Mr. Thomas Buschatzke  
Director  
Arizona Department of Water Resources  
P.O. Box 36020  
Phoenix, AZ  85067-6020

Dear Mr. Buschatzke:

Thank you for your letter to Commissioner Burman dated May 14, 2019, submitting the state of Arizona’s Extraordinary Conservation Intentionally Created Surplus (EC ICS) exhibits (listed below) to the Secretary of the Interior for approval pursuant to Section IV.E.2 of Exhibit 1 to the Lower Basin Drought Contingency Plan Agreement. We note that the ability of the Lower Division States to create additional ICS in Lake Mead, as well as the increased flexibility to use ICS, are key components of the Lower Basin Drought Contingency Plan Agreement to protect critical elevations at Lake Mead. The Bureau of Reclamation appreciated the opportunity to review and comment on the proposed EC ICS exhibits in their early stage of development.

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<th>Exhibit Designation</th>
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<td>LBOps ICS Exhibit Q</td>
<td>Central Arizona Water Conservation District – Funded Intentionally Created Surplus Water Supply from Conserved Water</td>
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<td>LBOps ICS Exhibit R</td>
<td>Central Arizona Water Conservation District – Demand Reduction Incentives to Create Extraordinary Conservation Intentionally Created Surplus</td>
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<td>LBOps ICS Exhibit S</td>
<td>Colorado River Indian Tribes – Extraordinary Conservation – Intentionally Created Surplus – Fallowing</td>
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<td>Mohave Valley Irrigation and Drainage District – Extraordinary Conservation Intentionally Created Surplus</td>
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<td>Wellton-Mohawk Irrigation and Drainage District – Extraordinary Water Conservation Intentionally Created Surplus Land Fallowing</td>
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As you are aware, Section 7.B.5 of the *Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* (2007 Interim Guidelines), provides that the Secretary shall consult with the Colorado River Basin States in the administration of the ICS program. Arizona’s proposed EC ICS exhibits have undergone both intra and interstate review, and Reclamation has facilitated and brought to conclusion the consultation process with the Basin States for Arizona’s proposed EC ICS exhibits.

Reclamation has determined that the proposed exhibits describe EC ICS projects that comport to Section 3.A.1 of the 2007 Interim Guidelines and adequately describe an approach for Reclamation to verify the
conservation of water. Therefore, in accordance with Section IV.E.2 of Exhibit 1 to the Lower Basin Drought Contingency Plan Agreement and the 2007 Interim Guidelines, I hereby approve Arizona’s EC ICS exhibits. These approved exhibits will be posted on Reclamation’s website soon.

Section 3.C.1 of the 2007 Interim Guidelines requires a Delivery Agreement for ICS between the ICS creator and Reclamation. Based on the approved exhibits, we will work with the ICS creators, in consultation with your agency, to develop new or amendatory ICS Delivery Agreements. Reclamation also looks forward to working with the ICS creators each year in administering the ICS program, including the review and approval of ICS creation plans and certification reports.

If you have questions, please contact Mr. Steven Hvinden, Chief, Boulder Canyon Operations Office, at 702-293-8414 or shvinden@usbr.gov.

Sincerely,

Terrance J. Fulp, Ph.D.
Regional Director

cc: Mr. Theodore C. Cooke
General Manager
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