

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

June 9, 2009

ADMINISTRATION

Approval of Board Meeting Minutes – April 15th

A copy of the April 15th Board meeting minutes has been included in the Board folder for review and comment. I am respectfully asking for approval and adoption of these meeting minutes by Board members.

Fiscal Year 2009-2010 Board Budget

I am requesting Board approval and execution of Standard Agreement No. 42 associated with the proposed 2009-2010 Fiscal Year Budget of \$1,627,000.00 for the Board. A copy of the draft 2009-2010 Fiscal Year Budget that was sent to the Board Members and Alternates on May 19, 2009 for their review and consideration. Copies of Standard Agreement No. 42 and exhibits, the Board's Budget Resolution, and the final Budget worksheets have been included in the Board folder.

Agency Managers' Meeting

The Agency Managers held a brief meeting following the Board meeting on April 15th to discuss Reclamation's draft Inadvertent Overrun and Payback Procedures. Also an Agency Managers' meeting was held on May 4th to further discuss Reclamation's draft Inadvertent Overrun and Payback Procedures, as well as Exhibit P of the Forbearance Agreement dealing with the pilot operation of the Yuma Desalting Plant; the seven Basin States/Reclamation Proposed Water Augmentation Study; and the Basin States Discussion Document that has been sent to Mexico. Each of these items will be discussed during the June 10th Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of June 1, 2009, storage in the major Upper Basin reservoirs increased by 2,326,640 acre-feet and storage in the Lower Basin reservoirs decreased by 353,200 acre-feet during May 2009. Total System active storage as of June 1st was 33.941 million acre-feet (maf), or 57 percent of capacity, which is 1.438 maf more than one year ago (Upper Basin reservoirs increased by 2.344 maf, and Lower Basin reservoirs decreased 0.906 maf).

May releases from Hoover, Davis, and Parker Dams averaged 15,900, 14,880, and 10,540 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of June 2009, are 15,300, 14,800, and 11,200 cfs, respectively. The June releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of June 1st, 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 7.471 maf and is described as follows: Arizona, 2.792 maf; California, 4.374 maf; and Nevada, 0.305 maf. The Central Arizona Project (CAP) will divert 1.534 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 0.881 maf, which is 25,000 acre-feet less 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 3.478 maf. This estimate is based on the collective use, through May 2009, by the Palo Verde Irrigation District, the Yuma Project-Reservation Division, 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

Reclamation Seeks Public Comment on Draft Environmental Assessment for Yuma Desalting Plant Pilot Run Project

On May 1st, Reclamation issued a news release announcing the release of a draft environmental assessment (EA) associated with the proposed pilot run of the Yuma Desalting Plant (YDP). The proposed pilot run would commence in 2010, operate for between 12 and 18 months, at one-third plant capacity and produce approximately 30,000 acre-feet of product water. The public comment period associated with the draft EA was 30-days, and expired on June 1st. Reclamation has posted a copy of the draft EA on its Yuma Area Office webpage that can be downloaded at: http://www.usbr.gov/lc/yuma/environmental_docs/environ_docs.html. A copy of Reclamation's news release announcing the posting of the draft EA to its webpage and soliciting of public comments has been included in the Board folder.

Also, the Lower Division states and agencies are in the process of developing an Exhibit to the Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement (Forbearance Agreement) governing the use and accounting for the water developed during the proposed YDP pilot run. A meeting, proposed for the afternoon of June 26th in Las Vegas, Nevada, is being scheduled to review the draft exhibit. Upon finalization and execution by all of the parties, this would become "Exhibit P" to the Forbearance Agreement.

Basin Study Program 2009

As has been reported at previous Board meetings, to build upon previous effort the Basin states have prepared a proposal for submittal to Reclamation Regional Directors Walkoviak and Gray (Upper and Lower Colorado Regions, respectively) that requests Reclamation's participation and cooperation in developing a study evaluating the current and projected water supply and demand throughout the Colorado River Basin and its service areas. On May 14th the Basin states received a letter from Reclamation indicating that the proposed seven Basin states' Colorado River Basin study has been selected for Step 2 of the evaluation process. During the Step 2 phase, Reclamation's Upper and Lower Colorado Regional Offices have committed to working with the seven Basin states to develop a short (i.e., up to ten pages) study proposal to more fully define the scope of the proposed study and its cost. When completed, the study proposal will undergo review and consideration by a Reclamation-wide review committee. This review committee will select three to four studies that will be cost-shared by Reclamation.

Representatives from the Basin states and Reclamation have been meeting to develop the study proposal. An initial draft of the study proposal is expected to be available by the Board meeting and will be distributed at that time. The study is expected to cost \$2.0 million and would be cost shared 50/50 between the states and Reclamation. The final study proposal must be submitted to Reclamation by June 26th. If this proposal is selected during the evaluation process, a detailed plan of study will be developed that identifies the specific tasks to be completed during the study.

As part of the study proposal, the states are requesting letters of support from the stakeholders for this study. A draft letter of the letter of support will be distributed during the Board meeting and each of the agencies is encouraged to submit a letter of support for this study effort. It is felt that this study will provide the needed information to move the states a step closer to being able to evaluate opportunities to address the existing imbalance between water supply and demands within the Colorado River Basin.

A copy of the letter from Reclamation to the seven Basin states indication their selection to proceed with the second step and a copy of the selection process being utilized by Reclamation have been included in the Board folder.

Basin States Discussions

Arizona Water Banking Authority Final Verified Accounting of SNWA's Interstate Account for CY-2008

On April 15th the Arizona Water Banking Authority (AWBA) notified interested parties of the status of the Southern Nevada Water Authority's (SNWA) interstate account with the AWBA for calendar-year 2008. In 2008, SNWA began the term with 527,520 af of storage credit; and ended the calendar-year with the same balance. Upon storage credit redemption, and after operational and evaporation losses are applied, SNWA would be eligible to receive 477,520 af from the AWBA.

Basin States' Discussion Document Concerning Binational Water Management

As discussed at previous Board meetings, on December 17, 2008, representatives of the Basin states approved transmittal of the Seven Basin States' Discussion Document Concerning Bi-National Water Management (Discussion Document) to the American Section Commissioner of the International Boundary and Water Commission (IBWC), Mr. Bill Ruth. Commissioner Ruth shared this Discussion Document with his counterparts in Mexico in January 2009. Following receipt of the Discussion Document, Mexico requested a consultation meeting with federal representatives from IBWC and Reclamation to discuss the Basin states' Discussion Document and to outline a process for further discussing that document and its contents. The consultation meeting among representatives from IBWC, Reclamation, and Mexico was held on February 13th.

Based upon the February 13th consultation meeting and Mexico's response, the Basin states prepared a presentation to be given to representatives from Mexico that: 1) more fully described the Basin states role regarding water management within the United States; 2) more fully explained the concepts contained in the Basin states Discussion Document; and 3) identified how implementation of the programs contained in the Discussion Document could work and could benefit both nations. On June 1st, a meeting among IBWC, Reclamation, and representatives from the Basin states and Mexico was held where the Basin states presented their presentation on the Discussion Document.

During the June 1st meeting, it was decided that Mexico would provide written questions to the Basin states based upon their presentation and the Discussion Document. These questions would provide the basis for the agenda for a two-day workshop that will be held on August 4th and 5th. During June and July representatives from the Basin states will be meeting to prepare for the August workshop.

Colorado River Environmental Issues

Status of Grand Canyon Trust vs. United States, et al. – The Glen Canyon Dam & Operations Lawsuit

On May 26th, United States District Court Judge David G. Campbell issued his order in *Grand Canyon Trust vs. United States Bureau of Reclamation, et al.* As has been discussed at previous Board meetings, this lawsuit challenged operations at Glen Canyon Dam (GCD), alleging violations of both the federal Endangered Species Act (ESA) and the National Environmental Policy Act (NEPA). The Court ruled that Reclamation's NEPA analysis associated with the Long-Term Experimental Plan (LTEP) was sufficient, and meets the requirements of NEPA, and does not violate the Grand Canyon Protection Act. The Court remanded the U.S. Fish and Wildlife Service (USFWS) 2008 Biological Opinion associated with the LTEP back to the USFWS to reconsider potential impacts to the endangered humpback chub and critical habitat related to the continuation of the modified low fluctuating flow release regime from GCD. The Court directed the USFWS to complete its review of the 2008 Biological Opinion by October 30, 2009, before it would rule on the merits of Claim 1 (i.e., do operations at GCD "harm" humpback chub?), Claim 2 (i.e., do operations negatively impact

humpback chub critical habitat?), and Claim 3 (i.e., do operations at GCD result in the “take” of humpback chub?). The Court also established a tentative schedule associated with any additional briefings that Parties may file, pending the outcome of the USFWS review of the 2008 Biological Opinion.

A copy of the Court’s recent order, as well as a copy of a summary memorandum, dated June 5th, prepared by an Assistant Attorney General for the State of Colorado, have been included in the Board folder.

WATER QUALITY

Colorado River Basin Salinity Control Program Status

The Colorado River Basin Salinity Control Forum (Forum) and the Advisory Council (AC) meetings were held in Moab, Utah on May 7, 2009. A brief description of the important issues that were discussed at these meetings included the following:

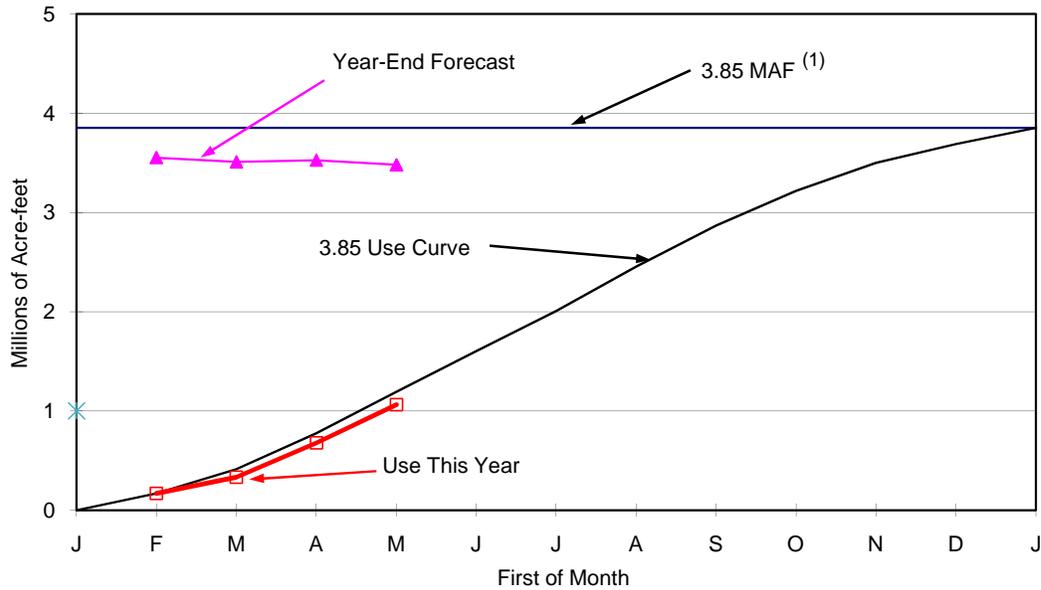
- The Forum voted to eliminate the 10% assessment increase that was approved in Jackson, Wyoming, two years ago due to the current economic conditions in all of the states;
- The Advisory Council (AC) formed a sub-committee to evaluate a new and larger role for the AC in relation to the Basin Program and to develop procedures for the implementation of the Basin Program. The sub-committee will have three tasks, including: 1) develop procedures; 2) look into the potential amendment of the AC Charter; and 3) potential options and methods for funding the AC staff and its activities; and
- With the potentially expanded larger role for the AC, the Forum will focus more on the States’ Program.

Finally, both the Forum and the Advisory Council discussed the status of the Paradox Project Alternatives Study with Reclamation. The Paradox Project is considered to be very important in reducing the salinity concentrations in the Colorado River and could fail in the near future.

/S/

Gerald R. Zimmerman
Executive Director

FIGURE 1
JUNE 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	0.042
Mar	0.332	3.509	0.084
Apr	0.678	3.526	0.067
May	1.064	3.478	0.115
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
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; 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 MWD are forbearing to permit the Secretary of the Interior to satisfy a portion of Indian and miscellaneous present perfected rights use; and 4,490 af of water IID and CVWD are forbearing to payback Colorado River Water Delivery Agreement Exhibit C and 2007 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 - 6,136 af. The CRB does not concur with USBR's viewpoint on this matter.