

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

December 8, 2009

ADMINISTRATION

Approval of Board Meeting Minutes – November 12th

A copy of the November 12th Board meeting minutes has been included in the Board folder for review and comment. Based upon comments received regarding the delivery of State Water Project water to the Metropolitan Water District of Southern California (MWD), page 4 of the minutes has been revised and included in the handout material. I am respectfully asking for approval and adoption of these meeting minutes, as revised, by Board members.

Proposed 2010 Colorado River Board Meeting Schedule

I have included, in the Board folder, a copy of the proposed 2010 Board meeting schedule. I am asking for Board approval of the proposed 2010 Board meeting schedule.

Agency Managers' Meeting

The Agency Managers met following the November 12th Board meeting to discuss the status of Reclamation's development Inadvertent Overrun and Payback Procedures (IOPP) and the issues among California's agencies regarding these procedures. As discussed at the November Board meeting there are primarily two issues that need resolution: 1) the payback of another entities overrun, and 2) how the over creation of saved or conserved water from an approved payback plan will be handled. Unfortunately, resolution of neither of these issues was reached during that meeting. I will be meeting with the agencies this week to further these discussions.

Additionally, during November 12th agency managers meeting two other items were discussed: 1) the schedules, for modeling purposes, for the creation and delivery of intentionally created surplus in 2010 and 2) the potential impacts of solar energy projects on the Lower Colorado Water Supply Project.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of December 1, 2009, storage in the major Upper Basin reservoirs decreased by 389,170 acre-feet and storage in the Lower Basin reservoirs increased by 46,900 acre-feet during November 2009. Total System active storage as of December 6th was 33.390 million acre-feet

(maf), or 56 percent of capacity, which is 0.017 maf more than one year ago (Upper Basin reservoirs increased by 1.272 maf and Lower Basin reservoirs decreased 1.289 maf).

November releases from Hoover, Davis, and Parker Dams averaged 10,890, 9,910 and 6,130 cubic feet per second (cfs), respectively. Planned releases from these three facilities for the month of December 2009, are 9,700, 8,000, and 4,700 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 7th, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2009, as forecasted by Reclamation, totals 7.465 maf and is described as follows: Arizona, 2.824 maf; California, 4.392 maf; and Nevada, 0.249 maf. The Central Arizona Project (CAP) will divert 1.662 maf, of which 0.134 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 1.111 maf, which is 205,000 acre-feet more than its 2008 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2009 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 3.292 maf. This estimate is based on the collective use, through October 2009, 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 projected end-of-year agricultural use for the year.

Lake Mead's water level continues to fall. As of December 6th, the water level at the Lake Mead was at 1,093.76 feet above mean sea level, and the storage was 10,940 maf, 42 percent of capacity, while the water level at Lake Powell was at 3,630.28 feet above mean sea level and the storage was 14,884 maf, 61 percent of capacity.

Colorado River Operations

2010 Annual Operating Plan

The final 2010 Annual Operating Plan for the Colorado River System Reservoirs (2010 AOP) has been transmitted to the Department of the Interior for Secretarial approval. It is expected that Secretary Salazar will approve the final 2010 AOP and make it available at the annual meeting of the Colorado River Water Users Association in Las Vegas, Nevada. It is anticipated that the Secretarial determinations included in the 2010 AOP will not change from those discussed at previous Board meetings. Reclamation intends to post the final approved 2010 AOP to its Upper and Lower Colorado Region websites.

MWD Responses to SNWA and Reclamation Regarding SNWA's Request to Store Unused Apportionment in 2009

On November 6th, MWD acknowledged SNWA's request to store 60,000 acre-feet of unused Nevada apportionment. In its letter, MWD agreed to take delivery of up to 60,000 acre-feet of Nevada's basic apportionment, with the exact amount to be determined at the end of the calendar year. Some of Nevada's unused apportionment may also be stored in the Arizona Water Bank pursuant to existing agreements. A copy of MWD's letter to SNWA has been included in the Board folder.

In a related vein, MWD sent a letter, on November 30th, to Reclamation's Lower Colorado Region stating its intention to store up to 60,000 acre-feet of Nevada's unused basic apportionment in 2009. Additionally, MWD informed Reclamation that it has implemented aggressive urban water conservation programs to reduce demands for water and to implement extra-ordinary conservation projects that qualify as Intentionally Created Surplus (ICS), pursuant to the Interim Guidelines. MWD also encouraged Reclamation to move forward with timely completion of ICS procedures in an effort to better facilitate the ICS creation approval process in future years. A copy of MWD's letter to Reclamation has been included in the Board folder.

Arizona Water Banking Authority Letter to SNWA Regarding Storage of Nevada's ICUA in 2009

On November 20th, the Arizona Water Banking Authority (AWBA) acknowledged receipt of SNWA's request that the AWBA store up to 40,000 acre-feet of Intentionally Created Unused Apportionment (ICUA) in AWBA facilities in 2009. In an AWBA special meeting, held on November 12th, the AWBA agreed to amend its 2009 Plan of Operations to store the 40,000 acre-feet of ICUA on SNWA's behalf, and will coordinate this storage with the Central Arizona Water Conservation District (CAWCD). A copy of the AWBA's letter has been included in the Board folder.

MWD Intention to Revise its Recovery of 30,000 AF of Long-Term Storage Credits Pursuant to the 1992 Demonstration Project

On November 19th, in a letter to CAWCD, MWD requested that 27,500 acre-feet of long-term storage credits be recovered in 2009 instead of the originally requested 30,000 acre-feet. These storage credits are those developed pursuant to the 1992 demonstration agreement entered into by MWD and CAWCD to store water in central Arizona. Additionally, MWD believes that its remaining balance of 8,200 acre-feet will likely be recovered in 2010. A copy of MWD's letter to CAWCD has been included in the Board folder.

Basin States Discussions

Status of Binational Projects and Programs with Mexico

As discussed at previous Board meetings, discussions with Mexico related to joint-cooperative projects and programs are continuing. The primary focus of these discussions is on modeling scenarios that have been requested by both countries. During a Binational Modeling

Group meeting held on November 18th and 19th in El Paso, Texas, six scenarios were selected for this initial modeling effort. These six scenarios are being modeled by both countries. Data and information obtained from this initial modeling effort will be used to narrow the focus of the discussions and modeling efforts on the scope of projects and programs that deserve further discussions between the two countries.

The Basin states principles will be meeting on December 11th to discuss the status of the modeling effort and other items of interest. It is expected that the results from the initial modeling effort will be available by the beginning of January 2010 and will be reviewed by U.S. Technical Group. The Basin states principals will meet at the end of January to review the results from this initial modeling effort and to prepare for the Binational meeting on January 28th and 29th. During the Binational meeting, both countries will present the modeling results of the six scenarios that were modeled and outline the next steps.

At the October 14-15, 2009 Binational meeting, representatives from the United States and Mexico agreed to explore implementation of a pilot habitat restoration project, where it is proposed that implementation funds would be contributed by U.S. entities and land and water for the project would be contributed by Mexican entities. Progress is being achieved in moving this Binational Habitat Restoration Pilot Project forward. The U.S. has developed a set of Proposed Selection Criteria for a pilot project. These criteria will now be shared with counterparts in Mexico.

Status of the Colorado River Basin Study

As we discussed at the last Board meeting, on November 12th, Reclamation announced the selection of three western river basins for inclusion in its “Basin Study Program.” One of the three proposed basin studies selected was the Colorado River Basin Water Supply and Demand Study, and will be cost-shared \$1 million from Reclamation, and \$1 million matching from the seven Basin states. Currently representatives of Reclamation’s Upper and Lower Colorado Regions are meeting with the Basin states representatives to develop a Memorandum of Agreement (MOA), a Contributed Funding Agreement, and the proposed Plan of Study for the Colorado River Basin Water Supply and Demand Study. I anticipate bringing the proposed MOA and Contributed Funding Agreement to the Board for its consideration at the January 13th Board meeting. The intent is to initiate the study by the end of January 2010.

WATER QUALITY

Colorado River Basin Salinity Control

Colorado River Basin Salinity Control Program

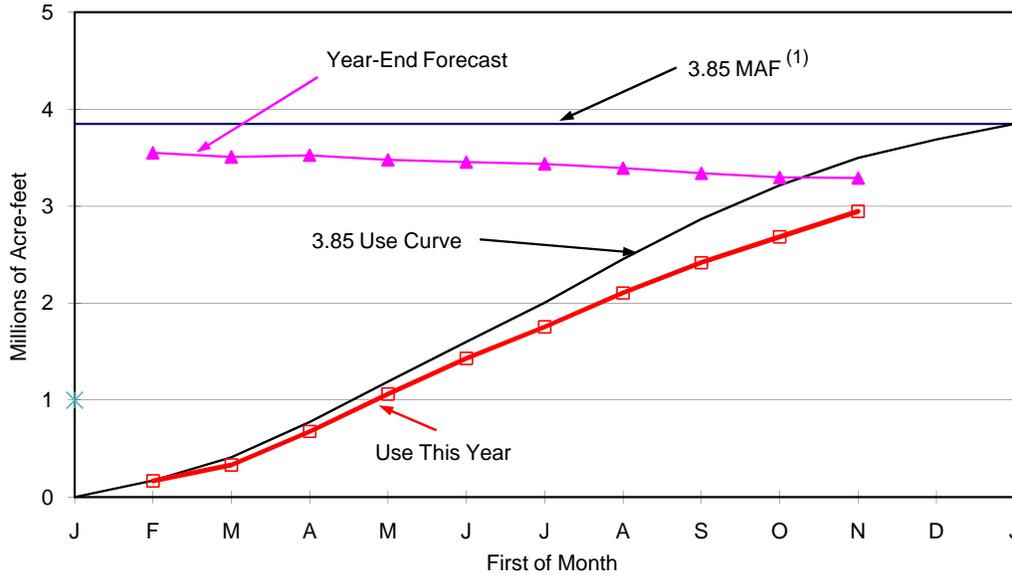
At the December Board meeting, the Board members will receive a status report on the salinity control program from the Salinity Control Forum’s Executive Director, Mr. Jack Barnett.

Governor Schwarzenegger has appointed Ms. Dorothy R. Rice to the Colorado River Basin Salinity Forum and Advisory Council. Ms. Rice is the Executive Director of the State Water Resources Control Board. I am looking forward to working with her in representing California's interests in deliberations regarding the salinity control program.

/S/

Gerald R. Zimmerman
Executive Director

**FIGURE 1
DECEMBER 1, 2009 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	0.168	3.551	0.019
Mar	0.332	3.509	0.061
Apr	0.678	3.526	0.044
May	1.064	3.478	0.092
Jun	1.430	3.454	0.116
Jul	1.755	3.437	0.133
Aug	2.106	3.392	0.178
Sep	2.418	3.340	0.230
Oct	2.685	3.297	0.273
Nov	2.948	3.292	0.278
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.600 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 Conservation agreement and the 1989 IID-MWD-CVWD-PVID Agreement as amended; 60,000 af of conserved water available to SDCWA under the IID-SDCWA Transfer agreement as amended being diverted by MWD; 26,000 af of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project; 59,670 af of water projected to be available to SDCWA and MWD as a result of the All-American Canal Lining Project; 14,500 af of water IID and CVWD are forbearing to permit the Secretary of the Interior to satisfy apportion of Indian and miscellaneous present perfected rights use; 3,751 af of California Agricultural water paybacks; and 25,000 af of Intentionally Created Surplus by IID 2007. As USBR is charging disputed uses by Yuma island pumpers to Priority 2, the amount of unused water has been reduced by those uses -6,136 af. The CRB does not concur with USBR's viewpoint on this matter.