

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

February 8, 2011

ADMINISTRATION

Approval of Board Meeting Minutes – January 12, 2011

A copy of the January 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.

Distribution of Board Meeting Agendas and Related Materials

In an effort to more effectively utilize available information technologies and conserve Board operating expenditures, Board staff have initiated a new process for distribution of Board meeting agendas and associated related materials. Actual mailings of meeting agendas and Board folders will still be performed for Board members and alternates. Concurrently with this mailing a mass electronic mail notification will be distributed containing a link to the Board's webpage (www.crb.ca.gov) and location of the meeting agenda will be posted. The posted agenda will also contain interactive hyper-links to any related materials that would be made available in the physical Board folder, and/or distributed at the meeting as handout materials. Taking this step will save the Board in excess of \$3,500.00 annually in postage and the cost of paper. There will also be a significant cost-savings associated with the staff-time that had been required in assembling the Board folders and preparing them for the mass-mailings. This new process will be fully implemented with the March 9th Board meeting.

Agency Managers' Meeting

The Agency Managers have not met since the Colorado River Board meeting on November 10, 2010.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of January 31, 2011, storage in the major Upper Basin reservoirs decreased by 680,100 acre-feet and storage in the Lower Basin reservoirs increased by 445,700 acre-feet during January 2011. Total System active storage as of January 31st was 32.141 million acre-feet (maf), or 54 percent of capacity, which is 0.945 maf less than one year ago (Upper Basin reservoirs increased by 0.109 maf and Lower Basin reservoirs decreased by 0.836 maf).

January releases from Hoover, Davis, and Parker Dams averaged 8,780, 8,160 and 6,360 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of February 2011, are 10,800, 10,500, and 8,100 cfs, respectively. The February releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of January 4th, 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 7.399 maf and is described as follows: Arizona, 2.792 maf; California, 4.363 maf; and Nevada, 0.243 maf. The Central Arizona Project (CAP) will divert 1.653 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 1.099 maf, which is 6,000 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 3.292 maf. This estimate is based on the collective use, through December 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 February 1st, the water level at the Lake Mead was at 1,091.83 feet above the mean sea level, and the storage was 10.773 maf, 41.6 percent of capacity, while the water level at Lake Powell was at 3,620.50 feet above the mean sea level and the storage was 13.816 maf, 56.8 percent of capacity.

Colorado River Operations

Government Accountability Office Report—“A Better and Coordinated Understanding of Water Resources Could Help Mitigate the Impacts of Potential Oil Shale Development”

As an information item, I have included a copy of the Executive Summary to an October 2010 report issued by the Government Accountability Office (GAO) associated with the potential impacts upon available water resources through the potential development of oil shale resources in Colorado and Utah. The report indicates that, based upon the oil extraction techniques used, between 40 gallons to as much as 500 gallons of water would be required for each barrel of oil extracted via the injection and cracking process e.g., in-situ underground heating, or surface heating). Further, the GAO indicates that while there may be sufficient water resources and supplies available during the initial development of an oil-shale deposit, the overall size of the industry in western Colorado and eastern-Utah may ultimately be limited due to water availability. Additionally, water supplies for this industry may be further limited because of increased demand from agricultural and municipal sectors, the potential for reduced water supplies associated with climate change, obligations under existing interstate compacts, and current and future environmental requirements. The full GAO report can be accessed at the GAO's website at <http://www.gao.gov/new.items/d1135.pdf>.

Workshop on “Climate Impacts on Extreme Events”—Sponsored by the Western Governors’ Association, Western States Water Council, and the California Department of Water Resources, San Diego, California, March 21-23, 2011

As an informational item, I have included a copy of the registration form and a brief description of a workshop on “Climate Impacts on Extreme Events” that is scheduled for March 21-23, 2011 in San Diego, California. The purpose of the workshop is to discuss developing methodologies for addressing climate changes and relationships to increased severity of frequency of extreme or severe weather events. The workshop is being co-sponsored by the Western Governors’ Association, the Western States Water Council, and the California Department of Water Resources.

Basin States Discussions

Status of Binational Discussions and Negotiations with Mexico

On February 5th, I received a letter, dated January 28th, from Reclamation Commissioner, Michael Connor, regarding the current status of binational discussions with Mexico on the Colorado River. In his letter, the Commissioner reiterated the Department of the Interior’s appreciation for all of the efforts of the Basin states in assisting in the discussions and negotiations resulting in the execution of Minute 318 between Mexico and the United States. The Commissioner went on to state that the Administration, the Department of the Interior, and the American Section of the International Boundary and Water Commission (IBWC) continue to be fully committed to working with Mexico in achieving a more comprehensive and long-term agreement on Colorado River issues. Toward this end, the Commissioner also committed to continue seeking and obtaining the input and support of the Basin states in achieving these goals. In the letter, the Commissioner also stated that the Department and IBWC have already communicated with Mexican representatives that the comprehensive package must include discussions on mechanisms that would reduce deliveries to Mexico during periods of low reservoir conditions in the U.S. caused by ongoing drought. I have included a copy of Commissioner Connor’s letter to Chairman Fisher in the Board folder. Additionally, I have included a copy of the executed final version of Minute 318 that was included as an attachment to the letter.

Status of the Colorado River Basin Water Study Report Process

In late-January 2011, Reclamation released a preliminary draft of three of the technical reports (i.e., Technical Reports A, B, and D) of the “Colorado River Basin Water Supply and Demand Study” (Basin Study) to members of the Project Team for review and comment. These four technical reports are main parts of the Interim Report No. 1, which covers Phases 1 and 2 of the Basin Study. The draft of Technical Report C will be made available on February 9th. Board staff have already ensured that copies of the report have been made available for review and comment by the California agencies participating in the process. If any of the agencies have comments on the first three reports made available, please forward those comments to the

Board's Principal Engineer. The Board will bundle and forward the collected comments to Reclamation's staff managing the project.

Additionally, the Project Team met in San Diego, California, on January 24-25, 2011, to discuss the interim report, review the schedule for remaining tasks, and identified next steps. The group also conducted break-out sessions to brainstorm options and strategies associated with addressing imbalances in water supply and demand, and opportunities for improving operational efficiencies, and developing a process for the identification and presentation of potential recommendations that would be included in later phases of the Basin Study-development process (i.e., Phase 3—System Reliability Analysis and Phase 4—Development and Evaluation of Opportunities). Reclamation and the Project Team anticipate adhering to a schedule leading to completion of the Basin Study Interim Report No. 1 by mid-March 2011.

Reclamation's Draft Environmental Assessments—"Development and Implementation of a Protocol for High-Flow Experimental Releases from Glen Canyon Dam, Arizona, 2011-2020" and "Non-Native Fish Control Downstream from Glen Canyon Dam"

On January 14th, Reclamation issued a draft Environmental Assessment (DEA) associated with the proposed development and implementation of Protocol for High-Flow Experimental Releases from Glen Canyon Dam for the period 2011 through 2020. Subsequently, on January 28th, Reclamation released its DEA for Non-Native Fish Control Downstream of Glen Canyon Dam.

The purpose of the High-Flow Releases Protocol alternatives analyzed in the DEA are two-fold, and include: (1) the develop and implement a protocol that determines when and under what conditions to conduct experimental high volume releases from Glen Canyon Dam, and (2) to evaluate the parameters of high-flow releases in conserving sediment to benefit downstream resources in Glen, Marble, and Grand Canyons.

The purpose of the Non-Native Fish Control alternatives analyzed in its DEA is to minimize the negative impacts of competition and predation on the federally-listed endangered humpback chub (*Gila cypha*) in the Grand Canyon. The proposed non-native fish control action is required because of increased competition and predation by rainbow and brown trout. The trout were introduced into the region and are currently managed as a sport-fishery resource. Comments may be provided to Reclamation's Upper Colorado Regional Office; and for the High-Flow Releases Protocol are due on February 14th, and for the Non-Native Fish Control DEA are due on February 28th. Both DEAs can be accessed via Reclamation's website at <http://www.usbr.gov/uc> and then accessing the hyperlink labeled "Environmental Documents."

Finally, in a related vein, on February 1st, the seven Basin states sent a letter to Reclamation's Upper Colorado Regional Director, Mr. Larry Walkoviak, requesting an extension of the public comment review period. The rationale for the comment review period extension request is that the states believe that it will take additional time to review the DEAs and related materials in order to ensure that any comments and recommendations are fully and adequately reviewed and analyzed in a meaningful fashion. I have included a copy of the Basin states' letter to Reclamation in the Board folder.

Water Quality

Status of the Groundwater Remediation Project at the PG&E Topock Gas Compressor Station

Finally, you will find, in the Board folder, a copy of the comment letter that Board staff provided to the California Department of Toxic and Substances Control on January 27th associated with the Board's review of the "Topock Groundwater Remediation, Final Environmental Impact Report" (FEIR). In its comment letter, the Board indicates its support for the preferred alternative of "In-situ Treatment with Fresh Water Flushing." The FEIR indicates that this alternative has the best opportunity for addressing the hexavalent chromium contamination of the local aquifer at the PG&E Topock Gas Compressor Pumping Station adjacent to the Colorado River south of Needles, California.

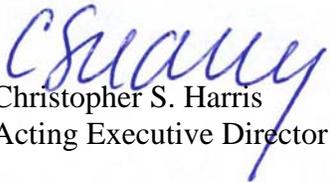
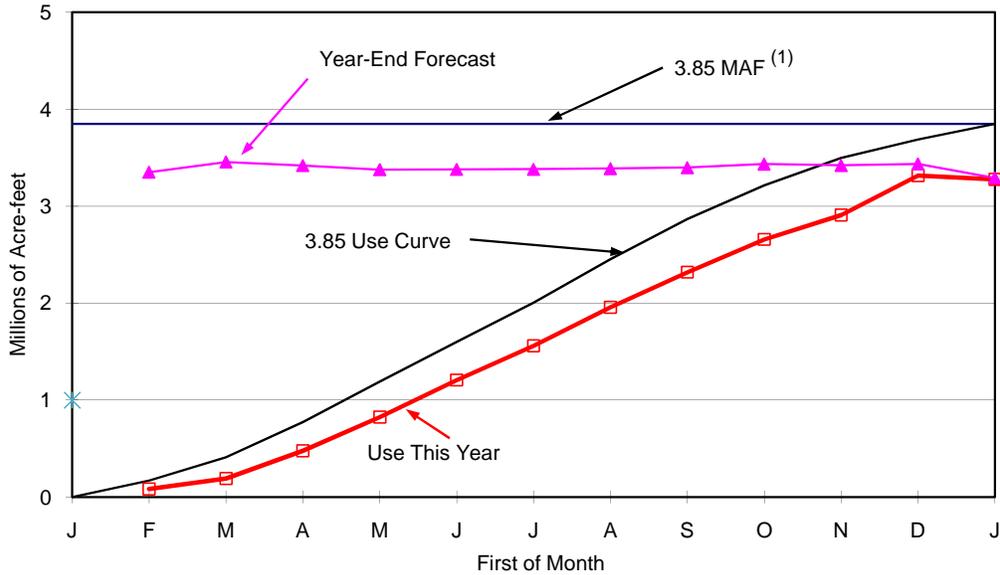

Christopher S. Harris
Acting Executive Director

FIGURE 1
FEBRUARY 1, 2011 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	0.145
Mar	0.192	3.456	0.041
Apr	0.479	3.421	0.075
May	0.826	3.378	0.118
Jun	1.208	3.381	0.116
Jul	1.561	3.382	0.114
Aug	1.958	3.389	0.108
Sep	2.320	3.398	0.098
Oct	2.658	3.435	0.061
Nov	2.910	3.422	0.075
Dec	3.317	3.436	0.061
Jan	3.277	3.292	0.204

(1) The forecast of unused water is based on the availability of 3.496 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 29,807 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 and 1,500 AF of water IID is conserved to create Extraordinary Conservation Intentionally Created Surplus. 78,503 AF has been subtracted for IID's Salton Sea Salinity Management. As USBR is charging 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.