

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, January 10, 2007

A Regular Meeting of the Colorado River Board of California (Board) was held in the Strawberry Peak Room, of Doubletree Hotel, at 222 North Vineyard Avenue, Ontario, California, 91764-4428, Wednesday, January 10, 2007.

Board Members Present

Dana Bart Fisher, Jr., Chairman
James H. Bond
John V. Foley
Russell Kitihara
Henry Merle Kuiper
James B. McDaniel
John Pierre Menvielle

Jeanine Jones, Designee
Department of Water Resources

Christopher G. Hayes, Designee
Department of Fish and Game

Board Member Absent

John W. McFadden

Others Present

William S. Abbey
Steven B. Abbott
John Penn Carter
Peter Carlson
William I. DuBois
William J. Hasencamp
Michael L. King
W. D. "Bill" Knutson
Jay W. Malinowski
Jan P. Matusak
Roger K. Patterson
David R. Pettijohn

Steven B. Robbins
John L. Scott
Mark Stuart
James J. Taylor
Deven Upadhyay
Joseph A. Vanderhorst
Bill D. Wright

J.C. Jay Chen
Mark Van Vlack
Gerald R. Zimmerman

CALL TO ORDER

Chairman Fisher, announced the presence of a quorum, called the meeting to order at 10:14 a.m.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Chairman Fisher 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, Chairman Fisher moved to the next agenda item.

Introduction of next planned Board member for San Diego

Mr. Fisher introduced Mr. William Knutson to the Board, who is intended to become San Diego's next Board member representing San Diego County Water Authority.

ADMINISTRATION

Approval of Minutes

Chairman Fisher requested the approval of the December 13th meeting minutes. Ms. Jones moved the December 13th minutes be approved. Mr. Foley seconded the motion. Unanimously carried, the Board approved the December 13th meeting minutes.

State of California Employee's Ethics Training

Mr. Zimmerman reminded the Board that the bi-annual ethics training certification forms need to be signed and turned in so that the forms can be sent to Sacramento.

AGENCY MANAGERS' MEETING

Mr. Zimmerman reported that the agency managers met on December 21st regarding the draft Lower Basin Forbearance Agreement. There have been several conference calls discussing California's comments on the Forbearance Agreement. At a meeting held January 9th most of the morning was spent discussing the Forbearance Agreement comments. The consensus California comments were then sent to Arizona and Nevada for their review. The afternoon of January 9th was then spent with conference calls with Nevada and Arizona discussing all of the comments from each of the Lower Basin states. The Lower Basin states are working together to develop a finalized Forbearance Agreement.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Zimmerman reported that as of January 4th, the storage in Lake Powell was 12.04 million acre-feet (maf), or 50 percent of capacity. The water surface elevation was 3,603 feet. The storage in Lake Mead was 14.18 maf, or 54 percent of capacity, and water surface elevation of 1,128 feet. Total System storage was about 34 maf, or 57 percent of capacity. Last year at this time, there was 34.45 maf in storage, or 58 percent of capacity. Lake Powell's contents increased 400,000 acre-feet over last year at this time and Lake Mead's

contents decreased by about 800,000 acre-feet since this time last year. This is an example of a near normal or below normal runoff, where Lake Powell would continue to fill, while Lake Mead continues to be drawn down. Overall storage is down about 500,000 acre-feet from this time last year.

Mr. Zimmerman reported that precipitation from October 1st to January 4th is about 106 percent of normal, however, the snowpack is only about 85 percent of normal. Several storms have occurred over the Denver, Colorado region. Unfortunately most of this precipitation has fallen on the eastern slope of the Colorado Rocky Mountains. The forecast, April through July runoff into Lake Powell for Water Year 2007 is currently about 7.2 maf, or 91 percent of normal. The projected 2007 water year unregulated inflow into Lake Powell is about 11.6 maf, or about 97 percent of normal.

Mr. Zimmerman added that the Reclamation projected consumptive use (CU) for the State of Nevada to be slightly over their entitlement of 300,000 acre-feet (306,000 AF); and for Arizona, the CU is projected to be 2.811 maf; and for California the CU is projected to be 4.304 maf. The total projected CU in the Lower Basin is expected to be about 7.422 maf. In 2005, the Lower Basin CU was about 7.07 maf.

State and Local Water Reports

Mr. Mark Stuart, of the California Department of Water Resources, reported on the preliminary current climate conditions in California. For the first two months of water year 2007, precipitation was very dry in the southern part, and slightly wetter in the central part; however, the overall average precipitation is currently about 75 percent of normal. Runoff is about 80 percent of normal. The eight-station precipitation record for the Sacramento River is about 82 percent of average.

Mr. Stuart added, that the overall state reservoir storage is about 120 percent of normal. State Water Project (SWP) storage in the northern part of the state is about 2.9 maf, and in the south about 1.7 maf of storage. Overall, there is about 4.6 maf of storage in the SWP. Entitlements to the SWP are presently at 70 percent.

Mr. Foley, of The Metropolitan Water District of Southern California, reported that as of January 1st, Diamond Valley Lake had about 724,000 acre-feet in storage, or about 89 percent of capacity. Lake Mathews had about 139,000 acre-feet, or 76 percent of capacity. Lake Skinner had about 37,000 acre-feet or about 84 percent of capacity. Overall, there is about 900,000 in storage or approximately 87 percent of capacity.

Mr. McDaniel, of the City of Los Angeles Department of Water and Power (LADWP), reported that as of January 9th, the Mammoth Pass snowpack, was 7.4 inches, and is only slightly above the driest year on record. Water Year 2007 is starting out very dry for LADWP's surface water system.

Colorado River Operations

Secretary Kempthorne's Comments at the Colorado River Water Users Association Annual Conference December 15, 2006

Mr. Zimmerman reported that Interior Secretary Dirk Kempthorne gave a presentation at the Colorado River Water Users Association annual meeting in Las Vegas, Nevada. The Secretary commended the Basin states on current progress on working toward reaching an agreement on the Shortage Guidelines and coordinated operation of Lakes Powell and Mead. He urged continued commitment to completion of the Shortage Guidelines and Reservoir Management strategies associated with the National Environmental Policy Act (NEPA) process. The Secretary indicated in his speech that a NEPA review is underway related to the Glen Canyon Dam operations and the Adaptive Management Program (AMP). A copy of Secretary Kempthorne's remarks were included in the Board folder.

Final 2007 Annual Operating Plan for Colorado River Reservoirs

Mr. Zimmerman reported that Secretary Kempthorne approved and released the 2007 Annual Operating Plan (AOP) for the Colorado River System Reservoirs. The AOP was sent to the Governors of each of the Basin states. The 2007 AOP is based on a delivery obligation of 8.23 maf for the operation at Glen Canyon Dam. Hoover Dam operations will be controlled by downstream requirements under a partial domestic surplus. Currently, none of the agencies eligible to receive domestic surplus have made requests. The Lower Basin states are expected to operate under the "Normal Condition." In addition, 1.5 maf will be made available for delivery to Mexico, pursuant to the 1944 Mexican Water Treaty.

Reclamation's Response Letters to MWD's and Nevada's Request for Article II(B)(6) Water for Calendar Year 2005.

Mr. Zimmerman reported that both MWD and the Southern Nevada Water Authority (SNWA) have requested to use Arizona's apportioned, but unused water, in 2005 to repay the Inadvertent Overrun that both MWD and SNWA sustained in 2005. Reclamation, on December 18th, approved MWD's request for the approval of 14,960 acre-feet. A similar request by Nevada for 1,778 acre-feet was also approved, by Reclamation.

The Metropolitan Water District's Request for Recovery of Interstate Storage Credits

Mr. Zimmerman reported that MWD, the Arizona Department of Water Resources (ADWR), and the Arizona Water Banking Authority (AWBA) had executed a letter agreement to facilitate MWD's recovery of interstate underground storage credits. A copy of the letter argument was included in the Board folder. In 1992, MWD entered an agreement, amended in 1994, to participate in a Demonstration Program, where MWD stored 80,909 acre-feet in Arizona's groundwater basins. The new proposed recent letter agreement allows MWD to recovery 15,000 acre-feet in 2007. The Central Arizona Water Conservation District (CAWCD) would then request the AWBA to release 15,000 acre-feet of long-term storage credits. The CAWCD will then make 15,000 acre-feet of water available to MWD as intentionally created unused apportionment for diversion by MWD. The agreement is to

remain in effect until the balance of the storage credits are recovered by MWD.

Zebra Mussel Invasion

Ms. Jeanine Jones, of the California Department of Water Resources, reported that Zebra Mussels (now identified as Quagga mussels) have been detected in Lake Mead. Papers describing the Zebra mussel were included in the hand out materials. The Zebra mussel is an invasive species that's native to Central Asia. The Zebra mussel heavily infested the Great Lakes some 20 to 30 years ago. There is an initiative of multi-governmental agencies called "the 100th Meridian Initiative" that for the past twenty years has attempted to keep the Zebra mussel from moving west. These mussels are small, with adults less than one inch long, are hardy and can lay millions of eggs. In the Bay-Delta there is concern that an infestation of Zebra mussels could significantly affect management of local endangered species. In addition, operation and maintenance costs are estimated to be \$50 million annually if the Zebra mussels manage to infiltrate the MWD and/or SWP systems. The barnacle-like bodies of the Zebra mussel attach to intake pipes, thereby reducing the capacity of the intakes. Cleaning these underwater intakes can be expensive. This could become a significant issue for all diverters of Colorado River water, particularly those that divert with pumps. Generally, the Zebra mussels are a cold water species, and may spread more slowly in the Lower Basin states, but given their history in the eastern United States, there is cause for concern. On January 10th, there was a press release regarding the Lake Mead discovery by the National Park Service. The National Park Service is currently the lead federal agency working in cooperation with agencies from Arizona, California, and Nevada.

Basin States Discussion

Upper Basin's Hydrologic Determination

Mr. Zimmerman reported that Assistant Secretary Limbaugh sent a letter dated December 3, 2006 responding to Lower Basin states' comments on the proposed Upper Basin Hydrologic Determination. Assistant Secretary Limbaugh's letter also stated that Interior does not anticipate making any changes to the Hydrologic Determination, at this time, and that Reclamation will consult with the Lower Basin states to review specific issues identified in the September 6, 2006, letter.

Arizona-Nevada Shortage Sharing Agreement

Mr. Zimmerman reported that the Arizona-Nevada Shortage Sharing Agreement is currently being considered by the signatories to the agreement. For Arizona, the signatories are the AWBA, and ADWR. For Nevada, the signatories are the SNWA and the Colorado River Commission of Nevada. This agreement sets forth how Arizona and Nevada will share shortages up to 500,000 acre-feet. When there is a shortage within the Lower Basin of 600,000 acre-feet, which includes Mexico receiving 17 percent of the shortage, under this agreement Nevada would share four percent of the shortage and Arizona 96 percent of the shortage. Nevada would agree to pay Arizona the sum of \$8 million dollars, non-refundable, for Arizona to incur a larger percentage of the shortage. Arizona has also agreed that Nevada can take tributary conserved water during a shortage. The shortage sharing agreement,

included in the handout materials, contains the condition that the Secretary's Record of Decision (ROD) must be materially consistent with the Forbearance Agreement as well as the Basin States Proposal. At this juncture, California is not a party to this agreement.

Lower Colorado River Basin Intentionally Created Surplus/Forbearance Agreement

Mr. Zimmerman reported the parties to the Basin States' Forbearance Agreement will include all of the major California contractors. For Arizona, there would be a side agreement between the CAWCD and the State of Arizona that would recognize the Forbearance Agreement. For Nevada, both the Colorado River Commission of Nevada as well as the SNWA would be signatories. The purpose of the agreement is to establish a contractual agreement to permit the creation, release, and use of Intentionally Created Surplus (ICS). The Forbearance Agreement identifies specific categories of ICS, the annual storage and release volumes for the various parties and conditions for forbearance. The draft agreement is still being refined and discussed among the parties. A conference call was scheduled for January 11th to refine the Forbearance Agreement. The Forbearance Agreement appears to be taking the shape of a template that may be applicable to other documents. Arizona plans to take the Forbearance Agreement to the Arizona Legislature to obtain authority for the ADWR Director to sign the Agreement through a Joint Senate and House Resolution. In addition to legislature passing the Joint Senate and House Resolution, the Governor of Arizona must also sign the Joint Resolution.

Mr. Zimmerman described the categories of ICS water, as well as examples of each category. The term of the Forbearance Agreement is through the year 2025, however, Extraordinary Conservation ICS can be released through 2035. Tributary ICS and Imported ICS can continue through the term provided in the ROD or fifty years. Exhibits are being prepared that describe the details of each of the ICS projects, the terms, the water use accounting, etc. The Forbearance Agreement applies to projects that are contained within the exhibits and attached to the Forbearance Agreement. The Forbearance Agreement recognizes that the Secretary will develop and be a party to any Water Delivery Agreement. The Secretary would not be a party to the Forbearance Agreement itself, however, within the Water Delivery Agreement, the Secretary would recognize that the Forbearance Agreement exists and the Secretary would deliver water in accordance with the Forbearance Agreement. Another important element of the Basin States' proposal includes water exchanges. For example, if a desalinization plant is built off the coast of Mexico and then that water is moved to SNWA, or another party of the agreement, there would be an equal exchange of Colorado River water. The delivery agreement, as well as the accounting procedures, need to be able to address these types of projects. All of these documents need to be finalized prior to execution of the ROD, the Forbearance Agreement, and the Water Delivery Agreement. The expectation is that these documents, including the ROD, will be finalized by December 2007.

Basin States Proposed Agreement

Mr. Zimmerman reported that the draft Basin States Agreement that was sent to the Secretary on February 3, 2006, is anticipated to be brought to the Board for its consideration at the February Board meeting. Primarily, this is an agreement among the states to consult among themselves and the Secretary prior to initiating litigation. The agreement endorses the

Basin States Proposed Agreement; and the States would agree to take actions to implement the Secretary's ROD if it is in substantial conformance with the states' proposal. The states would also agree to diligently pursue augmentation of the Colorado River System and pursue System efficiency projects. Nevada is agreeing not to pursue development of the Virgin and Muddy Rivers, provided progress is made to expand its permanent water supply through various water augmentation projects.

Colorado River Environmental Activities

Glen Canyon Dam Operations

Mr. Zimmerman reported that Reclamation recently announced a schedule for the NEPA process evaluating proposed Glen Canyon Dam operations and the AMP, and the proposed Long-Term Experimental Plan, culminating in a ROD in December 2008. The NEPA notice was published in the *Federal Register* (71 FR No. 238, December 12, 2006). Two Public Scoping meetings were held on January 4th and 5th, in Phoenix, Arizona, and Salt Lake City, Utah, respectively. The comment period on the scope of the EIS closes on February 28th.

Draft Programmatic Environmental Impact Report of the Salton Sea Ecosystem Restoration

Mr. Zimmerman reported that the California Departments of Water Resources and Fish and Game released the draft Programmatic Environmental Impact Report (PEIR) regarding options related to Salton Sea restoration on October 19th. The draft PEIR describes eight alternatives and compares them to existing conditions and two No Action alternatives. Two public workshops were held to present material from the PEIR and review public comment. Four public meetings are being held this second week of January 2007. Comments on the draft PEIR are due on January 16, 2007.

Water Quality

Topock Hexavalent Chromium Site

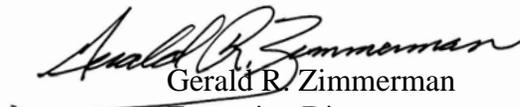
Mr. Zimmerman reported that Pacific Gas and Electric (PG&E) requested an amendment to its existing discharge permit in order to conduct a pilot test of *in situ* remediation technologies. The process would reduce hexavalent Chromium to trivalent Chromium using sodium lactate. The California Regional Water Quality Control Board, the Colorado River Basin Region, has scheduled a hearing related to PG&E's request in La Quinta, California on January 17th.

Other Business

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, February 14, 2006, 10:00 a.m., at the Ontario Airport Marriott Hotel, 2200 East Holt Boulevard, Ontario, California.

There being no further items to be brought before the Board, Chairman Fisher asked for a motion to adjourn the meeting. Upon the motion of Mr. Kuiper, seconded by Mr. Foley, and unanimously carried, the meeting was adjourned 11:17 a.m. on January 10, 2007.



Gerald R. Zimmerman
Executive Director