7-Basin State Technical Workgroup Meeting Notes Arizona Department of Water Resources January 21, 2005

Jerry Zimmerman Opening Statement:

We have 2-choices, work on a drought management plan in a proactive manner and manage the drought or take up our legal positions and arguments get no ware. Nobody wants the latter to happen.

Tom Carr-Lets put our legal positions on the shelf and see if we can accomplish something constructive.

Agenda

System Update from USBR on Tributary Inflows and Corps Operations Workgroup observations

Prepare Information for Principal's Meeting

Discussion of Conservation Actions that need Federal Appropriations (Dennis Underwood provided a draft 7-page letter)

Terminal Storage Improvements

Yuma Desalt Plant-Dual Track Actions

CREDA Request for Appropriations to sustain UB fund

Denver Efforts to Enhance Precipitation

Other

Mexican Treaty Negotiations – Letter to State and Interior Departments Conjunctive Use Issues

Principals for Proposal (Never really discussed)

Development of Shortage Criteria – USBR stated that the April AOP review starts the development process that they believe will take about 2-years. This will be a NEPA process and they want to start the scoping process.

System Update

- USBR and Corps are fully cooperating in conservation efforts (Joe Evelyn extremely helpful)
- Mead at 1134.75 or 57% full (gained 80-85,000 AF in a 24-hour period
- Powell at 3563 or 35% full (storms had little affect on Powell storage)
- Painted Rock has approximately 31,000 AF
- Alamo has approximately 226,000 AF or 66,000 more than conservation storage
- Excess deliveries to Mexico have only been 13,000 AF to date
- Lake Havasu reached maximum storage content
- Verde System is totally full
- Salt River projects still contain some vacant space
- Expect a full update at the January 31/February 1 meeting

I hope we can receive a full accounting of the recent high tributary flows including the volume used to meet Mexican Treaty delivery requirements, the volume stored either in Painted Rock, Alamo or main stem reservoirs, and the volume flowing into Mead minus

the Powell releases. It would be good if we could account for one half of this water in the April Review of the AOP as credits or potential credits to Lake Powell. If we cannot take the full credit by immediate reduced release from Powel because the Mexican obligation is an annual obligation as well as a monthly obligation, then at least we should have an algorithm in the AOP that allows a check of the delivery obligation status each month for May, June, July, August and September with appropriate adjustments in Powell release as an iterative process. Trib water that flows into main stem reservoirs may be a much bigger problem in getting agreement with the Lower Basin than dealing just with water that they cannot use that is flowing to Mexico. To date, the Gila still has not made it to the Colorado River at Yuma.

Workgroup Observations

The group reviewed the observations of both the Lower Basin and Upper Basin. This was a fairly tense process and lead to a better understanding of what everyone saw in the model runs. Arizona will attempt to reduce them to a few simple points for presentation to the principles. I'm not certain how fairly this will be accomplished. I have attached the observations that Don Ostler and I prepared which were objected to on almost every point that we added largely on the basis that the model did not investigate that matter. Jim Lochhead suggested that these same observations be made using a different more severe period of record.

If we want some of these observations presented, we will have to decide if we prepare a short minority report or come up with some other way to make sure the concepts are brought up to the Lower Basin Principals. Don O. volunteered to work with Tom Carr on an observation drafting committee, however, we expect the draft of observations will again be reviewed by the full drought work group.

Conservation Activities

- Bill Swan wants to see Underwood's letter put into a Bill format and introduced into Congress
- Need a good breakout of CREDA's numbers for the UB fund, what is need now
- CAP has been talking to Senator Kyle
- Everyone is aware that dollars are very tight with the war and tsunami relief and everyone full realizes that support of this could cost them in other areas of Reclamations budget
- Underwood will bring a draft letter for signature consideration to the January 31, meeting
- Anticipate a Congressional hearing on the drought in the next 3-months
- It appeared to me that the item of most importance to California from this meeting was in winning support and lobbying from the Basin states to support funding of the lower basin regulatory efficiency/storage projects (ie. funding for storage at "Drop 2, repair Senator Wash, operate the Yuma desalter etc..) There really isn't much in here to benefit the Upper Basin. The Upper Basin needs to decide if we are willing to support them on these projects before we reach agreement on any of the things that are important to us. We may want to condition our support (and non opposition) of Congressional funding based upon getting agreement on some of our drought mitigation/recovery issues. The difficulty is that the budget

process requires that these items be pursued soon if they have any chance of being addressed this year.

Mexican Treaty Negotiations

- Arizona will bring a draft letter to the January 31 meeting requesting that Interior and State pursue ASAP shortage negotiations with Mexico through the IBWC
- CR Basin States want Interior and State to define the process which they know will be lengthy
- Interior wants a dialogue with the 7-States on this matter (sec. Wymer)
- Mexico's proportionate share of approximately 9.0 MAF is about 17%

Bill Swan of Imperial raised the issue that there might not really be enough savings in this area to be worth our time. Arizona is vitally interested in pursuing this, because if they have to take a short in the future, sharing it with Mexico would help reduce their pain.

Conjunctive Use Principals

- Lower Basin Conditions for maintaining water levels in Powell
 - 1. Keep Lower Basin whole over time (Mass balance of benefits to Powell and Mead as against the Minimum Objective Release from Powell. They want the base kept at 8.23 maf for this) Note that this assumes 100% deficiency in meeting the Mexican treaty as they evaluate being made whole.
 - 2. Remain in place through 2016 and review criteria in 2016, including the 8.23 MAF MOR
 - 3. Need to develop trigger elevations in both Powell and Mead
 - 4. Need to protect elevation 1050 in Mead, return to 8.23 or more if necessary in order to stay above 1050. At one point they said the Powell reduced release would stay in place until the Lower Basin goes into a shortage which would be about elev. 1050...??
 - 5. Need a payback timeframe
 - 6. There must be benefits to both basins
 - 7. There would be **no compact calls** against the UB during this time frame. I don't know how much they are really giving us here as Powell would need to fall to the dead pool for a call to be made and the odds for this are much lower(about 2%) than hitting one of the crises elevations at Mead which go up to 44%.
 - 8. We added with respect to interim surplus guidelines, that such would be effectively suspended during shortage operations
 - 9. I believe we also added that in order to absolute protect 1000 means that there are shortages to the Lower Basin, but did not define shortage.

We had a discussion of these conditions related more towards a full understanding and without any commitments by anyone to anything. My personal feeling is that while paybacks are not a good idea, if there is a guarantee of no calls or curtailments against the Upper Basin, there maybe some room for discussion.

Shortage Criteria

A.C.

The Lower Basin, as I understand the proposal, suggested the following for consideration:

When Lake Powell reaches a certain trigger elevation, releases would be reduced to 7.48 MAF or less potentially until Lake Mead reaches (or gets very near) elevation 1050 or Lake Powell drops below minimum power pool (use exact elevation with no reference to power). If Mead reaches 1050, releases from Powell would be increased in efforts to stay above 1050, even if that met going above 8.23 MAF (I would suggest that if we go above 8.23 MAF the UB should be paid back). Once reservoir levels begin to rise, there would be an "equalization trigger" (at some level less than the current 602(a) storage level) that would remain in play until the LB is paid back. There was discussion of certain release rates as high as 9.5 MAF in lieu of the equalization guideline (I would suggest that we avoid that criteria for sure).

It was interesting to note that this was similar to a concept that the UB had discussed but abandon in favor of trying to resolve the Mexican treaty issue. Don Ostler and I volunteered along with 7 or 8 from the LB to be part of an advisory team to Reclamation to further develop and discuss this concept to present to principles at the end of January.

Jayne Harkins said that they could accommodate a one time adjustment in Powell releases for the remainder of the water year without going through NEPA or changing the LROC. However a longer term agreement for conjunctive use probably will require going through NEPA (not something we can do for April).

January 31 - February 1 Potential Agenda Topics

- System Status Report
- Letters to USBR from UCRC, MWD and Arizona concerning accounting of recent high tributary inflows. (we have MWD's need Arizona's)
- Workgroup Discussions
 - o Antecedent conditions to modeling
 - o Observations from Model runs
 - o Diversions from Lake Mead (Lower Basin Uses)
 - o Mexican Treaty Discussions
- Consideration of Dennis Underwood draft letter concerning funding
- Consideration of potential Federal FY 06-07 funding requests
- Consideration of letter concerning the Mexican Treaty Shortage Process
- April AOP Review
- February Meeting Dates

Note: The Lower Basin interest in discussing our letter which I signed and sent to Bob Johnson regarding high tributary flows in the LB is to tell us that they are taken back that we suddenly went outside the process with the letter (that is we did not consult with them). I think we need to be prepared to make it clear that our letter was sent urgently to formally make sure that the Bureau was accounting for and applying these flows to meet the Mexican treaty obligation. We were not aware of whether the Bureau was doing this

or not. To delay for consultation would not have allowed tome for the Bureau to react before the flows were long gone. It turns out the Bureau was pursuing this aggressively; however, I think they may have pursued this more aggressively because of our letter. They did things with the COE that they normally don't do... We also stated our interest in having one half of these flows credited to Powell knowing full well that this item could be worked through normal consultation discussions so long as the Bureau stored the water in LB reservoirs as we now expect to happen. I think if there is any indignation expressed; it should be on behalf of the Upper Basin for these high flows occurring and being utilized to meet Mexican Delivery obligations without even the thought of reducing our obligation for releases.