

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, October 13, 2010

A Regular Meeting of the Colorado River Board of California (Board) was held in the Vineyard Room, at the Holiday Inn Ontario Airport, at 2155 E. Convention Center Way, Ontario, California, Wednesday, October 13, 2010.

Board Members Present

Dana B. Fisher, Jr. Chairman
John V. Foley
Russell C. Kitahara
W. D. 'Bill' Knutson
James B. McDaniel
Henry Merle Kuiper
John Pierre Menvielle

David Elms, Designee
Department of Fish and Game

Jeanine Jones, Designee
Department of Water Resources

Board Member Absent

Terese Maria Ghio

Others Present

Steven B. Abbott
James H. Bond
John P. Carter
Dave Fogerson
Leslie Gallagher
Gil Granito
William J. Hasencamp
Mark L. Johnson
Michael L. King
Thomas E. Levy
Jay W. Malinowski
Jan P. Matusak
David Pettijohn
Rua Petty
Halla Razak

Steven B. Robbins
Tom J. Ryan
Jack E. Seiler
Tina L. A. Shields
Catherine M. Stites
Bill D. Wright

Abbas Amirteymoori
J.C. Jay Chen
Lindia Y. Liu
Gary E. Tavetian
Mark Van Vlack
Gerald R. Zimmerman

CALL TO ORDER

Chairman Fisher announced the presence of a quorum, called the meeting to order at 10:08 a.m.

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA CHAIRMANSHIP

Chairman Fisher congratulated Mr. John V. Foley, Board member, on his recent election to Chairman of The Metropolitan Water District of Southern California. The Board applauded the election of Mr. Foley.

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

Approval of Minutes

Chairman Fisher requested the approval of the September 15th meeting minutes. Ms. Jeanine Jones moved the September 15th minutes be approved. Mr. Knutson seconded the motion. Unanimously carried, the Board approved the September 15th meeting minutes.

Governor's Executive Order S-15-10

Mr. Zimmerman reported that on October 7th the Governor's Office issued an Executive Order related to Exempt Employees pension contributions and Personal Leave Program, which includes: the employee monthly pension contributions will increase by three percent of pay; the three day furlough is extended through October 2010, after which it will be replaced by a Personal Leave Program of one day per month for one year; and an increase in the top-step salary ranges by three percent in July 2013. A copy of the Governor's Executive Order was included in the Board folder.

AGENCY MANAGERS' MEETING

Mr. Zimmerman reported that a number of conference calls and meetings have been held regarding the ongoing discussions with Mexico and the development of Minute 318. Mr. Zimmerman reported that the Basin states are close to reaching a unified position on the contents of Minute 318. The California Agency Managers held a conference call on October 7th to obtain any further input from the Agency Manager's perspective on the draft of Minute 318.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Amirteymoori reported that from October 1st to October 4th, precipitation was 89 percent of normal, and there was no measureable snowpack water equivalent. The observed

April through July inflow into Lake Powell for Water Year 2010 was 5.8 maf, or 73 percent of normal. The projected 2010 Water Year unregulated inflow into Lake Powell was about 8.7 maf, or 73 percent of normal.

Mr. Amirteymoori reported that as of October 4th, the reservoir storage in Lake Powell was 15.3 million acre-feet (maf), or 63 percent of capacity. The water surface elevation was 3,633.6 feet. The storage in Lake Mead was 10.1 maf, or 39 percent of capacity. The water surface elevation was 1,083.7 feet. Total System storage was 33.0 maf, or 55 percent of capacity. Last year at this time, there was 34.1 maf of water in storage, or 57 percent of capacity. Total System storage was about 1.1 maf less than the storage at this time last year.

Mr. Amirteymoori reported that Reclamation's estimated consumptive use (CU) for the State of Nevada is under its entitlement of 300,000 acre-feet (i.e. 270,000 acre-feet); and for Arizona, the CU is projected to be its basic entitlement of 2.8 maf (i.e. 2.804 maf); and for California the CU is also projected to be under its apportionment of 4.4 maf (i.e. 4.361 maf). The total projected CU in the Lower Basin is expected to be about 7.435 maf.

There was some discussions regarding current conjunctive operations of Lakes Mead and Powell.

State and Local Water Reports

Ms. Jeanine Jones, of the California Department of Water Resources, reported that storage of the State Water Project (SWP) was about the same as last month. As of October 1st, storage north of the delta was 1.8 maf, or 50 percent of capacity. Storage south of the Sacramento Delta was about 1.0 maf, or 55 percent of capacity, total storage of the SWP was about 2.8 maf, or 52 percent of capacity. SWP deliveries were 50 percent of the Table A Entitlement.

Ms. Jones reported that on November 17th, the Department of Water Resources will be hosting a Winter Outlook Workshop (Workshop) where forecasters from research, meteorology, and climate science will meet and share their best estimate on what the upcoming water year will be like. The Workshop is scheduled to be held in San Diego in conjunction with Scripps Institute. A webcast of the workshop is expected to be announced at the November Board meeting.

Mr. Foley, of The Metropolitan Water District of Southern California (MWD), reported that, as of October 1st, there was an increase of about 150,000 acre-feet in combined storage (Diamond Valley Lake, and Lakes Mathews and Skinner), and there was an increase of about 170,000 acre-feet of storage in Diamond Valley Lake since May 1st. The total combined storage of Diamond Valley Lake, Lake Mathews, and Lake Skinner was about 700,300 acre-feet, or 68 percent of capacity. Storage in Diamond Valley Lake was about 556,100 acre-feet, or 69 percent of capacity, storage in Lake Mathews was about 105,600 acre-feet, or 58 percent of capacity, and the storage in Lake Skinner was about 38,600 acre-feet, or 88 percent of capacity. Mr. Foley added that storage levels are not expected to change in the near future due to work being done on the State Project East Branch, that delivers water to Diamond Valley.

Colorado River Operations

2011 Annual Operating Plan for Colorado River System Reservoirs

Mr. Zimmerman reported that final 2011 Annual Operating Plan (2011 AOP) consultation meeting had been held in Las Vegas, Nevada, on September 24, 2010. Mr. Zimmerman reported that the Basin states raised concerns regarding the inclusion of specific language in the draft 2011 AOP regarding operations at Glen Canyon Dam. Reclamation responded with a commitment to re-evaluate inclusion of the proposed language.

Mr. Zimmerman reported that the Secretarial determinations in the 2011 AOP regarding operations of the reservoir system have not changed from the previous draft. Reclamation is currently finalizing its recommended 2011 AOP. When completed, it will be sent to the Secretary of the Department of the Interior for his approval and transmitted to the Governors of the Colorado River Basin states. The 2011 AOP is available online at Reclamations website at: http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP11_draft.pdf

Mr. Zimmerman reported that since the final consultation meeting and the persistence of the drought conditions throughout the Colorado River Basin, the most probable release conditions from Glen Canyon Dam will remain in the Upper Balancing Tier instead of moving into the equalization Tier. The most probable release from Glen Canyon dam during water year 2011 will be 9.0 maf instead of 11.0 maf as contained in the draft 2011 AOP.

Seventy-Fifth Anniversary of the Dedication of Hoover Dam

Mr. Zimmerman reported that on September 30th, Reclamation held a ceremony celebrating the 75th anniversary of the dedication of Hoover Dam. The Board's Chairman, Mr. Bart Fisher, represented the Board as California's designated representative at the dedication. There were a number of representatives from Southern California agencies also present at the ceremony.

Las Vegas Sun News Article Entitled "Hoover Dam bypass bridge dedication planned next week"

Mr. Zimmerman reported that on October 14th the U.S. Secretary of the Department of Transportation, Mr. Ray LaHood is scheduled to dedicate the new Mike O'Callaghan-Pat Tillman Memorial Bridge over the Colorado River below Hoover Dam. This new single-span concrete arch bridge is intended to re-route traffic off of Hoover Dam, improve public safety at Hoover Dam, and improve traffic between Las Vegas and Phoenix on U.S. route 93. A copy of the news article announcing the dedication was included in the Board folder.

Solar Millennium, LLC's Response Letter to Board's Comment Letter on California Energy Commission's Presiding Member's Proposed Decision on Blythe Solar Power Project

Mr. Zimmerman reported that on September 20th, the Board received a letter from Solar Millennium. The letter reflects several misconceptions associated with the Board's September 14th letter to the California Energy Commission (CEC) and was associated with Reclamation's use of the U.S. Geological Survey's (USGS) water accounting surface boundary and its

development of a proposed rule for wells pumping water along the Lower Colorado River. In addition, without a response to Solar Millennium's letter, the Board, would be agreeing with its conclusions.

Mr. Zimmerman reported that Board staff had prepared a response to Solar Millennium's letter and it is currently being circulated among the agencies for review and comment. Extensive comments have been received from MWD. Mr. Zimmerman proposed the letter be finalized incorporating as appropriate, MWD's comments. Mr. Kuiper moved the Executive Director be authorized to execute the response letter after review by the member agencies. Mr. Knutson seconded the motion, unanimously carried the Board approved the letter be finalized and executed by the Executive Director.

Metropolitan Water District's Comment Letter on Blythe Solar Power Project

Mr. Zimmerman reported that on September 19th MWD sent a letter to the CEC and the Bureau of Land Management that provided comments on the Final Environmental Impact Statement for the Blythe Solar Energy Project. Mr. Zimmerman reported that MWD's comments expressed concerns associated with the Project's source and use of a water supply, and potential impacts upon Colorado River water supplies. A copy of the letter was included in the Board folder.

U.S. Geological Survey News Release Entitled "Dust Hastens Colorado River Snowmelt, Cuts Flow"

Mr. Zimmerman reported that on September 20th, the USGS issued a news release announcing that a recently completed National Aeronautic and Space Agency/USGS study revealed that increases in airborne dust loads and deposition of more dust on snow fields in high-elevation mountainous areas may be leading to an increase in solar energy absorption and a shifting of peak spring runoffs to earlier in the year. The study looked at the hydrologic effects of human-produced dust deposits on mountain snowpack in the Upper Colorado River basin between 1915 and 2003.

2010 Water and Climate Change Adaptation Symposium, October 19-20, Long Beach, California

Mr. Zimmerman reported that the California Department of Water Resources (DWR) and the Water Education Foundation (WEF) are co-sponsoring a water supply and climate change adaptation symposium in Long Beach, California on October 19th and 20th. There are expected to be a number of very knowledgeable speakers, including Ms. Jeanine Jones, and interesting panel discussions that have been scheduled for the symposium. A copy of the announcement was included in the Board folder. Ms. Jones reported that attendee's could register at www.watereducation.org/. Ms. Jones added that one of the scheduled USGS speakers would be speaking on the previous Board topic "Dust Hastens Colorado River Snowmelt, Cuts Flow". Ms. Jones reported that the focus of the symposium this year would be on the effects of climate change on severe weather, such as flood-type aspects as well as coastal aspects. She mentioned a sea-level rise study with the National Research Council (NRC) and possibly a preview of an interim draft of the State's guidelines for Interim Sea Level Rise Projections. The NRC study is expected to be released in a couple years.

Basin States Discussions

Status of Bi-National Projects and Programs with Mexico

Mr. Zimmerman reported that as discussed at the September Board meeting: discussions with Mexico have been refocused to deal with water that Mexico would like to delay the delivery of during calendar years 2010 and 2011 because of the damage to its infrastructure resulting from the April 2010 earthquake. The discussions include both creation and future delivery of water. Mr. Zimmerman reported that the primary reason for this refocus was the limited time to address all of the technical and legal issues associated with a comprehensive deal, and allow Mexico to delay delivery of its apportioned water this year and to take delivery of its delayed apportionment in a future year. The storage of Mexico's delayed delivery of a portion of its water would benefit both countries: it would allow Mexico to make more efficient use of its water and raise the surface water level in Lake Mead. Mr. Zimmerman reported that several meetings and conference calls have been held among the representatives of the Basin states and their technical and legal representatives. They have been meeting to develop a response to the new draft Minute 318 proposed by Mexico. The challenge among the Basin states has been to not focus on a comprehensive deal in this short term deal. Both countries are still intent on developing a comprehensive deal in a subsequent minute. The comprehensive minute would address the creation and delivery of Intentionally Created Mexican Apportionment (ICMA), the conversion of ICMA to Intentionally Created Surplus (ICS), surplus and shortage sharing, and the pursuit of new water and environmental projects.

Mr. Zimmerman reported that as a result of the various conference calls and meetings, a general agreement had been reached among the U.S. parties on the contents of the new draft Minute 318 dealing with delayed delivery of water to Mexico in 2010 and 2011. The International Boundary and Water Commission and Reclamation representatives had further discussions with their counterparts from Mexico on the contents of Minute 318 on October 12th. Based on the results of that meeting, Mexico is preparing a new draft of Minute 318. The new draft is expected to be available by October 22nd.

Current Draft Minute 318

Mr. Zimmerman reported that the current draft Minute 318 contains eleven resolutions. Resolution No. 1 references Article 10(a) of the Treaty as authority to adjust the delivery schedule and references the delayed delivery of 16,000 to 40,000 acre-feet in 2010, and 50,000 to 110,000 acre-feet in 2011. Resolution No. 2 indicates the water delivery schedules will be coordinated through the IBWC. Resolution No. 3 states that an annual three percent evaporation charge will be assessed for water stored in U.S. reservoirs. Resolution No. 4 references the Tijuana language for determining the salinity differential, it allows for Mexico to pump drainage water into the Bypass Drain to reduce the actual salinity concentration at the Northern International Boundary, and it states that facility operations in the U.S. will not be adversely impacted. Resolution No. 5 of Minute 318 states that deliveries of water will be in compliance with Article 15 of the Treaty. Resolution No. 6 states that, with the adjusted delivery schedule, the U.S. has fulfilled its delivery obligation under the Treaty for 2010 and 2011. Resolution No. 7 commits that discussions under Minute 317 will continue to develop joint cooperative actions to benefit both countries and reaffirms a commitment to develop cooperative and innovative approaches to help mitigate potential impacts of shortage conditions. Resolution No. 8 addresses

the future delivery of water referenced in Resolution two, and contains language to clarify that Mexico's delayed delivery would not exacerbate shortage conditions in the U.S, nor adversely affect operations in the U.S. Resolution No. 9 states provision of Minute 318 shall not set a precedent for future deliveries under Article 10 of the Treaty. Resolution No. 10 indicates that volumes of water referenced in Resolution No. 2 could be addressed in the discussions pursuant to Minute 317 and with regard to progress Mexico is making in fixing its infrastructure. Resolution No. 11 states that Minute 318 goes into force when approved by both countries.

There was some discussion regarding the state of Mexico's water delivery infrastructure and their recent excess deliveries of Colorado River water, and whether the current delivery schedule can accommodate the proposed delayed delivery for 2010.

Mr. Zimmerman reported that based on the conference call on October 12th between the U.S. and Mexico, Mexico will prepare a revised draft of Minute 318, expected to be available by October 22nd. The Basin states will review the new draft Minute 318 when it is received. The Board will be able to review the new draft Minute 318 before it is executed.

Meeting with Secretary of the Interior

Mr. Zimmerman reported that a Basin states meeting with Secretary Salazar is scheduled for October 20th. California's participation in the meeting is limited to each Agency Manager and one designated agency representative from each agency, or one designated agency representative. The purpose of the meeting is to discuss with Secretary Salazar ongoing issues and activities in the Basin. A draft agenda for the meeting was included in the handout materials.

OTHER BUISNESS

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, November 10, 2010, starting at 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, Chairman Fisher asked for a motion to adjourn. Mr. Kuiper moved the Board meeting be adjourned. Mr. Knutson seconded the motion. With unanimous approval, the Board meeting was adjourned at 11:06 a.m. on October 13, 2010.

/S/

Gerald R. Zimmerman
Acting Executive Director