

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, June 12, 2013

A Regular Meeting of the Colorado River Board of California (Board) was held in the Vineyard Room, of the Holiday Inn Ontario Airport, 2155 East Convention Center Way, Ontario, California, Wednesday, June 12, 2013.

Board Members and Alternates Present

Dana Bart Fisher, Jr., Chairman
Stephen Benson
Franz W. De Klotz
Michael T. Hogan
Henry Merle Kuiper
Glen D. Peterson

David R. Pettijohn
Jeanine Jones, Designee
Department of Water Resources

Board Members Absent

John V. Foley
Terese Maria Ghio
James B. McDaniel

James Hanks
Christopher G. Hayes, Designee
Department of Fish and Wildlife

Others Present

Steven B. Abbott
John Penn Carter
J.C. Jay Chen
Chuck Collum
Brian Daly
Dan Denham
Christopher S. Harris
William J. Hasencamp
Michael Hughes
Lisa Johansen
Lori A. Jones
Thomas E. Levy
Lindia Y. Liu
Jan P. Matusak
Carrie Oliphant

Antonio Ortega
Autumn Plourd
W.D. Bud Pocklington
Halla Razak
Tom Ryan
Jack Seiler
Tina L. A. Shields
Ed W. Smith
Joanna Smith
Mark Stuart
Gary Tavetian
Tanya M. Trujillo
Mark Van Vlack
Gerald R. Zimmerman

CALL TO ORDER

Chairman Fisher announced the presence of a quorum and called the meeting to order at 10:07 a.m.

OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD

Chairman Fisher asked if there was anyone in the audience who wished 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 asked if there was a motion to approve the March 13 minutes. Mr. Kuiper moved the minutes be approved. Seconded by Mr. Pettijohn and unanimously carried, the March 13 meeting minutes were approved.

Election of New Vice-Chairman

Mr. Kuiper nominated Franz De Klotz as the new vice-chairman. Mr. Kuiper moved and Mr. Pettijohn seconded the nomination of Franz De Klotz as vice-chairman of the Colorado River Board (CRB). The motion was approved on unanimous consent.

Colorado River Board Budget and Six Agency Committee Agreement

Ms. Trujillo stated that the Colorado River Board (CRB) budget, which is derived from the Governor's budget, is \$1,618,000.00 for Fiscal Year 2013-2014. It has been approved through the state process and is one-hundred percent reimbursed by the Six Agency Committee (SAC). Ms. Trujillo requested approval of the budget and authorization to execute an agreement with the Six Agency Committee for that reimbursement.

Mr. Hogan moved to approve the CRB budget and authorized Ms. Trujillo to execute the SAC agreement. Mr. Kuiper seconded the motion. The motion was approved on unanimous consent.

Announcement of New Engineer at the Colorado River Board

Mr. Trujillo announced that the CRB hired a new engineer within the last month, Ms. Angela Rashid. Ms. Rashid is a civil engineer with several years of experience and has a masters degree from UCLA in urban planning.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Harris reported that the precipitation from October 1, 2012 through June 3, 2013 was 80% of average, and that the snowpack was approximately 64% of normal as of June 3. The U.S. Bureau of Reclamation's forecasted April through July 2013 unregulated inflow into Lake Powell is 3.0 million acre-feet, which is 42% of average. The unregulated inflow forecast for Lake Powell inflow for Water-Year 2013 has dropped from 48% of average last month to 45% as of June 3.

Mr. Harris reported that as of June 1, the storage in Lake Powell was 11.7 million acre-feet, at water surface elevation 3,599.4 feet, which is about 48% of capacity. The storage in Lake Mead on June 1 was 12.5 million acre-feet, at water surface elevation 1,108.4, also 48% capacity. The total system storage in the Colorado River Basin reservoir system as of June 1 is approximately 31.22 million acre-feet, or 52% of capacity, which is about 5.5 million acre-feet less than this time last year.

Mr. Harris reported that as of June 4, Reclamation has projected the consumptive use for the Lower Division States to be as follows: Nevada is expected to consume about 266,000 acre-feet in 2013; Arizona is projected to consume approximately 2.73 million acre-feet in 2013; and California is projected to consume approximately 4.28 million acre-feet in 2013. Consequently, the combined total for the Lower Division States in 2013 is projected to be 7.28 million acre-feet in 2013, compared to 7.45 million acre-feet in 2012.

State and Local Water Reports

Mr. Mark Stuart, of the California Department of Water Resources, reported that hydrologic and precipitation conditions within the State of California continue to be below normal at about 75% of average. The runoff from the Sierra Nevada is approximately 70% of average, but reservoir storage—statewide—is about 85% of capacity. Mr. Stuart observed that Northern California was actually just under normal with respect to precipitation, but that the southern portion of the state was in overall much worse condition. Finally, Mr. Stuart reported that as of June 1, the total State Water Project reservoir storage was approximately 3.87 million acre-feet, or 70% of capacity, and is about 1.19 million acre-feet less than this time last year.

Mr. Glen Peterson, the Board Member representing The Metropolitan Water District of Southern California, reported that MWD's total system storage was currently just under 835,000 acre-feet, or 81% of capacity. Mr. Peterson also reported that MWD had a couple of 6,000 acre-feet per day sales days in April. This volume of daily sales is more typical of July or August, so MWD is predicting that it will be delivering a lot of water to its customers during 2013.

COLORADO RIVER OPERATIONS

Development of the 2014 Annual Operating Plan

Mr. Trujillo reported that Reclamation has begun the process to develop the 2014 Annual Operating Plan. Reclamation held a webinar on May 30 to review the first draft. Reclamation has proposed a mid-elevation release tier for operations for Lake Powell. That estimate is based on the April run of their 24-month study. The tier concept relates back to the 2007 Guidelines that were adopted collectively amongst the Basin States and Reclamation and ratified by the Secretary of the Interior through a Record of Decision. Based on the April forecast, Reclamation is projected to be releasing 7.48 million acre feet from Lake Powell as opposed to an 8.23 million acre-feet release. That is a significant difference in terms of the amount of water that would be released down to the Lower Basin. Reclamation indicated this would be an historical occurrence. Reclamation also explained that depending on future hydrologic conditions, the release could be increased to 8.23 million acre-feet.

For the Lower Basin operations, based on the 2007 Guidelines, the operational status will be the “Intentionally Created Surplus Condition,” which is a normal condition. The 2014 AOP projects the scheduled deliveries for Mexico to start with the standard 1.5 million acre-feet. The AOP acknowledges that based on Minute 319, the delivery to Mexico could fluctuate slightly up or slightly down. Reclamation has scheduled in-person follow-up meetings for the AOP development on July 30 and September 5 and will also inform the Basin States regarding the August forecast.

In response to a question from Chairman Fisher, Ms. Trujillo explained that a reduction in the allocations in the Lower Basin would occur if Reclamation determined that we were in a shortage condition based on the graphs presented earlier in the meeting. There is a potential for a shortage determination in the future. The shortage condition is affected by the amount of water that comes into Lake Mead from Lake Powell and how much is used out of Lake Mead. The shortage guidelines that the states have agreed to contemplate reductions in the allocations to Arizona and Nevada, and not to California. California would be affected by the inability to take ISC and to incur overruns.

In response to comments by Board Member Benson regarding tribal rights, Ms. Trujillo reported that the Navajo Nation recently filed a motion to amend the existing complaint in the pending court case that was filed in 2003. That existing court case challenged some of the Department of Interior’s (DOI) operations dating back to 2003. In the Tribe’s present motion to amend, the existing claims are expanded to be more inclusive and have been updated going forward.

Status of the Development of the Glen Canyon Dam Long-Term Experimental and Management Plan EIS Process

As has been previously reported, DOI is going through an EIS process to develop a new operations plan for Glen Canyon Dam. The Basin States submitted an alternative for consideration by Reclamation and DOI. On April 15, the Basin States submitted comments to DOI regarding proposed performance criteria for the Glen Canyon Dam Long Term Experimental Management Plan EIS (LTEMP EIS) process and also comments relating to a proposed Decision Analysis Program that DOI wants to run regarding the EIS process. The comments included a technical analysis and incorporated input from a panel of scientists that is advising the states. DOI is anticipating Adaptive Management Workgroup meetings in Phoenix in August 2013.

In May 2013, the National Park Service issued a “Comprehensive Fisheries Management Plan” (CFMP) to address long-term management of the fishery resources of Glen Canyon National Recreation Area and Grand Canyon National Park below Glen Canyon Dam. The CRB submitted comments on June 28, 2012 and emphasized that the Fisheries Management Plan should be coordinated with the other activities, including the AMWG and the LTEMP EIS process.

Colorado River Environmental Activities

Colorado River Board staff member, Lindia Liu, gave a presentation on the Salinity Control Forum Workgroup and Advisory Counsel meetings that were held on May 15, 16 and 17 in Grand Junction, Colorado. One of the major issues was a consideration of the options to replace the Paradox well, which has been preventing 110,000 tons of salt from entering the Colorado River system each year by capturing the brine water and injecting it 16,000 feet into the ground. The operations at the well have caused some earthquakes in the area, such as a 4.4 magnitude earthquake that happened on January 23, which occurred about 8.2 kilometers northwest of the injection site. As a result, Reclamation decreased the injection flow rate and increased the frequency of shutdowns until more information can be gathered on its correlation with the earthquake occurrences.

Reclamation is starting its NEPA EIS process to evaluate alternatives for the brine disposal at the Paradox well. The CRB is a cooperating agency for the EIS process. The EIS is anticipated to be completed in 2016. Reclamation is looking into the potential construction of a second well at the site. Several options were identified. One of them was to re-work the existing injection well rather than construct a new one in order to keep costs low. Experts will be convened to examine the feasibility of an evaporation pond. The same group will also review the potential limitations and restrictions that may be posed by the Migratory Bird Treaty Act.

The workgroup has been tasked to draft an emergency action plan in response to the potential failure of the Paradox well. The plan will include an educational document that will show the importance of the Paradox well to the Basin Salinity Program. Finally,

the workgroup is also working on a paper on the salinity control benefits to the Upper Basin. The main benefit is that the Upper Basin can develop its water resources without potentially impacting salinity in the Lower Basin. The next meetings of the Salinity Control Forum and Advisory Council have been scheduled for October 2013 and will held at The Metropolitan Water District's office in Los Angeles, California.

Status of the Lower Colorado River Multi-Species Conservation Program

Mr. Harris provided a presentation updating the status of the Lower Colorado River Multi-Species Conservation Program (LCR MSCP). Mr. Harris briefly described the goals and objectives of the LCR MSCP, the geographic extent of the Program, and the species currently being covered by the incidental take authorization permits issued by the U.S. Fish and Wildlife Service (USFWS) and California Department of Fish and Wildlife (CDFW). Mr. Harris explained that the goal of the LCR MSCP is to provide 8,132 acres of new native riparian, marsh and backwater habitats along the Lower Colorado from Lake Mead to the Southerly International Boundary with Mexico. Of the 8,132 acres of new habitat, the terms and conditions of the CDFW permit requires that 3,056 acres of this new habitat must be within the State of California. Additionally, the LCR MSCP has the obligation to repatriate 1.2 million endangered razorback sucker and bonytail back into mainstream aquatic habitats below Hoover Dam.

Mr. Harris reported that through 2012, that over 2,400 acres of new habitat had been established under the Program, and of that over 1,000 has been established within California. Additionally, Mr. Harris reported that over 200,000 razorback sucker and 56,000 bonytail have been repatriated to LCR MSCP aquatic habitats.

Mr. Harris also provided an overview of how the LCR MSCP is funded on an annual basis, with Program implementation costs shared equally between the federal and non-federal participants. Among the non-federal participants, California's LCR MSCP participants fund 50% of the annual implementation costs. Mr. Harris explained how the LCR MSCP is administered on annual basis through the Steering Committee and Technical Work Group. Currently, the annual LCR MSCP implementation costs are approximately \$35 million, but Mr. Harris noted that as the habitat is acquired and then restored that those annual costs will decrease over the 50-year life of the Program.

Mr. Harris concluded his presentation by highlighting some of the current "hot-button" issues of concern facing the Steering Committee in the context of long-term LCR MSCP implementation. These issues include the following: (1) non-native salt-cedar beetle defoliation of salt cedar habitats along the LCR utilized by the endangered southwestern willow flycatcher; (2) the probable listing of the Yellow-billed cuckoo as endangered with critical habitat designation; (3) the probable listing of the Northern Mexican garter snake as endangered with critical habitat designation; (4) the potential listing of the Townsend's big-eared bat as threatened or endangered by CDFW; and (5) that significant portion of the remaining LCR MSCP habitat restoration must be within the California-portion of the LCR MSCP planning area. With respect to the probable listings of the additional species, Mr. Harris reported that the additional conservation

measures for these species can be accomplished “seamlessly” through implementation of the LCR MSCP, as much of the current work being performed will directly benefit these species. With regard to finding the additional habitat restoration sites in California, Mr. Harris reported that Reclamation, the California participating agencies and CDFW are working in a coordinated fashion to identify these potential sites and bring them into the Program as soon as possible.

Mr. Harris answered several questions associated with the current status of the spread of the non-native salt-cedar beetle and its impact upon the breeding habitats of the endangered southwestern willow flycatcher. Mr. Harris reported that the salt-cedar beetle has defoliated much of the salt-cedar habitats along the Lower Virgin River, and is expected to be in the vicinity of Topock Marsh on the Havasu National Wildlife Refuge during the summer of 2013. Reclamation is monitoring the situation closely, and the potential effect upon the summer breeding of several neotropical migratory bird species that utilize riparian habitats along the Lower Colorado River.

Mr. Jerry Zimmerman pointed out that the implementation of the LCR MSCP, through 2055, is vitally important to California’s long-term ability to efficiently manage and protect its valuable Colorado River resources. Under the terms and conditions of the federal and state endangered species permits, the California agencies, in concert with users in Arizona and Nevada, have the flexibility to change the points of diversions and volumes of water diverted annually up to a maximum of 1.574 million acre-feet on an annual basis. This permits the implementation of programs like water banking, water transfers, the creation and release of ICS, and other elements of California’s Colorado River Water Use Plan.

BASIN STATES DISCUSSIONS

Minute 319 Updates and Next Steps

Ms. Trujillo reported on the status of the Minute 319 implementation efforts. A major focus relates to the small groups associated with the environmental flow component of Minute 319 that is focusing on restoration work in Mexico. Ms. Trujillo reported there are two major components that are under development. First, is the delivery plan component, which will figure out how to get water from Morelos Dam down to the different areas in Mexico. The second component is the monitoring plan. A meeting of science experts took place in San Diego at the end of May. The group of science experts will provide advice to the Mexican team. There has also been progress in connection with the small group associated with development of a proposed or potential turn-out off of the All-American Canal for Mexico that would be designed to accommodate additional deliveries to Mexico in case of an emergency. Reclamation and IBWC are setting up a team of water operation experts that will help to monitor the delivery flows and oversee other implementation issues related to Minute 319.

Ms. Trujillo reported on issues relating to the connection between the Rio Grande and the Colorado River and gave some background information on the subject. The 1944 treaty relates to the Rio Grande and the Colorado River with respect to international delivery obligations, both from the U.S. and from Mexico back to the U.S. On the Rio Grande, Texas has had longstanding concerns with Mexico's compliance or delivery obligations on that river system. Most recently, there has been some correspondence from the Texas Governor and from the Texas Commission on Environmental Quality, urging the Secretary of State and IBWC to be more proactive in terms of enforcing Mexican deliveries to the U.S. There have also been some legislative efforts that have come forward, including a proposed amendment to the WRDA bill that sought to require the Secretary of State to report to Congress on the status of compliance with respect to Mexico's Rio Grande deliveries and on the benefits to the U.S. associated with Minute 319. The legislation also sought to prohibit the Secretary of State from moving forward with any post-Minute 319 agreements with Mexico on the Colorado River if the Secretary of State did not comply with the prior two reporting requirements. As of today, there have been three pieces of legislation introduced, two house bills, and one senate bill. No hearings are set, and there has been no official administration position on those issues. The Colorado River Basin States are opposed to any linkage between Colorado River issues and Rio Grande issues, and the Basin states are in the process of developing correspondence to the Secretary of State to convey that message. We can keep our congressmen apprised of our positions on that point.

In response to Ms. Jones's question, Mr. Trujillo reported that, historically, for decades there has been an advocacy effort on behalf of the Texans with regard to improving deliveries from Mexico. The new issue is the linkage with Minute 319.

Colorado River Basin Water Supply and Demand Study Report Next Steps

Ms. Trujillo reported that workgroups have been established that will center on the evaluation of the assumptions associated with urban and agricultural conservation elements that are imbedded in the Study. The additional workgroup will relate to monitoring and modeling associated with environmental flows in the river system. This group is primarily focusing on particular Upper Basin reaches that are primarily within Colorado. Our member agencies are well-represented on all of the workgroups and will be active in terms of setting the agendas and developing the work product for those groups. The proposed schedule for the workgroups is to have reports prepared by the end of 2013.

Ms. Trujillo also reported that the Senate Energy and Natural Resources Committee is planning an oversight hearing relating to the Basin Study, probably in mid-July. This is still under development, but they're planning to have two panels. The first would be a governmental panel, which would have a federal witness, an Upper Basin witness, and a Lower Basin witness, and perhaps a tribal entity. The second panel is a non-state and non-federal panel that would include urban, agricultural, and environmental interests.

Basin States Technical Committee Meeting, April 17th, Las Vegas, Nevada

Ms. Trujillo reported that at the April 17 Technical Committee meeting Reclamation gave updates on the latest hydrologic conditions. They are working on refining the modeling assumptions and tools that they use to do their predictions. There is a need to work very closely with Reclamation on how they are doing their accounting and modeling. There were several presentations, including a short presentation by Ms. Trujillo on behalf of the California agencies regarding the status of California's compact compliance and QSA implementation issues. The CAWCD also gave a presentation regarding their new Welton-Mohawk drainage proposal. The next Technical Committee meeting is scheduled for October 16 in Las Vegas, Nevada.

Status of the Proposed Yuma-Area Drain Water Interceptor Project

Mr. Chuck Cullom, of the Central Arizona Water Conservation District (CAWCD), provided the Board with a short presentation and overview of CAWCD's proposed Drain Water Interceptor Project (Project) in the Yuma region. As Mr. Cullom explained, the primary purpose of the Project is reroute saline drainage flows (approximately 2,600 parts-per-million TDS) from the Wellton-Mohawk Irrigation and Drainage District (WMIDD) from the existing Main Outlet Drain Extension (MODE) to a new delivery point at the mainstream Colorado River just above Imperial Dam. Currently, the saline drainage flows are conveyed, via the MODE, to the Cienega de Santa Clara in Mexico, and do not count toward the annual Mexican Treaty delivery obligation. Mr. Cullom reported that by-passing approximately 100,000 acre-feet of saline drainage flows to the Cienega de Santa Clara on annual basis results in an additional 100,000 acre-feet of stored water being released from Lake Mead each year to satisfy the Mexican Treaty obligation. Obviously, this results in an additional 1.0 million acre-feet of stored water being released from Lake Mead over a ten-year period.

Mr. Cullom continued by explaining that by rerouting the saline drainage waters to a discharge point just above Imperial Dam, the saline water is effectively diluted and can be utilized as part of the Treaty delivery of 1.5 million acre-feet per year delivered to Mexico. Additionally, the preliminary analyses performed by CAWCD indicates that there might only be a modest increase in salinity at the Numeric Criteria measuring point at Imperial Dam and little impact to water users below Imperial Dam, including in Mexico. Mr. Cullom further indicated that in an effort to maintain the ecological health of the Cienega de Santa Clara wetlands (nearly 10,000 acres), the Drain Water Interceptor Project proposal would pump approximately 50,000 acre-feet of water per year from Minute 242 Wellfield along the Southerly International Boundary with Mexico. This pumped water would then be conveyed along the south boundary and put into the MODE Bypass Drain and conveyed south to the Cienega de Santa Clara.

Mr. Cullom briefed the Board about the potential costs associated with the proposed Project. First, he indicated that it would take approximately \$160-450 million to refurbish and improve the Yuma Desalting Plant (YDP), and an additional \$25-40 annually to operate YDP to treat the saline drainage flows from the WMIDD. In contrast,

Mr. Cullom reported, it is estimated that the potential capital costs for the Drain Water Interceptor Project would be approximately \$100 million, and then annual operating and maintenance costs of approximately \$4 million. Mr. Cullom stated that implementation of the proposed Drain Water Interceptor Project would eliminate the need to operate YDP to treat the saline WMIDD drainage flows, and obviate the need to dispose of the reject brine stream for YDP. Pumping of the Minute 242 Wellfield the ecological values of the Cienega de Santa Clara could continue to be maintained. Mr. Cullom suggested that a potential timeline for the proposed project would consist of (1) refining the concept and conducting a fatal-flaw analysis during 2013; (2) in 2014, begin design, cost-refinement, and permitting processes; (3) undertaking construction from 2015 through 2017; and (4) beginning operation of the Drain Water Interceptor Project in 2018.

Finally, Mr. Cullom indicated that CAWCD was continuing to meet with various stakeholder groups to provide more comprehensive briefings and overviews of the Drain Water Interceptor Project. Additionally, CAWCD staff will continue to refine modeling assumptions, and design concepts and cost estimates in order to provide more information for water users and agencies potentially affected by the Drain Water Interceptor Project.

OTHER BUSINESS

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be held on Wednesday, July 10, 2013, 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 the meeting. Upon the motion of Mr. Pettijohn, seconded by Ms. Jones, and unanimously carried, the meeting was adjourned 12:33 p.m. on June 12, 2013.

/S/

Tanya M. Trujillo
Executive Director