

MONTHLY REPORT TO THE COLORADO RIVER BOARD OF CALIFORNIA

September 15, 2021

COLORADO RIVER BASIN WATER SUPPLY CONDITIONS REPORT

As of September 13th, the surface water elevation at Lake Powell was 3,548.25 feet with 7.46 million-acre feet (MAF) of storage, or 31% of capacity. The surface water elevation at Lake Mead was 1,067.72 feet with 9.02 MAF of storage, or 35% of capacity. As of September 12th, the total system storage was 23.38 MAF, or 39% of capacity, which is about 5.97 MAF less than the total system storage at this same time last year.

As of September 7th, the Upper Basin reservoirs, excluding Lake Powell, were 72% of capacity at Fontenelle Reservoir in Wyoming; 80% of capacity at Flaming Gorge Reservoir in Wyoming and Utah; 94% of capacity at Morrow Point, and 36% of capacity at Blue Mesa Reservoir in Colorado; and 59% of capacity at Navajo Reservoir in New Mexico.

As of September 1st, the forecasted unregulated inflow into Lake Powell for Water Year (WY) 2021 is 3.56 MAF (33% of normal). The observed April through July 2021 runoff into Lake Powell for Water Year-2021 was 1.85 MAF (26% of normal). For WY-2021, the August observed Lake Powell inflow was 0.29 MAF (59% of normal), and the September Lake Powell inflow forecast is 0.20 MAF (49% of normal). To date, WY-2021 precipitation is 82% of normal in the Upper Colorado River Basin. Even with a relatively robust summer monsoon precipitation season, WY-2021 is still shaping up to be the third driest year in the historical period of record (1906-2020).

Colorado River System 5-Year Projected Future Conditions

On September 2, 2021, the U.S. Bureau of Reclamation (Reclamation) provided Basin States technical staff with a preview of changes to assumptions for Colorado River Simulation System (CRSS) modeling for the August 2021, 5-Year Projected Future Conditions. A significant change reported by Reclamation is the removal from the analysis consideration of the Full Natural Flow Hydrology, which provides hydrology input assumptions for the period 1906-2019. Instead, Reclamation has shifted the analysis entirely to the “Stress Test” Hydrology based on the period from 1988-2019. This is significant because the average annual Flow at Lees Ferry is 14.8 million-acre-feet per year (MAFY) for the Full Natural Flow Hydrology compared to 13.3 MAFY for the Stress Test Hydrology. The Stress Test Hydrology is believed to provide a more realistic representation of the Colorado River Basin’s current hydrologic conditions. Another significant

change incorporated in the assumptions for the August 2021, 5-Year Projected Future Conditions is the removal of implementation of the Upper Basin Drought Response Operations Agreement (DROA) from the analysis for the years 2022–2026. Reclamation’s explanation for removing the future DROA assumptions from the analysis is the extreme uncertainty for what could be accomplished under the DROA. Proposed annual DROA actions may be included in future CRSS analyses once the Upper Basin and Reclamation finalize a DROA implementation plan for WY-2022 and potentially beyond. The combination of the use of the Stress Test Hydrology and removal of the DROA assumptions resulted in significantly drier projected conditions for both Lakes Powell and Mead for the 5-year period. Reclamation expects to release the updated August 2021 5-Year Projected Future Conditions table on or about September 20, 2021.

August 24-Month Study Report

As reported in the Board’s August monthly report, Reclamation held a webinar to roll-out the results of the August 2021 24-Month Study Report on Monday, August 16, 2021. Pursuant to the 2007 Interim Guidelines, the August 2021 24-Month Study projections for January 1, 2022, system storage and reservoir water surface elevations are utilized in determining the operational tiers for the coordinated operations of Lakes Powell and Mead during 2022. The August 2021 24-Month Study Report also sets operational targets for Lake Mead operations pursuant to the Lower Basin Drought Contingency Plan (LB DCP) Agreement as well as Minute No. 323.

Based on the August projection, Lake Powell will operate in the Mid-Elevation Release Tier in WY-2022 and will release 7.48 MAF without the potential for a mid-year adjustment in April 2022. In July 2021, supplementary drought operations to protect Lake Powell from going below elevation 3,525 feet were implemented under the Upper Basin DROA which will result in releasing up to an additional 181,000 acre-feet of water from upstream initial units of the Colorado River Storage Project to Lake Powell between July and December 2021. Specifically, these releases will be made from Flaming Gorge Reservoir (125 KAF), Aspinall Unit (36 KAF), and Navajo Reservoir (20 KAF) during the July-December time frame.

Based on the August projections, Lake Mead will operate in a Level 1 Shortage Condition for the first time ever with combined required shortage reductions and water savings contributions of 0.613 MAF in 2022. The specific reductions under the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations of Lake Powell and Lake Mead, 2019 Lower Basin Drought Contingency Plan, and Minute No. 323 to the 1944 Water Treaty with Mexico are:

- Arizona: 512,000 acre-feet, which is approximately 18% of the state’s annual apportionment;

- Nevada: 21,000 acre-feet, which is 7% of the state’s annual apportionment; and
- Mexico: 80,000 acre-feet, which is approximately 5% of the country’s annual allotment.

2022 Colorado River System Annual Operating Plan, Final Consultation

On August 31st, Board and CRB member agency staff participated in Reclamation’s final consultation webinar for the development of the 2022 Annual Operating Plan (AOP) for Colorado River Reservoirs. Reclamation provided an overview of the draft 2022 AOP and accepted comments from stakeholders. Section 602(b) of the 1968 Colorado River Basin Project Act (P.L. 90-537) requires that the Secretary of the Department of the Interior prepare a report documenting the actual operations for the previous water year and projected operations for the upcoming water year. Based upon the conjunctive reservoir operating criteria established within the 2007 Interim Guidelines, the August 24-Month Study Report projections for January 1st elevations in the following year are utilized in determining the operational tiers for the coordinated operations of Lakes Powell and Mead. As described under the August 24-Month Study section, Lake Powell will operate in the Mid-Elevation Release Tier in WY-2022, and will release 7.48 MAF, and Lake Mead will operate in a Level 1 Shortage Condition. The final consultation draft of the 2022 Annual Operating Plan for Colorado River Reservoirs can be accessed and viewed online at:

https://www.usbr.gov/lc/region/g4000/AOP2022/2022%20AOP_2021-08-26_Consultation-3.pdf

“1030 Consultation” Process

The August 2021 24-Month Study Report “minimum probable” inflow forecast shows Lake Mead declining below elevation 1,030’ in July 2023, triggering the consultation provision of Section V.B.2. of Exhibit 1 (i.e., Lower Basin Drought Contingency Operations, or LBOs) of the LB DCP. While senior leadership within the Department of the Interior and the three Lower Basin States have not formally initiated the “1030 consultation” process, the three Lower Basin States have begun to consider, pursuant to Section V.B.2. of the LBOs, what potential “additional measures” could be developed to “...avoid and protect against the potential for Lake Mead to decline below 1,020”. At its August 31, 2021, meeting the Lower Basin Principals directed the formation of several technical working groups to identify actions that could collectively create additional conserved water supplies to bolster storage in Lake Mead and protect elevation 1,020’ beginning in 2022, and potentially each year through the remaining interim period (2022-2026). The working groups are initially focused on addressing: (1) issues and recommendations associated with conserved supply options and strategies: (2) issues associated with Intentionally Created

Surplus creation and/or capacity constraints; and (3) issues associated with potential environmental compliance requirements.

COLORADO RIVER BASIN PROGRAM UPDATES

Colorado River Basin Salinity Control Program

The Colorado River Basin Salinity Control Forum has scheduled the next Forum Work Group meetings for September 20-21, 2021, in Salt Lake City, Utah. There will also be an option for remote participation. During the two days of meetings Work Group members will hear updates from federal agencies on program funding, studies, and project implementation. Topics of particular interest include updates on the Paradox Valley Unit salinity control project, preparation of the 2023 Triennial Review of Salinity Control Standards, and salinity control research studies underway by the U.S. Geological Survey. The Forum, Advisory Council, and Forum Work Group have also tentatively scheduled the next meetings for October 27-29, 2021. The location for these meetings is not confirmed and will allow hybrid in-person/remote participation.

Minute No. 323 Environmental Work Group Status

The Minute No. 323 Environmental Work Group (EWG) met via webinar on August 25th. The group reviewed the status of the ongoing summer 2021 water releases to the Colorado River Delta. Under a water delivery plan designed by the EWG, environmental water deliveries to reaches of the Delta began on May 1st and are scheduled to conclude in mid-October. A total delivery of 35,000 AF of U.S. Federal water will be delivered to the border then routed through canals to Reach 4 of the Delta, which is home to the majority of the habitat established under Minutes 319 and 323. This water delivery comprises half of the U.S. federal water commitment under Minute No. 323. The EWG will be meeting over the next several months to consider environmental water deliveries for CY-2022.

Glen Canyon Dam Adaptive Management Program

The Glen Canyon Dam Adaptive Management Program's Adaptive Management Work Group (AMWG) met August 18-19 via webinar. The meeting included a discussion between federal agency leaders from Reclamation, U.S. Fish and Wildlife Service, National Park Service, U.S. Geological Survey, and Western Area Power Administration regarding current and potential future drought response activities. The AMWG also received several brief updates on the status of species and resources in the Grand Canyon. Preliminary 2021 monitoring data indicates that a historically low number of juvenile humpback chub were caught in the Little Colorado River.

Researchers will provide additional information on the species' status during the annual reporting meeting in January.

The program is currently considering whether or not to recommend to the Secretary of the Department of the Interior implementation of a Fall High Flow Experiment (HFE). Summer monsoon activity has resulted in significant sediment input from Grand Canyon tributaries, prompting consideration of a fall HFE. Current Lake Powell elevation, water delivery schedules, and the effect of a potential HFE on hydropower operations are part of the initial discussions.

Finally, the AMWG's Technical Work Group (TWG) is scheduled to meet October 13-14 via webinar.

Draft California Guiding Principles for the Post-2026 Guidelines Development Process

Board staff received comment letters from the Quechan and Colorado River Indian Tribes associated with the draft guiding principles for the post-2026 guidelines development process developed by the Board and California agencies and distributed at the July Board meeting. Generally, the comments provided by both Tribes were supportive of the principles related to water supply conservation, and management and flexibility options. The Quechan Indian Tribe was also supportive of continued and/or enhanced ecological restoration activities along the Lower Colorado River. Specifically, the tribal letters refer to proposed principles X-XI, and as sovereign governments both Tribes indicated a need to work closely with the Board and California agencies in developing a more formal process for engaging with the Board and agencies in the post-2026 guidelines development process. Board staff are currently working on response letters to each Tribal Council indicating the need to better understand specific goals and objectives of the Tribes in the post-2026 process. Electronic versions of the comment letters from the Tribes are being distributed with the Board's monthly report.

GENERAL ANNOUNCEMENTS AND UPDATES

Washington, D.C. Report

Appropriations and Debt Ceiling

Just before adjourning for the August recess, the Senate Appropriations Committee marked up its fiscal year 2022 Energy and Water bill. Lawmakers have yet to send any of the 12 spending bills to the President, and it's unlikely any will make it into law before the new fiscal year begins on October 1st. Both chambers are only in session for 10 days this month, and leadership is likely

to be consumed by moving ahead with budget reconciliation and the bipartisan infrastructure package.

As a result, Congress will need to pass stopgap spending legislation, known as a continuing resolution (CR), that would fund agencies at current levels until at least late November. While a CR averts a government shutdown and buys time for a year-end agreement, level funding frustrates agency heads who won't be able to start new programs and will have little flexibility to move existing dollars.

In addition, Congress also needs to raise its debt ceiling in order for the Treasury to be able to continue paying its debts. Treasury Secretary, Ms. Janet Yellen, warned Congress this week that a federal debt crisis is coming next month. Congress has been sparring over raising the debt ceiling for months. Democrats insist it must be a bipartisan effort, while GOP leaders have said they won't back adding to a cap estimated at \$28.5 billion and blame Democrats for increased spending. Speaker Pelosi told reporters yesterday Democrats would not attach a debt increase to the reconciliation package, but did not rule out adding it to the CR.

Infrastructure and Reconciliation Negotiations

Congress continues to grapple with passing both a \$1.2 trillion bipartisan infrastructure bill and a proposed \$3.5 trillion partisan budget reconciliation bill. Speaker of the House Pelosi said the House reconciliation bill would be marked up to \$3.5 trillion but acknowledged there would be negotiations with the Senate and that figure could change. Centrist Democrats are anxious to get the Senate's \$1.2 trillion infrastructure bill, backed by many Republicans, signed into law.

House progressives have said for months they won't support the bipartisan funding for roads, bridges, and other assorted infrastructure until they first are assured that the Senate will back the far larger \$3.5 trillion reconciliation effort. Speaker Pelosi got House Democrats on board with the budget reconciliation framework last month by agreeing to a demand from moderates that the chamber vote on a bipartisan infrastructure bill no later than September 27th.

Senate Majority Leader Schumer has set a soft target of September 15th for unveiling draft reconciliation bill text, which will surely prompt a more vigorous discussion within the 50-member caucus about what, if anything, Democrats are willing to cut from their plan to satisfy moderate Senators like West Virginia's Manchin and Arizona's Sinema.

Waters of the United States Rule

The U.S. Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers have stopped using the prior administration's controversial definition of which streams and wetlands are protected under the Clean Water Act after a federal judge in Arizona threw the rule out earlier this month.

EPA said in a posting on its website that it is now relying on the regulations and guidance that were used prior to 2015 to determine which waterways are now protected.
