

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

November 9, 2010

ADMINISTRATION

Approval of Board Meeting Minutes – October 13, 2010

A copy of the October 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.

Proposed Colorado River Board Meeting for Calendar Year 2011

I am enclosing a copy of the proposed Board meeting schedule for Calendar-Year 2011 in the Board folder for your review and comment. I am proposing that the Board be ready to approve the CY-2011 schedule at its December meeting.

Agency Managers' Meeting

An Agency Managers meeting will be held following the Colorado River Board meeting on November 10, 2010. The purpose of the meeting will be to discuss the trends and future projections to be included in the Basin Study Report for California.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of November 1, 2010, storage in the major Upper Basin reservoirs decreased by 76,560 acre-feet and storage in the Lower Basin reservoirs decreased by 216,800 acre-feet during October 2010. Total System active storage as of November 1st was 32.779 million acre-feet (maf), or 55 percent of capacity, which is 1.026 maf less than one year ago (Upper Basin reservoirs decreased by 0.090 maf and Lower Basin reservoirs decreased by 0.936 maf).

October releases from Hoover, Davis, and Parker Dams averaged 10,380, 12,460 and 7,560 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of November 2010, are 12,400, 11,000, and 6,400 cfs, respectively. The November releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of November 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 7.372 maf and is described as follows: Arizona, 2.766 maf; California, 4.348 maf; and Nevada, 0.258 maf. The Central Arizona Project (CAP) will divert 1.634 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 1.101 maf, which is 4,000 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 3.434 maf. This estimate is based on the collective use, through September 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 November 4th, the water level at the Lake Mead was at 1,082.07 feet above the mean sea level, and the storage was 9.947 maf, 38 percent of capacity, while the water level at Lake Powell was at 3,633.66 feet above the mean sea level and the storage was 15.267 maf, 63 percent of capacity. The Lake Mead water elevation is at its lowest level since the Lake was first being filled 73 years ago. The previous historical record low monthly level is at 1,083.57 feet above the mean sea level in March 1956.

Colorado River Operations

Status of Solar Millennium's Blythe Solar Power Project

As we discussed at the October 13th Board meeting, the Board received a letter from Solar Millennium (dated September 20th), the company promoting the Blythe Solar Power Project, which seemed to reflect several misconceptions associated with the Board's September 14th letter to the California Energy Commission (CEC). Much of Solar Millennium's comments were associated with their interpretation of Reclamation's utilization of the U.S. Geological Survey's water accounting surface boundary, and its formulation of a new proposed rule for well pumping along the Lower Colorado River. The Board's staff prepared a response to Solar Millennium's letter that was circulated among the agencies for review and comment. This letter was sent to Solar Millennium on October 21st. I want to thank staff from several of the Board's agencies in helping to prepare and finalize this letter. A copy of the final letter to Solar Millennium is included in the Board folder for your information.

In a related vein, on October 25th, Solar Millennium issued a press release announcing that the U.S. Bureau of Land Management (BLM) had issued a record of decision (ROD) that approved the Blythe Solar Power Plant's Right of Way Grant application. The BLM's ROD, in the words of Solar Millennium, "paves the way for Solar Millennium, LLC to build and operate its Blythe Solar Project, which will be the largest solar power facility in the world." I have included a copy of the press release in the Board folder for your information.

Reclamation's Letter to MWD Regarding its Request to Extend the Deadline Associated with Potential Agency Action on Yuma Island Water Use Determination

On October 13th I received a copy of a letter from Reclamation to MWD regarding its request to extend the deadline for Reclamation taking action associated with a regulatory determination of water use on the Yuma Island in California. Reclamation and interested California parties continue to work on developing feasible alternatives associated with accounting for the diversion and use of mainstream Colorado River water on Yuma Island and specifically, how that mainstream water use should be charged. In its letter, Reclamation has indicated that it will defer decision-making associated with this issue until March 31, 2011. I have included a copy of Reclamation's letter to MWD in the Board folder for your information.

Navajo Tribal Council Approves Proposed Water Rights Settlement within the Lower Colorado River Basin

I am enclosing a very brief news article, dated November 4th, indicating that the Navajo Tribal Council has approved a proposed water rights settlement agreement in the State of Arizona's portion of the Lower Colorado River Basin. According to the news article, the Navajo Nation would receive 31,000 acre-feet per year of unappropriated flows of the Little Colorado River, and "nearly unlimited access to two [groundwater] aquifers beneath the reservation." A copy of the article has been included in the Board folder. Since the settlement agreement has not been finalized, I was unable to receive a copy. When it is finalized the Board will obtain a copy of the settlement agreement.

Basin States Discussions

Status of Bi-National Projects and Programs with Mexico

As discussed at the November Board meeting, the discussions with Mexico have been refocused on developing a minute to the 1944 Mexican Water Treaty that only addresses the water that Mexico would like to delay the delivery of during calendar years 2010 and 2011 as a result of the damage to its infrastructure resulting from the April 2010 earthquake. With this refocus of the discussions, several meetings and conference calls have been held among representatives of the Basin states and their technical and legal representatives to develop a response to the new focus of the discussions and the new draft of Minute 318 proposed by Mexico. The primary reason for this refocus of direction resulted from the limited time available to address all of the technical and legal issues associated with the comprehensive deal and to allow Mexico to delay the delivery of its apportioned water this year and to take delivery of it in a future year. It is still the intent of both countries to develop a comprehensive deal in a subsequent minute that addresses the creation and delivery of Intentionally Created Mexican Apportionment (ICMA), the conversion of ICMA to Intentionally Created Surplus (ICS), surplus and shortage sharing, and pursuit of new water and environmental projects. This effort will begin once agreement on Minute 318 is reached.

As a result of the various conference calls and meetings, general agreement has been reached among the U.S. parties on the contents of the new draft of Minute 318 dealing with delayed delivery of water to Mexico in 2010 and 2011. The new draft of Minute 318 has been shared with Mexico. The International Boundary and Water Commission, the Department of the Interior, and Reclamation representatives are having further discussions with their counterparts from Mexico on the contents of Minute 318. Mexico has had several questions regarding the revised Minute and has requested further information. The United States is awaiting an official response from Mexico. From the informal discussions it is believed that there will not be substantive revisions to the latest draft of Minute 318 that the United States prepared. It is hoped that a new draft of Minute 318 can be prepared in final form and considered by both countries. A more detailed report on these discussions will be provided at the Board meeting.

Colorado River Basin States meeting with Department of the Interior

A meeting of the Basin states' representatives has been scheduled for November 30, 2010, in Washington, D.C. to meet with Department of the Interior representatives. The purpose of this meeting is to further the communication and coordination between the Basin states' representatives and the Department of the Interior on Colorado River issues. An initial meeting was held on October 20th in Phoenix, Arizona. This meeting will be a follow-up meeting to the one held on October 20th.

Bureau of Land Management Letter to Lower Basin States Regarding Water-Efficient Solar Power Energy Projects

On October 5th, the Lower Basin states received a response from BLM Director, Bob Abbey, regarding the states' August 12th letter expressing concern about potential water supplies and use associated with planned solar power energy projects across the desert regions of the Lower Colorado River Basin. In the BLM letter, Mr. Abbey assured the states that as a part of the environmental analysis required pursuant to the National Environmental Policy Act (NEPA) that water supplies, water conservation, and water use are all considered in the decision-making associated with regulatory permitting of the projects. Mr. Abbey indicated that the BLM is currently working on a Programmatic Environmental Impact Statement (PEIS), and invited the states to review the draft PEIS and provide comments. The draft PEIS can be accessed and reviewed at <http://solareis.anl.gov>.

U.S. Department of the Interior Launches a New Regional Climate Science Center and Water Census

I am including a news release from the U.S. Department of the Interior that announces the establishment of a new regional climate science center at the University of Arizona in Tucson, Arizona. Simultaneously with that announcement, the Department of the Interior announced that it will be conducting a water census in the Colorado River Basin. The Southwest Climate Center is the fourth of eight planned regional climate science centers and it will be focused on assessing the effects of climate change on regional river systems and the development of potential management activities to mitigate potential impacts. Other academic institutions that will be involved in the consortium at the University of Arizona include: UC-Davis; UCLA;

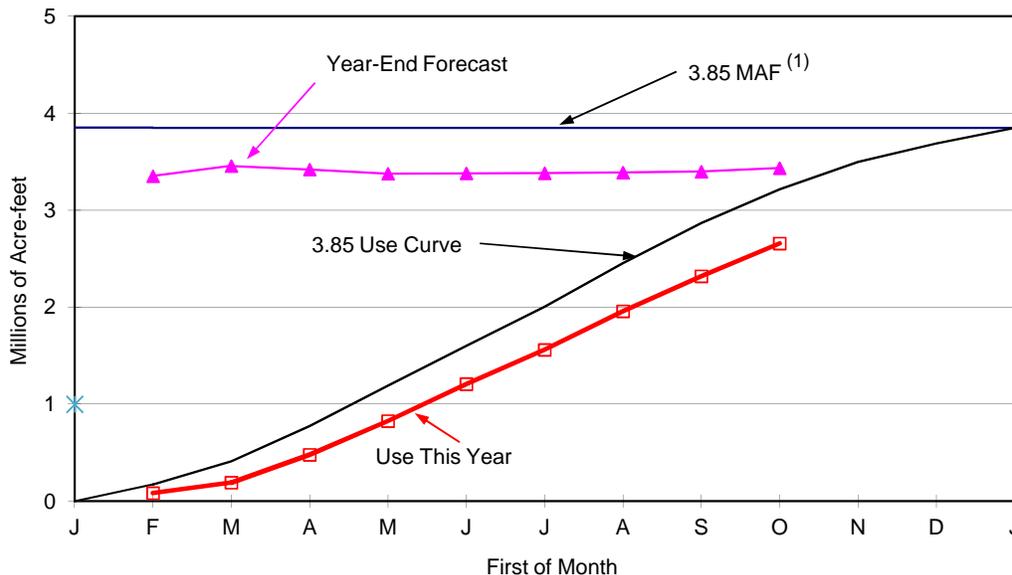
University of Nevada-Desert Research Institute, Reno; University of Colorado, Boulder; and Scripps Institution of Oceanography at UC-San Diego.

Also, as part of the Secretary's WaterSMART initiative, the USGS will be conducting a water census in the basin to evaluate water supplies, uses, and how much water may be needed to support ecosystems. The census is planned to take approximately three years to conduct. This is the first comprehensive water census to be conducted in the nation since 1978. Finally, this water census is intended to complement the River Basin Supply and Demand grant awarded for the Colorado River Basin by Reclamation in 2010. Two announcements describing the establishment of the regional climate science center and the water census are included in the Board folder for your information.

/S/Gerald R. Zimmerman

Gerald R. Zimmerman
Acting Executive Director

FIGURE 1
NOVEMBER 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	1.208	3.381	0.162
Jul	1.561	3.382	0.161
Aug	1.958	3.389	0.154
Sep	2.320	3.398	0.145
Oct	2.658	3.435	0.107
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.