

Minutes of Regular Meeting
COLORADO RIVER BOARD OF CALIFORNIA
Wednesday, June 13, 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 East Convention Center Way, Ontario, California, Wednesday, June 13, 2012.

Board Members and Alternate Present

Dana Bart Fisher, Jr., Chairman

John V. Foley

W. D. "Bill" Knutson

Henry Merle Kuiper

David R. Pettijohn

John Palmer Powell, Jr.

Jeanine Jones, Designee

Department of Water Resources

Board Members Absent

Terese Marie Ghio

James B. McDaniel

John Pierre Menvielle

Christopher G. Hayes, Designee

Department of Fish and Game

Others Present

Steven B. Abbott

Autumn Ashurst

James H. Bond

Nicholas Brown

J.C. Jay Chen

David Fogerson

Leslie M. Gallagher

Christopher S. Harris

William J. Hasencamp

Eric M. Katz

Michael L. King

Thomas E. Levy

Lindia Y. Liu

Jan P. Matusak

Carrie Oliphant

Glen D. Peterson

Halla Razak

Phil Rosentrater

Jack Seiler

Tina L. A. Shields

Ed W. Smith

Joanna Smith

Mark Stuart

Fred A. Worthley

Bill D. Wright

Mark Van Vlack

Michael Yu

Gerald R. Zimmerman

CALL TO ORDER

Chairman Fisher, announced the presence of a quorum, called the meeting to order at 10:03 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 regarding items on the agenda or other matters related to the Board. Hearing none, Chairman Fisher moved to the next item on the agenda.

ADMINISTRATION

Approval of Minutes

Chairman Fisher requested the approval of the April 11th meeting minutes. Mr. Kuiper moved the April 11th minutes be approved. Ms. Jones seconded the motion. Unanimously carried, the Board approved the April 11th meeting minutes.

Fiscal Year 2012-13 Board Budget

Acting Executive Director Harris reported that the proposed final 2012-13 Budget was included in the Board folder for review by the Board members. Mr. Harris reported the proposed final Fiscal Year 2012-13 budget was for \$1,586,000. Mr. Harris reported that he distributed a draft of the proposed Fiscal Year 2012-13 budget in May to the Agencies and last week he held a conference call as well as exchanged e-mail messages with representatives of the Agencies regarding the particulars of the budget. Mr. Harris reported that in the future he will schedule a Six Agency conference call a minimum of thirty days prior to budget approval, so that the Agency Managers will have a chance to review the details of the budget. Mr. Harris reported that roughly fifty-percent of the Board's positions are vacant and the funding for those positions has been rolled over to each year's assessment. Mr. Knutson asked for additional detail regarding items within the draft budget, and the carryover from year to year. Mr. Harris agreed to provide additional information about the Board's budget in the near future. Additionally, Mr. Harris stated that he would ensure closer coordination and communication with the Agency Managers as future budgets are prepared. That being said, Chairman Fisher asked if there was a motion to approve the proposed draft Fiscal Year 2012-13 budget and authorize the Chairman to execute Standard Agreement 45. With his comments considered, Mr. Knutson moved to approve the budget for Fiscal Year 2012-13 and that the Chairman be authorized to execute Standard Agreement No. 45. Mr. Kuiper seconded the motion, and it was unanimously carried that the Board approve the budget for Fiscal Year 2012-13 and authorize the Chairman to execute Standard Agreement No. 45.

PROTECTION OF EXISTING RIGHTS

Colorado River Water Report

Mr. Harris reported that staff was currently reworking the Colorado River Board's monthly water report and asked the Agencies' technical staff for suggestions on what should be included. Mr. Harris reported that as of June 4th, precipitation in the Basin was 72 percent of normal. The snowpack water equivalent was 6 percent of normal. The unregulated Lake

Powell inflow forecast for April through July was about 2.3 million acre-feet (maf), or 32 percent of normal. The 2012 water year forecast for unregulated inflow into Lake Powell was about 5.47 maf, or 51 percent of normal.

Mr. Harris reported that water storage, as of June 4th, in Lake Powell was 15.64 maf, or 64 percent of capacity. The Lake Powell water surface elevation was 3,636.9 feet above mean sea level. Water storage in Lake Mead was about 13.52 maf, or 52 percent of capacity. The Lake Mead water surface elevation is 1,119.1 feet above mean sea level. Total System storage is 36.724 maf, or 62 percent of capacity. At this time last year, the System storage was 33.37 maf, or 56 percent of capacity.

Mr. Harris reported that Reclamation's projected consumptive use (CU) for the State of Nevada is under its entitlement of 300,000 acre-feet (274,000 acre-feet); for Arizona the CU is projected to be slightly over its entitlement of 2.8 maf (2.858 maf); and for California the CU is also projected to be slightly over its entitlement of 4.4 maf (4.407 maf). The Lower Basin projected CU for 2012 is estimated to be 7.539 maf.

Finally, Mr. Harris reported that a decrease in Basin storage is projected, for the next two years. Fortunately, the winter of 2010-2011 was a relatively wet year so the drought this year is being mitigated by reservoir storage in the Basin.

State and Local Water Reports

Mr. Stuart, of the California Department of Water Resources, reported on California climate conditions. Precipitation in the Los Angeles area is about 9 inches, compared with a normal for this time of year of 15 inches. It's dry, but not the driest year on record. Precipitation stations in Southern California averaged about 50 percent of normal with Imperial County at about 30 percent of normal. Statewide precipitation is about 75 percent of normal with runoff averaging about 65 percent of normal. The good news is that reservoir storage in the State is above normal for this time of year. In northern California, precipitation averaged about 40 inches, while the average is about 50 inches for this time of year. State Water Project (SWP) storage, north of the Sacramento Delta (Delta), is about 98 percent of capacity, and south of the Delta SWP storage is about 79 percent of capacity. The overall SWP storage is about 92 percent of capacity. The Table-A allocations were increased from 60 to 65 percent of entitlements on May 23rd, 2012.

Mr. Foley of The Metropolitan Water District of Southern California (MWD) reported that the combined reservoir storage of Lake Skinner, Lake Mathews, and Diamond Valley Lake as of June 1st, was about 970,000 acre-feet, or 94 percent of capacity. Storage in Diamond Valley Lake was about 776,000 acre-feet or 96 percent of capacity. Storage in Lake Mathews was about 157,000 acre-feet, or 86 percent of capacity, and Lake Skinner was about 37,000 acre-feet, or 84 percent of capacity. Mr. Foley reported that MWD expects to draw about 708,000 acre-feet from the Colorado River during 2012.

Mr. Pettijohn, of the Los Angeles Department of Water and Power (LADWP), reported that precipitation in the Eastern Sierra's was about 50 percent of normal. He reported that the MWD will be selling more water to LADWP this year.

Colorado River Operations

2013 Annual Operating Plan

Mr. Harris reported that the first consultation meeting to begin development of the 2013 Annual Operating Plan (2013 AOP) was recently hosted by Reclamation via a webinar format on May 31st. Mr. Harris reported that the upper level balancing tier will govern releases from Lake Powell. Currently, the total releases from Glen Canyon Dam are expected to be at least 8.23 maf. Intentionally Created Surplus (ICS) conditions will govern releases from Lake Mead. Therefore, ICS may be created and delivered during Calendar Year 2013. Currently, Reclamation does not anticipate any unused apportionment to be available in the Lower Basin. Finally, the Inadvertent Overrun and Payback Policy will continue to be in effect during 2013. The second consultation meeting is scheduled to be held on July 26th between 10 a.m. and 2 p.m. at the McCarran Airport in Las Vegas, Nevada. The final consultation has been scheduled for September 12th between 10 a.m. and 2 p.m. at the McCarran Airport. The Draft 2013 AOP is available at Reclamation's Upper and Lower Colorado Region websites. Reclamation's Lower Colorado Region website location for the Draft 2013 AOP is: http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP13_draft.pdf

Mr. Harris reported that current hydrologic conditions in the Basin were discussed at the AOP consultation, and that 2012 appears to be the third driest year on record. As of May 17th, the forecast runoff into Lake Powell was 14 percent of average. At the beginning of the Water Year on October 1, 2011, the total storage in the System was 64 percent of capacity and is projected to be 60 percent of capacity at the end of the Water Year on September 30, 2012.

Colorado River Basin Water Supply and Demand Study

Mr. Harris reported that the project contractors and project team are completing the development and refinement of the Project Types and Categories. The Demand Technical Memorandum was recently released on the Colorado River Basin Water Supply and Demand Study (Project) webpage. Mr. Harris reported that Reclamation's Project staff went to Washington, D.C., and briefed Commissioner Conner and Assistant Secretary of the Interior for Water and Science, Anne Castle, on the status of the Project and remaining schedule. Originally the Project was scheduled to be completed in July, the current projection for Project completion is in September. In June, Reclamation will schedule a webinar to discuss the Demands and Study Update, and the Project Team will be holding a two-day meeting in Boulder, Colorado. From June through September the Team plans to finish up the Options Characterization and Analysis, prepare the Synthesis and Key Findings and hold a final Project Team meeting before the report is published and distributed.

American Water Resources Association Journal Article, March 2012

Mr. Harris reported that the Board folder contains an article entitled "Management of Water Shortage in the Colorado River Basin: Evaluating Current Policy and the Viability of Interstate Water Trading". Mr. Harris reported that the article looked at the current basinwide water supply and management paradigms, including recent information from the Basin Study Report – Interim Report No. 1. The article compared and contrasted the

Management of the Colorado River Basin with that of Australia's Murray-Darling Basin. The authors of the article also recommended the establishment of an interstate water market, within the Colorado River Basin.

Basin States Discussion

Mr. Harris reported that the Basin States met, on May 4th, at the office of the Southern Nevada Water Authority in Las Vegas, Nevada. The main focus of the meeting was the status of the Binational Discussions with Mexico and the Long-Term Experimental Management Plan – Environmental Impact Statement Process for Glen Canyon Dam (LTEMP EIS). A morning session was held among the representatives of the seven Basin states, and focused on the status of the Binational Discussions with Mexico and next steps in the process. During the afternoon session of the meeting, the Basin States were joined by Commissioner Connor and Reclamation staff from both the Upper and Lower Colorado Regions. The federal representatives provided updates on the federal perspectives of the process.

Mr. Harris reported that in the afternoon session, Reclamation Commissioner Michael Connor reiterated the federal commitment to the process and that the states will continue to be involved at all levels. The States' representatives and Commissioner Connor agreed to the suggestion that a focused working group be convened. The group would hold a binational technical workshop in Tijuana to develop a list of areas of "common ground" and identify those issues where there is still some level of disagreement between the two countries.

Finally, Mr. Harris reported that the Basin states principals also agreed to work together to develop a "Basin States' Alternative" for inclusion in the Glen Canyon Dam LTEMP EIS Process. The States' technical representatives are continuing to work with scientists to prepare an alternative that addresses the needs of the endangered humpback chub, sediment conservation, and ensures compliance with the 2007 Interim Guidelines in the context of ongoing Glen Canyon Dam operations.

Status of Binational Discussions - U.S. and Mexico

Mr. Zimmerman reported that a binational technical workshop was held on May 29th through June 1st, in Tijuana, Mexico. He reported that the workshop was opened with statements from Reclamation Commissioner Connor, the International Boundary and Water Commission (IBWC) Commissioners Edward Drusina, and Roberto Salmón. Each charged the group, comprised of technical staff from both countries, to have candid discussions to identify linkages between the two countries' proposals and determine if there was enough "common ground" to continue discussions toward development of a proposed Minute 319. The Commissioners limited the discussions to linkages between the two countries' proposals and a mutual understanding of the fundamental concepts behind the elements in the proposals. Early in the workshop, U.S. representatives wanted to limit the discussion to two or three elements of the proposals, but Mexican representatives requested inclusion of all six elements contained in the proposal. Conceptual agreement was eventually achieved over the course of the three-day workshop, and the concepts agreed upon were fairly close to those in the U.S. proposal. However, the elements of surplus, shortage, pilot projects and various projects in Mexico have not yet been agreed upon. It was agreed to hold another technical

workshop on June 20-22, 2012, in San Diego, California, to continue discussions among the technical representatives.

Ms. Razak reported that the San Diego County Water Authority (SDCWA), MWD, Arizona, and Nevada had partnered about three years ago on a feasibility study of the proposed Rosarito Beach Desalination project. Ms. Razak reported that the first phase was completed and they are in discussions to proceed to the second phase. Mexico has reported that this project is important and they have funded an investigation to identify preliminary pipeline alignments from the proposed Rosarito Beach project site to the border. The project is proceeding and they've already had three meetings with Mexico. Two more meetings remain. The next meeting will be among the technical staff involved with the study to complete a report of their findings and the second meeting will be to submit their report to the regional commissioners. Ms. Razak reported that at every meeting that she's attended, Mexico has expressed its continued interest in the project and looks forward to partnering with U.S. interests.

Mr. Zimmerman reported that the tone of the May 29th – June 1st workshop was similar to what Ms. Razak reported. Mexico is very interested in partnering with the U.S. in identifying and creating benefits for both countries. Ms. Gallagher asked who would be at the June 20th to 22nd meeting and who would be attending for Reclamation. Mr. Zimmerman reported that the Lower Basin representatives, two representatives from the Upper Basin, Reclamation, and IBWC. Mr. Terry Fulp is scheduled to be the representative for Reclamation.

Colorado River Environmental Activities

Status of the Long-Term Experimental and Management Plan EIS for Glen Canyon Dam (LTEMP EIS)

Mr. Harris reported that the Basin states agreed to develop an Alternative for analysis and evaluation in the LTEMP EIS process. The Basin states, Western Area Power Administration, and several contract scientists have prepared a preliminary draft of the "Basin States Alternative" that is currently being subjected to scientific peer review. The Basin States Alternative addresses the needs of the endangered humpback chub, non-native fish control, the need for high-flow experimental releases, and the need to conserve and redistribute sediment resources and ensure compliance with the 2007 Interim Guidelines and other elements of the Law of the River. Mr. Harris reported that states' technical staff are scheduled to meet with scientists reviewing the States' draft alternative in Denver on June 18th. The Basin States Alternative will need to be approved by the Basin states' principals prior to its submittal to Reclamation on July 2nd.

Mr. Harris also reported that Reclamation and the National Park Service (NPS) are the EIS co-leads for the LTEMP EIS development process. Reclamation and NPS have scheduled a public workshop to present all of the submitted alternatives on August 22nd – 23rd in Flagstaff, Arizona. A draft of the LTEMP EIS is currently expected in late summer or fall. The draft LTEMP EIS would then be available for a comment period.

Finally, Mr. Harris reported that the Basin states submitted a letter on June 4th, 2012 to the LTEMP EIS co-leads regarding their support of the current development process,

informing them that a Basin States Alternative was being developed and readied for submittal.

Grand Canyon Trust Lawsuit

Mr. Steve Abbott, Counsel for the Coachella Valley Water District, reported that on June 11th the Ninth Circuit U.S. Court of Appeals held oral arguments on the Grand Canyon Trust appeal. The District Court had upheld the 2009 Biological Opinion in finding that the Annual Operating Plan (AOP) document did not require Endangered Species Act (ESA) Section 7 consultation and the National Environmental Policy Act (NEPA) assessment in adopting the annual operating plan.

Before a three-judge panel of the Ninth Circuit Court, the plaintiffs conceded that their challenge to the 2009 Biological Opinion was mooted by the issuance of the 2011 Biological Opinion. Essentially that left the issue of whether the preparation of the Annual Operating Plan had to comply with ESA consultation and NEPA assessment requirements. The three-judge panel questioned how ESA consultation and a NEPA analysis could be completed within one year when Congress requires the report to be filed annually. Mr. Abbott stated that the U.S. attorney did a very good job explaining to the court that the AOP is not a decision document, but simply summarizes how the Colorado River system will be operated based upon decisions that were made when various operating criteria were adopted, including flow regimes for Glen Canyon Dam releases and that those specific activities had already undergone NEPA assessment and ESA Section 7 consultation.

Basin States Letter Regarding Non-Native and High Flow Environmental Assessment Finding of No Significant Impact (FONSI) – May 11, 2012

Mr. Harris reported that the Basin states submitted a letter to Reclamation associated with the non-native Fish Control and High-Flow Experimental Release Protocol Environmental Assessment (EA). The Basin states support the management actions in the EA. However, the Basin states expressed concern that the management actions must remain consistent with the 2011 Biological Opinion. The states have agreed to power-plant bypasses in the interests of comity to gain additional scientific information, but remain concerned about future releases – whether they are deemed experimental or management actions.

Mr. Glen Peterson asked if the high flows could be scheduled during off peak power demand or seasonally adjusted during low power demand periods. Mr. Harris responded that there is some effort to avoid the highest peak power demand though usually the high flows are scheduled over a two- to three-day period when they open the sluice gates, bypassing the power generators, to maximize the transfer of suspended sediment downstream of Glen Canyon Dam. During past experiments, they've found that there was a huge increase in the non-native trout population that is detrimental to the native fish population. Future experimental high flows will explore timing the events to consider the sediment transfer, the fish species themselves as well as the aquatic food base, plus consider the power production costs for the hourly, daily, weekly, and monthly power demand period.

WATER QUALITY

Salinity Control Forum Meeting

Mr. Harris reported that the Colorado River Basin Salinity Control Forum (Forum) and Advisory Council (Council) met in Midway, Utah, May 15-18, 2012. He reported Mr. Larry Dozier, retired deputy General Manager for the Central Arizona Project, and Mr. Estevan Lopez, from the New Mexico Interstate Stream Commission, were elected Chairman and Vice-Chairman, respectively, of the Forum, for the next two years. The Forum's Executive Director, Don Barnett, briefed the Forum/Council about his recent trip to Washington, D.C. in support of the federal agency appropriations and reauthorization of the Farm Bill. Mr. Harris reported that Mr. Barnett appreciated the support provided from MWD and CAP lobbyists who helped set up meetings with congressional staff and members of Appropriations Committees as well as Natural Resources Committees of both the House and Senate. The briefing document Mr. Barnett utilized on his trip to Washington, D.C. was included in the Board folder, and provides an excellent overview of the current status of the Program.

Mr. Harris reported that Reclamation is continuing their efforts to address salinity control at the Paradox Valley Unit. Reclamation is searching for a suitable site for a second injection well and/or a suitable site for an evaporation pond pilot project, while they continue to carefully monitor and evaluate the existing Paradox injection well. The Forum is moving forward with the preparation of an Emergency Action Plan to address a potential failure of the Paradox injection well and the need to control 110,000 tons of salt from entering the Dolores River, that flows into the Colorado River before it reaches the Lower Basin. The Emergency Action Plan will look at ways to remove the salt load from the Paradox valley seepage or install salinity control projects throughout the Upper Basin to compensate for the loss of the Paradox Unit. Chairman Fisher recalled when representatives toured the Paradox Unit in 2006 and heard the same discussion that is still ongoing, the increase of pressure required to inject the saline solution and that the well is near the end of its life, and that micro earthquakes have been recorded. Mr. Harris suggested that a Basin States letter may be in order. He reported that work continues at the Forum and Work Group level to reach a solution for the removal of the salt seepage from the Paradox Valley.

Ms. Razak asked if during Mr. Barnett's visit to Washington, D.C. he had asked for Congressional support in dealing with the Paradox Unit and if the other Forum members share California's concern. Mr. Harris and Mr. Hasencamp responded that Mr. Barnett's trip to Washington, D.C. was in general support of the Salinity Control Program and the Farm Bill, not the Paradox Unit in particular. Mr. Harris reported that he'd check with Mr. Barnett to see if the Paradox Valley unit was brought up during the trip to Washington, D.C., and if not, then maybe it could be considered in the near future.

Ms. Razak asked if there was a dollar figure as to the cost of the potential damages. Mr. Harris reported that there are generalized estimates and some data as to cost per milligram increase in salinity. Reclamation is completing its effort to develop an effective "economic damages" model that would help to better define and quantify benefits of long-term implementation of the Salinity Control Program to Lower Basin water users. Mr. Harris reported that the Work Group is developing an emergency action plan. They will then work

with the Forum and Advisory Council to enlist the support of Basin States principals and finally get Reclamation to appropriate the funds needed to move on a solution to the Paradox Valley Unit. Mr. Hasencamp added that Mr. Barnett has offered to give a presentation to the Board, as well as, the Six Agencies Committee.

Mr. Harris reported that the U.S. Geological Survey (USGS) is continuing its efforts to fully understand the geology, hydrology, and how to address salinity control in the Pah Tempe Springs (aka: La Verkin Springs) on the Virgin River in southwestern Utah. USGS is expected to report on its findings at the next Forum meeting. The Forum will evaluate implementing a long-term salinity project based upon the results of the USGS study.

Salinity Management Study Update Workshop – June 1, 2012, Los Angeles

Mr. Harris reported that on June 1st, MWD hosted a workshop at their Union Station headquarters as part of their effort to update the Salinity Management Study report of 1999. The presentations and breakout sessions provided an overview of the progress since the 1999 Salinity Management Study and Action Plan. The purpose of the workshop was to identify current salinity management issues and strategies to collaboratively reduce salinity in the local and imported water supply for Southern California. The workshop sessions were moderated with the intent to document input from stakeholders during the workshop and issue an updated “Salinity Management Study” report.

OTHER BUSINESS

Next Board Meeting

Chairman Fisher announced that the next meeting of the Colorado River Board will be on Wednesday, August 15, 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 the meeting. Mr. Kuiper moved the Board meeting be adjourned. Mr. Knutson seconded the motion, unanimously approved the Board meeting adjourned at 11:06 a.m. on June 13, 2012.

/S/

Christopher S. Harris
Acting Executive Director