

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, February 15, 2006

A Regular Meeting of the Colorado River Board of California (Board) was held in the Grand Ballroom Salon 3, at the Ontario Airport Marriott Hotel, 2200 East Holt Boulevard, Ontario, California, on February 15, 2006.

Board Members and Alternate Present

John V. Foley, Vice Chairman
James H. Bond
Terese Marie Ghio
Russell Kitahara
Henry Merle Kuiper

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

Board Members and Alternates Absent

Lloyd W. Allen, Chairman
D. Bart Fisher, Jr.
John W. McFadden
John P. Menvielle

Charles Van Dyke
Curt A. Taucher, Designee
Department of Fish and Games

Others Present

John Penn Carter
William I. DuBois
William J. Hasencamp
Gordon A. Hess
Ronald E. Hull
Michael L. King
George Loveland
Le Val Lund
Dennis C. Mahr
Jay W. Malinowski
Dirk Marks
Dan Parks
Roger K. Patterson
David R. Pettijohn
Steven B. Robbins

Tom Ryan
Peter S. Silva
Ed W. Smith
Matthew G. Stone
James J. Taylor
Joseph A. Vanderhorst
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 10:05 a.m.

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 motion to approve the December 14, 2005 minutes. Ms. Jones moved approval of the December 14th meeting minutes.

MOTION: Upon the motion of Ms. Jones, seconded by Mr. Bond, and unanimously carried, the Board approved the December 14th meeting minutes.

Vice Chairman Foley then asked if there was a motion to approve the January 11, 2006 minutes. Mr. McDaniel moved approval of the January 11th meeting minutes.

MOTION: Upon the motion of Mr. McDaniel, seconded by Mr. Bond, and unanimously carried, the Board approved the January 11th meeting minutes.

Statements of Economic Interest

Mr. Zimmerman mentioned that the Statement of Economic Interests had been sent out and that the deadline for returning them to Board staff is February 21st.

New General Manager at Metropolitan Water District

Vice Chairman Foley announced that on February 14th, The Metropolitan Water District of Southern California (MWD) installed Jeff Kightlinger as the new General Manager of MWD.

AGENCY MANAGERS MEETING

Mr. Zimmerman reported that the Agency Managers and attorneys met a number of times regarding the ongoing Basin states discussions. The primary focus of the Agency Managers has been to develop a Basin states agreement package. An agreement has been sent out, but there is much work to be done prior to the Draft Environmental Impact Statement to be issued in September, 2006.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Harris reported that as of February 5th, the storage in Lake Powell was 11.144 million acre-feet (maf), or 46 percent of capacity. The water surface elevation was about 3,593.5 feet.

The storage in Lake Mead was about 15.377 maf, or about 59 percent of capacity. The water surface elevation was 1,139.9 feet. The total System storage is 34.162 maf, or 57 percent of capacity. Last year at this time, there were 30.406 maf in storage, or 51 percent of capacity.

Mr. Harris reported that precipitation in the Basin from October 1st through February 9th is 109 percent of normal. The snowpack equivalent, which is based on 116 SNOTEL sites through out the Basin, is 103 percent of normal. The projected unregulated flow into Lake Powell for April through July 2006 is estimated to be 8.3 maf, or 105 percent of normal. The estimated unregulated inflow into Lake Powell for water year 2006 is about 12.39 maf, or 103 percent of normal.

Mr. Harris reported that the Reclamation-estimated consumptive use within the Lower Division states for calendar year 2006 for Nevada is expected to be 302,000 acre-feet. Arizona is expected to consumptively use about 2.825 maf, and California is expected to use about 4.362 maf. Overall, Reclamation has estimated that the consumptive use for 2006 in the Lower Basin to be 7.489 maf.

State and Local Water Reports

Ms. Jeanine Jones of the California Department of Water Resources reported that, as of February 1st, the DWR forecast is based on the current snow survey data. Forecast made before February 1st are based on the contents in reservoir storage and historical projections. This month the forecast of the snow surveys, the Sacramento River and the San Joaquin River index, are in the 115 to 120 percent of normal range. The Feather River which drains into the Lake Oroville has been dry for the past few years. The forecast for the Feather River is 85 percent.

Mr. Harris added that the precipitation in Los Angeles as of January is well below normal, close to the 2001 to 2002 water year, which was the driest year on record.

Vice Chairman Foley of The Metropolitan Water District of Southern California (MWD) reported that as of February 1, 2006, the combined storage of Lake Skinner, Lake Mathews, and Diamond Valley Lake was 972,000 acre-feet, or 92 percent of capacity. Diamond Valley Lake had about 790,000 acre-feet, or 96 percent of capacity. Lakes Mathews and Skinner had a combined storage of about 182,000 acre-feet, roughly 4,000 acre-feet less than last month.

Mr. McDaniel of the Los Angeles Department of Water and Power reported that as of February 14th, the Eastern Sierra snow pack, as represented by the Mammoth Pass station, was 116 percent of average. The current snow pack for this station is 85 percent of the season average.

Arizona v. California

Mr. William Abbey of the Attorney General's Office reported that the draft consolidated Decree has been reviewed by the Solicitor General's Office. The Solicitor's review has been thorough and a couple of extensions were sought and granted by the Supreme Court so that the Solicitor could finish his review. The draft consolidated Decree is now resting with the Supreme Court, awaiting final approval.

Colorado River Operations

All-American Canal Lining Project Supplemental Information Report

Mr. Zimmerman reported that Reclamation had prepared a Supplemental Information Report (SIR) to evaluate new and relevant information related to the All-American Canal (AAC) Lining Project. The SIR, included in the Board folder, found no significant new circumstances and no substantial changes in the project. Based upon the SIR, Reclamation has determined that a revised final Environmental Impact Statement and Report is not necessary.

All-American Canal Lining Project Litigation

Mr. Zimmerman reported that the U.S. District Court in Las Vegas, Nevada, issued an order on February 8th, dismissing seven of the eight counts brought against the AAC Lining Project. Several non-governmental groups had filed complaints against the project. Counts 1 through 4 dealt with water rights issues and were dismissed due to lack of standing. In addition, the water rights of the Colorado River have already been established. Counts 6 through 8 were associated with the AAC Lining Act, the Endangered Species Act, and the Migratory Bird treaty Act. Counts 6 through 8 were also dismissed due to lack of standing. The remaining count, Count 5, is associated with the National Environmental Policy Act and the federal Administrative Procedures Act. This count has been set to be heard at a Status Conference on Friday, March 3, 2006, at 10:30 a.m.

Lower Colorado Water Supply Project

Mr. Zimmerman reported that the City of Needles, on January 4th, sent a letter requesting Reclamation's assistance in identifying and bringing all potential Lower Colorado Water Supply Project (LCWSP) subcontractors into compliance with the LCWSP Act. The letter is included in the Board folder. The City of Needles, through their Board of Public Utilities, had written of their concern that if unauthorized users are not brought into the project then the feasibility of the project will be in jeopardy. The City of Needles will not be able to meet its financial obligations to administer the project and recoup their costs.

Mr. Zimmerman added that Reclamation responded to the City of Needles in a letter dated January 26th, that Reclamation plans to initiate a rule-making process regarding unauthorized uses in the spring of 2006. The rule-making procedure may also assist the State of Arizona bring some of their unauthorized users under contract. Both letters are included in the Board folder.

Basin States Discussion

Mr. Zimmerman reported that the Secretary of the Interior initiated a scoping process in June 2005 to develop shortage guidelines for the Lower Basin and conjunctive reservoir management of Lakes Powell and Mead. On September 30th the Secretary published a Notice of Intent to prepare an Environmental Impact Statement to initiate shortage guidelines in the Lower Basin through the National Environmental Policy Act (NEPA). The Secretary plans to issue a Record of Decision by December 2007. The Basin states have been focusing on developing comments on what the states believe are appropriate scope for the NEPA process. Components

of a preferred alternative have been identified to be included in the NEPA documents. A letter was sent on February 3rd to the Secretary providing the Basin states comments on the NEPA process. The Secretary has received the comments and is expected to distribute the scoping document in March 2006. The draft EIS is expected in September 2006.

Mr. Zimmerman continued that there were three items in the Basin states February 3rd response. Those items included a transmittal letter to the Secretary, a preliminary proposal regarding the interim operations of the Colorado River System reservoirs, and a Basin states agreement. Those three documents identify what the Basin states believe is the appropriate scope of the process as well as identify the process that the Basin states are currently engaged in. The documents, included in the Board folder, represent what the Basin states believe should be followed during the interim period until 2025.

Mr. Zimmerman summarized the coordinated operations of Lakes Powell and Mead. Using slides of charts, Mr. Zimmerman described the amount of water that would be scheduled for release based on the reservoir water surface elevations in Lakes Powell and Mead. He added that the coordinated operations cover the full range of operations of both reservoirs rather than two independent reservoirs operating under separate conditions. The coordinated operation would identify water release schedules at Glen Canyon Dam based on trigger elevations in both reservoirs to minimize curtailments in the Upper Basin and minimize shortages in the Lower Basin. The coordinated operation would extend the Interim Surplus Guidelines to match the interim period of the coordinated operational guidelines as well as comply with 602(a) Interim Storage Guidelines.

Mr. Zimmerman added that within the coordinated operations the Basin states have proposed that the Secretary develop a policy and accounting procedure that allows water that is conserved through extraordinary conservation measures or efficiency projects or that is imported into the Colorado River System from non-Colorado River sources to be transferred to the project beneficiary. The Basin states have suggested that a mechanism be developed to support the concept of creating "Intentionally Created Surplus" (ICS) credits. In a specific year through forbearance agreements, these ICS credits could be used by a Section 5 contractor, in addition to the water that is apportioned to that contractor.

Mr. Zimmerman gave examples of what the annual releases from Glen Canyon Dam would be based on the reservoir water surface elevations on January 1st in both Lakes Powell and Mead. The first slide showed that when the water surface elevation in Lake Mead is above 1,194 feet, less than 8.23 maf could be released from Lake Powell providing the water surface behind Lake Powell is below 3,554 feet. The Corps of Engineers for flood control purposes requires a little over five maf storage be kept available in Lake Mead. When the water surface elevation in Lake Mead is above 1,145 feet there would be a surplus in the Lower Basin. The surplus would either be a domestic surplus, a quantified surplus, a 70R surplus, or a flood control surplus. The next slide showed the Equalization line for Lake Powell. This has been characterized as the 602(a) line. The Equalization line in the proposed coordinated operations is from elevation 3,636 to 3,664 feet in Lake Powell. The Upper Trigger Elevation would increase as the Interim Period is extended to 2025. In 2025, the Upper Trigger Elevation would be 3,664 feet. The Colorado River Basin Project Act of 1968 identifies the 602(a) storage that storage in the Upper Basin must be sufficient that uses in the Upper Basin are not impacted when the required downstream releases are made. As the Upper Basin develops, 602(a) storage would increase.

The next slide showed the potential for Lake Mead banking. Anytime the water surface elevation in Lake Mead was above 1,125 feet, a partial domestic surplus could be declared. In place of the partial domestic surplus would be the opportunity for Lake Mead banking or Intentionally Created Surplus Credits. Details need to be worked out as to how banked water be used when the Lower Basin is in shortage. Mr. Zimmerman showed slides of the water surface elevations when releases would be made to balance the contents of both reservoirs. When the reservoirs are within this range banked water could be created, stored, and used. Next, Mr. Zimmerman showed the conditions that would govern a reduction in releases from Glen Canyon Dam and shortages would be incurred in the Lower Basin. The shortages would increase as the reservoir elevations dropped. When water surface elevations in Lake Powell were below 3,525 feet and Lake Mead is below 1,025 feet, then the releases from the reservoirs would be adjusted to attempt to bring Lakes Powell and Mead to balance. Mr. Zimmerman showed the slide depicting the important trigger elevation of 3,490 feet, the minimum power generation elevation for Lake Powell and the Lake Mead elevation of 1,000 feet that is below the current intakes for the Southern Nevada Water Authority's lowest intake.

Mr. Zimmerman then showed slides that depicted that whenever the storage in Lake Powell was greater than that in Lake Mead and the water surface in Lake Powell is above the Upper Trigger Elevation, the Equalization Trigger line, then releases from Glen Canyon Dam would be above 8.23 maf. As the reservoir levels drop, there is a decrease in the maximum release from Lake Powell. Mr. Zimmerman went over the conditions where releases from Lake Powell would remain at 8.23 maf. The conditions also where releases could be below 8.23 maf, when Lake Powell is below 3,575 feet and Lake Mead is above 1,025 feet. If the water surface in Lake Mead drops below 1,025, which is the 600,000 acre-feet plus trigger, 8.23 maf is released from Lake Powell as long as the Lake Powell elevation is above 3,525 feet.

Mr. Zimmerman added that when going into a drought there is a shortage in the Lower Basin, there is an attempt to either balance the contents in the reservoirs or maintain a minimum release of 8.23 maf. However, if Lake Powell reaches a critical water surface elevation of 3,575 feet, then the releases are reduced from Glen Canyon Dam to 7.48 maf, even though there is a shortage in the Lower Basin, to conserve storage in Lake Powell until Lake Mead drops below 1,025 feet, the third level of shortage. Any time Lake Mead is at, or below, 1,025 feet, there is an attempt to balance the contents of Lakes Powell and Mead.

Mr. Zimmerman continued that coming out of a drought there is an attempt to balance the contents in Lakes Powell and Mead and bring Lake Mead above elevation 1,025 feet, the third level of shortage. If Lake Mead is above 1,025 feet, Glen Canyon Dam releases are reduced to 7.48 maf to bring Lake Powell above 3,575 feet. When the Lake Powell elevation of 3,575 feet is reached then there is an attempt to balance the storage in Lakes Powell and Mead as long as the Lower Basin is in shortage. When the Lower Basin comes out of a shortage, Glen Canyon releases are maintained at 8.23 maf to conserve storage in Lake Powell until Lake Powell is above the Equalization line. Once above the Equalization line, the releases are either 8.23 maf, if Lake Mead is above Lake Powell, or greater than 8.23 maf, if Lake Powell is above Lake Mead.

There was some discussion on the definitions of "Intentionally Created Surplus" (ICS) and the cost of storing and transporting ICS water. The example was given that five percent of the ICS water would be subtracted as a conveyance loss and as much as three percent of the ICS water could be subtracted annually to account for evaporation losses. However, there was a

proposal that an exception be made if the Lower Basin is in shortage and the use of ICS water could cause reductions to other diverters, then if ICS water is not used then there would not be any evaporation loss. Consequently, more discussion would be needed to workout the details.

Ms. Jones mentioned that the Basin states had promised that they would work on a Drought Management Planning Exercise among the Lower Basin states. This exercise could be an opportunity to work out the details of ICS water usage during drought conditions.

Mr. Zimmerman reported that Tributary Conservation is limited to pre-Compact water rights that have a history of current use. The Tributary Conservation amount that can be transferred is limited to the amount of historic use. This water can only be used for municipal and industrial purposes and a five percent cut must be applied to the System to wheel the water to another diversion location. There would also be evaporation loss if the Tributary Conservation water were stored.

Mr. Zimmerman reported that the Basin states proposal included System Efficiency Projects. Drop 2 along the All-American Canal is an example of a System Efficiency Project. The terms of each project would base on a project-by-project basis. The amount of water conserved and the time duration of availability of the water may be available to the funding agency. This water is a temporary supply and is available for a specific term. Two advantages to this water is that it can be stored and is carried over when the reservoirs spill and there is no loss taken for system conveyance. The project must also provide a substantial benefit to the System in the U.S.

Mr. Zimmerman reported that the Secretary was asked to develop procedures for the introduction, conveyance, and diversion of non-Colorado River System Water. The non-Colorado River System water would be directly introduced into the Colorado River System and could include imported water or effluent from non-Colorado River System water. There would be at least a five percent cut for conveyance losses as well as evaporation losses. It is anticipated that this water be used on a real time basis; but could be stored under the same conditions as ICS water.

Mr. Zimmerman added that non-Colorado River System exchanges would provide an augmented water supply for the contractor. An example would be construction of a desalting facility for brackish or ocean water. Forbearance agreements and other arrangements may be necessary in order to make this water available to the funding entity. Further discussion is needed to develop verification and accounting procedures. This water is anticipated to be used on a real time basis.

Mr. Zimmerman reported that California is needed to further refine the preliminary Basin states Proposal. Identify the additional agreements that are needed to implement the Basin states Proposal. What needs to be included in the agreements and what must be excluded from the agreements. The signatories required and the limitations on the right to sue. The Draft EIS is scheduled to be released in September, 2006.

Miscellaneous News Articles

Mr. Zimmerman reported that included in the Board folder are several news articles

describing the recent agreements developed among the Seven Basin states. Included is an article describing the State of Colorado's effort to create a small grant program with funding for initiating weather modification programs or cloud-seeding activities.

State of Utah's Legislature Bill, "S.B. 27, Lake Powell Pipeline Development Act"

Mr. Zimmerman reported that Utah Senate Bill 27 would authorize the construction and operation of a pipeline from Lake Powell to water users in southwestern Utah. The proposed legislation would authorize the construction of a pipeline to the St. George area. The pipeline construction project would include a hydroelectric facility, creation of a project management committee. The management committee would authorize users to use, exchange, or sell water that is developed through the project and establishes an enterprise fund for the operation and maintenance of the pipeline project.

There was some discussion that Utah is an Upper Basin state but the St. George area is in the watershed of the Lower Basin.

Colorado River Environmental Activities

White House Conference on Cooperative Conservation

Mr. Harris reported that the President's Council on Environmental Quality (CEQ) sent a letter, February 3rd, based on feedback from the participants of the conference endorsing increased funding for cooperative conservation programs and activities nationwide. The increases in the U.S. Department of Agriculture (USDA) and Department of the Interior budgets are aimed to duplicate the success of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP). Mr. Harris stated that the LCR MSCP was one of the showcased presentations at the White House Conservation conference. Significant funding increases were requested within the USDA Wetland Reserve program. The Wetland Reserve program is a collaboration where farmers can work with the USDA in creating riparian zones and maintaining existing wetlands or restoring wetlands in conjunction with agricultural activities. The Wetland Reserve budget for FY 2007 was almost doubled. Also, Mr. Harris added that hiring criteria for federal employees now includes the requirement of skill sets that contribute to a collaborative conservation planning problem solving approaches. The letter is included in the Board folder.

Humpback Chub Recovery Plan Litigation

Mr. Harris reported that the U. S. District Court recently ruled that the current humpback chub recovery plan is inadequate. The ruling is the result of a challenge that several conservation organizations, who are involved in the Glen Canyon Dam adaptive management program, had filed several months ago. The Court ruled that the U.S. Fish and Wildlife Service (USFWS) is to re-evaluate the recovery timeline and identify more specific recovery goals and objectives and funding sources for those specific recovery activities. Along with the re-evaluation by the USFWS of the humpback chub recovery plan, other recovery plans for species such as the razorback sucker, the Colorado pike minnow, and the bonytail chub may also be reviewed. These plans were all prepared at the same time and by the same authors. It's reasonable to assume that if there were challenges and problems with one of the plans that there will be problems with the other three as well. It is not clear what this will mean in the context of

the Glen Canyon Dam Adaptive Management Program and the humpback chub population. The Arizona Game and Fish Department is about ready to retrieve the remaining humpback chub and place them in a fish hatchery for preservation. With the population so low, there is reluctance on the part of the federal biologists and the Park Service to take the remaining humpback chub out of the River.

WATER QUALITY

Colorado River Basin Salinity Control Forum Triennial Review

Mr. Amir Teymoori reported that the 2005 Forum Triennial Review was adopted by Forum last October 2005. The States must now approve those criteria and then forward it to the Environmental Protection Agency. In December the State Water Resources Control Board (SWRCB) published a notice of public hearing to consider the approval of the proposed salinity standards contained in the final 2005 Triennial Review report. The Hearing was held February 1st and the SWRCB adopted a resolution approving the final 2005 Triennial Review report of the Salinity Control Forum. A copy of the SWRCB resolution is included in the Board folder.

News Article "U.S. Shoulders Some Burden for Henderson Perchlorate"

Mr. Amir Teymoori reported that the Las Vegas Sun Newspaper has published an article reporting that the United States has agreed to contribute \$20.5 million to help pay for the clean up cost of the Perchlorate removal and plus another 21 percent of the costs after 2011 when the Kerr-McGee (now Tronox) cleanup cost insurance expires. The Tronox Corporation (formerly Kerr-McGee) has spent over \$120 million so far for the cleanup. The status of the cleanup operation is to be presented at the March Board meeting.

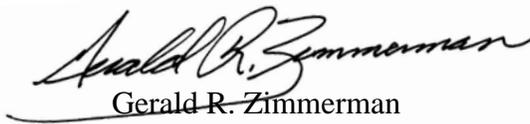
OTHER BUSINESS

Next Board Meeting

Vice Chairman Foley announced that the next meeting of the Colorado River Board will be held on Wednesday, March 15, 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. Bond moved that the meeting be adjourned.

MOTION: Upon the motion of Mr. Bond, seconded by Ms. Ghio, and unanimously carried, the meeting was adjourned 11:34 a.m. on February 15, 2006.


Gerald R. Zimmerman
Executive Director