

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

**August 10, 2010**

**ADMINISTRATION**

Approval of Board Meeting Minutes – July 14, 2010

A copy of the July 14<sup>th</sup> 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.

Appointment of Mr. John Seiler as an Alternate Member to the Board

On July 26<sup>th</sup> Governor Schwarzenegger appointed Mr. John Seiler as an Alternate Member of the Board, representing the Palo Verde Irrigation District (PVID). Mr. Seiler is a resident of Blythe, California, and has been a partner in Jack Seiler Farms since 1980. Additionally, Mr. Seiler has been on the PVID Board of Directors since 2006. I would like to take this opportunity, on behalf of the staff, to formally welcome Mr. Seiler to the Board. A copy of the press release announcing the Governor's appointment of Mr. Seiler to the Board is included in the Board folder.

Governor Schwarzenegger's Executive Order S-12-10

On July 28<sup>th</sup> Governor Schwarzenegger issued an executive order reinstating the three-furlough-days per month, effective August 1<sup>st</sup>. The Governor has taken this action because of the lack of an approved state budget. I have included a copy of the Governor's executive order in the Board folder.

Since issuing the executive order, an Alameda Superior Court judge has issued a temporary restraining order blocking the furloughs. Governor Schwarzenegger has indicated that he plans to appeal this ruling.

Agency Managers' Meeting

Following the July 14<sup>th</sup> Board meeting, there was a short meeting of the Agency Managers and agency technical staff associated with the status of the ongoing discussions with Mexico. At the meeting, the current U.S. proposal and Mexican counter-proposals were discussed, in an effort to develop a consensus California position in future Basin states and Bi-National discussions. Additionally, there have been a number of meetings and conference calls involving the Agency Managers regarding these discussions with Mexico. I anticipate there will be further meetings and conference calls as those discussions progress toward reaching a deal that is acceptable to both the United States and Mexico.

## PROTECTION OF EXISTING RIGHTS

### Colorado River Water Report

As of August 1, 2010, storage in the major Upper Basin reservoirs decreased by 337,000 acre-feet and storage in the Lower Basin reservoirs decreased by 210,900 acre-feet during July 2010. Total System active storage as of August 2<sup>nd</sup> was 34.174 million acre-feet (maf), or 57 percent of capacity, which is 1.315 maf less than one year ago (Upper Basin reservoirs decreased by 0.767 maf and Lower Basin reservoirs decreased 0.548 maf).

July releases from Hoover, Davis, and Parker Dams averaged 15,310, 14,850 and 12,100 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2010, are 13,700, 13,500, and 10,000 cfs, respectively. The August releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir.

As of August 2<sup>nd</sup>, 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 7.373 maf and is described as follows: Arizona, 2.795 maf; California, 4.306 maf; and Nevada, 0.272 maf. The Central Arizona Project (CAP) will divert 1.664 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 1.082 maf, which is 23,000 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 3.382 maf. This estimate is based on the collective use, through June 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 August 5<sup>th</sup>, the water level at the Lake Mead was at 1,087.0 feet above the mean sea level, and the storage was 10,363 maf, 40 percent of capacity, while the water level at Lake Powell was at 3,636.6 feet above the mean sea level and the storage was 15,609 maf, 64 percent of capacity.

### Colorado River Operations

#### *2011 Annual Operating Plan for the Colorado River System and Reservoirs*

As we discussed at the July Board meeting, the first consultation meeting among interested stakeholders in development of the draft of the 2011 Annual Operating Plan for the Colorado River System Reservoirs (AOP) was held on June 25, 2010. During the meeting a number of comments were received by Reclamation on the initial draft of the 2011 AOP;

however, none of the comments affected the Secretarial determinations contained in the draft 2011 AOP. Currently, the draft 2011 AOP contains the following Secretarial determinations:

- Upper Basin Delivery – The annual release volume from Lake Powell during water year 2011 shall be consistent with Section 6.B (Upper Elevation Balancing Tier) of the Interim Guidelines; and shall be 8.23 million acre-feet unless conditions cause Section 6.B.3 or Section 6.B.4 to apply;

The Interim Guidelines provide for adjustments to Glen Canyon Dam operations in April 2011 based upon the April 24-Month Study that would result in a water year release greater than 8.23 MAF. As such, current projections under the most probable inflow scenario are that the August 2010 24-Month Study would indicate that the operations of Glen Canyon Dam would begin the year under an 8.23 MAF release and that an April adjustment would occur and result in the Equalization Tier governing operations of Glen Canyon Dam for the remainder of the water year;

- Lower Basin Delivery – Taking into account (1) the existing water storage conditions in the basin, (2) the most probable near-term water supply conditions in the basin, and (3) Section 2.B.5 of the Interim Guidelines, the Intentionally Created Surplus (ICS) Surplus Condition is the criterion governing the operation of Hoover Dam for calendar year 2011 in accordance with Article III(3)(b) of the Operating Criteria and Article II(B)(2) of the Consolidated Decree;
- No unused apportionment for calendar year 2011 is anticipated. If any unused apportionment becomes available after adoption of the 2011 AOP, Reclamation shall allocate any such unused apportionment in accordance with Article II(B)(6) of the the Consolidated Decree;
- Colorado River water may be stored off-stream pursuant to individual Storage and Interstate Release Agreements (SIRAs) and 43 CFR Part 414 within the Lower Division States. The Secretary shall make Intentionally Created Unused Apportionment (ICUA) available to contractors in the Lower Division States pursuant to SIRAs and 43 CFR Part 414;
- The Inadvertent Overrun and Payback Policy will be in effect during calendar year 2011;
- The Interim Guidelines adopted the ICS mechanism that encourages the efficient use and management of Colorado River water in the Lower Basin. ICS may be created and delivered in 2011 pursuant to the Interim Guidelines and appropriate delivery and forbearance agreements; and
- U.S.-Mexico Water Treaty Delivery – A volume of 1.5 MAF will be available to be scheduled for delivery to Mexico during calendar year 2011 in accordance with Article 15 of the 1944 United States-Mexico Water Treaty and Minutes 242 and 314 of the International Boundary and Water Commission (IBWC).

Since the consultation meeting held on June 25<sup>th</sup>, an issue has risen regarding language included in the 2011 AOP that references the authority that the Secretary of the Department of the Interior has with regard to “stewardship and responsibility for a wide range of natural, cultural, recreational, and tribal resources along the Colorado River and its tributaries that may be affected by system operations.” It is believed that this broad statement over states the existing authority that the Secretary actually possesses. As a result, representatives of the Basin states are working on alternative language that could be included in this paragraph that more accurately reflects the Secretary’s authority.

The next consultation meeting among interested stakeholders in development of the 2011 AOP is scheduled to be held on August 26, 2010, in Las Vegas, Nevada. The final Consultation meeting is scheduled to be held on September 24, 2010, in Las Vegas, Nevada.

#### *Arizona Water Banking Authority’s Certification of Intentionally Created Unused Apportionment for Calendar-Year 2009*

On June 29<sup>th</sup>, the Arizona Water Banking Authority (AWBA) issued a final verified accounting of the Southern Nevada Water Authority’s (SNWA) Interstate Account for Calendar-Year 2009. In the report, the AWBA certifies that SNWA started the year with 527,520 acre-feet of long-term storage credits (LTSC) and that during the year, SNWA earned 55,252 acre-feet of new LTSC. As a result, SNWA has a total of 582,772 acre-feet of LTSC in its account, with 532,772 acre-feet available for recovery and diversion after the cut to the aquifer and operational and evaporation losses have been taken into account. A copy of the AWBA’s final accounting has been included in the Board folder.

#### Basin States Discussions

##### *Status of Bi-National Projects and Programs with Mexico*

As discussed at the July Board meeting, the discussions with Mexico are progressing. Several meetings have been held among representatives of the Basin states and their technical representatives to develop a response to the draft Minute 318 that contains Mexico’s proposal on a comprehensive deal 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.

As reported at the July Board meeting, the Bi-National meeting that was scheduled for July 16<sup>th</sup> in Las Vegas, Nevada, to begin negotiations on the key terms to be included in Minute 318 was postponed due to extensive flooding in Mexico. This July 16<sup>th</sup> meeting was rescheduled and held on August 6<sup>th</sup>. That delay in holding the first negotiating session with Mexico allowed the representatives needed time to agree on a unified response to Mexico dealing with the key terms to be included in Minute 318, which were shared with Mexico prior to the August 6<sup>th</sup> meeting. During the August 6<sup>th</sup> meeting, IBWC and Department of the Interior representatives presented the United States position on the key terms to be included in Minute 318.

As I understand, Mexico raised some concerns with several of the provisions that were contained in the United States proposal and the Mexican delegation is planning to provide a counter offer at the next meeting that is scheduled to be held in El Paso, Texas on September 10, 2010. In the meantime, modelers from the United States and Mexico plan to hold a technical modeling meeting in El Paso, Texas, on August 25<sup>th</sup> and 26<sup>th</sup> in an attempt to reconcile the differences in the results that are occurring in the model runs by the two countries.

The ongoing discussions regarding development of the key terms to be included in Minute 318 will be further discussed at the Board meeting.

#### *H.R. 4719 – Southwest Border Region Water Task Force*

Several members in the U.S. House of Representatives have introduced proposed legislation that would create a “Southwest Border Region Water Task Force” to address (1) the water needs of border communities, (2) assess whether those water needs are being met, and (3) if those needs are not being met, make proposals as to how those needs could be met. The proposed legislation would create a task force composed of a representative from the Southwest Border Regional Commission, the EPA, USDA, HUD, USACE, Economic Development Commission, Indian Health Service, Reclamation, and relevant state agencies (from the states of Arizona, California, New Mexico, and Texas). I have included a copy of the proposed legislation in the Board folder.

#### *Lower Basin States Letter to Director of the Bureau of Land Management Regarding Water Efficient Solar Power*

The Lower Basin states are in the process of preparing a letter to BLM Director, Robert Abbey, regarding the siting and development of concentrated solar power projects on public lands administered by the BLM and the long-term impacts that such development may have on the water supplies. While the Lower Basin states support the goal of energy independence and implementation of more solar power projects across the southwestern region, there is concern that water uses associated with these projects may not be utilizing best management practices and efficient technologies. The letter requests that BLM include provisions in future right-of-way grants or leases that require use of best management practices (BMPs) and water use efficient technologies. Included in the Board folder is a copy of the draft letter that representatives of the three Lower Division states are working on, and request authorization from the Board for me to sign the letter when it is finalized.

#### Colorado River Environmental Programs

##### *Glen Canyon Dam Adaptive Management Program (GCDAMP)*

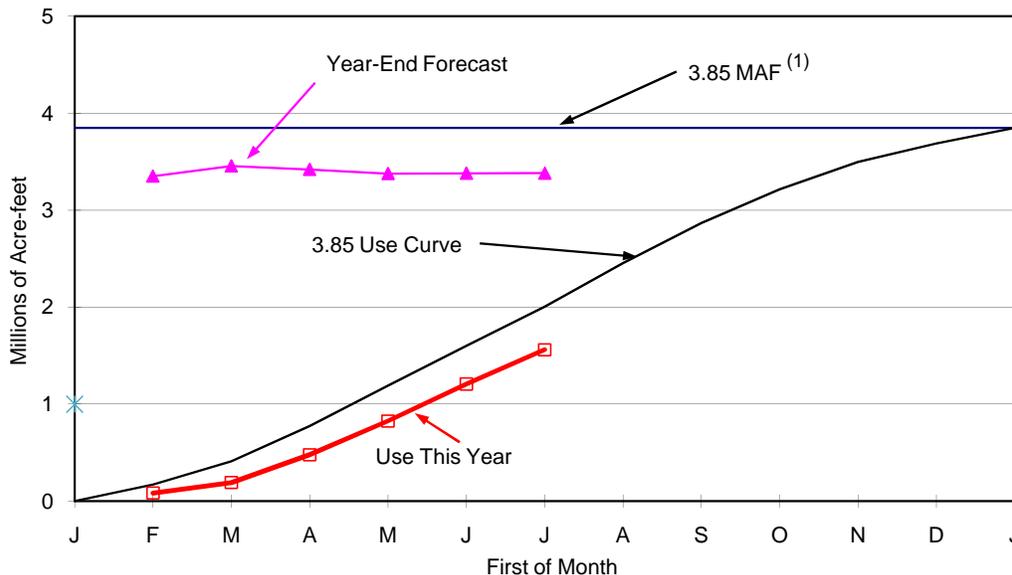
The Glen Canyon Dam Adaptive Management Work Group (AMWG) is scheduled to meet in Phoenix, Arizona, on August 24-25, 2010. In addition to receiving status reports, the primary purpose of the AMWG meeting will be to approve the work plan and budget for the upcoming year, as well as, approve a potential water-year hydrograph governing releases from Glen Canyon Dam.

In the context of the adoption of a proposed hydrograph for releases from the Glen Canyon Dam, consideration will be given to the total volume of water to be released from Lake Powell pursuant to the 2011 AOP, the sediment budget of the Glen and Grand Canyon reaches of the mainstream Colorado River, and the needs of the terrestrial and aquatic species being managed under the tenets of the GCDAMP. Currently, three potential release scenarios are being evaluated: 9.0 maf, 11.5 maf, and 13.0 maf. Because of the large volume of water that is projected to be released, consideration has been given to restricting the maximum daily release from Glen Canyon Dam to 16,000 cubic feet per second (cfs). This has caused concern from the power customers and others because it limits the peaking power capability and it may not be consistent with the 1996 Record of Decision regarding operations of Glen Canyon Dam. The maximum daily release contained in the 1996 Record of Decision is 25,000 cfs.

/s/Gerald R. Zimmerman

Gerald R. Zimmerman  
Acting Executive Director

**FIGURE 1**  
**AUGUST 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			
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.