

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

March 11, 2008

ADMINISTRATION

Approval of Board Meeting Minutes – February 13, 2008

The minutes of the February 13th Board meeting minutes have not yet been finalized; and are not ready for review and comment. The February 13th meeting minutes will be brought forward for Board approval at the April monthly meeting.

Revised 2008 Board Meeting Schedule

Included in the Board folder is the proposed revised schedule for the remaining Board meetings during Calendar Year 2008. The changes to be noted are the April and December Board meetings. The Assembly Budget Subcommittee No. 3 has scheduled the Board's budget to be heard on April 9th. Thus, it is proposed that the April Board meeting be moved from April 9th to April 16th. The December Board meeting is being held in conjunction with the annual meeting of the Colorado River Water Users Association in Las Vegas, Nevada. It is proposed that the December Board meeting be held on Monday, December 15th. I am asking for Board approval of the date changes for the Board's meeting schedule.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of March 1, 2008, storage in the major Upper Basin reservoirs decreased by 163,800 acre-feet and storage in the Lower Basin reservoirs decreased by 28,800 acre-feet during February 2008. Total System active storage as of March 5th was 31.099 million acre-feet (maf), or 52 percent of capacity, which is 2.260 maf less than one year ago (Upper Basin reservoirs decreased by 0.988 maf and Lower Basin reservoirs decreased 1.272 maf).

February releases from Hoover, Davis, and Parker Dams averaged 11,450, 12,470, and 8,440 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of March 2008 are 17,400, 15,200, and 12,000 cfs, respectively. The March releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of March 6th, 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 7.416 maf and is described as follows: Arizona, 2.757 maf; California, 4.360 maf; and Nevada, 0.299 maf. The Central Arizona Project (CAP) will divert 1.504 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 0.759 maf, which is 46,000 acre-feet more than its 2007 use of mainstream water.

As for the 2007 12-month flow weighted salinity differential between the Northerly International Boundary and the Imperial Dam is 130 parts per million (ppm), which is in compliance with the United States count of 115 ppm \pm 30 ppm as stated in IBWC Minute No. 242.

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 3.610 maf. This estimate is based on the collective use, through January 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 February 25th, the U.S. Bureau of Reclamation (Reclamation) submitted the final 2008 Annual Operating Plan (AOP) for Operations of the Colorado River System Reservoirs to the Secretary of the Interior for approval. This final 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). As we discussed at the last Board meeting, 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, include: 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. A copy of the final 2008 AOP that was submitted to Secretary Kempthorne for approval has been included in the Board folder. The final 2008 is going through the sir-naming process in Washington DC and is expected to be released soon.

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

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 is requesting 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. A copy of the SNWA request letter has been included in the Board folder.

U.S. Bureau of Reclamation Notification Letters to IID and CAWCD Regarding 2006 Overrun of Colorado River Entitlements

On February 22nd, Reclamation notified both the Imperial Irrigation District (IID) and Central Arizona Water Conservation District (CAWCD) that they have incurred inadvertent overruns of their approved Colorado River water delivery schedule during 2006. This determination was made during Reclamation's preparation of the final water use accounting pursuant to the Article V Decree accounting requirement. In the case of IID, it overran its approved consumptive use amount by 18,914 acre-feet; and in the case of CAWCD, the amount of the overrun was 9,470 acre-feet. For both entities, the Inadvertent Overrun and Payback Policy calls for payback of the overrun amount over a three-year period. Both IID and CAWCD must submit extraordinary water conservation plans to Reclamation by March 21st demonstrating the methods to be utilized to repay the system the quantity of mainstream water that was overrun. Copies of both letters have been included in the Board folder.

In a letter dated March 5th, CAWCD recognized discussions that have occurred, whereby a portion of the overruns in 2006 could be reduced by allocating apportioned, but unused, water in 2006 to entities in California and Nevada through Article II(B)(6) of the 2006 Consolidated Decree in *Arizona v. California*. IID has requested such a determination by the Secretary of the Interior. On the other hand, in CAWCD's March 5th letter, it opposed such a determination and said that it is not appropriate or legal. This topic will be further discussed among the affected

parties later this month. I have included CAWCD's March 5th letter in the Board handout materials.

Basin States Discussions

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

As discussed at the February Board meeting, 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, augmentation of the Colorado River System was identified as an activity that should be pursued. The Basin states have pursued that activity and are near release of the final report that presents a number of options that could be pursued to augment the Colorado River System. The options include conservation and efficiency projects, as well as importation of additional water supplies from outside of the Colorado River Basin.

At the February Board meeting, the Board approved Chairman Fisher signing the transmittal letter, transmitting the Augmentation Report to Secretary Kempthorne. This transmittal letter is currently going through the signature process and it is expected that the report will be sent to Secretary Kempthorne in mid-March.

Colorado River Environmental Activities

Reclamation's Environmental Assessment for Experimental Releases from Glen Canyon Dam, 2008 through 2012

On February 8th, Reclamation released an environmental assessment (EA) related to a potential high-flow test release from Glen Canyon Dam, as well as, implementation of seasonally adjusted steady flows during September and October each year, for the next five years, through 2012. Based upon the findings in this EA, and the subsequent U.S. Fish and Wildlife Service Biological Opinion, released on February 27th, Reclamation conducted the high-flow release (41,560 cfs for 60 hours) on March 5-8, 2008. The intent of the high-flow test was to mobilize sediment that has collected in the Glen Canyon reach of the Colorado River and move it up onto beaches and into backwaters in the Grand Canyon. This sediment is thought to benefit the aquatic habitats of the endangered humpback chub, as well as improve recreational opportunities for campers on beaches in Grand Canyon National Park. The results of data collected in the high-flow test will be included in the Long-Term Experimental Plan environmental impact statement being prepared by Reclamation. A copies of the cover page and table of contents from the EA, as well as two news releases about the test-flow have been included in the Board folder.

Status of Proposed LCR MSCP Authorizing Legislation (H.R. 2515)

On February 12th, several environmental and conservation organizations sent a letter to the U.S. House Committee on Natural Resources regarding their opposition to the LCR MSCP Act authorizing appropriations for the federal government's share of long-term program implementation. The letter indicates the environmental organizations have concern that the Act

would affect the Secretary of the Interior's ability to effectively administer the Endangered Species Act (ESA) and that the legislation's proposed water agreement requirement would not allow for meaningful public review and comment. Finally, the letter expresses concern that the proposed LCR MSCP legislation could constrain the ability of the Secretary to address future uncertainties and challenges related global warming and climate change in the context of Colorado River management. A copy of the letter has been included in the Board folder.

Also, I can report that, based upon a lot of hard work recently by representatives of the non-federal LCR MSCP participants, the staff of the House Natural Resources Committee has prepared a new draft of H.R. 2515. This new draft includes language authorizing the Secretary to enter into water agreements for habitat restoration and maintenance purposes. It is expected that the proposed legislation will move through markup, perhaps as early as this week.

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.

WATER QUALITY

Colorado River Basin Salinity Control Program

On February 8th, the Colorado River Basin Advisory Council sent a letter to the Natural Resources Conservation Service's (NRCS) State Conservationists in Colorado, Utah, and Wyoming, regarding issues related to implementation of on-farm salinity control measures in the Upper Basin states. The primary purpose of the letter was to foster the continued cooperation and support of NRCS staff for the development of additional on-farm programs in Colorado, Utah, and Wyoming; highlight the issues related to funding between Reclamation (Department of the Interior) and the Department of Agriculture through its EQIP Program for the parallel program of salinity control program; and, finally, the issue of cost-share rate was discussed. The letter from the Advisory Council requests that NRCS work with the Advisory Council regarding any changes to the current 75/25 cost-share rate. The letter also formally invites the NRCS Chief to attend the next Advisory Council and Salinity Control Forum meeting scheduled for May 28-30, 2008, in Montrose, Colorado. A copy of the letter is included in the Board folder.

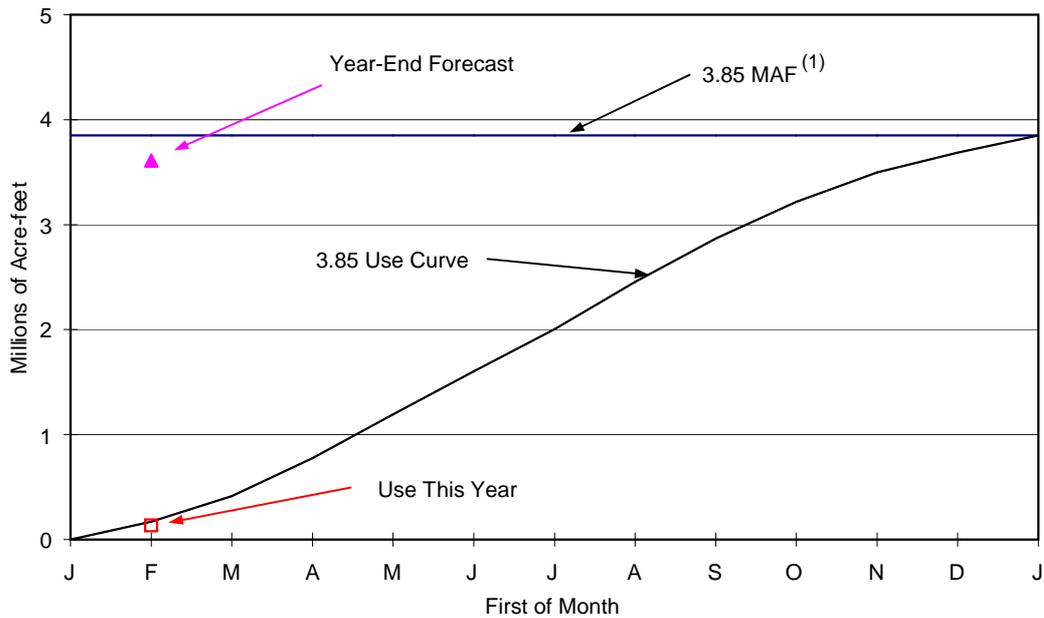
Moab Uranium Mill-Tailings Site Update

I have included a copy of a short news article from the Salt Lake Tribune regarding the Department of Energy's continuing project to relocate the uranium mill-tailings pile from near Moab, Utah, to a selected disposal site near Crescent City, Utah. The State of Utah has widened and repaved U.S. Highway 191; and this will now facilitate the movement of the tailings by truck to the Crescent City site. Originally, DOE had planned to construct a rail spur line from the tailings site up to Crescent City; but the cost of that spur line became too expensive. It is not clear when the actual movement of the tailings will begin; but it is expected to begin in the near future.



Gerald R. Zimmerman
Executive Director

FIGURE 1
MARCH 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			
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 --- 7,304 af. The CRB does not concur with USBR's viewpoint on this matter.