

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

September 8, 2009

ADMINISTRATION

Approval of Board Meeting Minutes – August 12th

A copy of the August 12th 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.

Agency Managers' Meeting

The Agency Managers have not met since the last Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of September 1, 2009, storage in the major Upper Basin reservoirs decreased by 642,330 acre-feet and storage in the Lower Basin reservoirs decreased by 24,100 acre-feet during August 2009. Total System active storage as of September 1st was 34.839 million acre-feet (maf), or 58 percent of capacity, which is 0.319 maf more than one year ago (Upper Basin reservoirs increased by 1.320 maf and Lower Basin reservoirs decreased by 1.001 maf).

August releases from Hoover, Davis, and Parker Dams averaged 13,030, 12,300 and 9,460 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of September 2009 are 10,800, 12,300, and 9,100 cfs, respectively. The September releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of August 31st, 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 7.329 maf and is described as follows: Arizona, 2.783 maf; California, 4.256 maf; and Nevada, 0.290 maf. The Central Arizona Project (CAP) will divert 1.581 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 0.916 maf, which is 10,000 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 3.392 maf. This estimate is based on the collective use, through June 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.

The water surface elevation of Lake Mead continues to drop. As of August 31st, the water surface level of the Lake Mead was 1,093.73 feet above the mean sea level, and the storage was 10,938 maf or 42 percent of capacity. In comparison on August 31st, the water surface level of Lake Powell was 3,637.50 feet above the mean sea level and the storage was 15,710 maf or 65 percent of capacity.

Colorado River Operations

2010 Annual Operating Plan

A consultation meeting was held by Reclamation on August 26th to develop the 2010 Annual Operating Plan for the Colorado River System Reservoirs (2010 AOP). Based upon the projected water surface elevations in Lake Powell and Lake Mead on January 1st and under the most probable water supply conditions in 2010, releases from Glen Canyon Dam would be governed by the Upper Balancing Tier at the beginning of the year; and then, if the most probable forecast holds, releases from Glen Canyon Dam would be adjusted through the mid-year review process and could be governed by the Equalization Tier for the remainder of the year. The Equalization Trigger for Lake Powell in 2010 is a water surface elevation of 3642 feet; and under the most probable forecast, releases from Glen Canyon Dam total about 10.5 million acre-feet (maf) during the water year.

Releases from Hoover Dam will be governed by an Intentionally Created Surplus (ICS) condition and will be made to supply the normal demands, 7.5 maf, from the mainstream in the Lower Basin and the delivery of ICS previously created by water users in the Lower Basin. Mexico will be allowed to schedule the delivery of 1.5 maf during calendar year 2010 and releases from Hoover Dam will be made to satisfy Mexico's delivery schedule.

In calendar year 2010, 6,000 acre-feet of intentionally created unused apportionment (ICUA) stored in Arizona is expected to be recovered for use in California by MWD. Additionally, IID anticipates creating 25,000 acre-feet of extraordinary conservation intentionally created surplus (EC ICS) credits in 2009 and 2010. MWD is also planning to take delivery of 32,000 acre-feet of system efficiency ICS credits created from the Drop 2 Storage Reservoir project and, if water supply availability permits, will create EC ICS in 2009 and 2010. SNWA anticipates creating 30,000 acre-feet of tributary conservation ICS and taking delivery of 28,500 acre-feet in 2010. A copy of the draft 2010 AOP can be downloaded from Reclamation's webpage at http://www.usbr.gov/lc/region/g4000/AOP2010/AOP10_draft.pdf.

Yuma Desalting Plant Pilot Project Status

On August 26th, Reclamation's Lower Colorado Regional Office released a news bulletin that announced the development of a "Finding of No Significant Impact" (FONSI) determination associated with the proposed pilot run of the Yuma Desalting Plant (YDP). The proposed pilot run would be initiated in early 2010 and operated between one year and 18 months at one-third capacity. During the pilot run the plant would produce about 60 acre-feet of product water per day. Over the term of the project approximately 29,000 acre-feet of water will be discharged to the Colorado River. Of this amount, 22,400 acre-feet will be desalted water, and an additional 7,000 acre-feet of untreated irrigation drainage water. The comment period for the draft National Environmental Policy Act FONSI determination closes on September 28th; and a copy of the final environmental assessment and draft FONSI can be downloaded from Reclamation's Yuma Area Office website at http://www.usbr.gov/lc/yuma/environmental_docs/enviro_n_docs.html.

In a related vein, the principal engineers for the Mexican and American Sections of the IBWC submitted a report, on July 17th, to the IBWC Commissioners regarding cooperative actions that would be undertaken by the two countries during the pilot run. Generally, these actions involve steps to monitor potential water quality impacts to the Cienega de Santa Clara, improve the plumbing of water conveyance networks in order to more efficiently convey water to the Cienega de Santa Clara, and provide additional water to the Cienega de Santa Clara. The additional water that will be delivered to the Cienega de Santa Clara will be shared one-third each by Mexico, the United States, and nongovernmental organizations. The IBWC report has been included as handout material for the meeting.

House Subcommittee Letter to Secretary of the Interior Regarding California Water Crisis

On August 28th, California's U.S. House Representative Grace Napolitano sent a letter to Interior Secretary Salazar regarding California's on-going water crisis associated with the drought. The letter suggests a series of proposed steps that could be taken to help alleviate the impacts of the drought on California water users, and includes the following: (1) Reclamation would establish a program to create an additional one million acre-feet of water supply; (2) Reclamation would establish a "Farmer-helping-Farmer" irrigation efficiency initiative, through investment in on-farm irrigation system efficiency improvements; and (3) Reclamation would establish a "Water Conservation" initiative for urban and rural water districts, allowing conserved water to be sold, leased, or rented. Representative Napolitano's letter also urges the Administration to submit FY-2010 budget amendments for the projected \$250 million required to implement the suggested programs. A copy of Representative Napolitano's letter is included in the Board folder.

Reclamation's Letter to Imperial Irrigation District Regarding Plan to Create Extraordinary Conservation Intentionally Created Surplus for Calendar Year 2009

In an undated letter from Reclamation to Imperial Irrigation District's (IID) General Manager, Mr. Brian Brady, Reclamation approved IID's plan associated with the creation of up

to 25,000 acre-feet of extraordinary conservation intentionally created surplus (EC ICS). Pursuant to the Interim Guidelines, IID will be required to submit a Certification Report to Reclamation's Regional Director demonstrating the amount of EC ICS created and that the method of creation was consistent with the approved ICS-development plan. A copy of Reclamation's letter to IID is included in the Board folder.

Basin States' Senators' Letter to Senate Committees Regarding the Energy & Water Development Appropriations Legislation (H.R. 3183)

As I reported at the last Board meeting, there was concern expressed regarding language in a House committee report associated with the review of the operating criteria for Glen Canyon Dam. The House committee report contained language that criticized the Department of the Interior's management of the Colorado River system and encouraged Reclamation to consult with the National Park Service, and upon concurrence of the National Park Service, to revisit the Glen Canyon Dam operating criteria. Following up all of the letters that were received from concerned stakeholders, including the seven Colorado River Basin states, United States Senators from all seven of the Basin states sent a letter, dated August 11th, to ranking House and Senate members in the Appropriations and Energy and Water committees or subcommittees expressing their concern about the House committee report language. The Basin states Senators offered alternative language that they suggested should replace the existing report language. A copy of the Senators' letter is included in the Board folder.

Water Organizations' Letter to Secretary of the Interior Requesting Funding for Reclamation's Water and Related Resources Programs

A letter, dated August 21st, from a consortium of water resources organizations to Interior Secretary Salazar requesting that the Administration request at least \$1.2 billion in the FY-2011 Presidential budget request for Reclamation's Water and Related Resources account was received by the Board. As part of this request, the organizations urge the Secretary's support for at least \$100 million for Reclamation's Title XVI Water Recycling program, and funding to address the serious issues associated with aging water infrastructure and rural water needs throughout the western United States. A copy of the letter from the consortium of water resources organizations is included in the Board folder.

Basin States Discussions

Board Letter to the International Boundary and Water Commission Regarding the Transboundary Aquifer Program

On August 21st I sent a letter to the Commissioner of the American Section of the International Boundary and Water Commission (IBWC), Mr. Bill Ruth, regarding the IBWC's August 19th Joint Report on the Transboundary Aquifer Program. The IBWC's Transboundary Aquifer Program is intended to provide an assessment for the transboundary aquifers shared between Mexico and the United States. The purpose of the letter was to remind the IBWC that P.L. 109-448 specifically excludes aquifers shared by California and Mexico; and that the Joint

Report recommendations should apply only to the legislative authority of P.L. 109-448. A copy of the Board's letter to IBWC is included in the Board folder.

Utah/Nevada Agreement on the Allocation and Management of the Snake Valley Groundwater System

On August 13th, the States of Utah and Nevada entered into a long-term agreement to split the water resources of the groundwater aquifer in the Snake Valley which is shared by the two states. The agreement could also begin to provide valuable water resources to the Southern Nevada Water Authority in ten years. Additionally, the interstate agreement protects the rights and uses of the farmers, ranchers, and other residents within the boundary of the Snake Valley basin. Approximately two-thirds of the groundwater basin is located in Utah, where most of the current water use is; but most of the basin's aquifer is supplied by runoff from snowmelt off of Nevada's Snake River Mountain range. Under the terms of the agreement, each state will have access to 66,000 acre-feet of groundwater per year, which includes all current uses. A copy of the technical report and a copy of the actual agreement are included in the Board folder.

Basin Study Program 2009

Regarding the Basin states' Basin Study proposal, the Reclamation-wide review committee has not announced the three to four proposals that have been selected for development of detailed plans of study. It is anticipated that this announcement will be made later this month. If the Basin states' Basin Study proposal is selected, the detailed plan of study will be developed along with the necessary funding agreements between the Basin states and among the seven Basin states.

Status of U.S./Mexico Discussions on Colorado River Cooperative Actions Process

As discussed at the August Board meeting, progress is being made in the discussions with Mexico on pursuing potential bi-national projects and programs. At this time the Basin states representatives are preparing for the October 14th and 15th workshop to be held in Mexicali, Mexico. The technical work group will be meeting on September 10th to prepare materials for the Basin states principals meeting to be held on September 24th in Las Vegas. Items of discussion will be the proposed conceptual minute that addresses the ongoing bi-national process, a response to Mexico's proposals that were presented at the August 4th and 5th workshop, and the Basin states proposal for cooperative shortage management and Mexico's creation and storage of Intentionally Created Mexican Apportionment in U.S. system reservoirs.

Colorado River Environmental Issues

Secretary of the Interior's Appointment of the "Secretary's Designee" to the Glen Canyon Dam Adaptive Management Work Group

On August 7th, Secretary of the Interior Salazar appointed Ms. Anne Castle as the "Secretary's Designee" to the Glen Canyon Dam Adaptive Management Work Group (AMWG). Currently, Ms. Castle serves the Administration as the Assistant Secretary for Water and Science

within the Department of the Interior. A copy of the Secretary's appointment memorandum is included in the Board folder.

Status of the Glen Canyon Dam Adaptive Management Program

Mr. Harris of the Board staff attended the August 12-13, 2009 meeting of the AMWG meeting held at the Fiesta Inn Resort in Tempe, Arizona. As mentioned above, the meeting was chaired by the Secretary's new designee to the Program, Ms. Anne Castle, the Assistant Secretary of Water and Science. Mr. Harris was very impressed with Ms. Castle's management of the meeting, and hopes that she will bring the necessary constancy and consistency to the Program that are needed to move the program forward and advance its objectives.

As usual, there were briefings and status reports associated with the activities of the Grand Canyon Monitoring and Research Center (GCMRC), the Science Advisors, and Reclamation. Reclamation also provided an overview of the anticipated Colorado River system hydrology for the next water year, and a litigation update in the *Grand Canyon Trust v. United States, et al.*

The primary purpose of the AMWG meeting was to approve the proposed \$9.5 million GCMRC budget for fiscal year 2010-2011. Not only was the proposed budget approved, but the AMWG approved shifting from an annual budget development, review, and approval process to a biennial budget process. This action was overwhelmingly approved and adopted by consensus by the group.

The AMWG also adopted the *Humpback Chub Conservation Plan* and has instructed the AMWG Implementation Plan Ad Hoc Group to review the plan and make a determination as to which elements in the Plan can be implemented under the aegis of the Glen Canyon Dam Adaptive Management Program, i.e., could be funded by hydro-power revenues.

WATER QUALITY

Colorado River Basin Salinity Control

Secretary of Interior Announces \$11.1 Million in Grants through the Colorado River Basinwide Salinity Control Program

On August 19, Interior Secretary Ken Salazar announced that the Reclamation will award grants totaling more than \$11.1 million to irrigation companies in Colorado, Utah and Wyoming to fund salinity control projects within the Upper Colorado River Basin under the American Recovery and Reinvestment Act of 2009 (ARRA). A copy of the Secretary's press release is included in the Board folder.

Colorado River Basin Salinity Control Program Status

The Colorado River Basin Salinity Control Forum's Work Group met in Salt Lake City, Utah on September 1st. A brief description of the important issues that were discussed at the Work Group meeting includes the following:

1. Reclamation Funding Opportunities Announcement

Reclamation reported on the status of the Funding Opportunities Announcement for the funds that were available through the ARRA. Reclamation has selected five proposals with a total cost of about \$15.8 million (about \$11 million ARRA funds, and about \$4.8 million cost share funds). It is estimated that approximately 12,000 tons of salt would be removed annually with implementation of these projects that must be completed by October 2010.

2. Status of the Basin states Program and Report to Congress

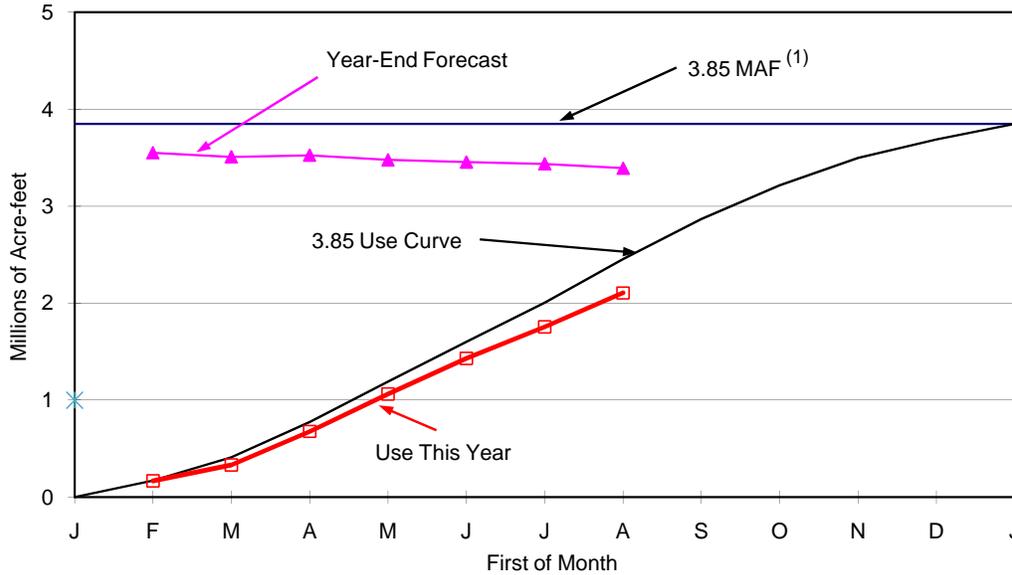
Reclamation reported that the report to Congress has gone through different levels of review and will be ready to be submitted by the time the Congress is back from its summer recess. Therefore, Reclamation has extended its funding of the projects through March of 2010.

3. Natural Resources Conservation Service Program

The Natural Resources Conservation Service (NRCS) provided its three-year plan to the Work Group. Based upon the NRCS plan, the level of funding for the next three years remains close to the funding level over the past few years (i.e., about \$18.2 million in FY-2010, \$19.6 million in FY-2011, and \$20 million in FY 2012).

Gerald R. Zimmerman
Executive Director

FIGURE 1
SEPTEMBER 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			
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 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.