

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

April 13, 2010

ADMINISTRATION

Approval of Board Meeting Minutes – March 10, 2010

A copy of the March 10th 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.

Rescheduling of May Board Meeting

I am proposing that the May Board meeting scheduled for May 5th, to be held in conjunction with the annual ACWA Spring Conference in Monterey, be rescheduled for May 12th and that it be held in Ontario, California.

Colorado River Board's Fiscal Year 2010-11 Budget

Hearings in both the Senate and Assembly on the Colorado River Board's Fiscal Year 2010-11 Budget have been scheduled. Within the Governor's Budget the proposed budget for the Board is \$1,630,000. At this time, I am not aware of any issues with the Board's proposed budget. The hearing before the Assembly's Budget Subcommittee No. 3 is on April 21st; and the hearing before the Senate Budget Subcommittee No. 2 is on April 22nd. The proposed Fiscal Year 2010-11 Budget along with the Standard Agreement with the Six Agency Committee will be provided to the Board for its review at the May Board meeting. Final approval of the Budget and Standard Agreement with the Six Agency Committee will be requested at the June Board meeting.

Agency Managers' Meeting

The Agency Managers met on March 29th to discuss a number of items. The discussions focused upon California's comments on Reclamation's draft Inadvertent Overrun and Payback Procedures. Following the Agency Managers meeting, comments on the Inadvertent Overrun and Payback Procedures were distributed among the California parties; to date no further comments have been received. I plan to finalize the Board's comments by the April 16th comment deadline and transmit them to the U.S. Bureau of Reclamation (Reclamation). As part of the Board's comments, because of the relationship between the Inadvertent Overrun and Payback Procedures and the Intentionally Created Surplus Procedures, the Board will be requesting that the Inadvertent Overrun and Payback Procedures not be finalized until the Intentionally Created Surplus Procedures are developed. Reclamation has begun the process to

develop the Intentionally Created Surplus Procedures and will be holding a meeting to discuss the first draft of the Procedures on April 27th.

Also, during the Agency Managers meeting, California's suggested approach for addressing the current and future water supply and demand and the system reliability metrics to be used in the Colorado River Basin Study were discussed. Each of the Basin states are discussing their suggested approach to be utilized during the Basin Study and this will be shared during the workshop scheduled to be held on April 26th in Las Vegas, Nevada.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of April 1, 2010, storage in the major Upper Basin reservoirs decreased by 45,900 acre-feet and storage in the Lower Basin reservoirs decreased by 218,000 acre-feet during March 2010. Total System active storage as of April 4th was 32.658 million acre-feet (maf), or 55 percent of capacity, which is 0.539 maf more than one year ago (Upper Basin reservoirs increased by 1.099 maf and Lower Basin reservoirs decreased 0.560 maf).

March releases from Hoover, Davis, and Parker Dams averaged 14,460, 14,020 and 10,880 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of April 2010, are 16,800, 16,100, and 12,400 cfs, respectively. The April releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of April 5th, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2010, as forecasted by Reclamation, totals 7.366 maf and is described as follows: Arizona, 2.716 maf; California, 4.387 maf; and Nevada, 0.264 maf. The Central Arizona Project (CAP) will divert 1.561 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 1.075 maf, which is 30,000 acre-feet less than its 2009 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2010 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 3.456 maf. This estimate is based on the collective use, through February 2010, 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.

As of April 4th, the water level at the Lake Mead was at 1,100.3 feet above the mean sea level, and the storage was 11,517 maf, 45 percent of capacity, while the water level at Lake Powell was at 3,619.2 feet above the mean sea level and the storage was 13,675 maf, 56 percent of capacity.

Colorado River Operations

U.S. Bureau of Reclamation's Invitation to a "Kick-off Ceremony for the Yuma Desalting Plant Pilot Project & the Drop-2 Storage Reservoir Project"

Reclamation recently announced that it is holding a short ceremony to commemorate kicking off the Yuma Desalting Plant Pilot Project and the Drop-2 Storage Reservoir Project. The ceremony will be held at the Yuma Area Office in Yuma, Arizona at 8:30 a.m. to 12:00 p.m., on April 28th. A copy of the event invitation is include in the Board folder.

MWD Final Report Accounting for SNWA Interstate Account through Calendar Year 2009

On March 25th, MWD issued its final report accounting for the calendar year 2009 status of the Southern Nevada Water Authority's interstate account. In 2009, MWD reported that SNWA started with a beginning balance of 70,000 acre-feet. No additional water was diverted and stored on SNWA's behalf during the year in its account, and no water was withdrawn from the account. Consequently, SNWA ended the calendar year with 70,000 acre-feet of cumulative credits in its account. A copy of MWD's letter report and final accounting has been included in the Board folder.

Reclamation's Response to Mr. Michael Abbatti's letter to Secretary of the Interior Salazar regarding the invalidation of the Quantification Settlement Agreement

On March 29th, Reclamation's Lower Colorado Regional Director responded to a letter from Mr. Michael Abatti, of the Imperial Valley, to Secretary of the Interior Salazar regarding the position of the federal government in light of the recent decision by the Sacramento County Superior Court regarding the Quantification Settlement Agreement (QSA) and related agreements. Mr. Abatti's primary concern revolved around the issue of the federal government continuing to deliver mainstream water pursuant to the QSA while the issues surrounding mitigation of Salton Sea environmental impacts remains unresolved. In its response to Mr. Abatti, Reclamation enclosed a copy of its February 25th letter to each of the California parties to the QSA. In its February 25th letter to California parties to the QSA, Reclamation indicated that it intends to honor the 2003 QSA water delivery agreements and to continue to make water deliveries to users within California in accordance with those agreements during the QSA litigation appeal process. A copy of Reclamation's March 29th letter to Mr. Abatti is included in the Board folder.

Basin States Discussions

Status of Binational Projects and Programs with Mexico

As discussed at the March 10th Board meeting, the focus of the discussions with Mexico has been on: (1) potential environmental and conservation "pilot projects;" and (2) the modeling of the six scenarios identified by the United States and Mexico. These six scenarios include: the baseline scenario; the United States scenario; the Mexico scenario; the surplus sharing scenario; the Mexico no shortage scenario; and the Mexico basinwide shortage scenario.

The discussions regarding a pilot environmental project has been narrowed down to the Miguel Aleman project located in the Limitrophe Section in Baja California. Reclamation is still investigating the possibility of funding this restoration project which may include up to 50 acres of cottonwood and willow habitat being restored. There will be further discussions within the Bi-National group before there is a commitment to move forward with this project.

The discussions regarding a conservation pilot project has also been focused on one project, the Alamo-Reforma Regulating Reservoir. This re-regulating reservoir would conserve about 3,200 acre-feet annually, assist Mexico in managing its surface and ground water supplies, as well as provide other benefits. The cost for the feasibility study of the proposed project is estimated to be \$40,000. The cost of the project, itself, would be several million dollars. Currently, it is being proposed by the U.S. representatives that the feasibility study be Bi-Nationally cost shared; however, because of the potential large cost associated with construction of this project, the potential funding for implementation of this project would be deferred until a later date. Although it may be a viable project, the U.S. representatives believe that it is premature to discuss potential funding for construction of the proposed re-regulating reservoir absent mechanisms in place that would allow identified benefits going to those providing the funding. As an alternative pilot conservation project, the U.S. representatives believe that consideration should be given to looking at a land fallowing project in Mexico similar to the projects that Reclamation has funded in the U.S. For the land fallowing pilot project in Mexico, Reclamation would fund the project and Mexico would determine where and how the conserved water would be used in Mexico.

The Bi-National modeling group met on March 10th to discuss and compare the results regarding the six identified scenarios. During the meeting, Mexico presented its results and raised several questions regarding the assumptions that were being modeled and requested further detail on the assumptions. Reclamation's modelers will be working with Mexico to address these questions. The next meeting of the Bi-National modeling group will be held on April 30th.

Currently, the next a meeting of the Bi-National Policy Group is being scheduled for mid-June, possibly June 23rd and 24th in San Diego. At that time the Policy Group may be in a position to begin discussions related to issues associated with shortage sharing and Mexico's creation and delivery of Intentionally Created Mexican Apportionment (ICMA).

With the large magnitude earthquake that occurred in the Mexicali Valley in early April, water deliveries in a large number of the canals have been disrupted. To assist Mexico, it has been suggested that as a one-time pilot project that Mexico be allowed to store up to 200,000 acre-feet of water in the reservoir system in the United States this year and then be allowed to request the delivery of the stored water next year. This would mean that Mexico could request a delivery of up to 1.7 maf of water during calendar year 2011. The interest in such a program by Mexico and the details of how this might work must still be worked out.

Status of the Colorado River Basin Study

On March 15th, Reclamation notified parties interested in the Colorado River Basin Water Supply and Demand Study that a public meeting was scheduled for the evening of March 23rd in Las Vegas, Nevada. The public meeting was also broadcast on the internet via webinar and allowed interaction by on-line participants. For your information, a copy of the memorandum sent out by Reclamation announcing the public meeting is included in the Board folder.

During the March 29th Agency Managers meeting, there was a discussion of the assumptions that California would like to use in the Colorado River Basin Study to identify the current and future water supply and demand and the system reliability metrics. Regarding future water demands within California, it was concluded that the primary assumption is a full Colorado River Aqueduct, assume an increased demand for energy development in Southern California, and assume the current timeframes associated with transfers included in the Quantification Settlement Agreement and the Palo Verde Irrigation District Land Fallowing Agreement. A workshop will be held on April 26th with members of the Basin Studies Project Team and the consultant to share how each state proposes to handle the current water supply and demand projections and to further define the assumptions that will be used in this study.

Border Governors' Bi-National Desalination Conference

A Bi-National Desalination Conference will be held on May 26th and 27th in San Diego, California. This conference is being sponsored by the California Department of Water Resources, the Central Arizona Project, the Metropolitan Water District of Southern California, and the U.S. Bureau of Reclamation's Lower Colorado Region. Topics of discussion will include possible U.S. and Mexico cooperative opportunities for desalination of seawater and brackish groundwater.

Colorado River Environmental Programs

Seven Basin States Scoping Comments for Development of Experimental Protocols for High-Flow Releases from Glen Canyon Dam

On April 5th, the Governors' representatives to the Seven Colorado River Basin states submitted a letter to Reclamation's Upper Colorado Regional Office associated with scoping comments related to Reclamation's development of experimental protocols for high-flow releases from Glen Canyon Dam. In the letter, the states indicate support for the development of the experimental protocols and emphasized that the high-flow experimental protocols must conform to the "Law of the River," including the 2007 Interim Guidelines for Lower Basin Shortages and Coordinated Operation of Lake Powell and Lake Mead. The states also support the Department of the Interior's characterization of the high-flow experimental (HFE) protocol as an experimental initiative under the aegis of the current Glen Canyon Dam Adaptive Management Program, and that the HFE protocol must remain experimental until there is a sound legal, financial, and scientific basis for implementing it as a permanent management action. Also, the states indicated that the Department of the Interior should fully synthesize, analyze, and evaluate all of the data and results from previous high-flow experiments prior to

finalizing the HFE protocol, or implementing any permanent management action. This will ensure that all relevant data and information can be utilized to inform the development of the final HFE protocol. A copy of the Basin states' letter to Reclamation has been included in the Board folder.

Final Lower Colorado River Multi-Species Conservation Program Water Accounting Agreement

As has been discussed at previous Board meetings, a water use and accounting agreement associated with habitat restoration and maintenance under the Lower Colorado River Multi-Species Conservation Program (LCR MSCP) has been developed by Reclamation. The final draft agreement was brought before the Board in January 2010, and authorization was provided for the Chairman to execute the agreement on behalf of California's LCR MSCP participants. Reclamation recently provided the Board with a copy of the final executed agreement, and a copy has been included in the Board folder.

WATER QUALITY

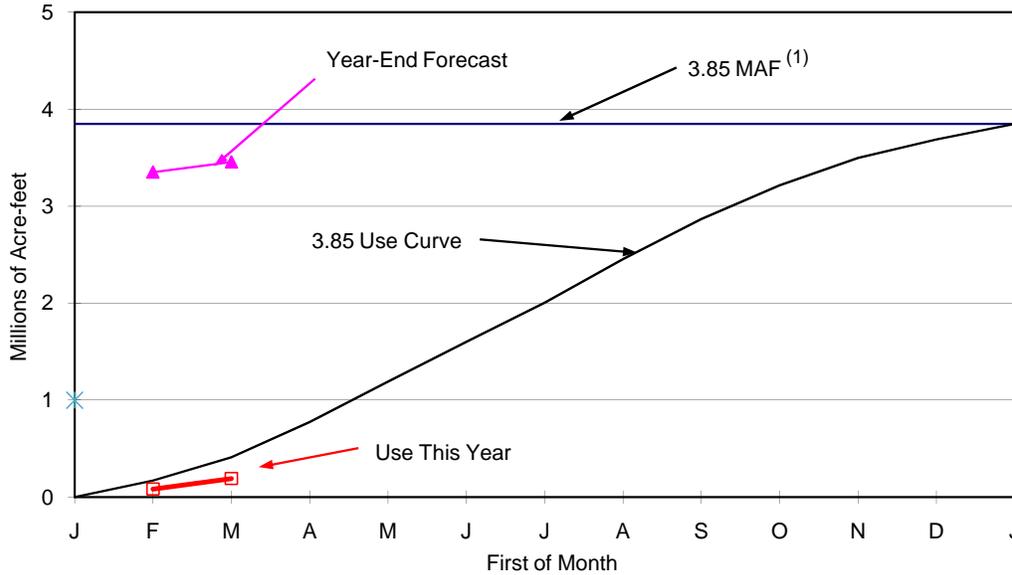
Colorado River Basin Salinity Control Program Status

The Board has submitted its written testimony in support of Program funding to each of the House and Senate committees and subcommittees and shared those letters with the California agencies to assist them in drafting their testimony. Copies of the written testimony provided by MWD to various House and Senate committees and subcommittees associated with Fiscal Year 2011 funding for the Colorado River Basin Salinity Control Program are included in the Board folder.

/S/

Gerald R. Zimmerman
Executive Director

FIGURE 1
APRIL 1, 2010 FORECAST OF 2010 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	0.084	3.352	0.191
Mar	0.192	3.456	0.087
Apr			
May			
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.543 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; 70,000 AF of conserved water available to SDCWA under the IID-SDCWA Transfer Agreement as amended being diverted by MWD; an estimated 28,500 AF of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project; 67,700 AF of water 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 a portion of Indian and miscellaneous present perfected rights use of Indian and miscellaneous present perfected rights use. As USBR is charging disputed uses by Yuma island pumpers to priority 2, the amount of unused water has been reduced by those uses - 6,470 af. The CRB does not concur with USBR's viewpoint on this matter.