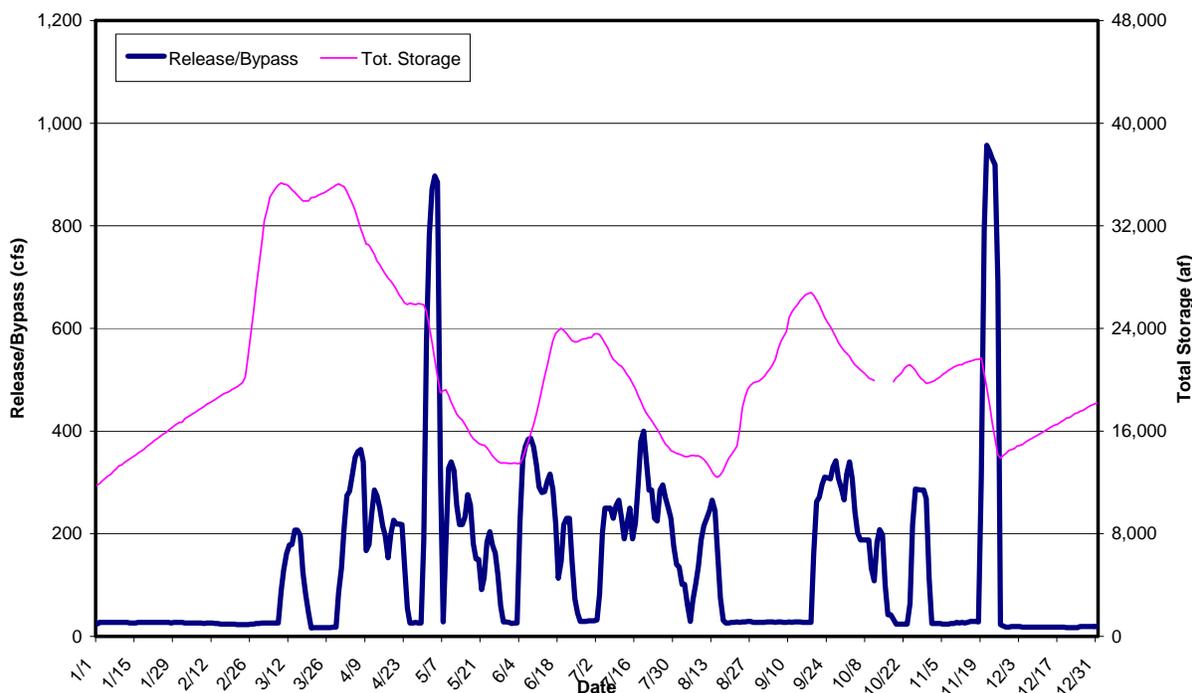


Figure 4. Calendar year 2006 Brantley Dam releases and total storage (discharge downloaded from USGS web site on 01/29/07).

Brantley Reservoir began the year with a total storage of 11,778 af. Irrigation releases from Brantley were initiated on March 9 and then stopped and started as needed to meet demand and to conserve water. The final irrigation release from Brantley Reservoir occurred on October 31. Approximately 74,100 af were released from Brantley for irrigation during this period. Brantley Reservoir reached a maximum total storage of 35,331 af on March 9, 2006. The lowest total

storage occurred around August 15 with a volume of 12,396 af. Brantley Reservoir ended the year with a total storage of 18,194 af.

Brantley Dam Facility Review and Safety of Dams Programs

Brantley Dam Standing Operating Procedures and Emergency Action Plan were revised in 2006. The Brantley Dam Comprehensive Facility Review (CFR) was completed in November 2005 and the report was completed in March 2006. There were a total of 24 incomplete recommendations for Brantley Dam in 2005, of which 11 recommendations were completed in 2006

Sinkholes exist upstream and downstream on the left side of Brantley Dam. The sinkholes are visually monitored on a regular basis and are surveyed only if there seems to be any change in the amount of sinkholes or size of existing sinkholes. The latest survey was completed on May 10, 2005. The sinkholes are currently not a structural threat to the facility.

Avalon Dam and Reservoir

Avalon Dam Operations

Due to the small reservoir capacity and the location of Brantley Dam 10 miles upstream, Avalon Dam is used primarily as a diversion dam and re-regulation facility to meet irrigation demand for CID. Water is released from Brantley Dam and the small reservoir at Avalon is used to fine tune the releases into the CID Main Canal. Avalon Reservoir began the year with a conservation storage of 1,722 af. A total of approximately 16,000 af of water was released from Avalon Dam directly to the Pecos River in 2006 for the NMISC and CID lease agreement. Avalon Reservoir's end-of-year total storage was 1,461 af.

Diversions into the CID Main Canal began on March 3, and ceased on October 31, totaling approximately 71,600 af. CID diversions are presented in Figure 5, *2006 Carlsbad Irrigation District Main Canal Diversions*.

Avalon Dam Facility Review and Safety of Dams Programs

The Avalon Dam Comprehensive Facility Review (CFR) was completed in November 2005 and the report was completed in March 2006. There were a total of 15 incomplete recommendations for Avalon Dam in 2005. Four of these recommendations were completed in 2006.

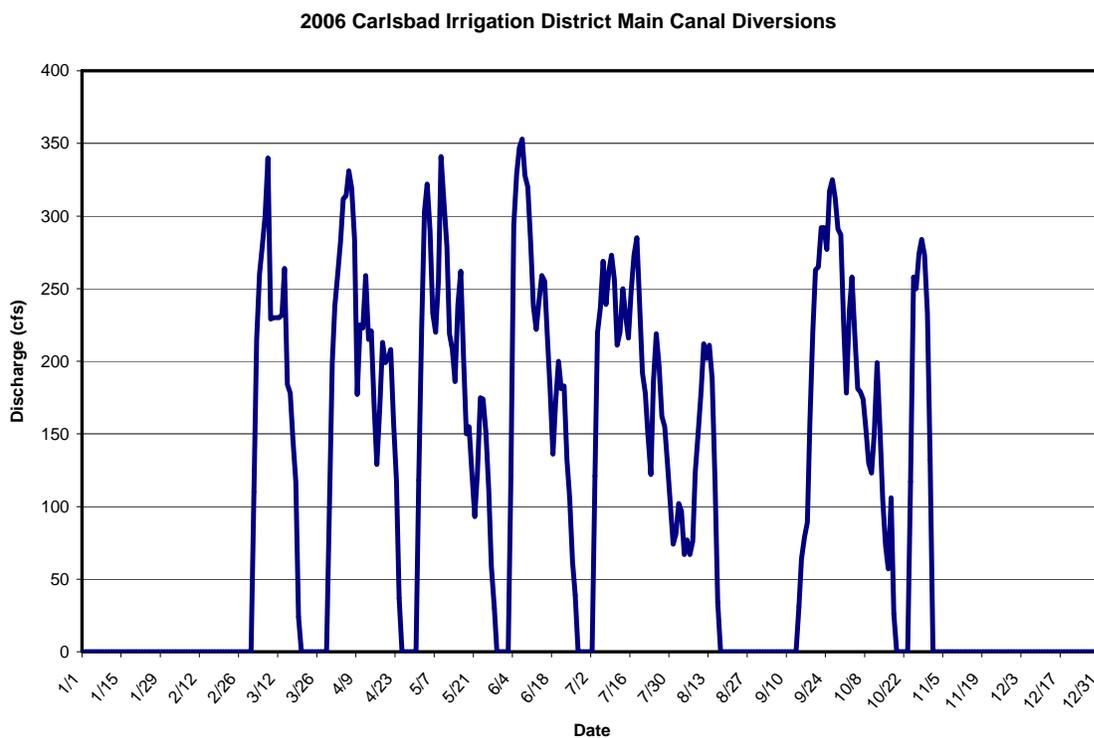


Figure 5. Calendar Year 2006 Carlsbad District Main Canal Diversions (discharge downloaded from the USGS web site 01/29/07).

Carlsbad Project Environmental Compliance

Endangered Species Program for Water Operations

The U.S. Fish and Wildlife Service (Service) completed the 10-year, Biological Opinion (BO) for Reclamation's Proposed Carlsbad Project Water Operations and Water Supply Conservation, 2006-2016 (Cons. # 22420-2006-F0096). The Service concluded on May 18, 2006, that the proposed Carlsbad Project Water Operations and Water Supply Conservation project operations are not likely to jeopardize the continued existence of the shiner, and not likely to destroy or adversely modify designated critical habitat. The Service also concluded in its BO that the proposed action is not likely to jeopardize the continued existence of the Least Interior Tern, because the action area on the Pecos River represents a relatively small portion of the tern's entire range in the interior United States and no critical habitat has been designated for the tern.

The BO recognizes that through implementation of 7(a) (1), water acquisition activities to supplement the Taiban Constant Alternative, Reclamation's proposed action will augment base

flows for the shiner and avoid river intermittency (river drying at any location). In addition, Reclamation will partner with Federal, State, and private entities to participate and assist in the completion of ongoing habitat improvement projects such as river channel restoration and monitoring, as well as supporting the Service's participation in shiner refugia and population monitoring. The BO included coverage for the Interior Least Tern, which was discovered nesting in 2004 at Brantley Reservoir.

The conditions of the "take" coverage for the Pecos bluntnose shiner are that Reclamation will keep the river continuous. Reclamation's proposed operations, including the proposed supplemental water activities, are intended to augment base flows for the shiner and avoid river intermittency. The Service anticipates the river will remain whole through the interplay of lease agreements with FSID, Pecos River water users, and groundwater pumping, in addition to the established fish conservation pool and the management of block releases in cooperation with CID. Reclamation created 56 acres of tern nesting and brood-rearing habitat at Brantley Reservoir in 2006 with the cooperation of the Service and in coordination with the appropriate state agencies, and private cooperators. Twenty-eight additional acres will be included in 2007.

The Pecos River did not go intermittent during the 2006 irrigation season. Pecos bluntnose shiner numbers did improve a little from 2005. Normal population monitoring efforts were continued by the US Fish and Wildlife Service and will continue until intermittent conditions occur. During 2006, summer precipitation eased the existing drought conditions throughout the eastern portion of New Mexico. Reservoirs remain adequately supplied with water from the 2006 irrigation season, but it is too soon to know to what extent summer rain events will help river flows during 2007.

National Environmental Policy Act (NEPA) Activities

Carlsbad Project Water Operations and Water Supply Conservation Environmental Impact Statement

Reclamation's Upper Colorado Regional Director Rick Gold signed the Record of Decision July 2006, approving the preferred alternative identified in the Carlsbad Project Water Operations and Water Supply Conservation Environmental Impact Statement (EIS).

The proposed changes in water operations are designed to conserve the federally threatened Pecos bluntnose shiner and its designated critical habitat, while conserving the Carlsbad Project water supply.

The final EIS on the Carlsbad Project Water Operations and Water Supply Conservation was prepared by Reclamation and NMISC to address changes in the operation of Sumner Dam and implementation of a proposed water acquisition program in the Pecos River Basin. The final EIS was released in June.

Effects of proposed operational changes on water supply and other affected resources were analyzed and options to mitigate for any adverse impacts were identified. A water acquisition program is proposed to conserve Carlsbad Project water supply.

Any potential impacts to Texas water deliveries and New Mexico's ability to comply with the Pecos River Compact are being mitigated through the supplemental water program.

Environmental Assessment

Reclamation is preparing an Environmental Assessment (EA) to analyze the effects of water exchange to obtain sources of supplemental water to conserve the Carlsbad Project and to keep the Pecos River continuous. This includes leasing with water pumpers along the river and may include the transfer of private water rights. The project is needed to comply with the 2006-2016 Biological Opinion for the Carlsbad Project Water Operations and Water Supply Conservation Environmental Impact Statement, August 2006.

Under the Biological Opinion and EIS, Reclamation committed to operate the Carlsbad Project with a target flow of 35 cfs at the Taiban Gage and to avoid river intermittency in order to conserve the Pecos bluntnose shiner, a federally protected fish. In order to accomplish this, Reclamation needs the flexibility to release water out of Sumner Reservoir while also ensuring that there is enough water at Brantley Reservoir to meet the contracted irrigation needs of the Carlsbad Project. Reclamation is pursuing approximately 2,500 af of total storage for this purpose. The EIS identified that a variety of supplemental water sources would have to be obtained to provide this water. Since that time, Reclamation has formalized a supplemental water program, making it ripe for additional environmental analysis. Under the supplemental water program, Reclamation is proposing the following actions:

- Commit up to 400 acres of ground water rights to be pumped into Brantley Reservoir in exchange for being able to store and withdrawal water from Santa Rosa or Sumner Reservoirs.
- Obtain leases with water pumpers along the river, which could include the transfer of private water rights.

The EA will evaluate the potential environmental and socioeconomic impacts from these actions, ranging from taking no action to any alternative actions that may be identified.

Miscellaneous Purposes Contract Environmental Impact Statement

A second Environmental Impact Statement, called the Miscellaneous Purposes Contract EIS, was prepared by Reclamation and NMISC to cover a long-term miscellaneous purpose contract between CID and Reclamation specifically for any related subsequent agreements with the NMISC. The Miscellaneous Purposes Contract EIS was spearheaded by the NMISC and would provide NEPA coverage for contracts that would allow NMISC to use Carlsbad Project water allotted to land located inside the boundaries of CID that NMISC either owns or leases from

other members of CID, or other project water, for release from facilities serving the Carlsbad Project. It replaces an existing 1999 short-term contract detailed in the section labeled Carlsbad Irrigation District Water Lease Program. This assists the NMISC in compliance with the Pecos River Compact and the Supreme Court Amended Decree.

Reclamation signed the Record of Decision (ROD) for the Long-Term Miscellaneous Purposes Contract Final Environmental Impact Statement in August 2006.

The recommendation is to proceed with the preferred alternative as identified by Reclamation and as identified in the FEIS. The preferred alternative is the execution of a long-term miscellaneous purposes contract with CID. Reclamation is the lead federal agency and the NMISC serves as a joint lead agency for NEPA compliance for the proposed action. Reclamation has designated signing the long-term contract as the preferred alternative, which is the execution of a long-term miscellaneous purposes contract and approval of any related third-party contracts.

Pecos River Basin Water Salvage Project

Under the authority of Public Law 88-594, Reclamation continues to control saltcedar growth from the Sumner Dam area to the New Mexico-Texas state line. This excludes the area between the Artesia bridge and north boundary of Reclamation's Brantley lands. Reclamation contracts with CID to perform the mechanical removal work. Saltcedar removal is primarily accomplished utilizing rubber-tired tractors with root plows, and track dozers with rake attachments.

Pecos River lands cleared in New Mexico total approximately 33,200 acres. Federal lands in the program make up about 36 percent of the cleared areas, and private lands make up about 64 percent.

The original authorizing legislation allowed clearing for approximately 58,000 acres, but was reduced as a result of litigation brought by the Audubon Society, and the completion of an EIS in 1979. Fiscal Year 2006 expenditures for maintaining the cleared areas of saltcedar was \$314,130, or \$9.46 per acre. The NMISC funded \$150,000.00 of these costs.

NMISC continues to fund Reclamation's involvement in obtaining annual cooperative agency agreements from private landowners for the Pecos River Basin Water Salvage Program.

Although the program did not achieve the original acreage intended, the Water Salvage Project is, to date, the largest and most successful effort to control the growth of saltcedar in the Pecos Valley.

Fort Sumner Project

Crop Production

As reported by FSID, crops grown in 2006 were alfalfa hay, other hay, irrigated pasture, melons, pecans, and nursery. All 6,842 irrigable acres were irrigated in 2006. Total gross crop related income of \$6,234,824 was reported on FSID's crop and water data for an average crop value of \$911.26 per irrigated acre. Of the total water diverted, 30,908 af were delivered to the irrigated lands, for a total of 4.5 af delivered per irrigated acre.

Operations

The irrigation season for FSID typically begins March 1st and ends October 31st. The FSID is also allowed to divert for two, eight-day periods during the winter. This winter right is usually taken just prior to March 1st. During irrigation season, 80 to 100 cfs is usually bypassed through Sumner Reservoir depending on FSID's available water right. During 2006, FSID began calling for water on February 15 and discontinued irrigating on October 31. FSID's allotment ranged from 70 to 100 cfs during the 2006 irrigation season. A total of approximately 41,600 af were diverted into the FSID Main Canal as recorded at the USGS Fort Sumner Main Canal Near Fort Sumner, NM gage. This total includes Reclamation's ESA related bypasses and Fish Conservation Pool releases which were diverted at Fort Sumner Diversion Dam and returned to the river at the FSID's Sandgate wasteway. A graph of FSID's diversions is shown in Figure 6, *2006 Fort Sumner Irrigation District Main Canal Diversions*.

Reclamation signed an agreement with the FSID to fallow district lands and then return the water to the Pecos River at the Sandgate wasteway. The term of the lease agreement extends through August 15, 2007. The goal of this leasing and fallowing program is to increase the flows in the upper critical habitat to benefit endangered species on the Pecos. The water returned to the Pecos River is calculated based on the amount of land retired and the amount of water diverted into the Main Canal.

The retired acreage was 750 acres from August 16, 2005 through August 15, 2006, and 509 acres from August 16, 2006 through August 17, 2007. A total of 7,460 af were bypassed by FSID into the Pecos River through the Sand Gate Diversion as reported on the USGS web site for the gage Sand Gate Div From Ft Sumner Canal At Ft Sumner, NM. This volume includes the 890 af of Fish Conservation Pool water and 340 af of Sumner bypasses that were passed through FSID's system during the irrigation season.

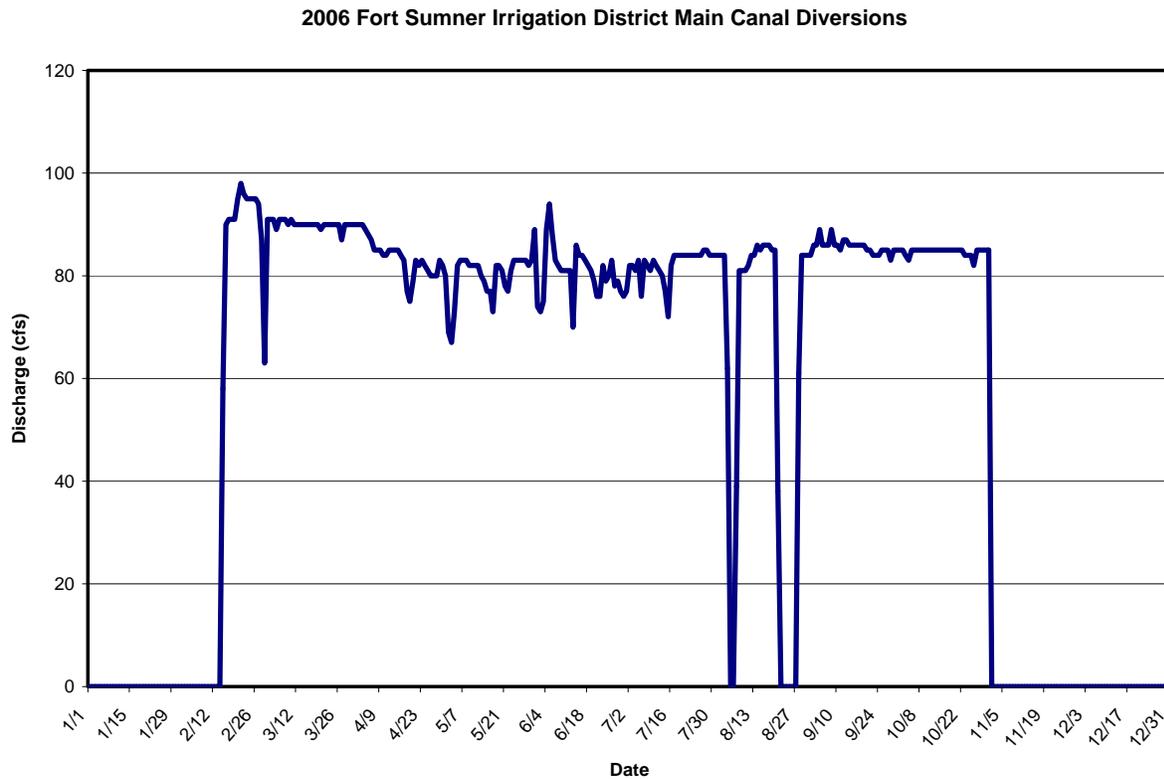


Figure 6. Fort Sumner Irrigation District 2006 diversions (discharge downloaded from USGS web site on 01/29/07).

Fort Sumner Irrigation District Review of Operation and Maintenance Program

Reclamation's Albuquerque Area Office Facility and Lands Division decided to change the Review of Operation and Maintenance (RO&M) examination of the Fort Sumner Irrigation Project from every 3 years to every 6 years. The next RO&M examination is scheduled for October 2009.

Other Pecos River Activities And Operations

Reclamation's Water Offset Program

Reclamation leases water rights from willing sellers within the Pecos River Basin to offset the additional depletions caused by Endangered Species Act related operations. During 2006, Reclamation had agreements with six Pecos River pumpers and a Hagerman Irrigation Company

irrigator to lease the water rights associated with 1,421.8 acres. Applying a consumptive irrigation requirement of 2.1 af/acre to the 1,262.8 acres associated with the river pumpers and the 169 acres associated with the Hagerman Irrigation Company, an additional 2,986 af was added to the Pecos River.

General calculations show that Reclamation's water offset program put more water into the Pecos River than the additional depletions incurred by the modified operations of Sumner Dam for the period November 1, 2005, through October 31, 2006. In general, the bypass flows are approximately 50 percent as efficient as block releases. Using this assumption, the bypass of approximately 3,540 af resulted in approximately 1,770 af of additional depletions to the Carlsbad Project water supply. Reclamation's water acquisition credit of approximately 2,986 af is greater than the additional depletions.

Reclamation and NMISC staffs are working together to develop a fair, equitable, and simple method that accurately calculates the additional net depletions and offsets.

Carlsbad Irrigation District Water Lease Program

Reclamation and the CID entered into a 40-year contract on November 21, 2006, which provides for the use of Carlsbad Project water for purposes other than irrigation. This contract provides for the NMISC and CID to enter into third-party lease agreements for the purposes of leasing water from other district water users. It also provides for NMISC to use water appurtenant to lands it owns within the district for purposes other than irrigation. Such leases must be approved by Reclamation. No third-party agreements have been executed and approved to date. No water was leased during 2006.

Water Release and Repayment Agreement for State Line Delivery

There was no release and repayment agreement for 2006.

Lower Pecos River Basin Committee (Ad Hoc Pecos River Basin Committee)

Reclamation continues to participate in the Lower Pecos River Basin Committee, a group originally convened as an ad hoc committee by NMISC in August 2001 to develop a consensus plan for continuing to meet New Mexico's Compact obligations. The committee's focus is implementation of the consensus plan and other actions to continue New Mexico's compliance with the Pecos River Compact.

Pecos River Basin General Stream Adjudication

[State of New Mexico, ex rel. the Office of the State Engineer and Pecos Valley Artesian Conservancy District v. L. T. Lewis, et al. and the United States of America, Case Nos. 20294 and 22600 (Consolidated)].

The Pecos River General Stream Adjudication (State Engineer v. L.T. Lewis) is ongoing in the 5th Judicial District Court in Chaves County, New Mexico. Reclamation and the U. S. Department of Justice are involved in this case by virtue of the U. S. interest in the water rights for the Carlsbad Project.

In authorizing funding to implement the ad hoc committee's consensus plan, the New Mexico legislature required that there be a settlement of the Carlsbad Project's surface water claims (H.B. 417, NMSA 72-1-2.4). The CID, Pecos Valley Artesian Conservancy District, the State of New Mexico, and the United States reached a settlement agreement in March, 2003. Key settlement terms are in accordance with the consensus plan and H.B. 417. They include NMISC purchase of land and water rights, augmentation of the flow of the Pecos River by pumping groundwater to the river, and provisions for management of supplemental well pumping within CID. The settlement also includes operating rules governing the use of water allotted to CID lands purchased by the NMISC. Depending on stateline delivery status and the water supply available to CID, NMISC allotments may be delivered to the state line or re-allotted to CID irrigators. Under the settlement the United States and CID have agreed to refrain from making a priority call unless the supply available to CID drops below 50,000 af. The settlement agreement addresses only the rights of the United States and CID. Adjudication of individual CID members' rights is continuing.

An interim period to allow the parties to meet conditions necessary for fully implementing the settlement is in effect until June 30, 2007. The conditions precedent in the settlement agreement include minimum levels of land and water right purchases by NMISC, a minimum capacity for augmentation well pumping to be in place, and completion of environmental compliance requirements.

Reclamation and the NMISC completed an Environmental Impact Statement in August, 2006 clearing the way for a long term "Miscellaneous Purposes Contract" which is required to allow Carlsbad Project Water to be released for delivery to the state line. This contract is now in place.

Endangered Species Act Related Litigation

The Forest Guardians re-filed a lawsuit on March 21, 2006 against Reclamation and the U.S. Army Corps of Engineers, citing violations of the ESA from a previous lawsuit in 2001. This lawsuit was dismissed in District court on November 17, 2006, for plaintiffs' failure to send Reclamation a new Notice of Intent.

Water 2025

The Department of the Interior's Water 2025 initiative assists communities and irrigation districts in the western United States with funding to meet critical water related needs. The Department is seeking to collaborate with local interests on projects that will help reduce the potential for water related conflicts. Through the Water 2025 program, Reclamation has awarded challenge grants for up to 50 percent of the cost of projects to improve conservation, improve efficiency, and support opportunities for development of water markets.

The NMISC has received Water 2025 grants for two projects on the Pecos River. A \$60,000 grant helped fund improvements to the Red Bluff Gage completed in July, 2006. A grant of \$930,600 has been awarded for pipelines in the Seven Rivers area that will be used to deliver augmentation water to Brantley Reservoir as required under the Pecos River settlement agreement.

Emergency Drought Relief Program

Under the Emergency Drought Relief Program, Reclamation is providing municipal water supply wells to communities in the Pecos River Basin. A well was completed at Ruidoso Downs, NM in September, 2006. Construction of a well for Cloudcroft, NM is complete with final development pumping and testing scheduled for the spring of 2007. Drilling is currently (February 1, 2007) underway at Las Vegas, NM and Ruidoso, NM and a contract has been awarded for drilling at Capitan, NM.

Carlsbad Project Vegetation Management Program

Reclamation has prepared a five-year draft programmatic environmental assessment/biological assessment (EA/BA) for the purpose of performing research and demonstration using integrated methods (herbicides, biological and mechanical) on saltcedar to determine effective methods of control and rehabilitation along with associated monitoring. The research project area is located on Reclamation owned lands within the Carlsbad Project area. The EA/BA document as well as summaries of current work and public meetings can be viewed at the following web site:

<http://www.usbr.gov/uc/albuq/library/eaba/saltcedar/saltcedar.html>

