Advisory Council Beginning Time: Wednesday, October 28, 2015, 1:00 p.m.

Designated Federal Officer: Kib Jacobson

Presiding: Chairman David Robbins

I. Welcome and Introductions

Advisory Council (Council) Chairman David Robbins called the meeting to order. As there was no one in attendance who had not been previously introduced at the Forum meeting held earlier, he decided to dispense with introductions. A roster was circulated to take attendance for the meeting. A copy of the attendance roster is attached to these minutes as Appendix A.

II. Opening Comments, Acceptance of letters of substitute members

Kib Jacobson welcomed the group and thanked Arizona for hosting the meetings in Tucson. He mentioned that he had letters designating alternates for Council members who could not attend. Alternates sitting in for Council members included Matthew Garn for Leah Ann Lamb from Utah, Paul Harms for Tom Blaine from New Mexico and Andrew Burns for John Entsminger from Nevada.

III. Review and Approval of proposed Agenda

Chairman Robbins explained that he would like to move agenda item XII to agenda item X.A.a. to be a subsection of the Basin Funds Status and Accounting. There was a motion to approve the agenda as amended. It was approved. A copy of the agenda is attached as Appendix B.

IV. Draft Minutes of 2015 Spring Council Meeting – Salt Lake City, UT

Jacobson reported one minor edit that needed to be made to the minutes of the May 20-21 meeting in Salt Lake City. There was a motion to approve the minutes with this modification. The motion passed.

V. Charter Renewal

Jacobson explained that the Advisory Council operates on a charter that has to be renewed every two years. It was last renewed in 2014. Due to the long process of review and getting signatures, an effort was made to get the charter renewed earlier in the year so that it would be in place well in advance of the October Council meeting. Despite starting the process earlier in 2014, it was not completed until September. Jacobson recommended trying again to get the renewal done by July or August. Chairman Robbins asked for a motion to request that Jacobson commence immediately to have the charter renewed in a timely manner. There were no requests for changes to the charter, so that motion was made and approved.

VI. Items from the Forum

Tanya Trujillo
Tanya Trujillo reminded the group that the Forum had discussed funding recommendations and suggested that it be addressed later in the meetings following reports that would be given on the subject. She proposed that she wait until the end of the Advisory Council meeting to present recommendations from the Forum to the Council on proposed funding for the program. Chairman Robbins agreed and suggested that it be presented the following day as one of the last agenda items for the Council.

VII. Agency Reports – EPA

Peter Monahan touched on the highlights presented in the Federal Accomplishments Report (FAR). During FY2015 EPA continued to provide coordination and assistance to the Salinity Control Forum and Advisory Council with several key items. They provided informational updates to the Forum and Council on state water quality standards and other related program information. EPA Region 8 has assumed the lead role for EPA and is coordinating with Region 6 and Region 9 as they respond to questions and needs of the Forum and Advisory Council. They are continuing to participate as a cooperating agency in the Bureau of Reclamation’s effort to prepare an EIS for the Paradox Valley Unit. Monahan noted that in the FAR there is a table of the states that have adopted the 2014 Review. He reported that all of them have partially or wholly adopted the standards. EPA has approved the application of five tribes within the Colorado River Basin to administer water quality and 401 certification for their tribal lands, and four tribes have been approved for water quality standards. The adopted and approved water quality standards for the four tribes have been published and are available online. All the tribes are participating in activities such as the non-point source control program and the NPDES permitting program.

VII. Agency Reports – USGS

David Susong gave some highlights of the ongoing scientific investigations USGS is conducting for the salinity control program. Most of the work that USGS does in support of the salinity control program falls into three broad categories. One is ongoing monitoring support in the modeling efforts, such as the 20-station network. They also estimate loads and build tools for that purpose, and they are heavily involved in some of the site assessment work, such as Paradox, and also specific point sources like Pah Tempe Springs. In the FAR there is a list of all the major projects that are ongoing and are wrapped up. He offered to answer questions on any of those efforts.

Susong highlighted two specific projects. The first was Pah Tempe Springs. The purpose of this project is to assess and evaluate whether you could capture the discharge from those springs in a similar type of project as the pumping that is going on at Paradox. He showed some slides of the area and the work they are doing there and indicated that a report on this project should be out by the end of the fiscal year. Susong also noted the ongoing effort to update the SPARROW model which is used to estimate salinity loads throughout the basin and yields of salinity off of various landscapes. It has been used heavily to date in the design and implementation of various salinity control projects. They are updating this model and adding some new geographic information layers to it, as well as adding more calibration sites. They will include a differentiation between irrigation types on sprinkler and flood irrigated lands. They are also looking at land ownership to see if they can estimate how much salinity is being yielded from lands according to who owns the land. He showed some slides having to do with the model. Susong’s PowerPoint is included as Appendix C.

VII. Agency Reports – USDA-NRCS

Travis James shared some slides with the group which are shown in Appendix D. He referred to a summary by project and state of the new salinity contracts that were developed with EQIP funds in 2015. There were 114 new contracts in Colorado for about $6.5 million. In Utah there were 53 new salinity contracts totaling...
about $5.1 million. In Wyoming there were 7 new contracts for $352,000. In total NRCS developed 174 new contracts on about 6,000 acres for slightly over $12 million. When fully implemented, that will provide about 11,000 tons of new salt control, costing about $105 per ton.

James showed numbers for contracts in 2015 for irrigation practice installation. These numbers included new sprinklers installed, improved surface systems, microspray areas and improved flood areas in the three states. These are multi-year contracts which could take anywhere from two to five years, or longer, to have completely implemented. James explained that in addition to the new contracts that will be developed with EQIP funds, NRCS passes applications to the EQIP program that are ineligible due to Farm Bill criteria to Reclamation for consideration of possible funding with Basin States funds. There were 9 such applications from Colorado. Reclamation has determined to approve 8 of those for about $1.3 million. In Utah there were 23 applications passed to Reclamation which will not be funded for various reasons.

The financial assistance obligation from the three states in 2015 was slightly over $12 million. The technical assistance expenditures were $3.2 million. So the total expenditure by NRCS for salinity EQIP in 2015 was about $15 million. Cost share for NRCS financial assistance obligations from the Basin States Program was about $5.1 million, and technical assistance was about $1.3 million, for a total of about $6.5 million.

James passed out an errata sheet showing corrections to numbers shown in the FAR (see Appendix E). This Table 2 is a summary of the progress to date since the inception of the salinity projects. Total salinity control is approximately 600,000 tons at a cumulative cost of around $385 million. This represents 76 percent of the goal.

James reported that there has been precedent for distributing the Basin States cost share back to the states proportional to how the EQIP expenditures have occurred. The earning on the NRCS EQIP FA expenditures in Colorado for 2015 would be $2.8 million. In the past those funds would have been distributed 60% to the Colorado State Conservation Board for new contracts and 40% for technical assistance. Of that 40%, 10% would have gone to the Bureau of Reclamation area office to do NEPA and cultural resources and other activities that remain under their control, and 90% would have gone to NRCS to service those Basin States contracts. In Utah, the total cost share generated from EQIP FA expenditures was $2.1 million.

VII. Agency Reports – FWS

Barb Osmundson reported that FWS is involved in a document review. Whenever there is a piping project, there is an environmental assessment which often involves Section 7 consultations. These are being taken care of by FWS offices in Grand Junction, Salt Lake City and Cheyenne. She reported that there have been two newly listed endangered species this year, which are the Yellow-Billed Cuckoo and the Gunnison Sage Grouse. This makes the consultation process a little bit more cumbersome because their habitat overlaps with some of the salinity control project and habitat replacement sites. They are working through the process. She reported that FWS has also been pretty involved as a partnership agency in the Paradox process thus far.

Osmundson noted that one of the biggest roles of FWS has to do with wildlife replacement activities. She highlighted a few of those projects. In particular, she noted that there has been great progress in the Grand Valley wildlife replacement project where massive acres of tamarisk have been removed and re-sprouts have been treated. The Olathe Pond wildlife replacement project is a good example of FWS involvement when considering wildlife replacement sites. In addition to non-native vegetation removal, they have been trying to control non-native fish in the pond by screening the inlets and the outlets so they won’t escape.
into the Gunnison River. They were a little disappointed with a non-native vegetation removal project at one of the Colorado State wildlife areas where a mosquito control pesticide killed the tamarisk beetle and they didn’t get the tamarisk removal they were hoping for. Osmundson enjoyed working with Reclamation to score some habitat loss at the Lower Mammoth Canal realignment area in Price. It was beneficial to cooperate in that effort.

Osmundson reported that she has been reviewing the M&E reports to see if the work is proportional and concurrent in the different salinity control units. She was impressed with how important it is after a habitat replacement project has been done for NRCS or the Bureau to visit the sites to make sure that they did what they were supposed to do. Oftentimes habitat replacement projects are not kept up either because landowners decide not to maintain them or urbanization kind of pushes them out. The result is that acreage is lost. She suggested that in order to stay proportional and concurrent, it would be a good idea to plan on getting more acres than what you anticipate losing because over the long haul you are going to be losing acres by urbanization or other reasons.

VII. Agency Reports – BLM

Bob Boyd focused his presentation on the progress BLM is making in addressing some of the longer-term concerns that have been raised. Over the years there have been numerous requests for BLM to devote more funds to salinity control. He became aware that work in other programs that have salinity control benefits had not been tracked or reported, so they are now working on finding ways to quantify those efforts.

Boyd noted that upstream of Yuma there are about 53 million acres of BLM managed land. A good chunk of that is rangeland, but it is managed for many different purposes. The updated SPARROW model indicates some rangelands yield around 3 acre-feet of salt per year. If some of that could be controlled through appropriate management activities and other programs, there could be significant salinity control. The challenge would be trying to quantify that. There are both point and non-point sources on BLM lands. There are some point sources that can be captured and easily tracked. But by far the biggest thing for BLM is non-point sources. Their main strategy to control salinity is through minimizing erosion and sediment transport. Management practices in many different programs are aimed at doing that.

Boyd explained that the work they have been doing with ARS involves developing a rangeland hydrology model based on some new technologies, new understandings and new data capabilities that they are trying to fully utilize. The good news is that those results are showing progress. They have entered data from the individual projects in the area into the early version of the model, and it is showing 1,248 tons of salt retained. They are hoping to be able to report results from these projects in the near future. As they address rangeland management effectiveness in various categories, they hope to be able to run the data they collect through the model and have some numbers in time for the 2017 Review. Boyd noted that they are seeing some additional resources coming from other agencies. ARS is committing about $3 million to continue improving their model. Also, they appreciate the collaboration and funding that has been given in the last several years from the Salinity Control Program.

BLM is also working with ARS directly to improve water quality monitoring throughout the Basin. They are looking at the effectiveness of individual projects and using statistical analysis to try to build baseline conditions. They have worked with ARS to purchase additional water quality equipment which is housed in Reno and will simplify sampling and allow for more available information.

Boyd reported that BLM is also partnering with EPA on their Western Rivers and Streams Assessment, which looks at aquatic and water quality in streams across the western U.S. They have added many sites on BLM lands to improve the statistical power of the tools used in this effort. They also have connections
with the National Resource Inventory, which is looking at land change conversion and conditions. All of these efforts will result in better tools for BLM’s use in addressing salinity control needs and results.

VII. Agency Reports – USBR

Kib Jacobson noted that the summary tables for the FAR had been handed out to the group (see Appendix F). The Summary of Federal Salinity Control Programs shows measures in place by Reclamation, NRCS and BLM, totaling 1.3 million tons of salinity control. He noted that the goal which appears in the 2014 Review was 1.68 million tons. Goals to reach the target include 222,000 tons by Reclamation and 150,000 tons by NRCS. Another sheet shows the repayment schedule for the Upper Colorado River Basin Fund, as well as up-front cost sharing to match appropriations for the Basinwide Program and the O&M in the different project areas. This represents 15 percent of the cost share. Another table shows the Surcharge Fund Status in the Lower Colorado River Basin Development Fund. It shows revenues that come in from power generated at Hoover and Parker/Davis and the balance in the fund after transfers to the Treasury and payments to the UC Region. The Lower Basin Fund balance for FY2015 is broken down in another table. The next spreadsheet shows repayment from the Lower Colorado River Basin Development Fund. He noted that payments were made to the Treasury through 2013, but at the request of the Advisory Council for short-term management of the fund, payments were not made to the Treasury in 2014 and 2015. The other table shows the up-front cost share from the Lower Basin Fund. Another spreadsheet shows the funding of contracts in the Basinwide Program at the end of FY 2015. Jacobson reported that they were fortunate to be able to get additional year-end funds again this year. The total for the program in 2015 was about $10.5 million. In 2016 they are showing the $8.4 million from the President’s budget, which along with cost share and additional year-end appropriations could add up to $13.8 million. The last spreadsheet shows the Funding Forecast for the Basinwide Program in out years. It includes ten projects that were selected from this year’s FOA. They are unnamed because they are not yet under contract. It is anticipated that another FOA would take place in 2018. Jacobson expressed appreciation to all those who assisted in the 2015 FOA process to make it so successful.

VIII. Public Comment

There were no comments from the public, so the Advisory Council meeting was recessed until the following day.

Reconvene Meeting: Thursday, October 29, 2015, 8:30 a.m.

IX. Agency Reports – This agenda item was combined with VII above.

X. Basin States Program

The order of the sub-items under this agenda item was rearranged.

X.C. Status of Basin States Program

Marcie Bainson referred to a table for her report which is included as Appendix F. Regarding state ag agreements, she reported that the Colorado agreement is currently maxing out on their first funding mod for $626,000. A new agreement is already in the works to obligate the additional funds needed. Contracts for the State of Utah and the State of Colorado will expire on September 30, 2016. Both will max out their contracts before that time, so there will be new contracts put in place this year. The State of Wyoming is now under contract with a cooperative agreement which will allow them to have a project in the FOA. With the NRCS agreements, the mods should be completed within the next two weeks to get their FY 2016 funding. Regarding the Studies, Investigation and Research (SIR) projects, Bainson noted that many of the
projects are being done by the USGS, which is greatly appreciated. She reported that just over $700,000 was obligated in FY 2015. For FY 2016, a proposal will be given to the Advisory Council for approval of $300,000 for the economic damages project, $150,000 of which would come from SIR funding and the other $150,000 from the Basin Funds. Another $56,143 will be used as yearly funding for an existing SIR project, leaving $331,273 for new SIR projects in 2016.

Patrick Dent explained that the TAG brings together recommendations from the Science Team about SIR studies they would like to take on in the coming year. Those proposals are considered by a smaller committee on the Science Team, with a focus on facilitating implementation of the salinity control program. Of the $700,000 that went to SIR studies in FY 2015, a large chunk had to do with the rangeland studies that BLM was doing in partnership with ARS. In its meetings earlier in the week, the TAG tried to determine how many dollars they would like to spend for SIR projects in FY 2016. One of those is cost sharing in the economic damages studies which the Advisory Council will consider later in the meeting. Dent noted that they are kind of pulling back on the dollar amount for SIR projects, with FY 2016 being about half the amount of FY 2015.

Bainson reported that the contracts for the SIR projects approved at the May meeting are already in place, which is a big improvement in contracting time. Jacobson noted that on the table shown, the economic damages study was mislabeled as the “Upper Basin Benefits Report.” It should be labeled “Economic Damages Study.”

Bainson pointed out that there was one small FOA project, listed as FOA 11, for $153,000 that they determined to keep in house and not pass off to Colorado. With the retirement of Jim Currier and the need to replace him, it was felt that the State of Colorado would be plenty busy with the $1.3 million in EQIP work to be done this year.

Also, at the bottom of column FY 2015, it shows approximately $8 million spent, with an Upper Basin cost share of $731 thousand. Bainson requested only $3.85 million from the Lower Basin, which was made possible due to a $3.2 million carryover from previous years of money that had been drawn down but not spent. The $3.85 million is $2.3 million lower than what could have been withdrawn, which actually added to the accrual this past year. The carryover to the new year is $92,000. The projections for FY 2016 are to spend $6.8 million, $1 million of which will come from the Upper Basin and $5.7 million from the Lower Basin. Bainson also noted that the salinity consultant contract will be expiring at the end of FY 2016, so they will have to get out a solicitation for a new contract.

X.A.a. Basin Fund Payments/Accrual

Don Barnett explained that, with the help of the Program Funding Subcommittee and Brad Parry, they have created from the detailed tables a couple of summary tables to try and forecast future carryover in the actual fund, as well as accrued carryover (see Appendix G). For FY 2015, the actual income to the Lower Basin Fund was just under $8.7 million and a cost-share obligation was created of $9.6 million. As the actual expenditure was only $8.3 million, the accrual went up by $1.3 million. With zero repayment to the Treasury, the actual amount in the checking account at the end of the year was $11.7 million. Netting out at the end of the year would show the fund at $1.8 million to the negative. With projected federal expenditures based on the request for Reclamation funding and the three-year funding plan of the state conservationists, a cost-share requirement of $11 million would be created. If $10.5 million was taken from the fund, with a zero repayment to the Treasury, then at the end of the year there would be about $10.2 million. That’s a drop of $1.5 million because the actual transfer was $1.5 million greater than projected income. The accrual would go up by $.5 million because the expenditure was $.5 million smaller than the accrual. Moving forward over the following three years, if we only expend what the prior year’s Lower Basin income was, as the Advisory Council recommended to Reclamation, there would be $10 million cash
in the bank and $22 million accrual owing, netting $12 million to the negative. Barnett noted that they would tighten up the numbers with year-end dollars, but this is fairly close to the projections. He indicated that we are very solvent as far as the actual fund is concerned, but the accrual amount has been marching up because projected revenues are below projected cost-share requirements by $2-3 million per year. Chairman Robbins interjected that this assumes that in the coming three or four years, we are unable to reach an agreement on how to reset the Lower Basin Fund. Barnett agreed, noting that if somehow we could find $3 million and reset this, then it would start to slowly reverse itself.

Dent pointed out that power revenues from Hoover, shown in Column C, were different in FY14 and FY15 and that projected revenues going forward are larger than the amount of money that was earned in FY15. He felt that, though we don’t have a perfect crystal ball on what the revenues are going to be, perhaps we should make lower projections, such as carrying the FY15 revenue forward. Dent mentioned that they did an analysis about a year ago on what would happen if shortages were declared to the revenue, with the first level of shortage being a 6% reduction to revenue. He wondered if it would be appropriate to put some shortage numbers into the projection.

Bill Hasencamp commented that lower numbers are good, even if you don’t go into shortage. For example, CAP plans to create ICS every year for the next several years, system conservation is expanding and there are more and more efforts in the Lower Basin to reduce demands. So even without shortage, you are likely to see the reduction that you saw in 2015 going forward into the future. He felt that the numbers were too high and that we need to be conservative and assume that the Lower Basin won’t deliver its full allocation every year going forward.

Dent asked Barnett to change the number to $8.5 million for the purpose of the discussion. He noted that the conservation measures are intended to try and avoid shortage declaration and also prop up the levels in Lake Mead, which helps with generation. He hoped they could maintain a balance there even though there is an increased risk of shortages into the future.

Dent also pointed out that repayments in FY14 and FY15 were delayed partly for the purpose of having available moneys on hand to continue with implementation. The salinity control they had planned to implement would have been for “EQIP castoffs,” projects proposed through the NRCS EQIP program that didn’t meet their qualifications and were consequently sent to the Basin States Program for implementation by the states. Dent indicated that funds needed for these projects haven’t been as high as anticipated, which may be part of the reason why the actual Lower Basin Development Fund hasn’t dropped in recent years. It also contributes to the carryover. Dent explained that when a FOA is done, there is a group of projects selected for award based on available funds. There is another group of projects within the competitive range that are identified as backups in the event that an awarded project falls out. Dent noted that this is the case this year, and they have contemplated picking up one of those projects. It would be a Basin States project in the amount of about $2.5 million. Barnett noted that the Lower Basin’s share would be about $2.1 million. So the drawdown in FY16 would increase by about $400,000 and then $863,000 for the following two years, added to the amounts on the table. Therefore, with a reduced projected income and then paying for the new project, the actual carryover would decrease to $9.3 million, $8.0 million, $6.7 million and $6.4 million for FY16-19. The effect on the accrual would be a decrease from $22 million to $20 million.

Regarding repayment, Dent indicated that there is a sufficient balance in the fund for the first balloon payment, but they continue to defer on the repayment obligation. He wanted to demonstrate that it won’t change the accrual, but it will change the balance. He explained that they came out of the Work Group meeting prepared to make a recommendation to the Chairman of the Advisory Council from the TAG to take on another project to offset the money that is sitting there unspent, but they had not considered the $10.5 million number that had just been discussed. He noted that it represents about a $2 million greater
impact than they had modeled. So the question would be how comfortable we are in the short term about the balance in the Lower Basin Development Fund.

Barnett suggested that the numbers on the summary sheet are for planning purposes, and this represents an increase of $2.1 million over 3 years. It may be that the $2.1 million can just fall into Reclamation’s planning processes. In other words, if there is another FOA, then it just slips within those numbers and so it may not be all the way to $6.4 million. It might be more like $7.5 million or so. Robbins suggested that the decision would be to wait and see if something better comes along (in another FOA) or proceed with more salinity control right away (with a NRCS-EQIP pass-off project). He was concerned that the $6.4 million was starting to get below his personal comfort zone of the amount of money needed in the fund to keep the promise to always be ready to pay back the Treasury in each year leading up to the time when it is actually owed.

Rich Eastland extended an invitation to the group. He noted the additional liability of the repayment obligation to the Treasury which continues to ratchet up slightly for each year the payment is not made. When that is coupled with the accrual, it really begins to add up. He suggested that Reclamation would like to help in developing some financial scenarios to help facilitate the discussion and look at possible outcomes, potentially incorporating results from CRSS modeling scenarios and revenue stream generation. Reclamation would like to actively participate with the Council in developing some alternatives and getting a better perspective on the future to help in the decision making process.

Robbins suggested that in a philosophical point of view, he would like to have the money available to use as the programs are planned and then pay the Treasury back when it’s owed. He felt that as long as we can continue to show that we can do that, whether the amount changes or not doesn’t matter because we are not talking about a time value of money. It’s just an amount we owe in the future. Robbins expressed his personal opinion that he didn’t want to be depleting the fund by tossing money into the Treasury when we are struggling to make sure there are enough funds to do the things we are obligated to do.

Tanya Trujillo mentioned that they have long urged Reclamation to be more accurate with revenue predictions, so if they can be more accurate, that would be great. She noted that the backdrop to this problem is the inflexibility that exists in the cost-share ratio, so our hands are tied, except for flexibility in repayment in terms of a revenue generating perspective. That’s the only possibility she could see.

Responding to a question about achieving salinity reduction goals, Barnett explained that the plan coming out of the review would be for Reclamation to achieve 11,600 tons of salinity control each year over the next three years. Salinity control from the FOA, as presently proposed, would amount to 30,000 tons over the next three years, which would be about 4,500 tons short of the goal. The additional project proposed would add about 2,500 more tons.

Barnett responded to another question by explaining that the President’s budget was $8.423 million and if Reclamation picks up another $1 million from year-end dollars, then we are at $9.5 million. We were seeking about $12.5 million based on cost effectiveness, but the new cost effectiveness reduced it to about $10.2 million, so we are getting closer. Robbins added that we are in a position where we have done a very good job and have accomplished everything we said we would do for the last 35 years. Because our society operates in the crisis mode, the government tends to spend its money on the crises. Consequently, we haven’t been squeaking, so we don’t get any grease. The reason we don’t want to look 30 years down the road is if the numbers start to get bad, but we don’t want to be crying wolf. We have to wait until we really have a problem, but at that point in time, we start to squeak throughout the basin and we can start to ask for significantly more money to keep in line with our plan of implementation.
Pat Tyrrell suggested that, looking at the financial situation, we are going to start squeaking. We have reduced income coming in. We may fund this additional project which drives us down a couple of million. We have our own issues internally to solve the $3 million Lower Basin Fund deficit. It was Tyrrell’s opinion that we have about 3-5 years to fix this. He noted that as he watches the numbers morph on the page, listens to Reclamation and watches the hydrology of the Basin, it is his opinion that we would need to get over these political problems quickly or else we are going to be non-compliant in the Basin, and broke.

Robbins reviewed the two legitimate perspectives. One is we should try to keep a reasonable amount of money available in the actual fund balance in order to be conservative in terms of giving assurance that we can manage whatever obligations we have to the Treasury. The other, which he felt was equally valid, is that our job is to try and get some salt out of the water and give assurance to our constituencies in the seven states that the river at least stays the same, if it doesn’t improve, in terms of TDS.

Tyrrell added that whether or not we are controlling salt, we will be developing water with additional water rights, reservoirs and industrial users that come on line. If we are not controlling salt, we will not be able to keep up with this increased load. He stated that he was in favor of the project opportunity if only for the reason that we could lose a year or two of that salt control that we may wish we had down the road.

Chairman Robbins asked Dent to make his recommendation from the TAG. He suggested that the Advisory Council should then take a break so the states could discuss how they want to proceed on this fairly significant decision. The recommendation would come under the next agenda item.

X.D. Funding Recommendations from TAG

The Advisory Council received three recommendations from the TAG Chairman. The first was that $150,000 of Basin States money be allocated to match the Bureau of Reclamation’s funds to pay for a consultant to help in the improvement of the economic damages model. A motion was made on this recommendation and it was approved by the Advisory Council.

The second recommendation was to engage the Bureau of Reclamation and accept Rich Eastland’s offer to look further at revenues for the short term and how the plan would operate going forward in terms of managing these short-term alternatives. Jacobson asked that Reclamation receive a letter from the Advisory Council regarding short-term management of the Lower Basin Fund earlier in the year, as opposed to receiving that letter as late as June the previous year. Don Barnett suggested that as he understood it, the letter would recommend not to expend more than $10.5 million and to not make the repayment to the Treasury in 2015. The rest of the letter would be very similar to the prior year’s letter, except that it might talk about getting together and looking at the overall solvency. Robbins added that the letter would begin by acknowledging and accepting Eastland’s offer and include expectations for that dialogue and how to proceed forward. Eastland verified that the TAG Chairman will be the point person to work with Reclamation on what scenarios need to be modeled in terms of what the revenue streams might be looking forward. Robbins suggested that the TAG develop a sub-group to deal with this issue. This sub-group could include representatives from all the states or from just those which desire to participate. Robbins asked for a motion to accept Eastland’s offer to engage the Bureau of Reclamation on the issue of revenues and the plan for the coming year and future years and to instruct Dent to put together a sub-group of the TAG to commence that process. The motion was made and approved.

Dent mentioned that, as a result of discussions during the break, he would like to amend the third recommendation. He suggested that they still move forward with the funding of another project; however, if the financial modeling shows a minimum balance of $7.5 million in the out-year, this would become the break-even point to determine whether or not to move forward with the additional project.
There was a discussion about this suggestion. Barnett explained that the original legislation allowed that a repayment could go negative, but operational dollars cannot be spent if they are not there. The fund will build through the year, but because of the dynamic of the Reclamation program, it is often necessary to draw money out very quickly right after the first of the fiscal year. So the idea of putting a floor there makes it possible to draw out the needed money without running the fund into negative territory. Chairman Robbins stated his understanding that Dent wants to defer the million dollar repayment until the bulk of the balloon payment is due, but they want to be sure that between now and then they always start the next fiscal year with $7.5 million in the fund to avoid going negative should there be a need for Reclamation to make a significant draw on the fund early on. It was suggested that if the $2.5 million payment for an additional project were to be made now, it would cause that number to drop below $7.5 million at the start of a fiscal year between now and when the balloon payment is due. It was explained that the $2.5 million would be taken out over three years, so it would never all be pulled out at the same time.

Robbins summarized the suggested motion. It would be to ask Reclamation to look at the numbers and then instruct Dent and the TAG to verify that we won’t be driving the fund below neutral by taking this action. If it is true that the fund would stay positive, then the next project available under the FOA would be moved into the funding category and funded. The motion was made and approved. As far as timing, Dent was instructed to make that determination before the end of November.

X.B. Update on State Ag Agreements projects

Prior to this presentation, Chairman Robbins mentioned something he thought the group should consider. He said one of the things that has not been funded as much has been state assistance for the ag program, which used to be under the Parallel Program. He thought it would be a good idea to have Quilter and Lair evaluate their programs and to gather information that would allow for a knowledgeable discussion about how to proceed as to whether we are going to move toward funding FOA and away from the past funding.

Cindy Lair mentioned that she had her hands full as she has taken on Jim Currier’s work since he retired. She appreciated the Chairman’s comments about the future of the program as they look at filling his position and making sure that they have the future work to do from the Basin States perspective.

Lair reported on the efforts of Beth Karberg, the salinity coordinator in the Lower Gunnison. Karberg has done a great job in that position and has accomplished a lot in a short time. She has reported to both the Lower Gunnison Study Team and the Work Group, which presentations were very well received. She spent a lot of time helping applicants prepare good quality FOA applications early in the summer. Lair felt that Karberg has proven herself to be a very worthwhile addition to their team.

Lair mentioned that they are happy to get an early start on renewing their agreement with Reclamation. She reported that they are finishing up a couple of FOA projects. They were pleased to receive about $1.3 million in non-eligible EQIP applications. One project is in the Book Cliff Conservation District in Silt, four in the Delta Conservation District, and three other projects will be in Grand Valley.

Lair commented that they employ about 12 technical positions through NRCS in the various district offices, and they are doing very good work out there. NRCS and the conservation districts appreciate these employees and are anxious to give them raises. This is Lair’s biggest problem right now, where to find the money to give them the raises that they deserve. She is working with Dawn Jackson from NRCS on trying to find a solution.

Mark Quilter reported that through the FOA process, his department was pleased to be able to do a canal project in Daggett County. They have completed most of that work. They have received two FOA projects
for the next year, another one in Daggett to allow for piping of all of Sheep Creek Canal Company’s delivery system. There is a small project in Vernal which will provide pressurized water to several farmers in the Vernal area. They are currently working with the Attorney General’s office to develop a new contracting form which will resolve issues they have had with the old form. This has caused a little delay in contracting, but that should be finished soon. He noted that they are pleased with Reclamation for getting agreements out in a timely manner. That has been very helpful.

Quilter mentioned that it has been a great experience to have Brett Prevedel as the salinity coordinator for the Uinta Basin. His long experience in the area has been very valuable. Due to his work, Utah has been very successful with the FOAs that have been submitted. He has been up front with the irrigators, suggesting that they would need to come up with outside funds in order to be competitive in the FOA process. They have followed his suggestion in bringing in significant funds, and they have had great success in getting projects approved. Quilter noted that, as requested by the Work Group, Prevedel has been meeting with irrigators and challenging them to sign up with Reclamation and FSA to make sure all their paperwork is in line so they can qualify for EQIP contracts with NRCS.

Chairman Robbins suggested that the Advisory Council give the TAG or the Work Group the assignment of looking at the activities that Lair and Quilter direct in terms of where they stand in the hierarchy of funding and how we can be sure that they understand that their funding will be at a certain level or will be increased or decreased so they can make some plans going forward. Dent indicated that the Work Group will address this issue.

X.E. Lower Gunnison and Uinta Basins Planning Studies/Teams Jacobson/Jack Barnett

Jacobson reminded the Council of the effort that began about three years earlier to study the Lower Gunnison Basin and the Uinta Basin to determine what needed to be done to encourage more participation from these areas in the salinity control program. Reclamation got a contractor on board for this purpose. They conducted interviews with farmers, irrigation entities, NRCS and others and studied the areas to get an idea of what the issues were and to make recommendations. They completed their work with a report and recommendations for each basin. One of the main recommendations was to get a salinity coordinator for each area. Reclamation proceeded with the hiring of the salinity coordinators, which has proven to be a good move. Recently these coordinators have been a great help to the entities in the FOA process.

Jack Barnett added that from the start there were study teams put together in each basin composed of local people. Their input was very helpful in the reviews performed by the consultant, and they have been supportive in getting the salinity coordinators up and running. Recently there was a meeting of each study team to kind of close the loop. At the end of the Lower Gunnison meeting, there was a little confusion and perhaps they concluded that the study team would not need to meet again. On the other hand, the Uinta Basin study team asked to come together again the following year. There will be a need to come back to the Advisory Council through the TAG’s recommendation as to whether or not to continue the funding for the two coordinators. For those involved, it is apparent that the coordinators have done a great job and the funds have been well spent.

Gawain Snow, a member of the Advisory Council who served on the Uinta Basin study team, added his perspective on this. He reported that he had worked quite closely with the coordinator and has seen very good results. He miraculously brought canal companies together on a FOA project to build a common pipeline that would have never happened otherwise. As a neutral party with nothing to gain personally, he was able to address the issues on a straight-forward basis and help them to understand the program and the realistic costs to them and answer their questions. His efforts have encouraged a lot of people to be involved in salinity control that would not have otherwise.
Dave Kanzer reported that the coordinator in the Lower Gunnison has been a great addition and has brought people together. She has not only helped with the FOA and getting projects moving, but she has also been educating people to come to the realization that old irrigation methods are changing for the better. Now that the FOA is over, she is looking forward to working more on the on-farm piece of the program.

XI. Allocation of Payments between Upper and Lower Basin Funds

It was noted that each year the Council looks at the 15/85 split in allocation of payments between the Upper and Lower Basin funds and agrees that it will continue to follow that statute. Tanya Trujillo commented that this is not discretionary and that they have an existing process in place to try and address the fact that the inflexibility in the existing statute is causing trouble in terms of being able to fund the program.

XIII. Direction to the Technical Advisory Group (TAG)

Dent made notes on assignments for the TAG, which include engaging very quickly with Reclamation and fine tuning revenue projections regarding the Lower Basin Development Fund in order to be able to advise Reclamation about proceeding with another FOA project. There was also an assignment to talk to the Work Group Chair about looking at the impact to the ag programs resulting from an increase in the amount of FOA projects versus the EQIP projects they have historically been working on.

On the latter issue, Chairman Robbins commented that there should be an open and direct conversation on the subject of the amount of FOA projects versus EQIP projects so that things don’t sort of occur by default.

Regarding the first assignment, Robbins instructed Dent that as soon as they have arrived at an agreed-upon set of runs that look at the consequences to the Lower Basin Fund, he should promptly send out a notification of the results and conclusions to all of the Advisory Council/Forum members so they can understand very promptly the reason for the decision on whether or not to fund an additional FOA project. If the members of the Council have concerns or questions, he suggested that it might become necessary to have a conference call or some other method of discussion so that members are fully understanding and satisfied with the decision. This may need to be done as a Forum to avoid FACA problems.

It was noted that the TAG will also be bringing recommendations on SIR projects to the Advisory Council at their spring meeting.

XIV.A. 2015 Advisory Council Report

Chairman Robbins asked Tanya Trujillo to review the recommendations from the Forum regarding funding levels that should be used in the Advisory Council Report. Trujillo referred to Forum Memo 2015-61. Table 1 showed FY2017 funding recommendations for BLM of $1.5 million and for Reclamation of approximately $10.3 million. The Department of Agriculture recommendations were summarized in Table 2, including a recommendation not to make the current repayment to the Treasury for the coming year. Chairman Robbins suggested that Trujillo’s report could serve as a motion to include those matters in the Advisory Council Report. The motion was seconded and passed.

In addition to the program funding recommendations, Dent reported additional items to be included in the Advisory Council Report that had been discussed in the meetings. He suggested that we encourage CTA dollars to still be made available for support of the EQIP implementation program. Reclamation should be encouraged to proceed with the studies regarding the CRB recommendations for solar evaporation ponds and the replacement well for the Paradox Valley Unit. Reclamation should also stick with the schedule presented as they move forward on the EIS and also consider the actions of the EIS as they plan their
budgets in future years. They need to plan on funding for the anticipated Record of Decision and the studies and dollars needed to follow those alternatives. There will be a continued need to coordinate with Reclamation regarding cash flows in the Lower Basin Development Fund, short-term management solutions for the deficits and how to engage in resolving those issues.

Dent suggested encouraging NRCS to continue to provide a salinity coordinator who will be competent and active in coordinating NRCS’s efforts regarding the implementation of the salinity control program.

XV. **Items for the Forum**

Tanya Trujillo had no items to take back to the Forum. Chairman Robbins suggested that there should be a discussion of funding for NRCS field activities in Colorado and Utah. He felt that the Forum should at least instruct the Work Group to begin to look at that. As the group had determined to continue significant funding for the FOA, it would be important to look at what this means for the NRCS folks. They need to be able to move ahead on firm ground and know that they have funding support beyond just the next budget cycle.

XVI. **Other Business/Actions**

There were no additional items to consider.

XVII. **Public Comment**

There were no public comments to come before the Advisory Council.

The Advisory Council was then adjourned at 11:00 a.m.
AGENDA
COLORADO RIVER BASIN SALINITY CONTROL ADVISORY COUNCIL

Embassy Suites – Paloma Village Hotel
3110 East Skyline Drive
Tucson AZ

Advisory Council Beginning Time:  Wednesday, October 28, 2015, 1:00 p.m.

Designated Federal Officer:  Kib Jacobson

Presiding:  Chairman Dave Robbins

I.  Welcome, Introductions  Robbins

II.  Opening Comments, Acceptance of letters of substitute members  Jacobson

III.  Review and Approval of Agenda  Robbins

IV.  Draft Minutes of 2015 Spring Council Meeting – Salt Lake City, UT
A.  Review  Jacobson
B.  Action  Robbins

V.  Charter Renewal  Jacobson

VI.  Items from the Forum  Tanya Trujillo

VII.  Agency Reports (about 20 minutes each)
A.  EPA  Peter Monahan
B.  USGS  Dave Susong
C.  USDA-NRCS  Travis James
D.  FWS  Barb Osmundson
E.  BLM  Bob Boyd
F.  Reclamation  Rich Eastland/Jacobson

VIII.  Public Comment  Robbins

Recess Meeting:  Approximately 3:30 p.m.

Agenda Continued on Next Page
Reconvene Meeting: Thursday, October 29, 2015, 8:30 a.m.

IX. Agency Reports (completed in VII above)

X. Basin States Program (BSP)
   A. Basin Funds Status and Accounting  Jacobson/Eastland
   B. Update on State Ag Agreements projects  Mark Quilter/Cindy Lair
   C. Status of Basin States Program
      a. State Ag Agreements  Marcie Bainson
      b. NRCS Agreements
      c. SIR (studies, investigations, research) agreements
      d. Other
   D. Funding Recommendations from TAG
      a. Funding for Economic Damages Study  Jacobson/Harry Ruzgerian
   E. Lower Gunnison and Uinta Basins Planning Studies / Teams  Jacobson/Jack Barnett

XI. Allocation of Payments between Upper and Lower Basin Funds  Jacobson

XII. Basin Fund Payments / Accrual  Jacobson

XIII. Direction to the Technical Advisory Group (TAG)  Robbins/Dent

XIV. 2015 Advisory Council Report  Robbins
   A. Program Funding Recommendations  Robbins
   B. Discussion of Items for Report  Dent

XV. Items for the Forum  Trujillo

XVI. Other Business/Actions  Robbins

XVII. Public Comment  Robbins

Adjourn Meeting: Approximately 11:00 a.m.