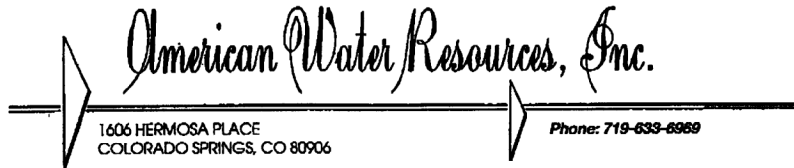


COMMENT LETTER

RESPONSES

SEP. 6. 1999 3:41PM

NO. 537 P. 1/3



September 6, 2000

By facsimile 702-293-8042

Jane Harkins
Lower Colorado River Office
Bureau of Reclamation
Boulder City, NV 89006-1470

Dear Ms. Harkins:

I have very serious concerns about the DEIS for the Colorado River Interim Surplus Criteria. A scenario of increased drought conditions, which are probable, make the current DEIS a prescription for serious adverse consequences, extreme risk for both the Lower and Upper Basin and possible chaos. I doubt that this agreement is enforceable. It could be dangerously contentious.

1 Since there were no public meetings in Colorado, New Mexico or Wyoming, I believe the owners of this water, the people, are not all aware of the possible consequences. Is it acceptable to drain Lake Mead by 50%? Is Lake Powell vulnerable? It may be that a more balanced and reasoned approach could produce a win/win environment. I would never sign an agreement like this that has been rushed through the process and is neither fair nor wise. We are talking about a multibillion dollar value without protection or compensation for those who are at risk. Why would the Upper Basin put themselves in such a vulnerable and weak strategic position? Why would the Lower Basin assume such a speculative position, based on surplus water that may not be there?

2 The reality is that California needs a more disciplined, creative and economic-based approach. It has many serious, complicated, unresolved and unsigned internal negotiations to conclude. The Upper Basin needs to substantially reduce its risk in this deal. A multimillion dollar contingency fund should be established by California as positive incentive and to cover all the mitigation costs that may arise. The Upper Basin provides its most precious asset—water—and California provides what it has in surplus—money. Fair is fair. This is sound economics and the basis and foundation for a workable and enforceable contract.

1: Reasons the Upper Basin states support adoption of interim surplus guidelines are discussed in the interim surplus criteria proposals submitted by Six-States (see Attachment E), and by the Seven States proposed criteria (see Federal Register notice in Chapter 5). Impacts to the Upper Basin states are based on changes to water levels in Lake Powell, which result from releases to Lake Mead to "equalize" storage between the two reservoirs as discussed in Section 1.4.2 of the EIS. Reclamation is only proposing surplus criteria be in effect for an interim 15-year period, during which time they would be subject to review every 5 years, along with reviews of the LROC.

2: A requirement that California make progress on its Colorado River Water Use Plan may be included in ISC Guidelines. California is responsible for funding any costs associated with compliance and implementation of their plan components. This includes costs for mitigating impacts of those actions that require Secretarial approval as determined by other federal and state environmental compliance documents.

COMMENT LETTER

RESPONSES

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Ms. Harkins
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3 The current proposal creates a water welfare state for California whose population of over 30 million is targeted to reach 50 million by 2020, a figure which is more than the combined populations of Arizona, Nevada, Oregon, Idaho, Montana, Wyoming, New Mexico and Utah. California's economic force already represents the seventh largest in the world. Compare this to Wyoming with a population of just 450,000. Should Wyoming be expected to share the risk equally?

In consideration of the DEIS proposal, which would in effect grant water welfare to California, I contend that,

1. California does not need welfare which is negative incentive and bad policy; and,
2. It is always difficult or impossible to reverse a welfare system. It is politically naive to believe California would be ready or willing to give up that benefit.

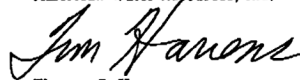
4 The Colorado River Assurance Program for California is a process out of control. Where is the accountability to the principals, the people? The politicians? We are all familiar with situations where three, five or ten years down the road, after major policy decisions have been made and implemented, inflicting adverse consequences on society, we ask, What were they thinking?

We believe this process could provide win/win solutions to these problems if a broader base of perspectives were applied and a more reasonable time frame was established. Without a solid base, this process will fall apart. We are not there now. Something is missing. Both the Upper Basin and Lower Basin must have the courage to do the right thing, not the politically expedient one.

The environmental issues are a major concern and should be appropriately addressed.

Sincerely,

American Water Resources, Inc.



Thomas C. Havens
President

TCH/aa

3: As noted in EIS section 2.3, the interim surplus criteria would terminate at the end of the 15-year period. In the absence of subsequently specified criteria, surplus determinations would be made as is currently done, as part of the annual operating plan development (AOP) process. If California is not making progress in implementing its Colorado River Water Use Plan, the Secretary may choose to revert back to 70R Strategy or the AOP process during the interim period.

4: Reclamation is not aware of any program or process by this name. It is the intent of this current process to carefully consider any potential adverse consequences of alternative courses of action discussed by this document.