

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

August 12, 2008

ADMINISTRATION

Approval of Board Meeting Minutes – July 9th

A copy of the July 9th Board meeting minutes has been included in the Board folder for review and comment. I am asking for approval and adoption of these meeting minutes by Board members.

AGENCY MANAGERS' MEETING

An Agency Managers' meeting has been scheduled for August 27, 2008; and will be held at the headquarters building of The Metropolitan Water District of Southern California in Los Angeles. The purpose of the meeting will be to discuss the recently proposed rule published in the *Federal Register* by the U.S. Bureau of Reclamation (Reclamation) regarding the regulation of the use of mainstream water in the Lower Colorado River Basin without an entitlement. As time permits, other items of interest will be discussed. Recommendations from the meeting will be brought to the Board for its consideration at the September Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of August 1, 2008, storage in the major Upper Basin reservoirs increased by 366,860 acre-feet and storage in the Lower Basin reservoirs decreased by 108,500 acre-feet during July 2008. Total System active storage as of August 4th was 34.909 million acre-feet (maf), or 59 percent of capacity, which is 1.814 maf more than one year ago (Upper Basin reservoirs increased by 2.552 maf and Lower Basin reservoirs decreased 0.738 maf).

July releases from Hoover, Davis, and Parker Dams averaged 14,250, 14,570, and 11,820 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2008, are 13,200, 13,000, and 10,200 cfs, respectively. The August releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of August 4th, 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 7.620 maf and is described as follows: Arizona, 2.818 maf;

California, 4.524 maf; and Nevada, 0.278 maf. The Central Arizona Project (CAP) will divert 1.563 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 0.795 maf, which is 82,000 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 3.753 maf. This estimate is based on the collective use, through June 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

Governor Schwarzenegger's & Senator Feinstein's Editorial "Turning the Tide In the Water Crisis"

A copy of a recent op-ed letter from Governor Schwarzenegger and U.S. Senator Feinstein indicating their support for the water infrastructure investment bond that will be brought before California voters in November 2008 has been included in the Board folder. If passed, the bond would allow California to modernize its aging water system, increase water storage in reservoirs and underground aquifers, improve conveyance and delivery facilities, and provide a strong focus on conservation programs.

Reclamation's Proposed Rule-Making Process for Regulating the Use of Lower Colorado River Water Without an Entitlement

On July 16th, Reclamation published a proposed rule in the *Federal Register* (73 FR 137, 40916-40932, July 16, 2008) regarding the regulation of the use of Lower Colorado River water without a valid entitlement. The proposed rule would establish procedures that Reclamation will follow in making determinations of unlawful use of Lower Colorado River mainstream water. The proposed rule also includes notice and appeal procedures for those persons or entities whose use of Lower Colorado River mainstream water is identified as unlawful. Reclamation is seeking comments on the proposed rule and has set a deadline of September 15, 2008, for receipt of comments. A copy of the proposed rule has been included in the Board folder.

The Agency Managers will be meeting on August 27th to discuss and prepare a recommended set of Board comments that can be considered by the Board at its September meeting.

Basin States Discussions

Arizona Water Banking Authority's Final Verified Accounting of the Southern Nevada Water Authority Interstate Account for Calendar Year 2007

On July 25th the Arizona Water Banking Authority (AWBA) issued its final verified accounting of Southern Nevada Water Authority's (SNWA) Interstate Account for Calendar Year 2007. With a beginning balance of 412,634 acre-feet on January 1, 2007, SNWA was credited an additional 114,886 acre-feet in 2007, taking into account evaporation and operational losses. As of the end of calendar year 2007, 527,520 acre-feet of long-term storage credits have been established for SNWA. This is 50,000 acre-feet above the long-term storage credits that are called for to be in compliance with sub-article 3.3.1 of the AWBA regulations, which calls for SNWA to have received storage credits of 477,520 acre-feet. A copy of the AWBA's final accounting verification has been included in the Board folder.

Status of the Navajo-Gallup Water Supply Project Legislation

On June 25th, Senate Bill 1171, The Northwestern New Mexico Rural Water Projects Act, was reported on in the Senate. Senate Bill 1171 provides Congressional approval of a settlement of the Navajo Nation's claims to water rights in the San Juan River Basin in New Mexico and authorizes the diversion and distribution of San Juan River water through the Navajo-Gallup Water Supply Project to Navajo and non-Navajo communities in the Upper Colorado River Basin, the Lower Colorado River Basin and the Rio Grande Basin within New Mexico. It also authorizes the diversion of up to 6,411 acre-feet of water by the Project from the San Juan River in New Mexico in the Upper Colorado River Basin for delivery to the Navajo reservation in Arizona in the Lower Colorado River Basin, contingent upon enactment of federal legislation approving a water rights settlement between the State of Arizona and the Navajo Nation.

As discussed at previous Board meetings, finding acceptable language that would allow Arizona to be able to divert water from the San Juan River in the Upper Basin and for the use of such water to be accounted for as a Lower Basin use that is charged against the Central Arizona Project became a challenge. Extensive discussions among representatives of the Basin states, the Navajo Nation, and the federal government have occurred over the past couple of months. Based upon those discussions, the seven Basin states have prepared a final draft letter to New Mexico U.S. Senators Bingaman and Domenici outlining proposed modifications to Senate Bill 1171/3213. The proposed modifications suggested by the Basin states address water use accounting issues, the conditions for Arizona to use of water diverted from the San Juan River in New Mexico, and indicates that nothing in the Act authorizes or establishes a precedent for any type of transfer of Colorado River System water between the Upper Basin and Lower Basin nor expands the Secretary's authority in the Upper Basin. Copies of the proposed seven Basin states letter and the proposed modifications to Senate Bill 1171 have been included in the handout materials.

During its August meeting, the Board will consider providing authorization to sign the letter to Senators Bingaman and Domenici transmitting the Basin states proposed modifications to Senate Bill 1171.

Environmental Programs

Status of the Glen Canyon Dam Adaptive Management Program

On July 30th, Secretary of the Interior, Dirk Kempthorne, announced the resignation of Deputy Assistant Secretary for Water and Science, Ms. Brenda Burman. Ms. Burman will return to the private sector effective immediately. Secretary Kempthorne announced that he is designating the position of the Assistant Secretary for Water and Science to serve as the Secretarial Designee for the Glen Canyon Dam Adaptive Management Program. Concurrent with this designation, the Secretary announced that he has designated Ms. Kameran Onley to serve as the Acting Assistant Secretary for Water and Science. Consequently, for the time being, Ms. Onley will serve as the Secretary's Designee on the Adaptive Management Work Group. Reclamation's Upper Colorado Regional Director will continue to serve as the alternate designee on the AMWG. A copy of Secretary Kempthorne's letter has been included in the Board folder.

WATER QUALITY

Colorado River Basin Salinity Control Program

Colorado River Basin Salinity Control Forum Draft 2008 Triennial Review Report

At its May 2008 meeting in Montrose, Colorado, the Colorado River Basin Salinity Control Forum (Forum) approved the draft 2008 Triennial Review - Water Quality Standards for Salinity Colorado River System (Draft Review). The Forum decided to not hold public meetings; but instead suggested that each of the seven Basin states implement its own public review and comment process. Consequently, the Board mailed a Public Notice to interested members of the public via regular mail on July 25th and posted the Public Notice and the Draft Review on its website on July 29th. The Board has requested comments by August 29th.

After receiving comments, the Forum will update the Draft Review, incorporating the comments that it receives. The Forum is expected to adopt the 2008 Review at its October meeting in San Diego. When the Forum adopts the Review, it will be submitted to the State Water Resources Control Board (WRCB) for its approval. Following approval and adoption of the Review by the WRCB, it will be submitted to U.S. Environmental Protection Agency for final approval.

Status of the Moab Uranium Mill-Tailings Site Cleanup

The U. S. Department of Energy (DOE) recently announced that it will haul the uranium mill-tailings from the Atlas site near Moab, Utah, to the waste disposal site near Crescent Junction, Utah, via railcar versus using eighteen-wheel trucks on Utah highways. DOE also

recently issued a four-year contract to EnergySolutions, Inc. of Salt Lake City, to begin moving the mill-tailings to the landfill near Crescent Junction. The contractor proposes to start moving some of the approximately 16,000,000 tons of material in the near future with one rail shipment per day consisting of 17 rail cars carrying 68 containers of material. A copy of a recent article from the Salt Lake Tribune has been included in the handout materials.

A handwritten signature in black ink, appearing to read "Gerald R. Zimmerman". The signature is fluid and cursive, with a prominent initial "G".

Gerald R. Zimmerman
Executive Director