

Minutes of Special Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, December 9, 2009

A Special Meeting of the Colorado River Board of California (Board) was held in the Roman Ballroom I, of Caesars Palace Hotel, at 3570 Las Vegas Boulevard South, Las Vegas, Nevada 89109-8924, Wednesday, December 9, 2009.

Board Members and Alternate Present

Dana Bart Fisher, Jr., Chairman
John V. Foley
Russell Kittahara
W.D. "Bill" Knutson
Henry Merle Kuiper
John Pierre Menvielle

Jeanine Jones, Designee
Department of Water Resources

Christopher G. Hayes, Designee
Department of Fish and Game

Board Members and Alternate Absent

Thomas M. Erb
Terese Marie Ghio

James B. McDaniel
John W. McFadden

Others Present

Steven B. Abbott
Don Barnett
Mark D. Beuhler
James H. Bond
Brian J. Brady
Celia A. Brewer
Vince Brooke
Fred Cagle
August Caires
Peter Carlson
John Penn Carter
Michael J. Clinton
Dave Fogerson
Jeffrey G. Harvey
William J. Hasencamp
Andy G. Horne
Thomas G. Havens

Jill Johnson
Michael L. King
Henry Merle Kuiper
Thomas E. Levy
Mark Limbaugh
Jay W. Malinowski
Jan P. Matusak
Stella A. Mendoza
Roger K. Patterson
Glen Peterson
Larry Purcell
Halla Razak
Steven B. Robbins
Danny Robinson
Anthony Sanchez
Jack Seiler
Tina L. Shields

Gerald D. Shoaf
Ed W. Smith
William H. Swan
Patrick Swarhout
J. "Jack" Terrazas
Rob Thomson
Eli Underwood
Charles H. van Dyke
Joseph A. Vanderhorst
Kimery Wiltshire
Bill D. Wright

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

CALL TO ORDER

Chairman Fisher welcomed the audience and announced the presence of a quorum, then called the meeting to order at 3:14 p.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.

ADMINISTRATION

Introductions

Mr. Menvielle introduced Ms. Stella Mendoza, member of the Board of the Imperial Irrigation District (IID). He also introduced Mr. Brian Brady, General Manager of the IID. He added that several members of the IID Board and staff were present as well.

Approval of Minutes

Chairman Fisher requested the approval of the November 12th meeting minutes. Mr. Knutson moved that the minutes be approved. Mr. Foley seconded the motion, noting that revisions have been included in copy in the Board handout packet. Unanimously carried, the Board approved the revised November 12th meeting minutes.

2009 Board Meeting Schedule

Mr. Zimmerman requested that the meeting schedule, included in the Board folder, for the next calendar year 2010 be approved by the Board. On the motion of Mr. Kuiper, seconded by Mr. Menvielle, and unanimously carried, the Board approved the meeting schedule for 2010.

AGENCY MANAGERS' MEETING

Mr. Zimmerman reported that the Agency Managers met on the November 12th following the Board meeting. Three main items were discussed among the Agency Managers: 1) The status of Reclamation's development of the Inadvertent Overrun and Payback Procedures (IOPP), payback of another entities, within California, overrun, and how to handle savings resulting from a payback plan that is greater than required; 2) The potential creation and delivery of Intentionally Created Surplus schedules for 2010 and beyond, for modeling purposes; and 3) The potential impacts of proposed solar energy projects and the Lower Colorado Water Supply Project. Mr. Zimmerman added that discussions are continuing on the details of the IOPP Procedures within California.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Zimmerman reported that precipitation in the Colorado River Basin, as of November 30th, was about 76 percent of average. In addition, on the National Oceanic and Atmosphere Administration website, most of the Colorado River Basin is around 60 percent of average. However, this report doesn't include recent storm fronts moving across the Basin over the last few days. The observed April 2009 through July 2009 unregulated flow into Lake Powell was 7.804 million acre-feet (maf), or 98 percent of average. The observed 2009 water year unregulated flow into Lake Powell was 10.633 maf, or 88 percent of average.

Mr. Zimmerman reported that, as of December 6th, the storage in Lake Powell was 14.884 maf, or 61 percent of capacity. The water surface elevation was 3,630.3 feet. The storage in Lake Mead was 10.940 maf, or 42 percent of capacity, and water surface elevation was 1,093.8 feet. Total System storage was about 33.390 maf, or 56 percent of capacity. Last year at this time, there was 33.407 maf in storage, also 56 percent of capacity. Lake Powell is up about one million acre-feet and Lake Mead is down about one million acre-feet from this time last year.

Mr. Zimmerman reported that Reclamation's projected consumptive use (CU) for the State of Nevada to be under its basic entitlement of 300,000 acre-feet (i.e. 249,000 AF), and Arizona CU of Colorado River water to be slightly over its 2.8 maf apportionment (i.e. 2.824 maf), and California CU is projected to be slightly under its 4.4 maf apportionment (i.e. 4.392 maf). The CU in the Lower Basin is expected to be about 7.465 maf.

State and Local Water Reports

Ms. Jones, of the California Department of Water Resources (CDWR) that the initial allocation of State Water Project deliveries had been announced last week to be five percent. This allocation is based only on water in storage. The low number is a reflection on the low storage in Lake Oroville. Normally the initial allocation is adjusted upwards over the course of the season. Also, the initial allocation is based on a 90 percent exceedance probability and is intended to be a very conservative number. If the water year turns out to be normal then the final allocation would probably be in the range of 20 to 40 percent. The range is contingent on how the biological opinions are interpreted by the fishery agencies with respect to their implementation in the delta. Ms. Jones added that last month the State convened a climate panel to give their best-guess forecast of the upcoming water year. These scientists were cautiously optimistic regarding this water year. The reservoirs of both the State Water Project and the federal Central Valley Project have yet to recover from the last three dry years. Ms. Jones added that there was a big storm in October that produced several hundred percent of normal in some areas throughout California, but by November that was only 20 percent of normal for the Sierras, so there must be more storms in the Sierras for snow and precipitation levels to reach average levels in the Sierras.

Mr. Foley, of The Metropolitan Water District of Southern California (MWD), reported MWD's combined reservoir storage appears basically the same as last month with a slight uptick at the end. The increase is partly due to the storage of 10,000 acre-feet of Nevada's unused entitlement.

Mr. Zimmerman reported that climate conditions in the Eastern Sierra, as of December 2nd, are very dry. At selected stations precipitation varies from three percent to 35 percent. Snow sensors vary from two to 27 percent of normal. However, the chart and graph do not include the snow and precipitation from earlier this week in the Sierras.

Colorado River Operations

2010 Annual Operating Plan

Mr. Zimmerman reported that the final 2010 Annual Operating Plan (2010 AOP) is in the Department of the Interior awaiting Secretarial approval. Mr. Zimmerman reported that it is anticipated that the 2010 AOP will be released during the annual Colorado River Water Users Association meeting. The Secretarial determinations are also expected to remain as discussed during previous Board meetings. The final 2010 AOP is expected to be posted on Reclamation's Upper and Lower Colorado Region webpages.

Applications of Intentionally Created Surplus and Intentionally Created Unused Apportionment and Reclamation's Development of Procedures in the Lower Basin

Mr. Zimmerman reported that three letters of correspondence were included in the Board folder regarding the creation and delivery of Intentionally Created Surplus (ICS) and Intentionally Created Unused Apportionment (ICUA) in 2009. Agencies are adjusting their delivery schedules and creation of ICS in order to balance the needs within their service area. The letters show where some of the balancing is occurring with MWD, Southern Nevada Water Authority, and MWD's use of water from the Arizona Water Bank. The final quantities will be reported in the 2009 Decree Accounting Report. In one of the letters, MWD requested Reclamation move forward with developing and finalizing the ICS procedures and policies that will more efficiently facilitate the approval of ICS creation requests in future years.

Basin States Discussions

Status of the Binational Discussions

Mr. Zimmerman reported that the current focus of the Binational Discussions has been on the modeling scenarios to be used by the modelers on both sides of the border. After the November 18th and 19th Binational meeting the modeling assumptions and scenarios grew from four scenarios to six. The two additional scenarios were added at Mexico's request. The six scenarios to be modeled by both the U.S. and Mexico technical staff are: 1) The base scenario simulating the Interim Guidelines for Operations of the Colorado River Reservoir System; 2) A U.S. scenario where Mexico would develop Intentionally Created Mexican Unused Apportionment (ICMUA) with a specific creation and delivery schedule; 3) A Mexican scenario where the maximum quantities of Mexico's ICMUA would be the same as those used in California's ICS provisions; 4) A scenario where Mexico would receive a portion of surplus flows of the Colorado River during surplus conditions; 5) A shortage scenario where Mexico would take no shortage; and 6) A shortage scenario where Mexico would participate in shortage sharing in the amount of nine percent of shortages in both Upper and Lower Basin, whereas in the base scenario Mexico would share in 16 percent of shortages in the Lower Basin.

Mr. Zimmerman reported that modeling results are expected by the beginning of January 2010. The U.S. Technical meeting is scheduled to be held January 8th, when modeling results are expected to be presented. The U.S. principals are scheduled to meet on the morning of January 28th and the Binational meeting is scheduled for January 28th and 29th.

There was some discussion as to the quickness of the current process. Ms. Halla Razak of the San Diego County Water Authority added that the six scenarios modeled are hoped to provide a framework for future discussions and that, without this umbrella of results from the modeling efforts currently underway, both sides are reluctant to say what they might consider, or be willing to accept.

Chairman Fisher compared the current Binational modeling work with the modeling work of the Colorado River System that lead to four years of negotiating that culminated in the shortage-sharing agreement among the Basin States.

Mr. Zimmerman reported that at the October Binational meeting there was agreement to explore implementation of two pilot projects. The habitat restoration pilot project would be funded by U.S. entities, and the land and water for the project would be provided by Mexican entities. The U.S. Technical Group has identified a set of proposed Selection Criteria for selecting a small pilot project. The Selection Criteria currently under review by the Environmental Group within the U.S. are expected to share their results with their counterparts in Mexico soon.

Ms. Razak reported that the Water Supply Group are scheduled to meet in January to discuss the status of the Rosarito Beach Desalination study as well as water recycling opportunities on both sides of the border.

Reclamation Selects Three River Basins for Inclusion in "Basin Study Program"

Mr. Zimmerman reported that the three river basins selected included the "Colorado River Basin Water Supply and Demand Study." This study will be cost-shared between Reclamation and the seven Basin states, with one million dollars provided by Reclamation and will be matched by the seven Basin states. Currently Reclamation and the Basin states are preparing a detailed Plan of Study, a Memorandum of Agreement for implementing the study, and a Contributed Funding Agreement. These three documents are scheduled to be brought to the Board for its consideration at its January 2010 meeting. Mr. Zimmerman added that Reclamation would like to initiate the study by the end of January.

WATER QUALITY

Colorado River Basin Salinity Control Forum

Mr. Zimmerman reported that Governor Schwarzenegger has appointed Ms. Dorothy R. Rice, who is currently the Executive Director of the State Water Resources Control Board, to sit on the Colorado River Basin Salinity Control Forum and the Colorado River Basin Salinity Control Advisory Council (AC).

Mr. Don Barnett, of the Colorado River Basin Salinity Control Forum, gave a summary of the history of the Salinity Control Forum. From the challenges to address the water quality issues along the river, that initiated the formation of the agency through an Act of congress along with the legislation that has amended the Act up to most recent 2008 amendment that created the Basin States Program. The Act has two Titles in it, one addresses water quality issues below Imperial Dam to the Mexico border, the other Title addresses water quality issues above Imperial Dam to the head waters of the river system that feeds the Colorado River. The first ten years of the Forum was involved with water quality studies along the river. The next phase saw the implementation of large projects to address salinity issues. After 1995, the focus has been on basin-wide programs to improve the water quality along the river. Mr. Barnett discussed a Reclamation chart that displayed the cost of the basin-wide Salinity Program along with the tons of salt removed per year, from 1995 projected to 2025. Reclamations basin-wide funding is based on removing 24,000 tons of salt each year. The Natural Resources Conservation Service (NRCS) chart displayed the breakdown funding as it has changed from 1979 through 2009. He discussed the change in focus as the funding has changed. He then discussed a table that listed the major project areas and the potential goals that could be achieved in those areas and the progress that has been made so far. The effectiveness of the salinity removal program was shown by a graph of the salinity at Imperial Dam from 1965 through 2009. The salinity has declined from around 900 mg/l to around 700 mg/l. It is estimated that without the salinity control program the salinity in the river at Imperial Dam would be about 136 mg/l greater than it is today. He then discussed the ways to calculate the known benefit and that those benefits are difficult to quantify. Mr. Barnett, described the Basin States Program (Program), authorized by amendments to the Act of 2008 contained in the Farm Bill of 2008. The Program clarifies authority for expenditure of cost share dollars and how the cost share of Reclamation and the NRCS programs are expended. He added that Reclamation submitted the required report to Congress in September 2009. The AC is working with Reclamation in drafting procedures for the Council to follow in providing required consultation. Mr. Barnett closed with a schematic flow diagram of the Colorado River from Imperial Dam to the Southerly International Boundary. He discussed the salinity issues that could arise if the flows from Imperial Dam would be adjusted depending on changes brought about by the Binational Process current being discussed.

OTHER BUSINESS

Washington, D.C. Activities

Mr. Peter Carlson reported on numerous changes and activities in Washington D.C. He reported that the new administration is driven by executive order, or proposed executive orders that are forthcoming in the near months, built around three Administration goals of: encouraging economic development; investing in the future; and building a higher performing government structure. This is shown in an increased emphasis on public involvement by this administration through the use of listening sessions and webinars that are usually announced in the *Federal Register*, or on agencies' websites. With regard to water infrastructure in this Administration the philosophy that underlies their approach is that they're going to be 'greener, better, smarter, collaborative and it's going to be more transparent than what we've seen in the past.

Mr. Carlson reported that there have been three large sources of funding during 2009: the Fiscal Year 2009 appropriations process; the Recovery Act in March; and an energy and water appropriations bill in October. The Recovery Act did not request funding for Reclamation or the

U.S. Army Corps of Engineers (COE) with regard to water infrastructure, rather the focus was to drive money into the Environmental Protection Agency water and sewer programs. With the help of the Water Resource community in Washington, D.C. working with Congress, they were able to get a billion dollars for Reclamation and about 4.6 billion dollars put in for the COE. Mr. Carlson added that early 2009 the Omnibus Public Lands Management Act was passed and it contained \$2.5 million dollars in funding for the Lower Colorado River Multi-Species Conservation Program legislation partly as a result of the stimulus package. Usually it takes about three years for funding to make its way into an agency's budget; they've been able to use the stimulus money to jumpstart the Lower Colorado effort. Three other provisions in the Omnibus Public Lands Management Act worth noting are: a Cooperative Watershed Program under Reclamation; an aging infrastructure section to help deal with the issue of payback with regard to maintenance work; and the secure water act, a joint effort between Reclamation and the U.S. Geological Survey that is data-driven to help generate the information that's needed for water resource planning in the future.

Mr. Carlson reported that all of the activity in Washington, D.C. has been under the umbrella of climate change. For instance, the Secretary of the Interior issued a Secretarial Order within the Interior for each of the agencies to develop a climate plan and a climate action plan for climate change. A week after the announcement the first agency to put forth a plan was the U.S. Fish and Wildlife Service (USFWS). It appears they may have had this effort in the works for more than a year. It may be useful to refer to the international side of the USFWS plan in regards to the Binational Process currently being discussed.

Mr. Carlson reported that one of the guiding documents put out by the environmental community for this administration was called "Transition to Green." This document has laid out an administrative, legislative and regulatory agenda. One of the items in the document that has taken place is the restoration of the Council on Environmental Quality (CEQ). The CEQ has become a pivot point for discussions on environmental and economic issues that are taking place with regard to natural resource policy. Historically CEQ had a staff of 12 to 15, it now has a staff of 60. The "Transition to Green" document recommends establishing a new mandate for Reclamation for the 21st century, and wants Reclamation to respond to climate change and move from a customer service to a public service agency. The details of these ideas are contained in the document. This theme as applied to the COE and water resource development agencies focuses on increased prioritization on ecosystem restoration and protection when it comes to project planning and project development. Three focal points emphasized with regard to federal water programs and federal programs in general are: future generations; the distributional considerations of benefits needed to be examined as far as fairness with regard to the action to be taken; and reassessing and discontinuing underperforming projects within the system.

Mr. Carlson brought up the collaborative effort for Reclamation to retain its programs for managing the operations of the Colorado River specifically Glen Canyon Dam, and mentioned key staff in Washington, D.C. and their ties to the Colorado River Basin programs. He emphasized the fast pace of change in Washington, D.C., and the quote "you should follow the money." With the transparency of this Administration it is easy to follow the money, but now you have to follow the new ideas described by some of the buzzwords: resiliency; sustainability; landscape-wide; conservation; ecosystem restoration; watershed planning; and ecological services.

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, January 13, 2010, 10:00 a.m., at the Holiday Inn Ontario Airport, 2155 E. Convention Center Way, 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. Knutson, seconded by Mr. Menvielle, and unanimously carried, the meeting was adjourned 4:39 p.m. on December 9, 2009.

/S/ Gerald R. Zimmerman

Gerald R. Zimmerman
Executive Director