

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

August 13, 2013

ADMINISTRATION

Minutes of the June 12, 2013 Meeting of the Colorado River Board

A copy of the draft Board meeting minutes from the meeting held on June 12 has been included in the Board folder for your review. Consideration of the minutes is on the agenda for the regularly scheduled Board meeting on August 14.

PROTECTION OF EXISTING RIGHTS

Colorado River Basin Water Report

As of August 1, 2013, the water level at Lake Mead was at 1,105.9 feet with 12.27 million acre-feet (maf) of storage, or 47 % of capacity, while the water level at Lake Powell was at 3,594.2 feet with 11.20 maf of storage, or 46 % of capacity. The total System active storage as of August 1 was 30.30 maf, or 51 % of capacity, which is 5.03 maf less than one year ago when the System storage was at 59 % of capacity. July releases from Hoover, Davis, and Parker Dams averaged 14,070, 13,170, and 10,180 cubic feet per second (cfs), respectively. Planned releases from those three dams for the month of August 2013 are 13,300, 13,100, and 10,200 cfs, respectively.

As of August 2, 2013, taking into account both measured and unmeasured return flows, the Lower Division states' consumptive use of Colorado River water for calendar year 2013 is forecasted by Reclamation to be 7.31 maf and is described as follows: Arizona, 2.71 maf; California, 4.34 maf; and Nevada, 0.265 maf.

As of August 2, the preliminary end-of-year estimate by the Bureau of Reclamation for 2013 for California's agricultural consumptive use of Colorado River water under the first three priorities and the sixth priority of the 1931 *California Seven Party Agreement* is forecasted to be 3.455 maf. This estimate is based on the collective use, through July 2013, by the Palo Verde Irrigation District, the Yuma Project-Reservation Division, the Imperial Irrigation District, and the Coachella Valley Water District. The Metropolitan Water District of Southern California is forecasted to use about 0.794 maf.

COLORADO RIVER OPERATIONS

Second Consultation Meeting of the 2014 Annual Operating Plan

The second consultation meeting associated with development of the 2014 Annual Operating Plan (AOP) was held on July 30, 2013. Representatives of Reclamation's Upper and Lower Colorado regions provided detailed presentations regarding current and projected hydrologic conditions and reservoir system operations. A copy of the power-point presentations utilized by Reclamation during the meeting has been posted on-line and is available at: http://www.usbr.gov/lc/region/g4000/AOP2014/AOP14_2nd_Consultation_PPT.pdf

The draft AOP reviewed on July 30 was based on the July 2013 24-Month Study of proposed hydrology for the basin. The draft AOP projects that the "Mid-Elevation Release Tier" will govern Lake Powell operations during Water-Year 2014. Based on the July 2013 24-Month Study, the draft AOP estimates that based on the most probable inflow scenario the projected water release from Glen Canyon Dam will be 7.48 million acre-feet. This would be the first time since operations began that that level of releases would occur. In the Lower Basin, the 2014 AOP projects that the "Intentionally Created Surplus Condition" will govern operation of Lake Mead, and that no unused apportionment is anticipated to be available for Calendar-Year 2014. Finally, the 2014 AOP projects that a volume of up to 1.5 million acre-feet will be scheduled for delivery to Mexico in accordance with the 1944 Water Treaty. It is also anticipated that this amount could be adjusted to address additional water stored or delivered pursuant to Minute 319. A copy of the revised draft of the 2014 AOP is on-line at Reclamation's Lower Colorado webpage at: http://www.usbr.gov/lc/region/g4000/AOP2014/AOP14_draft.pdf

In accordance with the 2007 Coordinated Operations Guidelines, I provided a brief report during the July 30 AOP consultation meeting regarding California's progress toward implementing the California Colorado Water Use Plan. I briefly described the background of the Draft Water Use Plan and its overall goal to identify a flexible framework of programs and projects that would allow California to meet its annual water supply needs within the normal annual Colorado River apportionment of 4.4 million acre-feet. I explained that since 2003, California's consumptive use of water has been less than 4.4 million acre-feet with the exception of two years when the use exceeded 4.4 million acre-feet as allowed by Reclamation pursuant to acceptable accounting mechanisms and programs. In 2008, California's consumptive use of 4.498 million acre-feet included storage of 45,000 acre-feet of unused apportionment for Nevada and release of approximately 47,000 acre-feet of Intentionally Created Surplus and 28,000 acre-feet of Intentionally Created Unused Apportionment by MWD. In 2013, California's consumptive use of 4.416 acre-feet included an agricultural overrun by IID of 134,000 acre-feet that will be paid back to the system in 2014 pursuant to Reclamation's Inadvertent Overrun Payback Policy.

As part of the report, I provided updates regarding the status of implementation of the Quantification Settlement Agreement, which is an essential component of the Water Use Plan, and highlighted other programs that have helped California increase water use efficiency, secure municipal supplies and improve operations. I explained that the Interim Surplus Guidelines are an important component of the Water Use Plan and acknowledged that pursuant to the

Guidelines, the availability of surplus water was tied to meeting certain benchmarks of agricultural uses as tracked through Exhibit B to the Water Delivery Agreement. Because the Basin's hydrology will not support a "surplus" determination this year, it is not necessary for Reclamation to make any determinations regarding whether the benchmark requirements have been met. After 10 years of progress, the only transfers listed on Exhibit B to the Water Delivery Agreement that have not been completed are the transfers identified in Column 9 which were designed to address Salton Sea restoration. Those transfers required funding and approval from the State of California, which despite diligent efforts from the California parties, have not occurred.

The next and final AOP consultation meeting is scheduled for September 5, 2013 at McCarran Airport in Las Vegas, Nevada.

BASIN STATES DISCUSSIONS

Minute 319 Implementation Update

Activities to implement Minute 319 have continued to progress and work is underway in several small bi-national work groups. A general status update call for U.S. participants was held on July 31 during which Reclamation provided updates on the progress relating to Environmental Flows, Rosarito desalination, the All American Canal bi-national turnout, environmental projects and water accounting and operations. A basin hydrology team is scheduled to meet for the first time in late-September. The Reclamation team has briefed the Mexican participants regarding the Annual Operating Plan status and the 24-month study results.

The Environmental Flows small group has continued to focus on the creation of a flow delivery plan for the base flow and pulse flow that Mexico will use to improve habitat and environmental conditions in the river corridor south of Morelos Dam and on plans for monitoring progress of the restoration efforts. The Environmental Flows group conducted its second meeting with science experts from the U.S. and Mexico on August 12-13 in Tijuana. The flow delivery plan is being designed to utilize the limited quantities of water available to Mexico under Minute 319 and to fit within the time constraints that have been established by the Minute. A "sideboards" document has been developed and distributed to the science team so that they are aware of the applicable constraints.

The Water Accounting and Operations small team will meet face-to-face for the first time on August 14 in Tijuana. Reclamation prepared a draft summary of the water accounting and operations considerations to guide the implementation. Discussions have also continued in connection with the development of a plan to provide an emergency connection between the U.S. and Mexico through the All American Canal. The Mexican participants are in the process of preparing draft engineering documents for the proposed bi-national connection. Additional planning and evaluation would be required prior to moving forward. A meeting of the groups relating to the other projects identified in Minute 319, i.e. the Miguel Aleman restoration project, the Laguna Grande project and the Alamo Canal lining project, is likely to occur at the end of August.

On July 31, 2013, the seven Basin States sent a letter to the Secretary of State and the Secretary of the Interior to respond to the advocacy on behalf of Texas regarding Mexico's deliveries of water on the Rio Grande. The Basin States' letter highlighted the good level of cooperation that exists with Mexico in the Colorado River Basin and opposed any linkage between the Rio Grande and Minute 319 implementation. A copy of the letter is included in the Board meeting materials.

Status of the Colorado River Basin Water Supply and Demand Study

Since the Basin Study's "next steps" kick-off in May, 2013, the Basin States and Reclamation have formed three workgroups to focus on (1) Municipal & Industrial (M&I) Conservation and Water Reuse, (2) Agricultural Conservation and Water Transfers and (3) Environmental and Recreational Flows. Each of the workgroups has a broad range of membership that includes non-governmental organizations, various water users, and the Basin States, and each group has met either in person or by webinar on a few occasions to obtain an overview of the details of the Basin Study and to review proposed scopes of work. A coordination team oversees the workgroups and other aspects of the "next steps" process.

The M&I Workgroup is co-chaired by MWD and has scheduled its next meeting for August 14. The Agricultural Workgroup is co-chaired by IID and has scheduled its next meeting for August 21. The Environmental and Recreational Flow workgroup kicked off its first in-person meeting on July 24. That workgroup will coordinate its efforts with entities working on a Landscape Conservation Cooperative grant to evaluate and improve upon the modeling tools associated with recreational and environmental flows. A common goal among all of the workgroups is to have a summary report of the first phase of activities completed by December 2013.

The Senate Energy Committee's Subcommittee on Water and Power held an oversight hearing relating to the Basin Study on July 16. I testified at the hearing regarding the perspective of the Lower Basin states. Other witnesses represented the Upper Basin and Tribal interests, and Commissioner Connor presented testimony for Reclamation. The second panel of witnesses focused on the perspectives from the three workgroups. There is no anticipated congressional role or action proposed in connection with the Basin Study at this time. A copy of my written testimony is included in the Board meeting materials and the hearing is archived at: <http://www.energy.senate.gov/public/index.cfm/hearings-and-business-meetings?ID=e26e6d69-c565-44ec-a7d9-9d3baf3bb1b0>

USGS Water Census -- Colorado River Basin Focus Area Study

In 2012, the U.S. Geological Survey selected the Colorado River Basin as one of three "focus areas" within the National Water Census program that is a component of the Department of the Interior's WaterSMART initiative. The Water Census assessments are designed to estimate the distribution and abundance of water use for human, environmental, and wildlife

needs, evaluate factors affecting water availability and estimate undeveloped potential water resources, such as saline and brackish water and wastewater.

During an October 2012 Basin States Technical Committee meeting, the USGS introduced the Focus Area study to the Basin States and during that meeting it was determined that additional coordination would be beneficial. The prior discussion also focused on the connection between the USGS's Water Census project and Reclamation's Basin Study and the need to coordinate efforts and avoid duplication. The goals of the Water Census project will be to address "gaps" in the Basin Study's information and to develop information that will complement the Basin Study's information. A copy of the background flyer for the Focus Area study is included in the Board meeting information.

On July 17, 2013, the USGS and technical representatives from the Basin States met in Salt Lake City, UT and agreed to develop a common set of terminology and definitions used within the study area, develop a common document that compares the water use and supply data for each Basin State, and develop a team of "reviewers" from the Basin States for the Focus Area study. The Basin States invited the USGS to attend the next Basin States Technical Committee meeting in October in Las Vegas, NV.

LTEMP EIS and Glen Canyon Dam Adaptive Management Program

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

The Bureau of Reclamation and National Park Service hosted a three-day stakeholder workshop on August 5-7, 2013, in Flagstaff, Arizona to review the preliminary results of modeling and other analyses that were performed on eight alternatives being evaluated in the Glen Canyon Dam Long-Term Experimental and Management Plan (LTEMP) Environmental Impact Statement (EIS) process. Additionally, the EIS co-lead agencies (Reclamation and the NPS) planned to engage various stakeholder groups in a first round of structured decision analysis associated with thirty-three performance metrics that will be utilized in evaluating the eight alternatives being analyzed in the EIS. Messrs. Harris and Van Vlack, of the Board's staff, attended and participated in the three-day workshop.

Staff from the co-lead agencies and Argonne National Laboratory presented detailed results of the preliminary modeling associated with each EIS alternative. Currently, the modeling uses one hydrologic trace of 20 years that represents a wide variety of potential hydrologic conditions. Prior to the release of the Draft EIS, the co-lead agencies plan to model each alternative utilizing the full suite of 105 traces available within the model. Models being utilized in the LTEMP EIS process include (1) RiverWare/CRSS; (2) Western's GTMax and GTMax-Lite; (3) a sand-budget model and sandbar volume model; (4) temperature degree-day risk model; (5) riparian vegetation state and transition model; (6) humpback chub/ trout population models; and (7) humpback chub aggregation model.

Thirty-three performance metrics were developed to aid in differentiating between the various alternatives. Some of the critical uncertainties that are currently being evaluated include the relationship between humpback chub and trout populations, the relationship between water

temperature and humpback chub and trout populations, the long-term effects of climate change, and the long-term effects associated with changes in sediment supply.

The preliminary modeling results associated with each of the eight alternatives were presented during the workshop. In addition, all of the stakeholder groups attending the workshop participated in a structured decision analysis exercise. The purpose of the exercise was to provide the co-lead agencies with more information regarding the relative value judgments of stakeholders for each of the performance metrics. Additional exercises will be conducted following the completion of the remaining modeling. Representatives of the Department of the Interior and the co-lead agencies explained that the structured decision-making process was one of the tools being used to prepare the LTEMP EIS.

The Department of the Interior has committed to provide responses to the Basin States' April 15, 2013 letter regarding the EIS and to continue a technical dialogue with the Basin States regarding the EIS alternative submitted by the States. Additional webinars are being planned by the co-lead agencies to keep interested stakeholders informed regarding modeling results and alternatives analyses as the draft LTEMP EIS is being prepared. A draft EIS is expected in the spring of 2014.

On August 8-9, 2013, Interior held a meeting of the Glen Canyon Adaptive Management Program in Flagstaff, Arizona. The agenda for the meeting is included in the Board meeting materials. The meeting included presentations regarding Basin hydrology and a presentation regarding the status of planning for a fall High Flow Experiment (HFE). An HFE would only be conducted if appropriate under the protocol adopted by the Secretary last year. Science updates were presented regarding sediment conditions and the status of trout and humpback chub populations. The meeting included presentations by representatives of the Desert Landscape Conservation Cooperative and Western Area Power Administration.

Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Forum Work Group met in Salt Lake City, Utah, on July 10-12. An initial focus concerned the current and projected status of the Lower Colorado Basin Development Fund (LCBDF) and its impact on implementation of the Salinity Control Program. Annual expenditures from the fund currently exceed annual revenue generated from Lower Basin projects. The Work Group is looking for short-term options and a long-term solution to address the LCBDF short-fall issues while keeping the Program moving forward. The Work Group expects to prepare a set of recommendations to the Forum and Advisory Council at the October meeting in Los Angeles, California.

The Work Group received an update from Reclamation on the current operations of the Paradox Valley Injection Unit. In response to the January earthquake, injection has been reduced by 10% resulting in a salt disposal rate of 102,000 tons per year. The Cooperating Agencies, including the Colorado River Board, are in the process of developing alternatives to study during the Paradox Alternative/EIS Process to evaluate replacement options for the existing injection well.

The Work Group is beginning to draft the 2014 Triennial Review. The Work Group is working with Reclamation on different CRSS modeling scenarios and more discussion will be presented at the Work Group's September meeting scheduled for September 10-12 in Salt Lake City, UT. A draft version of the Triennial Review is expected to be available in Spring 2014.

The next Salinity Forum and Advisory Council meetings are scheduled for October 23-24, 2013 at The Metropolitan Water District of Southern California's offices in Los Angeles.

Invasive Species Listings of Quagga Mussels

Concerns have been raised recently regarding proposals to expand the definition of invasive mussels to include quagga mussels (the existing definition includes zebra mussels but not quaggas). Because quagga mussels already exist in the Lower Colorado River, the expanded definition could be problematic for Lower Basin water deliveries because the Lacey Act prohibits interstate transport of invasive species. The Colorado River is the interstate boundary between California and Arizona and diversion structures exist on both sides of the river. Texas and Oklahoma recently resolved an inability to divert water across state lines as a result of a Lacey Act prohibition through legislative amendment. In order to avoid having to cure a problem after the fact, several California entities and water providers from other states have informed congressional members and the Fish and Wildlife Service about the concern relating to the expanded invasive species definition of mussels. It is hoped that either an administrative or legislative fix can be created to exempt water deliveries from the Lacey Act's prohibitions. At present, legislative attempts to expand the invasive species list to include quagga mussels have not moved forward. The Fish and Wildlife Service is going through a rulemaking process to allow categorical exclusions from NEPA for invasive species listings and comments are anticipated to make sure the concerns relating to the inclusion of quagga mussels as an invasive species are recognized.

Meeting Notices

For the information of the Board members, the Urban Water Institute's 20th Annual Water Policy Conference will be held on August 14-16 in San Diego. Day Two of the conference will focus on Colorado River issues and will include presentations by representatives from several Colorado River Board member agencies.

On August 15-16, the Clyde Martz Summer Water Conference will be held at the University of Colorado Law School in Boulder, Colorado. The theme of this year's conference is "Arizona v. California at 50: The Legacy and Future of Governance, Reserved Rights and Water Transfers".

/s/Tanya Trujillo

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