

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, August 15, 2012

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, August 15, 2012.

Board Members and Alternate Present

Dana B. Fisher, Jr., Chairman
John V. Foley
W. D. 'Bill' Knutson
David R. Pettijohn

John Palmer Powell, Jr.
Jeanine Jones, Designee
Department of Water Resources

Board Members and Alternate Absent

Terese Maria Ghio
James Cleo Hanks
Henry Merle Kuiper
James B. McDaniel

John Pierre Menvielle
Christopher G. Hayes, Designee
Department of Fish and Game

Others Present

Autumn Ashurst
Steven B. Abbott
James H. Bond
James M. Barrett
John P. Carter
J.C. Jay Chen
Dan Denham
Mitch Dion
Leslie M. Gallagher
William J. Hasencamp
Lindia Y. Liu
Jan P. Matusak

Carrie Oliphant
Glen Peterson
Tom J. Ryan
Jack Seiler
Ed W. Smith
Joanna Smith
Catherine M. Stites
Gary E. Tavetian
Joseph A. Vanderhorst
Mark Van Vlack
Bill D. Wright
Gerald R. Zimmerman

CALL TO ORDER

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

ADMINISTRATION

Approval of Minutes

Chairman Fisher requested the approval of the June 13th meeting minutes. Mr. Knutson requested that a correction be made to the attendance list (Mr. John Pierre Menville's name was missing from the absent list). Ms. Jeanine Jones moved that the June 13th minutes be approved with the correction to the absent list. Mr. Foley seconded the motion. Unanimously carried, the Board approved the June 13th meeting minutes.

Closed Executive Session

Chairman Fisher informed the audience that the Board would be moving into Closed Executive Session. The Board entered into Closed Executive Session at 10:10 a.m.

Board Meeting Reconvened

Chairman Fisher reconvened the Board meeting into open session at 10:22 a.m. Chairman Fisher reported that pursuant to Section 11126(a)(1) of Government Code, the Board selected Ms. Tanya Trujillo as Executive Director by Board's choice and recommended her to the Governor's office for appointment. Chairman Fisher thanked the search committee and congratulated them on their 18-month search. Board staff is directed to submit necessary documentation to the Department of Personnel Services (DPS) to accomplish this process. Chairman Fisher requested a motion for approval of the selection of Ms. Trujillo as Executive Director and directed staff to submit documentation to DPS to accomplish the appointment process. Upon the motion of Mr. Knutson, seconded by Mr. Foley, and unanimously carried, the Board approved the selection of Ms. Tanya Trujillo as Executive Director, and directed staff to recommend her to the Governor's office for appointment, and submit the necessary documents to accomplish the appointment process.

AGENCY MANAGERS' MEETING

Mr. Zimmerman requested that the Agency Managers meet following the conclusion of the Colorado River Authority meeting in preparation for the Basin States meeting on August 20th. Mr. Zimmerman reported that the Basin States are interested in the current status of the Quantification Settlement Agreement (QSA) and have some questions about the ability of California to meet the 2012 benchmark contained in the 2007 Guidelines.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Zimmerman reported that precipitation within the Basin from October 1, 2011 to August 13th, was 79 percent of normal (ten percent greater than last month's 69 percent of normal). This is still well below normal and most of the precipitation won't be reaching the river and simply contributes to soil moisture content. The snowpack in the headwaters regions has largely melted. The projected April through July unregulated inflow into Lake Powell was 2.06 maf, or 29 percent of normal. The projected water year inflow (October 1st through August 1st) was 5.15 maf, or 48 percent of normal.

Mr. Zimmerman reported that June was a very dry month with precipitation throughout most of the Basin at less than 50 percent of normal, where July was greater than normal, with some of the desert regions of Arizona and Utah at above 150 percent of normal.

Mr. Zimmerman reported that as of August 12th, Lake Powell storage was about 14.46 million acre-feet (maf), or 59 percent of capacity. The water surface elevation of Lake Powell was 3,626.5 feet above sea level. Lake Mead storage was 13.24 maf, or 51 percent of capacity, and a water elevation of 1,116.3 feet above sea level. Total System storage was 35.07 maf, or 59 percent of capacity. Last year at this time, the total System storage was 39.27 maf, or 66 percent of capacity.

Mr. Zimmerman added that Reclamation's projected consumptive use (CU) for the State of Nevada is under its entitlement of 300,000 acre-feet (i.e., 269,000 acre-feet); for Arizona, the CU is projected to be slightly over its basic entitlement of 2.8 maf (i.e., 2.823 maf); and, for California, the CU is also projected to be slightly over its basic apportionment of 4.4 maf (i.e., 4.49 maf). Currently, the total projected CU in the Lower Basin is expected to be about 7.511 maf.

State and Local Water Reports

Ms. Jeanine Jones, of the California Department of Water Resources (DWR), reported that California's summer weather is typically hot and dry with little rain, however, in the desert regions of California, thunderstorm monsoonal events in July have practically doubled the annual rainfall total, causing localized flooding in some areas of Imperial County.

Ms. Jones reported that as of August 2012, most of the reservoirs of the State Water Project are up except that the San Luis reservoir was about 45 percent of capacity. State Water Project storage north of the Delta is about 72 percent of average, and south of the Delta, storage is about 62 percent of average. The Table A allocation is currently 65 percent of entitlements.

Ms. Jones discussed a U.S. Department of Agriculture (USDA) map depicting pasture and range land drought classifications, indicating that 95 percent of California was classified as either poor or very poor in terms of drought conditions. Ms. Jones reported that an additional slide didn't make it into the final presentation that showed the latest USDA Drought Disaster Designations listing all but five counties in California that have become

eligible for drought disaster assistance. If the current trend continues, the five counties not designated (Sacramento, Yolo, Solano, Napa, and Lake) may end up being included in the next round of updates.

Mr. Foley, of The Metropolitan Water District of Southern California (MWD), reported that as of August 1st, storage in the main southern California reservoirs was about 956,600 acre-feet, or 92 percent of capacity. Diamond Valley Lake was about 770,600 acre-feet, or 95 percent of capacity. Lake Mathews was about 148,300 acre-feet, or 81 percent of capacity. Lake Skinner was 37,700 acre-feet, or 86 percent of capacity. Total water delivery through the end of June was less than the ten year average by about 17 percent. Integrated water management, system efficiencies and conservation measures have decreased the consumptive use of the member agencies.

Mr. Pettijohn, of the Los Angeles Department of Water and Power, reported that the 2012 water year is essentially over for the Eastern Sierra and water deliveries from the LA Aqueduct are below average. The precipitation from the Eastern Sierras varies from year to year. Last year was a wet year in the Eastern Sierras and little if any supplemental water was needed. However, this year, water deliveries for the city are scheduled to be met with supplemental water supplies purchased from MWD.

Colorado River Operations

Draft 2013 Annual Operating Plan for the Colorado River

Mr. Zimmerman reported that the current draft of the 2013 Annual Operating Plan (2013 AOP) was held via webinar on July 26th. The 2013 AOP includes the following Secretarial determinations:

- The “Upper Level Balancing Tier” will govern releases from Lake Powell and total releases from Glen Canyon Dam are to be at least 8.23 maf;
- Intentionally Created Surplus (ICS) Condition will govern releases from Lake Mead and ICS may be created and delivered in 2013;
- No unused apportionment is anticipated;
- The Inadvertent Overrun and Payback Policy will be in effect during 2013;
- The Draft 2013 AOP is available on Reclamation’s Upper and Lower Colorado Regions’ webpage: http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP13_draft.pdf; and
- The Final 2013 AOP consultation is scheduled for September 12th in Las Vegas, Nevada.

Status of the Colorado River Basin Water Supply and Demand Study Report

Mr. Zimmerman reported that the Project Team members and Consultants met in Las Vegas, Nevada, July 26-27, 2012 to refine and finalize the Options Characterizations and development of portfolios. The Consultants plan to move on to modeling of proposed portfolios. On August 16th the Options and Strategies Workgroup is scheduled to meet via conference call. The Project Team and Consultants are scheduled to meet on August 21st and 22nd in Las Vegas at the Southern Nevada Water Authority (SNWA) offices to continue their work on finalizing the options characterizations. A final draft of the Colorado River Basin Water Supply and Demand Study Report is expected to be published in September 2012.

Mr. Zimmerman reported that the final report is expected to be similar to Interim Report No. 1, including: Technical Reports A through G; a summary report encompassing the technical reports; an Executive Summary; Technical Report E – Approach to Develop and Evaluate Opportunities to Balance Supply and Demand; Technical Report F – Development of Options and Strategies; and Technical Report G – System Reliability Analysis and Evaluations of Options and Strategies.

2013 Plans for Creation of Intentionally Created Surplus for Imperial Irrigation District, Metropolitan Water District, and Southern Nevada Water Authority (SNWA)

Mr. Zimmerman reported that the Imperial Irrigation District (IID) has proposed to create up to 25,000 acre-feet of ICS from its on-farm fallowing program and/or Main Canal Seepage Interception System, subject to transfer obligations and 2011 Inadvertent Overrun and Payback Policy (IOPP). MWD proposes to create up to 200,000 acre-feet by (1) the forbearance and fallowing program with the Palo Verde Irrigation District, (2) its water conservation program with IID, (3) its desalination program, and (4) from the Lower Colorado Water Supply Project (LCWSP). Mr. Zimmerman reported that the SNWA proposes to create up to 46,000 acre-feet from three sources: Coyote Springs groundwater; Muddy River and Virgin River tributary water.

Mr. Zimmerman reported that Reclamation's Lower Colorado Regional Office distributed the proposed ICS creation plans from IID, MWD and SNWA for review and comment in July 2012. Chairman Fisher reported that some questions had been raised regarding whether all programs qualify for ICS creation and whether ICS should be allowed if IOPP balances remain. Mr. Hasencamp reported that California's implementation of ICS is in accord with the Forbearance Agreement that was signed in 2007. Mr. Hasencamp reported that further discussion among the interested stakeholders is anticipated before each of the proposed ICS creation plans is approved by Reclamation.

Chairman Fisher commented that the implementation of these new management tools and their future benefit for Colorado River stakeholders was possibly one of Mr. Dennis Underwood's last great ideas before he passed away.

Basin States Discussion

Mr. Zimmerman reported that a Seven Basin States Principals meeting is scheduled on August 20th, from 10 a.m. to 3 p.m., at the SNWA offices in Las Vegas, Nevada. Mr. Zimmerman reported that the current agenda includes: status of the ongoing Binational negotiation process; status of the Long Term Experimental and Management Plan (LTEMP) Environmental Impact Statement (EIS); California's water use issues (e.g., the 2007 Guidelines 2012 Benchmark Reporting requirement, status of the QSA, and 2012 consumptive use and inadvertent overrun accounting).

Status of Binational Discussions between the U.S. and Mexico

Mr. Zimmerman reported that progress in negotiating Minute 319 is occurring at the Technical and Projects Small Group levels. Binational workshops were held by the Technical Group: May 29th through June 1st; June 20th through 22nd; and July 5th and 6th. A

fourth workshop is scheduled for August 16th and 17th. Mr. Zimmerman reported that the Technical Group has been charged with the following: (1) identify the linkages among the elements of Minute 319 that benefit both nations; (2) attempting to reach tentative agreement on potential elements of Minute 319; and (3) effectively document points of tentative agreement (POTAs) of a proposed Minute 319.

Mr. Zimmerman reported that the Technical Group is not negotiating the specifics of Minute 319, rather the focus has been on documenting these potential areas of agreement. During the Technical Group discussions it became apparent that a key element was to identify a proposed “binational project”. A Projects Small Group was formed and met on July 18th and 19th, July 30th and 31st, and via webinar on August 13th. The Projects Small Group identified a proposed Pilot Project with four elements: (1) lining of the federal Canal Reforma; (2) lining of Module 18, a lateral off of the Canal Reforma; (3) fallowing; and (4) Minute 318 water. Lining projects would not make water immediately available. Fallowing water purchased by ConAgua and/or Minute 318 water could be made available on relatively short notice if desired. The proposed Pilot Project would be used to test the following concepts and mechanisms: (1) binational investment in infrastructure, conservation and system management; (2) creation of ICMA from a binational project that is used for various purposes; (3) conversion of ICMA to ICS and the various associated taxes; (4) legal, financial and water accounting frameworks; (5) provide a pathway for a long-term agreement; and (6) establish a process for future projects. Mr. Zimmerman reported that the Projects Small Group is scheduled to report out to the Technical Group on August 16th and 17th.

Finally, Mr. Zimmerman reported that the Salinity Small Group is still working to validate the appropriate equation to be used in calculating the Minute 242 salinity differential and how to deal with constraints on creation and delivery of ICMA that may need to be imposed so as not to affect normal system operations and/or water quality conditions in the United States.

Colorado River Environmental Issues

Status of the Long Term Experimental Management Plan Environmental Impact Statement for Glen Canyon Dam

Mr. Zimmerman reported that Reclamation and the National Park Service (NPS) are continuing with their Long Term Experimental and Management Plan (LTEMP) process. The LTEMP is to include scientific knowledge gained through the Adaptive Management Program (AMP) since the original Record of Decision in 1996. The implementation of the LTEMP is expected to guide Glen Canyon Dam operations and the AMP for the next 15-20 years. The Basin States have prepared a suggested alternative to be included in the Environmental Impact Statement (EIS) for the LTEMP. The Basin States Alternative was submitted to the co-leads on July 2nd.

Mr. Zimmerman reported that the Basin States Alternative would accomplish the following: (1) implement management actions to benefit key resources (i.e., humpback chub, sediment resources, benefit the aquatic foodbase, and manage trout); (2) use scientific experimentation and research to further identify and develop future management actions (i.e.,

utilize the principles of adaptive management); (3) balance research and learning with improvements to key resources; 4) address the full-range of possible future hydrologic and reservoir conditions; (5) adhere to and conform with the 2007 Interim Guidelines; and (6) recognize and incorporate provisions of recently issued Findings of No Significant Impact (FONSI) for the High Flow Experimental Protocol for Non-Native Fish Control Environmental Assessments (EAs).

Mr. Zimmerman reported that on June 29th the Basin States representatives met with Reclamation and NPS and made a formal presentation of the Basin States Alternative. During the presentation the Basin States made the point that all of the elements of the Alternative are inter-related and inter-dependent. The Basin States representatives affirmed their desire to work closely with Reclamation and the NPS during the alternatives analysis and evaluation process.

Mr. Zimmerman reported that on July 13th a small group of Basin States representatives met and provided a briefing on the Basin States' proposed LTEMP Alternative for Department of the Interior Assistant Secretary for Water and Science, Anne Castle, in Denver, Colorado. A series of public presentations associated with the LTEMP are expected to be held in the next few months. A scheduled August workshop on the LTEMP alternatives was canceled, and may be rescheduled later this fall. Reclamation and the NPS anticipate issuance of the draft LTEMP EIS in February or March 2013 for a sixty-day review and comment period.

Status of the Farm Bill

Mr. Zimmerman reported that the Colorado River Basin Salinity Control Forum Executive Director, Mr. Don Barnett, issued a Memorandum on August 7th reporting the current status of the 2012 Farm Bill. The Senate version included \$1.65 billion in annual funding under EQIP. The House Agricultural Subcommittee included \$1.75 billion in funding under EQIP. The Farm Bill stalled on the floor of the House. The Agricultural Disaster Assistance Act of 2012 (H.R. 6233) was brought forward for a House floor vote and passed. The Senate may not be receptive to the House legislation and Congress will be in recess till early September. There are only a few working days left in the federal fiscal year before the authorities under the Farm Bill expire.

Grand Canyon Trust Lawsuit

Mr. Tavetian reported that on August 13th, Judge Gould of the U.S. Ninth Circuit Court of Appeals issued the Court's opinion, ruling in the favor of Reclamation and the Fish and Wildlife Service. A key element in the Court's ruling was that the AOP is not subject to the analysis and consultation provisions of NEPA or the Endangered Species Act.

OTHER BUSINESS

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, September 12, 2012 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. Knutson moved the Board meeting be adjourned. Mr. Foley seconded the motion, and with unanimous approval, the Board meeting was adjourned at 11:26 a.m. on August 15, 2012.

/S/

Christopher S. Harris
Acting Executive Director