

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

February 12, 2008

ADMINISTRATION

Approval of Board Meeting Minutes – January 9, 2008

Included in the Board folder is a copy of the January 9th Board meeting minutes. Based upon Board member's review and comment, I am asking the Board's approval and adoption of these meeting minutes.

Approval of Office Space Sublease with California Department of Water Resources

Included in the Board folder is the proposed sublease for Board office space in the building leased by the California Department of Water Resources (DWR), at 770 Fairmont Avenue, Glendale, California. Additionally, included in the Board folder is proposed language replacing the paragraph in the proposed sublease dealing with the square footage being rented by the Board. This sublease has been reviewed by Gary Tavetian of the Attorney General's Office. I am asking for Board approval of the sublease with DWR and authorization for me to execute it.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of February 1, 2008, storage in the major Upper Basin reservoirs decreased by 473,600 acre-feet and storage in the Lower Basin reservoirs increased by 252,900 acre-feet during January 2008. Total System active storage as of February 6th was 31.361 million acre-feet (maf), or 53 percent of capacity, which is 2.298 maf less than one year ago (Upper Basin reservoirs decreased by 1.005 maf and Lower Basin reservoirs decreased 1.292 maf).

January releases from Hoover, Davis, and Parker Dams averaged 10,930, 8,900, and 4,980 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of February 2008, are 10,900, 10,400, and 6,800 cfs, respectively. The February releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of February 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 7.475 maf and is described as follows: Arizona, 2.801 maf;

California, 4.374 maf; and Nevada, 0.300 maf. The Central Arizona Project (CAP) will divert 1.611 maf, of which 0.261 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.713 maf, which is 80,000 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 December 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 January 25th, the U.S. Bureau of Reclamation (Reclamation) released the final draft of the 2008 Annual Operating Plan (AOP) for Operations of the Colorado River System Reservoirs. This final draft of the 2008 AOP has been 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). Because there has been a rewrite of several sections of the draft 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 is considering those comments and will soon release another version of the final 2008 AOP

It is anticipated that the substantive determinations will remain as contained in the final draft of the 2008 AOP. Those determinations, 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) Surplus 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. It is expected that Secretary Kempthorne will sign the final 2008 AOP and send it to the Governors of each of the Colorado River Basin states sometime in February.

Reclamation's Notification that the Fort Mojave Indian Tribe and Gila Monster Farms Incurred Inadvertent Overruns of Colorado River Entitlement in 2006

On January 24th, Reclamation notified the Fort Mojave Indian Tribe and Gila Monster Farms that they have incurred inadvertent overruns of their Colorado River water entitlements. In the case of the Fort Mojave Indian Tribe; it overran its California diversion entitlement of 16,270 acre-feet by 2,107 acre-feet. Gila Monster Farms overran its Arizona diversion entitlement of 9,156 acre-feet by 174 acre-feet. Both, the Fort Mojave Indian Tribe and Gila Monster Farms must submit plans for extraordinary conservation that will result in the overrun being paid back to the Colorado River System. Copies of both letters have been included in the Board folder.

All-American Canal Lining Project Tour, February 28-29, 2008

A tour of the All-American Canal Lining Project has been arranged for February 29th. The primary purpose of the tour is to facilitate a visit to the project by DWR Director, Lester Snow, and his staff. The Colorado River Authority has worked to set up the tour with staff of the Imperial Irrigation District and GEI Consultants. The tour starts at 5:45 p.m. at Ontario International Airport on February 28th and concludes at approximately 5:30 p.m. at the San Diego Airport on February 29th. A copy of the proposed tour itinerary is included in the Board folder. Additionally, during the Board meeting I would like to get an indication of the interest of the Board members in attending this tour.

Assessment of the Options for the Reactivation and Operation of the Yuma Desalting Plant

As discussed during the January Board meeting, efforts are underway to evaluate the reactivation and operation of the Yuma Desalting Plant. A plan of study has been prepared by an Advisory Committee composed of representatives from Arizona Department of Water Resources (ADWR); Central Arizona Water Conservation District (CAWCD); City of Yuma; Environmental Defense; MWD; Southern Nevada Water Authority (SNWA); Yuma County Water Users Association (YCWUA); and Reclamation. I attended the Advisory Committee's meeting held in Yuma, Arizona, on January 24, 2008. During that meeting the Committee generally approved the plan of work and established three Work Groups, which include: 1) a Engineering and Operations Work Group; 2) an Environmental Work Group; and 3) a Legal/Regulatory Work Group.

The identified goals for this effort are: 1) to reduce the impacts caused by the high groundwater tables in the Yuma Valley (i.e., within YCWUA service area); 2) to provide additional water supplies to Arizona mainstream entitlement holders during periods of declared shortages; 3) to provide reclamation of at least a portion of the drainage water bypassed to the Cienega de Santa Clara; 4) to provide long-term certainty for flow releases to the Cienega de Santa Clara and

Limitrophe reach of the Colorado River mainstream; 5) to provide interim water supplies to MWD and SNWA; 6) to provide high quality water for agricultural and municipal water users in the Yuma area; and 7) to aid in accomplishing the purposes of the Colorado River Basin Salinity Control Act.

Meetings of each of the Work Groups and the Advisory Committee are scheduled for February 21st and 22nd in Las Vegas, Nevada. During these meetings the Work Groups will identify the information and analyses that are needed to be able to provide recommendations to the Advisory Committee by April 15, 2008, on how to proceed.

Basin States Discussions

Long-Term Augmentation Options for the Water Supply of the Colorado River System Final Report

As you will recall, one of the primary elements in the Basin States' February 3, 2006, letter to Secretary Norton and as part of the Basin States' Preliminary Proposal, was the identification of the need to pursue options for augmenting water supplies of the Colorado River System. Options could include conservation and efficiency projects within the basin, as well as importation of additional water supplies from outside of the Colorado River Basin. Toward this end, the Basin States' Technical Committee recently completed a final report identifying numerous options and proposed projects that could, over the long-term, effect the creation and utilization of additional water supplies for users within the Colorado River Basin. Copies of an updated fact sheet and the final Water Supply Augmentation report have been included in the Board folder.

The intent is for the Basin states to send these documents to Secretary Kempthorne. At the January Board meeting, the Board authorized, Chairman Fisher, upon review of the final report, to sign the Basin states transmittal letter transmitting these documents to Secretary Kempthorne.

CAWCD Letter of Support for Proposed Federal Legislation Regarding Weather Modification, January 23, 2008

Included in the Board folder is a copy of a letter from the Central Arizona Water Conservation District (CAWCD) to Senator John McCain regarding CAWCD's support of The Weather Mitigation Research and Development Policy Authorization Act of 2007 (H.R. 3445) and its companion legislation in the U.S. Senate (S. 1807). CAWCD has expressed support for weather modification programs that could increase the potential yield in the Colorado River Basin of up to 800,000 acre-feet annually. CAWCD, in its letter, urges Senator McCain to support S. 1807. In January, the Colorado River Board sent similar letters to various Congressional Committees and legislators supporting this legislation.

Lower Colorado River Multi-Species Conservation Program

Washington, D.C. Trip to Meet with House & Senate Committee/Subcommittee Staff Regarding Proposed Implementing Legislation for the LCR MSCP, February 12-14, 2008

On February 12-14, 2008, several non-federal representatives of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) will be meeting with House and Senate committee and subcommittee staff to discuss the need and content of proposed LCR MSCP implementing legislation. They also plan to meet with several legislative members from states within the Lower Basin. Currently, the House version of the legislation, H.R. 2415, is considered to be inadequate because a number of the key provisions have been dropped out. Generally, the non-federal program participants believe that the legislation must address the following: 1) long-term federal funding commitment; 2) waiver of federal sovereign immunity; 3) permit the Secretary's acquisition and use of Colorado River mainstream water for LCR MSCP purposes; and 4) provide an exemption to the Federal Advisory Committee Act.

A detailed briefing packet has been developed and will be distributed during the meetings with congressional committee staff and the staff of selected members of the various committees and subcommittees over a two-day period. A copy of the briefing packet has been included in the handout materials for the Board.

Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Forum Work Group (Work Group) met in Salt Lake City, Utah, on January 30 through February 1, 2008. The important issues discussed at the Work Group meeting included the following: 1) the Farm Bill and report to Congress; and 2) preparation of the 2008 Triennial Review Report.

As has been reported at previous Board meetings, Reclamation has indicated that it may not have the authority to fund projects associated with the Basin States Parallel Program with USDA; and that unless it obtains such authority, Reclamation will not fund new projects. It has always been the opinion of the Basin states and the Colorado River Basin Salinity Control Forum that Reclamation does have such authority; however, to ensure continuation of the states' funding, language has been proposed to be included in the new Farm Bill to amend the Salinity Control Act. The goal of this language, which is supported by Reclamation, is to clarify authorization for Reclamation to manage and fund the Basin states' cost-sharing portion of the Parallel Program. The proposed legislation will change the name of the Parallel Program to the Basin States Program. All other aspects of this program will remain the same.

The new Farm Bill, when passed, has a requirement that Reclamation prepare a report to Congress regarding this program before any money can be spent. Both the Colorado River Basin Salinity Control Forum and Work Group members have discussed this requirement and believe that this report could provide a venue to explain the importance of Salinity Control Program to all of the Basin states. Specifically, with a reduction in the salinity of the water in the Colorado River comes a significant reduction in salinity related damages within the Lower Basin states.

The program has also provided significant benefits to producers in the Upper Basin, as well as to the Upper Basin states. This report provides an opportunity to fully explain these reductions in damages and benefits to the Basin states. Because of the importance of the program and the receipt of adequate federal funding to support it, the Basin states the Salinity Control Forum's Work Group has offered to coordinate and help Reclamation in the preparation of the report to Congress.

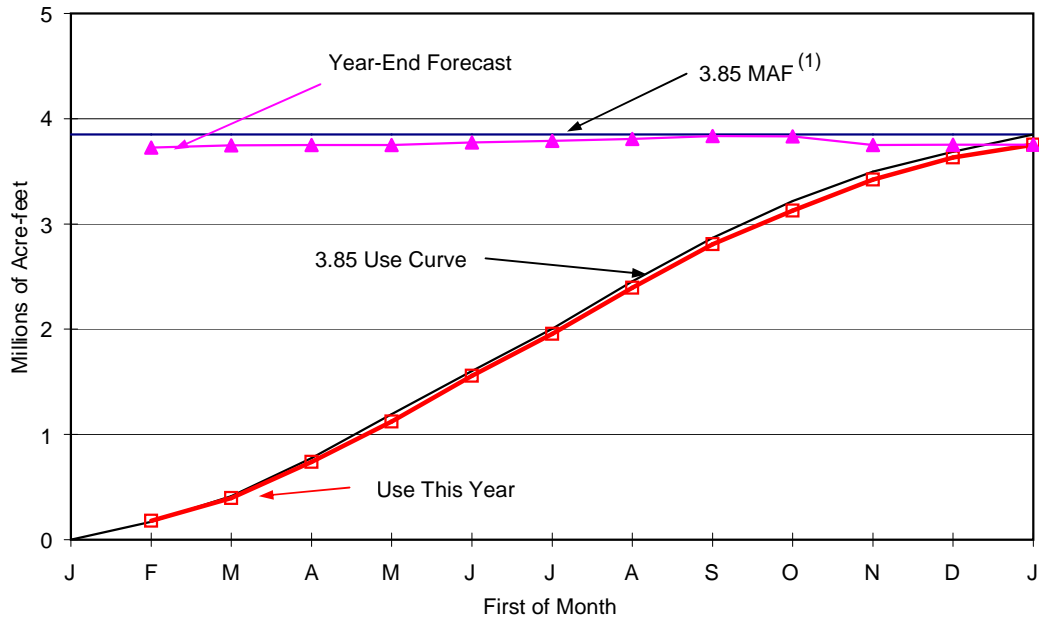
Regarding the 2008 Triennial Review report, I have reported at previous Board meetings that the Forum's Work Group has begun preparation of the 2008 Triennial Review Report. The Forum is required to prepare this report every three years on the salinity control program and water quality of the Colorado River. The challenge in preparing the 2008 Review is that in the past, meeting numeric criteria has been the impetus for the plan of implementation and the focus of the report has been on not exceeding the numeric criteria. This year, the emphasis contained in the report will be shifted to focusing on meeting the overarching mandate of the Salinity Control Act, i.e., reducing the overall salinity of Colorado River water. This change in emphasis does not change the Salinity Control Forum and Work Group's commitment to not exceed the numeric criteria nor in explaining, that through implementation of the proposed salinity control projects contained in the plan of implementation, the numeric criteria will be met. CRSS Salinity Model runs will be made to verify that the numeric criteria will not be exceeded and to show the projected reduction in salinity of the Colorado River resulting from implementing the plan of implementation. The Forum is expected to adopt the 2008 Review at its fall meeting. The Work Group is scheduled to submit a draft of the 2008 Triennial Review Report to the Forum members in May, prior to the Forum's spring meeting for its review and comment.

The next Work Group meeting is scheduled to be held on March 13-14 in Phoenix, Arizona. It is expected that there will be another Work Group meeting on May 28 in Montrose, Colorado, prior to the Advisory Council and Salinity Control Forum meetings on May 29th and 30th, respectively.



Gerald R. Zimmerman
Executive Director

FIGURE 1
FEBRUARY 1, 2008 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	-0.091
Mar	0.396	3.746	-0.111
Apr	0.738	3.751	-0.116
May	1.121	3.750	-0.115
Jun	1.556	3.775	-0.140
Jul	1.956	3.789	-0.154
Aug	2.393	3.809	-0.175
Sep	2.807	3.836	-0.201
Oct	3.128	3.831	-0.196
Nov	3.422	3.751	-0.116
Dec	3.630	3.752	-0.117
Jan	3.753	3.753	-0.118

(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 --- 7,304 af. The CRB does not concur with USBR's viewpoint on this matter.