

**REPORT OF THE COLORADO RIVER COMMISSION OF NEVADA
TO THE LEGISLATIVE COMMITTEE ON PUBLIC LANDS
MAY, 2008**

EXHIBIT G-2 - LANDS
Document consists of 6 pages.
Entire Exhibit Provided
Meeting Date: 05-07-08

Status of Hydrologic Conditions in the Colorado River Basin

The Colorado River Basin is experiencing a protracted multi-year drought which began in October 1999. In July 1998, Lake Powell was essentially full, with an elevation of approximately 3,697 feet above mean sea level (amsl) and a corresponding reservoir storage capacity of approximately 98 percent. As of May 5, 2008, Lake Powell stood at elevation 3,595 feet amsl and had a capacity of 47 percent. During this same period, Lake Mead fell from a maximum elevation of 1,216 feet amsl (October 1998) to its current elevation of 1,110 feet amsl (as of May 5, 2008), reducing its storage capacity from 98 percent to 48 percent.

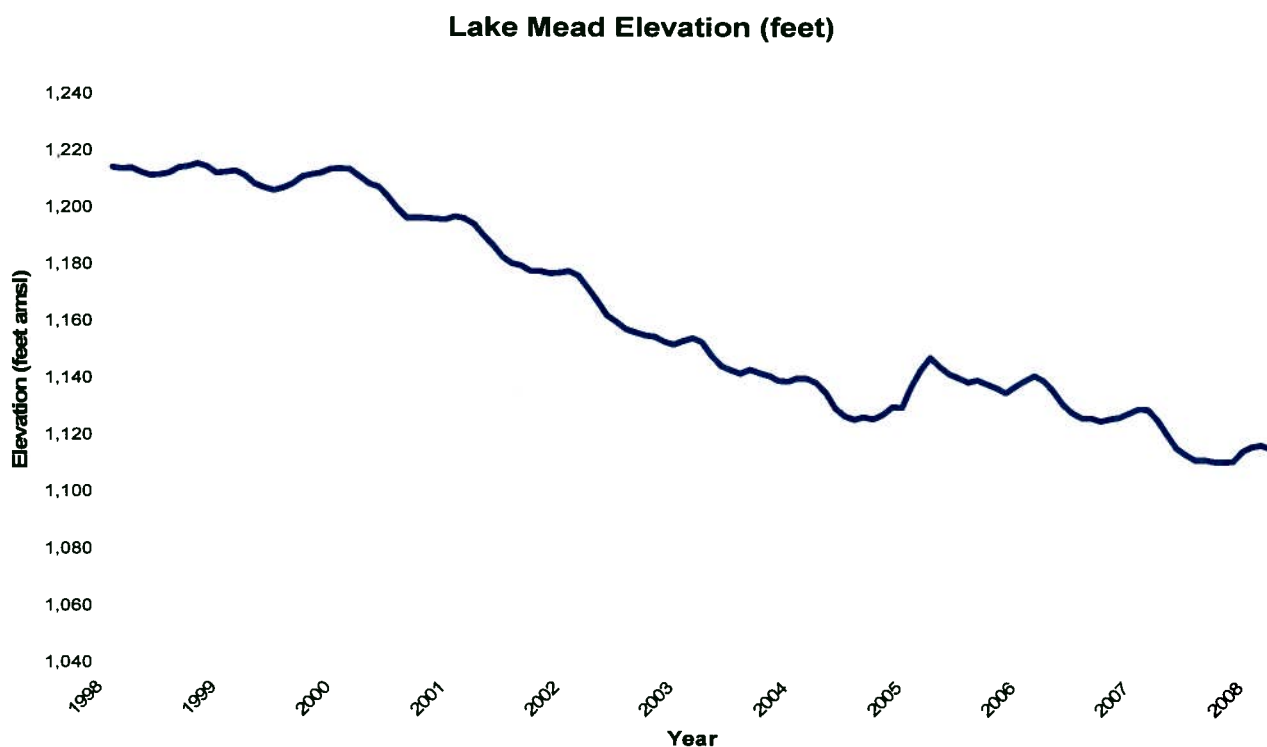
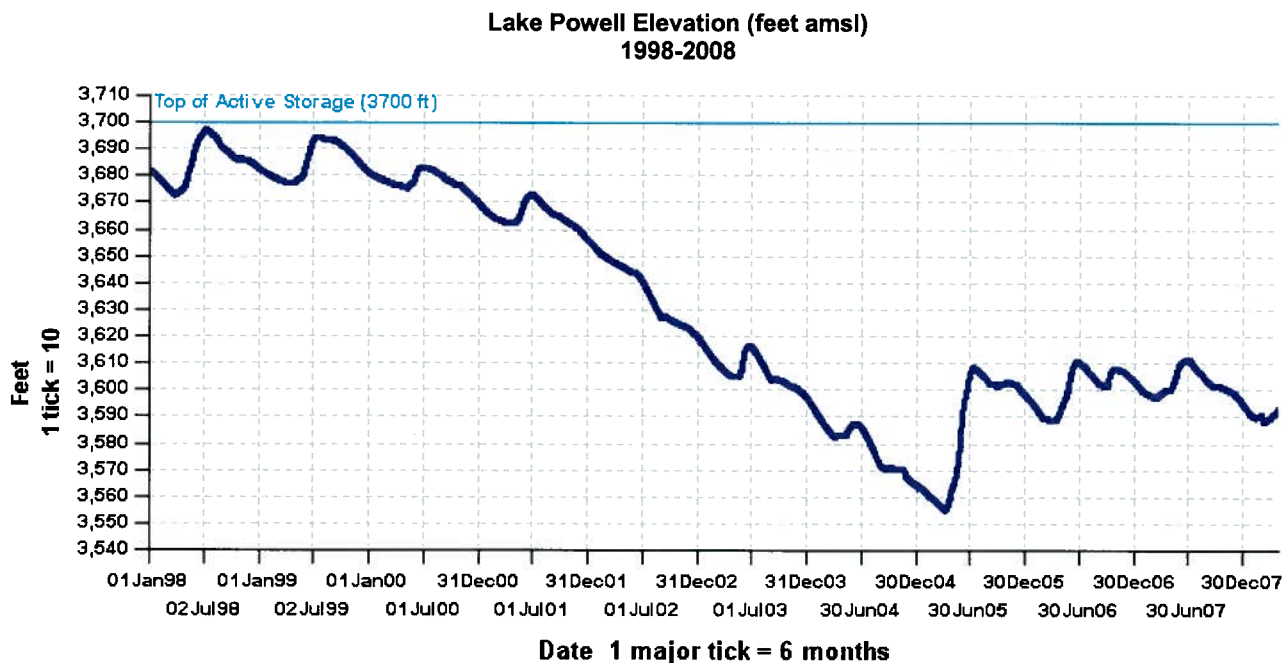


Figure 1. (a) Lake Powell elevations from 1998-2008. (b) Lake Mead elevations from 1998-2008.

Year	Unregulated Inflow (% of Average)
2000	62
2001	59
2002	25
2003	51
2004	49
2005	105
2006	73
2007	68
2008	107 (projected)

Inflow to Lake Powell provides a useful barometer of drought conditions in the Colorado River Basin. The 30-year average unregulated inflow¹ to Lake Powell is 12.06 million acre-feet (maf)². By comparison, unregulated inflow to Lake Powell in water year (WY) 2007³ was 8.231 maf, or 68% of the 30-year average. Current projections for WY 2008 estimate unregulated inflow into Lake Powell to be 12.852 maf, or 107% of average. As can be seen from the table at the left, this is only the second time in the last 9 years that the inflow will be (if the current projections hold true) above average.

Another tool used by the Bureau of Reclamation (Reclamation) to assist in their efforts to best manage the waters of the Colorado River is known as the “24-month study.” The 24-month study is a mid-term operational study that is used to project future contents and releases for the major reservoirs throughout the Colorado River Basin. The projections are updated each month using the previous month’s reservoir contents and the latest inflow and water use forecasts. With respect to Lake Mead, the April 2008 24-month study, released by Reclamation on April 7, 2008 projects the elevation over the next two years will range from a minimum of 1,104 feet amsl to a maximum of approximately 1,117 feet amsl. This represents significantly improved conditions compared to the December 2007 24-month study, which predicted the elevation of Lake Mead would plunge to a minimum elevation of 1,087 feet amsl. (See figure on the following page.) The change in predictions is attributed to more favorable hydrology having been received in the basin (snowpack in portions of the basin have exceeded 100% of average, see Figure 2), resulting in increased inflow predictions to Lake Powell and an increased release from Lake Powell to Lake Mead on the order of 653,000 maf during WY 2008.

Arkansas, Colorado and Rio Grande Basin Mountain Snowpack as of April 1, 2008

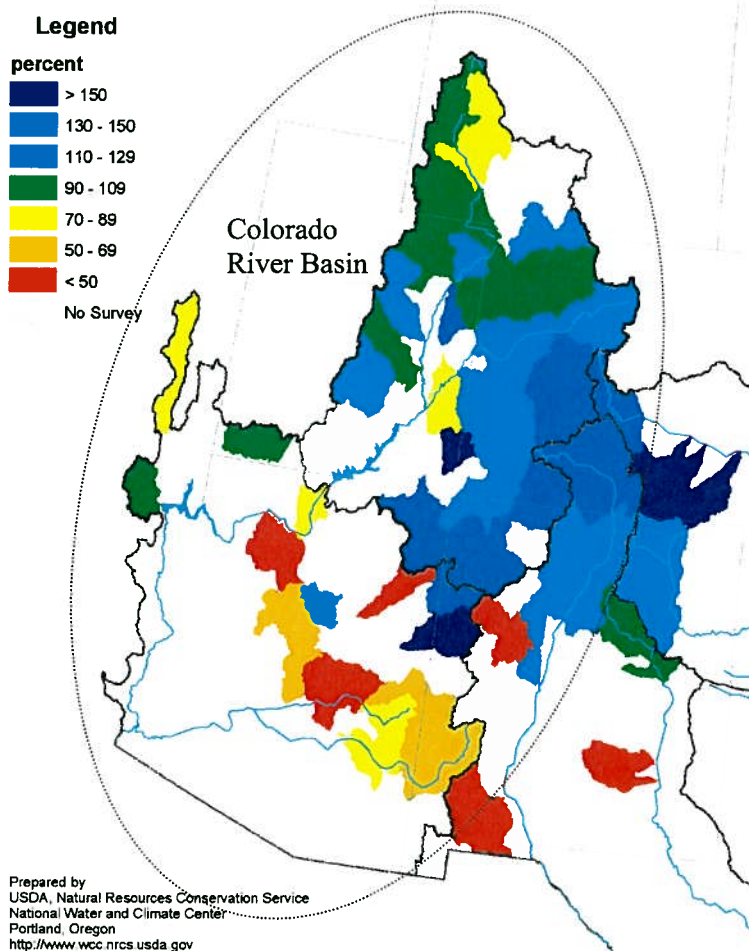


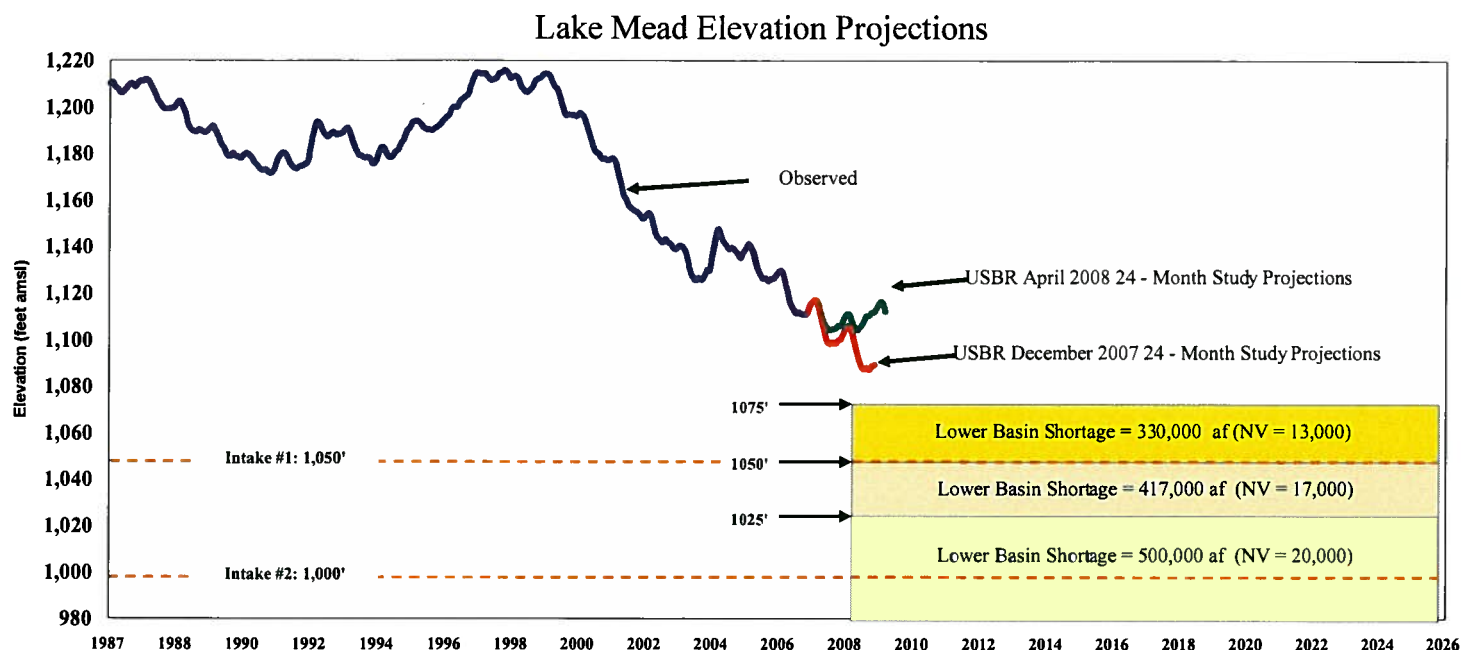
Figure 2. Snowpack conditions of the Arkansas, Colorado and Rio Grande river basins as of April 1, 2008, percent of average.

¹ Unregulated inflow adjusts for the effects of operations at upstream reservoirs. It is computed by adding the change in storage and the evaporation losses from upstream reservoirs to the observed inflow.

² The 30-year average is based upon data from the years 1971-2000.

³ October 1, 2006 through September 30, 2007.

Figure 3. Graph showing historical (observed) and projected elevations for Lake Mead.



Status of Drought Conditions in the Colorado River Basin

According to the most recent release of the U.S. Drought Monitor (April 29, 2008), drought conditions throughout the Colorado River Basin have improved significantly compared to those a year ago. As can be seen below, only small portions of the basin are currently classified as having either Abnormally Dry or Moderate Drought conditions as compared to last year, when much of the basin was classified as having either Moderate, Severe, and even Extreme Drought conditions.

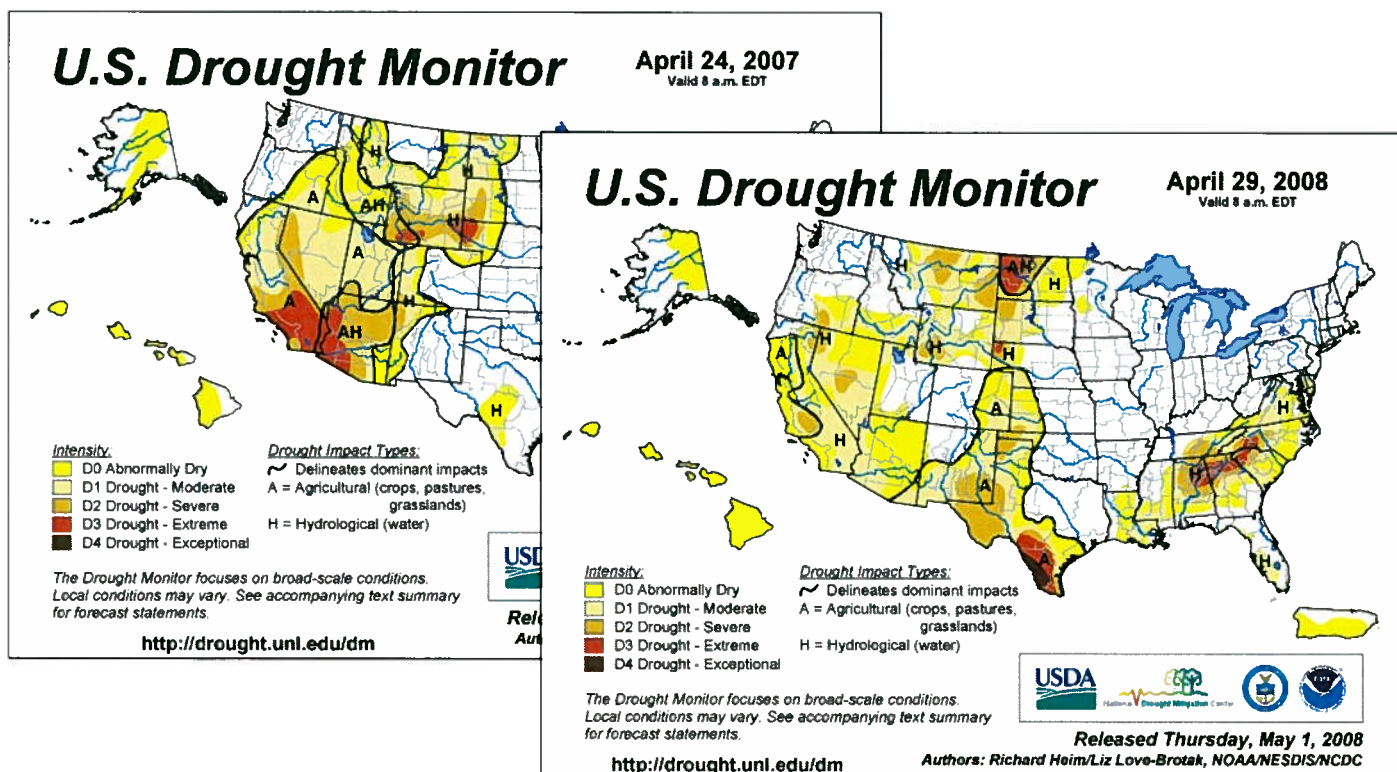


Figure 4. U.S. Drought Monitor maps comparing drought conditions of April 2007 and April 2008. Source: National Drought Mitigation Center. Available at: <http://www.drought.unl.edu/dm/monitor.html>

In looking forward, drought conditions are expected to persist in those areas within the basin that are currently experiencing Moderate Drought conditions due to dry weather conditions that are anticipated for the next 3 months.

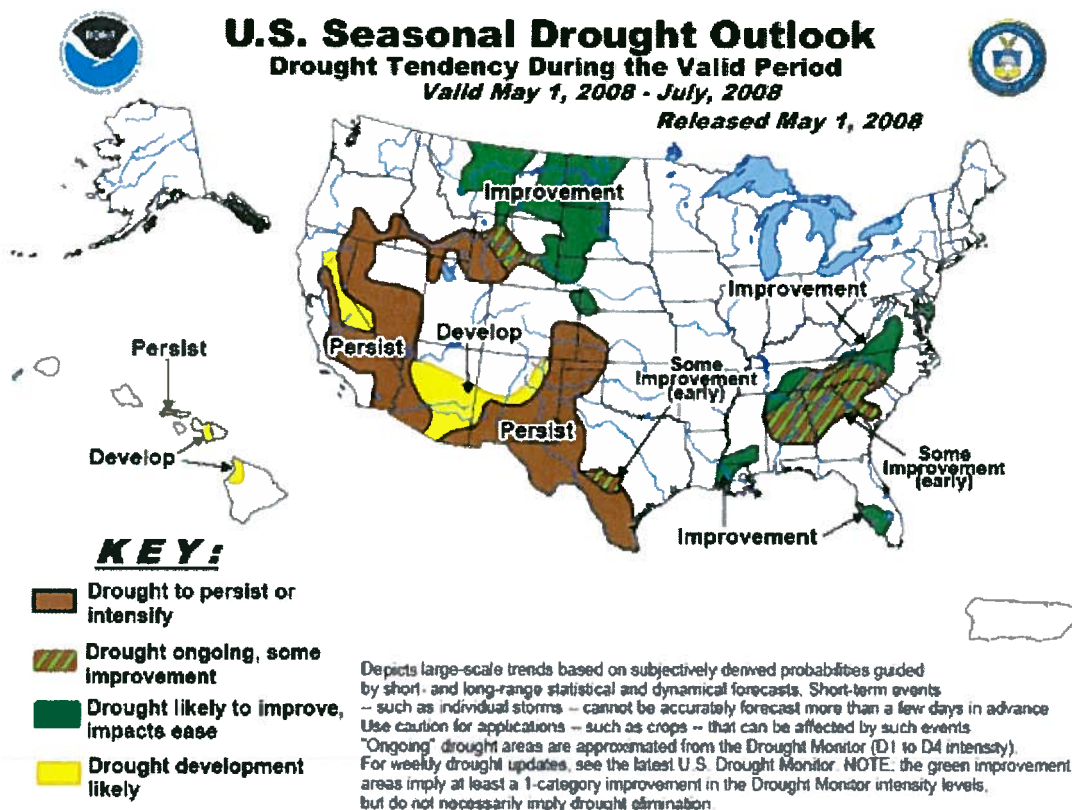


Figure 5. U.S. Seasonal Drought Outlook. Source: National Weather Service, Climate Prediction Center. Available at: http://www.cpc.ncep.noaa.gov/products/expert_assessment/seasonal_drought.html

Update on Colorado River Operations

On November 2, 2007, Reclamation released the Final Environmental Impact Statement (FEIS) for Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (Guidelines). The FEIS was prepared in accordance with the National Environmental Policy Act to address the potential impacts associated with the adoption and implementation of interim guidelines developed to address operations of Lake Powell and Lake Mead under drought and low reservoir conditions. The FEIS analyzed five action alternatives and a No Action Alternative for potential implementation. The identified Preferred Alternative proposes:

1. discrete levels of shortage volumes associated with Lake Mead elevations to conserve reservoir storage and provide water users and managers in the Lower Basin with greater certainty regarding reduced water deliveries during times of drought and low reservoir conditions;
2. a coordinated operation of Lake Powell and Lake Mead determined by specified reservoir conditions that would minimize shortages in the Lower Basin and avoid the risk of curtailments in the Upper Basin;

3. a mechanism to encourage and account for augmentation and conservation of water supplies, referred to as Intentionally Created Surplus, that would increase the flexibility of meeting water use demands from Lake Mead, particularly under drought and low reservoir conditions, and minimize the likelihood and severity of potential future shortages; and
4. the modification and extension of the Interim Surplus Guidelines through 2026.

A Record of Decision (ROD) implementing the interim operational Guidelines was signed by the Secretary of the Interior on December 13, 2007 at the Colorado River Water Users Association's annual meeting in Las Vegas. An electronic copy of the FEIS and related agreements is available on Reclamation's website at <http://www.usbr.gov/lc/region/programs/strategies.html>. In conjunction with the issuance of the ROD, several implementing agreements amongst the states and Reclamation were also signed on December 13th, including: Delivery Agreements between the Bureau and Imperial Irrigation District, Metropolitan Water District and the Southern Nevada Water Authority (SNWA) and the Colorado River Commission of Nevada (CRCN); a Funding and Construction Agreement for the Lower Colorado River Drop 2 Storage Reservoir Project; the Lower Colorado River Basin Intentionally Created Surplus Forbearance Agreement among the Arizona Department of Water Resources, the SNWA, the CRCN, the Palo Verde Irrigation District (PVID), IID, Coachella Valley Water District (CVWD), MWD, and the City of Needles; and the California Agreement for the Creation and Delivery of Extraordinary Conservation Intentionally Created Surplus among the PVID, IID, CVWD, MWD and the City of Needles. These agreements can also be found at <http://www.usbr.gov/lc/region/programs/strategies/documents.html#ia>.

In a letter dated March 14, 2008, Secretary of the Interior Dirk Kempthorne released the final 2008 Annual Operating Plan (AOP) for the operations of the Colorado River reservoir system. As stated in the 2008 AOP, releases from Lake Powell during water year 2008 were to be made consistent with the new Guidelines, specifically Section 6.B "Upper Elevation Balancing Tier." In accordance with this section, the water year release from Lake Powell was scheduled to be 8.23 million acre-feet (maf). However, an above average snowpack in the Colorado River Basin resulted in higher than normal inflow into Lake Powell this year triggering increased releases from Lake Powell to Lake Mead in accordance with the Guidelines. In an April 11 news release, Reclamation announced that, based on the April 1 inflow forecast, it was projected that, by the end of September, Lake Powell would rise above 3,636 feet amsl and Lake Mead would be below 1,105 feet amsl. In accordance with the interim guidelines, an additional amount of water will therefore be released from Lake Powell to Lake Mead for water year 2008 (Oct. 1, 2007 - September 30, 2008).

Reclamation is currently projecting a release of approximately 653,000 acre-feet of additional water, which would result in a total 2008 water year release from Lake Powell of about 8.88 million acre-feet (maf). Reclamation anticipates that this projection will be adjusted upward or downward in upcoming months based on changing hydrologic conditions and observed snowmelt runoff during the spring. It also should be noted that the water released from Lake Powell during the 60-hour high flow experiment in early March is part of the projected 8.88 maf total release from Lake Powell for Water Year 2008.