

**EXECUTIVE DIRECTOR'S MONTHLY REPORT
TO THE
COLORADO RIVER BOARD OF CALIFORNIA**

December 11, 2007

ADMINISTRATION

Approval of Board Meeting Minutes – November 14, 2007

Included in the Board folder is a copy of the November 14th Board meeting minutes. Based upon Board member's review and comment, I am asking for approval and adoption of these meeting minutes.

Final Board Meeting Schedule – Calendar Year 2008

Included in the Board folder is a copy of the final Board meeting schedule for Calendar Year 2008. I am asking for Board member's approval and adoption of the final meeting schedule. A copy of the final meeting schedule has been included in the Board folder.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of December 1, 2007, storage in the major Upper Basin reservoirs decreased by 271,290 acre-feet and storage in the Lower Basin reservoirs increased by 76,400 acre-feet during November 2007. Total System active storage as of December 6th was 31.692 million acre-feet (maf), or 53 percent of capacity, which is 2.395 maf less than one year ago (Upper Basin reservoirs decreased by 0.999 maf and Lower Basin reservoirs decreased 1.395 maf).

November releases from Hoover, Davis, and Parker Dams averaged 9,660, 8,670, and 5,650 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of December 2007 are 7,900, 6,400, and 4,900 cfs, respectively. The December releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of December 6th, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2007, as forecasted by Reclamation, totals 7.437 maf and is described as follows: Arizona, 2.768 maf; California, 4.368 maf; and Nevada, 0.301 maf. The Central Arizona Project (CAP) will divert 1.574 maf, of which 0.249 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.696 maf, which is 63,000 acre-feet more than its 2006 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2007 California agricultural consumptive use of Colorado River water under the first three priorities and the sixth priority of the 1931 *California Seven Party Agreement* is 3.753 maf. This estimate is based on the collective use, through November 2007, by the Palo Verde Irrigation District, the Yuma Project-Reservation Division (YPRD), the Imperial Irrigation District, and the Coachella Valley Water District. Figure 1, found at the end of this report, depicts the historic projected end-of-year agricultural use for the year.

Colorado River Operations

2008 Annual Operating Plan (AOP)

On September 27th, Reclamation released the final draft 2008 Annual Operating Plan (AOP) for the operations of the Colorado River reservoir system. Currently, the objective minimum release criterion will govern releases from Glen Canyon Dam, i.e., 8.23 million acre-feet. Under the most probable inflow scenario, downstream deliveries are expected to control releases from Hoover Dam; and the normal condition is the criterion governing the operation of Lake Mead. Also, at this time there is not expected to be any unused apportionment available for release or consumptive use. Reclamation also reported that during 2007, approximately 0.017 million acre-feet of Intentionally Created Unused Apportionment water stored in Arizona was projected to be recovered by California. The final draft AOP projects that a volume of 1.5 million acre-feet of mainstream water will be available to be scheduled for delivery to Mexico during 2008. Finally, it is expected that Secretary Kempthorne will sign the final 2008 AOP in late December of this year or early January of next year.

Basin States Discussions

Basin States' Letter to Interior Secretary Kempthorne Regarding the Final EIS for Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lakes Powell and Mead

On November 30th representatives of the seven Basin states submitted a letter to Secretary of the Department of the Interior, Dirk Kempthorne, regarding the release of the final Environmental Impact Statement (FEIS). The comment letter primarily reiterated the Basin states' overall support for the FEIS preferred alternative and the anticipated guidelines to be implemented with the Secretary's execution of the Record of Decision (ROD). The letter also described the current disagreement between the upper and lower basins associated with the 602(a) storage and equalization requirements governing releases from Lake Powell.

As we have discussed at previous Board meetings, the Lower Division States have argued that the proposed interim guidelines provide that when Lake Powell contents were in the equalization tier, limited constraint on releases from Lake Powell should be imposed, and that the contents of Lakes Powell and Mead should be balanced. The Upper Division States have argued that the interim guidelines would impose a constraint down to an 8.23 maf release for the balance of the year when Lake Powell elevations drop to the equalization table elevations as specified in the proposed interim guidelines.

The letter concludes that each of the states have objections to certain aspects of the draft guidelines; however, in the interest of obtaining additional experience in the coordinated operations of the reservoirs during the interim period, none of the states will oppose the adoption of the guidelines in a record of decision. A copy of the Basin states' letter has been included in the Board folder. It is anticipated that Secretary Kempthorne will sign the record of decision during the upcoming Colorado River Water Users Association conference in Las Vegas, Nevada, on December 12-14, 2007.

Miscellaneous News Articles regarding the FEIS

Included in the Board folder are copies of three recent news articles that were posted on Living Rivers' webpage. The three articles provide a generalized overview of the interim guidelines FEIS, as well as quotes from Mr. John Weisheit regarding Living Rivers general opposition to the proposed interim guidelines. Living Rivers believes that Reclamation's modeling analyses, in support of the proposed interim guidelines are too optimistic and do not reflect the probable hydrologic conditions that may affect the Colorado River Basin due to climate change and global warming.

Status of the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lakes Powell and Mead

As has been discussed at the Board meetings over the past few months; Reclamation, in consultation the Basin states, has been diligently working to finalize the draft interim guidelines associated with Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lakes Powell and Mead. The draft guidelines have evolved, over time, from the Basin states' proposed guidelines submitted to Reclamation nearly a year ago, to the draft included in the FEIS that was distributed at the Basin states meeting in Salt Lake City, Utah, in October 2007. Reclamation released the final draft of the proposed Interim Guidelines on November 19th. The most recent version of the interim guidelines was posted on Reclamation's Upper and Lower Colorado Region webpages. It is expected that Reclamation will post the final guidelines on its webpage on December 10, 2007. The link on Reclamation's Lower Colorado Regional office webpage to obtain a copy of the current draft of the proposed interim guidelines is as follows: www.usbr.gov/lc/region/programs/strategies/UpdatedDraftGuidelines.pdf.

In anticipation of finalizing all of the agreements associated with implementation of the interim guidelines, the Basin states and Reclamation have conducted numerous conference calls since the last Board meeting. These related agreements and documents include the following:

- Lower Colorado River Basin Intentionally Created Surplus Forebearance Agreement;
- Intentionally Created Surplus Project Exhibits (currently, project exhibits have been received from Southern Nevada Water Authority, Imperial Irrigation District, and The Metropolitan Water District of Southern California);
- California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus (this agreement is among Palo Verde

- Irrigation District, Imperial Irrigation District, Coachella Valley Water District, The Metropolitan Water District of Southern California, and the City of Needles);
- All-American Canal Drop 2 Reservoir Funding Agreement (involves the United States, Southern Nevada Water Authority, and the Colorado River Commission of Nevada; and interested entities, including The Metropolitan Water District of Southern California, and the Central Arizona Water Conservation District);
 - Intentionally Created Surplus Water Delivery Agreement between the United States and the Southern Nevada Water Authority and the Colorado River Commission of Nevada;
 - Intentionally Created Surplus Water Delivery Agreement between the United States and The Metropolitan Water District of Southern California; and
 - Intentionally Created Surplus Water Delivery Agreement between the United States and the Imperial Irrigation District.

Currently, it is anticipated that Secretary Kempthorne will execute the ROD for the Final EIS on Thursday morning, December 13th during the annual meeting of the Colorado River Water Users Association in Las Vegas, Nevada. Concurrent with Secretary Kempthorne's signing of the ROD, it is anticipated that the Basin states will sign a resolution recognizing the historic milestone that has been achieved toward management of the Colorado River in this consultative approach between the federal government and the states. A copy of this resolution will be distributed at the Board meeting and the Board will be requested to provide its Chairman the authority to sign the resolution. After issuance of the ROD on December 13th, the parties to all of the remaining agreements will sign those agreements.

Finally, a copy of a recent news article from the *Arizona Republic* regarding the Basin states agreements and the impending issuance of Record of Decision for the Interim Shortage Guidelines will be distributed at the Board meeting.

Joint United States/Mexico Statement on Lower Colorado River Issues

As was reported during the November Board meeting, on August 13th, Secretary of the Department of the Interior, Dirk Kempthorne, released an announcement that the governments of Mexico and the United States have renewed their commitment to cooperate and collaborate on Colorado River issues. The two governments will work together to address issues that affect the environment, and agricultural and urban water uses. The two countries pledged to evaluate methods for improving water use efficiencies, coastal desalination, delta and riparian habitat restoration needs, water supply augmentation, climate change impacts, and improving water delivery efficiencies.

In an effort to further this proposed process, the Department of the Interior and the American Section of the International Boundary and Water Commission (IBWC) are meeting with stakeholders to share information about the proposed cooperative actions, and solicit the feedback on the activities and related issues.

Status of the Lower Colorado River Multi-Species Conservation Program Act (H.R. 2515 and S. 300)

As was reported at the November Board meeting, I provided testimony before the House Subcommittee on Water and Power of the House Natural Resources Committee considering H.R. 2515, and the Senate Subcommittee on Water and Power considering S. 300 (Lower Colorado River Multi-Species Conservation Program Act). This proposed federal legislation has been discussed at previous Board meetings; and has not been modified from the earlier iteration.

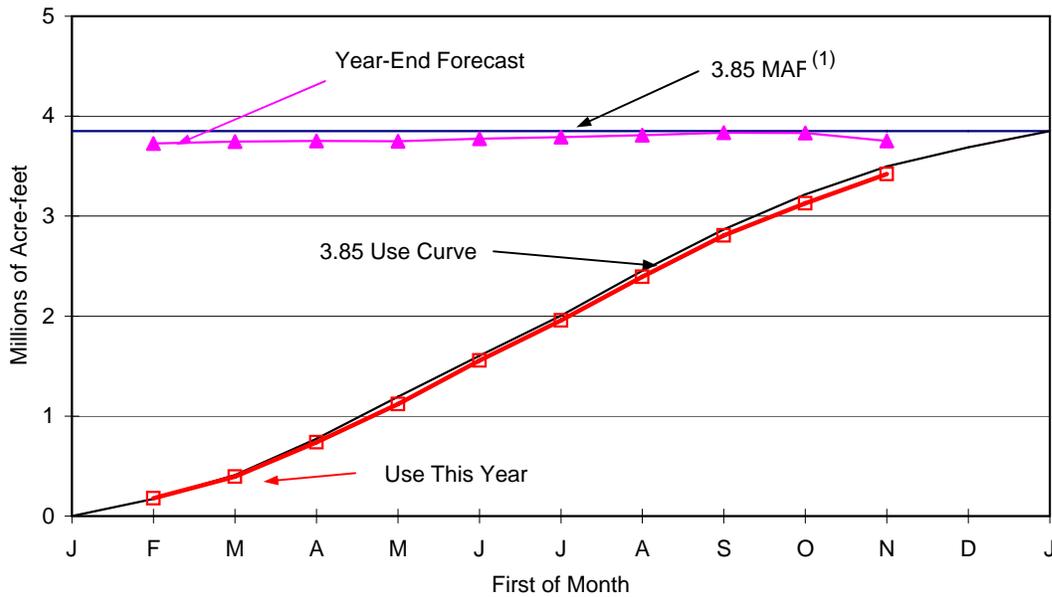
I was recently notified that Committee staff, on the Senate side, is proposing possible amendments to Senate Bill 300 for purposes of markup. One change would amend the definition of “Lower Colorado River” to conform to the definition in the proposed Lower Colorado River Multi-Species Conservation Program Water Use Agreement (not yet executed). The second proposed amendment addresses the section on sovereign immunity in the proposed legislation. The amended language would limit the sovereign immunity waiver to those Program documents for which the waiver is absolutely necessary, including the following: LCR MSCP Funding and Management Agreement; LCR MSCP Implementing Agreement; and the non-federal participant’s Section 10 Incidental Take Permit. At one time it was thought that, if these amendments are deemed acceptable by the non-federal participants, S. 300 may move into markup as soon as the week of December 10-14, 2007. Now it appears that nothing will happen this year.

Grand Canyon Trust Files Suit Challenging Glen Canyon Dam Operations

On December 7th, the Grand Canyon Trust (Trust) filed a lawsuit in the United States District Court in Arizona regarding Glen Canyon Dam operations. A press release from the Grand Canyon Trust indicates that the lawsuit alleges that Reclamation is violating the Endangered Species Act by not modifying releases from Glen Canyon Dam to include a period of “Seasonally Adjusted Steady Flows” (SASF) in low water years. The Trust alleges that the continuation of the “Modified Low Fluctuating Flows” (MLFF), specified in the 1994 final EIS and Biological Opinion, continue to degrade aquatic habitats in the Grand Canyon and continues to jeopardize the endangered Humpback chub. The Trust alleges that implementation of the SASF regime will conserve sediment resources in the Grand Canyon reach of the Colorado River, and create favorable habitat conditions for young-of-year Humpback chub; including, warmer water, increased food-base resources, and better backwater conditions. The Trust also alleges that Reclamation must consult on the development of the Annual Operating Plan, as it involves Glen Canyon Dam operations; and submit the AOP for ESA Section 7 consultation. A copy of the Trust’s complaint that was filed with the Court, as well as a recent press release have been included in the handout materials.


Gerald R. Zimmerman
Executive Director

FIGURE 1
DECEMBER 1 FORECAST FOR 2007 YEAR-END COLORADO RIVER WATER USE
BY THE CALIFORNIA AGRICULTURAL AGENCIES



Forecast of Colorado River Water Use by the California Agricultural Agencies (Millions of Acre-feet)			
Month	Use as of First of Month	Forecast of Year End Use	Forecast of Unused Water (1)
Jan	0.000	-----	-----
Feb	0.178	3.726	-0.090
Mar	0.396	3.746	-0.110
Apr	0.738	3.751	-0.115
May	1.121	3.750	-0.114
Jun	1.556	3.775	-0.139
Jul	1.956	3.789	-0.153
Aug	2.393	3.809	-0.173
Sep	2.807	3.836	-0.200
Oct	3.128	3.831	-0.195
Nov	3.422	3.751	-0.115
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.629 MAF under the first three priorities of the water delivery contracts. This accounts for the: 85,000 af of conserved water available to MWD under the 1988 IID-MWD Conserv. agreement and the 1989 IID-MWD-CVWD-PVID Agreement as amended; 50,000 af of conserved water available to SDCWA under the IID-SDCWA Transfer agreement as amended; 26,000 af of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project; 14,500 af of water IID and CVWD are forbearing to permit the Secretary of the Interior to satisfy a portion of Indian and Miscellaneous present perfected rights use; 46,119 af of water IID and CVWD are forbearing to payback Colorado River Water Delivery Agreement Exhibit C and 2006 overruns. As USBR is charging disputed uses by Yuma Island pumpers to Priority 2, the amount of unused water has been reduced by those uses --- 7,304 af. The CRB does not concur with USBR's viewpoint on this matter.