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Bureau of Reclamation
Att: Ms. Kaylee Nelson, LC-6056
P.O.Box 61470
Boulder City, NV 89006-1470

Dear Ms. Nelson,

The Arizona Department of Water Resource (Department) appreciates the opportunity to provide the Bureau of Reclamation (Reclamation) with comments on the “Review of the Colorado River Interim Guidelines for the Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead” (draft 7D Report). Pursuant to Section XI.G.7.D of the 2007 Guidelines’ Record Of Decision (ROD), the draft 7D Report documents Reclamation’s operational experience and provides a retrospective evaluation of the effectiveness of operations and actions specified by the 2007 Guidelines with respect to the purposes stated in the ROD. We support the stated intent of the 7D review to evaluate the effectiveness of the operations and action specified by the 2007 Guidelines and offer the following comments:

Scope of the draft 7D Report:

1. While Section 4.1, which describes the Basin Study, the Moving Forward Study and the Tribal Water Study, provides important information regarding drought and exploratory activities, it is outside the scope of the 7D review, which is to evaluate the effectiveness of the 2007 Guidelines based on operational experience. Reclamation should consider moving the contents of Section 4.1 to an appendix.
2. Sections 5 and 6 provide detailed discussion of comments received on the scope and approach of the 7D review. Certain comments received on the scope and approach of 7D review indicated interest in reflecting on the development of the 2007 Guidelines, including stakeholder engagement, modeling assumptions, the NEPA process and an evaluation of specific resources. While this is important information for developing a future NEPA process, they are beyond scope of the 7D review. Sections 5 and 6 are better suited for a separate

document. To the extent that Reclamation believes it must respond to the comments within the draft 7D Report, Sections 5 and 6 should instead be included in an appendix.

Observations related to Coordinated Operations

1. Section 7.3.1.1 discusses the equalization tier but neglects to highlight the Lake Powell Equalization Elevation Table, which determines the equalization tiers for each water year. This Section also fails to evaluate any effect from Upper Basin reservoir operations. Effectively, this omission and discussion under 7.3.1.2 leads the reader to believe that April adjustments to “balancing” are solely a factor of Lower Basin projected water use or changes in hydrology. While Lower Basin projected water use may certainly impact this determination, not much credence is given to the equalization line that moves up every water year, effectively broadening the upper elevation balancing tier. Moreover, operational uncertainties related to Upper Basin reservoirs can also impact operations at Lake Powell. In that regard, Section 7.3.1.1 must discuss the Lake Powell Equalization Elevation Table, the impacts of the equalization line and the impacts of the Upper Basin reservoir operations on Lake Powell operational tiers.
2. Section 7.5 addresses the Intentionally Created Surplus (ICS) program. The Department provides the following recommendations:
 - a. This Section would benefit from additional discussion on the fundamental principles of ICS – investments in projects or programs that reduce existing consumptive use of the Colorado River water, verified through Reclamation’s accounting process.
 - b. In addition to the discussion of forbearance, this Section should discuss intra-state agreements for implementation of ICS. In Arizona, the U.S., the Department and the Central Arizona Water Conservation District executed the AZ-ICS Framework Agreement to develop a program for the creation, accumulation and delivery of ICS by Arizona ICS creators pursuant to the 2007 Guidelines. This Agreement provides for the sharing of ICS creation, storage, and release capacities to navigate the differing priorities necessary to conserve water through the ICS mechanism. Section 7.5.2 should acknowledge the role of this Agreement in the success of the ICS program in Arizona.
 - c. Section 7.5.1.5 discusses the “May provision” – if operational projections made in May indicate that a Shortage Condition would be determined in the upcoming year if the current year’s requested amounts were delivered, the Secretary may reduce the amount of ICS requested to be delivered. The paragraph concludes that, “Given the hydrologic and operational uncertainty that exists during the months of May through July leading to the August determination, this provision would be difficult to implement.” It is unclear why uncertainty in May through July prohibits action, when other determinations are made throughout the year based on projections, including

the annual operations based on August projections and the April readjustment. The Department recommends clarifying the challenge in implementing the May provision.

Effectiveness of the Guidelines

Section 8 discusses the effectiveness of the guidelines as measured against the purpose and need of the ROD. The 2007 Guidelines have had strong formative and summative impacts on the management of the Lakes Powell and Mead. The collaborative efforts and stakeholder inclusion that the 2007 Guidelines fostered was an enabling factor for the Drought Contingency Plans. The novel approach created by the 2007 Guidelines laid the foundation for additional conservation efforts, including compensated system conservation programs and Mexico's participation in conservation both independently and through binational programs. The Department believes Section 8 could be more robust through additional discussion of examples of the wide and long-lasting impacts the 2007 Guidelines have had on the management of the Colorado River.

Thank you for the opportunity to provide these comments on the draft 7D Report. We have a particular interest in ensuring a successful and accurate review of the 2007 Guidelines. In this effort, the Department asks that Reclamation consider and incorporate the above comments. Should you have any questions on concerns regarding any of the above, please contact Vineetha Kartha at 602.771.8552 at your earliest convenience.

Sincerely,



Thomas Buschatzke
Director

cc: Carly Jerla, BOR
Malcolm Wilson, BOR
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