



United States Department of the Interior



BUREAU OF RECLAMATION
P.O. Box 61470
Boulder City, NV 89006-1470

IN REPLY REFER TO:

LCB-4225
2.2.4.23

VIA ELECTRONIC MAIL ONLY

Michael Malano
Managing Director
Greenstone/GSC Farm, LLC
2999 North 44th Street, Suite 518
Phoenix, AZ 85018

Subject: Approval of Revised Calendar Year (CY) 2023 Colorado River Water Diversion – GSC Farm, LLC (GSC)

Dear Michael Malano:

The Bureau of Reclamation received GSC's revised CY 2023 Colorado River water diversion estimate dated May 26, 2023, in which GSC requests approval to divert up to 35 acre-feet (AF) in CY 2023. In accordance with Title 43, Code of Federal Regulations Part 417 (Part 417), this letter provides GSC with notice of my determination regarding GSC's proposed diversion and beneficial use of Colorado River water for CY 2023.

Pursuant to Contract No. 13-XX-30-W0571, as amended, GSC is entitled to divert up to 69.93 AF per year of Arizona fourth priority Colorado River water for domestic use within its contract service area.

On August 16, 2022, Reclamation released its Colorado River Basin August 2022 24-Month Study, which projects Lake Mead's January 1, 2023, operating determination elevation to be 1,047.61 feet.¹ In its letter dated September 14, 2022, Reclamation announced that, in accordance with the 2007 Interim Guidelines,² Lake Mead and the lower Colorado River will operate in a Tier 2 Shortage Condition in CY 2023.³ In addition, the 2019 *Lower Basin Drought Contingency Plan Agreement* (LB DCP Agreement) will also govern the operation of Lake Mead for CY 2023. In accordance with Section XI.G.2.D.1.b of the 2007 Interim Guidelines, 2.4 million AF is apportioned for consumptive use in the state of Arizona in CY 2023 (a reduction of 400,000 AF from its 2.8 million AF basic apportionment). Additionally, in

¹ The CY 2023 operating determination elevation of 1,047.61 feet was calculated by taking Lake Mead's projected end of CY 2022 physical elevation of 1,040.78 feet, as reported in the August 2022 24-Month Study, and adding 480,000 AF of water held back in Lake Powell to Lake Mead's capacity to maintain operational neutrality. Additional information is available at: <https://www.usbr.gov/lc/region/g4000/24mo/>.

² Referring to *Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* dated December 13, 2007.

³ The projected operation determination elevation of 1,047.61 feet is within the Drought Contingency Plan elevation band of 1,045 and 1,050 feet and reflects what is commonly referred to a "Tier 2a" Shortage Condition.

accordance with Section III.B.1.a of Exhibit 1 to the LB DCP Agreement,⁴ the state of Arizona will be required to make DCP Contributions in the total amount of 192,000 AF in CY 2023.

Consistent with the Arizona mainstream Colorado River water priority system, there are no reductions to the water supply available to first, second and third priority entitlement holders for CY 2023. As noted in Reclamation's September 14th letter, the Arizona fourth priority Colorado River water available supply for CY 2023 is 1,078,962 AF on a consumptive use basis. Of this amount, 106,318 AF,⁵ on a diversion basis, is available for distribution among mainstream fourth priority entitlement holders for use in CY 2023 in accordance with the state of Arizona's August 6, 2009, Arizona Shortage Sharing Recommendation⁶ and the "pool" approach described by letter dated January 25, 2021.⁷ Reclamation has determined that the available Arizona mainstream fourth priority water supply is sufficient to satisfy all initial on-river mainstream water orders for CY 2023. However, given the limited available supply, requests for modifications to increase approved water order amounts will be evaluated on a case-by-case basis to ensure approved volumes do not collectively exceed the 106,318 AF of available supply. Arizona fifth priority and/or sixth priority entitlements will not be available for diversion in CY 2023.

Based upon the Shortage Condition determination and a review of the CY 2023 diversion estimate provided by GSC, I approve the diversion of up to 35 AF of Colorado River water during CY 2023 for domestic use within GSC's service area. This approved diversion results in an estimated consumptive use of 25 AF.

Reclamation would like to highlight that, in accordance with the *Inadvertent Overrun and Payback Policy*,⁸ **accumulations of inadvertent overruns are not permitted in CY 2023 and are suspended as long as a Shortage Condition is in effect.** To assist entitlement holders in monitoring their Colorado River water use to ensure they remain within available quantities, Reclamation will continue to project CY 2023 diversions and consumptive use of Colorado River water during CY 2023 and will make these projections available daily on Reclamation's website.⁹ Reclamation encourages Colorado River water entitlement holders to use the projections to adjust diversions to remain within their Reclamation-approved annual Colorado River water order.

Thank you for submitting GSC's revised diversion estimate for CY 2023. Should you have questions, please contact Jeremy Dodds, Water Accounting and Verification Group Manager, at

⁴ Referring to *Lower Basin Drought Contingency Operations*. Available at: <https://www.usbr.gov/lc/region/g4000/dcpdocs/Attachment-B-Exhibit-1-LB-Drought-Operations.pdf>.

⁵ The mainstream pool will receive 9.85% of the Arizona fourth priority Colorado River water available for CY 2023, calculated as 164,652 AF divided by the difference between Arizona's 2,800,000 AF basic apportionment and the average historical consumptive use by Arizona first, second, and third priority users (1,129,038 AF). The average historical consumptive use by Arizona first, second, and third priority users is based on the four highest years of consumptive use during the five-year period from 2017-2021.

⁶ Available at: https://new.azwater.gov/sites/default/files/8-6-2009_ADWR_Shortage_%20ecommendation.pdf

⁷ Available at: https://new.azwater.gov/sites/default/files/01.25.21_ADWR_CAWCD_shortage_recommendationLetter.pdf.

⁸ Available at: <https://www.usbr.gov/lc/region/g4000/IOPP.pdf>.

⁹ Available at: <https://www.usbr.gov/lc/region/g4000/hourly/forecast.pdf>.

(702) 293-8164 or jdodds@usbr.gov. Individuals who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 (TTY, TDD, or TeleBraille) to access telecommunications relay services.

Sincerely,

**JACKLYNN
GOULD** Digitally signed by
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Date: 2023.06.15
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