

**EXECUTIVE DIRECTOR'S MONTHLY REPORT  
TO THE  
COLORADO RIVER BOARD OF CALIFORNIA**

**June 12, 2012**

**ADMINISTRATION**

Approval of Board Meeting Minutes – April 11, 2012

A copy of the draft April 11<sup>th</sup> Board meeting minutes have been included in the Board folder for review and consideration. I am respectfully requesting the Board's adoption and approval at the regularly scheduled Board meeting on June 13<sup>th</sup>.

Proposed Fiscal-Year 2012/2013 Budget for the Colorado River Board of California

I am including in the Board folder (under Tab No. 2) a copy of the proposed budget for the Colorado River Board of California, Six-Agency Committee, and Colorado River Authority for the upcoming 2012/2013 Fiscal Year. The total requested budget for the Board is \$1,586,000 for Fiscal-Year 2012/2013. This is \$1,000 less than the total amount approved in the FY-2011/2012 budget. I am respectfully requesting that Board members review these budget materials for proposed approval, adoption, and execution of Standard Agreement No. 45 at the June 13<sup>th</sup> Board meeting.

**PROTECTION OF EXISTING RIGHTS**

Colorado River Water Report

As of June 1, 2012, storage in the major Upper Basin reservoirs increased by 40,580 acre-feet and storage in the Lower Basin reservoirs decreased by 459,300 acre-feet during May 2012. Total System active storage as of June 3<sup>rd</sup> was 36.724 million acre-feet (maf), or 62 percent of capacity, which is 3.353 maf more than one year ago (Upper Basin reservoirs increased by 1.223 maf and Lower Basin reservoirs increased by 2.130 maf).

May releases from Hoover, Davis, and Parker Dams averaged 16,360, 15,940 and 11,530 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of June 2012, are 16,200, 15,600, and 11,600 cfs, respectively. The June releases represent those needed to meet downstream water requirements including those caused by reduced operation of Senator Wash Reservoir and storage in the Warren H. Brock (Drop 2) Reservoir.

As of June 4<sup>th</sup>, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2012, as forecasted by Reclamation, totals 7.539 maf and is described as follows: Arizona, 2.858 maf; California, 4.407 maf; and Nevada, 0.274 maf. The Central Arizona Project (CAP) will divert

1.612 maf, of which 0.134 maf are planned to be delivered to the Arizona Water Bank. The Metropolitan Water District of Southern California (MWD) will use about 0.688 maf, which is 11,000 acre-feet less than its 2011 use of mainstream water.

The preliminary end-of-year estimate by the Board staff for 2012 California agricultural consumptive use of Colorado River water under the first three priorities and the sixth priority of the 1931 *California Seven Party Agreement* is 3.675 maf with IID's estimate if the QSA remains intact and 3.660 maf if QSA is over-ruled. This estimate is based on the collective use, through April 2012, by the Palo Verde Irrigation District, the Yuma Project-Reservation Division (YPRD), the Imperial Irrigation District, and the Coachella Valley Water District. Figure 1, found at the end of this report, depicts the projected end-of-year agricultural use for the year.

As of June 10<sup>th</sup>, the water level at the Lake Mead was at 1,118.47 feet above the mean sea level, and the storage was 13.453 maf, 52.0 percent of capacity, while the water level at Lake Powell was at 3,636.52 feet above the mean sea level and the storage was 15.596 maf, 64.1 percent of capacity.

### Colorado River Operations

#### *First Consultation on the 2013 Annual Operating Plan (AOP)*

The Bureau of Reclamation held its first consultation meeting for preparation of the 2013 Annual Operating Plan (AOP) via an on-line webinar on May 31<sup>st</sup>. The first draft of the 2013 AOP was posted to Reclamation's Upper and Lower Colorado Region websites and was the focus of review and discussion during the first consultation webinar.

Currently, the draft 2013 AOP projects that the Upper Elevation Balancing Tier will govern releases from Lake Powell. This proposed determination is based upon current water supply conditions and the most probable near-term conditions projection in the upcoming August 2012 24-Month Study. Based upon current projections, it appears that the total release from Glen Canyon Dam during 2013 will be at least 8.23 million acre-feet.

Again, taking into account the current water storage conditions in the Colorado River basin, the most probable near-term water supply conditions, and the 2007 Interim Guidelines, the Intentionally Created Surplus (ICS) Condition will govern releases from Hoover Dam and Lake Mead during 2013; and ICS may be created and delivered in 2013 pursuant to the Interim Guidelines. At this time, no unused apportionment for calendar year 2013 is anticipated. Finally, the Inadvertent Overrun and Payback Policy, which became effective January 1, 2004, will be in effect during calendar year 2013.

From a water supply perspective, 2012 was the third driest year on record, and as of May 17<sup>th</sup> the forecast runoff into Lake Powell was only 14% of average. The unregulated inflow into Lake Powell during water-year 2012 was 6.79 MAF, or 63% of the 30-year average. Precipitation in the upper basin throughout much of water-year 2012 was approximately 80% of average. At the beginning of water-year 2012 (October 1, 2011), the total storage in the

Colorado River system was 64% of capacity and it is projected to be 60% of capacity at the end of the water-year on September 30, 2012.

Future consultations associated with the 2013 AOP have been scheduled for July 26<sup>th</sup> and September 12<sup>th</sup>. Both of these meetings will be held from 10:00 a.m. to 2:00 p.m., and will be held in one of the meeting rooms at McCarran International Airport in Las Vegas, Nevada.

An electronic version of the draft 2013 AOP can be accessed on Reclamation's webpage at [http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP13\\_draft.pdf](http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP13_draft.pdf).

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

Members of the Project Team and the consultants currently continue to work on developing and refining the "Project Types" and "Categories" that each of the submitted options /strategies can be included within. Several meetings and conference calls have been held over the past two months addressing the options and strategies. Also, the Project Team recently released a draft of the Demand Technical Memorandum for comment and review. Reclamation's Basin Study representatives are engaged in a series of briefings and meetings with various Native American Tribes within the Colorado River basin regarding potential Tribal input and participation. Also, Reclamation staff recently briefed Reclamation Commissioner Michael Connor and Assistant Secretary for Water and Science Anne Castle on May 15<sup>th</sup> regarding the overall status of the Basin Study process and remaining schedule.

The schedule required for completion of the Colorado River Basin Water Supply and Demand Study includes the following steps:

May—June	Conduct Metrics Evaluation and Vulnerability Analysis;
June	Public Webinar: Demands and Study Update;
July	Publish Technical Updates;
Feb.—June	Options Characterizations and Analysis;
June—July	Portfolio Development and Analysis;
Aug.—Sep.	Synthesis and Key Findings; and
September	Publish Final Basin Study Report.

The format of the final Colorado River Basin Water Supply and Demand Study is envisioned to be similar to Interim Report No. 1 that was released in June 2011. The Final Report will likely consist of the following components:

- Technical Reports A—G;
- Summary Report (summarizes the technical reports);
- Executive Summary;
- Technical Report E—Reliability Analysis without Options and Strategies (i.e., CRSS configuration, modeling assumptions, metrics evaluation, vulnerability analysis, etc.);

- Technical Report F—Options Characterization and Portfolio Development (i.e., Analytical approach, options characterization, options analysis, portfolio development); and
- Technical Report G—Reliability with Options and Strategies (i.e., results of portfolios vs. without options, comparisons of portfolios, tradeoffs and synergies)

*Technical Journal Article—“Management of Water Shortage in the Colorado River Basin: Evaluating Current Policy and the Viability of Interstate Water Trading” (Journal of the American Water Resources Association, March 2012)*

In the Board folder, I have included a copy of an article from the technical journal of the American Water Resources Association entitled, *Management of Water Shortage in the Colorado River Basin: Evaluating Current Policy and the Viability of Interstate Water Trading*. This interesting article looks at the current water supply and management paradigms within the Colorado River Basin, including recent information included within Interim Report No. 1 of the Basin Study Report. The article then goes on to compare and contrast Colorado River Basin management with that within the Murray-Darling Basin in Australia. The authors conclude that the establishment of an interstate water market in the Colorado River Basin could be an effective strategy in response to increased water scarcity and could continue to preserve core elements of the Law of the River.

#### Basin States Discussions

*Basin States Principals Meeting—Las Vegas, Nevada, May 4, 2012*

The principals of the seven Basin states met at the offices of the Southern Nevada Water Authority in Las Vegas, Nevada, on Friday, May 4<sup>th</sup>. The purpose of the meeting was two-fold, and the agenda items included the following: (1) The status of the binational discussions with Mexico; and (2) the Basin states’ coordinated efforts related to the development of an alternative for inclusion in the Long-Term Experimental and Management Plan EIS process.

Most of the meeting focused on the current status of the binational negotiations with Mexico, a review of the states’ positions in the process, and the continued relationship with the federal representatives (i.e., Reclamation and the American Section of the International Boundary and Water Commission). At the meeting, the states continued to express a certain measure of frustration associated with the seemingly disparate positions separating the U.S. and Mexican interests. Additionally, the states remain concerned that the current pace of the process and remaining schedule do not particularly lend themselves to completing the Minute 319 negotiating process prior to either the Mexican or U.S. national elections (July, and November 2012, respectively). After substantial discussion of these issues among the states representatives, the Commissioner of Reclamation, Michael Connor, and several of his senior staff, joined the meeting.

During this portion of the meeting, Commissioner Connor reinforced Reclamation’s commitment to the process and that the states will continue to be involved and consulted at all levels. Ultimately, the states’ representatives and Commissioner Connor agreed to continue the

binational process, and suggested that a focused working group meeting with Mexican representatives be scheduled in the near-term to develop a list of areas of “common ground” and identify those issues where there may still be some level of disagreement between the two countries.

Finally, the Basin states’ principals agreed to continue the effort to develop a Basin states’ alternative for inclusion and analysis in the Glen Canyon Dam Long-Term Experimental and Management Plan (LTEMP) Environmental Impact Study (EIS) development process. This topic will be discussed more fully in a following section of this Executive Director’s Report.

#### *Status of Binational Discussions/Negotiations*

As was reported at the April Board meeting, a counter-proposal from Mexico regarding Minute 319 was expected to be received by the United States on April 10, 2012. That counter-proposal was received on April 10<sup>th</sup>. After receiving Mexico’s counter-proposal and reviewing it, it became apparent that there were fundamental differences in the two proposals.

Several meetings were held among the Basin states representatives, Reclamation and the International Boundary and Water Commission in April and May to determine if there was enough common ground to continue the discussions with Mexico. At the May 4<sup>th</sup> Basin states meeting, there was agreement to hold a three-day technical workshop with Mexico to discuss the fundamental approach that was used in the proposals and to describe the linkages among the elements within each of the proposals. It was further agreed that we would not negotiate the terms of Minute 319 during this workshop.

The Binational workshop was held on May 29<sup>th</sup> through June 1<sup>st</sup>. Although the technical representatives did not complete the necessary technical discussions of each of the elements in each country’s proposal, significant progress was made in understanding each proposal and the linkages contained in each country’s proposal. At the end of the workshop it was agreed that there was enough common ground to continue the discussions on a proposed Minute 319 and to hold another technical workshop to complete the discussion of each of the elements to be contained in the proposed Minute 319. The next workshop will be held in San Diego on June 20<sup>th</sup> through June 22<sup>nd</sup>.

#### Colorado River Environmental & Water Quality Issues

##### *Status of the Development of the Long-Term Experimental and Management Plan for the Operation of Glen Canyon Dam*

As you may recall from the previous Board meeting in March, Reclamation and the National Park Service (NPS) are currently engaged in the preparation of an Environmental Impact Statement related to the development and implementation of the Long-Term Experimental and Management Plan for the Operation of Glen Canyon Dam Environmental Impact Statement (LTEMP EIS). On January 31, 2012, the seven Colorado River basin states submitted a joint letter providing Reclamation with scoping comments associated with Reclamation’s initiation of the process for preparation of the LTEMP EIS. That letter included a

statement of the Basin states' collective interests in the effective administration of the Colorado River system reservoirs (e.g., water supplies and hydroelectric energy generation, etc.).

Also, at the March Board meeting I had briefed Board members about a meeting that was held in late-February with representatives of the Basin states, staff from the Western Area Power Administration (WAPA) and several scientists that are involved in on-going long-term research and monitoring activities through the Glen Canyon Dam Adaptive Management Program. The primary purpose of the meeting was to receive a brief synthesis and overview of the current state-of-knowledge of the science, and then determine if there was any interest in developing a Basin states' alternative for inclusion in the LTEMP EIS process. As I reported earlier, at its meeting on May 4<sup>th</sup>, the Basin states principals agreed to formally develop and submit a Basin states' alternative for inclusion and analysis in the LTEMP EIS process.

The Basin states have assembled a proposed alternative that (1) addresses the long-term endangered species requirements of the humpback chub, (2) a non-native fish control element (based upon humpback chub population numbers), (3) provides a modification of the Glen Canyon flow-release regime to conserve sediment resources, and (4) establishes a set of criteria that can be utilized to develop high-flow experiments to help manage non-native fish communities and conserve and redistribute sediment. The states are continuing to work on refining the proposed alternative with scientists with expertise related to the aquatic, biological, and sediment resources in the Glen and Grand Canyon reaches of the Colorado River.

On May 10<sup>th</sup>, Reclamation and the NPS released the proposed schedule leading to completion of the LTEMP EIS and issuance of a Record of Decision. Currently, the schedule calls for submittal of proposed alternatives by July 2<sup>nd</sup>. This would be followed by a series of public presentations associated with the LTEMP process and an overview of all of the submitted proposed alternatives on August 22<sup>nd</sup> and 23<sup>rd</sup>. Reclamation and the NPS anticipate issuance of the draft LTEMP EIS in February or March 2013 for a sixty-day review and comment period.

Finally, on June 4<sup>th</sup>, the seven Basin states submitted a letter to Reclamation and the NPS regarding "preliminary alternative concepts" for the LTEMP EIS process. The Basin states letter (1) supported the co-leads' definition of the scope of the LTEMP EIS, and that it not include dam removal or affect annual releases from Lakes Powell or Mead; (2) because of the on-going Glen Canyon Dam litigation it is more difficult to openly discuss or comment on the record about alternative concepts at this time; (3) informed the co-leads that a "Basin states alternative" is being developed; and (4) that the states are generally concerned about the overall timing and schedule of the LTEMP EIS process. A copy of the June 4<sup>th</sup> Basin states letter has been included in the Board folder.

*Basin States' Letter Regarding Comments Associated with the Findings of No Significant Impact for Non-Native Fish Control & Protocol for High-Flow Experiments for Glen Canyon Dam*

Just prior to the release of the final Findings of No Significant Impact (FONSIs) for Glen Canyon Dam Protocol for High-Flow Experiments and Non-Native Fish Control, the seven Basin states submitted a comment letter associated with both FONSIs. Generally, the Basin states letter supported both of the FONSIs as necessary components for better managing Glen

Canyon Dam operations. In the letter, the Basin states wanted to reiterate their overarching concern that the proposed actions described in both documents must remain consistent with 2011 Biological Opinion, particularly in the context of non-native fish control and the specified reasonable and prudent measures contained in the 2011 Biological Opinion.

Finally, in the context of the Protocol for High-Flow Experiments, the states have agreed not to challenge Glen Canyon Dam power-plant bypasses in the interest of comity and to gain additional scientific information, but remain concerned about the impacts associated with future high-flow releases whether they are deemed experimental or management actions. I have included a copy of the Basin states letter in the Board folder. Also, the Board folder includes a copy of a news release from the Department of the Interior announcing the release of the final FONSI for Non-Native Fish Control and the Protocol for High-Flow Experiments.

*Colorado River Basin Salinity Control Program—Forum and Advisory Council Meetings, Midway, Utah, May 15-18, 2012*

On May 17<sup>th</sup> and 18<sup>th</sup>, 2012, the Colorado River Basin Salinity Control Forum (Forum) and Advisory Council held its summer meetings in Midway, Utah. Major issues discussed include updates on the 2012 Farm Bill, the Forum's proposed Emergency Action Plan for the Paradox Unit injection well facility, and continued assessment of the proposed Pah Tempe Springs salinity control project. Also, the Forum and Advisory Council elected Larry Dozier (Arizona) as the next Chairman of the Forum and Council, and Estevan Lopez (New Mexico) as the Vice-Chairman of the Forum and Council.

The Forum's Executive Director, Don Barnett, briefed the Forum and Council about his recent trip back to Washington, D.C. in support of continued appropriations for the salinity control program and for reauthorization of the Farm Bill during 2012. Mr. Barnett conducted the trip, on behalf of the Forum and Council, on April 23<sup>rd</sup> through the 26<sup>th</sup>. Mr. Barnett met with staffers representing Basin states Senators and House members serving on the various appropriations committees and subcommittees as well as various natural resources committees or subcommittees. A copy of the briefing document that was utilized by Mr. Barnett during the trip and meetings has been included in the Board folder.

Mr. Barnett also met with staff of Colorado's U.S. Senator Michael Bennet. Senator Bennet is now the Chairman of the Senate's Committee on Agriculture, Nutrition and Forestry and Subcommittee on Conservation, Forestry and Natural Resources, and is considered key in the efforts to shepherd support of the Salinity Control Program through the 2012 Farm Bill changes. Currently, the Senate version of the Farm Bill has passed out of committee to the full Senate. Mr. Barnett has reported that, as presently constituted, there has been no disruption to the authority to continue the administration of the Salinity Control Program under the Environmental Quality Incentives Program (EQIP). On the House side, however, no written language relative to a 2012 Farm Bill has been developed to date. Toward this end, Mr. Barnett continues to work closely with Colorado Congressman Tipton's staff. Congressman Tipton is a member of the House subcommittee which deals with conservation measures in the development of the new version of the Farm Bill. Finally, Mr. Barnett reported that the lobbyists from The Metropolitan Water District of Southern California and the Central Arizona Project continue to

provide valuable assistance to Mr. Barnett in support of the Colorado River Basin Salinity Control Program during the development of the 2012 Farm Bill.

Reclamation reported that it is still in the process of identifying an appropriate location for a proposed pilot project evaporation pond facility as well as potential sites for a replacement well for the Paradox Valley Unit injection well facility. Based upon the current status of the development of potential alternatives for continued management of the Paradox Valley Salinity Control Unit prompted the Forum's Work Group to draft an Emergency Action Plan addressing the urgency associated with the potential failure of the existing Paradox injection well. The urgency stems from the risk associated with the potential failure of the Paradox injection well and the inability to prevent approximately 110,000 tons per year of salt (via highly saline water discharges) from entering the Dolores River. In the meantime, a letter from the Forum will be sent to Interior Secretary Salazar regarding the proposed development and implementation of a strategy to move forward with the Paradox Valley Unit Emergency Action Plan.

In an update and presentation to the Forum, the U.S. Geological Survey (USGS) reported that it has found that the removal of salt from Pah Tempe Springs (also known as La Verkin Springs on the Virgin River in southwestern Utah) will have an immediate and beneficial impact on the salt-load currently going into the Virgin River. A report detailing the recent USGS findings is scheduled to be available to the Forum and interested stakeholders in a few months. In the interim, Utah's Washington County Water Conservancy District is expected to take Pah Tempe Springs into ownership, and the USGS will continue to refine its estimates on salt-loading, potential brine water disposal, and any potential ecological impacts associated with the removal of salt from the hot springs complex.

The Forum's Work Group met on May 15<sup>th</sup> and 16<sup>th</sup>, preceding the meetings of the Forum and Advisory Council. Beyond the issues discussed above, the Work Group and its Science Team are tasked with preparing a report on the benefits that accrue to the Upper Basin states through implementation of the Salinity Control Program. Also, Reclamation reported to the Work Group and Forum its progress on the development and refinement of the economic damages model. This model will help better quantify the benefits to users in the Lower Basin related to the long-term implementation of salinity control efforts in the upper basin. Gaining a better understanding of the benefits to water users and agricultural producers in both basins is an important next step in maintaining a consistent and dedicated effort toward long-term salinity control within the basin at both the federal and state levels.

The next meeting of the Colorado River Basin Salinity Control Forum meeting has been tentatively scheduled for beginning of November, 2012. The location for the meeting has yet to be identified.

*Salinity Management Study Update Workshop, June 1, 2012, Los Angeles, California*

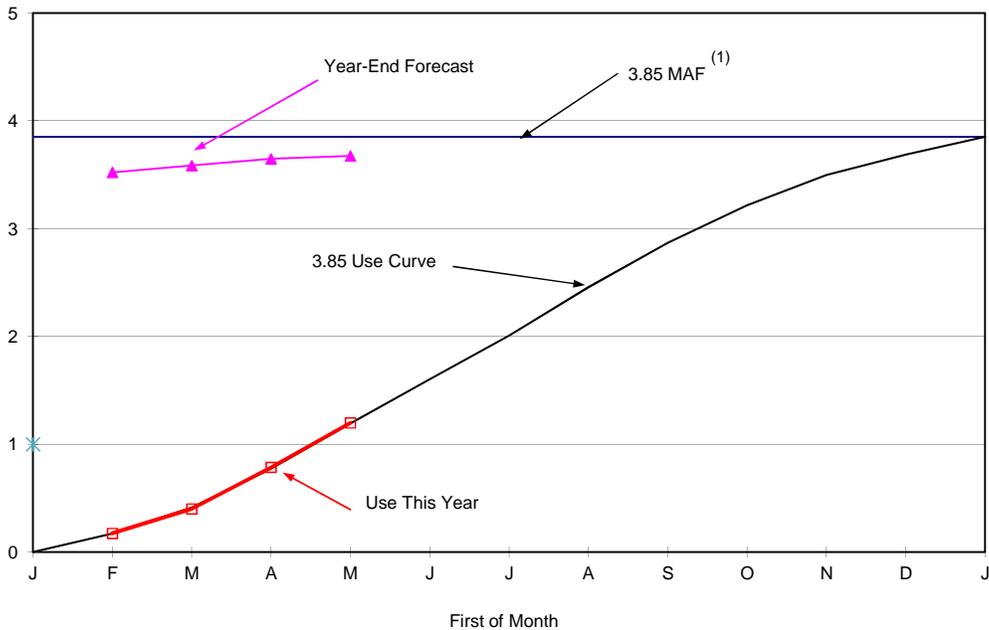
Board staff and I attended the one-day Salinity Management Study Update Workshop held at the headquarters office of The Metropolitan Water District of Southern California on June 1<sup>st</sup>. The purpose of the workshop was to initiate a process to update the "Salinity Management Study—Final Report" that was a joint effort of MWD and Reclamation and completed in June

1999. The workshop study objective was to quantify and set goals for managing the effects of salinity on water resources in Southern California in collaboration with key stakeholders. Attendees at the workshop included key stakeholders involved in southern California salinity management (e.g., MWD member agencies, water and wastewater agencies and regulators, trade associations, etc.). Several very informative presentations were made by various entities involved in local and regional salinity control efforts which helped identify and frame many of the issues and potential strategies that could be included within the next iteration of the workshop summary report.

/s/

Christopher S. Harris  
Acting Executive Director

**FIGURE 1**  
**JUNE 1, 2012 FORECAST OF 2012 YEAR-END COLORADO RIVER WATER USE**  
**BY THE CALIFORNIA AGRICULTURAL AGENCIES**



Forecast of Colorado River Water Use by the California Agricultural Agencies (Millions of Acre-feet)			
Month	Use as of First of Month	Forecast of Year End Use (1)	Forecast of Unused Water (2)
Jan	0.000	-----	-----
Feb	0.174	3.522	-0.008
Mar	0.401	3.585	-0.071
Apr	0.786	3.647	-0.133
May	1.199	3.675	-0.161
Jun			
Jul			
Aug			
Sep			
Oct			
Nov			
Dec			
Jan			

- (1) The forecast of year end use is based on continuation of the QSA, without QSA year end use is estimated to be about 3.660 maf.
- (2) The forecast of unused water is based on the availability of 3.514 MAF under the first three priorities of the water delivery contracts. This accounts for the 85,000 af of conserved water available to MWD under the 1988 IID-MWD Conservation agreement and the 1988 IID-MWD-CVWD-PVID Agreement as amended; 90,000 AF of conserved water available to SDCWA under the IID-SDCWA Transfer Agreement as amended being diverted by MWD; as estimated 24,500 AF of conserved water available to SDCWA and MWD as a result of the Coachella Canal Lining Project, 67,700 AF of water available to SDCWA and MWD as a result of the All American Canal Lining Project; 14,500 AF of water IID and CVWD are forbearing to permit the Secretary of the Interior to satisfy a portion of Indian and miscellaneous present perfected rights use and 25,000 AF of water IID is conserving to create Extraordinary Conservation Intentionally Created Surplus. 22,500 AF has been subtracted for IID's Salton Sea Salinity Management in 2012. As USBR is charging uses by Yuma Island pumpers to priority 2, the amount of unused water has been reduced by those uses - 6,660 AF. The CRB does not concur with USBR's viewpoint on this matter.