

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

November 17, 2014

ADMINISTRATION

Minutes of the October 15, 2014 Meeting of the Colorado River Board

A copy of the draft Board meeting minutes from the meeting held on October 15, 2014 has been included in the Board packet for your review.

Review of proposed schedule for meetings in 2015

The standard schedule for the Colorado River Board has been to hold a board meeting on the Wednesday following the second Tuesday of each month. Staff's proposal is to hold the meetings in Ontario, California unless there is interest from the Board in holding the meeting at a different location. For example, the San Diego County Water Authority has proposed a meeting in San Diego in October in conjunction with the anticipated completion date of the Carlsbad Desalination Project. If other agencies are interested in hosting a meeting, we can work to accommodate that request. The timing of meetings at non-Ontario locations will be subject to coordination with the hosting member agency. Meetings held in Ontario will continue to begin at 10 am. Notice of meetings will continue to be issued at least 10 days in advance of the meeting.

COLORADO RIVER BASIN WATER REPORT

As of November 3, 2014, the water level at Lake Mead was at 1,082.82 feet with 10.25 million acre-feet (maf) of storage, or 39% of capacity. At Lake Powell, the water level was at 3,605 feet with 12.29 maf of storage, or 51% of capacity. The total System active storage as of November 2, 2014 was 29.96 maf, or 50% of capacity, which is 338,000 af more than one year ago with the System storage also at 50% of capacity. As of November 6, 2014, the Upper Colorado River Basin reservoirs other than Lake Powell ranged from 88% full (Fontenelle and Flaming Gorge in Wyoming) to 65% full (Navajo in New Mexico).

NOAA's National Weather Service's monthly precipitation report for September 2014 show that the majority of the Basin received above-average precipitation, but the report shows below average precipitation for October 2014. Significant portions of the West (excluding Wyoming and Colorado) continue to experience drought conditions.

On October 16, 2014, Reclamation held its Basin States Technical Committee Meeting at McCarran Airport in Las Vegas. Reclamation presented an updated hydrologic analysis that incorporated the improved conditions that had occurred earlier this fall. The most probable operational scenario for Water Year 2015 indicates that 9.0 million acre-feet of water will be

released from Lake Powell although the final determination will not be made until next April during the mid-year review. Based on the October 24-month study, Reclamation anticipates that there will be a “0” percent chance of a shortage under the 2007 Guidelines in 2015 and a 25% chance of a shortage in 2016. The meeting also included an update on Water Year 2015 hydrology from the Colorado River Basin Forecast Center and an update from Reclamation on modeling enhancements for the CRSS and MTOM models. Reclamation presented a status update on the implementation of Minute 319 and implementation efforts associated with the System Conservation Pilot Program. Status report updates were presented on the California drought, the Salton Sea, weather modification programs, SNWA’s third intake project, the Lake Powell pipeline project and other items. The next Basin States technical committee meeting is proposed for April 28, 2015.

The Colorado River Basin Forecast Center began its outreach efforts this season with a webinar briefing on November 6, 2014 of a review of the 2014 season and an analysis of how last year’s models and forecasts compared to the actual conditions that developed throughout the winter. The review indicated that the Forecast Center’s predictions were generally correct but there were a few areas to concentrate on for improvement (e.g. soil moisture records). Additional sessions are scheduled for December 9, January 8, February 5, March 5, April 7 and May 7. Slides from the November 6 presentation are available here: <http://www.cbrfc.noaa.gov/present/2014/verification2014.pdf>.

By way of general update, the USGS released its Summary of Estimated Water Use in the United States in 2010 -- <http://pubs.usgs.gov/circ/1405/>. The report describes water withdrawals throughout the country and indicates that water use as of 2010 was 13% lower than under the same analysis in 2005. A fact sheet regarding the report is here: <http://pubs.usgs.gov/fs/2014/3109/pdf/fs2014-3109.pdf>.

CALIFORNIA DROUGHT UPDATE

Drought conditions within California have not improved and Governor Brown’s January 17, 2014 and April 25, 2014 State of Emergency Proclamations continue to be in effect. The Department of Water Resources has continued to issue bi-weekly Drought Briefs to provide updates on current conditions, key action items and drought response activities.

The November 4, 2014 Drought Monitor map for California indicates that over 55% of the State continues to be in the “exceptional drought” category, which is the worst level of drought severity. The State reports that as of November 10, 2014, CAL FIRE has responded to over 5,468 wildfires across the state this year, which have burned over 92,000 acres.

On October 30, 2014, the California Department of Water Resources released the latest version of the California Water Plan, which updates information over the last five years and includes a specific chapter regarding the Colorado River Hydrologic Region.

On November 13, 2014, Governor Brown co-hosted the most recent meeting of the Western Governors’ Association’s Drought Forum in Sacramento and offered opening remarks

for the meeting. The meeting focused on agricultural impacts and provided an opportunity to describe the depth and magnitude of California's drought situation to the other Western Governors.

PASSAGE OF PROPOSITION 1 – THE WATER QUALITY, SUPPLY AND INFRASTRUCTURE IMPROVEMENT ACT OF 2014

On August 13, 2014, Governor Brown signed the Water Quality, Supply and Infrastructure Improvement Act of 2014, and on November 4, 2014, voters approved the measure which provides over \$7.5 billion in funding for 7 categories of water projects within California, including \$2.7 billion for additional surface and groundwater storage, \$810 million for regional water reliability projects including storm water capture and conservation, \$520 million for drinking water system improvements, \$725 for water recycling projects, \$900 million for groundwater cleanup and management, \$1.5 billion for watershed protection, ecosystem restoration, State settlement obligations, including support for the Quantification Settlement Agreement and \$22.5 million for the benefit of the Colorado River Basin hydrologic region, and \$395 million for flood management projects throughout the State. A summary of eligible funding opportunities is included in the Board packet.

COLORADO RIVER BASIN PROGRAM REPORTS

Basin States Drought Contingency Planning Efforts

Based on concerns relating to the continuation of the drought in the Colorado River Basin and the declining elevation at Lake Mead, the Basin States and water management agencies have continued to discuss potential strategies that can be developed to encourage additional storage of water in Lake Mead. The Pilot System Water Conservation Program has been an initial step. November 17, 2014 was the deadline for Section 5 contractors in the Lower Basin to respond to Reclamation's invitation to submit water conservation proposals in response to the "Funding Opportunity for Voluntary Participation in a Pilot System Water Conservation Program" Reclamation sent to contractors on October 8, 2014. Reclamation's proposal stems from Reclamation's July 30, 2014 agreement with MWD, SNWA, CAP and Denver Water to conduct a pilot project over the next two-years to create system water through a conservation program. Reclamation's funding announcement asks interested contractors to submit proposals for water conservation activities that would be funded through the program. \$8.25 million is available to fund conservation actions in the Lower Basin and specific criteria for the program will be developed in connection with evaluation of the proposals that Reclamation receives.

A draft Resolution of the Colorado River Board of California regarding the Lower Basin Drought Contingency Planning Efforts has been prepared for the Board's review and consideration. The Resolution confirms the Board's interests in conferring with representatives of other States in the Colorado River Basin and the U.S. regarding the use of water within the Colorado River System and commends the California agencies for continued successful implementation of the Quantification Settlement Agreement and related agreements that have

helped California stay within its 4.4 million acre-feet normal allocation of water under the Law of the River. The Resolution notes that the Colorado River Board and other agencies have participated in drought contingency planning efforts to develop strategies to store more water in Lake Mead, obtain increased flexibility for water users during low reservoir conditions and otherwise reduce the risks associated with the ongoing drought in the Colorado River Basin. The proposed Resolution would confirm the Colorado River Board of California's ongoing support for the drought contingency efforts and would grant authority for the Executive Director to enter into a Memorandum of Understanding for Pilot Drought Response Actions with the other Lower Basin States, the US and certain municipal water agencies (CAP, SNWA and MWD) who have committed to use their best efforts to create additional storage volumes in Lake Mead under certain circumstances.

The Upper Basin States have also continued their drought contingency planning efforts through strategies including continued implementation of weather modification programs, planning for revised reservoir operations and planning for demand management actions. Updates are expected from the Upper Basin States in December.

Colorado River Basin Water Supply and Demand Study

Following the guidance received from the Basin Study Coordination Team on October 1, 2014, each of the three workgroups has continued to draft and refine reports documenting the conclusion of Phase 1 of the Basin Study's Next Steps process. Webinars were held during November to review the status of the reports with the workgroup members. The Municipal and Industrial Conservation and Water Reuse group, which is co-chaired by MWD, has developed a revised draft of the report to incorporate significant input received on prior drafts. The Environmental and Recreational Flows workgroup and the Agricultural Conservation, Productivity and Water Transfers workgroup, co-chaired by IID, have reviewed the final drafts of their reports. The three workgroup reports will be compiled into one report. Workgroup members and the Coordination Team are still awaiting the review of the summary sections of the report.

The Agricultural Conservation, Productivity and Water Transfers report includes an overview of agricultural water use in the Colorado River Basin as well as an analysis of the various water conservation programs and practices used in the Basin with highlights of certain projects, including certain QSA transfers and lining of the All American Canal. The Environmental and Recreational Flows draft report provides a detailed description of ecological, recreational, and hydropower resources in the Basin. The report also provides an assessment of four focus reaches, which include the Upper Colorado River between the Gunnison and the Green Rivers, the White River below Taylor Draw Dam in Utah, the Bill Williams River below Alamo Dam in Arizona and the Henry's Fork headwater reach downstream of Flaming Gorge Reservoir in Utah. The M&I report demonstrates that there has been a reduction in overall consumption throughout the basin despite significant population growth. All of the reports include options and strategies that can be implemented in the future to enable further conservation in all use sectors, while acknowledging and describing the potential challenges associated with the additional conservation options.

Minute 319 Implementation

On October 22, 2014, Reclamation confirmed Mexico's revised delivery schedule for 2014 which indicates an intention by Mexico to defer delivery of an additional 56,000 acre-feet this year which would be stored in Lake Mead in accordance with the terms of Minutes 318 and 319. The final accounting for 2014 will account for Mexico's release of 105,000 acre-feet of water for the pulse flow event last spring.

The primary activity over the past month in connection with Minute 319 implementation was a workshop held on October 28, 2014 in Mexicali to present information to the Mexican agencies and water users regarding the Pilot System Conservation Program (Program) that was established earlier this year in connection with the Basin States drought contingency planning efforts. The purpose of the meeting was to determine whether there may be interest from entities in Mexico in participating in the program and identifying potential conservation projects that could be funded through the program. The U.S. participants made several presentations regarding details of the Program and the group discussed how the program might be implemented in Mexico. The Mexican participants indicated that several projects may be possibilities, including the lining of an additional portion of the Canal Revolucion, repairs/improvements of Module 18, and making payments related to land that would be out of commission during construction of the pilot project canal lining project that is scheduled to be funded through Minute 319. The Mexican participants stated they intended to develop a list of potential projects and to submit a statement of interest to Reclamation and the IBWC.

The bi-national hydrology workgroup continues to work on developing additional methods of evaluating drought conditions and indicators. The U.S. is developing draft scopes of work to update the analysis of the natural runoff regime in the Colorado River Basin, and evaluate Reclamation's 24-month study results by comparing projected values for Lake Mead elevation to actual elevations from the historical record. The scopes of work will be forwarded to the Mexican delegation for review.

The environmental flows workgroup is still waiting for a review by the U.S. and Mexican sections of the IBWC of the initial report regarding the results of the spring pulse flow but the release of the initial report is anticipated during December. Bi-national monitoring efforts are continuing and a formal report will be presented to the Principal Engineers and the Environmental Workgroup in 2016, with a final report on the pulse flow results to be completed by 2018.

The next round of bi-national workgroup meetings are expected to occur in early December.

Colorado River Basin Salinity Control Program

The Salinity Control Forum and Advisory Committee and Work Group met on October 27-30 in Santa Fe, New Mexico. The Forum formally adopted the 2014 Triennial Review of the "Water Quality Standards for Salinity Colorado River System". The Review notes that salinity control program has reduced salt-loading in the Colorado River Basin by approximately 1.3

million tons and describes a Plan of Implementation that would control an additional 67,000 tons of salt per year by 2017.

Regarding the Paradox Well operations, Reclamation is conducting an EIS to examine options to replace the existing well and is currently working with contractors on evaluating various alternatives, including a second injection well and/or solar evaporation ponds. Reclamation is also looking for any potential commercial market for the brine or salt as another alternative under consideration. Reclamation is working on a Request for Information to see if there are entities interested in developing marketable commercial products from the brine or for the disposal and long-term storage of the brine. The next cooperating agency meeting is scheduled for mid-January 2015. During that meeting, EPA representatives will give an overview of the EPA's Underground Injection Control permitting process. Reclamation received comments during the Forum meeting regarding the need to complete the EIS in a timely manner and to start planning and budgeting for the construction of the preferred alternative once the EIS process is completed. The Forum's Management Committee will be meeting with Reclamation leadership on December 3, 2014 in Salt Lake City to reiterate the importance of assuring that a replacement for the Paradox Well is developed and to ensure that an emergency strategy is in place if the existing well should fail before the EIS process has been completed.

The Forum continued to discuss the problem of the underfunding of the Lower Basin's cost share for salinity control projects as a result of the lack of flexibility in the current program legislation. Proposed legislative amendments will be discussed among Forum members over the next several months with the goals of obtaining a larger cost share from the Upper Basin States (beyond the current cap of 15%) and adding contributions from Arizona entities to the existing contributions from power users in California and Nevada.

The next meeting of the Salinity Control Forum is scheduled for May 20-21 in Salt Lake City, Utah.

Glen Canyon Dam Adaptive Management Work Group and Long-Term Experimental and Management Plan EIS

The Glen Canyon Dam Adaptive Management Program's Technical Work Group (TWG) met in Phoenix, Arizona, on October 28-29, 2014. This was also the last meeting for the current Grand Canyon Monitoring and Research Center Chief, Dr. Jack Schmidt. Dr. Schmidt left that position effective October 31, 2014. He has returned to his teaching position at Utah State University. Dave Lytle, the USGS Southwest Biological Science Center Chief, reported that he hoped to have The GCMRC Chief position filled by January 2015, or by March 2015 at the latest. In the interim, Mr. Scott VanderKooi, GCMRC Deputy Chief, will be the Acting Chief until the position is filled.

During the TWG meeting, the GCMRC staff reported that they have initiated preparation for the January 2015 Annual Reporting meeting. This is an important meeting that GCMRC uses to report the results of its annual monitoring and research activities and is typically a two-day meeting held in Phoenix, Arizona. Chris Harris, from the Colorado River Board of California, provided the TWG with an overview and current status of the LCR MSCP, and each of the

Adaptive Management Program (AMP) Native American Tribes, including Hualapai, Zuni, Hopi, San Juan Southern Paiute Consortium, and Navajo, provided overview of why the Colorado River ecoregion of the Grand Canyon is important from a cultural perspective.

Trout researchers, Josh Korman and Mike Yard, provided an overview of the latest monitoring data associated with the abundance and condition of rainbow trout in the Lees Ferry Reach downstream to the confluence of the River with the Little Colorado River (LCR). The majority of rainbow trout are in the Lees Ferry Reach, with much smaller populations downstream through the Marble Canyon Reach to the LCR confluence. The Lees Ferry trout population is beginning to exhibit very poor condition (i.e., long and skinny), which may indicate that there are too many trout for the existing the foodbase. Based upon prior trends, Korman and Yard expect that the Lees Ferry population may fall off rather significantly over the next year or two. While there has been concern expressed among fishermen and Tribes about utilizing Trout Management Flows (TMFs) to control trout populations, use of TMFs over the next year or two might benefit rainbow trout in the Lees Ferry Reach by thinning out the population. TMFs would also reduce the potential for trout out-migration downstream where they might impact humpback chub near the LCR confluence.

Mr. Tom Czaplá with the USFWS (Region 6) indicated that the USFWS is kicking off an effort to prepare a new Recovery Plan for the endangered Humpback chub. The original recovery plan was prepared in 1991, and was amended in 2002 with the release of the Recovery Goals and Objectives document that addressed all four of the big-river endangered fishes. The Recovery Team preparing the plan will be chaired by Dr. Rich Valdez and will include Tom Czaplá, Bob Muth, and Tom Chart. Additionally, Science and Implementation Teams will be assembled to assist in the preparation of the recovery plan. The new recovery plan for HBC will address (1) site-specific areas where recovery can/should occur; (2) objective/measurable actions/activities that can lead to recovery; and (3) estimates of costs and schedules associated with implementation of the plan. Tom and Rich indicated that the draft HBC Recovery Plan could be ready for public review and comment in late-2015, or early-2016.

Mr. Kirk Young, USFWS Arizona Fisheries Office, indicated that with the exception of the LCR confluence population of HBC, the other five small populations of HBC (all in the Upper Basin) are stable to declining in abundance and it appears that significant non-native fish interactions (mostly smallmouth bass) are driving the decline in abundances. The USFWS and state wildlife resource agencies are beginning an effort to determine minimum viable population numbers for each of the remaining populations of HBC. These data and analyses will be included in the new HBC Recovery Plan.

Regarding the Long-Term Experimental and Management Plan EIS, the co-lead agencies (Reclamation and National Park Service) have decided to conduct additional modeling which will delay the release of a public draft of the EIS until February 2015. A draft Biological Assessment is anticipated to be completed by the Fish and Wildlife Service in the spring of 2015, and a draft Biological Opinion from the USFWS would be completed that summer.

On November 10, 2014, Reclamation initiated another High Flow Experimental (HFE) release from Glen Canyon Dam. This was the third such HFE release since the adoption of the

HFE Protocol in 2012. The intent of this recent HFE was to mobilize and redistribute approximately 1.5 million metric tons of sediment that had accumulated in the bed of the Colorado River below the confluence with the Paria River since July 1, 2014. The duration of the HFE release was 96 hours (4 days) at a magnitude of 37,500 cfs. 21,500 cfs was released through the powerplant (7 of 8 generating units were available) and the remaining 16,000 cfs was bypassed and released through the jet-tubes. From a volume perspective, a total of approximately 770,000 acre-feet was released, with about 130,000 acre-feet of the HFE release bypassed through the jet-tubes. It is anticipated that very preliminary results regarding the efficacy of the HFE release will be reported on by GCMRC staff at the January 2015 Annual Reporting meeting. DOI has established a new website to track the HFEs: <http://www.usbr.gov/uc/rm/gcdHFE/index.html>. Reclamation plans to hold an informational workshop in 2015 to review the results of the HFEs that have occurred since the HFE Protocol was adopted in May 2012.

Lower Colorado River Multi-Species Conservation Program

The LCR MSCP Steering Committee met in Las Vegas, Nevada on October 22, 2014. At the meeting the underfunding make-up strategy was formally adopted by the Steering Committee. The entire underfunding amount of \$7,601,040 will be made up through participant contributions during Fiscal Year 2015. California's share of the underfunding amount is \$2,090,286.

Reclamation staff provided an overview of the current status of the potential acquisition of Planet Ranch as part of the first phase of the Hualapai Indian Water Right Settlement process. Arizona's Mohave and La Paz Counties have expressed concerns about potential economic impacts associated with the transfer of the Planet Ranch property to the Arizona Game and Fish Commission and the sever and transfer of water rights from the Ranch to the Wikieup wellfield near the Bagdad mine complex. It is anticipated that representatives of the Federal government and the Counties will meet and work through the remaining concerns prior to the LCR MSCP Steering Committee taking action to formally approve the inclusion of the Planet Ranch property as an LCR MSCP conservation area within the Program.

Reclamation is planning a tour celebrating the 10th anniversary of LCR MSCP implementation for April 7-9, 2015. The tour will start in Yuma, Arizona and conclude in Las Vegas, Nevada. Currently, it is anticipated that Interior Secretary Sally Jewell will participate in the formal dedication of the Laguna Conservation Area on April 7, 2015. As more details and information about the tour becomes available, it will be disseminated to the Board members and Agencies.

Ms. Lesley Fitzpatrick, with the USFWS Arizona Ecological Services Office, reported that the USFWS is reopening the comment period for the proposed critical habitat designation for the western population of the Yellow-billed cuckoo. This new comment period began on November 10th and will conclude on January 12, 2015. The Board submitted comments regarding the proposed critical habitat designation on October 8, 2014 and will not likely submit any additional comments. The *Federal Register* announcing the reopening of the comment period can be found at <http://www.gpo.gov/fdsys/pkg/FR-2014-11-12/pdf/2014-26685.pdf>.

ANNOUNCEMENTS AND NOTICES

Events/Announcements

On October 30, 2014, Reclamation issued Funding Opportunity Announcements for WaterSMART grants for Title XVI projects and water conservation and efficiency projects. Title XVI grant proposals are due by December 15, 2014 and water conservation grant proposals are due by January 14, 2015. The exact amount of money available for the grant programs will not be determined until Congress takes further action on Reclamation's budget for FY 2015.

On September 23, 2014, the Department of the Interior and the State of California released a draft Renewable Energy Conservation Plan for public review and comment. The plan covers potential geothermal development at the Salton Sea, and additional solar development that may impact on Colorado River water supplies. Comments are due by January 9, 2014 and a copy of the plan is available at: <http://www.drecp.org>

The National Water Resources Association (NWRA) held its Annual Conference on November 12-14, 2014 at the Hotel del Coronado. Highlights included remarks from the Principal Deputy Commissioner for Reclamation, Estevan Lopez.

The Association of California Water Agencies will hold its Fall Conference from December 2-5, 2014 in San Diego. The agenda for the conference is at: <http://www.acwa.com/sites/default/files/event/2013/02/fc14-brochure.pdf>

As a result of the November 4, 2014 elections, the control of the Senate will shift from the Democrats to the Republicans which will result in a change of committee leadership in addition to overall floor management. Senator Murkowski, of Alaska, is expected to chair the Energy and Natural Resources Committee and Senator Inhofe, of Oklahoma, is expected to chair the Environment and Public Works Committee. It is not clear whether the current Congress will pass an additional Continuing Resolution to enable the federal government to continue to be funded after the existing one expires on December 11, 2014 or whether some other form of appropriations bill will move forward.

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