

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

July 12, 2011

ADMINISTRATION

Approval of Board Meeting Minutes – June 15, 2011

A copy of the draft June 15th Board meeting minutes have been included in the Board folder for review and consideration. I am respectfully requesting the Board's approval and adoption of the minutes of the June 15th Board meeting.

AGENCY MANAGERS' MEETING

A brief meeting of the Agency Managers will be held immediately following the conclusion of the July 13th Board meeting. The purpose for the meeting is to discuss and potentially receive input from the agencies regarding the various demand sets currently being utilized in the Basin Study Report. The Basin Study project consultants are anticipated to be contacting California Colorado River agencies to look at potential issues regarding current trend demands. Also, Agency staff that attended the recent Basin Study meeting in San Diego can provide further information to the Agency Managers and technical staff during this short meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of July 1, 2011, storage in the major Upper Basin reservoirs increased by 3,488,800 acre-feet and storage in the Lower Basin reservoirs increased by 334,200 acre-feet during June 2011. Total System active storage as of July 4th was 37.366 million acre-feet (maf), or 63 percent of capacity, which is 2.724 maf more than one year ago (Upper Basin reservoirs increased by 1.539 maf and Lower Basin reservoirs increased by 1.185 maf).

June releases from Hoover, Davis, and Parker Dams averaged 15,780, 16,030, 11,900 and 11,240 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of July 2011, are 16,000, 15,500, and 12,400 cfs, respectively. The July releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir and storage in the Warren H. Brock (Drop 2) Reservoir.

As of July 6th, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2011, as forecasted by Reclamation, totals 7.183 maf and is described as follows: Arizona, 2.767 maf; California, 4.153 maf; and Nevada, 0.263 maf. The Central Arizona Project (CAP) will divert 1.583 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 0.631 maf, which is 468,000 acre-feet less than its 2010 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2011 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 3.510 maf. This estimate is based on the collective use, through May 2011, 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 July 10th, the water level at the Lake Mead was at 1,103.98 feet above the mean sea level, and the storage was 11.850 maf, 45.8 percent of capacity, while the water level at Lake Powell was at 3,655.23 feet above the mean sea level and the storage was 17.876 maf, 73.5 percent of capacity.

Colorado River Operations

Reclamation's Letter to IBWC Regarding Revised Schedule of Calendar Year 2011 Water Deliveries to Mexico

On June 21st, Reclamation notified the American Section of the International Boundary and Water Commission (IBWC) confirming that it was modifying the Calendar Year 2011 schedule for deliveries of Colorado River water to Mexico. This modification was the result of a request for schedule modification placed by Mexico with the IBWC. The requested modification consists of an increase of 2,941 acre-feet for the month of June and a corresponding decrease for the month of August. I have included a copy of Reclamation's letter to IBWC confirming the modification in the Board folder.

Reclamation's Letter to the Fort Mojave Indian Tribe regarding Calendar Year 2011 Inadvertent Overrun and Payback Policy Payback Obligation in California

On June 28th, Reclamation's Lower Colorado Regional Director notified the Fort Mojave Indian Tribe (FMIT) that it was willing to continue meeting with the Tribe in an effort to resolve any outstanding concerns associated with the Tribe's development and implementation of an approved Inadvertent Overrun and Payback Plan for an overrun incurred during Calendar Year 2009. According to Reclamation, the FMIT has an overrun of 4,557 acre-feet associated with its diversions and consumptive uses on the California portion of its reservation. The FMIT disputes this amount, and believes that it incurred an overrun of 2,255 acre-feet. Reclamation is endeavoring to schedule a meeting with FMIT staff to develop a feasible plan to meet the FMIT payback obligation, and the actual amount to be repaid. A copy of Reclamation's

letter has been included as a handout material. The two letters erroneously included in the Board folder are from Calendar Year 2010 and are associated with earlier overruns incurred for the period between Calendar Years 2004 and 2009.

News Article Regarding the Blythe Solar Power Energy Project

In a news release, dated June 17th, the U.S. Department of the Interior announced the groundbreaking of the Solar Millennium's Blythe Solar Power Project. The project, when completed, will be the world's largest solar powered energy plant, and is estimated to cost \$4 billion. The U.S. Department of Energy has pledged a \$2.1 billion loan guarantee in support of the project. The first phase of the project is estimated to employ approximately 1,000 people, and create hundreds of permanent jobs. A copy of the news release has been included in the Board folder.

Pacific Institute's Release of a New Report—"Municipal Deliveries of Colorado River Basin Water"

In June 2011, the Pacific Institute released a new report entitled, "Municipal Deliveries of Colorado River Basin Water." The intent of the report was to provide an overview and description of population and water delivery information and trends for 100 cities and water agencies that use Colorado River Basin water. The report can be accessed and downloaded from the Pacific Institute's webpage at <http://www.pacinst.org/>. I have included a copy of the cover page and the Executive Summary from the report in the Board folder.

News Update on the Flaming Gorge Pipeline Proposal

I have included in the Board folder a recent article from the Wyoming Business Report regarding the current status of the Flaming Gorge Pipeline Project proposal from Mr. Aaron Million. As was discussed at the June Board meeting, the U.S. Army Corps of Engineers has halted work on an environmental review of the project proposal as Mr. Million is evaluating whether the Federal Energy Regulatory Commission might be the better federal lead agency for the project. Mr. Million is considering whether the addition of hydroelectric energy generation capability could be feasibly incorporated into the project.

Mojave Desert Heritage and Cultural Association's Letter Regarding the Cadiz Valley Water Conservation, Recovery and Storage Project

A copy of a comment letter from the Mojave Desert Heritage and Cultural Association (MDHCA) to landowners in the eastern Mojave Desert region of California has been included in the Board folder. The MDHCA is concerned that elements of the proposed Cadiz Valley Water Project may have long-term negative impacts on groundwater supplies for local landowners in and around the Cadiz Valley. Apparently, the MDHCA is concerned that removal of 50,000 acre-feet of groundwater annually from the Fenner Watershed may contribute to declining water levels affecting small well owners. The MDHCA is asking that Cadiz develop a robust groundwater monitoring program, and do a more thorough job of notifying the public about the project and its potential ramifications.

Ms. Jayne Harkins, P.E. Appointed as Executive Director of the Colorado River Commission of Nevada

As many of you may be aware, on June 21st, the Colorado River Commission of Nevada announced that it had appointed Ms. Jayne Harkins as its new Executive Director to replace Mr. George Caan who left for a new job in Olympia, Washington. Until her appointment, Ms. Harkins worked for Reclamation, with much of her career spent in Reclamation's Lower Colorado Regional Office, and the last few years as Deputy Regional Director. Ms. Harkins will start her new duties with the Commission on August 1st. I have included in the Board folder a short news clipping announcing her appointment.

Basin States Discussions

Status of Binational Discussions/Negotiations

A short conference call was held among Basin States' representatives and Reclamation's leadership staff, including Reclamation Commissioner Michael Connor, on July 11th. The purpose of the call was to provide a brief overview of the current status of the ongoing binational discussions for improved Colorado River water management between Mexico and the United States. Commissioner Connor reported that the June meeting in Tijuana was largely focused on getting the process started again, and did not delve into significant technical or substantive policy issues. Commissioner Connor is currently promoting a transition from a process largely focused on technical issues to one more geared toward dealing with the substantive policy and implementation issues that need to be addressed by the two countries (e.g., issues related to ICMA, criteria for shortages, coordinated operations, etc.). Commissioner Connor also indicated that he was looking forward to meeting with IBWC Commissioner Drusina in the near future to begin working on a schedule that could help facilitate this transition, with the goal of potentially reaching substantive agreement with Mexico that could result in issuance of Minute 319 in late-2011 or early-2012.

Commissioner Connor also reiterated Interior's commitment to maintain open and effective communication with the Basin states during the course of the binational process, and that it continued to be important to have an ongoing dialog with the states and receive feedback. In the same vein, the Commissioner believes that it is important to have the full involvement of Mexico's ConAgua as well as the Mexican Section of the IBWC (i.e., CILA) as the discussion and negotiation process moves forward. Commissioner Connor also reported that Lower Colorado Deputy Regional Director Terry Fulp will replace Ms. Jayne Harkins as Reclamation's lead in the binational process.

Colorado River Environmental Issues

Status of the Glen Canyon Dam Adaptive Management Program

On July 5th, Secretary Salazar announced the initiation of the development of the "Long-Term Experimental and Management Plan" (LTEMP) for Glen Canyon Dam. This public

process, to be co-led by Reclamation and the National Park Service, is intended to be the first comprehensive review of Glen Canyon Dam operations in approximately 15 years (i.e., since the completion of the 1995 EIS), and will ensure that flow regimes on the Colorado River below the dam continue to meet the goals of meeting downstream water supply and hydroelectric power needs, as well as protecting the downstream natural and cultural resources of the Glen and Grand Canyon ecosystems. The LTEMP will guide future experimental and management actions as part of the on-going Glen Canyon Dam Adaptive Management Program. Public scoping meetings will be held later this year in anticipation of the development of an Environmental Impact Statement to fully analyze the potential impacts of implementing the LTEMP. I have included a copy of the Department of the Interior's news releases and *Federal Register* Notice of Intent (dated July 5, 2011) in the Board folder.

Additionally, on July 5th, Reclamation released its draft Environmental Assessment (EA) describing potential impacts associated with the "Development and Implementation of a Protocol for High-Flow Experimental Releases from Glen Canyon Dam, Arizona, 2011 through 2020." The draft EA is intended to evaluate the impacts associated with short-duration, high-volume dam releases during sediment-enriched conditions for a ten-year period of experimentation. The purposes of the action are: (1) to develop and implement a protocol that determines when and under what conditions to conduct experimental high-volume releases, and (2) to evaluate the parameters of high-flow releases in conserving sediment to benefit downstream natural and cultural resources in Glen, Marble, and Grand Canyons. Finally, this experimental protocol is intended to be part of the on-going implementation of the Glen Canyon Dam Adaptive Management Program, comply with the Grand Canyon Protection Act of 1992, and follow the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lakes Powell and Mead.

WATER QUALITY

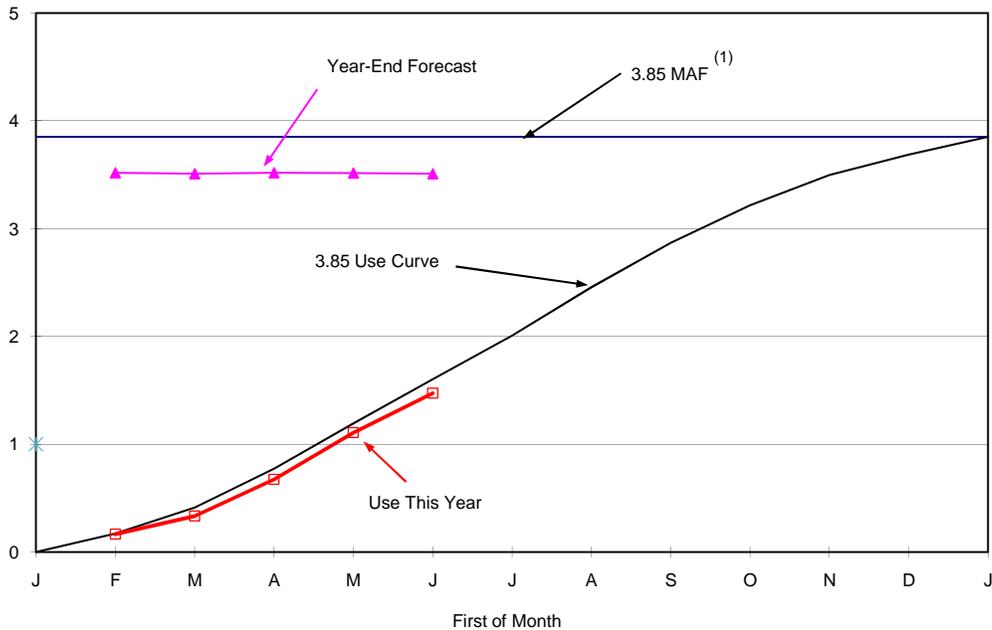
Colorado River Basin Salinity Control Forum—Triennial Review

During its late-May meeting, the Forum reviewed and adopted the May 2011 draft of the Triennial Review, *Water Quality Standards for Salinity, Colorado River System*, as the version to be released for public review and comments in August of 2011. The Forum determined that it was not necessary to change the existing numeric criteria and that with the Triennial Review's approved Plan of Implementation that there is very little probability that the numeric criteria will be exceeded. The 2011 Triennial Review Report has now been released for review and comment. Comments on the draft 2011 Review should be submitted by August 15th, and can be submitted to the Board. Additionally, a copy of the draft 2011 Review has been posted to the Board's webpage at <http://crb.ca.gov/PublicNotice.html>.



Christopher S. Harris
Acting Executive Director

**FIGURE 1
 JULY 1, 2011 FORECAST OF 2011 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	0.167	3.519	0.023
Mar	0.335	3.509	0.033
Apr	0.674	3.518	0.024
May	1.107	3.515	0.027
Jun	1.473	3.510	0.032
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

(1) The forecast of unused water is based on the availability of 3.542 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 1988 IID-MWD-CVWD-PVID Agreement as amended; 80,000 AF of conserved water available to SDCWA under the IID-SDCWA Transfer Agreement as amended being diverted by MWD; as estimated 29,000 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 25,000 AF of water IID is conserving to create Extraordinary Conservation Intentionally Created Surplus. 0 AF has been subtracted for IID's Salton Sea Salinity Management in 2011. As USBR is charging uses by Yuma Island pumpers to priority 2, the amount of unused water has been reduced by those uses - 6,530 AF. The CRB does not concur with USBR's viewpoint on this matter.