

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, June 14, 2006

A Regular Meeting of the Colorado River Board of California (Board) was held in the Grand Ballroom Salon 4 of the Ontario Airport Marriott Hotel, at 2200 East Holt Avenue, Ontario, California, on June 14, 2006.

Board Members Present

John V. Foley, Vice-Chairman
James H. Bond
Dana Bart Fisher, Jr.
Terese Marie Ghio
John W. McFadden

James B. McDaniel
Jeanine Jones, Designee
Department of Water Resources

Board Members and Alternate Absent

Lloyd W. Allen, Chairman
Henry Merle Kuiper

John Pierre Menvielle
Christopher G. Hayes, Designee
Department of Fish and Games

Others Present

Steven B. Abbott
Mark D. Buehler
John Penn Carter
William I. DuBois
David Fogerson
William J. Hasencamp
Gordon A. Hess
Kate Kanealy
Michael L. King
Le Val Lund
Linus Masouredis
Jerome C. Muys
Canh Nguyen
Douglas B. Noble
Roger K. Patterson
David R. Pettijohn
Steven B. Robbins
John L. Scott

Tom Shih
Ed W. Smith
Linda Somait
William H. Swan
Mark Stuart
James J. Taylor
Joseph A. Vanderhorst
Peter E. von Haam
Bill D. Wright

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 10:04 a.m.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Vice-Chairman Foley asked if there was anyone in the audience who 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.

MOMENT OF SILENCE IN MEMORY OF LLOYD W. ALLEN

Vice-Chairman Foley asked the Board and audience to observe a moment of silence in memory of Mr. Lloyd W. Allen, Chairman of the Board.

ADMINISTRATION

Approval of Minutes

Vice-Chairman Foley asked if there was a motion to approve the May 10, 2006, meeting minutes. Mr. Fisher moved approval of the May 10th Board meeting minutes.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. McFadden, and unanimously carried, the Board approved the May 10th Board meeting minutes.

Resolution in Memory of Board Chairman, Lloyd W. Allen

Vice-Chairman Foley reported that included in the Board packet is a Resolution in memory of Mr. Lloyd W. Allen. Vice-Chairman Foley asked if there was a motion to approve the Resolution.

MOTION: Upon the motion of Ms. Jones, seconded by Mr. Fisher, and unanimously carried, the Board approved the Resolution in Memory of Mr. Lloyd W. Allen.

Revised Board Meeting Schedule

Mr. Zimmerman reported that included in the Board folder is a revised meeting schedule. It was noted that in order to resolve a conflict in August, the Board meeting needed to be moved from Wednesday, August 30th, to Tuesday, August 29th, starting at 2 p.m. Vice-Chairman Foley asked if there was a motion to approve the revised meeting schedule.

MOTION: Upon the motion of Mr. Bond, seconded by Ms. Jones, and unanimously carried, the Board approved the revised Board August meeting schedule.

Colorado River Board of California Fiscal Year 2006-2007 Budget

Mr. Zimmerman reported that the Board 2006-2007 budget included in the Board folder is consistent with the Governor's recommended budget. The budget has passed through both the Assembly and the Senate Subcommittees without any changes. Mr. Zimmerman asked the Board to consider the Board's budget resolution and the Standard Agreement No. 39 also

included in the Board folder.

MOTION: Upon the motion of Mr. Bond, seconded by Mr. Fisher, and unanimously carried, the Board approved the 2006-2007 Budget.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. Bond, and unanimously carried, the Board approved the resolution providing the Board's Executive Director the authority to sign Standard Agreement No. 39 between the Board and the Six Agency Committee.

Election of Officers

With the passing of Chairman Allen, Vice-Chairman Foley asked the Board for nominations for the position of Chairman of the Board. Mr. Zimmerman mentioned that the California Water Code that governs the formation of the Board, states that "The Board shall elect from among its members, other than the Director of Water Resources or the Director of Fish and Game or their designees, a Chairman who is ex officio the "Colorado River Commissioner." The Chairman shall serve at the pleasure of the Board.

MOTION: Upon the motion of Mr. McFadden, seconded by Mr. Bond, Mr. Dana Bart Fisher, Jr. was nominated and elected the new Chairman of the Colorado River Board.

Mr. Fisher thanked the Board and mentioned past Board Chairmen and mentors that he would seek to honor by his service to the Board as their Chairman.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. Bond, Mr. John McFadden, was nominated and elected the new Vice-Chairman of the Colorado River Board.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Harris reported that as of June 7th, the storage in Lake Powell was 12.5 million acre-feet (maf), or 51 percent of capacity. The water surface elevation of Lake Powell was 3,607 feet. The storage in Lake Mead was about 14.426 maf, or about 56 percent of capacity. The water surface elevation of Lake Mead was about 1,131 feet. The total System storage was 34.8 maf, or 59 percent of capacity. Last year, at this time, there was 34.4 maf in storage, or 58 percent of capacity.

Mr. Harris reported that precipitation in the Basin from October 1, 2005 through June 8, 2006, was 92 percent of normal. The snowpack equivalent was 17 percent of normal. The projected unregulated inflow into Lake Powell for April through July is expected to be 5.9 maf, or 74 percent of normal. The water year, or October 1st through September 30th, projected unregulated inflow into Lake Powell is expected to be 9.2 maf, or 77 percent of normal. Unregulated inflow is less than expected, and the snowpack has melted sooner than anticipated. The dry soil conditions from previous years has reduced the amount of runoff normally available from what is considered a near normal year.

Mr. Harris continued that Reclamation's forecast for consumptive use for Nevada is about 0.298 maf, nearly its full entitlement of 0.3 maf. For the State of Arizona it is forecasted to be 2.791 maf, and California the forecast is 4.369 maf. California's consumptive use would be closer to 4.4 maf if inadvertent overrun payback was included. The total consumptive use for the Lower Division states is forecast to be 7.458 maf.

Mr. Harris added that the Basin storage so far is similar to that of last year.

State and Local Water Reports

Mr. Mark Stuart of the California Department of Water Resources reported that precipitation in the southern part of the state is at or below normal for most of Southern California. There are some areas that are in the normal range; such as Mammoth Lakes on the Eastern Sierras and Santa Barbara along the coast. In the northern part of the State, precipitation has been 140 percent of normal and runoff has been 170 percent of normal. Last year, precipitation was also about 140 percent of normal, yet the runoff was only about 105 percent of normal. Since last year, it was wetter than normal and this year was also wetter than normal, the amount of water flowing into the streams and reservoirs is also higher than what might normally be expected. Many of the State Water Project (SWP) reservoirs are slightly above the full capacity.

Mr. Stuart added that SWP storage is at 5.326 maf, or 97 percent of capacity. Deliveries are expected to meet the full entitlement of the SWP contractors, for the first time.

Vice-Chairman Foley of The Metropolitan Water District of Southern California (MWD) reported that as of June 1st, storage in the main Southern California reservoirs is at 1.010 maf, or 97 percent of capacity. Diamond Valley Lake had about 809,000 acre-feet, or 100 percent of capacity. The Division of Safety of Dams requires that Diamond Valley Lake remain at 100 percent capacity for a period of 30 days as a safety check of the Dam. Lake Mathews had 161,000 acre-feet in storage, or 86 percent of capacity. Lake Skinner had 39,000 acre-feet in storage, or 90 percent of capacity.

Mr. McDaniel of the Los Angeles Department of Water and Power reported the climate conditions of the Eastern Sierra have been above average. The snow melt, however, has been at a rate faster than normal. There was hope that the snowpack would remain at Mammoth resort until July 4th but it will likely have melted by then. Nonetheless, it has been a successful snow year on the Eastern Sierra.

Arizona v. California

Mr. Abbey of the Attorney General's Office reported that there was nothing new to report on the *Arizona v. California* Supreme Court litigation from last month.

Colorado River Operations

Reclamation and MWD Sign Agreement for 'Intentionally Created Surplus' Water Demonstration Program at Lake Mead

Mr. Zimmerman reported that on June 1st, MWD and Reclamation entered into an agreement to create Intentionally Created Surplus (ICS) water, to be stored in Lake Mead. A copy of the signed agreement as well as a news release announcing the program, are included in the Board folder. Within the agreement, MWD indicates a plan to store up to 50,000 acre-feet of ICS water in Lake Mead in 2006. Up to 200,000 acre-feet of ICS water could be stored in 2007. The Imperial Irrigation District (IID) is considering participation in the program with plans to store as much as 5,000 acre-feet in 2006 and up to 25,000 acre-feet in 2007. Coachella Valley Water District (CVWD) and San Diego County Water Authority (SDCWA) are considering participation in the program in 2007. The Demonstration Program is limited to 200,000 acre-feet in 2007. The other side of this program is for the Secretary of the Interior to complete this as an ongoing process and recognize the creation of the ICS water and how that water would be withdrawn in the future. A copy of the agreement can be found at <http://www.usbr.gov/lc/riverops.html>. Agency managers are discussing a California program in 2007.

2007 Annual Operating Plan

Mr. Zimmerman reported that the Colorado River Management Work Group has scheduled a meeting to begin development of the 2007 Annual Operating Plan for the Colorado River System Reservoirs (2007AOP). The first meeting is scheduled to be held on June 16th. The draft 2007 AOP developed by Reclamation acknowledges the ICS Demonstration Program. The draft plan also recognizes the operation of the Yuma Desalting Plant at 10 percent capacity for 2006. The operation would be a test where the plant would be operated for 30 days.

Mr. Zimmerman added that the draft 2007 AOP makes a number of hydrologic Determinations: 1) the minimum objective releases from Glen Canyon Dam would be 8.23 maf, unless there is a maximum probable runoff and Lake Powell would reach the equalization level, then releases would be greater than 8.23 maf; 2) Releases from Hoover Dam would satisfy downstream requirements under a Partial Domestic Surplus for this year; 3) Mexico would be allowed to schedule the delivery of 1.5 maf.

Mr. Zimmerman added that following the June 16th meeting there will probably be a couple meetings of the Colorado River Management Work Group, prior to the recommended 2007 AOP being submitted to the Secretary of the Department of the Interior for signature.

Mr. Zimmerman noted that the draft 2007 AOP does not contain language calling for a mid-year review. However, a mid-year review was included in the Secretary's letter that was distributed with the 2006 AOP.

Miscellaneous News Articles

Mr. Zimmerman reported that several articles have been included in the Board folder. One article discusses the interest in the Southwestern Utah plan to acquire approximately 25,000 acres of public land. The proceeds of the sale of this public land would help facilitate the construction and operation of the Lake Powell-St. George Pipeline. The pipeline is to supply development in Washington County of Utah and the St. George area. The second article announces Dirk Kempthorne, on May 26th, being sworn in as the 49th Secretary of the Department of the Interior. The third article describes the long-term impacts if a meaningful

Salton Sea Restoration program is not identified and implemented.

Basin States Discussion

Mr. Zimmerman reported that the Basin states discussions have focused on the ICS Demonstration Program and Reclamation's "National Environmental Policy Act/Environmental Impact Statement (NEPA/EIS) alternatives. All of the Basin states were supportive of the ICS program. Regarding the NEPA/EIS alternatives, currently, Reclamation appears to be considering five alternatives. The first is the "No Action" alternative. Under this alternative it is difficult to predict what operations would be in any given year. Each year the states would petition the Secretary with arguments for one operation over another, ultimately the Secretary would decide whether to move in the direction of one state, the Upper Basin, or the Lower Basin in operating the reservoirs for that year. Some of the states would be satisfied some of the time, but none of the States would likely be completely satisfied all of the time. The "No Action" alternative is hard to simulate, because of the potential for short-term political pressures, but Reclamation will have a "No Action" alternative. Another alternative would be the Basin states proposed alternative. This alternative is being modeled. The Technical Committee has been working with Reclamation to include the ICS program into the simulation of the Basin states alternative. Another alternative would be the "Conservation before Shortage Alternative" as endorsed by the environmental community. This alternative has similarities with the Basin states alternative, but instead of mandatory shortages, as proposed by the Basin states, there would be a call for voluntary conservation. The voluntary conservation would be funded by a surcharge or fee paid from power generation and/or usage fees paid by users of Colorado River water. There have been suggestions by the environmental community that the ICS program be adopted and expanded to include Mexico and Mexican water users. By including Mexico, the environmental community hopes that additional water would be available for the environment and also for flushing flows. The fourth alternative has been characterized as a water supply alternative. This alternative wouldn't have protections of power heads or water levels. Water levels of Lakes Mead and Powell would be lowered to maximize water supply. This alternative would model the consequences of ignoring protections in favor of water supply. The fifth alternative would place protections of water elevations of Lakes Mead and Powell for recreation and power generation. This alternative has been proposed by the cooperating agencies; the U.S. Fish and Wildlife Service, National Park Service, the Western Area Power Administration, the Bureau of Indian Affairs, the International Boundary and Water Commission, and Reclamation. In this alternative the trigger elevations for shortages would be higher than those used in the Basin states alternative.

Mr. Zimmerman reported that Reclamation is planning, by the end of June, to prepare a document that will identify and explain each of the alternatives that will be considered in the NEPA/EIS process. More detailed information should be available by the next Board meetings.

Resolution on the Implementation of Reclamation's Demonstration Program to Replace By-Pass Flows

Mr. Zimmerman reported that Reclamation has proposed to initiate a demonstration program to replace water that is currently discharged in the Bypass Drain to the Cienega. The replacement water is to be conserved through a land fallowing program. The duration of the program is from August 1, 2006, through July 31, 2008. No more than one-half of the

conservation can be obtained from either Arizona or California. MWD, PVID, and Reclamation are attempting to participate in the program in the amount of 10,000 acre-feet for 2006. Agencies in Arizona have not yet indicated a desire to participate in this demonstration program. The demonstration program, at 10,000 acre-feet, will only make up a small portion of about 110,000 acre-feet that are currently discharged in the by-pass drain to the Cienega. There was some discussion regarding Reclamation's obligation and the historic attempt to offset the water that has been discharged into the Bypass Drain to the Cienega. The Board staff has prepared a draft resolution that would allow more than 50 percent of the conservation to occur in California for the first year of the demonstration period.

MOTION: Upon the motion of Mr. Fisher, seconded by Mr. McFadden, the Board approved the resolution for California to participate in the August 1, 2006, to July 31, 2008 program at more than 50 percent for the first year of the program. The resolution is to be sent to the Lower Colorado Regional Office of Reclamation.

Al-American Canal Drop 2 Reservoir

Mr. Zimmerman reported that in further consideration of the potential environmental impacts of the proposed reservoir at Drop 2 of the All-American Canal, Reclamation is looking at environmental impacts beyond the footprint of the infrastructure of the facilities. That analysis is being extended to the potential impacts along the Colorado River below Imperial Dam.

Southern Nevada Water Authority's (SNWA) Water Augmentation Study

Mr. Zimmerman reported that the SNWA has hired their consultant to complete the water augmentation studies. Further discussion and an update on the current status is expected at the Lower Basin states meeting on June 15th.

Forbearance Agreements

Mr. Zimmerman reported that discussions on the forbearance agreements, i.e., what should be contained within them and what requirements would be needed for implementation, have been deferred until Reclamation has completed meetings individually with each of the Lower Basin states. Reclamation has indicated that it will take some effort to get each of the Lower Basin states to reach agreement.

Hydrologic Yield Determination

Mr. Zimmerman reported that Reclamation and the Upper Basin states have updated the 1988 Hydrologic Determination defining the available yield in the Upper Basin. The Draft Hydrologic Determination of May 2006 is included in the Board handout materials. Revisions in this hydrologic determination include updated natural flow data, adjusted reservoir evaporation during critical periods, and revised depletions in New Mexico. The conclusions of the draft Hydrologic Determination are that there is a slight increase in the yield for Upper Basin development of about 40,000 acre-feet.

Mr. Zimmerman added the Upper Colorado River Commission (UCRC) passed a resolution, included in the handout materials, generally supporting the determination of a yield of at least 6.04 maf, but opposes the assumption that a six percent overall shortage be allowed, and specifically opposes the objective minimum release of 8.23 maf from Glen Canyon Dam. The UCRC also supports Congressional action approving the Navajo Water Rights Settlement agreement authorizing the Navajo-Gallup Water Supply Project. Mr. Zimmerman indicated that the Board might want to pass a resolution in regards to the updated Hydrologic Determination. The Board recommended that a letter be prepared laying out its concerns.

In addition to the Navajo-Gallup Water Supply Project that is planned to deliver 40,000 acre-feet to the Navajo Nation and Gallup area in New Mexico, there was some discussion of the proposed Washington-St. George Pipeline to Southwestern Utah, that is planned to deliver about 110,000 acre-feet, of which 70,000 acre-feet to the St. George area in Washington County, about 20,000 acre-feet to Krane County, about 20,000 acre-feet to Iron County.

ICS Credits for Mexico

Mr. Zimmerman reported that several environmental organizations recently submitted a white paper suggesting that the “ICS” Credit program include interested parties, south of the border, in Mexico. The paper suggests that interested parties in Mexico be allowed to obtain credits in three ways. One would be through extraordinary conservation and storage under the same conditions as interested parties in the US. A second way would be to participate in System Efficiency Projects within the US. A third way would be water exchanges of non-Colorado River System water. An example would be the construction of a desalination plant along the coast of Mexico and exchange of that amount of water for an equivalent amount of Colorado River water to be used by an agency in the US, such as the SNWA. This suggestion would possibly require a minute to the 1944 Mexican Water Treaty to allow for water deliveries other than those prescribed in the Treaty at the Northerly International Boundary and the Southerly International Boundary.

Mr. Zimmerman added that the next Lower Basin states meeting is June 15th. The next Basin states Technical Committee is on June 16th, and the next Seven Basin states meeting is on July 14th.

Miscellaneous News Articles

Mr. Zimmerman reported that several articles were included in the Board folder. The University of Arizona, US Geological Survey, the National Oceanic and Atmospheric Administration, and the University of Colorado conducted a joint study on tree rings indicating that the last 100 years may have been the wettest period in the last 500 years. The study indicated the long term yield of the Basin was 14.6 maf. A previous tree ring study had indicated the annual yield was 13.5 maf. This study updated the previous study and indicated the average annual yield is 14.6 maf. Another article of interest is about the Colorado Attorney General’s Office suggesting that the Colorado legislature fund the development of the collection of the necessary documents and papers for a potential upcoming lawsuit regarding Colorado River allocations, water rights, or Compact interpretations. The Colorado legislature allocated \$759,000 dollars for the document research.

Colorado River Environmental Activities

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

Mr. Harris reported that the LCR MSCP “Technical Work Group” (TWG) met on June 6th and 7th to discuss the proposed Science Strategy for implementing the long term implementation of the LCR MSCP. The TWG also developed the 2007 work plan and the proposed budget for the work they propose to accomplish in fiscal year 2007. The draft Science Strategy integrates the monitoring and research programs, and funnels that collected information into a decision making and adaptive management process to refine future work plans and budget development for the long term LCR MSCP.

Glen Canyon Dam Lawsuit

Mr. Harris reported that the environmental organizations, Living Rivers and the Pacific Institute have sent letters to Reclamation, the National Park Service, the Fish and Wildlife Service, and The Arizona Game and Fish Department (AGFD), informing them that a 60-day notice has been filed with the courts for the AGFD to discontinue the stocking of trout below Glen Canyon Dam. The 60-day notice alleges that the stocking of trout negatively effect the native fish populations.

WATER QUALITY

Santa Ana Regional Water Quality Control Board (RWQCB), Santa Ana Region, Hearing

Mr. Amir-Teymoori reported that the RWQCB held a hearing on May 19th to discuss the proposed order regarding recharge requirements in the Santa Ana groundwater basin. The original order required that the total dissolved solids (TDS) of imported water for recharge be less than the TDS of the groundwater. State Water Project (SWP) water meets the requirements most of the time because the average TDS of SWP is less than the groundwater, but TDS of Colorado River water is higher than the groundwater in some recharge areas of concern. At the hearing, significant concern was expressed regarding the legal and jurisdictional authority of the RWQCB in regulating the potential recharge of imported water into local aquifers. The RWQCB decided to postpone the decision-making on the proposed order to more fully study the order and potential impacts. The Santa Ana Watershed Project Authority will coordinate development of a process to bring all interested stakeholders together regarding this issue.

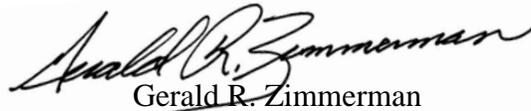
OTHER BUSINESS

Next Board Meeting

Vice-Chairman Foley announced that the next meeting of the Colorado River Board will be held on Wednesday, July 12, 2006, 10:00 a.m., at the Ontario Airport Marriott Hotel, 2200 E. Holt Boulevard, 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. Bond, and unanimously carried, the meeting was adjourned 11:51 a.m. on June 14, 2006.



Gerald R. Zimmerman
Executive Director