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

January 8, 2019

ADMINISTRATION

Minutes of the December 12, 2018 Meeting of the Colorado River Board

A draft of the minutes from the December 12, 2018, meeting of the Colorado River Board of California (Board) held in Las Vegas, Nevada, has been prepared and is included in the Board folder for review and proposed adoption during the January 9, 2019, Board meeting.

COLORADO RIVER BASIN WATER REPORT

As of January 7th, the water level at Lake Powell was 3,580.33 feet with 9.97 million-acre feet (MAF) of storage, or 41% of capacity. The water level at Lake Mead was 1,082.21 feet with 10.20 MAF of storage, or 39% of capacity. As of January 6th, the total system storage was 26.99 MAF, or 45% of capacity, which is about 5.0 MAF less than the system storage at this same time last year.

As of January 1st, the Upper Colorado River basin reservoirs, excluding Lake Powell, ranged from 53% of capacity at Fontenelle Reservoir in Wyoming; 87% of capacity at Flaming Gorge Reservoir in Wyoming and Utah; 89% of capacity at Morrow Point and 30% of capacity at Blue Mesa Reservoirs in Colorado; and 52% of capacity at Navajo Reservoir in New Mexico.

As of January 7th, the forecasted inflow for Water Year 2019 is 6.98 MAF (64% of normal). The forecasted April to July 2019 runoff into Lake Powell is projected to be 4.55 MAF (64% of normal). The December 2018 observed Lake Powell inflow was 0.228 MAF (63% of normal), and the January Lake Powell inflow forecast is 0.235 MAF (65% of normal). The WY-2019 precipitation to date is 95% of normal. The current basin snowpack is 87% of normal.

Status of the 2019 Annual Operating Plan

A final draft of the proposed 2019 Annual Operating Plan (AOP) for Colorado River Reservoirs is currently posted on Reclamation's webpage. This proposed AOP has been the subject of three stakeholder meetings over the course of the summer and fall and is currently undergoing final review and expected approval by the Acting Secretary of the Department of the Interior. Generally, the 2019 AOP determinations include the following:

 Based upon the 2007 Interim Guidelines, the Upper Elevation Balancing Tier will govern Lake Powell operations for water year 2019; with the opportunity for an April adjustment, the projected releases from Lake Powell will range from 8.23 MAF to 9.0 MAF, or greater;

- Based upon the 2007 Interim Guidelines, the ICS Surplus Condition will govern releases for use in Arizona, California and Nevada; and water deliveries in the Lower Basin during calendar year 2019 will be limited to 7.5 MAF, plus or minus any credits for ICS; and
- A volume of 1.5 MAF will be available to be scheduled for delivery to Mexico during calendar year 2019; and in accordance with Minute No. 323, Mexico may create water or take delivery of water from Mexico's Water Reserve pursuant to Section V of Minute No. 323.

A copy of the final draft of the 2019 AOP can still be accessed at Reclamation's Lower Colorado Region webpage at https://www.usbr.gov/lc/region/g4000/AOP2019/AOP19_draft.pdf.

COLORADO RIVER BASIN PROGRAM REPORTS

Status of the Lower Basin Drought Contingency Planning Process

Agencies in the Lower Basin states continue to diligently work towards seeking formal agency approvals associated with the inter- and intrastate agreements necessary for the implementation of the Lower Basin Drought Contingency Plan (LB DCP). Toward this end, over the past few weeks agencies in California have held numerous board/agency workshops and briefings related to the LB DCP and are in various stages of the approval process related to individual inter-agency DCP contribution agreements, an amended California ICS Agreement, as well as developing new Intentionally Created Surplus (ICS) exhibits to the 2007 Forbearance Agreement. It is generally expected that seeking all of the required final agency approvals for the DCP package should be completed by early-2019.

In late-December 2018, the Arizona Department of Water Resources (ADWR) and the Central Arizona Water Conservation District (CAWCD) posted a series of agreements and draft ICS exhibits on-line for public review and comment. The draft Arizona intrastate agreement and proposed ICS exhibits are intended to provide a path forward for Arizona's participation in the LB DCP and can be accessed at https://new.azwater.gov/public-notice/ics-process.

The draft Arizona Framework Agreement is between the United States and the State of Arizona and CAWCD and describes the terms and conditions for the creation of ICS within Arizona that can be utilized to help meet its DCP contribution obligations pursuant to the LB DCP. The proposed Arizona ICS exhibits include exhibits from CAWCD, Colorado River Indian Tribes, Gila River Indian Community, Mohave Valley Irrigation and Drainage District and two exhibits from the Wellton-Mohawk Irrigation and Drainage District.

Reclamation staff from the Boulder Canyon Operations Office are currently working with all of the contractors who are developing proposed new ICS exhibits to the 2007 Forbearance Agreement. Once those one-on-one consultations are completed, Reclamation intends to distribute the complete package of proposed new ICS exhibits from contractors within Arizona, California and Nevada for review and comment. Reclamation hopes to convene either face-to-face meetings or conference calls to discuss and resolve any issues that are identified related to these new ICS exhibits. It is expected that final approval for the proposed ICS exhibits can be obtained in

February 2019. Final approval will require the approval of each of the signatories to the 2007 Forbearance Agreement. Currently, in California it is expected that new ICS exhibits to the 2007 Forbearance Agreement are being prepared by CVWD, IID and MWD. California contractors that will be required to approve the proposed new ICS exhibits include: CVWD, IID, MWD, PVID and the City of Needles. Finally, in Nevada, in conjunction with the LB DCP package, the Southern Nevada Water Authority has submitted a proposed new ICS exhibit for review and approval.

Status of the Colorado River Salinity Control Program

The Salinity Control Forum's Management Committee met in Las Vegas at the recent Colorado River Water Users Association conference regarding the Paradox Valley Unit EIS Alternative Study. Due to the alternatives identified in the EIS affecting BLM lands, BLM requested that Reclamation's study provide more detail and information about Visual Resources, Cultural Resources and Air Quality. These studies will need to be contracted out, thus pushing out the overall EIS schedule by three to six months. The new Draft EIS completion schedule will be available once the contract award dates for this additional work are known. The Draft EIS is scheduled for release in Winter of 2019/2020 with the Final EIS in Summer of 2020. The joint Reclamation/BLM Record of Decision is expected to be issued in the Summer/Fall of 2020.

The next meeting of the Salinity Control Forum's Work Group has been scheduled for February 20-22, 2019, and will be held in Phoenix, Arizona at the Central Arizona Project's office on Wednesday and Friday, and at the Scottsdale Water Campus on Thursday. The Forum and Advisory Council is planning to hold the Forum's 100th meeting during the first week of June 2019 and the meeting will be held on the grounds of the Colorado State Capitol in Denver, Colorado.

Status of Minute No. 323 Implementation

The Environmental Work Group for Minute No. 323 will meet January 23-24 in Tijuana, Baja California, Mexico. The group will discuss its proposed 2019 plans for restoration, monitoring, and water delivery.

Status of the Glen Canyon Dam Adaptive Management Program

The Technical Work Group for the Glen Canyon Dam Adaptive Management Program will meet February 14th in Phoenix, Arizona. The meeting will take place in conjunction with the group's Annual Reporting Meeting, which will be held February 12-13. The Annual Reporting Meeting allows researchers to report on the previous year's research and the status of relevant resources and program activities.

Status of the Lower Colorado River Multi-Species Conservation Program

The Lower Colorado River Multi-Species Conservation Program (LCR MSCP) will hold its annual Colorado River Terrestrial and Riparian (CRTR) meeting on January 29-31 in Laughlin, Nevada. This meeting will provide researchers across the Colorado River Basin an opportunity to share their latest monitoring and research information with stakeholders.

GENERAL ANNOUNCEMENTS AND UDATES

Washington, D.C. Updates

Government Shut-Down Update

With the adjournment of the 115th Congress and the commencement of the 116th Congress on Thursday, January 3rd, 2019, the federal government remains in a partial shutdown. The new House Majority, House Democrats, have proposed two separate bills. One to reopen eight departments including the EPA and the Department of the Interior through September 2019, another to reopen the Department of Homeland Security through February 8th. Controversy remains over border wall funding provided for in Department of Homeland Security appropriations. Although unlikely, if both bills are passed then the government will be fully operational once again. The Trump Administration has not signaled support for either proposal without border wall funding. Senate Majority Leader Mitch McConnell has insisted that the Senate will not take up an agreement that has not been approved by President Trump. It is unclear how much longer the shutdown will last.

116th Congressional Leadership

California Congresswoman Nancy Pelosi was elected to be Speaker of the House of Representatives at the commencement of the 116th Congress. California Congressman Kevin McCarthy will assume his new role as House Minority Leader. Senator Mitch McConnell will continue his tenure as Majority Leader in the Senate, as will Senator Charles Schumer as minority leader. Energy and climate issues are expected to be a focus in the House this Congress.

116th Committee Assignments

Provided below is a list of important congressional committee leadership assignments in the 116th Congress. One notable change in the Senate is the new ranking member to the Energy and Natural Resources Committee, Senator Joe Manchin of West Virginia. He replaced Senator Maria Cantwell of Washington, who has assumed the ranking member position on the Senate Commerce Committee. Leadership changes in the House will likely result in more oversight hearings and investigations on administrative actions carried out by the executive branch. A major infrastructure package is a priority for this Congress, and those discussions will be led by the Senate Environment and Public Works Committee and the House Transportation and Infrastructure Committee. Another notable expected change is the resumption of earmarks that will allow members to allocate appropriations to specific projects within their own districts and states instead of allowing those decisions to be made by the Executive Branch. This will likely result in higher budget caps for appropriations.

U.S. Senate:

Agriculture:

Chairman: Sen. Pat Roberts (R-KS)

Ranking Member: Sen. Debbie Stabenow (D-MI)

Appropriations:

Chairman: Sen. Richard Shelby (R-AL)

Ranking Member: Sen. Patrick Leahy (D-VT)

Energy and Natural Resources:

Chairwoman: Sen. Lisa Murkowski (R-AK) Ranking Member: Sen. Joe Manchin (D-WV)

U.S. House of Representatives

Agriculture:

Chairman: Rep. Collin Peterson (D-MN)

Ranking Member: Rep. Mike Conaway (R-TX)

Appropriations:

Chairwoman: Rep. Nita Lowey (D-NY)

Ranking Member: Rep. Kay Granger (R-TX)

Natural Resources:

Chairman: Rep. Raul Grijalva (D-AZ)

Ranking Member: Rep. Rob Bishop (R-UT)

Secretary of the Interior Replacement

Ryan Zinke resigned as Secretary of the Interior just before the new year making Deputy Secretary of the Interior David Bernhardt the new Acting Secretary of the Interior. It is still unclear who President Trump will officially nominate as the new Secretary of the Interior, although an announcement could come any day now. Current candidates include but are not limited to: Acting Secretary of the Interior David Bernhardt, former Nevada Senator Dean Heller, and former California Congressman Jeff Denham.

Colorado River Basin Drought Contingency Plan

At the December 2018 Colorado River Water Users Association annual conference in Las Vegas, Nevada, Bureau of Reclamation Commissioner Brenda Burman issued a directive requiring the seven Colorado River Basin States to submit drought contingency plans before January 31st. States that do not comply with this deadline could have their plans completed for them by the federal government.

Clean Water Act Update

The EPA and Army Corps of Engineers have submitted a proposed rule to redefine and reduce the scope of the Clean Water Act. Once published in the federal register, any day now, public comments will be accepted for a period of sixty days. A public hearing will be held in Kansas City, Kansas on January 23rd, 2019.

Christopher Harris Executive Director December 10, 2018