

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

May 18, 2011

ADMINISTRATION

Approval of Board Meeting Minutes – April 13, 2011

A copy of the April 13th Board meeting minutes will be distributed with the Board meeting materials for the regularly scheduled June 15th Board meeting. I will be asking for approval and adoption of the April meeting minutes at the June 15th Board meeting.

Proposed Fiscal-Year 2011/2012 Budget for the Colorado River Board of California

I am including in the Board materials a copy of the proposed budget for the Colorado River Board of California, Six-Agency Committee, and Colorado River Authority. The total requested budget for the Board is \$1,680,400 for Fiscal-Year 2011/2012. This is \$212,200 less than the total amount approved in the FY-2010/2011 budget. I am requesting that Board members review these budget materials for proposed approval and adoption at the June 15th Board meeting.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

As of May 1, 2011, storage in the major Upper Basin reservoirs increased by 115,010 acre-feet and storage in the Lower Basin reservoirs decreased by 43,800 acre-feet during April 2011. Total System active storage as of May 15th was 31.856 million acre-feet (maf), or 53 percent of capacity, which is 1.023 maf less than one year ago (Upper Basin reservoirs decreased by 0.967 maf and Lower Basin reservoirs decreased by 0.057 maf).

April releases from Hoover, Davis, and Parker Dams averaged 18,120, 17,600 and 13,230 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of May 2011, are 16,800, 16,400, and 11,900 cfs, respectively. The May 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 May 16th, 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 7.137 maf and is described as follows: Arizona, 2.771 maf; California, 4.100 maf; and Nevada, 0.266 maf. The Central Arizona Project (CAP) will divert 1.549 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 0.578 maf, which is 521,000 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 3.520 maf. This estimate is based on the collective use, through March 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 May 16th, the water level at the Lake Mead was at 1,095.57 feet above the mean sea level, and the storage was 11.098 maf, 42.9 percent of capacity, while the water level at Lake Powell was at 3,615.89 feet above the mean sea level and the storage was 13.332 maf, 54.8 percent of capacity.

Colorado River Operations

Revised Schedule of Calendar Year 2011 Water Deliveries to Mexico

In an April 25th letter, Reclamation announced that it had been notified by Mexico that it was requesting a modification to the 2011 delivery schedule of Colorado River water to Mexico. The delivery modifications include an increase of 2,941 acre-feet to be delivered to the Cienega de Santa Clara wetland complex (pursuant to Minute 316), and to cancel deliveries to Tijuana in May and June. I am including a copy of Reclamation's letter announcing these delivery and schedule modifications in the Board materials packet.

Reclamation's Verification of 2009 Extraordinary Conservation Intentionally Created Surplus Created by The Metropolitan Water District of Southern California

In a letter, dated April 29, 2011, Reclamation acknowledged the verification of MWD's efforts to create 55,836 acre-feet of Extraordinary Conservation Intentionally Created Surplus (EC ICS) during calendar year 2009. MWD created this EC ICS water supply through funding and implementation of its forbearance and fallowing program within the Palo Verde Irrigation District (PVID). The 55,836 acre-feet of created EC ICS will be subject to the one-time deduction of five (5) percent for the benefit of additional system storage in Lake Mead, pursuant to the Interim Guidelines. A copy of Reclamation's verification letter to MWD has been included in the Board materials packet.

Reclamation's Verification of 2009 Muddy River and Virgin River Tributary Conservation Intentionally Created Surplus Created by the Southern Nevada Water Authority

In a letter, dated April 29, 2011, Reclamation acknowledged the verification of SNWA's efforts to create 13,207 acre-feet of Muddy River Tributary Conservation ICS and 13,293 acre-feet of Virgin River Tributary Conservation ICS during calendar year 2009, for a total of 26,500 acre-feet of Tributary Conservation ICS. The 26,500 acre-feet of SNWA's Tributary

Conservation ICS will be subject to the one-time deduction of five (5) percent for the benefit of additional system storage in Lake Mead, pursuant to the Interim Guidelines. A copy of Reclamation's verification letter to SNWA has been included in the Board materials packet.

Reclamation's Verification of 2009 Extraordinary Conservation Intentionally Created Surplus Created by the Imperial Irrigation District

In a letter, dated May 9, 2011, Reclamation acknowledged the verification of IID's efforts to create 12,000 acre-feet of Extraordinary Conservation Intentionally Created Surplus (EC ICS) during calendar year 2009. IID created this EC ICS water supply through implementation of the main canal seepage interception project. The 12,000 acre-feet of created EC ICS will be subject to the one-time deduction of five (5) percent for the benefit of additional system storage in Lake Mead, pursuant to the Interim Guidelines. A copy of Reclamation's verification letter to IID has been included in the Board materials packet.

Reclamation's Verification of 2010 Inadvertent Overrun Payback by Gila Monster Farms and the Fort Mojave Indian Tribe—California Reservation

On May 9th, Reclamation's Lower Colorado Regional Office notified the Gila Monster Farms (Arizona) and the Fort Mojave Indian Tribe (California Reservation) that it had verified each entity's inadvertent overrun and payback as described in their 2010 Payback Plans. Both, the Gila Monster Farms and the Fort Mojave Indian Tribe, utilized land-fallowing programs to reduce overall diversions and consumptive use of mainstream water during the payback period. For the Gila Monster Farms, its implementation of extraordinary conservation resulted in establishing a credit of 603 acre-feet that was applied to payback of the Farm's overrun account balance. Similarly, the Fort Mojave Indian Tribe's extraordinary conservation measures resulted in the development of a credit of 4,070 acre-feet that was applied to the payback of its overrun account balance. I have included copies of both of Reclamation's letters in the Board materials packet.

Basin States Discussions

Status of the Colorado River Basin Water Study Report Project

The Basin states and Reclamation continue to work diligently at finalizing Interim Report No. 1 of the Colorado River Basin Water Supply and Demand Study (Study Report). The Steering Team participants have provided significant comments on drafts of Technical Reports A (Scenario Development), B (Water Supply Assessment), C (Water Demand Assessment), and D (System Reliability Metrics). Reclamation is in the process of preparing the Study Report for an anticipated release of the draft for public review and comment in late-May.

The Upper Basin states expressed concern that there was not enough information associated with the major tributaries in the Lower Basin (i.e., the Little Colorado, Virgin, Bill Williams, and Gila Rivers). After discussion among the Basin states and Reclamation, Reclamation has agreed to address the Lower Basin tributaries in the following fashion—

For the Little Colorado, Virgin, and Bill Williams Rivers:

- Provide Lower Basin tributary data from Reclamation’s “Consumptive Uses and Losses” Reports (1971-2005), recognizing that there are accuracy and interpretation issues associated with this data;
- Summarize other data sources (e.g., Arizona Water Atlas, Utah State Water Reports, etc.), and discuss disparity issues;
- Reclamation is committed to ‘clean-up’ and re-assess the data currently reported in the “Consumptive Uses and Losses” report; but that this work is *not* part of the Basin Study Report process; and
- Reclamation is committed to modifying the existing CRSS model to include natural flows on these tributaries, but that this work would also *not* be part of the Basin Study Report process or schedule.

For the Gila River System:

- Provide Lower Basin tributary data from Reclamation’s “Consumptive Uses and Losses” Reports (1971-2005) for the Gila River Basin, recognizing that there are accuracy and interpretation issues associated with this data;
- Summarize other data sources for the Gila River Basin (e.g., Arizona Water Atlas, Globe Equity No. 59 “*Gila Decree*”, etc.), and discuss disparity issues;
- Reclamation is committed to ‘clean-up’ and re-assess the data currently reported in the “Consumptive Uses and Losses” report for the Gila River system; but that this work would *not* be part of the Basin Study Report process or schedule; and
- Reclamation has committed to additional dialog among the Basin states to consider whether to modify the existing CRSS model to model the Gila River system, and that these discussions and any potential work would also *not* be part of the Basin Study Report process or schedule.

Toward this end, Reclamation, in early May, released revised drafts for review and comment of the Basin Study Report’s Technical Report C—Water Demand Assessment, and Appendix C5—Modeling of Lower Basin Tributaries in the Colorado River Simulation System (CRSS). Reclamation is requesting that each state collect and compile comments on these draft documents and submit the comments to Reclamation by May 20th. I anticipate receiving technical comments from the California agencies, bundling them, and submitting them to Reclamation on or before May 20th.

Status of Binational Discussions/Negotiations

The Basin states are in the process of finalizing a seven states letter to the Commissioners of Reclamation and the U.S. Section of the International Boundary and Water Commission regarding the states’ representation and continued participation in binational water management opportunities between the United States and Mexico. The purpose of the letter is affirm the Basin states continued interest and participation in the continuing discussions and negotiations with Mexico associated with Colorado River water management opportunities. Additionally, the letter specifically identifies the principal representatives, and alternates, designated to participate

in the binational process on behalf of the seven Basin states. The letter also acknowledges the kickoff of the next phase of the binational process is scheduled for June 1, 2011 in Tijuana, Mexico. I have included a copy of the latest draft of the Basin states letter in the Board materials packet, and that when the letter is finalized Chairman Fisher will sign the letter on behalf of the Board and California.

Environmental Issues

Status of the Lower Colorado River Multi-Species Conservation Program

This is the anniversary of the sixth year of implementation of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP). To commemorate this milestone, Reclamation prepared a document, "Program Highlights: 2005-2010" that describes the LCR MSCP, the species covered by the Program, current status of implementation, and the current status of long-term funding associated with Program implementation. As you may recall, the Program participants are obligated to create and maintain 8,132 acres of native riparian, wetland/marsh, and aquatic habitats along the Lower Colorado River (LCR), as well as the repatriation of 660,000 razorback suckers and 620,000 bonytail into the LCR mainstream. To date, just over 133,000 razorback suckers have been repatriated to the LCR, and just under 41,000 bonytail have been repatriated into LCR aquatic habitats. Additionally, the Program has restored a total of 1,141 acres of cottonwood-willow habitat, 139 acres of honey mesquite habitat, 186 acres of marsh/wetland habitat, and 95 acres of aquatic backwater habitats. I have included a copy of Reclamation's five-year report on the status of LCR MSCP implementation in the Board materials packet.

The LCR MSCP Steering Committee met in Las Vegas, Nevada, on April 27th. At this meeting I was elected the chairperson of the LCR MSCP Steering Committee and Ms. Perri Benemelis was selected as the Steering Committee's vice chairperson. Reclamation also did a detailed presentation of the proposed work plan for Fiscal-Year 2012, the status of Fiscal-Year 2011 financial contributions. Finally, Reclamation also provided a detailed presentation of the accomplishments associated with LCR MSCP implementation during Fiscal-Year 2010.

The proposed FY-2012 budget for LCR MSCP implementation is \$33,323,400. Of this amount, the non-federal participants are obligated to provide \$16,661,700, and California's share is \$9,163,935. Obviously, based upon the 50/50 federal/non-federal cost-sharing agreement, the federal share of FY-2012 LCR MSCP implementation is also \$16,661,700.

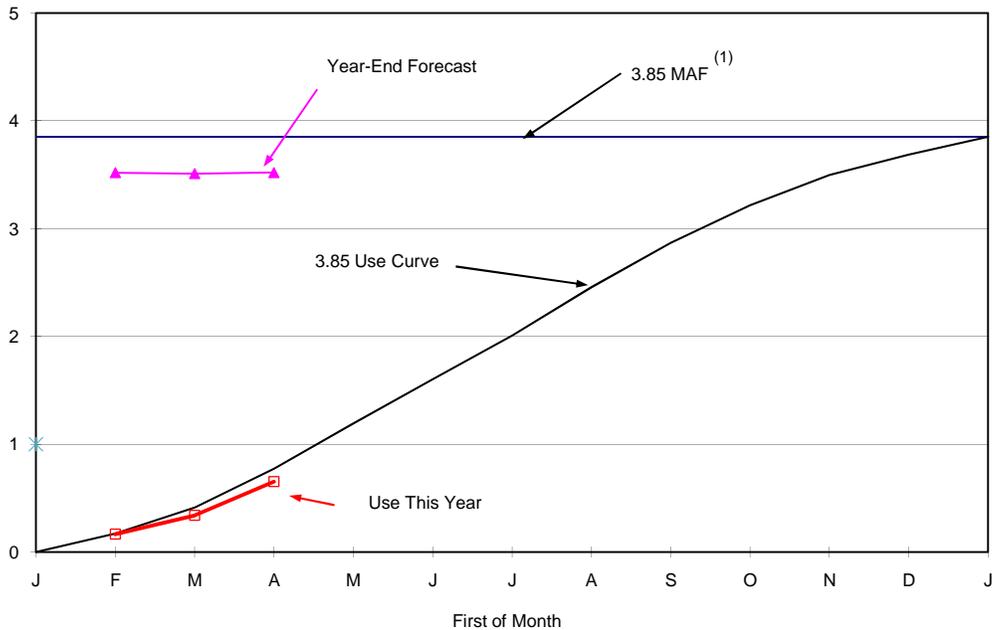
Finally, Reclamation also advised the LCR MSCP Steering Committee that the non-native salt cedar beetle is beginning to migrate into the northern reaches of the LCR MSCP planning area (i.e., the Virgin and Muddy River basins). Apparently, the salt cedar beetle was inappropriately in salt cedar habitats in the St. George, Utah region. Additionally, it was originally thought that the beetle would not move much further south than the Utah-Arizona border—this has proved to not be the case. In fact, biologists now believe that the salt cedar beetle will continue to move southward infesting stands of salt cedar in southwestern riparian ecosystems. This has the potential to become a significant issue in the near-term, because of the paucity of native cottonwood-willow habitats in southwestern riparian ecosystems, the

endangered southwestern willow flycatcher is currently nesting in salt cedar habitats that exhibit the proper moist soil conditions and canopy densities. Reclamation's LCR MSCP wildlife biologists are closely monitoring the situation and will continue to keep the Steering Committee apprised of the salt cedar beetle's status.



Christopher S. Harris
Acting Executive Director

FIGURE 1
MAY 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	0.340	3.510	0.032
Apr	0.653	3.520	0.022
May			
Jun			
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. 1 AF has been subtracted for IID's Salton Sea Salinity Management in 2011. As USBR is charging uses by Yuma Island pumper 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.