

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

October 12, 2015

ADMINISTRATION

Minutes of the August 12, 2015 and September 9, 2015 Meetings of the Colorado River Board

The draft Minutes from the Board meeting held on August 12, 2015 and September 9, 2015 are included in the Board packet for review and approval during the October 14 Board meeting.

Review and Approval of a Resolution relating to the Water Supply Project

Included in the Board packet is a proposed Resolution relating to an application to utilize up to 1 acre-foot of water per year from the Water Supply Project for residential use in San Bernardino County.

COLORADO RIVER BASIN WATER REPORT

October 1, 2015 marks the first day of Water Year 2016. As of October 5, 2015, the water level at Lake Mead was at 1,078.38 feet with 9.88 million acre-feet of storage, or 38% of capacity. The water level at Lake Powell was at 3,605.7 feet with 12.30 million acre-feet of storage, or 51% of capacity. As of October 4, 2015, the total system storage was at 30.25 million acre-feet, or 51% of capacity, which is about 160,000 acre-feet more than this time last year. As of August 30, 2015, the Upper Colorado River Basin reservoirs, other than Lake Powell, ranged from 73% capacity at Fontenelle Reservoir to 92% capacity at Flaming Gorge Reservoir, both in Wyoming.

Lower Basin water use forecasts continue to reflect decreased water uses by irrigation districts in California and Arizona. Deliveries to Mexico are forecast to be 20,621 acre-feet above the 1.5 million acre-feet Treaty obligation as of August 31, 2015, and the amount of water forecasted to be bypassed to Mexico through the Welton-Mohawk bypass drain pursuant to Minute 242 is 144,942 acre-feet.

California Drought Update

The National Drought Monitor map indicates that during August 46% of the State continues to be in the "exceptional drought" category of drought and reservoir levels continue to be well below average. Agencies throughout the State have continued to meet the water use reduction requirements imposed pursuant to Governor Brown's April 1, 2015 Executive Order. In addition to seeing record low snowpack levels, Water Year 2015 concluded as the warmest year ever. Fire activity has continued to remain well above average and firefighters have responded to over 7,100 fires this year, which have burned 766,974 acres.

COLORADO RIVER BASIN PROGRAM REPORTS

Basin States Drought Contingency Planning

The Central Arizona Project has proposed clarifying modifications in connection with its ICS Creation Plan to address concerns raised by the IID Board last month. Reclamation supports the adoption of the modifications which provide specificity regarding how the water reductions within the CAP service area will be documented. CAP and ADWR estimate that the new program could generate up to 95,922 acre-feet of conserved water in 2015 and a similar amount in 2016.

The Bureau of Reclamation has continued to implement the Pilot System Conservation Agreement in the Lower Basin and it is anticipated that additional contracts will be finalized within the next few months. In the Upper Basin, the Upper Colorado River Commission is overseeing the program and has approved an initial round of system conservation proposals. Pursuant to congressional authorization approved in connection with last year's Consolidated Appropriations Act, Reclamation will prepare a report summarizing the results of the pilot program by the end of 2018.

Reclamation's By-Pass Flows work group will meet on October 26, 2015 in Yuma, Arizona to continue discussion of potential options to reduce system losses and improve efficiencies in the Yuma area and with special emphasis on the options for utilizing more of the water that is by-passed through the Welton-Mohawk drainage system and delivered to the Cienega de Santa Clara in Mexico. Operations under consideration include operation of the Yuma Desalting Plant at some level and increasing pumping at the Minute 242 wellfield. The ultimate goal of the process is to increase water storage in Lake Mead and

Colorado River Basin Salinity Control Program

As one of the cooperating agencies for the Paradox Valley Unit Alternative EIS process, Board staff participated in the recent cooperating agencies meeting on September 21, 2015. On the operations and management of the Paradox Valley Unit, Reclamation reported that there has been no indication of recent issues with well operations. The maximum pressure has flat-lined over the past two years and no major seismic events have occurred in the past year. Reclamation presented a process diagram that will be incorporated into the schedule for completion of the EIS. The process diagram includes a contingency plan in the event the current injection well fails before the completion of the EIS. Reclamation's plan is to continue with the EIS evaluation process as long as the well is working properly, but if the well fails, and the EIS Record of Decision has not been completed, upon consultation with the Salinity Control Forum, Reclamation proposes to proceed with an emergency approval process to drill a replacement well.

Reclamation updated the cooperating agencies on the EIS alternatives under consideration. Reclamation is proceeding with the studies recommended by the Evaporation Pond Consulting Review Board which include a hydrogen sulfide management study, a pond optimization study, a by-product disposal study, and an ecological risk assessment. Reclamation will continue its efforts on cost estimates for construction of evaporation ponds.

Reclamation is also evaluating options for infrastructure, drilling, and potential sites for a

new injection well. The ranking of potential sites is expected to be completed by the fall of 2016. Reclamation has received some interest regarding the commercial use of the brine and is evaluating those options. The next cooperating agencies meeting will be early next year when some the contracted studies are underway.

The Salinity Control Forum's Work Group met on September 22-24 in Glenwood Springs, Colorado. The Work Group members heard an update on the efforts of the Salinity Economic Damage Model subcommittee. The states continue to work with Reclamation to acquire data to be included in the model. Reclamation expects to release a Statement of Work by end of the year to get a contractor on-board by the beginning of 2016 for the model update, but the major changes will not be made in time to be incorporated into the 2017 Triennial Review.

The salinity coordinators for Lower Gunnison and Uinta Basin project areas provided status reports regarding the challenges and experiences that the coordinators have had working with the landowners and canal companies on salinity control projects.

The Forum and the Advisory Council will meet on October 28-29 in Tucson, Arizona, with the Work Group meeting two days prior.

Status of the implementation of Minute 319

The bi-national group that is evaluating options for the potential successor Minute to Minute 319 met on September 10-11 in Tijuana, Mexico and on October 7-8 in Santa Fe, New Mexico. The group reviewed an outline of potential tasks to be assigned to bi-national workgroups that will help guide the negotiations in areas such as system operations, bi-national conservation projects, salinity and environmental projects. A tour of the Colorado River Delta in Mexico is planned for November 5 which will feature a visit to some of the habitat restoration areas and will provide an overview of the restoration progress since last year's pulse flow. The next meeting of the bi-national negotiating group is scheduled for November 12-13 in Mexicali, Mexico.

Status of the Glen Canyon Dam Adaptive Management Program

Members of the Glen Canyon Dam Adaptive Management Program and representatives of the Department of the Interior participated in a call on September 30, 2015 to evaluate the potential for implementation of a high flow experiment (HFE) this November. Although adequate sediment appears to be available to trigger an HFE under the current guidelines, the recent discovery of a population of green sunfish, a nonnative, high-risk predatory fish that disperses via flood flows, has made the implementation of an HFE in the fall of 2015 unlikely. A fish removal trip in late August removed 2,500 sunfish, which is 1,000 more fish than the number captured and removed in early August. Scientists have recently completed a risk assessment for the green sunfish and are evaluating possible next steps.

Cooperating agencies on the Long-Term Experimental and Management Plan Environmental Impact Statement submitted comments on the draft document to DOI on September 30. A public draft is expected in December 2015, with a 60-day comment period. A final record of decision and biological opinion is expected in late spring or early summer of 2016.

The Technical Work Group of the GCDAMP will meet on October 20-21 in Phoenix, AZ and discussion topics will include the green sunfish, the LTEMP science plan, the 2015 HFE process, and the status of the trout fishery.

Status of the Lower Colorado River Multi-Species Conservation Program

The Work Group of the Lower Colorado River Multi-Species Conservation Program met on September 30 in Las Vegas, NV. The group discussed the recently completed Fish Augmentation Plan, which will guide native fish stocking efforts for 2015-2020. The northern Mexican gartersnake, a species recently listed as federally threatened, was discussed for possible inclusion in the Program as a covered species. Reclamation has been asked to look into how to add the species to the programmatic documents and permits. The Steering Committee is expected to take action on the species within the next few meetings.

The Supreme Court of Arizona will hold a hearing on the lawsuit challenging the Arizona Department of Water Resource's approval of the acquisition of the Planet Ranch property on October 13. The work group received updates on pending habitat acquisition and creation projects, including several in California. The Program managers are working to develop habitat designs for Parker Dam Camp (below Parker Dam), Mohave Valley (near Needles), Palo Verde Ecological Reserve South, and Three-Fingers Lake (outside Blythe). Funds from the Program's Habitat Maintenance Fund are also being considered for use in the reengineering of canals that supply water to Topock Marsh.

The LCR MSCP Steering Committee will meet on October 28 in Las Vegas, NV.

ANNOUNCEMENTS

On October 9, 2015, Governor Brown signed legislation authorizing new actions to support restoration activities at the Salton Sea. The actions include restoring up to 12,000 acres of shoreline habitat over the next five years, restoring up to 25,000 acres of additional exposed shoreline starting in 2020, and convening a scientific advisory committee to ensure that the best available science guides the habitat restoration efforts. The Governor's press release indicates that the Natural Resources Agency will work with "Colorado River officials" to accelerate planning, permitting and construction of "shovel-ready" restoration projects at the Salton Sea that are in either the final planning, environmental review or permitting phase by March, 2016.

A Salton Sea Task Force, established in May, obtained input from state, local and federal agencies, and as was noted last month, Governor Brown appointed Bruce Wilcox, formerly of IID, as the assistant secretary for Salton Sea policy at the Natural Resources Agency to oversee habitat restoration efforts along the shoreline. An organizational meeting is scheduled for October 14, 2015 in Sacramento to review revised restoration and management plans and to discuss efforts to streamline project permitting. A follow-up meeting is slated for early November in the Salton Sea area.

On October 8, 2015, the Senate Energy and Natural Resources Committee held a legislative

hearing on pending drought bills, including drought relief legislation introduced by Senators Feinstein and Boxer, S. 1894, and H.R. 2898 which had previously passed the House. Witnesses included Jeff Kightlinger and Mike Connor. Arizona's Senator Flake asked Mr. Connor a few questions about Interior's authority to allocate unused apportionment from one Lower Basin State to another and Mr. Connor responded that the current practice has been for Interior to consult with the Lower Basin States prior to any such allocation and that since the adoption of the 2007 Guidelines, no unused apportionment has been moved from one State to another State. The Committee has not announced the date for a Business Meeting that would provide an opportunity for the Committee Members to vote on the pending bills and would be an opportunity for Members to offer amendments to bills under consideration by the Committee. Board staff has previously provided comments to the Committee staff and California's delegation members that inclusion of provisions in legislation that would adversely affect California's Colorado River interests would be opposed.

The Colorado Basin River Forecast Center has scheduled a Stakeholder Forum on October 20, 2015 in Salt Lake City and by webinar and on October 21 they will host a 2015 Water Supply Verification Webinar. <http://www.cbrfc.noaa.gov/present/2015/forum/2015forum.htm> The Forecast Center provides information to the Bureau of Reclamation for use in developing the 24-Month Study, among other information.

The Bureau of Reclamation announced the selection of David Palumbo as the new Deputy Commissioner for Operations in Washington, DC. Mr. Palumbo previously served as one of the Deputy Regional Directors in the Lower Colorado River Region and will be very familiar with Lower Colorado River issues as he moves on to a Reclamation-wide leadership position.

Former Assistant Secretary Anne Castle has taken a new position with the University of Colorado School of Law in Boulder, Colorado and will be focusing her work on the new State Water Plan that is under development in Colorado.

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Executive Director