

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, November 9, 2005

A Regular Meeting of the Colorado River Board of California (Board) was held in Grand Ballroom Salon 3, at the Ontario Airport Marriott Hotel, 2200 East Holt Boulevard, Ontario, California, on November 9, 2005.

Board Members and Alternates Present

John V. Foley Vice-Chairman
James H. Bond
Thomas M. Erb
D. Bart Fisher, Jr.
John W. McFadden
John Pierre Menvielle

Henry M. Kuiper
Christopher G. Hayes, Designee
Department of Fish and Game
Jeanine Jones, Designee
Department of Water Resources

Board Members Absent

Lloyd W. Allen, Chairman
Terese Marie Ghio

James B. McDaniel

Others Present

Steve B. Abbott
William I. DeBois
William J. Hasencamp
Gordon A. Hess
Michael L. King
Jay W. Malinowski
Doug McPherson
Jan P. Matusak
Dan Parks
Roger K. Patterson
Randy A. Record
Steven B. Robbins
John L. Scott
Ed W. Smith

William H. Swan
James J. Taylor
Deven Upadhyay
Joseph A. Vanderhorst
Bill D. Wright
Michael Yu

William S. Abbey
Abbas Amir-Teymoori
J.C. Jay Chen
Christopher S. Harris
Mark Van Vlack
Gerald R. Zimmerman

CALL TO ORDER

Vice-Chairman Foley, in the presence of a quorum, called the meeting to order at 10:15 a.m.

MOMENT OF SILENCE IN MEMORY OF DENNIS B. UNDERWOOD

Vice-Chairman Foley asked those present to dedicate the meeting to the memory of Mr. Dennis B. Underwood and hold a moment of silence in his honor. Mr. Zimmerman asked the Board to adopt a resolution recognizing Mr. Underwood and his contribution to the Board, the State of California and the Bureau of Reclamation.

MOTION: Upon the motion of Mr. Bond, seconded by Ms. Jones and unanimously approved, the Board adopted the Resolution recognizing Mr. Underwood.

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

Mr. Zimmerman asked that the October 12th, 2005, meeting minutes be approved. Mr. Fisher motioned for the October 12th meeting minutes be approved.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. McFadden, and unanimously carried, the Board approved the October 12th meeting minutes.

2006 Board Meeting Schedule

Mr. Zimmerman reported that the meeting schedule for the next calendar year was included in the Board folder. The schedule is to be reviewed by the Board members and voted upon at the Board meeting in December.

New Phone Number for Colorado River Board

Mr. Zimmerman reported that as of November 14th the office phone number will change to (818) 500-1625. The Board shares its phone system with a larger state agency that had upgraded its system thereby necessitating the new phone number. The new number is the only number. Each office will have an extension rather than a private line.

AGENCY MANAGERS MEETING

Mr. Zimmerman reported that the Agency Managers and attorneys have been meeting frequently of late. The focus of those meetings have been the ongoing Basin states discussions. The primary concerns have been how to best deal with shortage guidelines, coordinated management of Lakes Powell and Mead, and how the Nevada proposals fit with California's package to address its needs now and in the future.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Harris reported that as of November 3rd, the storage in Lake Powell was just over 12 million acre-feet (maf) or 49 percent of capacity. The water surface elevation was almost 3,603 feet. The storage in Lake Mead was about 15 maf, about 58 percent of capacity. The water surface elevation was 1,137 feet. The total System storage is 34.8 maf, or 58 percent of capacity, whereas, last year this time, there was 29.88 maf in storage, or 50 percent of capacity.

Mr. Harris reported that precipitation in the Basin from October 1st through November 3rd is 104 percent of normal. The Snowpack equivalent is 42 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.

Mr. Harris added that the estimated consumptive use within the Lower Basin states predicted by Reclamation for 2005 is 292,000 acre-feet for Nevada, 2.47 maf for Arizona, and 4.221 maf for California. Total consumptive use for the Lower Basin states predicted by Reclamation is 6.984 maf for 2005. The total consumptive use for the Lower Basin States for 2004 was 7.391 maf.

State and Local Water Reports

Ms. Jeanine Jones, of the California Department of Water Resources, reported that there is insufficient data to indicate a forecast of climate conditions for the coming year.

Mr. Foley of The Metropolitan Water District of Southern California (MWD), reported that as of November 2nd Diamond Valley Lake was at 787,000 acre-feet or 95 percent of capacity and is expected to fill completely in the near future. Lake Mathews is 160,000 acre-feet, and Lake Skinner was 37,000 acre-feet. Overall, the MWD system is at about 94 percent of capacity with over a million acre feet in storage.

Mr. Thomas Erb of the Los Angeles Department of Water and Power (DWP), reported that there has been significant activity on environmental enhancements projects in the Owens Valley. The governing board of the DWP approved a contract to implement the Lower Owens River Project. The Los Angeles City Council is considering the contract to build out the last phase of the current obligations at Owens Lake to control the dust of the exposed dry lake bed. The obligations for the environmental projects will increase the reliance on the MWD water system.

Arizona v. California

Mr. William Abbey, Deputy Attorney General for the State of California, reported that the U.S. Supreme Court last month had asked the parties to prepare a final comprehensive Consolidated Decree, embodying the terms not only of the settlement that has recently been reached with the Quechan Indian Tribe, but also the terms of all of its previous decrees in allocating the waters of the Colorado River in the Lower Basin states. Mr. Steven Abbott, counsel for the Coachella Valley Water District, prepared a draft comprehensive decree that was then submitted for comment to the parties. Comments were received and incorporated. A conference call has been scheduled for

November 10th between the attorneys for the parties and for the United States. Following their agreement, the parties intend to submit the proposed Decree to the Supreme Court.

Mr. Abbey then provided a brief summary of the status of the All-American Canal litigation.

Colorado River Operations

Final Consultation meeting of the 2006 Annual Operating Plan Development

Mr. Zimmerman reported that the final consultation meeting was on September 19th in Las Vegas, Nevada. As was reviewed at the last Board meeting; a Partial Domestic Surplus criterion is expected to govern operations, no unused apportionment is expected to be available in 2006, a mid-year review is anticipated if the March 2006 forecast of live storage in Lakes Powell and Mead in September 2006 is less than that observed in September 2004. The version of the September 15th draft of the 2006 AOP can be found on the Internet at www.usbr.gov/lc/region/g4000/AOP2006/AOP06_draft.pdf. The draft of the 2006 Annual Operating Plan (AOP) is awaiting Secretary Norton's signature. After the Secretary signs the AOP it will then be distributed to the governors of the seven Basin States.

Imperial Irrigation District selects new General Manager

Mr. John Pierre Menvielle reported that the Imperial Irrigation District (IID) has selected Mr. Charles Hosken as the new General Manager. Mr. Hosken previously served as the General Manager of the Chelan County Public Utilities District, located in Wenatchee Washington. Mr. Hosken managed a \$300 million dollar operation with about 40,000 customers. Operations comprised power as well as water delivery. With a background in financials, Mr. Hosken was a favorable choice. He will begin with the IID on the 28th of November.

Water Science and Technology Board Committee Review on the Scientific Bases of Colorado River Basin Water Management Meetings and Workshops

Mr. Zimmerman reported that a couple of documents related to the National Research Council report on Colorado River Water Management. These reports announce the engagement of activities of a panel convened by the National Research Council and funded by various interest including the California Department of Water Resources (DWR) and the MWD. Ms. Jeanine Jones of DWR added that the task of the science panel is to review the existing hydrology, both the paleo-record and tree ring data as well as the current historic record, and make sure that the best available hydrologic data is used as the Shortage Guidelines process moves forward. A series of public meetings are to be held as the panel work is completed. The panel's report is to be finalized by the fall of 2006.

Arizona Department of Water Resources Saltcedar Management Paper

Mr. Zimmerman reported that the Arizona Department of Water Resources (ADWR) had published a white paper describing the research included in approximately 28 technical documents regarding potential water augmentation through saltcedar management. Generally, the report indicates that significant water augmentation would not be achieved through saltcedar management. In addition, wildlife resources are currently dependent upon saltcedar-dominated habitats. The latest

research further concludes that the difference in evapotranspiration rates between saltcedar and native riparian habitats are not significant.

Desert Sun News Article

Mr. Zimmerman reported that the Desert Sun, a newspaper published in Palm Springs, California, reported on its fourth annual Southern California Environmental report card, included in the Board folder. Water agencies as a whole were graded above average in the area of water conservation, but the report identified three factors affecting the region and potential future water shortages; 1) the over use of Colorado River water, 2) Rapid population growth, and 3) Potential for long-term drought. The report urges greater interagency cooperation and coordination on long-term water planning efforts.

IID Board Resolution – Water Conservation and Forebearance

Mr. Zimmerman reported that on November 2nd the IID Board passed a resolution, included in the Board folder, that committed the IID to current water conservation efforts and programs and reaffirmed its commitment to the Quantification Settlement Agreement executed in October 2003, but rejected future efforts that would engender any form of fallowing or forbearance agreements. Mr. Menvielle added that the largest transfer of water from agriculture to urban user has been made by IID, but fallowing has created problems in the Imperial Valley with the landowners and the farm community. Consequently, the resolution was passed where IID would keep its commitments to past programs but to protect from future fallowing.

Summary and Review – Mexican Documents on Groundwater Impacts Associated with All American Canal Lining

Mr. Zimmerman handed out copies of a summary that Ms. Jones had prepared. The summary was a translation of two Mexican documents regarding the All-American Canal Lining impacts on groundwater. One report was prepared for the Mexico National Water Commission, and the other was a Mexican Senate Committee report in response to a field trip to the Mexicali Valley to assess impacts. Both reports were summaries as well and supporting data was not included in the documents.

Basin States Discussion

Mr. Zimmerman reported that the Lower Division states met on October 27th. The primary purpose of the meeting was to discuss Nevada's proposals to meet their future water supply needs. The Arizona representatives distributed a white paper on 602(a) storage. The California representatives distributed a paper that sets out the position that the Board has taken in the past related to tributary development. Both papers are included in the Board folder.

There was a consensus near the close of the meeting that the best way to move forward is with a cohesive Lower Basin position. In support of that consensus a meeting was scheduled for November 21st and 22nd to hold a smaller group of technical and policy people to formulate a Lower Basin package or tabulate concepts and components that can be supported by each of the Lower Basin states.

Mr. Zimmerman reported that the Basin states met on October 28th in Denver, Colorado. At the meeting a report was made on the ongoing discussions among the Lower Basin states. However the primary focus of the meeting was to go over the results of the Technical Committee's simulation modeling of the reservoir system. Three scenarios were discussed. Stepped releases from Lake Powell comprised stepping the releases as the lake levels in Powell and Mead decline. Some of the release would be above the 8.23 maf per year and some were below that amount. The second scenario was to balance the lake levels in Powell and Mead. This scenario essentially balanced the contents of the reservoirs such that when Lake Mead reached a certain elevation or Lake Powell reached a certain elevation the releases from Lake Powell would be adjusted to attempt to balance the reservoir contents such that the reservoirs elevations would decline together. After a drought is over, releases would be adjusted such that lake levels in both reservoirs would rise together. The third scenario consisted of combining the two previous scenarios such that stepped releases would be scheduled at certain times and adjusted when lake levels in Lake Mead dropped to certain levels. Trigger elevations in the hybrid scenario are being refined. The committee is scheduled to meet November 21st to go over the results of the refinements.

Mr. Zimmerman reported that the Basin states agreed not to comment on the Department of the Interior's process to look at the development of shortage guidelines and coordinated management of Lakes Powell and Mead. Both the Upper and Lower Basin states had sent two previous letters of comment to the Secretary responding to the scope of the process.

Mr. Zimmerman continued that the next Basin States meeting is to be held on December 14th.

Processes in Play

Mr. Zimmerman reported that there are basically three processes in motion that are being discussed at the Basin States meetings: 1) The Department of the Interior (DOI) process to manage the River under low reservoir and drought conditions primarily consists of shortage guidelines for the Lower Basin and coordinated operations of Lakes Powell and Mead, 2) Nevada's proposals to meet its short-term and long-term water demands through in-state resources of the Colorado River system and non-system water, out of state Colorado River system water and out of state Non-Colorado River system water, and 3) The Basin states' proposals to increase the available water supply through water efficiency and management improvements and water supply augmentation.

Mr. Zimmerman continued that although separate in many respects, the acceptability of most elements in one process is dependent upon the outcome of elements in the other processes. For instance, shortage guidelines cannot be developed without knowing the releases from Glen Canyon Dam. Regarding wheeling issues or tributary development, such proposals though not independently acceptable may be acceptable under certain conditions if those conditions are accepted by all seven Basin states. In addition, a commitment to augmentation and system efficiency programs may allow more liberal shortage guidelines.

Mr. Zimmerman went over the main elements of reservoir operations. 1) Defined Lake Powell releases, 2) Concurrent shortage and surplus guidelines for reservoir operations, 3) Manageable shortages in the Lower Basin, 4) Mexico would share in the shortages, 5) Importance of hydropower revenues.

Scoping Meetings for Shortage and Conjunctive Management Guidelines

Mr. Zimmerman reported that on September 30, 2005, the DOI initiated a formal National Environmental Policy Act (NEPA) associated with the development of Lower Basin shortage guidelines and reservoir operations strategies. A series of public meetings were held November 1st through the 3rd, and the 8th in Salt Lake City, Denver, and Phoenix respectively. The theme of the comments presented at the meetings were conservation before shortage and the recognition of hydropower. Written comments to the DOI are due by November 30th. Reclamation is to prepare an Environmental Impact Statement associated with shortage guidelines and reservoir operation strategies.

California Position on Tributary Development

Mr. Zimmerman went over major components that California supports regarding tributary development. Each state should actively manage its own resources, however with a view that the states cooperatively work together to implement creative programs to better manage the resources that benefits the entire system; implementation of programs that increase system efficiency; working cooperatively to resolve legal constraints that prevent implementation of desired programs, and last but not least implementation of programs that do not harm the systems of others.

Mr. Zimmerman continued that programs that have impacts on the systems of others, should be mitigated. The development on tributaries to feed the mainstream must recognize California's senior mainstream rights. In times of shortage and deficiency, California's 4.4 maf apportionment must be acknowledged. California's right to use surplus water must be recognized under present and future operating criteria.

Arizona Department of Water Resources (ADWR) Position – 602(a) Storage Algorithm

Mr. Zimmerman reported that ADWR has evaluated the current 602(a) storage algorithm used by Reclamation with a white paper that is included in the Board folder. As discussed in the white paper 1) the 602(a) doesn't permit storage of water for power generation, 2) The Upper Basin's depletion schedules are over-stated, 3) 602(a) storage requirements should be reviewed annually, 4) the 14.85 maf in the Interim Surplus Guidelines (ISG) storage requirement is in excess of amount necessary to fulfill requirements of 602(a) and results in an improper protection of power and recreational uses, 5) Increasing Lake Powell storage for power generation decreases frequency of releases greater than 8.23 maf/yr. ADWR recommends that Reclamation use the Upper Basin schedule utilized in the ISG Environmental Impact Statement. ADWR also believes that not all active reservoir storage is captured in the current algorithm.

Conference Report H.R. 2419

Mr. Zimmerman reported that effort has been made to obtain appropriations and authorization through H.R. 2419 to support needed funding for the second phase of the Lower Colorado Water Supply Project Act (LCWSP), fund the Colorado River Front Works and Levee System (CRFWLS) and support for Title I of the Salinity Control Act. Work is progressing to amend the LCWSP Act to authorize the Secretary to enter into agreements, to construct Phase II of the Project, and permit the Secretary to enter into contracts to utilize the excess project capacity. The CRFWLS comprises appropriations of \$4.75 million for planning and design of regulatory

storage in the Laguna Division and the All-American Canal and is a federal responsibility. Under Title I of the Salinity Control Act, amendments in H.R. 2419 directs Reclamation to continue evaluations associated with replacing the water in the By-Pass Drain and directs Reclamation to devote necessary resources to have the Yuma Desalting Plant operating at one-third capacity by the end of calendar year 2006.

Miscellaneous News Articles of Interest

Mr. Zimmerman reported that several articles were included in the Board folder pertinent to the Colorado River and the Basin states discussions.

Colorado River Environmental Activities

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

Mr. Harris reported that Reclamation has scheduled a tour for technical staff to better acquaint them with implementation activities, proposed implementation activities and programs included in the LCR MSCP. There are about 50 people from various agencies in three states and the federal agencies who will be participating in the tour. The tour is scheduled to begin in Yuma, Arizona on December 6th and move north to Las Vegas by December 8th. There is a scheduled poster session at the conclusion of the tour where staff that have been working on the planning phase of several proposed restoration sites are to provide an overview of what is expected to be accomplished in the next five years of implementation of the LCR MSCP.

Final Southwestern Willow Flycatcher Designation of Critical Habitat

Mr. Harris reported that on October 19th, the U.S. Fish and Wildlife Service (USFWS) published the final rule designating critical habitat for the Southwestern Willow Flycatcher (WIFL). The draft critical habitat designation included areas along the lower reach of the Colorado River. The LCR MSCP included dedicated species conservation measures for the WIFL as well as riparian habitat restoration activities. In the final rule, the USFWS excluded the Lower Colorado River from Lake Mead to the Southerly International Boundary. A copy of the final rule can be accessed at www.fws.gov/arizonaaes.

Glen Canyon Dam Adaptive Management Program (GCD AMP)

Mr. Harris reported that the Grand Canyon Monitoring and Research Center held a Colorado River Ecosystem Science Symposium from October 25th through the 27th, in Tempe, Arizona. The purpose of the Symposium was to review the progress over the last ten years of the GCD AMP. There were reports from U.S. Geological Survey (USGS), USFWS, and other agencies on various elements within the sediment resources, in the Grand Canyon, the riparian resources, birds, native fish activities, and mitigation measures attempted through out the last ten years. The USGS compiled the reports and published a circular report, number 1282, which is available at www.usgs.gov/pubprod.

In general, the tone of the symposium was that progress is being made. The conservation organizations, in particular Living Rivers and Defenders of Wildlife have taken exception to that conclusion. The Living Rivers conservation organization issued a press release in conjunction with

the symposium. Living Rivers contends that the Adaptive Management Program has not adequately conserved or managed the endangered species, and that habitats in the Grand Canyon are continuing to be degraded. Living Rivers also still advocates draining Lake Powell and decommissioning Glen Canyon Dam. The press releases and news releases are included in the Board folder materials.

Miscellaneous News Articles

Mr. Harris reported that the Defenders of Wildlife has recently released their top Ten Most Endangered Wildlife Refuges. The Salton Sea was included in the list because of the continuing degradation of the sea over time. Included in the Board folder is “Two Salton Sea Authority (SSA) Members dispute Reclamation’s Salton Sea Restoration Costs” discussing Reclamation’s claim that to construct a seismic-event safe dike structure to divide the Sea into a northern and southern halves would cost about \$8 billion. The SSA estimates the dike system can be constructed at a cost of approximately \$1 billion.

WATER QUALITY

Colorado River Basin Salinity Control Program

Mr. Amir-Teymoori, reported that Colorado River Basin Salinity Control Forum Work Group, Advisory Council, and Forum met in Riverside, California on October 24th through 26th. The Work Group met at the National Research Center – Salinity Laboratory on the University of California campus at Riverside on the afternoon of the October 24th. The minutes of the Advisory Council and Forum meetings were reviewed. The Advisory Council’s meeting in the morning on October 25th where the federal agencies reported to the states their accomplishments was followed by a tour sponsored by MWD. The tour included a visit on the river’s Reverse Osmosis system, desalting system which is owned and operated by Western Municipal Water District. The tour included the Arrowhead tunnel of the Inland Feeder and a visit to Diamond Valley Lake. The Advisory Council heard reports on activities from the federal agencies. The USGS discussed potential salinity impacts related to energy development in the Upper Basin.

Mr. Amir-Teymoori reported that the Forum meeting was held on October 26th. There were presentations from the International Boundary and Water Commission, the Bureau of Land Management (BLM), Reclamation, U.S. Department of Agriculture (USDA), USFWS, and USGS. Funding issues were also discussed. The Forum recommended the Advisory Council request \$17.5 million from Reclamation, \$5.2 million from BLM, where \$800,000 would be allocated to specific salinity control projects, and from the USDA 2.5 percent of the Environmental Quality Incentives Program or a minimum of \$20 million. The Forum also approved the 2005 Triennial Review and authorized the distribution of the report.

Mr. Amir-Teymoori added that there was a presentation by Work Group members on nine bulletins of a new report. The Forum concurred with the Work Group’s recommendations on preparing these new nine bulletins, that will be made available to the public on salinity control issues. There were two new salinity control projects, the Eden Lateral and Muddy Creek that were also approved.

Mr. Amir-Teymoori reported that the National Resource Conservation Service intends to change the cost share ratio from 75 percent to 65 percent. The Forum approved a resolution requesting the USDA to maintain the 75 percent ratio through next fiscal year. Mr. Jan Matusak added that the Advisory Council took action to continue the Upper Basin providing the maximum contribution possible for the cost sharing of 15 percent with the remainder of 85 percent provided by the Lower Basin.

The next Salinity Control Forum meeting is scheduled to be held in St. George, Utah, in late April or early May 2006.

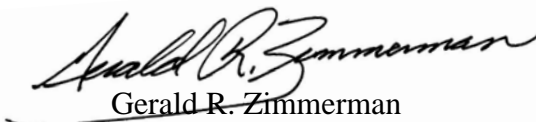
OTHER BUSINESS

Next Board Meeting

Vice Chairman Foley announced that the next meeting of the Colorado River Board will be held on Wednesday, December 14, 2005, 3:00 p.m., at the Caesar's Palace Hotel, Las Vegas, Nevada.

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 12:04 p.m. on November 9, 2005.



Gerald R. Zimmerman
Executive Director