

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

July 3, 2012

Introduction

The purpose of this report is to provide Board Members, Alternates, the Agency Managers, and other interested stakeholders with a brief overview of several activities of interest that have occurred subsequent to the last regularly scheduled meeting of the Colorado River Board of California held on June 13th. Along with this Acting Executive Director's Report, I am including, for your review and information, several documents related to some of the activities described in this report, as well as an abbreviated monthly water report. Finally, the next regularly scheduled monthly meeting of the Colorado River Board of California will be held on August 15th, in Ontario, California.

Colorado River Summary Water Report

As of July 1, 2012, storage in the major Upper Basin reservoirs decreased by 349,980 acre-feet and storage in the Lower Basin reservoirs decreased by 359,300 acre-feet during June 2012. Total System active storage as of July 2nd was 36.018 million acre-feet (maf), or 60 percent of capacity, which is 0.959 maf less than one year ago (Upper Basin reservoirs decreased by 2.467 maf and Lower Basin reservoirs increased by 1.508 maf).

June releases from Hoover, Davis, and Parker Dams averaged 16,640, 16,000 and 12,080 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of July 2012, are 15,100, 14,600, and 11,900 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 July 2nd, 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 7.572 maf and is described as follows: Arizona, 2.848 maf; California, 4.449 maf; and Nevada, 0.275 maf. The Central Arizona Project (CAP) will divert 1.606 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 0.703 maf, which is 4,000 acre-feet more 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 3.514 maf with IID's estimate if the Quantification Settlement Agreement (QSA) remains in effect and 3.704 maf if the QSA is

discontinued. This estimate is based on the collective use, through May 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 California Colorado River agricultural water use for the year.

As of July 1st, the water level at the Lake Mead was at 1,115.87 feet above the mean sea level, and the storage was 13.203 maf, 51.0 percent of capacity, while the water level at Lake Powell was at 3,633.7 feet above the mean sea level and the storage was 15.272 maf, 62.8 percent of capacity.

Binational Negotiations with Mexico

Update & Status of the Binational Discussions/Negotiations with Mexico

As was reported at the June Board meeting, a binational workshop was held on May 29th through June 1st. 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.

That second workshop was held in San Diego, California, on June 20th through June 22nd. During this workshop, significant progress was also made in developing a common understanding of the elements that need to be included in Minute 319. However, additional discussions need to occur regarding the proposed Pilot project(s), surplus and shortage volumes and options, water for the environment, and the equation related to calculation of the salinity differential at the Northerly International Boundary.

Since there was still work to be accomplished on the above items, another workshop has been scheduled to be held on July 5th and 6th in Tijuana, Mexico. The intent is to cover all of the outstanding issues so that the representatives of the two countries can begin to negotiate the details to be included within the proposed Minute 319 and start the actual drafting process.

Glen Canyon Dam Adaptive Management Program

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

As you may recall from discussions at recent Board meetings, 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). Implementation of the Glen Canyon Dam LTEMP is intended

to guide Glen Canyon Dam operations over the next 15-20 years, and fully incorporates much, if not all, of the relevant scientific knowledge that has been gained through the current Adaptive Management Program since the original Record of Decision was executed in 1996. Also, as I reported at the June Board meeting, in early-May the Basin states principals agreed to formally develop and submit a Basin states' alternative for inclusion and analysis in the LTEMP EIS process. The final draft of Basin states' alternative was formally submitted to the LTEMP EIS co-leads on July 2nd.

The Basin states proposed alternative for analysis and evaluation in the LTEMP EIS process includes the following primary components: (1) elements addressing the long-term endangered species requirements of the humpback chub; (2) a non-native fish control element (based upon the monitoring of humpback chub population numbers); (3) provides a modification of the Glen Canyon flow-release regime to conserve and redistribute 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 as well as conserve and redistribute sediment and enhance the aquatic foodbase. One of the significant strengths of the Basin states' alternative is the strong reliance upon the scientific knowledge that has been gained since the Record of Decision in the Glen Canyon Dam EIS was signed in 1996. This alternative has fully incorporated the results of the series of high-flow release experiments that have been run at the dam, as well as makes use of all of the scientific research generated through the existing Adaptive Management Program.

The states' alternative that was submitted on July 2nd is entitled "The Resource Targeted Condition-Dependent Strategy" and is intended to accomplish the following:

- To implement management actions to benefit key resources (i.e., humpback chub, and manage the trout, sediment resources, and benefit the aquatic foodbase);
- To use scientific experimentation and research to further identify and develop future management actions (i.e., utilizes the principles of adaptive management);
- To balance learning with improvements in key resources;
- To address the full-range of possible future hydrologic and reservoir conditions;
- To adhere to and conform with the 2007 Interim Guidelines; and
- To recognize and incorporate the provisions of the recently-issued FONSI for the High-Flow Experimental Protocol and Non-Native Fish Control EAs.

On June 29th, representatives of the Basin states met in Denver, Colorado, with the LTEMP EIS co-leads (i.e., Reclamation and the NPS) and made a formal presentation of the Basin states' alternative. I attended that meeting and believe that the states' efforts were generally well received by the Department of the Interior (DOI). At that meeting, the states made the point that the elements in the proposed alternative are completely inter-related and inter-dependent, and as such the proposed alternative should not be significantly altered. Additionally, the states expressed their strong desire to work closely with the EIS co-leads during the alternatives analysis and evaluation process, particularly if any CRSS (i.e., Riverware), or other hydrologic modeling, rules sets modifications are proposed.

A small group of Basin states representatives may try and provide a briefing and overview of the Basin states' proposed LTEMP alternative on July 13th for DOI Assistant

Secretary for Water and Science, Anne Castle, in Denver, Colorado. This meeting, should it occur, would be another excellent opportunity to provide the viewpoint of the states and to indicate the importance of the states continuing to be directly involved, to maximum extent possible, in the development of the LTEMP EIS. Finally, as mentioned above, the schedule calls for submittal of proposed alternatives on July 2nd. 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 22nd and 23rd. Currently, Reclamation and NPS anticipate issuance of the draft LTEMP EIS in February or March 2013 for a sixty-day review and comment period.

For your information, I have included in the package of materials accompanying this report a copy of the seven Basin states cover letter introducing the formal submission of the Basin states' LTEMP EIS alternative on July 2nd. Additionally, I have sent a copy of the final Basin states' LTEMP Alternative to the Agency Managers and technical staff. If any of the Board members, or alternates, would like a copy of this document (nearly 90 pages) please feel free to contact me and I will arrange for you to receive a copy.

National Park Service Comprehensive Fisheries Management Plan

Scoping Comments on the National Park Service's Proposed Comprehensive Fisheries Management Plan—Grand Canyon National Park & Glen Canyon National Recreation Area

I also wanted to report that I submitted a short letter containing scoping comments associated with a proposed "Comprehensive Fisheries Management Plan" (CFMP) that is tentatively being prepared by Grand Canyon National Park and Glen Canyon National Recreation Area. According to the Superintendent of Grand Canyon National Park, Dave Uberuaga, the NPS has been conducting fisheries-related activities for a number of years and felt that it needed to have an over-arching and comprehensive strategy that would undergo NEPA and ESA review and compliance. Many of the proposed actions in the proposed CFMP are actions that are contained within the existing High-Flow Experimental Protocol and Non-Native Fish Control EAs and FONSI's, as well as activities being proposed through the LTEMP EIS process (including the aforementioned Basin states' alternative). The preliminary scoping comments that I submitted on behalf of the Board, in a letter dated June 28th, are largely general in nature and focus on the following topics:

- As the NPS is a co-lead in the LTEMP EIS, that perhaps it made some sense to place the CFMP-development process in abeyance until the completion of the LTEMP EIS, and see what fishery management activities are recommended as part of the Preferred Alternative and Record of Decision;
- Development and implementation of a Humpback Chub Recovery Implementation Plan (RIP) is an activity that will require close coordination with Reclamation, the seven Basin states, and the U.S. Fish and Wildlife Service; as well as close coordination with existing recovery programs and the LCR MSCP;

- Any potential fishery management activities in Lake Mead will require close coordination and consultation with Reclamation, the States of Arizona, California, and Nevada, and Lake Mead National Recreation Area; and
- Reintroduction of extirpated species below Glen Canyon Dam may also be problematic, particularly if it involves the reintroduction of Colorado pikeminnow or the river otter, as both are known predator species and could likely negatively affect the endangered humpback chub.

For your information, I have included a copy of the scoping comment letter in the package of materials accompanying this report.

Colorado River Basin Water Supply and Demand Study

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

Members of the Basin Study Project Team and the consultants met in Boulder, Colorado, on June 27th and 28th to continue work on developing and refining the options characterization and portfolio development for the Basin Study report. The sixteen options being characterized under Tiers 1 and 2, utilized assumptions related to (1) quantity, (2) timeline, and (3) potential cost. For example, the timeline characteristic might include the need for the completion of a feasibility study and obtaining use or environmental permits, as well as an implementation timeline. One of the concerns raised at the meeting is whether these estimated project timelines are realistic, especially for those projects that would require interstate negotiations.

Also, at the meeting, there was concern that the one-percent per year reduction in gallons-per-capita-per-day (gpcd) under the M&I Conservation Option might be overly aggressive relative to what is currently being implemented by municipal water providers. It was reported to the Options and Strategies Workgroup that the water savings under the aggressive M&I Conservation Option is reasonably projected to be around 32% by 2060.

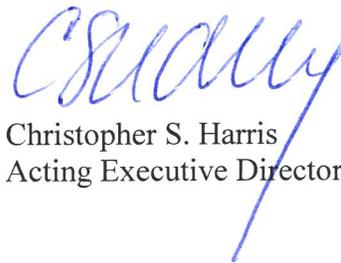
The next steps for the Basin Study Project Team include the following: (1) define additional modeling assumptions for Upper Basin banking options; (2) modify modeling assumptions for conservation and reuse to reflect a Basin-wide approach (versus a state-by-state approach); (3) define state-specific modeling assumptions; and (4) finalize assumptions. A portfolio development tool is to be used to screen and rank the proposed options, and the CRSS (Riverware) model will be used to analyze the portfolios. The portfolio is intended to identify the proposed options for implementation and implementation timeline. The options and portfolio analysis will be able to address key issues such as the requirement to close Basin-wide supply and demand imbalances for different scenarios and the tradeoffs among different approaches. The CRSS will be able to identify options that best meet unfolding conditions for each supply and demand scenarios.

Finally, the Project Team is scheduled to meet on July 26th and 27th, in Las Vegas, Nevada. Also, two conference calls are scheduled with the Options and Strategies Workgroup for July 10th and July 24th, to continue working on finalizing the options characterization. A

public webinar has been tentatively scheduled for July 17th and is intended to focus on demand scenario quantification, the options and strategies received, options characterization, and the approach to portfolio development. According to the Basin Study Project Team and consultants, the final draft of the Basin Study Report is scheduled to be published in September 2012.

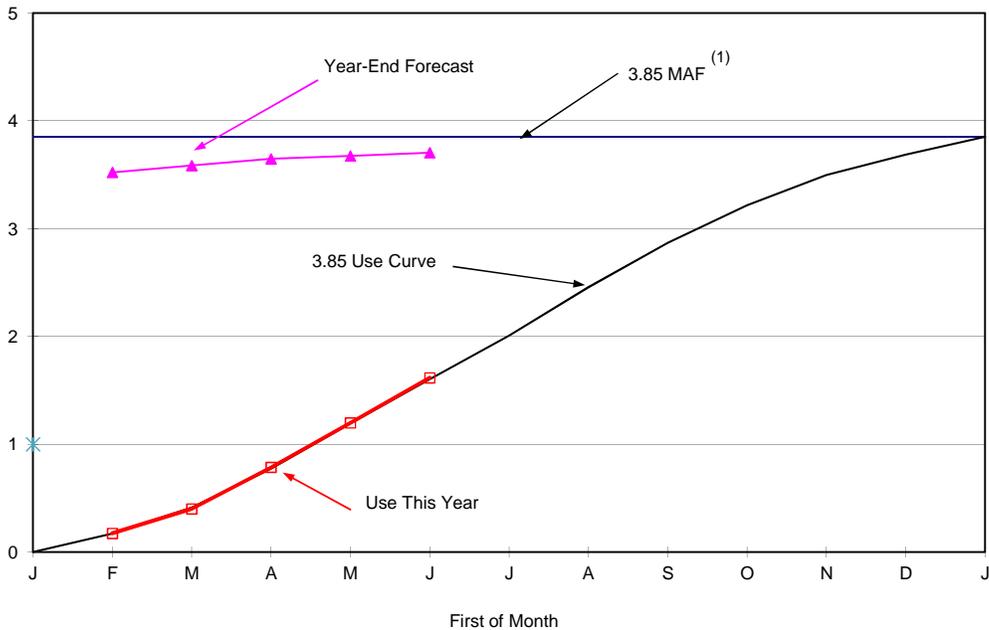
As was reported at the last Board meeting, the format of the final Colorado River Basin Water Supply and Demand Study is envisioned to be similar to Interim Report No. 1 that was released in June 2011. The Final Report is expected to consist of the following components:

- Technical Reports A—G;
- Summary Report (summarizes the technical reports);
- Executive Summary;
- Technical Report E—Approach to Develop and Evaluate Opportunities to Balance Supply and Demand;
- Technical Report F—Development of Options and Strategies; and
- Technical Report G—System Reliability Analysis and Evaluation of Options and Strategies



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Acting Executive Director

FIGURE 1
JULY 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	1.617	3.704	-0.190
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.