The States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming Governor's Representatives on Colorado River Operations

February 3, 2006

Honorable Gale A. Norton, Secretary Department of the Interior 1849 C. Street, NW Washington, D.C. 20240

Re:

Development of Lower Basin Shortage Guidelines and Coordinated Management Strategies for the Operation of Lake Mead and Lake Powell Under Low Reservoir Conditions

Dear Secretary Norton:

The materials attached to this letter contain descriptions of the programs that the seven Colorado River Basin States suggest be included within the scope of the environmental impact statement (EIS) for the proposed *Colorado River Reservoir Operations: Development of Lower Basin Shortage Guidelines and Coordinated Management Strategies for Lake Powell and Lake Mead Under Low Reservoir Conditions* (70 Fed. Reg. 57322) (Sept. 30, 2005).

The Basin States, Bureau of Reclamation and others have consulted regularly since our previous correspondence on August 25, 2005 to further discuss and refine recommended management strategies for the Colorado River system. Subsequently, individual entities within the seven Basin States submitted oral and written comments to the Bureau of Reclamation on the above-referenced EIS process. Attachment A, "Seven Basin States' Preliminary Proposal Regarding Colorado River Interim Operations," is submitted as a consensus document on behalf of the seven Basin States. Please recognize that the States are still actively working on the matters addressed in this submission and anticipate further refinement.

Our recommendation is designed to provide input for the Department's consideration as it develops additional operational and water accounting procedures to: 1) delay the onset and minimize the extent and duration of shortages in the Lower Division States; 2) maximize the protection afforded the Upper Division States by storage in Lake Powell against possible curtailment of Upper Basin uses; 3) provide for more efficient, flexible, responsive and reliable operation of the system reservoirs for the benefit of both the Upper and Lower Basins by developing additional system water supplies through extraordinary conservation, system efficiency and augmentation projects; 4) allow the continued development and use of the Colorado River resource in both the Upper and Lower Basins; and 5) allow for development of dedicated water supplies through participation in improvements to system efficiency and clarification of how to proceed with development of non-system water reaching the Lower Basin

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mainstream. It is our position that implementation of these operational and accounting procedures can be accomplished without modification of the Long Range Operating Criteria or other elements of the law of the river.

The States' attached proposal incorporates an approach to shortage management. Additionally, the proposal includes modification and extension of the Department's Interim Surplus Guidelines to incorporate operations for all reservoir conditions.

The attached proposal also addresses the States' recommended approach to implementation of shortages pursuant to the U.S.-Mexico Treaty of 1944. We request that the Department of the Interior initiate, at the earliest appropriate time, consultation with the U.S. Section of the International Boundary and Water Commission and the U.S. Department of State on implementation of Treaty shortages. We further request the opportunity to consult with Interior and State Department officials on this issue as the federal government formulates its approach to any bi-national consultation with Mexico.

An agreement between Basin State water managers and users will be necessary to put in place additional terms upon which they have reached common understanding. We intend that this agreement be finalized while Reclamation is preparing the draft EIS, and be executed as soon as practicable. We are including with this letter a draft version of the agreement (Attachment B), to memorialize our current understandings and to provide you the benefits of our thoughts at this time. As with Attachment A, please recognize that the parties are still actively working on the matters addressed in Attachment B, and contemplate additional development and refinement of the agreement. We recognize that timely execution of our agreement is necessary in order to allow funding of certain efficiency projects to go forward.

During the time Reclamation is preparing the draft EIS, the States will move forward with a package of other actions that include implementation of a demonstration program for extraordinary conservation in 2006, system efficiency projects, preparation of an action plan for system augmentation through weather modification, execution of a memorandum of understanding for preparing a Lower Division States interstate drought management plan, development of forbearance agreements among the Lower Division States and the initiation of a study for long-term augmentation of Colorado River system water supplies. The States have already begun the consultant procurement process to support the long-term augmentation study, and intend to complete a weather modification action plan and a memorandum of understanding for interstate drought planning as soon as practicable. The Basin States recognize that Reclamation is undertaking NEPA compliance separately to determine whether to construct a regulating reservoir near Drop 2 of the All-American Canal and urge swift completion of that process.

We appreciate the opportunity you have provided for the Colorado River Basin States to recommend to you a program of reservoir management that considers all their respective concerns and interests. The Basin States look forward to working with you and Reclamation in analyzing and addressing these matters.

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Sincerely,

Herb Guenther

Director

Arizona Department of Water Resources

Scott Balcomb

Governor's Representative

State of Colorado

Richard Bunker

Chairman

Colorado River Commission of Nevada

John R. D'Antonio, Jr.

Governor's Representative

State of New Mexico

D. Larry Anderson

Director

Utah Division of Water Resources

List of Attachments:

Attachment A: Seven Basin States' Preliminary Proposal Regarding Colorado River Interim

Gerald R. Zimmerman Executive Director

Rod Kuharich

Patricia Mulroy

Patrick Tyrrell

State Engineer

State of Wyoming

General Manager

Director

Colorado River Board of California

Colorado Water Conservation Board

Southern Nevada Water Authority

Operations

Draft Agreement Attachment B: