

Minutes of Special Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, December 14, 2005

A Special Meeting of the Colorado River Board of California (Board) was held in the Florentine Ballrooms 1-2-3, at the Caesars Palace Hotel, 3570 Las Vegas Boulevard South, Las Vegas, Nevada, on December 14, 2005.

Board Members and Alternate Present

John V. Foley, Vice-Chairman
James H. Bond
D. Bart Fisher, Jr.
Henry M. Kuiper
John W. McFadden

John Pierre Menvielle
Jeanine Jones, Designee
Department of Water Resources

Board Members and Alternate Absent

Lloyd W. Allen, Chairman
Thomas M. Erb
Terese Marie Ghio

James B. McDaniel
Curt A. Taucher, Designee
Department of Fish and Game

Others Present

Jack A. Barnett
Robert G. Beeby
Peter Carlson
John Penn Carter
Michael J. Clinton
David Czamanske
William I. DeBois
Jim Edwards
Mario Escalera
Sheldon L. Foreman
Ted Grandsen
William J. Hasencamp
Gordon A. Hess
Everett L. Hodges
Mary M. Hodges
Andy G. Horne
Charlie J. Hosken
Michael L. King

Jeffrey V. Kightlinger
Russell Kitahara
Alan P. Kleinman
Thomas E. Levy
George Loveland
Le Val Lund
Carlos Madrid
Jay W. Malinowski
Debra C. Man
Jan P. Matusak
Stella A. Mendoza
Bob Muir
John M. Mylne, III
Russ Patras
Roger K. Patterson
Vic Peloquin
Glen D. Peterson
David R. Pettijohn

Bud Pocklington
Halla Rarak
Randy A. Record
John Richards
Steven B. Robbins
Tina L. Shields
Peter Silva
Ed W. Smith
Sally Spener
James J. Taylor
Robert D. Thomson
Joseph A. Vanderhorst
Charles F. Wood
Bill D. Wright

J.C. Jay Chen
Gerald R. Zimmerman

CALL TO ORDER

Vice-Chairman Foley, in the presence of a quorum, called the meeting to order at 3:08 p.m.

INTRODUCTION OF IMPERIAL IRRIGATION DISTRICT GENERAL MANAGER

Mr. John Pierre Menvielle introduced Mr. Charles Hosken, the new Imperial Irrigation District General Manager.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Vice-Chairman Foley asked if there was anyone in the audience that wanted to address the Board on items on the agenda or matters related to the Board. Hearing none, Vice-Chairman Foley moved to the next agenda item.

ADMINISTRATION

Approval of Minutes

Vice-Chairman Foley asked if there was a motion to approve the November 9th meeting minutes. Mr. Fisher moved approval of the November 9th meeting minutes.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. Kuiper, and unanimously carried, the Board approved the November 9th meeting minutes.

2006 Board Meeting Schedule

Vice-Chairman Foley reported that the meeting schedule for the next calendar year was in the Board folder. Vice-Chairman Foley asked if there was a motion to approve the meeting schedule. Mr. Bond moved approval of the 2006 Board meeting schedule.

MOTION: Upon the motion of Mr. Bond, seconded by Mr. Menvielle, and unanimously carried, the Board approved the 2006 meeting schedule.

AGENCY MANAGERS MEETING

Mr. Zimmerman reported that the Agency Managers and attorneys have been meeting and holding conference calls to discuss and identify components of a package that would address the best interests of California and the Lower Basin states and comprise a recommended Basin states package regarding operation of the reservoirs under low reservoir storage and runoff conditions. Components of a package and a draft position paper are being prepared.

In addition to the Basin states discussions, several conference calls have been held to develop and finalize the Board's and other California Agency's comments regarding the scoping process related to Reclamation's NEPA process for the development of the shortage guidelines for the Lower

Basin and coordinated reservoir management guidelines for the operation of Lakes Powell and Mead.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Zimmerman reported that as of December 8th, the storage in Lake Powell was nearly 12 million acre-feet (maf) or 49 percent of capacity. The water surface elevation was almost 3,602 feet. The storage in Lake Mead was about 15 maf, approaching 60 percent of capacity. The water surface elevation was 1,136 feet. The total System storage is 34.5 maf, or 58 percent of capacity, whereas, last year this time, there was 29.88 maf in storage, or 50 percent of capacity. There has been an increase in storage of about 5 maf from this time last year.

Mr. Zimmerman reported that precipitation in the Basin from October 1st through December 8th 2005 is 117 percent of normal. The snowpack equivalent is 102 percent. Both values are based on average data from 116 sites in the Upper Basin. The observed unregulated flow into Lake Powell for the 2005 water year was about 105 percent of normal, or 12.616 maf. The observed April through July unregulated inflow is 8.81 maf, or 111 percent of normal. Forecasts for the current water year are expected by the next Board meeting.

Mr. Zimmerman reported that the estimated consumptive use within the Lower Basin States predicted by Reclamation for calendar year 2005 for Nevada is expected to be near 300,000 acre-feet. Arizona is expected to consumptively use about 2.45 maf, and California is expected to use about 4.3 maf not counting the inadvertent overrun and payback that is being made in this year. Overall the consumptive use of the Lower Basin was just over 7 maf. However, the Secretary of the Interior had made available for use within the Lower Basin 7.5 maf.

State and Local Water Reports

Ms. Jeanine Jones of the California Department of Water Resources reported that preliminary forecast of the State Water Project (SWP) is based on current storage in the reservoir system. Probable SWP deliveries are given a median chance of receiving 80 percent of normal runoff from the Sacramento River system. The forecast will be adjusted as the runoff season progresses.

Mr. Foley of The Metropolitan Water District of Southern California (MWD) reported that as of December 8th there is over one maf in storage, which is almost twice that of a few years ago. Diamond Valley Lake was at 802,900 acre-feet, or 97 percent of capacity. Lake Mathews was 157,000 acre-feet, or 86 percent of capacity, and Lake Skinner was 37,400 acre-feet, or about 85 percent of capacity. Overall, the MWD system is at about 95 percent of capacity. The capacity of those three major reservoirs is over 1.05 maf.

Mr. David Pettijohn of the Los Angeles Department of Water and Power (DWP) reported that it is too early in the season to know how much water will be delivered through the Los Angeles Aqueduct. Current precipitation is slightly below normal, but is not far off from measurements at this time last year, which turned out to be one of the wettest years on record.

Arizona v. California

Mr. Zimmerman reported on the current status of the draft Comprehensive Decree being prepared by the parties for the Supreme Court's review. As was reported last month, Mr. Steve Abbott of the Coachella Valley Water District prepared a draft Comprehensive Decree that included the current agreement and the previous Decrees. A conference call is scheduled for December 19th to finalize the draft Comprehensive Decree. When that occurs the draft document will be submitted to the Supreme Court for its review and approval.

Colorado River Operations

Board's Letter to Reclamation Requesting Article V Decree Accounting Documentation

Mr. Zimmerman reported that staff had attended a meeting with Reclamation on unauthorized use of Colorado River water. During the meeting, Reclamation had advised those present that it was adopting a new methodology for Decree Accounting in the Yuma area. This was unexpected as a letter had been sent in December 2004, commenting on the alternatives that Reclamation had been considering and requesting to be involved in the process that Reclamation was utilizing to develop a revised Decree Accounting procedure in the Yuma Area. Included in the Board folder is a recent letter from the Board requesting any additional information and documentation that Reclamation used in making its determination on the selected methodology to use for the Decree Accounting in the Yuma Area. A meeting was also requested of Reclamation to brief California stakeholders and further describe the accounting procedure that would be used and how that accounting would be consistent with accounting along the entire mainstream of the Colorado River. Reclamation indicated it is currently preparing a package and will be sending it to the Board and the State of Nevada.

Board and California Department of Water Resources (CDWR) Letters to Reclamation Regarding Potential Methods to Recover or Replace the Bypass Drainage Flow

Mr. Zimmerman reported that both the Board and CDWR submitted letters to Reclamation regarding comments on Reclamation's proposal to offset the Bypass Flows that are currently being bypassed in the Bypass Drain from the Wellton-Mohawk Irrigation and Drainage District. The Board recognizes that pursuant to Minute 242 of the International Boundary and Water Commission, and Public Law 93-210, Reclamation is obligated to replace the bypass flows. In addition, for a period of time, the federal government was allowed to take advantage of a credit from lining the first 49 miles of the Coachella Canal in order to compensate for the lack of return flow to the Colorado River caused by the Wellton Mohawk bypass (See 422 USC 1572(a)). However, now that the interim period has ended, the focus is on 43 USC 157 (c), which provides that replacement of the bypass flow is a national obligation.

Also discussed was the suggestion by a number of groups that land fallowing may be an option to offset the bypass flows. Land fallowing is not likely within California at the present time. Currently, Palo Verde Irrigation District has a large land fallowing program with the Metropolitan Water District. Similarly, the Imperial Irrigation District has a program with San Diego County Water Authority as well as MWD and has further indicated in a recent IID Board Resolution that it is not interested in additional land fallowing. The other major agricultural area is the Coachella Valley. Most of the Coachella Valley's crops are permanent and the Coachella Valley Water District is engaged in correcting the groundwater overdraft condition in the Coachella Valley. Consequently,

additional land fallowing programs within California are not likely at this time. However, the Board would be receptive to looking at options within Arizona or any of the other Basin States.

Mr. Zimmerman added that, consistent with the action that has been taken by Congress, it is the Board's position that the bypass flows should be wholly offset by the federal government. The letter also addressed a number of issues that should be addressed if groundwater pumping in the Yuma area is undertaken to replace the bypass flows. These issues include negative impacts from pumping groundwater to replace the bypass flows and environmental issues in Mexico as well as the United States.

Mr. Zimmerman reported that CDWR also submitted a comment letter. CDWR commended Arizona for reaching out to the environmental community and coming up with a consensus-based option. CDWR also supported actions to improve drought preparedness and response capabilities. CDWR suggested that Reclamation begin to initiate the necessary NEPA compliance to operate the Yuma Desalting Plant at one-third capacity. The CDWR letter also stressed that meeting the salinity requirements associated with the Mexican Treaty is a national obligation.

Basin States Discussion

Mr. Zimmerman reported that at the October 28th Basin states meeting the Hybrid strategy for the operation of Lakes Powell and Mead was selected. The Hybrid strategy steps the releases from Lake Powell at certain selected operational water surface elevations and adjusts the flows to balance the storage in Lakes Powell and Mead when certain selected water surface elevations are reached. Essentially the storage in Lakes Powell and Mead would increase and decrease in tandem.

The Technical Committee has shown through modeling runs that when stepped releases are made at certain times and then balancing the reservoirs at other times; that additional benefits can be gained for both the Upper and Lower Basins. The Technical Committee continues to make a number of modeling studies, looking at the sensitivity of the selected trigger elevations.

Mr. Zimmerman reported that the Basin states met on December 14, 2005, to discuss the status of discussions between the Lower Basin states, as well as receive a report from the Technical Committee. Based on those discussions, a two-day retreat was scheduled for January 5th and 6th for the representatives of the Basin states to meet and develop a package that can be supported by both the Upper and Lower Basin states. If a package can be developed that is broadly supported by each of the Basin states, it will be presented to the Secretary of the Interior by the end of January 2006 for consideration during the NEPA analysis.

Mr. Zimmerman reported that the Lower Basin states have also been meeting, independently from the Upper Basin, to develop a package of programs that could meet each of the Lower Basin state's needs. The main concerns being addressed by the Lower Basin states include: protection from possible shortages for Arizona; flexibility of Lake Mead operations to deliver imported water and obtain access to conserved water for Nevada; and protection of senior mainstream rights; continued availability of surplus water; and the operational flexibility at Lake Mead to allow conserved water to be stored for California.

Mr. Zimmerman reported that at the Lower Basin retreat on November 21st and 22nd they identified four basic working principles: (1) the operation of Lake Mead must include more than the

avoidance of shortages, but address the full range of expected reservoir operations; (2) the operation of Lake Mead must be consistent with the 1964 Decree; (3) the operations must be consistent with the priorities that currently exist during shortages as contained in the 1968 Act, as well as, in each of the water users' contracts; and (4) the operations must accommodate flexibility to allow innovative water augmentation programs.

Mr. Zimmerman provided a number of examples dealing with operational flexibility, augmentation of the water supplies through water exchanges, demand management, and extraordinary conservation. He also mentioned that the Basin states are discussing the issue of tributary development and Nevada's proposal to retire pre-Compact agricultural rights on the Virgin and Muddy Rivers and wheel the water through the Colorado River System and then divert it through the Southern Nevada Water Authority's intake in Lake Mead.

Mr. Zimmerman reported that a concept paper is being prepared that will reflect the position of California. This paper will be brought to the Board for its consideration. It is anticipated that a Board workshop in the latter part of January would be needed to finalize the paper. The Department of the Interior (DOI) reaffirmed at the Basin states meeting earlier today that it wants input from the Basin states by the end of January. The DOI will initiate its NEPA EIS process by February 1st.

Board, IID and Arizona Comment Letters Responding to Reclamation's Request for Input on Colorado River Water Management Strategies and Upper Basin States Comment on Arizona's Letter

Mr. Zimmerman reported that the Board folder contains a letter sent on behalf of the Board to Reclamation regarding the shortage guidelines commenting on the scope of the formal NEPA process to be initiated by the Secretary of the Interior. The letter provides comments on items to be included in the scope as the NEPA process proceeds:

- (1) The shortage and conjunctive management guidelines need to reflect the full range of the Lake Mead operations;
- (2) The shortage guidelines should be interim through 2016, unless the Interim Surplus Guidelines are also extended for a concurrent period. The Board would be receptive to extension of the Interim Surplus Guidelines to run over a concurrent period of time with the Shortage Guidelines;
- (3) The shortages should be applied to the post-1968 Colorado River Basin Project Act water rights. Sufficient water appears to be contained within the post-1968 entitlements to cover the expected shortages within the Interim Period;
- (4) As operational strategies are developed, the elevation of the Southern Nevada Water Authority's intakes must be considered;
- (5) Taxes and fees on water and power users to fund conservation programs would not be supported, but voluntary forbearance programs among water users within the states would be supported;
- (6) The linkages between shortage guidelines and coordinated management of the reservoirs, including the linkage between the releases from Lake Powell and the development of the shortage guidelines must be considered;
- (7) Reservoir operations to avoid a Compact call by the Lower Basin, for the Upper Basin to curtail its uses in order to meet the Upper Basin's Compact deliveries to the Lower Basin, must be considered; and
- (8) The scope of the EIS should reflect operational flexibility for innovative programs to be

implemented that are necessary for water users within the Lower Basin to meet their water supply needs.

Finally, Mr. Zimmerman added that the Board folder contains letters from IID and the Upper Basin states regarding Arizona's comment letters to Reclamation.

Mexican National Water Commission Report Regarding the All-American Canal Lining Project

Mr. Zimmerman briefly summarized a report commissioned by the Mexican National Water Commission Report regarding the All-American Canal Lining Project. The Report identifies several programs to make up approximately 58,000 acre-feet of water per year that will be lost through the lining of the All-American Canal. Programs mentioned were on-farm water conservation, delivery and conveyance system improvements, conversion from groundwater-supplied to surface water-supplied irrigation and the recovery of water through transfers of water rights from other portions of the Mexicali Valley. Mexico estimates that these programs could result in the recovery and use of approximately 64,000 acre-feet of water annually.

Colorado River Environmental Activities

Status of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP)

Mr. Zimmerman provided a brief summary of the LCR MSCP tour of existing implementation activities, proposed implementation activities, and other program activities included in the LCR MSCP. Slides of photos of the tour were displayed and described by Mr. Zimmerman.

Glen Canyon Dam Adaptive Management Program (GCD AMP)

Mr. Zimmerman reported that the Center for Biological Diversity and Living Rivers filed a 60-day notice of intent to sue the Department of Interior regarding operation of Glen Canyon Dam. Within that notice they are protesting the decline and extinction of native endangered fish in the Grand Canyon. An article from the Salt Lake Tribune regarding the filing of the notice is included in the Board folder.

Lower Colorado Water Supply Project

Consideration of Eligibility for Vista Del Lago Project to Receive Lower Colorado River Water Supply Project Water

Mr. Zimmerman presented background information on the original application of the J. Victor Construction Inc. to obtain water from the Lower Colorado River Water Supply Project (LCWSP) via the Havasu Water Company. Mr. Vic Peloquin, President of Victor Construction Inc., provided additional background information. Mr. Peloquin asked for reconsideration of his application so that the water to the Vista Del Lago Development Project can be supplied through the Chemehuevi Indian Tribe's Water Company.

Mr. Sheldon Foreman, as well as, Mr. Everett Hodges, representing the Havasu Water Company provided additional information regarding the proposed project and the involvement of the

Havasu Water Company.

MOTION: Upon the motion of Mr. Bond, seconded by Mr. Fisher, and unanimously carried, the Board reaffirmed the eligibility of the Vista Del Lago Development Project to receive LCWSP water, and indicated that any changes or amendments to Subcontract Number 461 with the City of Needles dealing with the point of diversion or wheeling water to the property needs to be dealt with by J. Victor Construction Inc., the City of Needles and Reclamation.

WATER QUALITY

Clean Water Coalition SCOP Status

Mr. Zimmerman reported that on December 2nd a comment letter, on behalf of the Board, was sent to the Project Manager regarding the Draft Environmental Impact Statement (DEIS) for the System Conveyance and Operations Project (SCOP). The first comment was that there was no discussion or analysis on the long-term implementation of the LCR MSCP. All projects including environmental impact statements should address the LCR MSCP and its implementations, to insure that the projects would not impact the LCR MSCP and its implementation. The letter also indicated that there was no discussion in the DEIS on water re-use or reclamation as Southern Nevada Water Authority increases its effluent into Lake Mead. Maximizing water conservation through best management practices rather than maximizing Nevada's return flow credits should have been the preferred objective. There also could have been more discussion and analysis of the effect of a severe sustained drought within the impact analysis of the DEIS. The possibility that Lake Mead could be drawn down below the Southern Nevada Water Authority's lower intake, located at water surface elevation 1,000 feet, was not mentioned in the DEIS. Also, the comment letter raised concerns regarding potential impacts on downstream users.

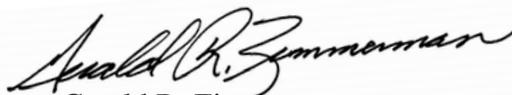
OTHER BUSINESS

Next Board Meeting

Vice-Chairman Foley announced that the next meeting of the Colorado River Board will be held on Wednesday, January 11, 2006, 10:00 a.m., at the Ontario Airport Marriott Hotel, Ontario, California.

There being no further items to be brought before the Board, Mr. Fisher moved that the meeting be adjourned.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. Kuiper, and unanimously carried, the meeting was adjourned 4:22 p.m. on December 14, 2005.



Gerald R. Zimmerman
Executive Director