

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

January 12, 2010

ADMINISTRATION

Approval of Board Meeting Minutes – December 9, 2009

A copy of the December 9, 2009 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.

Governor Schwarzenegger's Appointments

Mr. Mike Chrisman, the Secretary of Natural Resources, has announced his intention to leave State service on February 1, 2010. With Secretary Chrisman's announcement of his retirement, Governor Schwarzenegger has named Mr. Lester Snow to succeed Mr. Chrisman as the Secretary of Natural Resources. Mr. Snow is currently serving in the administration as the Director of the Department of Water Resources. Governor Schwarzenegger has named Mark Cowin, the current Deputy Director of the Department of Water Resources, to succeed Mr. Snow as the Director of the Department of Water Resources. Also, Governor Schwarzenegger has named John McCamman to fill the vacant position of Director of the Department of Fish and Game. Mr. McCamman has been serving as the Deputy Director of the Department of Fish and Game.

AGENCY MANAGERS' MEETING

The Agency Managers have not met since their last meeting following the November 12th Board meeting.

CONSENT AND REVIEW ITEMS

Lower Colorado Water Supply Project Applications

I am requesting Board approval of the staff recommendations contained in Board Resolution 2010-1 for Lower Colorado Water Supply Project applications associated with 17 parcels of property for a total of 166 acre-feet of potential water use per year. The proposed Resolution and related data table is included in the Board folder.

Additionally, I have included some general information and a fold-out map of the proposed solar energy projects in the Colorado River Desert region west of Blythe, California.

The California Energy Commission held a staff workshop associated with the proposed Blythe and Palen Solar Power Projects in Sacramento, California on January 7, 2010. Board staff continues to meet with the project proponents and the U.S. Bureau of Reclamation (Reclamation) regarding the potential annual water use and the source of water.

The application from Solar Millennium for Lower Colorado Water Supply Project water is not being considered at this Board meeting. It is anticipated that there will be some changes in the application and that further discussions among the applicant, Reclamation, and Board staff regarding the application and the use of Lower Colorado Water Supply Project water needs to occur. The application from Solar Millennium may be considered at the February 10th Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of January 1, 2010, storage in the major Upper Basin reservoirs decreased by 677,420 acre-feet and storage in the Lower Basin reservoirs increased by 318,600 acre-feet during December 2009. Total System active storage as of January 11th was 33.051, million acre-feet (maf), or 55 percent of capacity, which is 0.208 maf less than one year ago (Upper Basin reservoirs increased by 1.088 maf and Lower Basin reservoirs decreased 1.296 maf).

December releases from Hoover, Davis, and Parker Dams averaged 10,500, 8,650 and 4,880 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of January 2010, are 12,000, 10,000, and 5,700 cfs, respectively. The January releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of January 6th, 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 7.439 maf and is described as follows: Arizona, 2.827 maf; California, 4.364 maf; and Nevada, 0.248 maf. The Central Arizona Project (CAP) will divert 1.660 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 1.105 maf, which is 199,000 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 3.289 maf. This estimate is based on the collective use, through November 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.

As of January 10th, the water level at the Lake Mead was at 1,097.03 feet above the mean sea level, and the storage was 11,227 maf, 43 percent of capacity, while the water level at Lake Powell was at 3,624.58 feet above the mean sea level and the storage was 14,255 maf, 59 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 approved by Interior Secretary Salazar and the final 2010 AOP has been posted to Reclamation's Upper and Lower Colorado Region webpages. The Secretarial determinations did not change from those discussed at previous Board meetings. The final 2010 AOP can be found at the following link: <http://www.usbr.gov/lc/region/g4000/AOP2010/AOP10.pdf>.

Secretarial Interim Determination of the Amount of Water Conserved by Reaches 1,2, and 3 of the All-American Canal Lining Project

Part of the 2003 Quantification Settlement Agreement (QSA), required the Secretary of the Interior to make an evaluation of the amount of water conserved each year associated with the lining of Reaches 1, 2, and 3 of the All-American Canal Lining Project. On December 4, 2009, Reclamation's Lower Colorado Regional Director, Ms. Lorri Gray-Lee, forwarded the Secretary's Interim Determination to the California parties to the QSA. This interim determination supersedes the previous determination issued on February 6, 2009. The Interim Determination for 2009 includes the following amounts: (1) the 2009 full-year amounts of water available for allocation from Reaches 2 and 3 of 14,700 af and 2,150 af, respectively; and (2) the 2009 partial-year amount of 48,727 af conserved through the lining of Reach 1. The total amount of water available for allocation during 2009 is 65,577 af; and of this amount, 17%, or 11,148 af, will be delivered to the San Luis Rey Settlement Parties, pursuant to the 2003 QSA Allocation Agreement. Included in the Board folder is a copy of the Secretarial Determination.

Reclamation's Approval of MWD's Plan for the Creation of Extraordinary Conservation Intentionally Created Surplus for Calendar Year 2009

On December 4, 2009, Reclamation approved MWD's plan to create up to 100,000 af of extraordinary conservation intentionally created surplus (EC ICS) for 2009. A copy of Reclamation's letter approving the creation of the EC ICS for Calendar-Year 2009 has been included in the Board folder.

Tentative Invalidation of 2003 Quantification Settlement Agreement by the Sacramento County Superior Court

On December 10, 2009, Sacramento County Superior Court Judge Roland Candee tentatively ruled that the 2003 Quantification Settlement Agreement is invalid. The rationale for the Court's ruling that the QSA was invalid was that the Judge determined that the State of California agreed to pay to restore the Salton Sea without putting a limit on spending. The Court

was to hold a hearing later in December to decide whether to make the ruling final. I have attached a copy of a news article related to the Court's decision in the Board folder. Also, this topic will be discussed at the Board meeting.

National Science Foundation National Climate Funding

Consideration at the Board meeting will be given to requesting the National Science Foundation to consider the establishment of a regional climate modeling fund to provide grants to universities, laboratories, and other academic institutions for the development of downscaled regional climate models. The results of this effort could assist decision makers in addressing the impacts of climate change and in providing the appropriate levels of protection and adaptation due to the effects of climate change.

Basin States Discussions

Status of Binational Projects and Programs with Mexico

Because of the end of year/beginning of the year budget implications and the availability of travel funds, Mexico's representatives have not been able to meet on the scheduled dates. Thus, the process has been delayed. This delay is not an indication of the priority that Mexico places on these Binational discussions; rather, Mexico remains very interested in moving these discussions forward.

Within the United States, representatives have continued to meet on the modeling of the jointly identified modeling scenarios and on criteria for selection of potential Binational Pilot Projects. Initial modeling results were presented to the United States Technical Group on January 8th and included a further discussion of the modeling assumptions associated with the Upper Basin's depletion schedule, the schedules for the creation and delivery of Intentionally Created Surplus (ICS), the schedule for the creation and delivery of Intentionally Created Mexican Allocation (ICMA), and the delivery of a pulse flow every four years. Also, there was a discussion of the potential impacts on maintaining the salinity differential between Imperial Dam and the Northerly International Boundary associated with the creation of ICMA. Based upon the preliminary analyses by Reclamation, additional model runs and analyses will be performed by Reclamation.

The next meeting of the United States Technical Group is schedule to be held on January 19th. During that meeting it is anticipated that additional model runs and analyses will be presented by Reclamation. As these results become available they will be shared with the Board.

Status of the Colorado River Basin Study

As we have discussed at the last few Board meetings, 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.

Recently, representatives of Reclamation's Upper and Lower Colorado Regions and the Basin states finalized a proposed Plan of Study, the Contributed Funds Act Agreement, and the Public Involvement Plan for the Colorado River Basin Water Supply and Demand Study. I am requesting the Board's approval to authorize me to execute the Contributed Funds Agreement as to form on behalf of the Colorado River Board. Mr. Dana B. Fisher will be requested to execute the Contributed Funds Act Agreement on behalf of the Six Agency Committee. The Six Agency Committee is being requested to contribute one-seventh of the total non-federal share of \$1 million, or \$142,860 on behalf of California. The Contributed Funds Agreement requires that \$75,000 be received by Reclamation by July 31, 2010, and that the balance, or \$67,860, be received as a cash contribution or authorized in-kind service by the expiration date of the agreement on January 31, 2012. Included in the Board folder are copies of the proposed Contributed Funds Act Agreement, the proposed Plan of Study, and the proposed Public Involvement Plan for the Basin Study.

Glen Canyon Dam Adaptive Management Program

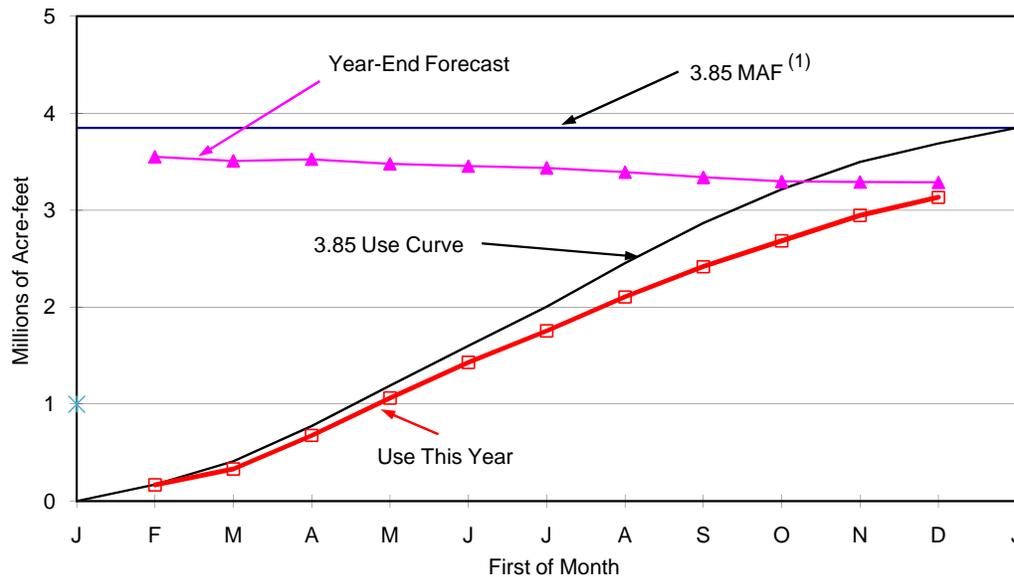
On December 31, 2009, Reclamation published a notice in the *Federal Register* that it intended to develop an Experimental Protocol for High-Flow Releases from Glen Canyon Dam as part of the Department of the Interior's implementation of the Glen Canyon Dam Adaptive Management Program. The Department intends to develop the High-Flow Experimental Protocol through a public process pursuant to the National Environmental Policy Act (NEPA) through the preparation of an Environmental Assessment (EA).

The proposed EA and proposed High-Flow Experimental Protocol will address such factors as the appropriate number of experiments; the appropriate sand input "triggering" future experiments; the timing and duration of high-flow experiments to optimize sand conservation; the appropriate intervals between high-flow releases; as well as the appropriate level of monitoring necessary to gauge the effectiveness of the experimental actions. Also, the notice announces that the Department is currently developing a tribal consultation policy for matters related to the Glen Canyon Dam Adaptive Management Program, and that the high-flow experimental protocol will be a topic of discussion at the February 3-4, 2010 meeting of the Adaptive Management Work Group in Phoenix, Arizona. A copy of Reclamation's recent *Federal Register* notice has been included in the Board Folder.

/S/Gerald R. Zimmerman

Gerald R. Zimmerman
Executive Director

FIGURE 1
JANUARY 1, 2010 FORECAST OF 2009 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	0.016
Mar	0.332	3.509	0.058
Apr	0.678	3.526	0.041
May	1.064	3.478	0.089
Jun	1.430	3.454	0.113
Jul	1.755	3.437	0.130
Aug	2.106	3.392	0.175
Sep	2.418	3.340	0.227
Oct	2.685	3.297	0.270
Nov	2.948	3.292	0.275
Dec	3.133	3.289	0.278
Jan			

(1) The forecast of unused water is based on the availability of 3.568 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 plus 8,000 per CVWD-IID transfer (11/25/09) 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; 30,259 af of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project; 65,577 af of water 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 a portion of Indian and miscellaneous present perfected rights use; 3,751 af of CVWD; and 15,000 af of Intentionally Created Surplus by IID; Drop 2 Construction Water at 2,750 af. As USBR is charging disputed uses by Yuma islandpumpers 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.