

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

April 15, 2008

ADMINISTRATION

Approval of Board Meeting Minutes – February 13th & March 12th

The minutes of the February 13th and March 12th Board meeting minutes have been included in the Board folder for review and comment. I am asking for approval and adoption of these minutes by Board members.

Proposed Cancellation of the May 7th Board Meeting

Based upon the brief interval between the April Board meeting and that of the proposed May 7th special meeting, I am suggesting that it may be more efficient to cancel the May meeting. This meeting was scheduled to be held in conjunction with the annual meeting of the Association of California Water Agencies in Monterey, California. Additionally, I have an important meeting in Yuma, Arizona, on the morning of May 8th that would be difficult to get to if I am in Monterey on May 7th.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of April 1, 2008, storage in the major Upper Basin reservoirs decreased by 146,300 acre-feet and storage in the Lower Basin reservoirs decreased by 96,900 acre-feet during March 2008. Total System active storage as of April 7th was 30.894 million acre-feet (maf), or 52 percent of capacity, which is 2.429 maf less than one year ago (Upper Basin reservoirs decreased by 1.357 maf and Lower Basin reservoirs decreased 1.072 maf).

March releases from Hoover, Davis, and Parker Dams averaged 16,670, 15,840, and 12,120 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of April 2008 are 19,300, 17,600, and 13,200 cfs, respectively. The April releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of April 7th, taking into account both measured and unmeasured return flows, the Lower Division States' consumptive use of Colorado River water for calendar year 2008, as forecasted by Reclamation, totals 7.469 maf and is described as follows: Arizona, 2.763 maf; California, 4.406 maf; and Nevada, 0.300 maf. The Central Arizona Project (CAP) will divert

1.503 maf, of which 0.188 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.753 maf, which is 40,000 acre-feet more than its 2007 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2008 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 3.629 maf. This estimate is based on the collective use, through February 2008, 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

Final 2008 Annual Operating Plan (AOP)

On March 14th, the Secretary of the Interior approved the 2008 Final Annual Operating Plan (AOP). The final 2008 AOP was rewritten so that it is consistent with the Record of Decision that was issued by Secretary Kempthorne on December 13, 2007, on the Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (2007 Guidelines). As we have discussed at previous Board meetings, because there had been a rewrite of several sections of the final 2008 AOP, a consultation meeting, via conference call, was held on January 30th. During the conference call and following it, several comments on the language contained in the final draft of the 2008 AOP were provided to Reclamation by the representatives of the Colorado River Basin states and others. Reclamation considered those comments in its preparation of the final 2008 AOP.

The substantive determinations in the final of the 2008 AOP, under the most probable inflow scenario, included: 1) releases from Glen Canyon Dam will be consistent with those called for in the Upper Elevation Balancing Tier of the 2007 Guidelines, i.e., a release of 8.23 maf from Glen Canyon Dam; 2) releases from Hoover Dam will be governed by downstream delivery requirements of Colorado River mainstream users within the Lower Basin consistent with the Intentionally Created Surplus (ICS) condition; and 3) Mexico will be able to schedule the delivery of 1.5 maf during calendar year 2008. Also, although at this time there is not expected to be any apportioned, but unused, water available for release or consumptive use, if during the year it becomes available, it would be made available in accordance with Article II(B)(6) of the Consolidated Decree in *Arizona v. California*.

Reclamation reported that during 2007, approximately 0.017 maf of Intentionally Created Unused Apportionment (ICUA) water that was stored in Arizona was projected to be recovered for use in California by MWD; and during 2008, 0.025 maf of ICUA water stored in Arizona will be made available for use in California by MWD. The 2008 AOP also recognizes that entities in both Arizona and California are expected to have payback obligations for inadvertent overruns in water use from previous years. A copy of the final 2008 AOP can be obtained, via electronic download, from Reclamation's Lower Colorado Regional Office website.

On April 11th, Reclamation issued a news release indicating that, with the anticipated runoff above Lake Powell, the water surface elevation in Lake Powell is expected to rise above the “equalization level” identified in the recently adopted Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations of Lake Powell and Lake Mead. Because of the expected above normal runoff and consistent with the Interim Guidelines, Reclamation now is projecting equalization releases of about 653,000 acre-feet from Glen Canyon Dam to occur during water year 2008. With this equalization release, the release from Glen Canyon Dam would be increased from 8.23 maf to about 8.88 maf in 2008. With this release from Glen Canyon Dam and the expected releases from Hoover Dam, Lake Mead would end the water year at a water surface elevation of 1105 feet above mean sea level, 11.9 maf in storage. The news release further indicated that Reclamation will continue to monitor the runoff during the year and adjust the equalization releases accordingly.

Reclamation Appoints Dr. Terry Fulp as the Deputy Regional Director, Lower Colorado Regional Office

On March 24th, Reclamation’s Lower Colorado Regional Director, Ms. Lorri Gray, appointed Dr. Terry Fulp as the Region’s Deputy Regional Director. As many of you know, Terry had, for several years, been the Region’s Boulder Canyon Operations Office Area Manager. Terry also played a key role in the development of the recently adopted Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations of Lake Powell and Lake Mead. In his new role as Deputy Regional Director, Terry will be responsible for overseeing programs that implement the Secretary’s water master functions along the River; managing the water conservation programs and activities; and overseeing implementation of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP).

Southern Nevada Water Authority Notice of Availability of Unused Apportionment for Storage by MWD in 2008

As was discussed at the March Board meeting, in a letter, dated February 12th, to MWD, the Southern Nevada Water Authority (SNWA) indicates that there will be unused apportionment available from Nevada’s basic apportionment. Consequently, SNWA has requested that MWD store 15,000 acre-feet on behalf of SNWA during 2008. Additionally, SNWA indicated that it will review Nevada’s Colorado River water use in mid-2008 and make a determination if an additional 5,000 to 10,000 acre-feet could be made available for storage by MWD. SNWA has requested that MWD notify it and the Secretary of the Interior if this water can be stored on behalf of SNWA. On March 10th, MWD notified both SNWA and Reclamation that it would store the water in its system during calendar year 2008. Additionally, MWD indicated that any additional unused Nevada apportionment that may become available will be evaluated for storage in MWD’s system when that water becomes available and SNWA requests its storage. A copy of MWD’s response letter has been included in the Board folder.

MWD Partners with Arizona and Nevada to Fund Construction of the All-American Canal Drop-2 Reservoir

On April 8th, MWD's Board of Directors agreed to partner with SNWA and the Central Arizona Water Conservation District (CAWCD) in the funding of Reclamation's construction of the All-American Canal Drop-2 Reservoir. In return for the \$28.7 million investment, MWD will receive 100,000 acre-feet of water, including up to 34,000 acre-feet in 2008. A copy of the MWD press release announcing the partnership and the Board of Director's action has been included in the Board folder.

Basin States Discussions

IBWC News Release Regarding Creation of Binational Core Group to Address Cooperative Actions for the Colorado River Basin

In accordance with the August 13, 2007, Joint Statement of the United States and Mexico related to the Colorado River, a Binational Core Group has been created to address joint cooperative actions for the use of Colorado River water in both the U.S. and Mexico. The Core Group had its first meeting in Phoenix, Arizona, on March 11th. At this meeting, the Core Group established four work groups to pursue potential cooperative actions in the following areas: (1) conservation; (2) new water sources; (3) environmental issues; and (4) system operations. A copy of the IBWC announcement of the creation of the Core Group and the Work Groups has been included in the Board folder.

On March 20th, the Agency Managers met to discuss the ongoing IBWC process and to identify those in California that should be involved in the Work Group discussions. A California lead person was identified for each of the four Work Groups. Also, the suggested United States lead agency was identified for each the four Bi-National Work Groups. The United States lead person for each of the Bi-National Work Groups will assist Mexico's lead person in leading the activities of the Work Group. On March 20th, the Agency Managers also discussed the projects and activities that may have Bi-National support from California's perspective.

A meeting of the Bi-National Core Group will be held on April 15th in San Diego. At this meeting the Core Group will be meeting with the Work Group leads from each country. The primary focus of this meeting will be to provide the Work Groups initial direction and start the work effort. It is expected that each of the Work Groups will begin their efforts and report to the Core Group at its next meeting, scheduled for May 15th in Tijuana. Following the May 15th Core Group meeting each of the four Work Groups will meet on either the afternoon May 15th or on May 16th to continue their work.

In a related activity, the Mexican Core Group and Sonoran Institute have prepared a proposed feasibility assessment of potential Mexican environmental projects. In the draft feasibility assessment, eighteen on-the-ground restoration or monitoring projects or activities are proposed. The proposed projects or activities look at potential restoration or monitoring efforts along the Lower Colorado River in Mexico, including the Limitrophe; the Rio Hardy; San Felipito Wetlands; and the Colorado River Delta. Most, if not all, of these projects or activities

were identified through the IBWC/CILA Fourth Working Group effort; but is likely to now be folded into the activities of the Binational Core Group process. A copy of the draft feasibility assessment has been included in the Board folder.

Colorado River Environmental Activities

Upper Colorado River Commission's Letter to Secretary Kempthorne Regarding the Recent Glen Canyon Dam High-Flow Test

In a March 26, 2007, letter to Secretary Kempthorne, the Upper Colorado River Commission and four Upper Division states expressed concern over the contradictory remarks of the Grand Canyon National Park Superintendent and the recently adopted five-year experimental plan of the Adaptive Management Work Group. According to the Commission's letter, the Park's Superintendent's comments seem to imply that the "science" requires that high-flow releases from Glen Canyon Dam in the frequency range of every one or two years. The Commission is concerned that comments like this undermine the current five-year experimental plan that makes no recommendations regarding high-flow test frequency past the March 2008 flow test. A copy of the Commission's letter is included in the Board folder.

Status of Grand Canyon Trust v. U.S. Bureau of Reclamation

On February 15th, the Grand Canyon Trust, the plaintiffs in the lawsuit in *Grand Canyon Trust v. U.S. Bureau of Reclamation*, filed a proposed memorandum in support of the plaintiff's motion for summary judgment. The memorandum details the arguments that support the Grand Canyon Trust's position that summary judgment should be granted by the U.S. District Court. Generally, the Trust seeks to have Reclamation re-consult under ESA Section 7 regarding the continued use of modified low fluctuating flows, as well as Glen Canyon Dam operations and the preparation and implementation of Annual Operating Plans. The Trust also seeks to have Reclamation comply with NEPA regarding the preparation and implementation of Annual Operating Plans associated with Glen Canyon Dam operations. A copy of the Trust's detailed memorandum has been included in the Board folder.

On March 14th, the Grand Canyon Trust filed a supplemental complaint for declaratory and injunctive relief. The material difference between the original filing and the supplemental is that the supplemental brings in the U.S. Fish and Wildlife Service as one of the named defendants. A copy of the supplemental complaint has been included in the Board folder.

On March 17th, the U.S. Department of Justice filed a proposed memorandum in support of the government's motion to dismiss claims 1-5; and a memorandum in opposition to the Trust's motion for summary judgment on claims 4-5. In essence, the government argues that claims 1-3 are moot; as they concern compliance with the 1995 Glen Canyon Dam biological opinion, which has been superseded by a new biological opinion issued in early 2008. Claim 4, involving the potential need to consult on an AOP, is refuted by the government. The government believes AOPs are not an action that authorizes, funds, or carries out a particular activity requiring ESA Section 7 consultation. Claims 4-5 involve the allegation that AOP determinations regarding Glen Canyon Dam operations required NEPA analysis. On these

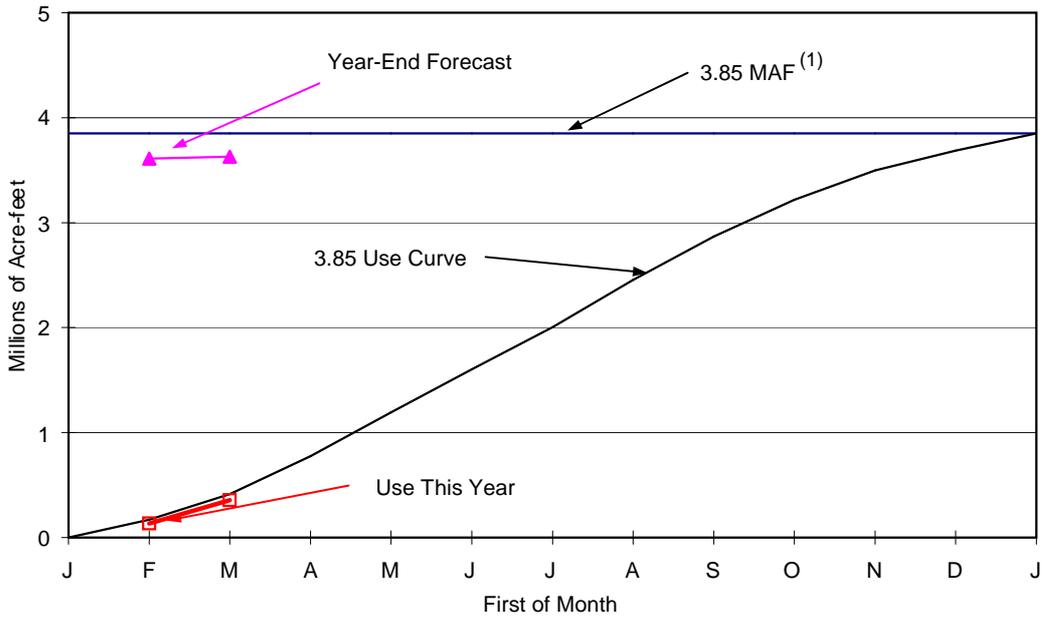
remaining claims, the United States argues that the operation of Reclamation facilities due to changing hydrologic conditions does not constitute a major federal action requiring a NEPA assessment; and that the potential annual variation in projected flow releases fully conform to the alternatives analysis in the 1995 Final Environmental Impact Statement for Glen Canyon Dam operations. A copy of the government's memorandum has been included in the Board folder.

Finally, I can report that it is likely that most, if not all, of the seven Colorado River Basin states, as well as several water agencies in the Lower Division, are likely to file a motion, or motions, to intervene in the lawsuit. A draft states' motion to intervene, prepared by the State of Colorado, is being circulated among the states' representatives for review and comment. The United States District Court Judge, hearing the case, has indicated that the Court would like these intervention motions to be filed as soon as is practicably possible.



Gerald R. Zimmerman
Executive Director

FIGURE 1
APRIL 1, 2008 FORECAST 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	0.134	3.610	0.025
Mar	0.356	3.629	0.006
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.627 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; 27,625 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 --- 6,866 af. The CRB does not concur with USBR's viewpoint on this matter.