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DEPARTMENT OF NATURAL RESOURCES

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November 9, 2015

FERC Project #P-12966-003
Lake Powell Pipeline Project
Utah Board of Water Resources

Hon. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 1st Street, N.E.
Washington, D.C. 20426

Subject: Six-Month Progress Report
The Lake Powell Pipeline Project, FERC Project No. P-12966-003

Dear Secretary,

On May 14, 2014, the Utah Board of Water Resources was granted an extension of term for Preliminary Permit by the Federal Energy Regulatory Commission, Project No. P-12966-003, for a period of two years to study and investigate the feasibility of the proposed project to be located between Lake Powell on the Colorado River and Sand Hollow Reservoir, through Kane and Washington Counties, Utah and through Coconino and Mohave Counties, Arizona. Article 4 of the Preliminary Permit requires that the six-month progress report be filed electronically with the FERC at the end of each six-month period. The required progress report for the ninth six-month period from May 1, 2015 through October 30, 2015, is attached for electronic filing.

If you have questions or need additional information, please contact me at (801) 538-7230. Thank you.

Sincerely,

Eric L. Millis, P.E.
Director

ELM/bdl
Attachment



Intervener's List – FERC Project 12966-003 Six-Month Progress Report

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-- Utah Board of Water Resources --

Ninth Six-Month Progress Report
for the Preliminary Permit

on the

Lake Powell Pipeline Project
FERC No. 12966-003

submitted to the

Federal Energy Regulatory Commission

May 1, 2015 to October 30, 2015

(4) Progress Report:

During the ninth six-month permit period: the Permittee received additional comments on the updated Draft Class III Archaeological and Historic-Era Resources Study Report from the Bureau of Land Management (BLM); implemented a Plan of Work approved by BLM to perform requested field work to address UT and AZ State Historic Preservation Officer (SHPO) comments on the Draft Class III report and amend the Class III report; performed additional field work requested by the UT and AZ SHPOs on previously recorded sites that were not relocated in the field during the Class III survey, private lands previously not surveyed because access had not been granted, and re-survey of isolated occurrences to determine if artifact density and integrity would qualify them as recordable sites; updated the Class I literature search and used the results to inform the additional Class III surveys; continued preparing portions of the draft Historic Properties Management Plan (HPMP); completed the Water Needs Assessment study report to incorporate the GOPB 2012 population projections, revised Utah 25 percent water use reduction goal by 2025 (previously 2050), Virgin River Climate Change Analysis prepared by the Bureau of Reclamation (Reclamation) for Utah Division of Water Resources (UDWRe), and completed future water supply and demand analyses to update the Water Needs Assessment; completed updates of the Virgin River Daily Simulation Model for incorporation of results into final study reports; prepared an Indicators of Hydrologic Alteration model/analysis and Dundee Hydrologic Regime Alteration Method model/analysis for the Virgin River in the future with and without the Lake Powell Pipeline, and presented the results to the Virgin River Program Technical Committee (Utah Division of Wildlife Resources, BLM, National Park Service (NPS), U.S. Fish and Wildlife Service, Washington County Water Conservancy District, Arizona Game and Fish Department, Nevada Department of Wildlife, and The Nature Conservancy); continued preparing the Preliminary Licensing Proposal; and continued coordination with federal and state resource and regulatory agencies and Indian tribes. The Permittee continues to incorporate responses to comments on the Initial Study Report and Modified Study Report into the final study reports, based on the responses filed with the Commission by the UWDRe on behalf of the Utah Board of Water Resources (UBWR) and to update the final study reports as applicable.

During this period, the Permittee coordinated with the BLM, NPS, and Reclamation on the Final Draft Class III report and other project-related documents. Some of the activities related to environmental studies included:

- Continued coordination with BLM representatives to discuss their comments on the Final Draft Cultural Resources Class III Report, the Arizona and Utah SHPOs review comments on the Final Draft Cultural Resources Class III Report, and needs for submitting the Final Class III report to the Utah and Arizona SHPOs;
- Continued follow-on consultation regarding results of additional cultural resource field investigations;
- Continued discussion with the BLM regarding LPP impacts on resources;

- Continued discussion with Reclamation regarding the updated Colorado River System Simulation (CRSS) and LPP impacts on resources ; and
- Continued coordination with Department of the Interior, BLM, NPS, and Reclamation to discuss LPP project updates and agency activities.

During this period, the UDWR coordinated with the Kaibab Band of Paiute Indians and visited the tribe at their headquarters in Pipe Spring, Arizona for a meeting. Ongoing discussions involved the alignments across the Kaibab-Paiute Indian Reservation and the Proposed Action alignment south of the Reservation.

This period included continued preparation of the preliminary draft biological assessment on listed threatened, endangered and candidate species that could be affected by construction and operation of the LPP Project. Completion of the Virgin River Daily Simulation Model (VRDSM) by UDWR and additional modeling/analysis of Virgin River flows using the Indicators of Hydrologic Alteration (IHA) model (The Nature Conservancy) and the Dundee Hydrologic Regime Alteration Method (DHRAM) model was presented to the Virgin River Program Technical Committee. The data and model results are being incorporated into the preliminary draft Biological Assessment regarding potential effects on Virgin River listed fish species and their designated critical habitat, and potential effects on Virgin River avian species and their designated critical habitat and proposed critical habitat along the river.

During the tenth six-month period under the Successive Permit, the Permittee will: complete the updated Socioeconomics and Water Resource Economics, Land Use Plans and Conflicts, and other associated study reports incorporating the GOPB's 2012 final population projections released in January 2013, Utah Governor's revised 25 percent reduction goal by 2025, and Reclamation's Virgin River Climate Change Analysis study; incorporate the Reclamation's pending updated CRSS model results into the Surface Water Resources, Surface Water Quality, and Socioeconomics and Water Resource Economics final study reports; incorporate the natural gas pipeline alternative into all applicable study reports; provide further study results to involved agencies for review and comment; coordinate with the involved agencies on mitigation measures; complete the preliminary draft biological assessment for submittal and review by the U.S. Fish and Wildlife Service; complete all other final study reports; and undertake other consultations as appropriate.

The ongoing additional Class III survey field studies are scheduled to be completed by December 4, 2015. The BLM approved Plan of Work for the Class III report will involve preparing an addendum report covering the recent Class III survey activities, BLM review of the addendum report, agency and Native American tribes and nations review of the addendum report, incorporation of the addendum report into a revised Class III report, BLM review of the revised Class III report, and submittal of the Final Class III Report to the Utah and Arizona SHPOs for concurrence. These Class III report activities are projected to be completed by April 2017. Therefore, the Class III survey final study report and the draft HPMP will not be completed for filing with the License Application in April 2016.

The Permittee expects to continue adhering to the ILP with an overall schedule as follows:

File Preliminary Licensing Proposal:	December 1, 2015
Prepare and File License Application:	November 2015 through April 2016, file License Application on by April 30, 2016

Please contact our Project Manager, Mr. Bill Leeflang, at (801) 538-7293, if you require additional information.