

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

June 11, 2014

ADMINISTRATION

Minutes of the May 14, 2014 Meeting of the Colorado River Board

A copy of the draft Board meeting minutes from the meeting held on May 14, 2014 has been included in the Board packet for your review.

Approval of the Fiscal Year 2014-15 Budget

The annual budget for the Colorado River Board is set by the Governor's annual budget as a component within the Natural Resources Agency's budget. The approved total budget for Fiscal Year 2014-15 is \$1,651,000, which includes staff salaries and benefits, operating expenses and additional expenditures such as the payment of the State's share of costs for the administration of the Salinity Control Forum and the Multi-Species Conservation Program. The budget for FY 14-15 is slightly higher than the budget for FY 13-14 due to approved cost of living increases for all state employees. The Six Agency Committee reimburses the State for 100% of the expenses.

**COLORADO RIVER BASIN WATER REPORT AND CALIFORNIA DROUGHT
UPDATE**

As of June 2, 2014, the water level at Lake Mead was at 1,087 feet with 10.63 million acre-feet (maf) of storage, or 41% of capacity, while the water level at Lake Powell was at 3,590 feet with 10.85 maf of storage, or 45% of capacity. The total System active storage as of June 2 was 29.14 maf, or 49% of capacity, which is 2.08 maf less than one year ago when the System storage was at 52% of capacity. As of June 2, 2014, the Upper Colorado River Basin reservoirs other than Lake Powell ranged from 68% to 95% of their full capacities.

The unregulated inflow into Lake Powell for Water Year 2014, is forecast to be 10.8 maf, or 100% of average. The Colorado River Basin Forecast Center's Snow Conditions Map dated June 3, 2014, indicates above average snowpack conditions in some areas, but reflects the normal spring runoff conditions.

2013 Arizona v. California Decree Accounting Report Finalized

The Bureau of Reclamation finalized the Colorado River Accounting and Water Use Report for the States of Arizona, California and Nevada, Calendar Year 2013 (<http://www.usbr.gov/lc/region/g4000/4200Rpts/DecreeRpt/2013/2013.pdf>). The report documents 7.48 maf of water as the total consumptive use for the Lower Division States with

Arizona consuming 2.78 maf, California consuming 4.48 maf and Nevada consuming 0.224 maf. California's total includes 75,000 acre-feet of water banked by MWD for the Southern Nevada Water Authority and the release of approximately 94,000 acre-feet of previously stored Intentionally Created Surplus water by MWD.

In 2013, California met the "benchmark" of agricultural use reductions established as an exhibit to the QSA's Water Delivery Agreement that is tied to the Lower Basin States' ability to access surplus deliveries in years that Lake Mead's elevation is higher than 1,145 feet. For 2013, California's agricultural use, as adjusted for IID and CVWD reductions for Indian and miscellaneous PPR holders' use, MWD's reduction for Priority 1, 2, and 3b use, and paybacks by agricultural entities, was 56,452 acre-feet below the 2012 Benchmark of 3.47 million acre-feet. In addition, IID exceeded the amount of water conservation generated to payback overruns occurring in 2011 and 2012 by approximately 30,000 acre-feet and is on track to continue its overrun paybacks in 2014.

Approximately 1.373 maf of water was delivered to Mexico in accordance with the Treaty between the United States of America and Mexico. In accordance with Section III.1 of Minute No. 319, Mexico deferred delivery of 126,812 acre-feet of its allotment in CY 2013. Approximately 72,000 acre-feet of water was delivered to Mexico in excess of the deliveries ordered by Mexico in accordance with the Treaty.

2015 Annual Operating Plan Draft

The Bureau of Reclamation has issued the first draft of the Annual Operating Plan for WY 2015 and on May 28, 2014, the Bureau held the first consultation webinar regarding the plan. Pursuant to the 2007 Guidelines for the Interim Operation of Lake Mead and Lake Powell, the prediction results from the Bureau's August 24-month study will be used to determine the release amount from Lake Powell but the initial indications are that 9.0 million acre-feet will be released next year. Similarly, the current projection indicates that the Normal or ICS Surplus Condition is projected as the Lower Basin's operating tier, but the final determinations will not be made until September. The next consultation meetings are scheduled for July 31 and September 4 at McCarran Airport in Las Vegas, Nevada. During the July meeting, California will report on the progress of meeting the Interim Surplus Guidelines benchmark and otherwise implementing the 4.4 Plan. The draft plan and Reclamation's May 28, 2014 presentation can be found at:

http://www.usbr.gov/uc/water/rsvrs/ops/aop/AOP15_draft.pdf and
http://www.usbr.gov/uc/water/rsvrs/ops/aop/1stConsultation_2015_AOP_05-28-14.pdf

California Drought Update

The drought conditions within California have not improved and Governor Brown's April 25, 2014, and January 17, 2014 State of Emergency Proclamations continue to be in effect. The Department of Water Resources has continued to issue weekly Drought Briefs to provide updates on current conditions and key action items taking place regarding the drought. The June 3, 2014 Drought Monitor map for California indicates that over 75% of the State continues to experience extreme or exceptional drought conditions and 100% of the state continues to

experience some level of drought conditions. There is almost no remaining snowpack in the State as of May 30, with a reported update of 3% of average. The State reports that as of June 6, 2014, over 2,000 wildfires have burned over 16,000 acres of land.

The State Water Board has initiated emergency water curtailment efforts against junior water users in the Sacramento and San Joaquin River watersheds and a specific stretch of the Russian River to protect senior water rights holders. On June 4, emergency regulations setting minimum fish flows on three tributaries of the Sacramento River went into effect. Curtailments are expected to continue as long as dry weather conditions persist.

The Natural Resources Agency held a drought briefing on June 4, 2014 in Sacramento to discuss the current drought conditions and report on the State's response measures. Materials from the briefing are expected to be posted on the Water Education Foundation's website.

On May 15, 2014, the Department of the Interior issued \$20 million in WaterSMART grant funding for water conservation and reuse projects within California. An additional \$6 million in grant funding was also provided through the CALFED grant program.

COLORADO RIVER BASIN PROGRAM REPORTS

Colorado River Basin Water Supply and Demand Study

On May 19, the Basin Study Coordination Committee meet at McCarran Airport in Las Vegas to discuss the on-going development of the Phase 1 reports. During the meeting each of the three workgroups reported on the status of the reports. The M&I Conservation workgroup's report will include a discussion of current conservation efforts within the Basin, a description of additional planned conservation and reuse programs and projects and will likely include discussion of some "case studies". Some of the key conclusions show that on average per capita water use rates within the Basin have declined by over 20% since the 1990s. The report will identify various types of water conservation measures that have been implemented across a variety of agencies with varying water supply portfolios and funding capabilities and will highlight additional water reuse capabilities. Challenges for the workgroup included developing consistent data between states and water providers and documenting Colorado River water use reductions. The report will identify opportunities for increased conservation through outdoor water use efficiency technologies, expanded water recycling programs and other efforts such as a greater recognition of the energy/water nexus.

The Agricultural Conservation workgroup's report will include a similar analysis of existing conservation efforts and a documentation of planned and future conservation and transfer programs. The report is expected to include case studies of successful conservation efforts and an analysis of examples that were not as successful. Opportunities identified by the workgroup members include developing more efficient water management practices and reducing conveyance losses.

The Environmental Flows workgroup's report is expected to include a description of ecological and recreational resources in the Basin and an analysis of existing ecological and recreational flows programs. The report will highlight the focus reach areas of the Upper Colorado River between the Gunnison and the Green rivers, the White River below Taylor Draw Dam in Utah and the Bill Williams River below Alamo Dam in Arizona. Opportunities identified by the workgroup include the ability to develop sources of sustainable funding for environmental and recreational flow projects, use of water banking to provide benefits to multiple sectors, and developing partnerships to promote the protection or enhancement of environmental flows.

The first drafts of the Phase 1 reports will be made available to workgroup members sometime in late June or early July. Phase 2 of the Basin Study's Next Steps process will likely include undertaking pilot projects in selected areas, but the plans for the projects are still under development.

Minute 319 Implementation

During May, the Minute 319 pulse flow officially connected to the tidal area of the Mexican Delta. Water is no longer being released for the pulse flow. The Minute 319 bi-national environmental workgroup will continue to hear reports regarding the monitoring efforts to evaluate the operational, hydrologic and ecological conditions created as a result of the pulse flow. The Delivery Plan contemplates delivery of a base flow of approximately 52,000 acre-feet of water between 2014 and 2017 to maintain active and passive restoration areas.

Several Bi-national workgroups met on May 30 in San Diego to continue progress on Minute 319 implementation, including groups focused on developing a common hydrological analysis methodology, discussions of a bi-national All American Canal turnout, infrastructure improvement projects that will create water savings, and the potential for a desalination facility at Rosarito. Additional workgroup meetings are planned for June.

Colorado River Basin Salinity Control Program

The Salinity Control Forum will hold its meeting on June 12-13 in Wyoming. A workgroup of Salinity Forum members has continued to develop potential strategies to address the existing funding shortfall issues that the program is facing and to ensure the continued fiscal integrity of the Lower Basin Fund in maintaining an adequate revenue stream for implementation of the Salinity Control Program.

The Colorado River Board's Executive Director accompanied the Salinity Forum's Executive Director to Washington DC for Congressional visits and meetings with personnel at the Department of the Interior and OMB. The purpose of the visits was to ask for continued funding support for the program and to address certain issues that have been raised by Forum members. Overall, the program has strong support, but significant funding challenges exist.

Glen Canyon Dam Adaptive Management Program and Long-Term Experimental Management Plan EIS Process

The Glen Canyon Dam Adaptive Management Work Group met on May 27 by webinar. The meeting included a review of the budget, and an update of the LTEMP EIS. A draft EIS is expected by the end of 2013.

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