

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

October 14, 2020

ADMINISTRATION

Meeting Minutes, September 9, 2020

The draft minutes for the September 9, 2020, meeting of the Colorado River Board of California (CRB) have been prepared and were included in the Board meeting packet of materials and are proposed to be adopted at the October 14th, Board meeting.

Retirement of Reclamation Lower Colorado Regional Director Terrance J. Fulp, Ph.D.

It was recently announced by the U.S. Bureau of Reclamation (Reclamation) that the Lower Colorado Regional Director, Terrance J. Fulp, Ph.D., would be retiring on October 23rd after thirty-one years of federal service with Reclamation. Dr. Fulp's career began with his important work on developing the basinwide modeling and analytical tools that have been incorporated in the current Colorado River Simulation System (CRSS) on the RiverWare™ platform. Dr. Fulp headed up the Lower Colorado Region's Boulder Canyon Operations Office and played an instrumental role in the development and implementation of a number of significant efforts, including: the interim surplus guidelines; 2003 Colorado River water delivery agreement; Lower Colorado River Multi-Species Conservation Program; 2007 interim shortage guidelines; pilot system conservation program; as well as number of important Minutes with Mexico, including Minute Nos. 319 and 323. As Regional Director, Dr. Fulp helped assist the seven Basin States in the development of the Colorado River Basin drought contingency plans and agreements that were executed in May 2019. Dr. Fulp is also to be commended for his commitment to ensuring that all of the staff of the Lower Colorado Region remained dedicated to providing superb customer service in an open and collaborative working environment with all of the stakeholders in the Colorado River Basin. Included in the Board folder materials is a proposed resolution for the Board's consideration acknowledging Dr. Fulp's contributions and years of service to the Basin and its stakeholders.

COLORADO RIVER BASIN WATER SUPPLY CONDITIONS REPORT

October 1st marks the beginning of Water Year (WY) 2021. As of October 5th, the water level at Lake Powell was 3,595.43 feet with 11.32 million-acre feet (MAF) of storage, or 47% of capacity. The water level at Lake Mead was 1,083.22 feet with 10.28 MAF of storage, or 39% of capacity. As of October 4th, the total system storage was 28.81 MAF, or 48% of capacity, which is about 2.78 MAF less than system storage at this same time last year.

As of October 4th, the Upper Basin reservoirs, excluding Lake Powell, ranged from 74% of capacity at Fontenelle Reservoir in Wyoming; 85% of capacity at Flaming Gorge Reservoir in Wyoming and Utah; 92% of capacity at Morrow Point, and 52% of capacity at Blue Mesa Reservoir in Colorado; and 67% of capacity at Navajo Reservoir in New Mexico.

As of October 1st, the preliminary observed inflow into Lake Powell for WY-2020 is 5.85 MAF (54% of normal). The observed April through July 2020 runoff into Lake Powell for Water Year-2020 was 3.76 MAF (52% of normal). For WY-2020, the September observed Lake Powell inflow was 0.05 MAF (11% of normal), and the October Lake Powell inflow forecast is 0.25 MAF (49% of normal). At the conclusion of WY-2020, the overall Upper Colorado River Basin precipitation was 76% of normal.

COLORADO RIVER BASIN PROGRAM UPDATES

Minute No. 323 Implementation

Minute Oversight Group

The Minute No. 323 Minute Oversight Group (MOG) met, via webinar, on October 7-8, 2020. There have been significant changes among the senior leadership in both the Mexican Section of the International Boundary and Water Commission (CILA) and the federal National Water Commission (CONAGUA), and a significant number of new staff are in the process of joining the MOG and getting up to speed. During the webinar, the MOG received brief updates regarding status of the final completion of Minute No. 319 projects, and report-outs associated with the Minute No. 323 work groups that have been working during the pandemic.

Mexico reported that more than 95% of the projects initiated under Minute No. 319 have been completed, and that the last remaining project activities are scheduled to be completed by the end of the year, or in very early 2021. Mexico is also intending to prepare a more detailed

report that documents the water actually conserved through the implementation of the various water conservation activities and project funded through Minute No. 319.

Mexico has also preliminarily identified a first-tier of proposed water conservation projects for development under Minute No. 323, and include the construction of four large gate structures on the larger canal systems within District No. 14, including the Reforma, Independencia, and Revolucion Canals. Mexico has also submitted a very preliminary assessment of potential water quality treatment and/or desalination opportunities in the Mexicali Valley and on the Baja Pacific Coast. It is expected that the Minute No. 323 Projects work group will begin reviewing these recent Mexican work products and develop a list and schedule associated with next steps.

Mexico also reported the status of water stored in Mexico's "Water Reserve" in Lake Mead. First, Mexico expects to add approximately 103,000 acre-feet to the Reserve by the end of the year. After the evaporation assessment has been applied the expected total cumulative volume in the Reserve will be about 160,000 acre-feet. CONAGUA and CILA indicated that they have not yet finalized plans for additions to the Reserve during 2021.

Environmental Work Group

The Environmental Work Group (EWG) for Minute No. 323 met via webinar on October 1st. The group discussed the water delivery plan for Water Year-2021. Minute No. 323 directs 210,000 af of water to be supplied equally by non-governmental organizations (NGOs), the U.S. federal government, and the Mexican federal government over the term of the Minute. Through WY-2020, only NGO-supplied water has been used to support habitat in the Colorado River Delta. The EWG discussed a proposal to use approximately 35,000 af of Mexican federal water, or about half of the water Mexico has committed to provide under the Minute, for a targeted pulse flow in WY-2021. The water would be delivered through irrigation canals and habitat site infrastructure, targeting Reach 4 of the Delta, which has a high groundwater table and is home to the majority of the habitat that has been established under Minute Nos. 319 and 323. The water is also expected to benefit river reaches downstream from Reach 4 and the estuary. The water would be delivered over approximately a five-month period, starting in April 2021. Currently, CILA and CONAGUA are assessing the proposal and will determine whether the request is feasible.

Colorado River Basin Salinity Control Program

Salinity Control Forum's Work Group

The Salinity Control Forum Work Group held virtual meetings during September 28th-30th, 2020. The Work Group is developing a series of fact sheets describing program benefits, salinity conditions, basin facts, and program implementation. Program updates were provided by the federal partner agencies including Reclamation, U.S. Geological Survey, Bureau of Land Management, and Natural Resources Conservation Service (NRCS). The Work Group also discussed methods for characterizing the cost-effectiveness of projects funded by NRCS and ways for improving the process for funding projects under Reclamation's Funding Opportunity Announcements.

The U.S. Geological Survey provided an update on studies they are performing at the Pah Tempe Springs area regarding its potential as a future salinity control project. The USGS expects to continue to work with the Washington County Water Conservancy District to perform a pump test at an existing well to further evaluate groundwater flow conditions at the site.

Reclamation and the Basin States are exploring ways to improve long-term management of habitat replacement projects completed as mitigation for salinity control activities. Reclamation is interested in exploring potential partnerships with entities to combine habitat mitigation activities into larger tracts rather than using the current project by project approach.

Reclamation also announced that it is working with the USGS to study salinity conditions in the Yuma area in response to the 2019 problems meeting the Minute No. 242 salinity differential requirement with Mexico.

Reclamation summarized results of the Paradox Valley Seismic Analysis study, which included scenarios for varying the brine injection during the year in response to flow conditions in the Dolores River. It has been observed that salinity load in the Dolores River declines in the summer months even when brine injection is not occurring due to higher freshwater flows.

2019 Funding Opportunity Announcement Results

On September 18, 2020, Reclamation announced the awarding of \$37.2 million to 11 salinity control projects in Colorado and Wyoming to benefit salinity control in the Colorado River Basin through Reclamation's Basinwide and Basin States Salinity Control Programs. Projects are funded through federal appropriation and a cost share by the seven Basin States. Economic

damages in the Lower Basin caused by high salinity in the Colorado River water often means reduced crop yields for farmers, growing a more salt-tolerant but lower-value crop, or extra expenditure of water to remove salt from the soil. High salinity can also shorten the useful life of household appliances and increase water treatment and facility management costs. The funded projects were selected through a competitive process. One of the primary selection criteria for projects is the lowest cost per ton of salt controlled. The average cost per ton of salt for those awarded this year is \$60.22. This is comparable to average cost per ton of salt of the 2017 Funding Opportunity Announcement that averaged \$58 per ton of salt.

Lower Colorado River Multi-Species Conservation Program

Lower Colorado River Multi-Species Conservation Program (LCR MSCP) permittees submit a report annually to the U.S. Fish and Wildlife Service (USFWS) describing covered activities and species take that occurred in the previous year. Among the covered activities that must be reported are reductions in flow as a result of water transfers, storage in Lake Mead, or other actions. The report submitted to USFWS in June 2020 included a potential discrepancy between the reduction in flow allowed by the LCR MSCP permit and the reductions in flow that occurred in Reach 2 of the LCR MSCP (between Hoover and Davis Dams) in WY-2019.

To resolve this issue, the federal and non-federal LCR MSCP permittees submitted a supplemental memorandum to the USFWS clarifying and more thoroughly describing the flow-related activities that occurred along the Lower Colorado River in 2019. The memorandum also described a process to more closely track reductions in flow in future years, as well as a plan to assess any environmental compliance needs for future changes in flow, in collaboration with the USFWS. The USFWS responded on September 25th, affirming that the memorandum had clarified the 2019 changes in flow and that 2019 reductions in flow fell within the program's coverage limits.

Finally, the LCR MSCP Steering Committee will meet via teleconference on October 28th.

Effectiveness Review of the 2007 Colorado River Interim Operating Guidelines

As has been reported previously, Reclamation is currently conducting an "effectiveness review" of the 2007 Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations of Lake Powell and Lake Mead (2007 Interim Guidelines). The effectiveness review is required pursuant to Part G, Section 7, Subsection D of the 2007 Interim Guidelines. The review is intended to evaluate the effectiveness of the guidelines with respect to the purposes and operational elements of the 2007 Interim Guidelines. For example, one of the stated purposes of the guidelines is to improve Reclamation's management of the Colorado River by

considering trade-offs between the frequency and magnitude of reductions of water deliveries, and considering the effects on water storage in Lake Powell and Lake Mead, and on water supply, power production, recreation, and other environmental resources. Reclamation expects to release a preliminary draft of the effectiveness review report in October 2020 for public comment with comments due in November 2020. The final effectiveness review report is expected to be released in December 2020.

GENERAL ANNOUNCEMENTS AND UPDATES

Proposed Lake Powell Pipeline Project

As has been discussed at recent Board meetings, the State of Utah is proposing to construct and operate a pipeline that would divert up to 86,000 acre-feet per year from Lake Powell and convey it to the extreme southwestern corner of Utah for use in the St. George metropolitan region. A draft environmental impact statement (DEIS) for the proposed project was released on June 8, 2020, and the DEIS comment deadline closed on September 8, 2020. Reclamation received over 14,000 comments on the DEIS, including a joint letter from the other six Colorado River Basin States to the Secretary of the Interior. The primary issues raised in the Basin States' letter included: (1) Law of the River issues; (2) reservoir system operational issues; and (3) water use and accounting, and water quality issues.

On September 24, 2020, the State of Utah and the Washington County Water Conservancy District formally requested that Reclamation extend the timeline for completion of the National Environmental Policy Act (NEPA) assessment process and not issue a Final EIS until the issues identified by the Basin States could be addressed and resolved. Toward this end, representatives in both basins are now working to develop lists of those specific issues that will then be consolidated into one list that can be provided to Utah and can serve as a framework for discussions among the Basin States. Currently, the Lower Basin States are working to develop a list of issues associated with the proposed project, and hope to share the draft list soon with representatives in Colorado, New Mexico, and Wyoming.

Washington, D.C. Report

COVID-19 Economic Stimulus

The prospects for a new COVID-19 economic relief package or series of standalone bills before the November 3rd elections remain unlikely. The House is not in session between now and

election day, but could return if real progress is made in negotiations. The Senate has announced it will not be in session for at least another week amid recent COVID-19 outbreaks amongst GOP members and President Trump. With hearings on Supreme Court pick Ms. Amy Coney Barrett, there may not be time or bandwidth for an additional relief measure in 2020, although there may be a shot in the lame duck session after the election.

Army Corps of Engineers/Nationwide Permits

On September 15th, the U.S. Army Corps of Engineers (Corps) published a rulemaking notice titled, "Proposal to Reissue and Modify Nationwide Permits" (85 FR 57298). The Corps is planning to reissue the 52 existing nationwide permits (NWP) and associated general conditions and definitions, with some modifications, and is proposing five new NWP.

Interior/Infrastructure/Title Transfers

On September 18th, the U.S. Department of the Interior finalized two federal project title transfers to local water user organizations, made possible by the 2019 John D. Dingell Jr. Conservation, Management and Recreation Act (PL 116-9). Both projects are located in Utah and convey ownership of: (1) the Emery County Project to the Emery County Water Conservancy District; and (2) the Uintah Basin Replacement Project to the Moon Lake Water Users Association.
