

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

September 8, 2014

ADMINISTRATION

Minutes of the August 13 2014 Meeting of the Colorado River Board

A copy of the draft Board meeting minutes from the meeting held on August 13, 2014 has been included in the Board packet for your review.

COLORADO RIVER BASIN WATER REPORT

As of September 2, 2014, the water level at Lake Mead was at 1,081.66 feet with 10.15 million acre-feet (maf) of storage, or 39% of capacity. At Lake Powell, the water level was at 3,605 feet with 12.31 maf of storage, or 51% of capacity. The total System active storage as of September 1, 2014 was 30.21 maf, or 51% of capacity, which is 382,000 af more than one year ago with the System storage at 50% of capacity. As of September 2, 2014, the Upper Colorado River Basin reservoirs other than Lake Powell ranged from 97% full (Fontenelle in Wyoming) to 64% full (Navajo in New Mexico). The unregulated inflow into Lake Powell for Water Year 2014, is forecast to be 10.27 maf, or 95% of average. Precipitation as of September 2, 2014 for Water Year 2014 is reported at 102% of average for the Upper Colorado River Basin.

The monthly precipitation reports for July and August 2014 show that the majority of the Basin received above-average precipitation. Significant portions of the West continue to experience drought conditions, with some relief being experienced in Wyoming and northern Colorado.

2015 Annual Operating Plan Draft

On September 4, 2014, the Bureau of Reclamation held its third and final consultation meeting regarding the 2015 Colorado River Annual Operating Plan. Based on Reclamation's August 24-month study, the release amount from Lake Powell in 2015 is predicted to be 9.0 million acre-feet. Similarly, the current projections indicate that the Normal or ICS Surplus Condition is projected as the Lower Basin's operating tier. During the September consultation meeting, Reclamation presented updates regarding the Upper and Lower Basin hydrology and projections for potential shortages and surpluses for the next few years.

The latest version of the draft AOP and Reclamation's September 4, 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/AOP15_3rd_Consultation_PPT.pdf

CALIFORNIA DROUGHT UPDATE

Despite recent rainstorms in the Lower Colorado River Basin, the drought conditions within California have not improved. 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 weekly Drought Briefs to provide updates on current conditions, key action items and drought response activities.

The September 2, 2014 Drought Monitor map for California indicates that over 58% 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 September 2, 2014, over 4,429 wildfires have burned over 84,800 acres of land.

COLORADO RIVER BASIN PROGRAM REPORTS

Colorado River Basin Water Supply and Demand Study

On August 15, 2014, the Basin Study Coordination Committee convened in San Diego to discuss the status of the Phase 1 draft reports. During the meeting, the co-chairs from the Environmental Flows and Recreation and the Agricultural Conservation, Productivity, and Water Transfers workgroups presented highlights from the draft reports and received responsive comments. A draft of the Municipal and Industrial Conservation and Reuse workgroup Phase 1 report is expected later this week. The M&I workgroup's co-chairs indicated there had been some difficulties encountered because of inconsistencies in the data reporting and recording methodologies that had been used to gather information for the report.

A public release of the Phase 1 reports is anticipated in late November. On August 21, the Environmental Flows and Recreation Workgroup held a follow-up call to discuss the review and comments regarding the Phase 1 report and an additional call is scheduled for the week of October 6. The Agricultural Conservation, Productivity, and Water Transfers Workgroup held a follow-up call on September 9.

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. 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.

Minute 319 Implementation

Certain Minute 319 bi-national workgroups continued to meet during August to continue progress toward implementation of Minute 319. The Rosarito desalination workgroup met on August 20 in Tijuana, Mexico to continue discussions on development of a desalination plant in

Mexico that could be partially funded by U.S. investments in exchange for direct deliveries of water to the San Diego area or through an exchange of Colorado River water to other U.S. water users. For the Colorado River exchanges, the goal would be to build upon the programs developed in Minute 319 for the creation of Intentionally Created Mexican Apportionment. The next workgroup meeting is scheduled for September 26 in San Ysidro.

The hydrology workgroup met on August 22 in Tijuana, MX to continue coordination efforts as provided in Minute 319. The Mexican participants have proposed additional studies to use to evaluate drought conditions. The U.S. participants are preparing responses to the proposals and will present them at the next meeting which is scheduled for September 25.

The environmental flows workgroup is drafting an initial report regarding the results of the spring pulse flow. Bi-national monitoring efforts will continue to evaluate the operational, hydrologic and ecological conditions created as a result of the pulse flow and a formal report will be presented to the Principal Engineers and the Environmental Workgroup in 2016, with a final report will be prepared by 2018.

Colorado River Basin Salinity Control Program

The Salinity Control Program Work Group is scheduled to meet in Salt Lake City, Utah, on September 24-25, 2014. The Forum and Advisory Council will hold their fall meetings in Santa Fe, New Mexico, on October 28-29, 2014.

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

The Glen Canyon Dam Adaptive Management Work Group (AMWG) met, in Flagstaff, Arizona, on August 27-28, 2014. The primary purpose of the meeting was to review and discuss the final draft of the triennial budget associated with implementation of the Glen Canyon Dam Adaptive Management Program (AMP) by Reclamation and the Grand Canyon Monitoring and Research Center (GCMRC). The proposed triennial budget covers the period of Fiscal-Years 2015 through 2017. In FY-2014, the total budget for the AMP was \$10.4 million. For FY-2015, the proposed budget is \$9.5 million; and for FY-2016 and FY-2017, the budgets are proposed to be \$9.8 million in each year.

The AMWG received updates regarding basinwide hydrology, scientific investigations, and a report from the Technical Work Group. Additionally, the AMWG adopted a recommendation for a proposed Water-Year 2015 Hydrograph for Glen Canyon Dam that conforms with the annual release volume projected in the 2015 Annual Operating Plan. Reclamation also briefed the AMWG about the potential for a Fall 2014 High Flow Experiment (HFE). A prerequisite to conducting a Fall HFE would be the accumulation of a significant amount of sediment into the mainstream near the confluence with the Paria River near Lee's Ferry. Currently, there is not enough sediment to trigger a Fall HFE, but September monsoon storm activity could add additional supplies of sediment.

The AMWG received a report regarding the status of the Minute 319 Pulse Flow that was performed during the spring. Reclamation staff also provided the AMWG with an update regarding the current status of endangered razorback sucker in Lake Mead and in western Grand Canyon National Park. Representatives of Reclamation and the National Park Service provided a brief report on the status of the Long-Term Experimental and Management Plan (LTEMP) EIS.

The Basin States and their science advisors continue to work with the Department of the Interior to develop a proposed alternative for evaluation in the EIS process. The goal continues to be to refine the Resource-Targeted Condition-Dependent (RTCD) Alternative developed by the Basin States in July 2012 and to try to develop a “hybrid” alternative with the Condition-Dependent Adaptive Strategy (CDAS) Alternative developed by DOI. A meeting with the DOI Management Team to discuss the “hybrid” alternative was held on August 19 and an additional meeting is scheduled for September 18. Reclamation and NPS have a goal to release the draft LTEMP EIS by the end of January 2015 for review and comment.

Lower Colorado River Multi-Species Conservation Program

As was reported during the August 13 Colorado River Board meeting, due to an inadvertent application of an incorrect inflation index, the LCR MSCP program had been underfunded over the previous four years by approximately \$7.6 million. All of the LCR MSCP contributors have agreed that the underfunded amount will be repaid in conjunction with the annual contributions schedule associated with the Fiscal Year 2015 payments for Program implementation. Reclamation is currently in the process of sending out the quarterly billing statements for the first period in FY-15, and the amount in that billing statement includes both the FY-15 annual contribution amount as well as the pro-rata share of the under-funded amount due to the Program. California entities will be responsible for payment of approximately \$2 million of the total under-payment amount.

On August 15, 2014, the U.S. Fish and Wildlife Service published a proposed rule in the *Federal Register* designating critical habitat for the threatened western yellow-billed cuckoo. The proposed critical habitat designated for the species covers much of the riparian habitat within the Colorado River Basin and west coast region of the United States. The primary habitat for the western yellow-billed cuckoo is cottonwood and willow gallery forests along river systems that are utilized for feeding, breeding, and sheltering. The LCR MSCP has been implementing specific conservation measures and habitat restoration activities targeted at protecting and enhancing western yellow-billed cuckoo populations along the Lower Colorado River and monitoring indicates an increased use of the LCR MSCP-created habitats by western yellow-billed cuckoos.

Board staff will prepare comments requesting that areas included within existing habitat conservation plans that target the western yellow-billed cuckoo should be excluded from the critical habitat designation in a final rule. That request would be consistent with the southwestern willow flycatcher critical habitat designation final rule (January 3, 2013), where the USFWS excluded all of the lands included within the LCR MSCP planning area (i.e., full-pool elevation of Lake Mead and LCR historic floodplain to the Southerly International Boundary

with Mexico) and the USFWS national wildlife refuges along the LCR. Comments on the proposed rule are due on October 14, 2014.

A meeting of the LCR MSCP workgroup is scheduled for September 24, 2014 in Las Vegas, NV. The discussion will include an update on the status of the Hualapai Tribe Water Rights Settlement/Planet Ranch acquisition. As a reminder, the proposed settlement contemplates that approximately 5,500 acre-feet of water would be leased to the LCR MSCP in exchange for \$8.3 million provided by the LCR MSCP. Freeport McMoRan would donate Planet Ranch (3,418 acres) to the Arizona Game and Fish Commission and a portion of the ranch lands would be restored to include 550 acres of new LCR MSCP habitat (cottonwood-willow and marsh). US FWS would also credit the LCR MSCP with an additional 396 acres of habitat establishment for protecting the existing cottonwood-willow gallery forest habitat on the Bill Williams River National Wildlife Refuge.

ANNOUNCEMENTS AND NOTICES

Personnel Changes

Anne Castle, Assistant Secretary for Water and Science at the Department of the Interior has announced that she will resign her position at the end of September 2014. There has been no announcement yet regarding her potential replacement.

Larry Walkoviak, the Bureau of Reclamation's Upper Colorado Regional Director, has announced his retirement effective October 3, 2014. There has been no announcement yet regarding his potential replacement.

Events

On September 27, 2014, the Bureau of Reclamation will host a celebration of the 50th anniversary of power generation at Glen Canyon Dam from 12-4 pm. Interior Secretary Sally Jewell is expected to attend the event.

Updates

Proposition 1 – Water Quality, Supply and Infrastructure Improvement Act of 2014

On August 13, 2014, Governor Brown signed AB 1471 to authorize placement of Proposition 1 on the November 4, 2014 ballot in California for approval. The measure provides for a total of \$7.5 billion in general obligation bonds for various water-related programs.

Navajo Nation v. Department of the Interior (AZ)

As reported during the August 13 Colorado River Board meeting, on July 22, 2014, the Federal District Court in Arizona issued an order dismissing the Navajo Nation's claims against

the Department of the Interior alleging that the DOI had violated its trust obligation, NEPA and the Administrative Procedures Act by entering into various agreements affecting issues on the Colorado River, such as the Interim Surplus Criteria and the 2007 Interim Guidelines, without taking into consideration the Navajo Nation's water rights. On August 18, 2014, the Navajo Nation filed a motion to modify the Court's dismissal order to grant the Navajo Nation leave to amend certain claims (first (NEPA violation), second (NEPA violation) and seventh (breach of trust)) that had been dismissed. The Navajo Nation agreed it would not appeal the dismissal of its other claims. The United States and the intervening parties have a deadline of September 12 to respond to the motion.

Pacific Institute Report regarding the Salton Sea

The Pacific Institute recently completed a study relating to the Salton Sea. A link to the study is: pacinst.org/publication/hazards-toll.

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Executive Director