



*H*ERE IS A LAND WHERE LIFE IS WRITTEN IN WATER.

2004

ANNUAL REPORT AND MEMBERSHIP DIRECTORY
COLORADO RIVER WATER USERS ASSOCIATION

PRESIDENT'S MESSAGE



As CRWUA marks its 60th anniversary in 2005, it provides an opportunity to reflect on a period of historic and remarkable change along the Colorado River. The accomplishments achieved in six decades of this organization's history are too numerous to list in their entirety, but most certainly are marked by the very creation and development of CRWUA, which has come to serve as a voice related to water issues in the West.

Still pressured by drought in 2004, the seven Basin States, along with the federal government, worked tirelessly to find new flexibility in the decades-old law that governs the Colorado River.

Agencies throughout the Colorado River system have worked to reshape the challenges presented by Mother Nature into opportunities to form water-sharing agreements, evaluate operational strategies and consider water and power safeguards. Additionally, the two Colorado River Upper Basin Recovery Programs instituted in the 1990s, and now the Colorado River Multi-Species Conservation Program for the Lower Basin, have resulted in partnerships to protect a variety of threatened and endangered species along the river

system, while preparing for an uninterrupted supply of water and power.

Planning innovative approaches to collaboration and problem-solving represent the very best of CRWUA, and they continue to underscore the value of a basin-wide water users organization. It is, for me, a great privilege to serve as your president of the Colorado River Water Users Association. But it is your commitment to this organization that is the very hallmark of CRWUA. It is the contributions of board members, officers, committees, and the countless volunteers working behind the scenes that provide the leadership necessary to preserve the Colorado River and our water supply for generations to come.

Sincerely,

A handwritten signature in black ink that reads "Kurt R. Segler". The signature is fluid and cursive, with the first name being the most prominent.

Kurt R. Segler



THE COLORADO RIVER

HOW COULD DROPS OF WATER KNOW THEMSELVES
TO BE A RIVER? YET THE RIVER FLOWS ON.

ANTOINE DE SAINT-EXUPERY (1900-1944)

There is a shared respect that runs with the tide of the mighty Colorado River as well as a watchful eye on the runoff that sustains the Basin States and Mexico relying on its flows.

Managing the challenges of an untamed river—its headwaters fed by snowpack more than 9,000 feet above sea level—is no small task. For centuries the Colorado River has left its indelible mark on the land—carving canyons, supplying water to over 25 million people, sustaining produce from nearly 3.5 million acres of farmland, creating a refuge for thousands of animal species and its dams generating a clean source of hydroelectric power.

Yet the West has always been a land of myth and legend, called to the task of unleashing the best of the wild. It is that shared reliance and unyielding challenge that compels policy makers along the river to find solutions that balance municipal water and power needs, sustainability, agriculture, recreation and environmental safeguards along the river.

Like the river itself, prone to rushing rapids and moments of calm as it traverses 1,400 miles toward the Gulf of California, the answers may not be found so much in the destination, as the journey.

COLORADO RIVER WATER USERS ASSOCIATION

Formed in 1945, the Colorado River Water Users Association is a non-profit, non-partisan organization, formed to plan, study, formulate and advise on ways to protect and safeguard the interests of all who use the Colorado River.

The association includes approximately 75 water and power organizations and more than 1,600 members, representing water and power interests in all seven Basin States. Represented groups include counties, municipalities, district water user groups, political subdivisions, water conservancy districts, municipal and metropolitan water districts, irrigation districts, Native American tribes and communities, engineering consultants and others.

GENERAL EDUCATION

CRWUA promotes the importance of the Colorado River to water users and the general public. Educational efforts, including printed materials, videos and a Web site are shared throughout the Basin States and worldwide.

BOARD OF DIRECTORS

Each of the seven Basin States and a coalition of the Native American communities that have allocations of Colorado River water, called the 10 Tribes, are represented on the board by three directors. Directors are nominated by members from each state and are elected by a majority vote at the association's

annual meeting. The board meets twice a year, during May and December.

COMMITTEES

Board committees meet throughout the year to conduct CRWUA business. These include audit, budget, program, housing, membership, exhibits, nominations, public affairs, resolutions and spouses programs.

OFFICERS

A president, vice president, secretary-treasurer and assistant secretary-treasurer make up CRWUA's officers. The assistant secretary-treasurer is responsible for the accounting and mechanical functioning of the association.

ANNUAL CONFERENCE AND MEETING

CRWUA addresses current issues during a three-day conference each December. The program typically includes nationally recognized experts, panel discussions, debates and entertainment.

MEMBERSHIP

Various categories of membership are available to all members of the public. The board sets dues annually.

For information about CRWUA, visit the Web site at crwua.org or call 760/398-2651.



UPPER COLORADO REGION

WATER IS THE BEST OF ALL THINGS.

PINDAR (circa 522-438 B.C.), OLYMPIAN ODES

The Colorado River is of critical importance not only to the West, but also to the economy of the nation. The challenges today for Colorado River basin water users are similar to those of the past—to protect and manage this precious resource—but with complexities such as urban and agricultural uses, growth, the environment and the drought, the Basin States in 2004 were called to an even greater level of water management. The 2004 water year was marked by the following milestones along the upper and lower Colorado River Basins:

BUREAU OF RECLAMATION, UPPER COLORADO REGION

The Upper Colorado Region of the Bureau of Reclamation made significant progress in the construction of the Animas-La Plata Project near Durango, Colorado, in 2004. During the year, much of the foundation of the dam was exposed, work continued on the pumping plant in Durango that will pump water into the off-stream storage reservoir, and all environmental mitigation obligations for the year were accomplished. Reclamation also worked with the Adaptive Management Work Group (the federal advisory committee to the Secretary of the Interior for

the Glen Canyon Dam Adaptive Management Program) on several initiatives including special releases from Lake Powell between January and the end of March for fishery work to benefit endangered humpback chubs and with high flow releases in November to move tributary sediment to rebuild beaches and backwaters in the Grand Canyon. Reclamation continued to grapple with the fifth year of record-breaking drought in the Upper Basin of the Colorado River, but as the year ended Reclamation noted that for the first time since the fall of 1999, inflows into Lake Powell were above normal, starting in November 2004.

COLORADO

Colorado remained in drought during 2004. And while wetter conditions emerged in late summer and fall, reservoir storage was still below normal throughout the state as 2005 dawned. The severity of the six year-old drought continues to abate, though the different river basins experienced varying levels of relief from the continued dryness.

The Statewide Water Supply Initiative, an investigation into growth and Colorado's future water supplies mandated by the State Legislature, published its results in November. The key finding: By 2030, Colorado will face gaps between expected supplies and projected demands. Last year also marked the loss of one of Colorado's most vocal water leaders. Frank E. "Sam" Maynes, a Durango-based water lawyer, long time member of the CRWUA Board of Directors and Ute Indian

water rights advocate, passed away. A monument to Sam's work, the last of the Colorado River Storage Projects—Animas-La Plata—is under construction in no small part to Sam's tenacious efforts. The A-LP moved its millionth cubic yard of earth just two days after Sam's death.

NEW MEXICO

The proposed San Juan Basin Water Rights Settlement between the Navajo Nation and the State of New Mexico was approved. The San Juan Basin snowpack stood at 164 percent of average, the highest level since 1996. The Navajo Reservoir April through July runoff period forecast was projecting a volume runoff into the reservoir of 1,230,000 acre-feet, which represents 154 percent of normal runoff for the upper San Juan Basin. The reservoir is projected to fill, while also providing the spring release rates (21 days at 5,000 cfs) for endangered fish as determined by the Flow Recommendations. The San Juan River Basin Recovery Implementation Program continues to successfully move toward the recovery of the two San Juan Rivers endangered fish—the Razorback Sucker and Colorado Pikeminnow.

Construction of the Animas-La Plata project is progressing, while still remaining within the estimated completion date of 2012. The Navajo Nation Municipal Pipeline work continues with the preparation of the pipeline design and right-of-way package. The final Navajo Nation Municipal pipeline design

is scheduled for completion by the end of fiscal year 2005.

UTAH

Utah's 2004 water year can be summed up with one word—drought. From Bear Lake on the north end of the state to Lake Powell on the south end and almost all lakes and reservoirs in between, Utah's water storage levels were at historic lows. Six years of extreme drought had taken a toll on every reservoir in the state and left water planners scratching their heads wondering what comes next if the drought continues.

One bright spot was the Central Utah Project, which functioned just as it was designed—the storage capacity provided by the project prevented major shortages in its delivery area.

One benefit of the drought was the public's heightened awareness of the need for conservation. While water providers have long been trying to convince water users to use less water, six years of drought drove the point home and water consumption dropped statewide.

WYOMING

As hope for drought relief evaporated synchronously with the March snowpack, Wyoming Governor Dave Freudenthal set forth a major legislative initiative to create additional funding and staffing within the Wyoming Water Development Program. The initiative will re-emphasize the need for reservoirs and make development of large water projects a priority for the state.



ALL THE WATER THAT
WILL EVER BE IS, RIGHT NOW.

NATIONAL GEOGRAPHIC, OCTOBER 1993

LOWER COLORADO REGION

ARIZONA

A series of statewide and regional issues, including reaching agreement on an Indian water rights settlement and an interstate water banking agreement with Nevada, were two major Colorado River issues for Arizona in 2004.

Central Arizona Project diverted 1,597,631 acre-feet of Colorado River water for use by municipal, agricultural and industrial users in the three tri-county CAP water service area. Some of this water was delivered to the Arizona Water Banking Authority to meet state groundwater replenishment requirements associated with

Arizona's groundwater code. Other Colorado River diversions in 2004 by users along the river amounted to 1,133,597 acre-feet.

In response to the multiyear drought affecting Arizona, Governor Janet Napolitano signed an executive order in 2003 establishing the Arizona Drought Task Force.

The Task Force submitted its final report in October 2004, with both a short-term plan to address water needs as well as a long-term planning effort to address comprehensive drought issues throughout the state.

BUREAU OF RECLAMATION, LOWER COLORADO REGION

In 2004, the Bureau of Reclamation continued its efforts to address the drought as well as future water needs in the lower basin. At the request of the Basin States, Reclamation provided technical information to help the states' effort to develop drought management recommendations for the Secretary of the Interior. Reclamation also continued to work with State agencies and others to complete planning for the Lower Colorado River Multi-Species Conservation Program, an effort to ensure continued use of the river's resources for water supply, power generation and other purposes and provide environmental conservation and protection measures for habitat and species along the lower river for the next 50 years.

CALIFORNIA

The year following the signing of California's Quantification Settlement agreement found the state's agencies busy in 2004 implementing the state's plan to reduce its use of Colorado River water. A Joint Powers Authority, administered by the **San Diego County Water Authority**, was formed in accordance with the QSA.

The JPA began administering \$133 million in salinity management funds from the Water Authority, **Coachella Valley Water District** and the **Imperial Irrigation District**. Imperial implemented a fallowing program, sending 20,000 acre-feet of conserved water to SDCWA, while another 10,000 acre-feet of exchange water was

made available for Salton Sea mitigation. In addition, Imperial, in conjunction with the Bureau of Reclamation, began design work on the All American Canal lining project. A 23-mile parallel reach of the All American will be lined to yield about 70,000 acre-feet of water annually. Coachella Valley Water District administered the lining of nearly 35 miles of still-earthen portions of the Coachella Canal. A parallel, concrete lined section is being built and the project will result in a net savings of 26,000 acre-feet annually, water that will be delivered to SDCWA. CVWD also is expanding the use of Colorado River water for groundwater recharge with the construction of pilot recharge facilities in the lower Coachella Valley, part of the district's 35-year Water Management Plan.

The respective boards of the **Metropolitan Water District of Southern California** and Palo Verde Irrigation District approved a landmark program, in which Palo Verde Valley farmers will rotate a portion of their cropland in and out of production while transferring the unused irrigation water to the urban Southland. Metropolitan also updated its long-term water resource plan that provides the roadmap for maintaining Southern California's reliable supply future. Increased investments in seawater desalination and a water-supply planning buffer are added key ingredients of the updated Southern California water plan, which outlines a coordinated approach to resource management. The plan updates a 1996

version known as the Integrated Resources Plan, which serves as a national blueprint for regional supply diversification.

NEVADA

Overwhelming community response to Nevada's continued drought restrictions, assigned watering days and water-conservation measures resulted in staving off the third stage of an aggressive drought program in 2004. With the continued implementation of drought restrictions and program rebate incentives, community water use was reduced by approximately 55,000 acre-feet over a two-year period. With unprecedented participation in the Southern Nevada Water Authority's Water Smart Landscapes rebate program, the valley's landscape conversions alone saved more than 2.8 billion gallons of water.

Incentive programs were balanced with increased water-waste fees, allowing the SNWA to reduce customer diversions from the Colorado River. Nevada's efforts to bridge to developing in-state resources have been assisted with an amended water-banking agreement with Arizona as well as a water-banking agreement with California. Nevada is advancing its filings and permits to build infrastructure to access groundwater and surface water resources within the state. Developing in-state resources on an accelerated schedule will continue as a standing priority for the SNWA as part of its long-term water resource plan.

OFFICERS & TRUSTEES

IF THERE IS MAGIC ON THIS PLANET,
IT IS CONTAINED IN WATER.

LORAN EISELY, THE IMMENSE JOURNEY, 1957

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Randy Kirkpatrick, NM

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Benjamin C. Bracken,
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Colorado River Indian Tribes Partnership

George Arthur, Daniel Eddy, Jr.,
Claudia Vigil-Muniz

* Deceased

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**COLORADO RIVER WATER USERS ASSOCIATION
FINANCIAL REPORT**

January 1, 2004 - December 31, 2004

RECEIPTS, DISBURSEMENTS AND TRANSFERS

Cash Balance, January 1, 2004.....		\$40,194.52
Receipts		
Membership Dues	\$ 27,855.00	
Annual Meeting (registrations, caucus breakfast, luncheon and exhibits)	<u>184,104.01</u>	
Total Receipts		<u>211,959.01</u>
Total Cash Balance and Receipts		\$252,153.53
Disbursements		
Midyear Board of Trustees Meeting	(\$ 4,944.01)	
Annual Meeting	(140,905.23)	
Administrative Expenses	(894.85)	
Supplies	(3,220.65)	
Public Affairs	<u>(39,153.29)</u>	
Total Disbursements		(189,118.03)
Transfers in/out from Investment		
Transfers from Money Market Account	\$ 73,500.00	
Transfer to Money Market Account	<u>(128,000.00)</u>	
Net Transfers Out to Money Market Account		<u>(54,500.00)</u>
Cash Balance, December 31, 2004.....		<u>\$ 8,535.50</u>

**COLORADO RIVER WATER USERS ASSOCIATION
FINANCIAL REPORT**

January 1, 2004 - December 31, 2004

SUMMARY OF ASSETS

Cash Balance, December 31, 2004.....		\$8,535.50
Certificate of Deposit 09168-13020 as of January 1, 2004	\$	-0-
Account opened on March 2, 2004 (1.60%)		27,000.00
<i>Interest</i>		
March 31, 2004	35.43	
October 31, 2004	274.39	
December 2, 2004, maturity, roll over (1.98%)		
December 9, 2004	<u>27.07</u>	
Total interest earned.....		336.89
<i>Withdrawals</i>		
December 9, 2004, closed account	<u>(27,336.89)</u>	
Total withdrawals		<u>(27,336.89)</u>
Certificate of Deposit 09168-13020 as of December 31, 2004		-0-
Certificate of Deposit 005209080-1 as of January 1, 2004 (1.15%).....	\$35,398.67	
<i>Interest (posted quarterly)</i>		
February 27, 2004, maturity, roll over (1.10%)		
March 5, 2004	<u>75.75</u>	
Total interest earned.....		75.75
<i>Withdrawals</i>		
March 5, 2004, closed account	<u>(35,474.42)</u>	
Total withdrawals		<u>(35,474.42)</u>
Certificate of Deposit 005209080-1 as of December 31, 2004		-0-
Certificate of Deposit 005209080-2 as of January 1, 2004 (1.15%).....	\$15,513.86	
<i>Interest (posted quarterly)</i>		
February 27, 2004, maturity, roll over (1.10%)		
March 5, 2004	<u>33.20</u>	
Total interest earned.....		33.20
<i>Withdrawals</i>		
March 5, 2004, closed account	<u>(15,547.06)</u>	
Total withdrawals		<u>(15,547.06)</u>
Certificate of Deposit 005209080-2 as of December 31, 2004		-0-
Certificate of Deposit 09167-00953 as of January 1, 2004	\$	-0-
Account opened on March 8, 2004 (1.60%)		51,021.48
<i>Interest (posted quarterly)</i>		
March 31, 2004	53.55	
October 31, 2004	518.38	
December 8, 2004, maturity, roll over (1.98%)		
December 9, 2004	<u>47.92</u>	
Total interest earned.....		619.85
<i>Withdrawals</i>		
December 9, 2004, closed account	<u>(51,641.33)</u>	
Total withdrawals		<u>(51,641.33)</u>
Certificate of Deposit 09167-00953 as of December 31, 2004		-0-

(Continued next page)

SUMMARY OF ASSETS (Continued)

Certificate of Deposit 005209080-3 as of January 1, 2004 (1.10%)	\$ 42,621.36
<i>Interest (posted quarterly)</i>	
March 18, 2004	118.51
June 18, 2004	120.15
September 18, 2004	120.48
December 18, 2004, maturity, roll over (1.60%)	
December 20, 2004	<u>123.70</u>
Total interest earned	482.84
<i>Withdrawals</i>	
December 20, 2004, closed account	(43,104.20)
Total withdrawals	<u>(43,104.20)</u>
Certificate of Deposit 005209080-3 as of December 31, 2004	-0-
Certificate of Deposit 7300010241 as of January 1, 2004	\$ -0-
Account opened on December 10, 2004 (2.47%)	78,978.22
<i>Interest</i>	
December 28, 2004	<u>117.34</u>
Total interest earned	<u>117.34</u>
Certificate of Deposit 7300010241 as of December 31, 2004	79,095.56
Certificate of Deposit 7300010472 as of January 1, 2004	\$ -0-
Account opened on December 23, 2004 (2.32%)	43,104.20
<i>Interest</i>	
December 23, 2004	<u>24.60</u>
Total interest earned	<u>24.60</u>
Certificate of Deposit 7300010472 as of December 31, 2004	43,128.80
Money Market Account 621-9005162 as of January 1, 2004	\$102,579.92
<i>Interest</i>	
January 30, 2004 (0.70%)	60.84
February 27, 2004 (0.68%)	41.23
March 31, 2004 (0.56%)	3.55
April 30, 2004 (0.55%)	2.56
May 28, 2004 (0.57%)	3.98
June 30, 2004 (0.60%)	8.62
July 30, 2004 (0.60%)	7.73
August 31, 2004 (0.60%)	7.73
September 30, 2004 (0.60%)	7.48
October 29, 2004 (0.60%)	7.74
November 30, 2004 (0.60%)	7.49
December 31, 2004 (0.70%)	<u>72.76</u>
Total interest earned	<u>231.71</u>
<i>Deposits</i>	
May 25, 2004	13,000.00
December 3, 2004	<u>115,000.00</u>
Total deposits	128,000.00
<i>Withdrawals</i>	
February 19, 2004, Check No. 167 (transferred to checking account)	(70,000.00)
March 3, 2004, Check No. 168 (money withdrawn to open new certificate of deposit [see CD No. 09168-13020 above])	(27,000.00)
June 21, 2004, Check No. 169 (transferred to checking account)	<u>(3,500.00)</u>
Total withdrawals	<u>(100,500.00)</u>
Money Market Account 621-9005162 as of December 31, 2004	<u>130,311.63</u>
Total Assets, December 31, 2004	<u>\$261,071.49</u>