

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, January 14, 2009

A Regular Meeting of the Colorado River Board of California (Board) was held in the Lake Arrowhead Ballroom, of Ontario Airport Doubletree Hotel, at 222 North Vineyard Avenue, Ontario, California, 91764-4428, Wednesday, January 14, 2009.

Board Members Present

John W. McFadden, Vice Chairman
John V. Foley
W. D. 'Bill' Knutson
Henry Merle Kuiper
James B. McDaniel

Charles H. Van Dyke
Jeanine Jones, Designee
Department of Water Resources

Board Members and Alternate Absent

D. Bart Fisher, Jr., Chairman
Terese Marie Ghio
James Cleo Hanks
John Pierre Menvielle

Christopher G. Hayes, Designee
Department of Fish and Game

Others Present

Steven B. Abbott
Celia A. Brewer
John Penn Carter
James H. Bond
David Fogerson
William J. Hasencamp
Russell Kitahara
Thomas E. Levy
Robert Leuck
Jay W. Malinowski
Jan P. Matusak
Mark S. Nexsen
Dan Parks
David R. Pettijohn

Steven B. Robbins
John L. Scott
Ed W. Smith
Mark Stuart
William H. Swan
Peter E. von Haam
Bill D. Wright

J.C. Jay Chen
Gary E. Tavetian
Mark Van Vlack
Gerald R. Zimmerman

CALL TO ORDER

Vice Chairman McFadden, announced the presence of a quorum, called the meeting to order at 10:00 a.m.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Vice Chairman McFadden 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. Vice Chairman McFadden introduced Mr. Mark S. Nexsen, Mayor of Lake Havasu City, who introduced, Mr. Bob Leuck, Assistant Public Works Director for Bullhead City in Arizona.

Mr. Nexsen talked about the importance of the Colorado River and the need to protect the water quality of the Colorado River. He described the Colorado River Regional Sewer Coalition (CRRSCo) and their member agency's efforts to improve waste water management practices along the Lower Colorado River and protect and enhance the water quality and water supply along the Lower Colorado River. Mr. Nexsen reported that CRRSCo is concerned with a number of threats to the Lower Colorado River such as nitrates, pharmaceuticals, other contaminants, uranium mine tailings, chromium VI, salinity and the Quagga Mussel infestation. Mr. Nexsen reported that Reclamation has reported that \$2.1 billion dollars would be required by 2024 to provide infrastructure and water quality measures to preserve the Colorado River's economic and environmental water quality. He added that private enterprises have helped to mitigate some of the threats including PG&E's work at Topock Gas Compressor Station and Chromium VI contamination. Regarding nitrates, small communities such as Blythe, Needles, Lake Havasu City, and Bullhead City have borne costs of almost \$700 million dollars. Mr. Nexsen added that CRRSCo is working to actively engage congressional delegations from Arizona, California, and Nevada to enact comprehensive legislation to protect the environmental and economic resources of the Colorado River. He expects congressional hearings in the spring of 2009.

ADMINISTRATION

Approval of Minutes

Vice Chairman McFadden requested the approval of the December 15th meeting minutes. Mr. Knutson moved the December 15th minutes be approved. Mr. Kuiper seconded the motion. Unanimously carried, the Board approved the December 15th meeting minutes.

Furloughs and Layoffs

Mr. Zimmerman reported that Governor Schwarzenegger issued a proposal intended to aid in closing the estimated \$42 billion state budget deficit. The Governor's proposal would furlough each California state employee two days per month (i.e., equivalent to 10 percent reduction of salary). In addition, the Governor proposes to issue layoff notices to employees in the bottom twenty percent in seniority in state service. Based upon the Governor's proposal, the California Department of Personal Administration has drawn up a plan to shutdown state government on the first and the third Friday of each month, beginning February 6th. A copy of the Governor's letter is included in the Board folder.

AGENCY MANAGERS' MEETING

Mr. Zimmerman reported that the agency managers met via conference call on December 30, 2008, to discuss concerns and considerations regarding the issues related to the proposed pilot operations of the Yuma Desalting Plant (YDP). The conference call was scheduled to prepare for the January 5th Basin states meeting on the same issue.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Zimmerman reported that as of January 7th, the storage in Lake Powell was 13.5 million acre-feet (maf), or 55 percent of capacity. The water surface elevation was 3,617 feet. The storage in Lake Mead was 12.5 maf, or 48 percent of capacity, and water surface elevation of 1,111 feet. Total System storage was about 33.3 maf, or 56 percent of capacity. Last year at this time, there was 31.5 maf in storage, or 53 percent of capacity.

Mr. Zimmerman reported that precipitation from October 1st to January 5th was 108 percent of normal. The snowpack was 113 percent of normal. Reclamation's projections of unregulated inflow into Lake Powell were 8.00 maf for April through July 2008 or 101 percent of average; and water year projections from October 1, 2007 through September 30, 2008 were 11.4 maf, about 95 percent of average.

Mr. Zimmerman reported that Reclamation's projected consumptive use (CU) for the State of Nevada to be below its entitlement of 300,000 acre-feet (267,000 AF); and Arizona, projected CU to be 2.780 maf; and California is expected to be able to use its Intentionally Created Surplus credits it created in 2008 and previous years so that California's CU for 2008 is projected to slightly over its 4.4 maf (4.506 maf) entitlement. The total projected CU in the Lower Basin is expected to be about 7.553 maf. In 2007, the Lower Basin CU was about 7.454 maf.

Excess Deliveries in 2008

Mr. Zimmerman reported on Reclamation's reporting of annual excess flows to Mexico from 1969 to 2008 and excess deliveries in 2008. Mr. Zimmerman reported that the reasons for the 2008 excess deliveries include;

- Rain events with side-wash inflows below Parker Dam during the weeks of January 24th, March 28th, July 16th, August 11th, August 22nd, August 24th, September 14th, and November 23rd;
- Water ordered, but not taken, by the Districts due to rain events and adverse weather conditions;
- Construction of the All-American Canal Lining Project;
- Limited capacity at the Senator Wash pumping/generating units – only 4 units available and Reclamation can only store up to a maximum of 1,600 acre-feet per day;
- Maintenance activities on the Laguna Dam gates from November 17th – 21st and at Imperial Dam from October 6th – 31st; and

- Emergency delivers to Mexico in March, and Mexico's gate operations at Morelos Dam created erroneous reading in the gauging instruments.

Mr. Zimmerman reported that once the Drop-2 reservoir is brought online and the pumps are fixed at Senator Wash there will be better controls to reduce the excess deliveries.

State and Local Water Reports

Mr. Mark Stuart, of the California Department of Water Resources (DWR), reported on the current climate conditions in California. Precipitation in the drier regions is about average whereas the wetter regions are reporting dryer than normal. There is no rain in the immediate forecast. The current Sacramento River Index is 82 percent of average. In the Northern Sierra, the snowpack is about 60 percent of normal; in the Central Sierra the snowpack is 70 percent of normal; and in the Southern Sierra the snowpack is 73 percent of normal.

Mr. Stuart reported that State Water Project (SWP) storage is down to 1.9 maf, or about 35 percent of capacity. North of the Delta the SWP storage is about 1.05 maf, or 29 percent of capacity and south of the Delta the SWP storage is 0.84 maf, or 46 percent of capacity. SWP deliveries are projected to be 15 percent of Table A Entitlements.

Mr. Stuart reported that in December the forecast was that there would be a 90 percent chance that Lake Oroville could reach 1.6 to 1.7 maf of storage, but was likely to end the season with less than 1 maf in storage.

Mr. Stuart reported that overall the reservoirs in the state were about 30 percent of capacity and about 47 percent of normal for this time of year. This year is dry and after two years of drought there is reason for some concern.

Mr. Stuart added that the DWR has released its draft of the California Water Plan and is looking for comments. The Draft Plan is available on DWR's website at: <http://www.waterplan.water.ca.gov/cwpu2009/index.cfm>

Ms. Jeanine Jones, of DWR, reported the wettest months are usually December, January, and February, and that December was about 70 to 80 percent of normal and that so far January is the third driest January on record.

Mr. Jim McDaniel, of Los Angeles City Department of Water and Power, mentioned that last year in the Eastern Sierra the water year started out fairly well but it ended up where the snowpack appeared to disappear without the expected runoff. There were questions regarding the cause of the apparent sudden sublimation or evaporation of the late snowpack. The models were unable to predict the lower than normal runoff associated with the peak measured snowpack. Ms. Jones responded that in the case of the Western Sierra, there wasn't so much sublimation of the snowpack but after two years of drought the runoff was absorbed into the soil profile before appreciably reaching the streams and rivers. Ms. Jones also mentioned that with rising snow line due to warmer climate that forecasting models are working outside of the range they were originally calibrated.

Mr. Foley, of The Metropolitan Water District of Southern California (MWD), reported that as of January 1st, MWD's combined reservoir storage (Lake Skinner, Lake Mathews, and Diamond Valley Lake) was about 522,000 acre-feet or 50 percent of capacity. Mr. Foley added that MWD has drawn about 700,000 acre-feet last year from exchange transfers, other storage of local projects, conjunctive use projects. This year the SWP is only at 15 percent of allocation of Table A. The Colorado River Supply is holding, but adding them all together to meet the probable demand of 2.2 or 2.3 maf. There is a short-fall of about 700,000 acre-feet. Current supply and storage is insufficient to meet demands for the coming year.

There was discussion regarding education, conservation programs, legislation to prevent homeowners associations from contravening local conservation ordinances. Reports that Coachella Valley Water District adopted a tiered rate schedule that is hoped to realize 25 to 30 percent conservation.

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 11.3 inches, or about 50 percent of average. It has been dry so far and there is no snow in the 10-day forecast. With potentially 50 percent or less from the Eastern Sierra it is almost assured that there will be some sort of additional response by the City of Los Angeles.

Mr. McDaniel described how Los Angeles is currently enforcing prohibitive uses. He mentioned restrictions on watering in the middle of the day and hosing off driveways. First offenders are warned, second offenders are fined \$100 dollars, third offenders are fined \$200 dollars, fourth offenders are fined \$300 dollars, then a flow restrictor is installed on service of fifth offenders. The next phase would probably be limited watering days where landscape watering would be limited to 2 or 3 days per week. The same enforcement procedures would be in place. There are currently 16 people in the field writing citations and thousands of citations have been written.

Los Angeles is taking conservation seriously and considering implementing shortage-year rates where every homeowner is assigned a Tier I water budget, based on family size, lot size and temperature zone. In a shortage-year, the water budget would be reduced by a determined amount say 10 to 15 percent, with heavy fines for users who go over their Tier II customer water budget. Water users who stay within their budget would not be penalized but heavy fines for those that go over would send a strong signal to conserve water.

Colorado River Operations

2009 Annual Operating Plan for Colorado River System Reservoirs

Mr. Zimmerman reported that on December 15, 2008, former Interior Secretary Kempthorne signed the 2009 Annual Operating Plan (2009 AOP) and forwarded a copy to the Basin states governors. The approved 2009 AOP determinations include:

- Glen Canyon Dam releases – operated in the Upper Balancing Tier with a release of 8.23 maf, unless the April 2009 24-month study projects water surface elevation of Lake Powell to be above equalization trigger (3,639 feet) by the end

- of the water year
- Hoover Dam releases – ICS surplus releases (releases to meet 7.5 maf demand on the mainstream in the Lower Basin plus ICS releases)
- Lower Division states allowed to utilize water apportioned, but not used by, another Lower Division state.
- Mexico will be allowed to schedule the delivery of 1.5 maf.

Review of the 2007 Interim Guidelines

Mr. Zimmerman reported that on January 15th Reclamation will review the first year of reservoir operations under the 2007 Interim Guidelines for the Coordinated Operations of Lake Powell and Lake Mead. The Upper Basin states have asked for the review. Issues raised by the Upper Basin states include:

- Involvement of representatives from both basins when issues affect reservoir operations;
- Inadvertent overruns in the Lower Basin;
- Equalization of the Lakes Powell and Mead by the end of the water year;
- The accuracy of the 24-month model in determining reservoir operations during the year;
- How the errors in runoff and consumptive use forecasts are used; and
- The effect that operations at Davis and Parker Dams have on Glen Canyon Dam releases

Appointment of Yuma Area Office Manager

Mr. Zimmerman reported that Reclamation's Lower Colorado Regional Director, Ms. Lori Gray, appointed Ms. Jennifer McCloskey as the new Yuma Area Office Manager. Mr. Zimmerman reported that Ms. McCloskey replaces Mr. Jim Cherry who recently retired. Ms. McCloskey has served as the Yuma Area Office's Deputy Area Manager since 2005. A copy of a recent news article describing Ms. McCloskey's appointment is included in the Board folder.

Lower Colorado River Water Supply Project

Mr. Zimmerman reported that two Lower Colorado River Water Supply Project (LCRWSP) contractors; River Del Sol and River Estates that were recommended by the Board and approved by Reclamation, have requested that their respective water rights be released to the Riverfront Mutual Water Company. Riverfront Mutual Water Company would enter into a new subcontract with Needles for the combined right. Board staff recommends approval of the proposed release of rights and entering into a new subcontract with the Riverfront Mutual Water Company. Upon the motion of Ms. Jones, seconded by Mr. Knutson, and unanimously carried, the Board approved the recommendation for the release of LCRWSP rights of River Del Sol and River Estates to Riverfront Mutual Water Company and the creation of a new subcontract with the City of Needles.

Basin States Discussions

Mr. Zimmerman reported that the Basin states met on December 17th to discuss and finalize a discussion paper outlining potential projects that may have binational interest in the United States and Mexico in augmenting the water supplies of the Colorado River. During the meeting, the Basin states' approved the discussion document and signed the transmittal letter to Mr. Bill Ruth, the U.S. Section Commissioner of the International Boundary and Water Commission (IBWC). In the letter, the Basin states have proposed that Commissioner Ruth work with appropriate Mexican authorities to arrange a meeting. At such a meeting, the dialogue on the potential areas of cooperation between the two countries could be further explored. The discussion document has been shared with Mexico; to date, however, no meeting has been scheduled. Copies of the final letter and accompanying final discussion document are included in the Board folder.

Pilot Operations of the Yuma Desalting Plant

Mr. Zimmerman reported meetings regarding the Yuma Desalting Plant (YDP) pilot operation and the potential to develop 30,000 acre-feet to be delivered to the system by operating the YDP at one-third capacity for one year. The funding parties, MWD, Southern Nevada Water Authority, and the Central Arizona Project are finalizing a letter describing their understanding of the need and purpose of the pilot run.

Mr. Zimmerman reported that Reclamation is consulting with Mexico and working with the Arizona Department of Environmental Quality to obtain necessary state permits. Reclamation is also completing the National Environmental Policy Act and environmental compliance documents. The draft environmental assessment is expected to be available by the end of January 2009. There were a number of comments that were received on the scoping of the operation. Some of those comments have been taken into account as they prepared the environmental assessment. Reclamation may want to go through another public comment period. The target date for beginning operation of the YDP pilot run remains August 2009.

Mr. Zimmerman reported that there's about 108,000 acre-feet, at about 2,600 parts per million (ppm), of water in the Main Outlet Drain Extension (MODE) from the Welton-Mohawk Irrigation District that currently goes through the by-pass drain to the Cienega de Santa Clara and maintains the Cienega at its current size. During the pilot operation of the YDP there would be 38,400 acre-feet of water feed to the YDP at about 2,600 ppm. The product water from the YDP pilot run would be about 22,700 acre-feet of water, at about 160 ppm. The product water would then be blended with 7,600 acre-feet of Welton-Mohawk drainage water, the resultant flow would be 29,600 acre-feet at about 786 ppm to be returned to the Colorado River system. About 700 acre-feet of water would be used at the YDP. There would be a brine stream of about 15,600 acre-feet plus the remaining Welton-Mohawk drainage water, about 107,500 acre-feet at about 3,100 ppm, that would continue to the Cienega. As was mentioned the flow to the Cienega varies from year to year, but nonetheless questions have been raised from the environmental community to replace the volume of water treated by the YDP. This is still under debate. The potential monitoring study for the Cienega de Santa Clara is also under discussion.

Colorado River Environmental Activities

Memorandum of Understanding on Environmental Cooperation and Action Plan

Ms. Jeanine Jones of the Department of Water Resources reported that included in the Board folder is a Memorandum of Understanding (MOU) between California Environmental Protection Agency (CalEPA), the California Department of Food and Agriculture and the California Resources Agency, United States of America and the Ministry of Environment and Natural Resources of the United Mexican States (Secretaria de Medio Ambiente y Recursos Naturales SEMERNAT) and Comision Nacional del Agua – CONAGUA (Mexico). In addition to the MOU is an Action Plan for implementing the MOU is included in the Board folder. The MOU by itself is fairly generic, however the Action Plan, particularly the water resources section, has the potential to complicate work that is already being done in other forums such as the binational Core Groups. Ms. Jones reported that the ecosystems and water quality sections of the plan currently have wording that could be viewed as conflicting with the already in place Lower Colorado River Multi-Species Conservation Plan, and with certain actions relating to Mexican Water Treaty compliance, like the salinity differential. There is also text that could be viewed as suggesting California and Mexican agencies want to bring the Colorado River into the CalEPA's Order 2012 process. Ms. Jones suggested that she and the Executive Director draft a letter to be sent to the CalEPA that is putting together a work plan to implement the Action Plan that will clarify that California will continue to participate in the binational Core Group and that DWR and the Colorado River Board continue to be involved in the binational Core Group process, as well as maintain longstanding agreements and jurisdictions that are already in place.

Upon the motion of Mr. Kuiper, seconded by Mr. Foley, and unanimously carried, the Board approved and authorized Ms. Jones and the Executive Director to draft a letter to be sent to CalEPA providing appropriate comments and concerns.

Status of the Glen Canyon Dam Lawsuit

Mr. Gary Tavetian, of the Attorney General's Office of California, reported that the litigation is currently ongoing. There were initially eight counts brought by the Grand Canyon Trust. The court has already dismissed two of those counts. There's a briefing going on pertaining to the sixth, seventh and eighth counts that pertain to the experimental plan. The briefing schedule is currently being developed. To date, a hearing date has not yet been established. After the court decides counts six, seven and eight, it will then decide on the first three counts which deal with the Endangered Species Act allegations.

Other Business

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, February 11, 2009, 10:00 a.m., at the Holiday Inn Ontario Airport, 2155 East Convention Center Way, Ontario, California.

There being no further items to be brought before the Board, Vice Chairman McFadden asked for a motion to adjourn the meeting. Upon the motion of Mr. Knutson, seconded by Mr. Kuiper, and unanimously carried, the meeting was adjourned 11:34 a.m. on January 14, 2009.



Gerald R. Zimmerman

Executive Director