

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

June 8, 2010

ADMINISTRATION

Approval of Board Meeting Minutes – May 12, 2010

A copy of the May 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.

Proposed Board Budget for Fiscal Year 2010-2011

In the Board folder, I have included a copy of the proposed Fiscal Year 2010-2011 budget for the Board for your discussion, approval, and adoption. The proposed total budget for the Board for this period is \$1,630,000.

Agency Managers' Meeting

I plan on holding an Agency Managers' meeting following the Board meeting on June 9th. The focus of this meeting will be to discuss the ongoing discussions with Mexico and to prepare for the upcoming Bi-National meeting with Mexico on June 23rd and 24th.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of May 31, 2010, storage in the major Upper Basin reservoirs increased by 688,490 acre-feet and storage in the Lower Basin reservoirs decreased by 339,200 acre-feet during May 2010. Total System active storage as of May 31st was 33.214 million acre-feet (maf), or 56 percent of capacity, which is 0.727 maf less than one year ago (Upper Basin reservoirs decreased by 0.442 maf and Lower Basin reservoirs decreased 0.284 maf).

May releases from Hoover, Davis, and Parker Dams averaged 15,630, 15,250 and 10,770 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of June 2010, are 16,300, 15,800, and 11,100 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 2010, as forecasted by Reclamation, totals 7.333 maf and is described as follows: Arizona, 2.737 maf; California, 4.331 maf; and Nevada, 0.264 maf. The Central Arizona Project (CAP) will divert 1.598 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 1.073 maf, which is 32,000 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 3.378 maf. This estimate is based on the collective use, through April 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 May 31st, the water level at the Lake Mead was at 1,094.3 feet above the mean sea level, and the storage was 10,987 maf, 42 percent of capacity, while the water level at Lake Powell was at 3,625.8 feet above the mean sea level and the storage was 14,402 maf, 59 percent of capacity.

Colorado River Operations

Upper Colorado River Designated as an Endangered River by American Rivers

I have included a couple of brief news articles reporting that the environmental organization, American Rivers, recently placed the Upper Colorado River on its list of "Most Endangered Rivers" in the United States. The rationale behind the designation is the potential threat associated with the two proposals to divert and convey water from the West Slope to the East Slope of Colorado via pipelines. The named projects are the Moffat Tunnel Collection System proposed by the Denver Water Board and the Windy Gap Firming Project proposed by the Northern Colorado Conservation District. The American Rivers is suggesting that while both domestic and agricultural needs are considered, there is a need to ensure the needs of healthy rivers and wildlife. Copies of the two news articles have been included in the Board folder.

Basin States Discussions

Status of Bi-National Projects and Programs with Mexico

As reported at the April Board meeting, with the large magnitude earthquake that occurred in the Mexicali Valley in early April, water deliveries from a large number of the canals in the Mexicali Valley have been disrupted. To assist Mexico in coping with this situation, the United States has suggested that, in the interest of international comity and as a one-time program, Mexico would 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 during calendar year 2011. This would mean that in 2011 Mexico could request a delivery

of up to 1.7 maf. Mexico has considered this offer made by the United States and is proposing that this offer by the United States be incorporated into a more comprehensive deal that includes the concepts that are currently being discussed by the two countries to pursue Bi-National projects that could benefit both countries. Thus, Mexico has proposed that within the next 90 days that agreement be reached on a proposal for International Cooperative Measures in the Colorado River Basin and that this agreement be documented in a new minute to the 1944 Mexican Water Treaty, Minute 318.

As a result of this proposal by Mexico, the focus of the Bi-National Consultative Group meeting scheduled for June 23rd and 24th in San Diego has been modified. Now the meeting will focus on the latest comprehensive proposal by Mexico that is being incorporated into a draft minute. I understand that the draft minute will include the following major topics:

- Storage of Mexican Water in U.S. Reservoirs – Intentionally Created Mexican Allocation (ICMA)
- Investment in the Damaged Infrastructure in Irrigation District Number 14, Rio Colorado – Damaged canal system in Mexico as a result of the April 2010 earthquake
- Investment in International Water Conservation and Desalinization Projects – Bi-National water conservation and desalinization projects that include the creation and delivery of ICMA and Intentionally Created Surplus (ICS)
- Investment in Joint Environmental Projects – Addressing environmental projects and programs of mutual interest
- Temporary Usage of Treated Wastewater from the International Treatment Plants – Treatment plants in Nogales, AZ and San Diego, CA are potential opportunities

To prepare for the June 23rd and 24th Bi-National meeting, several meetings have been scheduled among the U.S. parties. The Colorado River Board Agency Managers will be meeting following the June Board meeting, representatives of the Basin states will meet on June 10th to discuss methods for quantifying the Upper Basin shortages and curtailment options; representatives of the Basin states will be discussing Mexico's proposed Minute 318, potential Bi-National deal breakers, and computer model runs that need to be made on June 11th; Technical Committee conference calls will be held on June 15th and 21st; and the U.S. Principals will meet on June 22nd and the morning of June 23rd. The U.S. Principals meeting will be followed by the Bi-National Consultative Groups meeting on the afternoon of June 23rd and the morning of June 24th.

Colorado River Environmental Programs

Grand Canyon Trust Memorandum Regarding Steady Flow Releases from Glen Canyon Dam and Water Allocations

As we discussed at last month's Board meeting, I am including a copy of the Grand Canyon Trust's new memorandum (undated) regarding the proposed implementation of "steady flow releases" from Glen Canyon Dam in the Board folder. The Trust's memorandum essentially lays out an argument that seasonally-adjusted steady flow releases from Glen Canyon have the best chance for improving the overall ecology of the riverine corridor through Grand

Canyon National Park and benefitting native endangered species. In conjunction with this proposition, the Grand Canyon Trust maintains that implementation of seasonally-adjusted steady flows will not alter the annual release of water from Glen Canyon Dam to meet the downstream demands of the Lower Division States and Republic of Mexico.

WATER QUALITY

Colorado River Water Quality Programs

Colorado River Basin Salinity Control Forum & Advisory Council Meetings – Cheyenne, Wyoming

On June 2-4, 2010, the Colorado River Basin Salinity Control Forum, Work Group, and Advisory Council held meetings in Cheyenne, Wyoming. The purpose of the meetings was to receive reports from all of the participating federal agencies, review progress associated with salinity control project implementation, to review the status of the Program budget and funds available through the Upper and Lower Basin Funds for the Basin States' Program, and initiating preparation of the 2011 Triennial Review Report.

Both, Reclamation and the Natural Resources Conservation Service (NRCS) have finalized new contracts associated with implementation of salinity control projects in Colorado and Utah. Finalization of the contract with NRCS-Wyoming is pending, but is expected to be completed soon. These contracts facilitate cost-share funding through the new Basin States' Program authorized in the recent amendments to the Salinity Control Act.

Reclamation reported that the U.S. Geological Survey's reconnaissance-level hydrogeological study of the Paradox Basin is being finalized. The concern is that the current injection well facility, operated by Reclamation, may not be adequate, and could fail at some point in the near-term. Even with the full operation of the existing facility, approximately 25,000-30,000 tons of salt are reaching and entering the Colorado River System annually. Should the injection well facility become inoperable, hundreds of thousands of tons of salt could begin entering the Colorado River System again. Both, the Forum and the Advisory Council strongly recommended that Reclamation initiate a planning process to evaluate potential alternatives to not only extend the life of the Paradox injection well facility, but evaluate other feasible technologies for capturing and appropriately disposing of salt in the Paradox Basin.

The Advisory Council met on June 4th, and one significant item of interest is the preparation of the charter for the Advisory Council pursuant to the Salinity Control Act amendments. The charter describes the membership, roles and responsibilities, and structure for the Advisory Council, and ensures that it complies with the terms and requirements of the Federal Advisory Committee Act (FACA). The Advisory Council is required to comply with FACA as it consults with and provides recommendations to the Secretaries of the Interior and Agriculture and the Administrator of the Environmental Protection Agency (EPA). There are still some issues related to the language in the proposed charter associated with the consultative

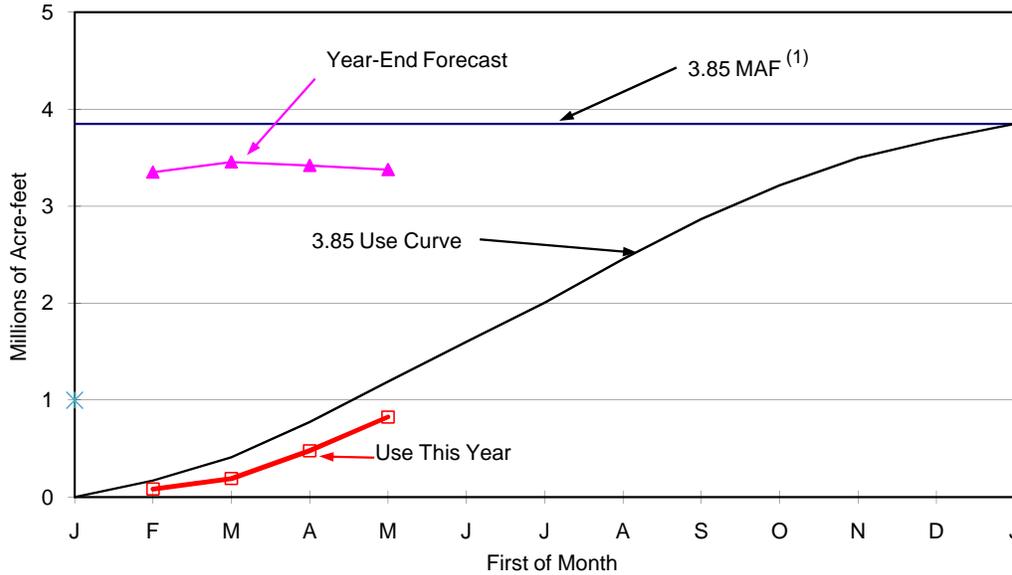
roles of the Basin states and methods for funding staffing requirements and resources in support of Advisory Council activities.

Finally, both the Forum and the Advisory Council elected new officers for the next two-year period. Mr. Dennis Strong, Director of the Utah Division of Water Resources, was elected as the Chairperson of the Forum and Advisory Council; and Ms. Perri Benemelis, Chief of the Arizona Department of Water Resources' Colorado River Management Section, was elected as the Vice-Chair of the Forum and Advisory Council. Additionally, Mr. Robert King of the Utah Division of Water Resources was asked to serve as the Chairperson of the Advisory Council's Technical Advisory Group. Also, the Forum and Advisory Council established that the next set of meetings would be held on November 17-19, 2010, in Santa Fe, New Mexico.

/S/

Gerald R. Zimmerman
Acting Executive Director

FIGURE 1
JUNE 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	0.479	3.421	0.122
May	0.826	3.378	0.165
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.