

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

September 12, 2016

ADMINISTRATION

Minutes of the August 11, 2016 Meeting of the Colorado River Board

A draft of the Minutes from the Board meeting held on August 11, 2016 has been circulated for review.

Consideration of applications for water subcontracts from the Lower Colorado Water Supply Project

The Board packet includes a proposed Resolution Regarding Potential Applicants to Receive Lower Colorado Water Supply Project Water seeking approval for applications for three different parcels of land in San Bernardino County for a total of 3 acre-feet of current or future uses.

During the Board meeting on June 15, 2016, CRB staff provided background regarding the Water Supply Project and an update regarding the status of the completion of State II of the project that will expand the pumping capabilities to 10,000 acre-feet. Coincidentally, September 14, 2016 marks the 15th anniversary of the Board's extensive efforts in 2001 to identify property owners within the Colorado River flood plain and within the accounting surface delineated by USGS, and to notify them of the need to obtain a legal entitlement to use Colorado River water. Board staff mailed letters to over 1000 individuals and held at least three public meetings during September 2001, and since 2001, the Board has received over 650 applications for use of water from the project. Since 2001, the Board has recommended approximately 5,900 acre-feet of water for subcontracting with the City of Needles under the Water Supply Project. In 2015, only 269 acre-feet of water was recorded as used under the project in the Decree Accounting Report. Pursuant to a 1992 amendment of the original 1986 authorization for the project, MWD is entitled to divert the remaining capacity of the project and in 2015 was able to divert 6,722 acre-feet of water. As evidenced by the current applications pending before the Board, Board staff continue to review incoming applications to ensure they meet the Water Supply Project eligibility criteria (e.g. non agricultural uses not covered by an existing water right) and to coordinate efforts with the City of Needles and Reclamation to develop additional subcontracts and otherwise implement the project. CRB staff recommends that the Board approve Resolution 2016-1 during its meeting on September 14.

As a related matter, Colorado River Board staff continues to monitor the ongoing permitting process for several solar energy projects to be developed within California that have the potential to impact Colorado River water rights. As described during the June 15 Board meeting, Board staff have submitted comments to the California Energy Commission and the Bureau of Land Management indicating that approvals of any new projects must include conditions to ensure

that impacts to the Colorado River will be mitigated so as not to increase any depletions within the State. Board staff is coordinating with Reclamation and the CEC staff to prepare comments regarding acceptable offset options, which currently focus on negotiations with MWD for a water supply for the potential projects.

COLORADO RIVER BASIN WATER REPORT

As of September 6, 2016, the water level at Lake Mead was at 1075.30 feet with 9.63 million acre-feet of storage, or 37% of capacity. As of September 6, the water level at Lake Powell was at 3,613.07 feet with 13.04 million acre-feet of storage, or 54% of capacity. As of September 5, 2016, the total system storage was at 30.60 million acre-feet, or 51% of capacity, which is about 163,000 acre-feet less than where the system storage was at this time last year. As of September 6, 2016, the Upper Colorado River basin reservoirs other than Lake Powell ranged from 96% of capacity at Morrow Point in Colorado to 87% of capacity at Flaming Gorge and 74% at Fontenelle in Wyoming. As of September 1, the preliminary observed April-July runoff forecast for the Upper Colorado River basin is estimated to be 92% of average and the forecasted unregulated inflow into Lake Powell for WY 2016 is 9.63 million acre-feet, or 89% of normal.

On Monday, August 15, 2016, Reclamation held a webinar to discuss the results of the August 24-Month Study, and on September 8, Reclamation held the third consultation for the 2017 Colorado River Annual Operating Plan in Las Vegas, NV. The August 2016 24-Month Study indicates that Lake Mead's elevation is projected to be 1,078.93 feet and Lake Powell's elevation is projected to be 3,605.83 at the end of 2016 which triggers an Upper Elevation Balancing Tier release from Lake Powell of at least 8.23 million acre-feet of water and indicates that the Lower Basin will be operating within the Normal or ICS Surplus operating tier and there will be no Lower Basin shortage in 2017. Based on the current projections, there is a 48% percent chance of shortage in 2018, increasing to a 60% chance of shortage in the following years, but the actual determination for next year will not be made until August 2017, and regular updates will be provided as that determination date becomes closer. Under the terms of Minute 319, which was finalized in 2012, Mexico had agreed to share in shortages if the Lower Basin experienced shortages. Although Minute 319 will expire in 2017 and no shortages will have been taken by Mexico, Mexico and the United States are in negotiations to develop a successor Minute, which may include similar shortage sharing provisions.

COLORADO RIVER BASIN PROGRAM REPORTS

Basin States Drought Contingency Planning

The Lower Basin States have continued to work with Reclamation to develop a Drought Contingency Plan as a follow up to the December 2014 Memorandum of Understanding among the Lower Basin States and major water users. The goals of the plan are to encourage more water savings in Lake Mead in order to decrease the likelihood that Lake Mead will drop below elevation 1,020 and to provide increased flexibility for water users during low reservoir conditions. No agreements have been finalized among the States and discussions and updates are expected to continue throughout the end of the year.

Efforts to continue voluntary conservation efforts are continuing and each of the Lower Basin States anticipates lower consumptive uses or maintaining additional storage in 2016, which

will continue to contribute to maintaining the elevation levels in Lake Mead. For the past several years, the Lower Basin States have agreed to voluntarily leave water in Lake Mead.

Colorado River Basin Salinity Control Program

The Salinity Control Work Group met on August 30-September 1 in Cheyenne, WY. Reclamation continues to work on the modeling for the 2017 Triennial review and the first draft of the modeling results will be presented to the Forum during its next meeting on October 26-27 in Moab, Utah. The modeling efforts help advise the Forum regarding the appropriate level of funding to request for the program and the appropriate level of salinity control measures to continue to pursue. A tour and celebration of the 20th Anniversary of the Paradox Valley Unit injection well will be held in conjunction with the Forum meetings. The Paradox well has been the largest single source of salinity control that the program has implemented and has been effective in reducing the salt levels in the river by approximately 110,000 tons of salt per year. Reductions in salinity translate directly to more efficient agricultural water usage, more efficient water reuse potential and cost savings on fixture replacements. A draft video describing the Colorado River Basin Salinity Control Program, the causes of salt load increases in the River, the impacts of high salinity levels, and the success and continuing need for the program has been developed. The video includes photos of salinity damages to agriculture, municipal/industrial uses, and the environment in both the Upper Basin and the Lower Basin.

Status of the implementation of Minute 319 and negotiation of Minute 32x

The bi-national negotiating group that is evaluating options for the potential successor to Minute 319 met most recently on August 24-26 in El Paso to continue discussion of potential items to include in the next Minute. Mexico's participation in drought contingency planning efforts to increase and protect Lake Mead's elevation levels has continued to be a topic of the bi-national discussions. Elements under discussion include whether to extend or expand the current provisions of Minute 319 through 2026 so that the new Minute would coincide with the timeline of the 2007 Interim Guidelines. The new Minute will build off of the elements of Minute 319 and no major modifications are anticipated. Development of the key domestic implementation agreements will start as soon as the basic elements of the new Minute have come together. On September 7, Interior Secretary Jewell, Deputy Secretary Connor and Commissioner Lopez met with the Mexican Ambassador to the U.S. and the topics of discussion included a confirmation from both federal administrations that there is a desire to try to complete the negotiations of the next Minute by the end of this year. On September 6, Commissioner Lopez confirmed to the Basin States that the U.S. does not intend to conclude negotiations with Mexico without the full support and consensus of the Basin States. During the discussion with the Mexican Ambassador, Commissioner Lopez emphasized the need to maintain the delicate balance of benefits to both countries within Minute 319 and stressed the need to keep both countries in alignment with regard to shortage and surplus conditions. On August 22, the Department of the Interior and the International Boundary Water Commission provided a briefing to Congressional staff from the Foreign Relations Committee and from other Basin States delegation offices regarding the status of Minute 319 and the negotiations for Minute 32x. If a new Minute is successfully negotiated this year, the IBWC and DOI will provide a more detailed presentation to the committee in accordance with its standard practice of consulting with the committee in connection with new minutes.

Status of the Glen Canyon Dam Adaptive Management Program

The Adaptive Management Work Group (AMWG) of the Glen Canyon Dam Adaptive Management Program met on August 24-25 in Flagstaff, Arizona. The group approved the FY17 budget, work plan, and hydrograph. Researchers reported that a High Flow Experiment this fall was unlikely based on inadequate sediment conditions. Despite eradication efforts last year, a population of invasive green sunfish has reestablished below Glen Canyon Dam and could also negatively affect the possibility of carrying out an HFE. National Park Service staff are working to remove the recently discovered fish and are planning for a longer-term solution to remove habitat features being used by the fish.

Scientists reported that although numbers of adult humpback chub appear to be stable, the fish have apparently skipped spawning two years in a row and have been in consistently poor condition since late 2014, with juvenile fish catches at low levels. Researchers believe this is due to low food availability, which is also believed to be affecting numbers of rainbow trout below Glen Canyon Dam, which have been low since 2014. Additionally, an unusually high number of brown trout were captured below the dam in 2015. Brown trout are a more effective predator than rainbow trout and could threaten populations of native fish.

The AMWG were provided an update on the progress of the Long-Term Experimental and Management Plan (LTEMP) EIS, which is expected to be finalized in September, with a Record of Decision issued in November. A final Biological Opinion is expected in October. The Technical Work Group is scheduled to meet on October 18-19, 2016, in Phoenix, Arizona and will receive updates regarding the proposed Science Plan to be utilized in connection with LTEMP.

Status of the Lower Colorado River Multi-Species Conservation Program

The LCR MSCP Work Group will meet on September 29 and the Steering Committee will meet October 26, both in Las Vegas, Nevada. The Work Group is continuing to discuss the potential options for including the threatened Northern Mexican gartersnake as an LCR MSCP “covered species” and identifying feasible conservation measures for the species. The Northern Mexican gartersnake has been recently found along the Bill Williams River in Arizona near the newly acquired Planet Ranch property, as well in the Beal Lake Conservation Area on Havasu National Wildlife Refuge on the mainstream Colorado River.

On September 12, Executive Director Trujillo sent letters to the California entities that purchase power from Hoover Dam to advise them of new proportionate shares of LCR MSCP costs as a result of the recent change to the Hoover Power contracts. Those entities will receive a credit adjusting their contributions downward slightly due to the addition of new contributing parties to the LCR MSCP cost sharing formula.

ANNOUNCEMENTS

(a) On August 31, 2016, the Department of the Interior and the California Department of Natural Resources signed a Memorandum of Understanding regarding Coordination of Activities to Manage the Salton Sea. The purpose of the MOU is to ensure long-term coordination

on projects that improve the air and water quality at the Salton Sea. Pursuant to the MOU, DOI and CNRA agreed to create a Salton Sea Working Group and to work to develop 25,000 acres of wildlife habitat, air and water quality projects and other projects to minimize human health and ecosystem impacts at the Salton Sea through 2025. The agencies agreed to continue to develop science and monitoring programs and coordinate with the Department of Agriculture and others on projects at the Salton Sea. The State has already appropriated \$80 million toward Salton Sea restoration efforts and through the MOU, the United States committed to fund \$30 million in projects associated with the Salton Sea Management Program over the next 10 years and to continue efforts to develop other funding sources. Non-governmental sources have pledged \$10 million in funding to support the State and Federal efforts. More information regarding the Salton Sea Management Program can be found at: <http://resources.ca.gov/salton-sea/>.

(b) Colorado River Board staff will participate in the second meeting of the Colorado River Traveling Exhibit Advisory Committee on October 4-5, 2016 in Chicago, Illinois which will include a tour the Chicago Field Museum. Staff from the Field Museum are leading the efforts to develop the goals and content of the Colorado River exhibition with the assistance of a steering committee from within the Basin.

(c) During the June 15 Colorado River Authority meeting, the Board asked for a review of the oral histories that have been obtained for people involved with Colorado River water and power issues within California. Colorado River Board staff has circulated a list of existing oral histories and has asked for input from the agencies regarding additional histories to obtain from new candidates. Please send any additional inquiries, comments or recommendations to Angela Rashid at arashid@crb.ca.gov. A report will be made during a subsequent meeting regarding the results of the input received from the agencies.

(d) On June 22, 2016, Reclamation hosted a meeting regarding Phase 2 of the Basin Study's next steps process. The goal of Phase 2 will be to implement pilot projects to test innovative ways to address some of the water supply/demand imbalance challenges identified in the Basin Study and to look for ways to promote water supply sustainability and demonstrate a high degree of stakeholder partnerships. During the meeting the group reviewed the goals, objectives, and selection criteria for the proposed pilot projects. Reclamation is still evaluating the best way to allocate additional funding toward this effort, and additional funding contributions, will be requested at a later date.

(e) The Colorado River Water Users Association meeting is scheduled to be held on December 14-16, 2016 in Las Vegas, NV. CRB staff is assisting with the development of the program and preparation of a video and slide show that will be presented during the program. If any agencies would like to contribute material, please contact Angela Rashid at arashid@crb.ca.gov.

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