

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

May 11, 2010

ADMINISTRATION

Approval of Board Meeting Minutes – April 13, 2010

A copy of the April 13th 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.

Public Records Act Request for the Genesis Solar Energy Project

On April 16th, the Board received a Public Records Act request for materials and information possessed by the Board associated with the proposed Genesis Solar Energy Project in the Colorado Desert in Riverside County. Board staff assembled the requested information and submitted it pursuant to the request. Included in the Board folder is a copy of the original request and the Board's response letter.

Proposed Board Budget for Fiscal Year 2010-11

Hearings in both the Assembly and Senate on the Colorado River Board's Fiscal Year 2010-11 Budget were held on April 21st and April 22nd, respectively. The Governor's proposed Budget contains a funding level of \$1,630,000 for the Board. No issues related to the Board's proposed budget were raised in either the Assembly or Senate.

Included in the Board folder is a copy of the proposed Fiscal Year 2010-11 Budget for the Board for the Board members review and discussion. The proposed total budget for the Board for this period is \$1,630,000. I will request action on the Board's Fiscal Year 2010-11 Budget at the June Board meeting. In addition to the proposed Fiscal Year 2010-11 Budget, action on the Standard Agreement with the Six Agency Committee will be requested at the June Board meeting.

Agency Managers' Meeting

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

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of May 1, 2010, storage in the major Upper Basin reservoirs increased by 339,880 acre-feet and storage in the Lower Basin reservoirs decreased by 188,000 acre-feet during April 2010. Total System active storage as of May 3rd was 32.885 million acre-feet (maf), or 55 percent of capacity, which is 0.857 maf more than one year ago (Upper Basin reservoirs increased by 1.152 maf and Lower Basin reservoirs decreased 0.295 maf).

April releases from Hoover, Davis, and Parker Dams averaged 15,680, 14,770 and 11,280 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of May 2010, are 17,300, 16,600, and 11,300 cfs, respectively. The May releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of May 3rd, 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 7.360 maf and is described as follows: Arizona, 2.756 maf; California, 4.341 maf; and Nevada, 0.263 maf. The Central Arizona Project (CAP) will divert 1.605 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 3.421 maf. This estimate is based on the collective use, through March 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 3rd, the water level at the Lake Mead was at 1,098.0 feet above the mean sea level, and the storage was 11,313 maf, 44 percent of capacity, while the water level at Lake Powell was at 3,620.8 feet above the mean sea level and the storage was 13,847 maf, 57 percent of capacity.

Colorado River Operations

Reclamation to Initiate Stage II of the Lower Colorado Water Supply Project

On April 26th, the City of Needles received a letter from Reclamation requesting an advance of \$25,000 in order to initiate Stage II of the Lower Colorado Water Supply Project. Stage II of the Project consists of the addition of wells sufficient to pump up to 10,000 acre-feet of water to meet the needs of the Project. A copy of Reclamation's letter to Needles and a news release announcing plans to move forward with the Project are included in the Board folder.

Reclamation Initiates Yuma Desalting Plant Pilot Project on May 3, 2010

Reclamation recently held a short ceremony to commemorate kicking off the Yuma Desalting Plant (YDP) Pilot Project and the Drop-2 Storage Reservoir Project. The ceremony was held at the Yuma Area Office in Yuma, Arizona, on April 28th, where it was announced that the YDP Pilot Project would commence operation on May 3rd. A couple of short news articles describing the event are included in the Board folder.

Basin States Discussions

Colorado River Basin States Principals Meeting

A meeting of the Colorado River Basin states' principals will be held on May 25th in Las Vegas, Nevada. The primary items of discussion at this meeting related to the Bi-National discussions will be: the upcoming June 24th and 25th Bi-National meeting, an update on the Bi-National modeling effort, the status of the Environmental and Conservation Pilot Projects, and revised reservoir operations this year resulting from the April earthquake in Mexico. Also, during the May 25th meeting, there will be discussions related to the Basin States/Reclamation Colorado River Basin Study, the Pilot-Run of the Yuma Desalting Plant, Colorado River reservoir operational challenges in 2010 and 2011, and the Saltcedar and Russian Olive Control Demonstration Act Science Assessment.

Status of Bi-National Projects and Programs with Mexico

The Basin states representatives are preparing for the June 24th and 25th Bi-National meeting with Mexico and will be meeting on May 25th to begin preparing for that meeting. Also, a Basin States Technical Group is having discussions on approaches for shortage management and the consultation process that is included in 2007 Interim Shortage Guidelines for Lower Basin Shortages. With Lake Mead approaching the first shortage trigger elevation contained in the 2007 Interim Shortage Guidelines for Lower Basin Shortages, concern has been expressed that the Basin states need to be prepared on how they will react and the consultation process that will be utilized if the shortage trigger is reached.

The Colorado River Basin States Technical Committee will be meeting on May 24th to further discuss the ongoing activities with Mexico and to prepare for the Basin States Principals meeting on May 25th. The agenda topics for the May 25th Basin States Principals meeting will be discussed.

Colorado and Wyoming Utilities Propose New Flaming Gorge Pipeline

On March 25th, it was announced that a coalition of municipal utilities were planning to initiate a feasibility study to transport water from Flaming Gorge Reservoir, via pipeline, to a system of reservoirs in Larimer County on the east-slope in Colorado. This proposal could end up competing with an earlier, but similar proposal put forth by Mr. Aaron Million. The proposed project, called the Colorado-Wyoming Cooperative Water Supply Project, if developed and

implemented, could transport water to meet the needs of just over 500,000 citizens along the Front Range in Colorado. According to the municipal coalition proposing this project, it is a public venture involving municipalities in both Wyoming and Colorado, as opposed to Million's proposal which is private, concerns only Colorado organizations, and is mostly for agricultural users. A copy of a news article about the municipal water provider's proposal is included in the Board folder.

On April 21st a scoping meeting was held in conjunction with Million's Flaming Gorge Pipeline Regional Watershed Supply Project in Denver, Colorado. The scoping meeting was held by the U.S. Army Corps of Engineers and is associated with the Corps' regulatory authority under the Clean Water Act. The scoping meeting is the first step in the Corps' intended preparation of an environmental impact statement assessing potential environmental impacts related to the proposed project pursuant to the National Environmental Policy Act. Million's project includes plans for a 500-mile pipeline and the diversion and conveyance of approximately 250,000 acre-feet of water annually from Flaming Gorge Reservoir to mainly agricultural water users along the east-slope of the Rocky Mountains in Colorado. A short news article describing the public scoping meeting and a map of the proposed project are included in the Board folder.

Border Governor's Bi-National Desalination Conference, May 26-27, 2010, San Diego, California

Included in the Board folder is a copy of the proposed agenda and registration form for the upcoming Border Governor's Bi-National Desalination Conference scheduled for May 26-27, 2010, to be held in San Diego, California. The intent of the conference is to share information about desalination projects now underway, or in the planning phase; financing approaches for projects; and new developments in desalination technologies and project design.

Colorado River Environmental Programs

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

Included in the Board folder is a copy of the Grand Canyon Trust's (Trust) recent memorandum (undated) regarding water allocations and proposed "steady flow releases" from Glen Canyon Dam. 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 Trust also maintains that implementation of seasonally-adjusted steady flows will not alter the annual release from Glen Canyon Dam to meet the downstream demands of the Lower Division States and Republic of Mexico. The Trust does acknowledge that there will be a reduction in revenues collected as a result of hydropower generation at the Glen Canyon Dam facility, but that this is a consequence of the process initiated pursuant to the Grand Canyon Protection Act of 1992.

Board's Comments on the Draft First Revision to the Yuma Clapper Rail Recovery Plan

In late-2009, the U.S. Fish and Wildlife Service (USFWS) released a draft first revision to the Yuma Clapper Rail Recovery Plan (draft Plan). The original Plan was released by the USFWS in 1983 and has not been updated or modified since that time. The Board's comments on the draft Plan, included in the Board folder, identified several general and specific concerns. The general concerns identified include the following: (1) the inclusion of recovery goals, objectives, and criteria for extraterritorial populations of Yuma clapper rails and habitats outside of the United States; (2) that the draft Plan include more information associated with long-term implementation of the Lower Colorado River Multi-Species Conservation Program and potential benefits to Yuma clapper rails and habitats along the Lower Colorado River; and (3) that uniformly consistent Yuma clapper rail survey protocols and data analyses techniques should be developed and implemented before a recovery plan can be finalized for the Yuma clapper rail.

WATER QUALITY

Updates on the Removal of Hexavalent Chromium from the PG&E Topock Compressor Station Site

The California Department of Toxic Substances Control (DTSC) is issuing the draft Statement of Basis and the draft Environmental Impact Report (EIR) for a preferred groundwater remedy (Preferred Alternative) at the PG&E Topock Compressor Station. The draft Statement of Basis identifies the Preferred Alternative among the remedial action alternatives evaluated for cleaning up groundwater contaminated by past waste-disposal practices at the Topock site.

The draft Statement of Basis is being issued by DTSC, as the lead agency, under the authority of the Resource Conservation and Recovery Act (RCRA). DTSC is coordinating the selection of the Preferred Alternative with the Department of the Interior (Interior). As a federal agency with land ownership interests surrounding the site, Interior has a similar, but separate, authority under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). Interior is also concurrently proposing a Preferred Alternative under a Proposed Plan in accordance with CERCLA requirements.

Based on the analysis and conclusions presented in the Corrective Measures Study/Feasibility Studies, and in conjunction with the findings of potential impacts evaluated in the draft EIR, DTSC's recommendation for the Preferred Alternative is Alternative E — In-situ Treatment with Fresh Water Flushing. Alternative E is recommended because it will achieve the remediation objectives while substantially reducing, through treatment, the amount of hexavalent chromium in the groundwater. This will be accomplished within a reasonable time frame and with fewer adverse effects to cultural resources and biological resources than the other alternatives considered. Also, Alternative E will allow the decommissioning of the existing Interim Measure treatment plant after PG&E demonstrates, with DTSC's concurrence, that the remedy is successfully treating and controlling the movement of contaminated groundwater and its secondary byproducts at the Topock site.

DTSC will accept written comments on the draft Statement of Basis and the EIR during the public comment period (June 4, 2010 - July 19, 2010). Public hearings have been scheduled as follows:

- June 22, 2010 -- Parker Community/Senior Center, Parker, Arizona,
- June 23, 2010 -- Lake Havasu City Aquatic Center, Lake Havasu City, Arizona,
- June 29, 2010 -- Needles High School, Needles, California, and
- June 30, 2010 -- Topock Elementary School, Topock, Arizona

All public hearings are from 5:00 PM to 8:00 p.m.

Updates on the Removal of Perchlorate from the Las Vegas Wash

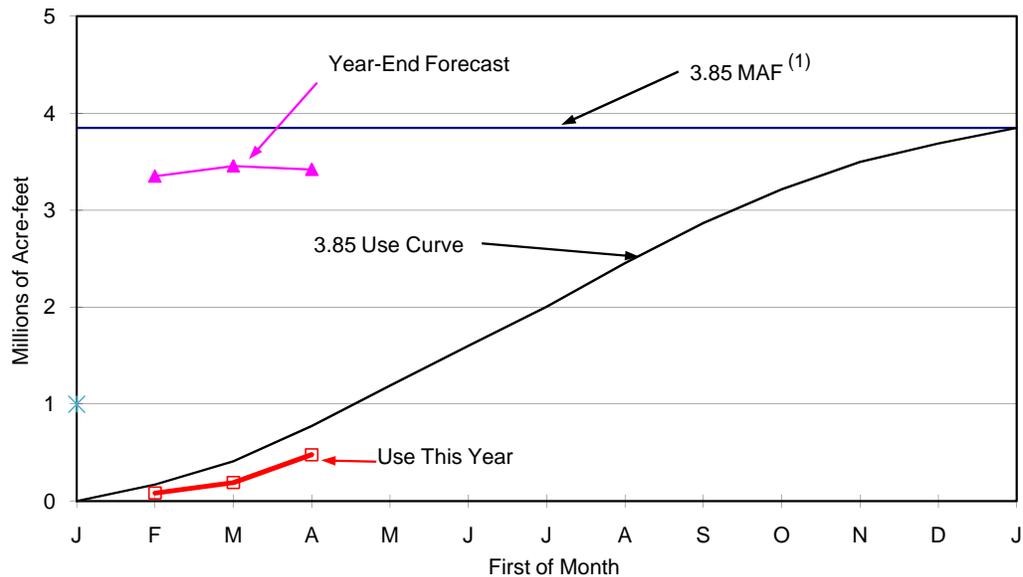
The removal of perchlorate and reducing the load to Las Vegas Wash and consequently the perchlorate concentration in the Colorado River water below Hoover Dam continues to be better than expected. The latest data indicate that the perchlorate load detected in the Las Vegas Wash at Northshore Road is 67 pounds per day and is less than the expected 100 pounds per day. Currently, the perchlorate concentration of Colorado River water measured at Willow Beach is 0.95 parts-per-billion (ppb) and is well below the California Maximum-Contaminant-Level of 6 ppb.

Additionally, the remediation activities have not been impacted by the bankruptcy proceedings so far. Nevada Department of Environmental Protection (NDEP) is currently working with the Department of Justice (DOJ) on a possible settlement. NDEP and the Attorney General's Office are working diligently to ensure that any potential settlement would keep the current remediation system operational, and keep other remediation activities at the site moving forward.

/S/

Gerald R. Zimmerman
Acting Executive Director

FIGURE 1
MAY 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			
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.