

Comments Submitted By Local Agencies

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- L-15 San Diego County Water Authority
- L-16 Arizona Power Authority
- L-17 Central Arizona Project
- L-18 City of Tucson, Arizona
- L-19 Imperial Irrigation District

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April 30, 2007

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To Whom It May Concern:

INTRODUCTION

The Mohave County Water Authority (MCWA) submits the following comments to the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, Draft Environmental Impact Statement (February 2007). MCWA is comprised of members representing Bullhead City (BHC), Lake Havasu City (LHC), Mohave Water Conservation District (MWCD), Mohave Valley Irrigation and Drainage District (MVIDD), Golden Shores Water Conservation District (GSWCD), City of Kingman and Mohave County. BHC, LHC, MWCD, MVIDD and GSWCD represent the first (and probably only) municipal / industrial users in the State of Arizona to be significantly and immediately impacted by projected shortages during the interim period. Because of our unique position in the State of Arizona, we renew our previously denied request for consultation on this matter as the draft EIS makes it abundantly clear that no one with whom Reclamation consulted was adequately representing the interests of Arizona's 4th priority on river users.

THE SEVEN BASIN STATES ALTERNATIVE

MCWA recognizes Arizona worked diligently with the other Basin states to achieve agreement on the Basin States' Preliminary Proposal recommended to the Secretary of Interior on February 3, 2006 following the publication of the Draft EIS, and that Arizona has continued to work closely with the other states to refine and improve the Basin States' Preliminary Proposal and to develop one set of comments to the Draft EIS on behalf of all of the states ("Basin States Comments"). We understand the Basin States will be submitting the Basin States' Comments, together with the Basin States'

"As you drink the water, remember the spring."

L-1

- Chinese proverb -

Proposal, which will include the Basin States' Agreement, Proposed Interim Guidelines for Colorado River Operations, draft Forebearance Agreement and Arizona-Nevada Shortage Sharing Agreement (Basin States Proposal). While MCWA has some significant reservations regarding the Basin States Alternative we join in Arizona's letter submitted this date recommending the Secretary choose the Basin States alternative as the preferred alternative in the FEIS and adopt an ROD with the guidelines and criteria necessary to implement the Basin States Alternative in substantial conformance with the carefully negotiated Basin States Proposal provided such ROD adopts Arizona Department of Water Resources' Director's Shortage Sharing Workshop Recommendations, October 24, 2006 (Revised) Final attached hereto as Exhibit 1.

1

COMMENTS TO ADDRESS CONCERNS SPECIFIC TO MCWA

1. No Action Alternative:

This alternative would provide no guidance to the on river 4th priority users in planning for shortages. Our members could suffer 30% shortages in both M&I and agricultural supplies as early as 2011. It gives no guidance as to how and when shortages would be imposed. It also assumes (a) the existing 602(a) interpretation would stand (see Arizona's letter for further discussion) and (b) the CRBPA requires on river agricultural and municipal/industrial users to be shorted immediately when CAWCD suffers shortages. This conclusion is not compelled by either the language in our contracts nor the CRBPA. This alternative leaves too many unanswered questions both among the Basin States and within Arizona to be acceptable to MCWA.

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2. Water Supply Alternative

The DEIS indicates that there would likely be no shortages in Arizona during the interim period under this alternative. In the short term this is clearly the best alternative for us, but we recognize the potential long term adverse consequences of this alternative and the likely conflicts it would cause among the Basin States. The compromises encompassed within the Basin States Proposal benefit the entire system and its long term benefits are reasons we support the Basin States Alternative versus the Water Supply Alternative.

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3. Reservoir Storage Alternative

The modeling provided in the DEIS shows that this alternative would have a significant negative impact on the river communities in Mohave County. While the Reservoir Storage Alternative proposes to offset some of its impact with increased intentionally created surplus (ICS) the Arizona cities most immediately and severely impacted by this proposal, i.e., Lake Havasu City and Bullhead City, would be unlikely to benefit from an ICS program without a legal battle within Arizona.

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MCWA for the above reasons, as well as the reasons set forth in Arizona's letter, strongly objects to the Reservoir Storage Alternative.

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4. CBS Alternative

MCWA believes the concept of voluntary following, as well as the opportunity for participation by all parties (including Arizona’s on river 4th priority users and Mexico) in the ICS program are laudable goals and request the FEIS adopt the Basin States Alternative as the preferred alternative but discuss further the steps which could be taken, within the Law of the River, to get the benefits likely to result from a voluntary following program (which would put following contracts in place NOW for future shortages) and to broaden participation in the ICS program. Representing the communities in which Arizona will take the first, and most significant, reductions in times of shortage we consider it incumbent upon the Secretary to take all reasonable steps to mitigate the impacts of shortage by supplementing the mitigation efforts we already have in place.

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5. Additional Comments on the DEIS

A. ICS

Reclamation should, in the Final EIS, accurately describe ICS as a category of surplus, include a description of the forbearance necessary for the delivery of ICS to the entity that created the Surplus, and, in the record of Decision, adopt guidelines for the creation and delivery of ICS as set forth in the Proposed Interim Guidelines contained in the Basin States’ Proposal. Reclamation should also take reasonable steps to provide that the benefits of ICS are available to all users particularly those immediately and significantly impacted by projected shortages, i.e., our members.

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B. On River 4th Priority Agricultural Users

The draft EIS includes the following statement: “Key to the impact analysis is the assumption that the most conservative way to estimate impacts is to assume that, if a shortage occurs, farmers would react by following irrigated lands.” (p.4-263) This is an adequate approach for analyzing shortage reductions expected to last for a single year. However, we disagree with the assumption that this approach captures the expected impact for multiple consecutive-year storage reductions. Since fourth priority agricultural water users in Mohave County, Arizona have no reasonably available replacement water supply, a long term shortage will likely result in the permanent loss of production for some lands.

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The DEIS also fails to adequately address the impact on the economies of the impacted communities of this loss of agriculture by comparing the impact to the State and County overall (see, e.g., p.4-261 which totally ignores on river agricultural impacts in Arizona). This serves to very much dilute the direct and immediate impact on the on river 4th priority user communities.

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C. On River 4th Priority Municipal and Industrial Users

- As with on river agricultural users, the DEIS fails in any manner to address the direct and immediate impact of the projected shortages and cumulative shortages on municipal users of 4th priority on river users (see, e.g., p.3-129) and, again, lumps the communities together by County which significantly dilutes the local impact. 14
- The DEIS depletion schedules (Appendix D) underestimate by 25-35% on river M&I water use (as compared, e.g., to Reclamation’s own 2006 water use report) which again, serves to underestimate the extent and effect of shortages and makes it difficult to determine the actual shortage amounts we would be expected to suffer based on the DEIS hydrologic modeling. 15
- The DEIS fails to address the significant costs borne by our members to date, and the even higher costs to be borne in the future, of the mitigation efforts taken to date (primarily participation in the Arizona Water Banking Authority (AWBA) program which costs include water, delivery, storage, recovery and replacement of any water used in times of shortage). The significant economic hardship of using AWBA water in times of shortage, particularly in multiple year shortage occurrences, is totally ignored by the DEIS. The DEIS also ignores the hundreds of millions of dollars our communities have spent/are spending to convert from septic to wastewater treatment systems in order to generate effluent to offset the impacts of shortage. 16
17
- Future estimated shortage reductions to mainstream users, including Lake Havasu City and Bullhead City, run as high as 30% of entitlement over a number of consecutive years. Despite the conclusion in the DEIS that no permanent changes in land use are expected (p.4-270) it is highly unlikely that such significant cutbacks in supply, and as early as 2011, would not alter land use patterns in the affected communities. 18
- The DEIS goes to great lengths to address impacts in Nevada (ostensibly in support of the extreme measures be proposed to solve both its long term and shortage supply needs) and the Central Arizona Project area while totally ignoring that Arizona’s on river 4th priority users are in a far worse position than either of these areas for a number of reasons including: 19

(1) Neither our agricultural nor M&I users have a readily available alternative source of water to offset shortage reductions; e.g., no adjacent tributaries, no non Colorado River related surface water flows,

nor (based on Reclamation’s current interpretation of Article V accounting under the Consolidated Decree in *Arizona and California*) is there any locally available, non-Colorado River groundwater..

- (2) The small (relative, e.g., to the SNWA and CAP service areas) population in the area, and the large geographic distances separating the on river P4 users, make financing of any water importation project unlikely at best.
- (3) Following agreements, e.g. with farmers or tribes, as are available to Central Arizona Project communities are not available to on river P4 users for a variety of reasons including the trading of our priority for the CAP (which did not benefit, and arguably harmed, on river users), on river tribes in Mohave and LaPaz settling their claims before our communities existed and thus such settlements make no provision for leasing to adjacent municipalities, and the apparent position of Arizona and CAP that ICS in any form is not available to us without forbearance by Arizona and CAP.
- (4) Limited, if any (investigation is ongoing) adjacent basins unconnected to the River in which recharge, and recovery, could occur (i.e., our own banking program).

- The ROD needs to include the Arizona/Nevada shortage sharing agreement as submitted with the Basin States Proposal and a provision that the proceeds of that agreement are to first be used to hold the on river P4 M&I users, the first impacted by this “deal”, harmless (i.e., as to water and money) from the impact of this sharing agreement. Arizona has verbally indicated to MCWA that this is the intent but due to the immediate and detrimental impact of the Arizona/Nevada agreement MCWA takes the position this commitment should be recognized in the ROD.

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D. Additional Comments

- An agreement with Mexico is a critical component of the Basin States Proposal and MCWA’s support of same. The impacts of a failure to reach such an agreement are not modeled in the DEIS but would no doubt have a significant impact on our members
- MCWA, its members, and Arizona as a whole appear to be penalized in the DEIS for its active planning for drought for decades (p.4-282). The DEIS dismisses the significant economic impact of the investments made to date, and projected into the future, by coming to the erroneous conclusion that due to Arizona’s drought planning, there is no real impact on its M&I users.

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- The projected depletion schedules and shortage impact tables in the DEIS do not accurately portray the various contracts and contract amounts held by MCWA and its various subcontractors. This should be corrected in the FEIS. 24
- Because a shortage has not been declared to date on the River, and because our M&I users take the most immediate and significant and disproportionate reductions, the FEIS should include a program for monitoring the economic, land use and public policy impacts of any declared shortage during the proposed interim period. 25
- Operation of the YDP at full capacity should commence as soon as possible in order to stop the loss of water now occurring as a result of the bypass flows to the Cienega de Santa Clara. 26
- Reclamation should immediately undertake programs and projects to augment system flows. 27
- Final shortage guidelines should be flexible in order to allow the appropriate response to changing conditions including, but not limited to, improved hydrologic conditions during the year(s) in which a shortage is declared and catastrophic conditions requiring cuts in excess of 600,00 a/f. 28

CONCLUSION

Subject to Arizona’s comments as submitted by ADWR, and our comments as noted above, the Mohave County Water Authority strongly recommends that the Secretary choose the Basin States Alternative as the preferred alternative in the FEIS and adopt a ROD with the guidelines and criteria necessary to implement the Basin States Alternative in substantial conformance with the carefully negotiated Basin States’ Proposal. 29

Sincerely,


 Maureen R. George
 General Counsel
 Mohave County Water Authority

Attachment: Exhibit 1; Director's Shortage Sharing Workgroup Recommendation, October 24, 2006 (Revised) Final

Cc: Herbert R. Guenther, Director, Arizona Department of Water Resources (email)
Board Members, Mohave County Water Authority
Les Byram, Mayor, City of Kingman – (email)
Diane Vick, Mayor, Bullhead City – (email)
Tom Sockwell, Supervisor, Mohave County – (email)
Tom Griffin, Mohave Water Conservation District – (email)
Paul Maxwell, Golden Shores Water Conservation District
Doyle Wilson, Lake Havasu City – (email)

Director's Shortage Sharing
Workgroup
Recommendation

October 24, 2006
(Revised)
Final

In 2005, the Director established the Arizona Shortage Sharing Stakeholder Workgroup (Workgroup). The Workgroup had two specific goals:

1. Develop a recommendation to the Director regarding the appropriate volume and implementation strategy for implementing future Colorado River shortages in the lower basin.
2. Develop a recommendation to the Director for allocating shortages between the Central Arizona Project (CAP) and equivalent priority mainstream Colorado River water users.

The Workgroup effort supports a larger Bureau of Reclamation (Reclamation) Environmental Impact Analysis process to develop lower basin shortage criteria and conjunctive management strategies for the operation of Lakes Powell and Mead. Reclamation currently plans to issue a Record of Decision in December 2007.

Shortage Volume and Implementation Strategy

The Workgroup developed the following recommendation for implementing lower basin shortages:

1. At or below Lake Mead elevation 1075 feet, 400,000 acre-feet shortage
2. Below elevation 1050 feet, 500,000 acre-feet shortage
3. Below elevation 1025 to 1000 feet, 600,000 acre-feet shortage
4. Below elevation 1000 feet, reconsultation with Reclamation and the states

The recommendation assumes that the first step will be to reduce water deliveries to Mexico and the next step will be to calculate shortage sharing with Nevada. Hydrologic conditions that necessitate reductions in excess of 600,000 acre-feet will trigger a Secretarial consultation process to determine how to implement additional reductions in the least damaging and most equitable manner possible. That consultation process has not been defined, but should be developed with input from the basin states.

The Director forwarded this recommendation to the other Colorado River basin states, and it has been incorporated into the *Seven Basin States' Preliminary Proposal Regarding Colorado River Interim Operations, February 3, 2006*, with one modification, that reconsultation would be triggered at elevation 1025.

Shortage Allocation Between CAP and Fourth Priority Mainstream Entitlements

The Workgroup analyzed methods for allocating shortage reductions between CAP and fourth priority mainstream water users. The CAP has an established priority system for implementing shortage reductions. Excess water supplies are reduced first. If additional reductions are needed, non-Indian agricultural priority water supplies are reduced until gone, and finally municipal/industrial/Indian uses are reduced according to the formula in the Gila River Indian Community Water Rights Settlement

L-1

Director's Shortage Sharing Workgroup Recommendation

October 24, 2006

(Revised)

Final

Agreement. There is no equivalent shortage implementation system for fourth priority mainstream water users. Fourth priority mainstream uses (agricultural and municipal) will be reduced proportionately as soon as Arizona Colorado River shortage reductions are implemented. Future estimated shortage reductions to mainstream users including Lake Havasu and Bullhead City run as high as 30 percent. Under Reclamation's current interpretation for Article V accounting, there is no locally available, non-Colorado River water supply to offset these shortage reductions.

The Director requested that a small technical subgroup of Workgroup stakeholders begin working with the Department to develop a shortage allocation recommendation. The technical group established principals to guide a shortage allocation strategy:

1. Define a method for the Secretary to utilize when allocating shortages to Arizona users
2. Beneficiaries bear the costs of shortage protections
3. Shortages must be allocated in a reasonable manner based on existing contracts and agreements
4. To the extent possible, treat similar users groups equitably

The Mohave County Water Authority (MCWA) presented a recommendation for proportional shortage reductions to fourth priority mainstream water supplies based on entitlement. Shortage reductions to mainstream domestic water supplies could be mitigated by the Arizona Water Banking Authority. The Department completed additional technical analysis of the proposal, which was endorsed by the technical group. The technical group recommends that Arizona fourth priority shortages be allocated as follows:

1. Determine shortage amount and allocation to Mexico. Allocate the remaining shortage amount first to Nevada, and the remainder to Arizona. The enclosed spreadsheet first allocates 16.7% of the shortage to Mexico. The remaining shortage amount is then allocated 7.4% to Nevada and the remainder to Arizona.
2. Determine the estimated priority 1-3 consumptive use amount based on the last non-shortage year use. Determine the **Total Water Supply Available for Fourth Priority Diversion**. Subtract the priority 1-3 consumptive use amount from the Arizona Colorado River water allocation of 2,800,000 acre-feet.
3. Determine the **Fourth Priority Mainstream Shortage Percentage**. Divide the fourth priority mainstream diversion entitlement, 164,652 acre-feet, by the Total Water Supply Available for Fourth Priority Diversion (#2).
4. Determine the total water supply **Available for Fourth Priority Diversion after Shortage Reduction**. Subtract the Arizona portion of lower basin shortage from Total Water Supply Available for Fourth Priority Diversion amount (#2).
5. Determine the **Fourth Priority Mainstream Shortage Reduced Water Supply**. Multiply the Available for Fourth Priority Diversion after Shortage Reduction (#4) water supply by the Fourth Priority Mainstream Shortage Percentage (#3).
6. Determine the remaining, CAP water supply. The Total Water Supply Available for Fourth Priority Diversion amount is based on estimated priority 1-3 water use. Actual use may be higher than estimated, and could result in an inadvertent CAP overrun. The CAP has agreed to be responsible for payback, under the Inadvertent Overrun and Payback Policy, up to the amount of the water user's entitlement. Actual use may be lower than estimated, resulting in an increased water supply for CAP.

L-1

Director's Shortage Sharing Workgroup Recommendation
October 24, 2006
(Revised)
Final

Since there is a fixed maximum diversion entitlement for fourth priority mainstream water users, as noted in the *Contract Between the United States and the Central Arizona Water Conservation District for Delivery of Water and Repayment of Costs of the Central Arizona Project, December 1, 1988*, the mainstream fourth priority water supply has been calculated based on that entitlement. After determining the mainstream fourth priority water supply, the remaining water supply is available for diversion by the CAP, including any available return flow from mainstream water uses.

The shortage allocation recommendation includes the opportunity for mainstream municipal water users to firm 100 percent of their individual municipal/industrial entitlements. Based on updated population projections (2003) the AWBA would need between 450,000 and 525,000 acre-feet of credits for fourth priority mainstream municipal and industrial water users. As AWBA credits are used and replaced, the new credits will be earmarked in the name of the entity that replaced the credits, thereby creating a revolving fund. The AWBA has not foreclosed the opportunity for any fourth priority mainstream entitlement holder to contract with the AWBA for firming.

L-1

Shortage Sharing Scenarios - Pro Rata Reductions Based On Priority 4 Entitlements

(Values in Acre-feet)

Year	Priority 1-3 Mainstream Projected Consumptive Use ¹	Available for Priority 4 Divisions - Normal Supply ²	Priority 4 Mainstream Total Entitlement	Priority 4 Mainstream Shortage Sharing Percentage	Arizona Portion of Lower Basin Shortage ³	Available for Priority 4 Diversion - Reduced Supply	Priority 4 Mainstream Diversion - Reduced Supply	Projected Priority 4 Mainstream Diversion ¹	Priority 4 Mainstream Diversion - Net Reduction
400,000 Acre-Feet Shortage									
2010	1,171,867	1,556,133	164,652	10.58%	308,588	1,247,545	132,001	155,880	23,879
2016	1,177,135	1,550,865	164,652	10.62%	308,588	1,242,277	131,890	158,961	27,071
2025	1,185,597	1,542,403	164,652	10.68%	308,588	1,233,815	131,710	162,362	30,652
2031	1,191,580	1,536,420	164,652	10.72%	308,588	1,227,832	131,582	163,799	32,217
500,000 Acre-Feet Shortage									
2010	1,171,867	1,556,133	164,652	10.58%	385,735	1,170,398	123,838	155,880	32,042
2016	1,177,135	1,550,865	164,652	10.62%	385,735	1,165,130	123,699	158,961	35,261
2025	1,185,597	1,542,403	164,652	10.68%	385,735	1,156,668	123,475	162,362	38,887
2031	1,191,580	1,536,420	164,652	10.72%	385,735	1,150,685	123,314	163,799	40,485
600,000 Acre-Feet Shortage									
2010	1,171,867	1,556,133	164,652	10.58%	462,881	1,093,251	115,675	155,880	40,204
2016	1,177,135	1,550,865	164,652	10.62%	462,881	1,087,983	115,509	158,961	43,452
2025	1,185,597	1,542,403	164,652	10.68%	462,881	1,079,521	115,239	162,362	47,122
2031	1,191,580	1,536,420	164,652	10.72%	462,881	1,073,538	115,047	163,799	48,752

ENDNOTES

- ¹ Source: Arizona Department of Water Resources 2003 mainstem Colorado River water use projections.
- ² An amount of 72,000 acre-feet has also been deducted to account for higher priority AK-Chin and Salt River Pima-Maricopa Indian settlement water.
- ³ This amount is determined by first deducting Mexico's share (16.7%) of the total Lower Basin shortage. The remaining shortage volume is apportioned first to Nevada (7.4%) and the remainder to Arizona.

L-1

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Reponses to Comment Letter L-1

L-1-1

Your comment is noted. No change to the Final EIS was necessary.

L-1-2

Your comment is noted. No change to the Final EIS was necessary.

L-1-3

Your comment is noted. No change to the Final EIS was necessary.

L-1-4 through L-1-6

Your comment is noted. No change to the Final EIS was necessary.

L-1-7 and L-1-8

Your comment is noted. See also response to Comment No. G-5-93.

L-1-9

ICS is the proposed mechanism for the storage and delivery of conserved system and non-system water in the Preferred Alternative. In addition, Draft Operational Guidelines have been included in Appendix S of the Final EIS that provide reviewers with an understanding of Reclamation's current assessment of the likely proposed format and content of the proposed interim guidelines which includes ICS administration.

L-1-10

See responses to Comment Nos. G-5-93 and L-1-9.

L-1-11 and L-1-12

Your comment is noted. The content of the Final EIS has been modified to reflect this public input. A discussion of the probabilities and socioeconomic effects of multi-year shortages has been added to Section 4.4 and 4.14 of the Final EIS. The effect of such a multi-year shortage on land use would depend on how these shortages were allocated among individual farmers within the water agency service area, or which lands within a single farming operation were fallowed. Given these unknowns, Reclamation did not conclude that the same acres would be fallowed each year, and did not identify socioeconomic impacts from permanent land use changes.

L-1-13

As indicated in the EIS, losses in employment, income, and tax revenues that may be experienced during a shortage represent a small percentage of employment, income, and tax revenues within Arizona and the counties that may be directly affected. Reclamation's assessment of the relative effects of shortages occurring at the county-level determined that no individual county in Arizona would see losses in employment, income, or tax revenues greater than one percent of the total generated within that county. The analysis for impacts to the agricultural economy did include the counties along the river where agriculture would be affected, including Mohave County.

L-1-14

The Draft EIS did address socioeconomic impacts to the agricultural sector at the County level, including impacts along the Colorado River mainstream, including Mohave County. Reclamation concurs that fourth priority municipal contractors such as Lake Havasu City and Bullhead City will be affected by shortages, and additional information has been added to the Final EIS to acknowledge this. The specific reductions distributed to affected Arizona M&I users under specific shortage determinations is included in Appendix G. See also response to Comment No. L-1-13.

L-1-15

Reclamation concurs with this comment. In the Draft EIS, the depletion schedules for three entities, Bullhead City, Lake Havasu City and Mohave Water Conservation District, consisted of the portion of water related to their water delivery contract with the Secretary; but did not include subcontracted water from the Mohave County Water Authority (MCWA). Instead the schedules were related to the MCWA water delivery contract with the Secretary. For the Final EIS, the schedules for these three entities were increased to include subcontracted water with MCWA. Therefore the depletion schedules and modeling for the Final EIS now correctly reflects the water supply conditions of these three entities.

L-1-16 and L-1-17

See response to Comment No. G-1-25.

L-1-18

See responses to Comment Nos. L-1-11 and L-1-13.

L-1-19

See response to Comment No. L-1-14.

L-1-20

The content of the Final EIS has been modified to reflect this public input. The modeling assumptions in Section 4.2.7.1 of the Final EIS and resulting analyses are consistent with the Arizona and Nevada Shortage Sharing Agreement. The use of the proceeds of the shortage sharing agreement are beyond the scope of this EIS.

L-1-21

Your comment is noted. No change to the Final EIS was necessary.

L-1-22 and L-1-23

See response to Comment No. G-1-25.

L-1-24

See response to Comment No. L-1-15.

L-1-25

Reclamation does not concur with this comment. The interim nature of the guidelines is intended to provide an opportunity to evaluate how the guidelines work. In addition, opportunities for review of the effectiveness of the guidelines are anticipated to be available both throughout the proposed interim period and at intervals during the interim period. Such reviews would provide a basis for possible further federal actions and decisions at the end of the interim period. Reclamation anticipates that a review of the guidelines will be conducted at a time prior to the end of the interim that would allow the Department, and the public, to assess the effectiveness of the guidelines and to determine the most appropriate course of action for the post-interim period..

L-1-26

Your comment is noted. See also the response to Comment No. F-4-9.

L-1-27

Your comment is noted. See also response to Comment No. L-1-9.

L-1-28

See response to Comment No. G-8-37.

L-1-29

Your comment is noted. No change to the Final EIS was necessary.

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City of Phoenix
OFFICE OF THE CITY MANAGER

April 30, 2007

Regional Director
Lower Colorado Region
Bureau of Reclamation, Attention BCOO-1000
P.O. Box 61470
Boulder City, NV 89006-1470

Re: Notice of Availability and Notice of Public Hearings for the Draft Environmental Impact ("EIS") Statement for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead.

Dear Director,

The City of Phoenix ("City") submits its comments to the Draft EIS for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (72 Fed. Reg. 9026 dated February 28, 2007). The City is keenly interested in the outcome of the shortage criteria and coordinated operations for Lake Powell and Lake Mead. The City has previously commented during the scoping process pursuant to the Notice of Intent to prepare the EIS. Likewise, the City has directly participated in the negotiations between the Seven Colorado River Basin States culminating in the Seven Basin States proposal to the Secretary of the Interior dated February 3, 2006 and in stakeholder meetings within the State of Arizona resulting in shortage criteria proposed to Reclamation by the Arizona Department of Water Resources and agreed upon by all the Basin States. Phoenix' commitment to these processes is a necessary outgrowth of its reliance upon Colorado River water, delivered through the Central Arizona Project ("CAP"). The City serves over 1.4 million people and Colorado River water currently supplies over 35% of its total water demand. The City's CAP water supplies include sources with a variety of priorities, and its exposure to shortages varies accordingly. The City holds subcontracts for Municipal and Industrial priority water and leases for Indian priority water. The City also holds a contract for a substantial volume of lower-priority non-Indian agricultural CAP water. As a result, the City must consider many potential drought scenarios that the majority of the municipalities relying upon CAP water do not need to be concerned with.

The City's plight is further complicated by the fact that the CAP is the major junior priority user under the Law of the River. It is imperative that the Secretary of the Interior ("Secretary") be mindful of this factor when selecting and implementing a preferred alternative. Thus, Arizona water users face the greatest risks when a shortage declaration is made and the preferred alternative must recognize and minimize impacts to those water users. 1

L-2

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Regional Director
April 30, 2007
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The City has a long-standing track record of sound water resources management including diversifying its water resources portfolio, building integrated infrastructure to allow efficient use of those resources, reusing reclaimed water, a strong water conservation program that has been in place for over two decades that has resulted in declining rates of water use and a drought management program that allows for the imposition of mandatory demand reductions. Despite all these efforts by the City, catastrophic shortages on the Colorado River could pose serious problems to the City's ability to continue to fully serve its customers.

The Proposed Alternatives

The Final EIS Should Designate the Basin States Alternative as the Preferred Alternative

The Basin States Alternative provides the greatest degree of certainty for the City of Phoenix because it is consistent with the agreement reached by the Basin States and can be implemented upon approval of the Record of Decision ("ROD") without the need for additional action. This alternative best meets the goals of the proposed action discussed in the February 28, 2007 Federal Register Notice, i.e., "[T]his action is proposed in order to provide a greater degree of certainty to U. S. Colorado River water users and managers of the Colorado River Basin by providing detailed and objective guidelines for the operations of Lake Powell and Lake Mead, thereby allowing water managers and water users in the Lower Basin to know when, and by how much, water deliveries will be reduced in drought or other low reservoir conditions." (72 Fed. Reg. 9027 dated February 28, 2007.) Moreover, certainty provided by the Basin States Alternative goes well beyond the actual criteria and numbers. The Agreement reached by the Basin States, and reflected in the Basin States Alternative, creates an increased level of confidence that legal issues over the interpretation and implementation of the Colorado River Compact, the Mexican Treaty, accounting under the Arizona v. California Decree, and equalization of Lake Mead and Lake Powell will not result in costly and divisive litigation with an uncertain outcome for water users. The value of collaboration by the Basin States can not be overstated.

Another unique attribute of the Basin States Alternative is that it provides flexibility within the system and a mechanism, that can be immediately implemented upon execution of the ROD, for maximizing the efficiency of the system by allowing for the intentional creation of surplus ("ICS") in Lake Mead by a Lower Colorado River Mainstem contractor and release of that surplus for use within the state that created it, with the forbearance of the other Lower Division States. The State of Arizona recently enacted legislation that allows the State to forbear ICS water if the Secretary "adopts substantially the same concepts as contained in the proposal of the seven basin states for shortage guidelines and conjunctive management of lakes Mead and Powell," clearing the way, at least from Arizona's perspective, for ICS to be implemented if that alternative is memorialized in the ROD.

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Certainty for water users and the ability of the Basin States Alternative to be immediately implemented is also enhanced by the fact that the Lower Colorado River Multi-Species Conservation Plan ("MSCP") provides compliance with the Endangered Species Act ("ESA") given the reductions of flow proposed in the Basin States alternative and the reductions analyzed in the MSCP. Additional ESA consultation that may be required under other alternatives raises uncertainties regarding the implementation schedule for those alternatives. 8

The Basin States Alternative is the only alternative that allows for the extension and modification of the existing Interim Surplus Guidelines ("ISG") without the need for further action. The package submitted to the Secretary by the Seven Basin States on February 3, 2006 includes provisions to amend the ISG by agreement of all the States. The Basin States Alternative adopts those amendments. 9

Finally, the Basin States Alternative is the only alternative that meets all the criteria discussed in Section 1.1 of the Draft EIS that states, "[T]he Secretary intends to consider, adopt and implement the proposed federal action consistent with applicable federal law and judicial decisions, and, further, in a manner that will not require any additional statutory authorization." (DEIS at p. 1-1). 10

The No Action and Water Supply Alternatives
 The No Action and Water Supply Alternatives analyze a broad range of environmental impacts but fall short of meeting the goals of the proposed action by failing to provide certainty for the timing and extent of shortages in the Lower Basin and by failing to propose viable criteria for the coordinated management of Lake Powell and Lake Mead. These two alternatives do not allow for the creation or use of ICS thus limiting flexibility in the operation of the system and creating greater risk and uncertainty regarding shortages for water users in the Lower Basin. 11 12

The Reservoir Storage Alternative
 The Reservoir Storage Alternative ("RSA") proposes levels of shortages starting at 600,000 AF and increasing to 1,200,000 AF and the magnitude of the average shortage volumes during the interim period are the highest under this alternative. (DEIS at p. ES-10). Shortage levels beyond 600,000 AF (including 17% for Mexico or 500,000 AF just for the Lower Basin) are draconian in nature for Arizona water users on their face, and their adoption can not be justified when compared to reductions of 400,000 AF, 500,000 AF and 600,000 AF (including 17% for Mexico or 300,000 AF, 400,000 AF and 500,000 AF just for the Lower Basin) proposed under the Basin States Alternative. The Basin States recognized the harsh nature of shortages greater than 600,000 AF (including 17% for Mexico or 500,000 AF just for the Lower Basin) and have agreed to consult with the Secretary if shortages are projected to exceed this volume (Seven Basin States Letter to Secretary Norton, February 3, 2006, Attachment A., at p.6). The RSA does not meet the goal stated in the Federal Register Notice, i.e., "to (1) Improve Reclamation's management of the Colorado River by considering the trade-offs between the frequency 13 14 15

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and magnitude of reductions of water deliveries...” (72 Fed. Reg. 9027 dated February 28, 2007. emphasis added). Furthermore, this alternative would require changes to the Law of the River prior to its implementation. 16

The Conservation Before Shortage Alternative

The Conservation Before Shortage Alternative (“CBS”) also falls short of meeting the certainty provisions of the proposed action as evidenced in Table ES-1, Matrix of Alternatives. Column one of that table states that for the CBS alternative, “shortages are implemented in any given year to keep Lake Mead above SNWA’s lower intake at elevation 1000’ (absolute protect of elevation 1,000).” Water users in the Lower Basin will be left to the whims of the Annual Operating Plan for determining when and how much of a shortage will be declared under this alternative. This greatly reduces certainty for water users like Phoenix. 17
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This alternative is also dependent upon the creation and use of ICS but reliance upon ICS would require changes to the Law of the River prior to this part of the alternative being implemented. In addition to this inherent fatal flaw, the City also points out that this alternative essentially would allow 4.2 million AF to be stored in Lake Mead compared to a maximum storage of 2.1 million AF under the Basin States Alternative. Creating ICS of this magnitude could create too much risk for losing expensive ICS water to spills in wet years and earmark too much Lake Mead water for a particular water use, rather than for the system. 19
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Two additional drawbacks of the CBS alternative are: (1) no funding mechanism for creation of ICS currently exists; and (2) including ICS by the Republic of Mexico may necessitate amending the 1944 Treaty to allow for the creation and delivery of ICS water to Mexico. Reclamation recognizes the limitations of the CBS alternative by stating, “[T]he viability of the Conservation Before Shortage program funding proposal is not known at this time. Reclamation currently does not have authority to implement all facets of this proposal and additional legislation would be necessary to gain such authority.” (Draft EIS at p. 2). 21
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Summary

When weighing the proposed alternatives against one another it is evident that the Basin States Proposal is superior to any of the other alternatives because it provides the greatest degree of certainty to water users, avoids potential litigation, creates shortage criteria that are reasonable in magnitude and are readily predictable based upon elevations at Lake Mead, and present a package that can be implemented without the need for further legislation or ESA compliance. 24

Furthermore, the Basin States Alternative best meets all the aspects of the purpose and need for the action and has the support of the Basin States which will enhance the Secretary’s ability to manage the Colorado River system in a collaborative manner. The City of Phoenix urges the Secretary to adopt the Basin States Proposal as the preferred alternative in the Final EIS.

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Conjunctive Operation of Lake Mead and Lake Powell

The Basin States Alternative creates the ability to more effectively balance the contents of Lake Mead and Lake Powell in a way that dampens the large fluctuations in reservoir elevations during extended periods of low inflow into the system. That alternative also removes potential issues over the methodology for equalizing the contents of Lake Mead and Lake Powell under other proposed alternatives. 25

Currently equalization is largely governed by the Interim 602(a) Storage Guideline for Management of the Colorado River which contains a 14.85 million acre-feet storage requirement. That guideline artificially limits equalization and has a detrimental effect on storage in Lake Mead and thus on the City of Phoenix. While the current guideline was also part of a package agreed to by the Seven Basin States as part of the ISG process, it essentially provides for greater protection for power production at Lake Powell than is otherwise authorized under the Law of the River. The Basin States Alternative replaces this equalization requirement in favor of a strategy that is not as onerous for the City. 26 27

As stated in the City's scoping comments dated November 30, 2005, water supply has a higher priority than hydro-generation and water users in Phoenix should not be subject to shortages for the benefit of hydropower production. Absent the adoption of the Basin States Alternative (and after the expiration of the ISG in 2016) the City believes the Secretary must adhere to the following: (1) the 602(a) storage algorithm must be reviewed and revamped so that it accurately reflects the requirements of Section 602(a) of the Colorado River Basin Project Act of 1968; (2) the algorithm should be changed so that the current storage in Lake Powell of an additional amount over 5 million acre-feet to protect hydropower production is no longer included in the operating criteria; (3) actual Upper Basin depletions and a measurable realistic projection of new depletions to calculate the 602(a) storage requirement must be incorporated into the algorithm. The use of overstated depletion schedules results in significant increases in Lake Powell storage before equalization occurs; and (4) review the methodology that determines available storage in reservoirs authorized by the Colorado River Storage Project Act to determine whether forecasted active storage in the Upper Basin is greater than the Section 602(a) storage requirement under subarticle II(3) of the Coordinated Long-Range Operation of Colorado River System Reservoirs to insure that active storage in the Upper Basin is being properly calculated. 28 29

If the Basin States Alternative is adopted and implemented in the guidelines set out in the ROD, at the end of the interim period in 2026 or if the guidelines are changed, whichever comes first, Reclamation can not revert to its current interpretation of the 602a requirements. In that case, Reclamation must consult on the modification of the guidelines to make them consistent with the legal priorities established by the Law of the River. 30

For these reasons and because the coordinated operations of Lake Powell and Lake Mead are essential components to shortage criteria, the Secretary should adopt the Basin States Alternative.

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The Record of Decision and Implementation of the Preferred Alternative

The City supports the Basin States Alternative as the preferred alternative and recommends that it be incorporated into the Record of Decision ("ROD") in a way that parallels the Interim Surplus Guidelines ROD. The City believes that the Secretary should work with the Basin States to create specific implementation criteria and guidelines consistent with the adoption of the Basin States Alternative as the preferred alternative. That document will serve as a road map that the City can then rely upon to better manage its water supplies and to better prepare for shortages. To effectuate those guidelines and criteria so that the certainty outlined in the proposed action is achieved, the City urges the Secretary to include a statement in the ROD that "during the effective period of the guidelines the Secretary shall utilize the established process for development of the Annual Operating Plan for the Colorado River System Reservoirs (AOP) and shall use those guidelines to make determinations regarding normal, surplus and shortage conditions for the operation of Lake Mead and for the coordinated management of Lake Mead and Lake Powell."

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Cumulative Impacts of Shortages in Arizona

The DEIS has only attempted to analyze the socio-economic impacts for shortages in a single year. Analysis by the State of Arizona indicates a high probability that multi-year shortages will occur. The socio-economic impacts of multi-year shortages should be analyzed and incorporated into the Final EIS for all of the alternatives.

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Socioeconomic Impacts to Municipal Water Users in Arizona

The DEIS does not adequately analyze and describe the impacts to municipal water users in Arizona or to the City of Phoenix in particular. The DEIS states, "Implementing statewide and local demand-side and supply-side strategies are expected to minimize adverse socioeconomic effects occurring during the maximum M&I shortage." This statement accurately reflects the strategies that Phoenix has historically used, and continues to use for determining its long-term need for water supplies, including supplies to help offset shortages. Likewise demand restrictions are also part of the City's plan for dealing with actual shortages. Phoenix' goal is to minimize the impacts on its citizens and on its economy. However, neither demand-side nor supply-side strategies and actions come without a substantial price. The DEIS does not analyze quantitatively, or even qualitatively, the costs associated with shortages. This is a glaring omission in the DEIS.

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Arizona municipal water providers and the City of Phoenix have already expended substantial sums of money in anticipation of shortages on the Colorado River. Municipal water users in Arizona, including the City of Phoenix, will rely in part on recovery of water stored underground by the Arizona Water Banking Authority to make up for shortfalls due to Colorado River shortages. Through calendar year 2006, the Arizona Water Banking Authority ("Bank") has stored about 2,243,000 AF of water at a cost of about \$101 million. More appropriately for the City, about 1,158,000 AF of water at a cost of about \$63 million dollars has been stored in the Phoenix Active Management Area. Funding for the Bank comes primarily from a property tax in Maricopa, Pinal and Pima Counties, from a pump tax paid by groundwater users in

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those counties and some appropriations by the Arizona Legislature. To prepare for the onset of Colorado River shortages through supply-side protection, significant sums have already been expended. Additional sums will be need to be expended to store additional water underground to meet the goals of the Bank, to replace the banked water when it is used, or for access to other supplies to make up shortfalls.

Because the City's municipal priority CAP water may not be fully replaced by the Bank and because the City uses non-agricultural priority CAP water and Indian lease water not eligible to receive water from the Bank during shortages, the City is pursuing the acquisition and use of drought back up water supplies and the infrastructure necessary to use those supplies. To date the City has stored 171,600 acre-feet at a cost of about \$7 million (excluding the capital costs of the facilities to store or treat water). Additionally, the City has embarked on a two year planning study to identify other options for supply enhancement for shortages. The cost of that study is estimated at about \$1.8 million and the implementation costs, once options are chosen, is expected to be in the range of \$50-100 million for both drought supplies and new supplies to meet normal demands.

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Through the City's water resources planning function, a water resources plan is completed and published about every five years. The latest plan, the Water Resources Plan, 2005 Update, concludes that in extreme drought supply enhancement will not be sufficient to deal with shortages. During moderate and extreme drought conditions the City will also implement its Drought Management Plan, first promulgated in 1993. That Plan, and the City ordinances implementing it, allow for mandatory reductions in deliveries to customers and thus require cut backs in water use. There is an additional cost, over the \$1.5 million the City is spending annually on its water conservation efforts, associated with implementing mandatory water user restrictions. In 2003 and 2004, in the midst of water allocations reductions by the Salt River Project, the City explored the costs associated with implementing Stage II of its Drought Management Plan which contains relatively benign mandatory water use restrictions. The estimated cost of implementing that program, at that time, was about \$1.5 million per year. Implementing Stage III and Stage IV restrictions would necessitate incurring even higher costs.

As the prior discussion clearly illustrates socioeconomic impacts on municipal water users in Arizona and on the City of Phoenix due to Colorado River shortages are significant and should be documented in the Final EIS.

Comments to Specific Portions of the EIS

The City offers the following comments to specific language included in the DEIS:

1. Section 2.3.1, line 28: The Seven Basin States proposal dated February 3, 2006 goes beyond "suggesting" that consultation occur when shortages greater than 600,000 AF are projected to occur. Because of the impacts on Arizona water users that will likely occur, that provision is an integral part of that proposed package.
2. P. 3-39, Section 3.4.6.1,

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- a. Lines 11-16: It should be noted that the AWBA also provides for banked water to be use by municipal water users of Colorado River water both within and outside of the CAP service area. 37
- b. Lines 28-30: The Final EIS should incorporate the recommendation submitted to the Bureau of Reclamation on October 24, 2006 that presents shortage sharing criteria between on-river P4 water users in Arizona and CAP water users. 38
- 3. P. 3-40, Lines 3-5: The DEIS does not provide enough detail to address Arizona water users' efforts to prepare for drought. Individual water users adopted drought Plans over a decade before the statewide drought plan was created. The Arizona Groundwater Management Act, the Arizona Water Banking Authority and other state-wide and local government actions all contribute to Arizona's drought preparedness. 39
- 4. P. 3-42, Lines 1-6: The Final EIS should incorporate the terms of the Arizona-Nevada Shortage Sharing Agreement. 40
- 5. P. 3-87, Line 37: The City's lease for CAP water with the Salt River Pima-Maricopa Indian Community is for a term of 99 years, not 100 years. 41
- 6. P. 3-89, Lines 5-17: The Final EIS should clarify that the EIS assumed that the Gila River Community Indian Water Rights Settlement is in effect. The statement that "CAP water has already been leased to Phoenix area cities" is only correct if that assumption is made clear since the leases can not be consummated until the enforceability date of the Settlement. 42
- 7. P. 4-8, Lines 7-9: The Final EIS should recognize that the Southern Nevada Water Authority has plans to complete new intakes at Lake Mead to elevation 856' by 2011 and thus the "limitations" on SNWA's ability to pump from Lake Mead, or form the Colorado River, at that point in time will not be 1000'. 43
- 8. P. 4-8, Lines 31-36: The discussion of the bypass flows is confusing regarding the extent of the "obligation" to replace those flows. If a legal obligation to replace those flows exists, the Final EIS should cite to the controlling law, contracts, treaties or other legal instruments evidencing the obligation. 44
- 9. P. 4-9, Lines 3-4: The City continues to support the operation of the Yuma Desalting Plant at its full capacity to maximize the efficiency of Lower Colorado River operations. 45
- 10. P. 4-238, Lines 21-24: Any "benefits" of increased power revenues on the const of CAP water would likely be more than offset by increased delivery charges ("OM&R") to CAP water users when CAP deliveries are reduced because of shortages. The delivery rate paid by CAP water users will greatly increase because fixed OM&R, the numerator in the rate equation will remain the same, while water deliveries, the denominator in the rate equation, will be less. While the CAP Board of Director's may chose to artificially hold rates down to minimize "rate shock", there is still a negative economic consequence because the funds to hold down the rates will likely come from the tax payers or rate payers within the CAP. 46
- 11. P. 4-264, Lines 17-19: The Final EIS should recognize that the cost of water used in this analysis, the "price of excess water pools" for agricultural use is a subsidized water rate. The tax payers of Maricopa, Pinal and Pima counties pay 47

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an ad valorem property tax set by the CAP Board of Director's. One of the uses for that tax is to lower the cost of water for the agricultural pool.

12. P. 6-3, Lines 3-9. The Final EIS should expand its discussion of Section 8 of the ESA so that it is clear that consultation through the Secretary of State is a voluntary and not a mandatory function.

48

Conclusion

The City of Phoenix reiterates that the Basin States Alternative is the only alternative that meets all the criteria defined in the proposed action for the EIS. The City urges that the Final EIS adopt the Basin States Alternative as the preferred alternative and that a Record of Decision be signed incorporating the terms of the Basin States Alternative.

Sincerely



Tom Buschatzke
Water Advisor

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Reponses to Comment Letter L-2

L-2-1

Your comment is noted. The Preferred Alternative is formulated to provide more frequent yet lower magnitude shortages that are more manageable as compared to less frequent but higher magnitude shortages.

L-2-2 through L-2-4

Your comments are noted. No change to the Final EIS was necessary.

L-2-5

Your comment is noted. No change to the Final EIS was necessary.

L-2-6 and L-2-7

Your comments are noted. No change to the Final EIS was necessary.

L-2-8

Your comment is noted. Reclamation has prepared a Biological Assessment (Appendix R of the Final EIS) in compliance with Section 7 of the Endangered Species Act. As part of this assessment, Reclamation evaluated whether the Preferred Alternative would exceed the flow reductions analyzed and covered by the LCR MSCP. It was determined that the effects of the Preferred Alternative are within the range of effects analyzed in the MSCP, and no additional consultation under Section 7 is needed for the areas of effect within the LCR MSCP geographic area.

L-2-9

Your comment is noted.

L-2-10

Your comment is noted. No change to the Final EIS was necessary.

L-2-11 and L-2-12

Your comments are noted. No change to the Final EIS was necessary.

L-2-13 through L-2-16

Your comments are noted. No change to the Final EIS was necessary.

L-2-17 through L-2-23

Your comments are noted. No change to the Final EIS was necessary.

L-2-24

Your comment is noted. No change to the Final EIS was necessary.

L-2-25

Your comment is noted.

L-2-26

Your comment is noted.

L-2-27

Your comment is noted. As discussed in Section 2.3.2.1, the Basin States Alternative and the Preferred Alternative use an elevation schedule (a specified elevation for each year through 2026) to determine when equalization releases would be made from Lake Powell.

L-2-28

Your comment is noted.

L-2-29

Your comment is noted.

L-2-30

Your comment is noted. No change to the Final EIS was necessary.

L-2-31

The information requested is provided in Appendix S of the Final EIS. Reclamation has developed draft operational guidelines that are included in Appendix S of the Final EIS. The guidelines are anticipated to be finalized and adopted through the Record of Decision for this action. Following publication of this Final EIS, additional and updated information regarding the content and development of guidelines is anticipated to be provided to the public through the dedicated project website, (<http://www.usbr.gov/lc/region/programs/strategies.html>).

L-2-32

See response to Comment No. L-1-11

L-2-33 through L-2-35

See response to Comment No. G-1-25.

L-2-36

See response to Comment No. G-1-13.

L-2-37

Reclamation concurs with this comment. The requested change has been made in Section 3.4.6.

L-2-38

See response to Comment No. G-1-15.

L-2-39

See response to Comment No. G-1-25.

L-2-40

See response to Comment No. G-1-14.

L-2-41

Reclamation concurs with this comment and the requested correction has been made in the Final EIS.

L-2-42

Your comment is noted. The suggested clarification has been added to Section 3.10.2.2 of the Final EIS

L-2-43

See response to Comment No. G-1-31.

L-2-44

See response to Comment F-4-9.

L-2-45

Your comment is noted. No change to the Final EIS was necessary.

L-2-46

Your comment is noted. Rate setting decisions by the CAP Board of Directors are outside the scope of this EIS.

L-2-47

The quantitative evaluation of the socioeconomic effects (employment, income, and tax revenues) as a result of losses in agricultural production in Arizona was based on changes in the value of crop production measured at the farm gate. These estimates were made through application of Reclamation's shortage allocation model and spreadsheet model that estimates the acreage and crop types that would be affected. IMPLAN, the tool used to quantify these effects, does not take into account water subsidies. Taxpayers in Maricopa, Pinal, and Pima residents may benefit as a result of not paying these subsidies. However, this increase would be expected to be small when spread among all taxpayers within the three counties.

L-2-48

Your comment is noted. Sections 5.1.19, 6.3.2 and 6.8 of the Final EIS have been updated in the Final EIS.

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COS WATER RESOURCES

4803125615 P.01



WATER RESOURCES
9388 E. SAN SALVADOR
SCOTTSDALE, AZ 85258
PHONE: (480) 312-5685 / FAX: (480) 312-5615

Date: 4/30/07

To: US Bureau of Reclamation

Fax Number: 702-293-8156

From: David Mansfield

Phone Number: 480-312-5685

Number of Pages including Cover: 5

Comments:

Four horizontal lines are provided for entering comments, but they are currently blank.

If you experience any difficulty receiving this fax, please call (480) 312-5685.

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APR-30-2007 16:26

COS WATER RESOURCES

4803125615 P.02



• "Most Livable City" U.S. Conference of Mayors •

27 April 2007

Via Facsimile 702-293-8156
Copy to Follow via US Mail

Regional Director
Lower Colorado Region
US Bureau of Reclamation
Attn: BCOO-1000
PO Box 61470
Boulder City, NV 89006

RE: City of Scottsdale, Arizona Comments Regarding the *Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, Draft Environmental Impact Statement*

Dear Sir or Madam:

The City of Scottsdale, Arizona ("Scottsdale") hereby submits its comments regarding the "Draft Environmental Impact Statement for Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead" (DEIS). Additionally, Scottsdale understands that the Arizona Department of Water Resources and the Arizona Municipal Water Users' Association ("AMWUA") will be also be providing comments on this issue. Scottsdale supports those comments.

More than 240,000 people rely on the City of Scottsdale to provide safe, reliable drinking water supplies and Central Arizona Project ("CAP") water is a key component of the City's long-term water resources strategy. Nearly two-thirds of Scottsdale's water supply needs are currently met with varying types of CAP water. Scottsdale has subcontracts for M&I priority water, non-Indian agricultural water, and excess CAP water. We also lease CAP water from three Native American communities. Because of our high reliance on CAP to meet our water needs, the preferred alternative that is selected for implementation by the Bureau is of critical interest to the City of Scottsdale.

Scottsdale Supports the Basin States Alternative as the Preferred Alternative

Scottsdale supports selection of the Basin States Alternative as the preferred alternative in the final environmental impact statement and supports implementation of the Basin States Alternative through the final record of decision. This alternative is a compromise alternative acceptable to each of the seven Colorado River Basin States. In selecting the pre-

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CITY OF SCOTTSDALE • WATER RESOURCES • 9388 E. SAN SALVADOR DR. • SCOTTSDALE, ARIZONA 85258
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ferred alternative and finalizing the record of decision, the Secretary of the Interior (Secretary) should recognize the value of this unique compromise. | 2

Furthermore, the Basin States Alternative does not require any additional statutory authorization and is the only alternative that can be implemented immediately after the Secretary issues the final record of decision. Implementation of the other alternatives, particularly the Conservation Before Shortage and the Reservoir Storage Alternatives, would require substantive changes to the Law of the River. | 3
| 4

Water Management Considerations

For decades Scottsdale has been actively planning and preparing to address water shortages. The City has taken proactive steps toward achieving long-term water supply sustainability, including the following:

- implementation of enhanced water conservation programs;
- reclaimed effluent reuse by the golf courses in north Scottsdale;
- recharging the groundwater table using highly treated effluent; and
- groundwater recharge of potable CAP water using dual purpose aquifer storage and recovery ("ASR") wells.

Adoption of the Basin States Alternative as the preferred alternative in the final environmental impact statement will provide the certainty necessary for Scottsdale to continue the responsible planning necessary to address the adverse impacts that could occur during Colorado River shortages. | 5

Scottsdale has developed an extensive water conservation customer outreach program. Our five full-time staff positions are supplemented by a group of active volunteers. The City is an active participant in the "Water - Use It Wisely" program, which is a regional water conservation public information campaign. The water conservation staff also participates in regional public exhibits, fairs, and festivals. In addition, the City provides a number of financial incentives for conservation, including for example offering rebates to encourage turf removal.

Golf courses are a large water user in Scottsdale. Therefore, Scottsdale has developed strategies to minimize the impact they have on our potable water supplies. Scottsdale reclaims wastewater at our Water Campus facility, treating the water for use for golf course irrigation. This water is delivered through Scottsdale's Reclaimed Water Delivery System (RWDS), which is the largest reclaimed water reuse system in the Valley. The RWDS delivers reclaimed water to twenty three golf courses in north Scottsdale. In addition, the City's Council-adopted golf course policy requires that any future golf courses must provide their own renewable surface water supply in order to locate in Scottsdale.

Scottsdale is also a leader in the Phoenix area in increasing the long term sustainability of our groundwater through artificial groundwater recharge. The City is replenishing our groundwater supply by recharging reclaimed water at our Water Campus facility in North Scottsdale. In 2005, this groundwater recharge added over 2-1/4 billion gallons of

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water to our underground aquifers. Water stored in these aquifers is an important part of Scottsdale's overall water supply management strategy.

Scottsdale is also implementing groundwater recharge/recovery throughout the City by injecting treated CAP water directly into the aquifer through specially designed wells. These wells are used to recharge during the winter low water use demand periods, and supplement the water supply during the high demand summer months.

Record of Decision Guidelines

Scottsdale expects and needs the final record of decision to clearly and unambiguously set forth the guidelines that the Secretary will use to declare a shortage in the lower basin. The record of decision should identify and adopt guidelines consistent with implementation of the Basin States Alternative that the Secretary must follow in formulating each of the annual operating plans through 2026.

6

The Basin States Alternative requires that the record of decision acknowledge that the lower basin States must agree to the terms and conditions for forbearing, if necessary, their rights to delivery of Colorado River water in order to allow for the development, storage and delivery of any Intentionally Created Surplus (ICS) as defined by the DEIS. Scottsdale would object if the Secretary issued a unilateral authorization that allowed for the creation of ICS without this agreement by the States.

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Finally, the record of decision should state that the Secretary will consult with the seven basin States if the Secretary is considering declaring a shortage to the lower basin States exceeding 500,000 acre-feet. The goal of this consultation should be to minimize the impacts on the lower basin States in general, and on Arizona and the CAP in particular.

9

Lower Basin Shortage Sharing

As contemplated by the Basin States Alternative, Arizona and Nevada have finalized and executed a Shortage Sharing Agreement dated February 9, 2007. The preferred alternative and the record of decision must be consistent with this Shortage Sharing Agreement.

10

Additionally, ADWR established an intrastate process involving all interested parties to develop a method to distribute Arizona's shortage reductions between the CAP and equivalent priority Arizona mainstem water users. This method is described in the "Director's Shortage Sharing Workgroup Recommendation, October 24, 2006, (Revised) Final". Scottsdale understands that this Recommendation has been transmitted to the Bureau by ADWR. The preferred alternative and the record of decision must also be consistent with this Recommendation.

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Economic Impacts

The DEIS inadequately addresses the economic impacts that would result from changes in deliveries of Colorado River water to municipal water users in Arizona, including

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Scottsdale. The DEIS minimizes these potentially significant impacts by concluding that "implementing statewide and local demand-side and supply-side strategies are expected to minimize adverse socioeconomic effects occurring during the maximum M&I shortage." (DEIS at p. 4-283)

12

As pointed out earlier, Scottsdale has already taken steps to develop sustainable water supplies for its customers. Since enactment of the 1980 Groundwater Management Act, Scottsdale has implemented extensive water conservation programs that include ordinances governing landscaping, plumbing retrofit rebate programs, leak detection and control programs, and implementation of conservation oriented water rate structures. Consequently, the opportunity to make up for shortages in deliveries of CAP water through additional conservation programs is very limited. Scottsdale has also implemented comprehensive effluent reuse programs, adopted development impact fees, and established extensive recharge programs. All of these programs come at considerable expense.

13

It is therefore inappropriate to assume that the socioeconomic impacts on Scottsdale from changes in deliveries of CAP water can be minimized in any material way by implementing basic demand management and supply augmentation strategies. As mentioned above, existing demand management and supply augmentation programs are designed to insure supply sustainability in normal water supply years. Any programs developed as drought response will have additional impacts that have not been addressed in the DEIS.

14

Scottsdale strongly urges the Secretary to choose the Basin States Alternative as the preferred alternative in the Final EIS. We also urge the Secretary to adopt a ROD that includes the guidelines and criteria necessary to implement the Basin States Alternative in a manner consistent with the carefully negotiated compromise agreements developed among the seven basin states.

We appreciate the opportunity to comment on the DEIS.

Sincerely,

David M. Mansfield
General Manager

cc: Arizona Department of Water Resources
Arizona Municipal Water Users Association

L-3

TOTAL P.05

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Reponses to Comment Letter L-3

L-3-1 and L-3-2

Your comment is noted. No change to the Final EIS was necessary.

L-3-3 and L-3-4

Your comment is noted. See also response to Comment No. G-1-4.

L-3-5

Your comment is noted. No change to the Final EIS was necessary.

L-3-6

Draft Guidelines are included in the Final EIS as Appendix S.

L-3-7 and L-3-8

The information requested is provided in Appendix S of the Final EIS. Reclamation has developed draft operational guidelines that are included in Appendix S of the Final EIS. The guidelines are anticipated to be finalized and adopted through the Record of Decision for this action. Following publication of this Final EIS, additional and updated information regarding the content and development of guidelines is anticipated to be provided to the public through the dedicated project website, (<http://www.usbr.gov/lc/region/programs/strategies.html>).

L-3-9

See response to Comment No. G-1-13.

L-3-10

See response to Comment No. G-1-14.

L-3-11

See response to Comment No. G-1-15.

L-3-12 through L-3-14

See response to Comment No. G-1-25.

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MWD
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

Executive Office

April 30, 2007

VIA E-MAIL
& U.S. MAIL

Ms. Jayne Harkins
Acting Regional Director, Lower Colorado Region
U.S. Department of the Interior
Bureau of Reclamation
Attention: BCOO-1000
P.O. Box 61470
Boulder City, NV 89006-1470

Comments on Bureau of Reclamation Draft Environmental
Impact Statement, Colorado River Interim Guidelines for Lower Basin
Shortages and Coordinated Operations for Lake Powell and Lake Mead

The Metropolitan Water District of Southern California commends the Department of the Interior and the Bureau of Reclamation for their comprehensive analysis of alternatives in the Draft Environmental Impact Statement; Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (“DEIS”).

Water from the Colorado River accounts for a significant share of supplies within Metropolitan’s service area in the coastal region of Southern California. After years of negotiation under the leadership of the Department of the Interior, California entities reached a historic pact to allow California to live within its basic apportionment of 4.4 million acre-feet annually when surplus water and unused apportionment is unavailable. The 2003 Colorado River Water Delivery Agreement (“CRWDA”) provides a number of benefits to Metropolitan, including interim access to available surpluses and greater flexibility for managing diversions into our Colorado River Aqueduct.

The Basin States’ Alternative analyzed in the DEIS would establish guidelines to operate Lake Mead and Lake Powell more efficiently and flexibly for the benefit of all seven states in the Lower and Upper Colorado River Basins. Of greatest importance to Metropolitan, the Alternative would facilitate improved water management by permitting contractors to reduce water use via extraordinary conservation and recover most of that water in later years. This management technique would allow Metropolitan to reduce the likelihood of regional shortages in years when California’s State Water Project experiences reduced delivery capability. Furthermore, the Alternative’s provision for extending Metropolitan’s access to surplus water would increase the likelihood of Metropolitan being able to operate the Colorado River Aqueduct at or near capacity (a key objective of Metropolitan’s Integrated Resource Plan).

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L-4

700 N. Alameda Street, Los Angeles, California 90012 • Mailing Address: Box 54153, Los Angeles, California 90054-0153 • Telephone (213) 217-6000

The Metropolitan Water District of Southern California

Ms. Jayne Harkins
Acting Regional Director, Lower Colorado Region
Page 2
April 30, 2007

Metropolitan concurs with the April 30, 2007 comments on the DEIS submitted by the States of Arizona, California, Colorado, Nevada, New Mexico, Utah and Wyoming Governors' Representatives on Colorado River Operations, and those of the Colorado River Board of California.

4

Like execution of the CRWDA and the Quantification Settlement Agreement, submittal of the Basin States' Proposal described in the comments of the Governors' Representatives represents a seminal moment in the history of the Colorado River. We urge Reclamation to build upon this progress by selecting the Basin States' Proposal as the preferred alternative in the Final Environmental Impact Statement and adopting the Proposal in the Record of Decision for this matter.

5

We thank the Department of the Interior and Reclamation for their responsiveness and leadership during this process.

Very truly yours,


Jeffrey Kightlinger
General Manager

PEV:gy

cc: Mr. Gerald R. Zimmerman
Executive Director
Colorado River Board of California
770 Fairmont Avenue, Suite 100
Glendale, CA 91203-1035

L-4

Reponses to Comment Letter L-4

L-4-1 through L-4-5

Your comments are noted.

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 Phoenix, AZ 85072-2025
 (602) 236-5812
 Fax (602) 236-5444
 E-mail: jfsulliv@srpnet.com

4/30/07
 BCOO-1000
 JOHN F. SULLIVAN
 Associate General Manager
 Water Group
 April 27, 2007
 cf:1000

Acting Regional Directors
 US Bureau of Reclamation
 Attention: BCOO-1000
 Lower Colorado Region
 P.O. Box 61470
 Boulder City, NV 89006-1470

Re: Notice of Availability of and Notice of Public Hearings for the Draft Environmental Impact Statement ("EIS") for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead

Dear Ms. Harkins and Mr. Walkoviak:

The Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water Users' Association (collectively referred to herein as "SRP") submit their comments on the Draft EIS for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (collectively referred to herein as the "Guidelines").¹ We appreciate the opportunity to offer these comments and we hope that they will be useful to the Bureau of Reclamation ("Reclamation") in adopting Guidelines and preparing the final EIS.

Statement of Interests

SRP is a multi-purpose federal reclamation project authorized and constructed under the Reclamation Act of 1902, 43 U.S.C. § 371 *et seq.* Pursuant to various contracts with the United States, SRP operates the Project works, which include, among other things, seven reservoirs and dams on the Salt and Verde rivers in central Arizona, and East Clear Creek in Northern Arizona. Water is impounded in these reservoirs by SRP for subsequent delivery to municipal, industrial and agricultural water users in the Phoenix metropolitan area, where over half of the state's population resides. SRP holds the water rights for these reservoirs, and for the downstream uses they supply, pursuant to the state law doctrine of prior appropriation, as well as federal law.

SRP has a significant economic interest in Colorado River water supplies and the power generated at the Lower Basin dams. SRP's surface water supplies from the Salt and Verde Rivers are susceptible to drought and must be conjunctively managed by SRP with the groundwater beneath its 250,000-acre service area. Central Arizona is currently experiencing its twelfth year of drought, with several years during this period being some of the driest in more than 100 years of recorded history. Under these circumstances, the availability of Colorado

¹ 72 Fed. Reg. 9026 (February 28, 2007).

L-5

River water and power is critical to the continued economic well-being of SRP, its members and the municipalities that SRP serves in Central Arizona.

The drought of the past twelve years has made it necessary for SRP to purchase excess CAP water to supplement its diminishing Salt and Verde River water supplies, along with pumping maximum amounts of groundwater. Excess CAP water is also the principal source of supply for underground storage and groundwater savings projects in Central Arizona in which SRP has an interest. SRP contracts for and delivers agricultural priority CAP water for use on SRP agricultural lands. Additionally, through the Arizona Power Authority and Western Area Power Administration, SRP purchases large amounts of Parker-Davis and Hoover power each year and distributes the power to its customers in Central Arizona. SRP is therefore strongly interested in the outcome of this EIS process, which has the potential to markedly affect the availability of Colorado River water and power to Central Arizona during times of shortage.

SRP is also the operator of the Navajo Generating Station (“NGS”), a coal-fired power generation plant in Page, Arizona, which provides power to Reclamation for the operation of the CAP, and to power consumers throughout Arizona, Nevada and California. Water needed for the operation of NGS is supplied from Lake Powell. The dependability of this supply is essential to SRP’s continued operations of NGS. SRP is therefore interested in any criteria that the Secretary may ultimately adopt for coordinated operation of Lake Powell and Lake Mead, which may affect deliveries of water supplied to NGS.

Comments on the Interim Guidelines

I. SRP Supports the Basin States Proposal as the Preferred Alternative, as it Represents the Consensus of the Major Users of Water and Power Resources in the Lower and Upper Basins.

SRP supports the adoption of the Basin States Alternative, as modified by the suggestions of the Basin States in their comments on the draft EIS (Basin States’ Proposal”), as the Preferred Alternative in the Final EIS. As a consensus approach developed by the Lower and Upper Basin States, the Basin States Proposal minimizes impacts to the largest number of users of the resources described in the Draft EIS. The Basin States Proposal provides a mechanism for promoting the conservation of water in the Lower Basin, while at the same time minimizing shortages in the Lower Basin and avoiding the risk of curtailment of water uses in the Upper Basin.² As a balanced approach to the management of Colorado River resources, which takes into consideration and reflects the interests of and effects on various categories of resource users, the Basin States Proposal is the ideal Preferred Alternative.

The Basin States Proposal likewise provides users of mainstream Colorado River water within the United States with a greater degree of certainty regarding future amounts of annual water deliveries during times of drought and under low reservoir conditions.³ In the past, the threat of litigation has been a barrier to reaching a dependable, long-term resolution of the issues

² Draft EIS, p. 2-8.

³ A heightened degree of predictability of water supplies was a chief purpose of the proposed action, as described in the Draft EIS. See Draft EIS, p. 1-3.

L-5

related to the allocation of Lower Basin water supplies during shortage conditions, and the equalization of water levels in Lake Powell and Lake Mead. Because the Basin States Proposal was developed by consensus, the risk of future litigation challenging the adoption or implementation of this alternative by Reclamation is greatly reduced. Moreover, the Basin States Proposal can be implemented relatively quickly following the conclusion of the NEPA process, without further action by Reclamation; consequently, its adoption would provide more immediate predictability to water and power users regarding the management of Colorado River water supplies.

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II. The Final EIS Should Individually and Comparatively Analyze the Impacts of Each of the Alternatives, When Added to the Cumulative Impacts of Past, Present and Reasonably Foreseeable Future Actions, With Respect to Each of the Resources Identified.

To ensure a complete analysis supporting the selection of the Basin States Proposal as the preferred agency alternative, the cumulative impacts analysis should be amplified in the Final EIS to more comprehensively address: (1) the impacts of past, present and reasonably foreseeable future actions with respect to each of the resources considered; (2) the impacts of each alternative when added to the impacts of other past, present and reasonably foreseeable future actions; and (3) objectively quantifiable impacts or the reasons why that is infeasible.⁴

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1. Impacts of Past, Present and Reasonably Foreseeable Future Actions

The cumulative impacts section of the Draft EIS should include an evaluation of the cumulative impacts of past, present and reasonably foreseeable future actions, not part of the proposed action, on each of the resources considered. Presently, this section does not undertake a systematic analysis of these impacts. For example, it is not clear that the “closely related projects”⁵ mentioned in the text include both present and reasonably foreseeable future actions. Even as to present actions, the list of “closely related projects” is not exhaustive. Other closely related actions for which cumulative effects should have been evaluated include, for example, the Arizona water bank, the forbearance agreement between Arizona and Nevada, and municipal drought management plans entailing the use of CAP water. The cumulative impacts section also omits any discussion of the impacts of past actions on each of the resources considered in the Draft EIS. Finally, the cumulative impacts section does not consistently and methodically consider the impacts of each and all of the actions identified on each resource considered. The analysis of cumulative impacts in the Final EIS should be amplified to include this discussion and analysis.

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2. Impacts of Each Alternative, When Added to the Cumulative Impacts of the Past, Present and Reasonably Foreseeable Future Actions Identified

⁴ The Cumulative Impacts section of the Draft EIS begins on page 5-6. It appears, however, that the section heading and possibly some portion of the preliminary text were inadvertently omitted from the document. The Final EIS should remedy this error.

12

⁵ Draft EIS, p. 5-7.

L-5

The cumulative impacts analysis in the Final EIS also should consistently address and compare the totality of the effects of each alternative, when added to the cumulative effects of past, present, and reasonably foreseeable future actions, on the environment. As presently written, the section omits any discussion of the impacts of each alternative, when added to the cumulative impacts, on each of the resources considered. The cumulative impacts section in the Final EIS should be revised to systematically provide this comparative analysis. We believe such a comparison will demonstrate that implementation of the Basin States Proposal would minimize cumulative impacts, as the States and individual resource users have already considered and attempted to minimize the effects of the Basin States Proposal when added to the impacts of their individual related actions. 13

3. Objective Quantification of Impacts or an Explanation of the Reasons Why an Objective Quantification of Impacts is Infeasible

Finally, the cumulative effects analysis should evaluate the impacts of each of the alternatives, plus cumulative effects, in objectively quantifiable terms, or provide an explanation of the reasons why this cannot be done. The draft cumulative impacts analysis does not refer to objective data in analyzing impacts. If the impacts described cannot be quantified in objective terms, the Draft EIS should affirmatively state this, and offer an explanation of the reasons why such quantification is infeasible. 14

III. The Final EIS Should Clarify the Relationship Between the Existing Federal Programs and Activities on the Lower Colorado River, Particularly the Lower Colorado River Multi-Species Conservation Program, and the Alternatives Considered in the Draft EIS With Respect to Endangered Species Act (“ESA”) Compliance. 15

Section 1.8 of the Draft EIS describes five “related actions” that, along with other projects discussed later in Chapter 5, “may have a cumulative impact on the environment.”⁶ These include, among others, the Lower Colorado River Multi-Species Conservation Program (“LCR MSCP”). Regarding the LCR MSCP, Chapter 1 of the Draft EIS properly notes that this program “provides ESA compliance for specific covered federal actions and non-federal activities under ESA Sections 7 and 10,” including the implementation of water shortages in the Lower Colorado River Basin.⁷ The Draft EIS then states that, “[t]o the extent that the shortage strategy adopted by the Department is within the coverage provided by the LCR MSCP, it is anticipated that adoption of that element of the proposed federal action would not require further ESA compliance.”⁸ In seeming contrast to these statements, Chapter 5, Section 5.1.1 of the Draft EIS broadly describes the obligation of Reclamation to consult on proposed action under Section 7 of the ESA, as follows:

⁶ Draft EIS, p. 1-23.

⁷ Draft EIS, p. 1-26.

⁸ *Id.*

L-5

Adoption of the proposed action by the Secretary is a discretionary federal action and it is, therefore, subject to compliance with the ESA. Reclamation will request a species list from the FWS and subsequently prepare a biological assessment to address the potential effects of the proposed federal action on listed species. Once a preferred alternative is identified, the BA will be finalized and formal consultation will be initiated, if appropriate. Reclamation and the FWS will consult during 2007, with the intent of completing a BO for inclusion in the Final EIS.⁹

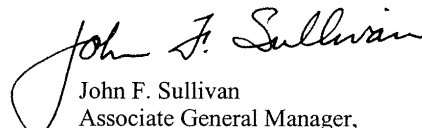
Section 5.1.1 does not refer to the LCR MSCP or the ESA coverage already provided to certain categories of federal actions under the program, including the implementation of shortage guidelines within certain parameters. As written, Section 5.1.1 could be interpreted as acknowledging a comprehensive obligation on the part of Reclamation to consult on all aspects of the proposed action, even those previously covered as part of the LCR MSCP. Section 5.1.1 should be modified in the Final EIS to clarify the more narrow focus of Reclamation's obligation to consult, and the relationship between ESA coverage already in place under the LCR MSCP and any additional coverage needed for the proposed action.¹⁰

16

Conclusion

SRP appreciates the opportunity to present these comments on the proposed Guidelines, in response to Reclamation's Federal 28, 2007 Federal Register notice. We hope that these comments will be useful to Reclamation in adopting Interim Guidelines and in selecting the preferred agency alternative and concluding the NEPA process. For the reasons urged in Part I of this letter, we strongly urge Reclamation to adopt the Basin States Proposal as the Preferred Agency Alternative. If you have any questions or need further information regarding any of the matters discussed in these comments, please do not hesitate to contact us.

Very Truly Yours,


John F. Sullivan
Associate General Manager,
Salt River Project

⁹ Draft EIS, p. 5-1.

¹⁰ As any biological opinion drafted by FWS to discuss effects of the proposed action would be included in the Final EIS, it would be both feasible and appropriate for the EIS to more fully explain the relationship between the LCR MSCP, the proposed action and any other related actions on the river, with respect to ESA compliance.

L-5

Cc: Rick Gold, Regional Director, Upper Colorado Regional Office
Herb Guenther, Director, Arizona Department of Water Resources
Bob Johnson, Commissioner, U.S. Bureau of Reclamation

Reponses to Comment Letter L-5

L-5-1 through L-5-6

Your comments are noted. No change to the Final EIS was necessary.

L-5-7 through L-5-9

Reclamation does not concur with this comment. The information requested is provided in Chapter 5 of the Draft and Final EIS.

L-5-10 and L-5-11

Information presented in the Draft EIS has been modified in the Final EIS. Chapter 5 of the Final EIS has been revised by the inclusion of additional information, and the relocation of several project descriptions to a new Section 4.16 of the Final EIS.

L-5-12

Reclamation concurs with this comment. A Section heading was inadvertently left out of the Draft EIS. This omission has been corrected in the Final EIS.

L-5-13 and L-5-14

See responses to Comment No. L-5-7 and G-1-25.

L-5-15

The LCR MSCP description in Section 1.8.5 of the Final EIS has been expanded to more clearly describe the relationship between this and other ongoing proposed federal actions on the Lower Colorado River and the covered actions and activities under the LCR MSCP.

L-5-16

See response to Comment No. L-2-8.

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City of Peoria

Utilities Department

8401 West Monroe Street, Peoria, Arizona 85345
Phone: 623-773-7286 Fax: 623-773-7291

April 27, 2007

Regional Director, Lower Colorado Region
U.S. Bureau of Reclamation
ATTN: BCOO-1000
P.O. Box 61470
Boulder City, NV 89006-1470

RE: Draft Environmental Impact Statement (EIS) for the Colorado River Interim
Guidelines for Lower Basin Shortages and Coordinated Operations for Lake
Powell and Lake Mead

Thank you for the opportunity to review the above referenced draft EIS document and this
letter contains the City's comments. Since Colorado River supplies via the Central Arizona
Project make up nearly 46% of the City of Peoria's existing state certified renewable water
supplies, the selection of the Basin States Alternative as the preferred alternative is an
important one for our community. This alternative is the one that can be immediately
implemented without additional statutory authority. This implementation would help to
decrease the existing uncertainties related to future Lower Colorado River basin water
supply shortages and their magnitude.

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First, the City of Peoria supports the concepts and comments on the above referenced
draft EIS outlined in letters by the Arizona Department of Water Resources letter on behalf
of the State of Arizona and the Arizona Municipal Water Users Association letter on behalf
of the central Arizona urban communities

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One specific comment on the draft EIS is a question and suggestion. We are interested in
why the report did not assume the Yuma Desalting Plant was operational? This
assumption ignores a potential valuable water source which could help to minimize future
supply shortages for the State of Arizona and the Central Arizona Project more specifically.
We would recommend this important facility be included in this analysis.

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Finally, the City of Peoria has expended significant funds to actively manage its water
resources, implementing comprehensive water conservation programs and preparing for
drought conditions for the past decade. It would appear the City would be penalized for

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L-6

www.peoriaaz.com

Page 2 of 2: City of Peoria, Arizona Comments on the Draft Environmental Impact Statement
Colorado River Interim Guidelines for Lower Basin Shortages
and Coordinated Operations for Lake Powell and Lake Mead

these efforts based on our reading of the EIS. Specifically, the City has recently spent over \$191 million on groundwater recharge facilities, groundwater supply wells, reclaimed water facilities and additional water rights in order to diversify its water supplies and infrastructure. The City adopted an ordinance to require a level of system redundancy (i.e., back-up water supply) and most recently adopted a Drought Contingency Plan in 2003. The adoption of the Basin States Alternative as the preferred alternative will provide the necessary protection and certainty to permit the City to continue planning for the adverse impacts of potential Colorado River shortages. We don't believe the City of Peoria should be penalized for these forward thinking efforts.

Again, thank you for the opportunity to provide these comments.

Sincerely,



Bradley M. Hill
Water Resources Manager

c: Terry Ellis, City Manager
Herb Guenther, Director - ADWR
Sid Wilson, General Manager, CAWCD

L-6

Reponses to Comment Letter L-6

L-6-1 through L-6-3

Your comment is noted. See also response to Comment No. G-1-4.

L-6-4

Your comment is noted. No change to the Final EIS was necessary.

L-6-5

See response to Comment No. F-4-9.

L-6-6

See response to Comment No. G-1-25.

L-6-7

Your comment is noted. No change to the Final EIS was necessary.

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April 30, 2007

Regional Director
 Lower Colorado Region
 Bureau of Reclamation
 Attention: BCOO-1000
 P.O. Box 61470
 Boulder City NV 89006-1470

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RE: Comments of the City of Chandler, Arizona Regarding the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, Draft Environmental Impact Statement

Dear Regional Director:

The City of Chandler, Arizona ("Chandler") submits the following comments to the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, Draft Environmental Impact Statement (February 2007). Chandler joins in the comments filed in this matter by the Arizona Department of Water Resources ("ADWR") and the Arizona Municipal Water Users Association ("AMWUA"). Chandler supports the selection of the Basin States Alternative as the preferred alternative in the final environmental impact statement and implementation of the Basin States Alternative through the final record of decision.

The City of Chandler has grown rapidly in the last two decades, and has a current estimated population of 250,000 people. Chandler receives Colorado River water through Central Arizona Project ("CAP") municipal and industrial and non-Indian agricultural priority water subcontracts and Indian priority water through a lease and an exchange. In addition, pursuant to the Salt River Pima-Maricopa Indian Community Water Rights Settlement Agreement, Chandler has a Colorado River water right pre-dating September 30, 1968. Chandler expects Colorado River water to provide more than one-fourth of its water requirements when the City reaches build-out in 2015. Therefore, the frequency and magnitude of Central Arizona Project water shortages are a significant concern to Chandler.

Chandler joins in the concerns identified in AMWUA's comments:

1. Chandler endorses and supports the comments of the Arizona Department of Water Resources.

Mailing Address
 Mail Stop 404
 PO Box 4008
 Chandler, Arizona 85244-4008

Municipal Utilities Department
Environmental Resources/Water Conservation
 Telephone (480) 782-3580
 Fax (480) 782-3805
 www.chandleraz.gov

L-7
Location
 975 East Armstrong Way
 Chandler, Arizona 85249

Regional Director
Lower Colorado Region
April 30, 2007
Page 2

- 2. Chandler supports the selection of the Basin States Alternative as the preferred alternative. Chandler also supports mandatory guidelines as set forth in this alternative be established that the Secretary will use to declare a shortage in the lower Colorado River Basin. This alternative can be implemented immediately and without additional statutory authority. Implementing the Basin State alternative will decrease the existing uncertainties related to future Lower Colorado River basin water supply shortages and their magnitude. 3
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- 3. The preferred alternative and the Record of Decision (“ROD”) should be consistent with Arizona’s position regarding intrastate shortage sharing as described in the “Director’s Shortage Sharing Workgroup Recommendation, October 24, 2006 (Revised) Final”. 5
- 4. The Secretary should not adopt an alternative that prioritizes power generation ahead of water supply. 6
- 5. DEIS must assume the Yuma Desalting Plant is operating. 7
- 6. DEIS has failed to examine the socio-economic effects that municipal water users in Arizona will experience during a maximum M&I shortage. It should not be assumed socio-economic impacts from changes in deliveries of CAP water to Chandler or other Arizona municipalities could be minimized in any material way, by demand-side and supply-side strategies. 8
9

We appreciate the opportunity to comment on this Draft Environmental Impact Statement. Please contact Gregg Capps at 480-782-3585 if you have any comments or questions on this response.

Sincerely,



Karen Barfoot
Assistant Municipal Utilities Director

xc: Steve Olson, Director, AMWUA
Doug Toy

L-7

Reponses to Comment Letter L-7

L-7-1

Your comment is noted. No change to the Final EIS was necessary.

L-7-2

Your comment is noted. No change to the Final EIS was necessary.

L-7-3

Your comment is noted. See also response to Comment No. G-1-4.

L-7-4

Your comment is noted. No change to the Final EIS was necessary.

L-7-5

See response to Comment No. G-1-15.

L-7-6

Your comment is noted.

L-7-7

See response to Comment No. F-4-9.

L-7-8 and L-7-9

See response to Comment No. G-1-25.

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Jayne Harkins, Regional Director
 Lower Colorado Region, Bureau of Reclamation
 Attention: BCOO-1000
 P.O. Box 61470
 Boulder City, NV 89906-1470

Re: *Comments on the Draft EIS for Colorado Interim Guidelines for Lower Basin Shortage and Coordinated Operations for Lake Powell and Lake Mead*

Dear Director Harkins:

The Colorado River Water Conservation District (Colorado River District) is pleased to submit comments on the Draft EIS for Colorado River Interim Guidelines for Lower Basin Shortage and Coordinated Operations for Lake Powell and Lake Mead (Shortage Criteria DEIS).

The Colorado River District is one of four water conservation districts chartered by the Colorado General Assembly. The Colorado River District covers all of the Colorado River Basin within Colorado north of the San Juan Mountains.

The Colorado River District through a coalition with other Colorado River water agencies within Colorado has participated with Colorado state officials in the discussions and negotiations among the seven Colorado River Basin States. Therefore, the Colorado River District generally endorses and supports the comments of the Colorado Water Conservation Board (CWCB), dated April 30, 2007 and the collective comments of the seven Basin States, dated April 30, 2007. 1

The Colorado River District believes that it is important that the Secretary of the Interior select a preferred alternative and ultimately sign a record of decision that implements the major elements of the seven states proposal. We do not believe the seven states proposal is a take-it-or-leave-it proposal. Therefore, it would be appropriate for the Secretary to incorporate elements of the other action alternatives into the preferred alternative, as needed. 2 3

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L-8

Jayne Harkins, Regional Director
Lower Colorado Region, Bureau of Reclamation
River District Comments on the Shortage Criteria DEIS
April 30, 2007
Page 2

Recognizing that the primary purpose of the Draft EIS is to disclose the environmental impacts of the proposed action and reasonable alternatives to the action, to the general public and decision making agencies, the Colorado River District has the following comments and suggestions that we believe could make the final EIS a more effective “disclosure” document:

- 1. The Draft EIS is very comprehensive with lengthy chapters and a number of appendices. Therefore, the Executive Summary is a critical document. Where possible, the DEIS Executive Summary could be made more user friendly. For example, on page ES-6, the “No Action Alternative” paragraph discusses the limitations and uncertainties of defining the no-action alternative, but the paragraph never really gives the reader an understandable description of no-action. 4

The treatment of hydrology primarily uses probabilities. The following statement appears on page ES-7: “Due to the uncertainty with regard to future inflows into the system, multiple simulations were performed in order to quantify the uncertainties of future conditions and as such, the modeling results are typically expressed in probabilistic terms.” Yet, the ES provides no assistance or guidance to the reader in how to utilize the results that are expressed with probabilities. 5

- 2. For the primary treatment of hydrology as displayed in the Executive Summary, chapter 3, “Existing Conditions” and chapter 4, “Environmental Consequences,” the various graphs and conclusions are based on the 1906-2004 period. Reclamation needs to make it very clear to the reader that the fundamental assumption is that the key statistics that describe the hydrology, mean, standard deviation and skew will continue into the future (no change from the 1906-2004 period). 6

Appendix N, “Analysis of Hydrologic Variability Sensitivity” is an excellent approach to introduce alternative methods for hydrology reviews. Reclamation is to be commended for taking this step. However, in the Executive Summary, there is no reference to Appendix N. Without getting into the complications, Reclamation, as a minimum, could describe for the reader, the information provided in Appendix N and why it might be relevant to the basin states, NGOs, federal agencies and the Secretary of the Interior in the decision making process. 7
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For example, the results of the Direct Paleo analysis in Appendix N suggest that based on a longer or different period of record than 1906-2004, the probability of shortages and the magnitude of shortages may be slightly higher than what is suggested in the Draft EIS (chapter 4).

L-8

Jayne Harkins, Regional Director
 Lower Colorado Region, Bureau of Reclamation
 River District Comments on the Shortage Criteria DEIS
 April 30, 2007
 Page 3

Because Appendix N is a rich source of information for decisions makers, the Executive Summary should contain a few paragraphs on its implications for future decisions. 10

3. The probabilistic treatment of the hydrology data fails the decision maker in one potentially important, if not critical factor. The numerous graphs throughout the Draft EIS generally show the probability of an event occurring versus time (under the different alternatives). For example, figure 4.3-25 "Lake Mead End-of-December Elevations" is a relatively important graph with considerable information of importance to decision makers. This graph compares Lake Mead levels under the different alternatives at the 10%, 50% and 90% levels. What is missing is the "temporal" factor. The hydrologic record for the Colorado River in both the 1906-2004 period and the longer paleo record shows that there are 10-40 year periods of above normal flows followed by 10-40 year periods of below normal flows. During the wet periods, reservoir levels are generally full and shortages rare (or nonexistent) for extended periods of time. In contrast, during the drier periods, except for occasional bump years, mainstem reservoir levels remain low and shortages are routine. This temporal data is best displayed by using example single traces. We have attached an example of this approach. Based on information Reclamation has provided, the attached graphs show Lake Mead and Lake Powell levels, release values, and calculated shortages for two sample traces, 37 and 43. For a decision maker, the consequences of shortages occurring randomly with a 1 in 3 probability over a 60 year period is very different than having a 20 year period with consecutive shortages within that 60 year period (with no shortages in the other 40 years!). 11

4. Within the Draft EIS there is no real discussion of the potential impacts of climate change. As Reclamation is aware, the National Research Council of the National Academies of Science recently published a report on Colorado River Basin water management. This report concludes that "the preponderance of the evidence" that suggest conditions in the Colorado River Basin will be characterized by higher temperatures and lower stream flows. 12

The Colorado River District recognizes that there are no readily available (and generally accepted) data sets for future flows that could be used to generate alternative hydrology runs. However, the Executive Summary should certainly include a qualitative discussion of the available climate science (and its limitations) and what it MAY mean for future operations of Lake Mead and Lake Powell. It is also be suggested that Reclamation obtain inflows from a source such as the Lettenmaier 2006 study and include it within Appendix N of the final EIS. 13 14

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Jane Harkins, Regional Director
Lower Colorado Region, Bureau of Reclamation
River District Comments on the Shortage Criteria DEIS
April 30, 2007
Page 4

Sincerely,

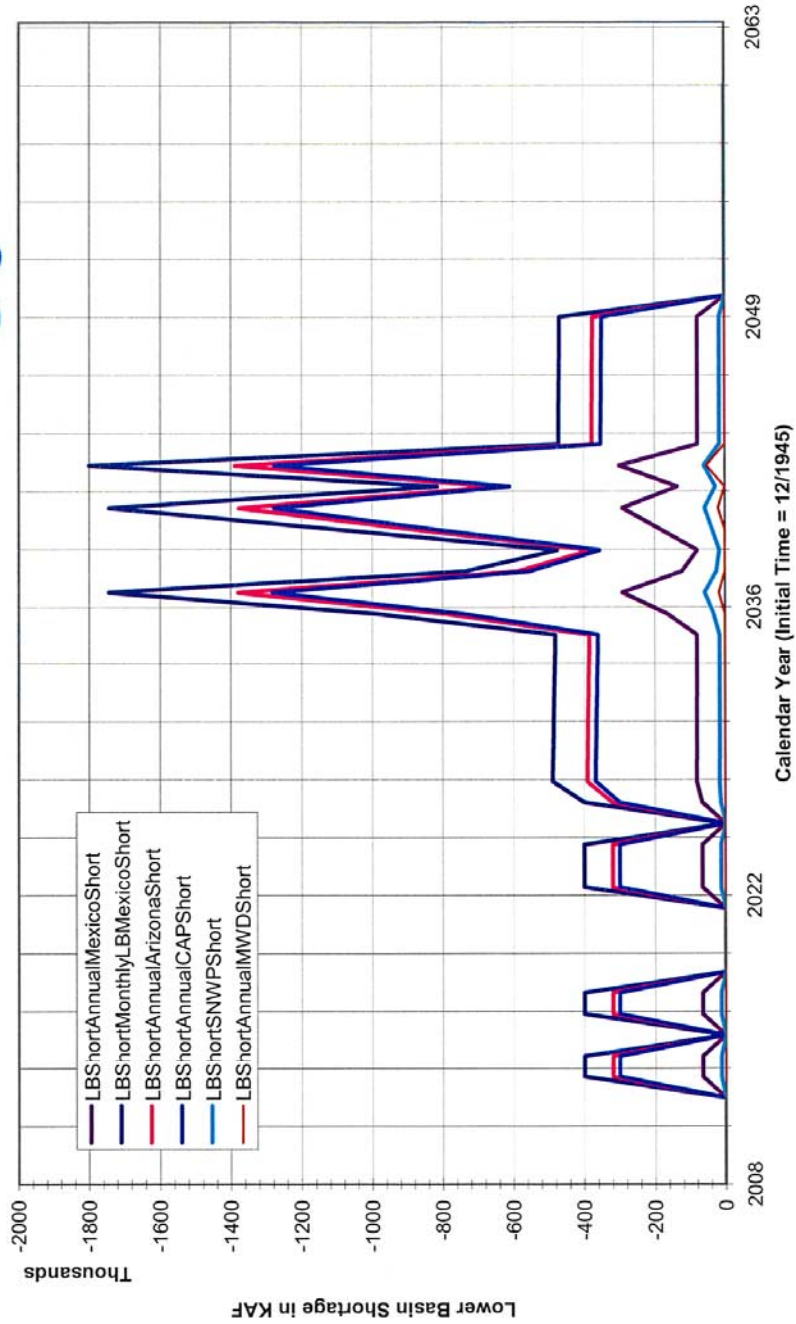


Eric Kuhn
General Manager

REK/ldp
Attachments
c: (w/ attachments)
James Lochhead, Esq.
Scott Balcomb, Esq.
Randy Seaholm
Don Ostler

L-8

Lower Basin Shortage (AZ, CAP, SNWP, MWD, Mexico) - Run37
Basin States Alternative



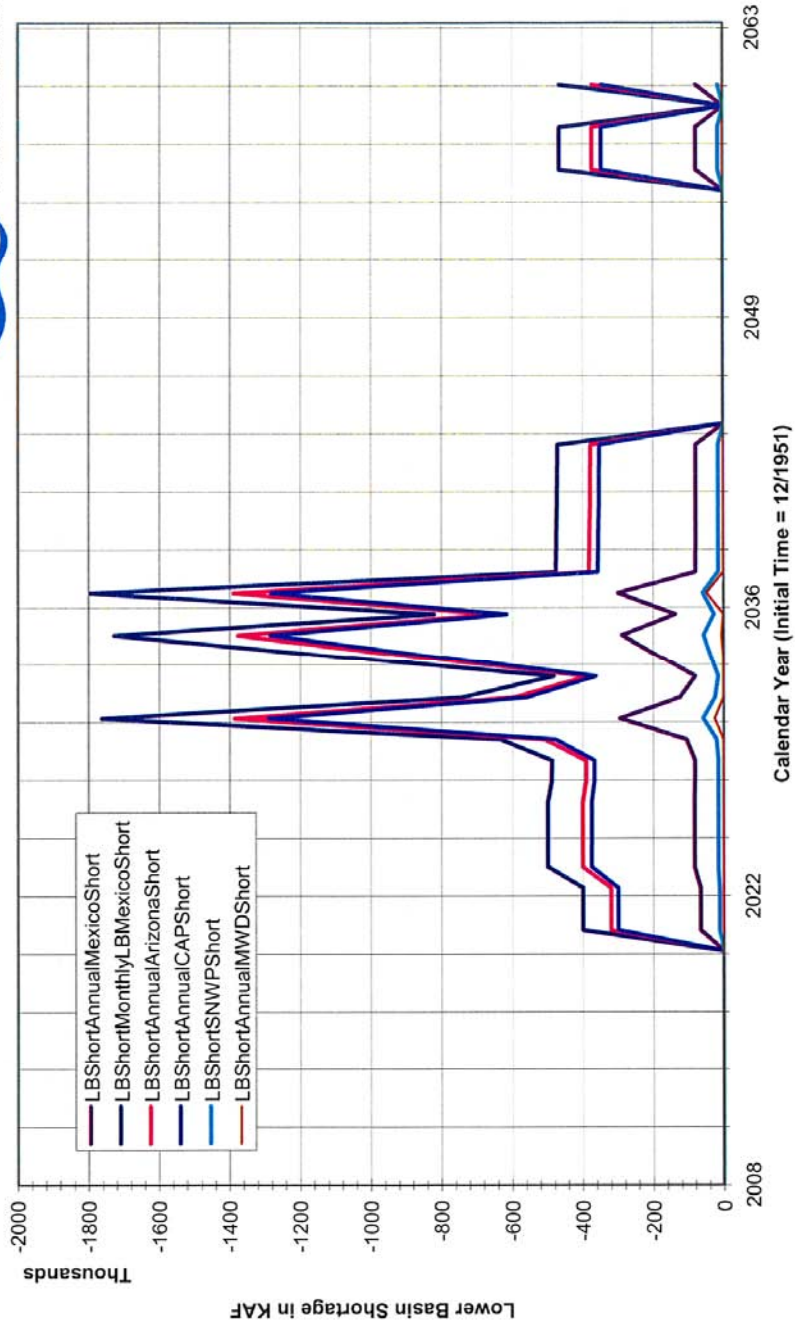
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4/30/2007

DRAFT EIS

LBSshr.VolAndInvol_ComboChart_37 BS.Short.cy.DK.xls

Lower Basin Shortage (AZ, CAP, SNWP, MWD, Mexico) - Run43
Basin States Alternative

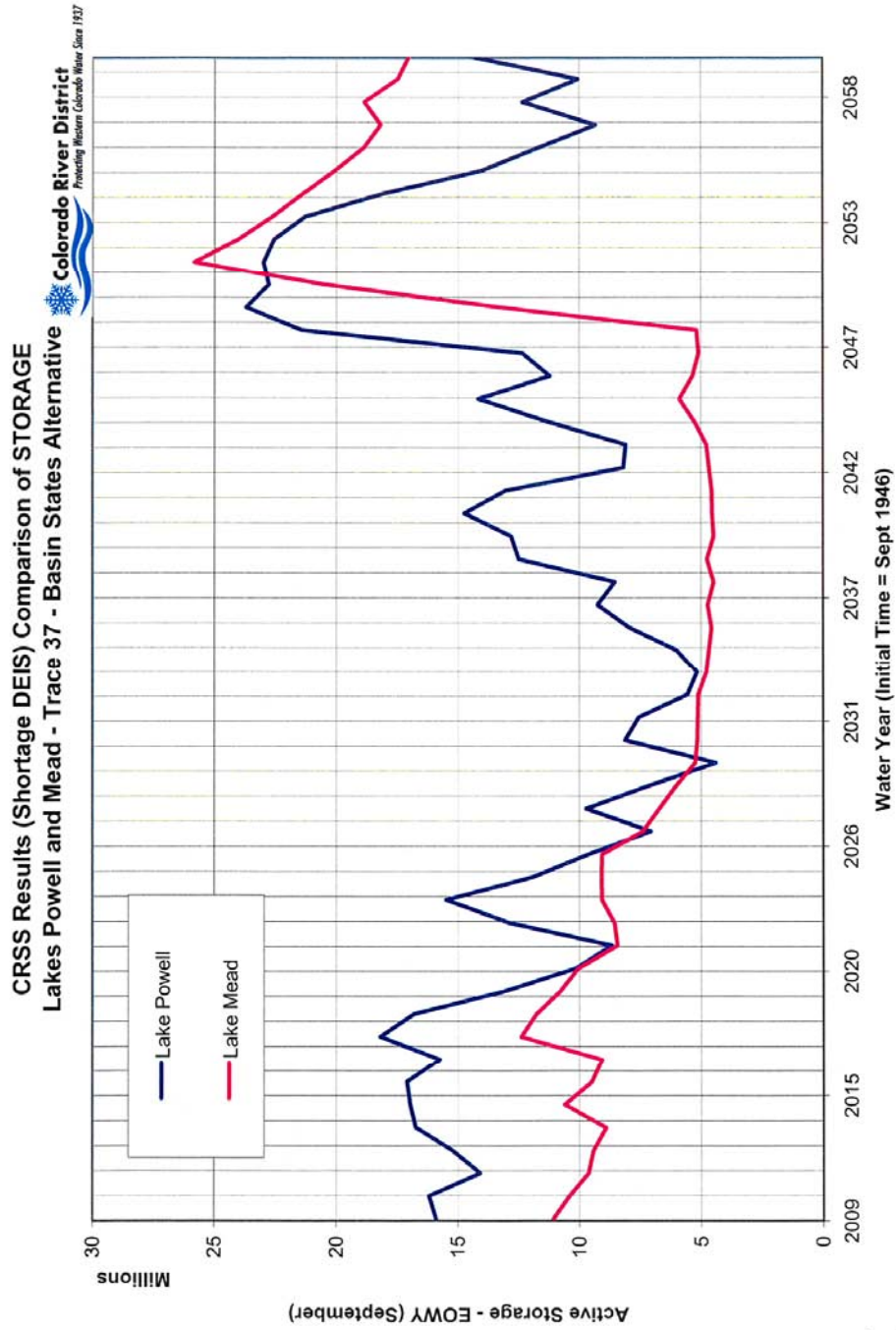


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4/30/2007

DRAFT EIS

LBShr.VolAndInvol_ComboChart43 BS.Short.cy.DK.xls

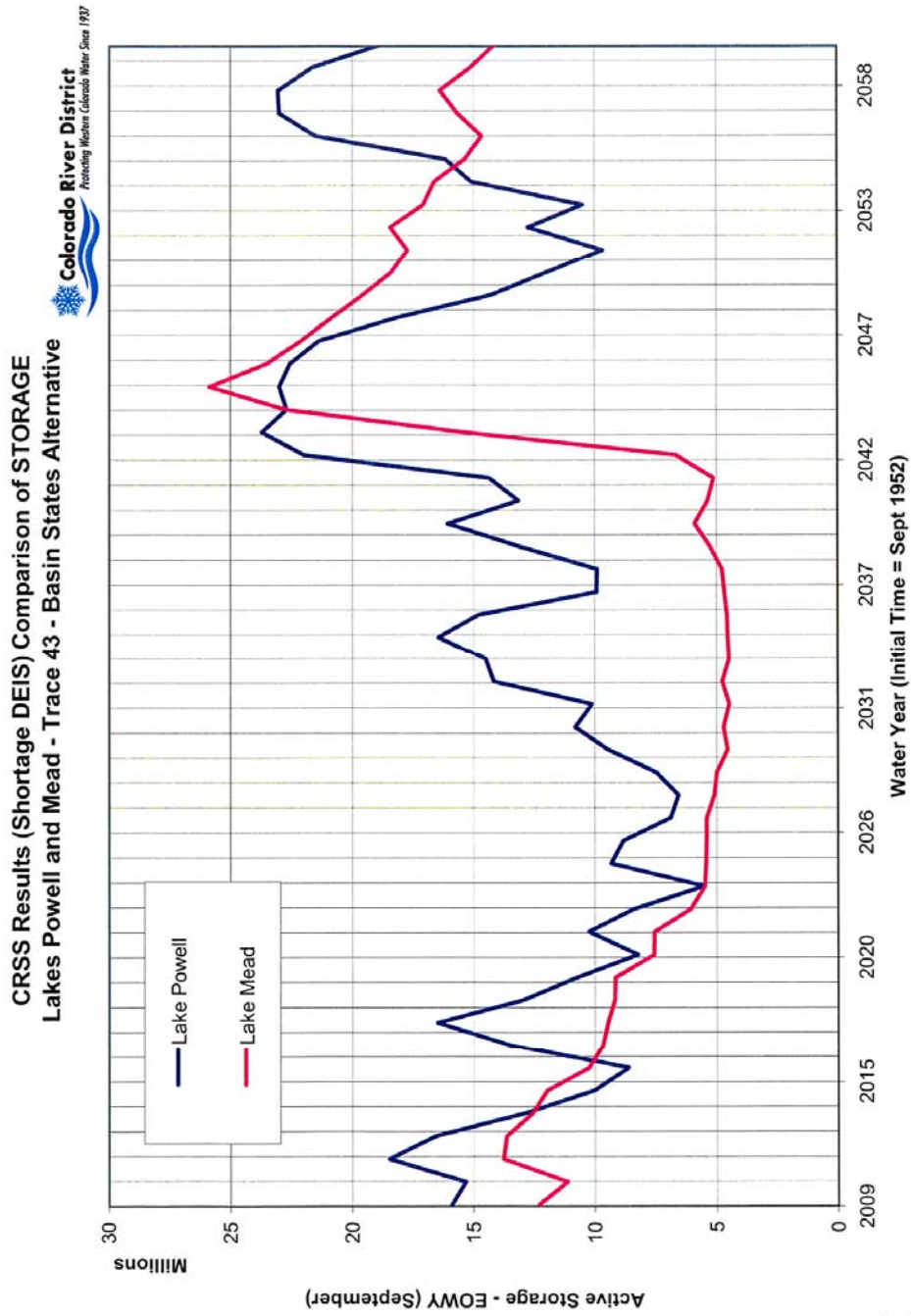


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4/30/2007

DRAFT EIS

StorageComparisonChart37 BS;Res.wy.DK.xls

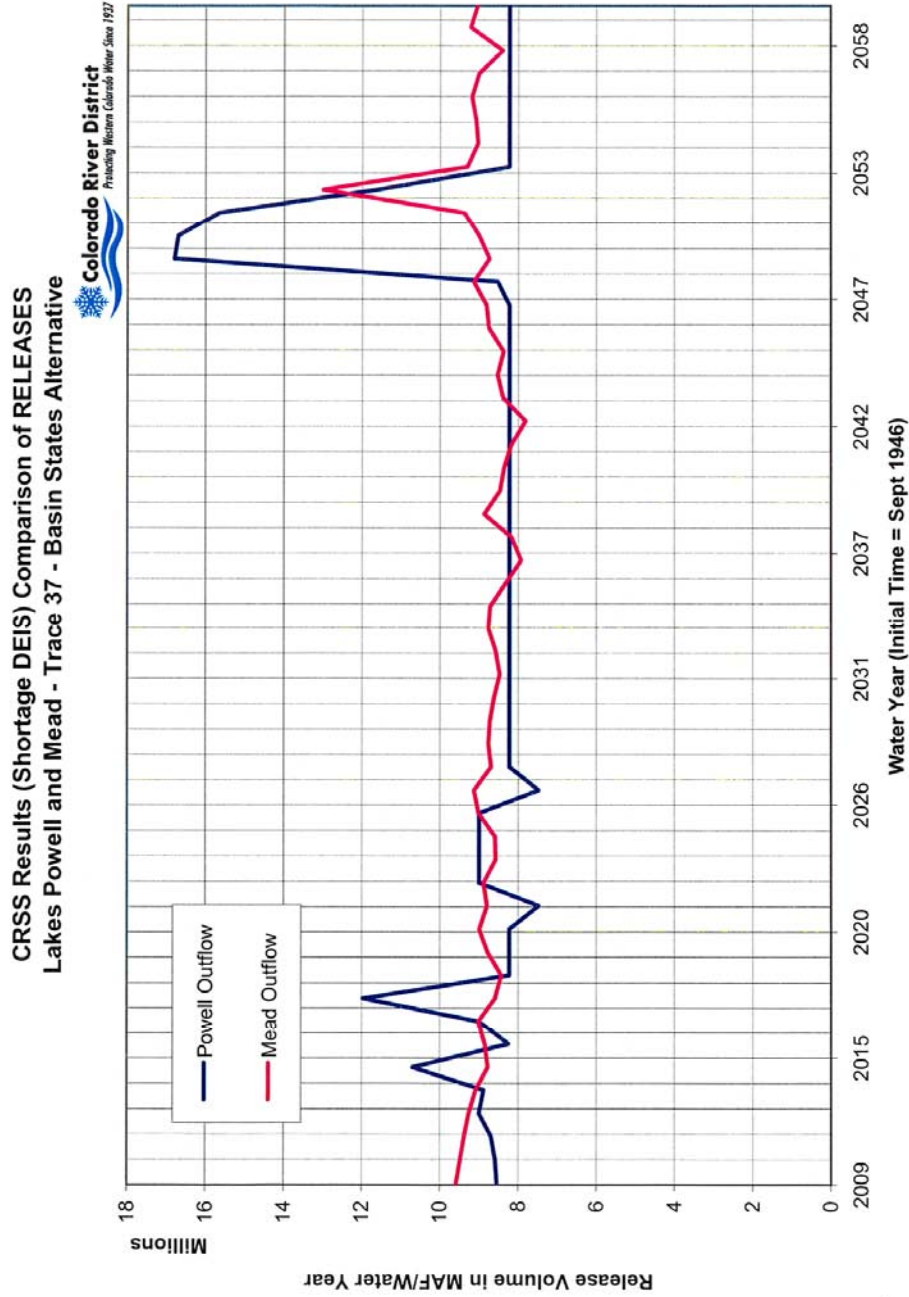


8-1

4/30/2007

DRAFT EIS

StorageComparisonChart43 BS_Res.wy.DK.xls

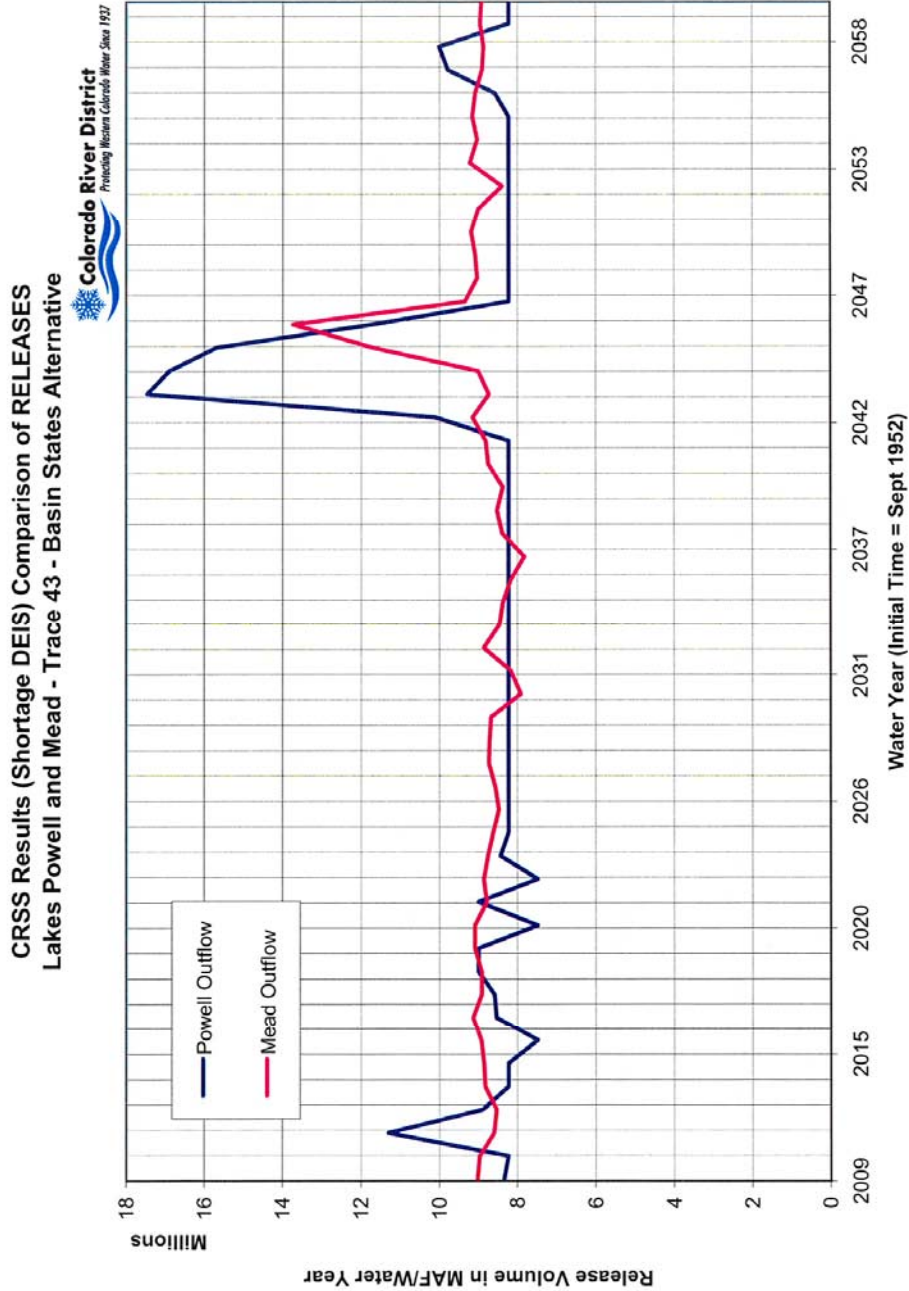


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4/30/2007

DRAFT EIS

ReleaseComparisonChart37 BS Res.wy.DK.xls



81

4/30/2007

DRAFT EIS

ReleaseComparisonChart43 BS.Res.wy.DK.xls

Reponses to Comment Letter L-8

L-8-1

Your comment is noted. No change to the Final EIS was necessary.

L-8-2

Your comment is noted. No change to the Final EIS was necessary.

L-8-3

Your comment is noted.

L-8-4

Your comment is noted. The Executive Summary is intended to provide a high level summary of some of the key issues or concepts discussed in substantial detail in the balance of the Final EIS.

L-8-5

The information requested is provided in the Draft and Final EIS. Section 4.2.6 of the Final EIS provides information on the post-processing and interpretation procedures for the statistical information provided in the EIS. Additionally, each resource area addresses the issues that are important to the respective resource, the analyses undertaken to evaluate potential impacts to that resource, and where statistics were used, how the statistics apply to that resource analysis.

L-8-6 through L-8-10

Your comment is addressed in the general response pertaining to climate changes and hydrologic variability in the introduction to Volume IV of the Final EIS. Section 4.2 of the Final EIS has been enhanced and two new appendices (Appendix T and Appendix U) have been added to provide additional information regarding the potential impacts of climate change and hydrologic variability.

L-8-11

Reclamation has included single traces for in Section 4.3 and Appendix N of the Final EIS for explanatory purposes. Additionally, Reclamation has included an analysis of multi-year shortages in the Final EIS. See response to Comment No. L-1-11.

L-8-12 through L-8-14

Your comment is addressed in the general response pertaining to climate changes and hydrologic variability in the introduction to Volume IV of the Final EIS. Section 4.2 of the Final EIS has been enhanced and two new appendices (Appendix T and Appendix U) have been added to provide additional information regarding the potential impacts of climate change and hydrologic variability.

CITY OF BULLHEAD CITY

1255 Marina Boulevard
Bullhead City, AZ 86442-5733
(928) 763-9400 TDD (928) 763-9400

Handwritten notes and stamps on a grid form, including '5/1/06' and 'BCCO-1000'.

April 30, 2007

Bureau of Reclamation
Attn: BCCO-1000
PO Box 61479
Boulder City, NV 89006-1470

Via Fax: 702-293-8156

To Whom It May Concern:

INTRODUCTION

The Mohave County Water Authority (MCWA) submits the following comments to the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead, Draft Environmental Impact Statement (February 2007). MCWA is comprised of members representing Bullhead City (BHC), Lake Havasu City (LHC), Mohave Water Conservation District (MWCD), Mohave Valley Irrigation and Drainage District (MVIDD), Golden Shores Water Conservation District (GSWCD), City of Kingman and Mohave County. BHC, LHC, MWCD, MVIDD and GSWCD represent the first (and probably only) municipal / industrial users in the State of Arizona to be significantly and immediately impacted by projected shortages during the interim period. Because of our unique position in the State of Arizona, we renew our previously denied request for consultation on this matter as the draft EIS makes it abundantly clear that no one with whom Reclamation consulted was adequately representing the interests of Arizona's 4th priority on river users.

THE SEVEN BASIN STATES ALTERNATIVE

MCWA recognizes Arizona worked diligently with the other Basin states to achieve agreement on the Basin States' Preliminary Proposal recommended to the Secretary of Interior and on February 3, 2006 following the publication of the Draft EIS, and that Arizona has continued to work closely with the other states to refine and improve the Basin States' Preliminary Proposal and to develop one set of comments to the Draft EIS on behalf of all of the states ("Basin States Comments"). We understand the Basin states will be submitting the Basin States' Comments, together with the Basin States' Proposal, which will include the Basin States' Agreement, Proposed Interim Guidelines for Colorado River Operations draft Forebearance Agreement and Arizona-Nevada Shortage Sharing Agreement (Basin States Proposal). While MCWA has some significant reservations regarding the Basin States Alternative we join in Arizona's letter

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submitted this date and Arizona’s conclusion recommending the Secretary choose the Basin States alternative as the preferred alternative in the FEIS and adopt an ROD with the guidelines and criteria necessary to implement the Basin States Alternative in substantial conformance with the carefully negotiated Basin States Proposal provided such ROD adopts Arizona Department of Water Resources’ Director’s Shortage Sharing Workshop Recommendations, October 24, 2006 (Revised) final attached hereto as Exhibit 1. 1

COMMENTS TO ADDRESS CONCERNS SPECIFIC TO MCWA

1. No Action Alternative:

This alternative would provide no guidance to the on river 4th priority users in planning for shortages. Our members could suffer 30% shortages in both M&I and agricultural supplies as early as 2011. It gives no guidance as to how and when shortages would be imposed. It also assumes (a) the existing 602(a) interpretation would stand (see Arizona’s letter for further discussion) and (b) the CRBPA requires on river agricultural and municipal/industrial users to be shorted immediately when CAWCD suffers shortages. This conclusion is not compelled by either the language in our contracts nor the CRBPA. This alternative leaves many unanswered questions both among the Basin States and within Arizona to be acceptable to MCWA. 2

2. Water Supply Alternative

The DEIS indicates that there would likely be no shortages in Arizona during the interim period under this alternative. In the short term this is clearly the best alternative for us, but we recognize the potential long term adverse consequences of this alternative and the likely conflicts it would cause among the Basin States. The compromises encompassed within the Basin States Proposal benefit the entire system and its long term benefits are reasons we support the Basin States Alternative versus the Water Supply Alternative. 3

3. Reservoir Storage Alternative

The modeling provided in the DEIS shows that this alternative would have a significant negative impact on the river communities in Mohave County. While the Reservoir Storage Alternative proposes to offset some of its impact with increased intentionally created surplus (ICS) the Arizona cities most immediately and severely impacted by this proposal, i.e., Lake Havasu City and Bullhead City, would be unlikely to benefit from an ICS program without a legal battle within Arizona. 4
5

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MCWA for the above reasons, as well as the reasons set forth in Arizona's letter, strongly objects to the Reservoir Storage Alternative. 6

4. CBS Alternative

MCWA believes the concept of voluntary following, as well as the opportunity for participation by all parties (including Arizona's on river 4th priority users and Mexico) in the ICS program are laudable goals and request the FEIS adopt the Basin States Alternative as the preferred alternative but discuss further the steps which could be taken, within the Law of the River, to get the benefits likely to result from a voluntary following program (which would put following contracts in place NOW for future shortages and to broaden participation in the ICS program. Representing the communities which will take the first, and most significant, reductions in times of shortage we consider it incumbent upon the Secretary to take all reasonable steps to mitigate the impacts of shortage by supplementing the mitigation efforts we already have in place. 7 8

5. Additional Comments on the DEIS

A. ICS

Reclamation should, in the Final EIS, accurately describe ICS as a category of surplus, include a description of the forbearance necessary for the delivery of ICS to the entity that created the Surplus, and, in the record of Decision, adopt guidelines for the creation and delivery of ICS as set forth in the Proposed Interim Guidelines contained in the Basin States' Proposal. Reclamation should also take reasonable steps to provide that the benefits of ICS are available to all users particularly those immediately and significantly impacted by projected shortages, i.e., our members. 9 10

B. On River 4th Priority Agricultural Users

The draft EIS includes the following statement: "Key to the impact analysis is the assumption that the most conservative way to estimate impacts is to assume that, if a shortage occurs, farmers would react by following irrigated lands." (p.4-263) This is an adequate approach for analyzing shortage reductions expected to last for a single year. However, we disagree with the assumption that this approach captures the expected impact for multiple consecutive-year storage reductions. Since fourth priority agricultural water users in Mohave County, Arizona have no reasonably available replacement water supply, a long term shortage will likely result in the permanent loss of production for some lands. 11 12

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Page 4

The DEIS also fails to adequately address the impact on the economies of the impacted communities of this loss of agriculture by comparing the impact to the State and County overall. This serves to very much dilute the direct and immediate impact on the on river 4th priority user communities. 13

C. On River 4th Priority Municipal and Industrial Users

- As with on river agricultural users, the DEIS fails in any manner to address the direct and immediate impact of the projected shortages and cumulative shortages on municipal users of 4th priority on river users and again, lumps the communities together by County which significantly dilutes the local impact. 14

- The DEIS depletion schedules underestimate by 25-35% on river M&I water use (as compared, e.g., to Reclamation's own 2006 water use report) which again, serves to underestimate the extent and effect of shortages and makes it difficult to determine the actual shortage amounts we would be expected to suffer based on the DEIS hydrologic modeling. 15

The DEIS fails to address the significant costs borne by our members to date, and the even higher costs to be borne in the future, of the mitigation efforts taken to date (primarily participation in the Arizona Water Banking Authority (AWBA) program which costs include water, delivery, storage, recovery and replacement of any water used in times of shortage). The significant economic hardship of using AWBA water in times of shortage, particularly in multiple year shortage occurrences, is totally ignored by the DEIS. The DEIS also ignores the hundreds of millions of dollars our communities have spent/are spending to convert from septic to wastewater treatment systems in order to generate effluent to offset the impacts of shortage. 16
17

Future estimated shortage reductions to mainstream users, including Lake Havasu City and Bullhead City, run as high as 30% of entitlement over a number of consecutive years. Despite the conclusion in the DEIS that no permanent changes in land use are expected (p.4-270) it is highly unlikely that such significant cutbacks 18

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- in supply, and as early as 2011, would not alter land use patterns in the affected communities.
- The DEIS goes to great lengths to address impacts in Nevada (ostensibly in support of the extreme measures be proposed to solve both its long term and shortage supply needs) and the Central Arizona Project area while totally ignoring that Arizona's on river 4th priority users are in a far worse position for a number of reasons including:
 - (1) Neither our agricultural nor M&I users have a readily available alternative source of water (e.g., no adjacent tributaries, non related surface water flows, nor (based on Reclamation's current interpretation of Article v accounting under the Consolidated Decree in *Arizona and California*) is there any locally available, non-Colorado River water supply to offset shortage reductions.
 - (2) The small (relative, e.g., to the SNWA and CAP service areas) population in the area, and the large geographic distances separating the on river P4 users, make financing of any water importation project unlikely at best.
 - (3) Following agreements, e.g. with farmers or tribes, as are available to Central Arizona Project communities are not available to on river P4 users for a variety of reasons including the trading of our priority for the CAP (which did not benefit, and arguably harmed, on river users), on river tribes in Mohave and LaPaz settling their claims before our communities existed and thus such settlements make no provision for leasing to adjacent municipalities and the apparent position of Arizona and CAP that ICS in any form is not available to us without forbearance by Arizona and CAP (parenthetically it is interesting to note forbearance for users in other states appears to take priority over Arizona's in state users).
 - (4) Limited, if any (investigation is ongoing) adjacent basins unconnected to the River in which recharge, and recovery, could occur (i.e., our own banking program).
- The ROD needs to include the Arizona –Nevada shortage sharing agreement and a provision that the proceeds of that agreement are

19

20

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to first be used to hold the on river P4 M&I users, the first impacted by this “deal”, harmless (i.e., as to water and money) from the impact of this sharing agreement. Arizona has verbally indicated to MCWA that this is the intent but due to the immediate and detrimental impact of the Arizona/Nevada agreement take the position this commitment should be included in the ROD. 20

D. Additional Comments

- An agreement with Mexico is a critical component of the Basin States Proposal and MCWA’s support of same. The impacts of a failure to reach such an agreement are not modeled in the DEIS. 21
- MCWA, its members, and Arizona as a whole appear to be penalized in the DEIS for its active planning for drought for decades. The DEIS dismisses the significant economic impact of the investments made to date, and projected into the future, by coming to the erroneous conclusion that due to Arizona’s drought planning, there is no real impact on its M&I users. 22 23
- The projected depletion schedules and shortage impact tables in the DEIS do not accurately portray the various contracts and contract amounts held by MCWA and its various subcontractors. This should be corrected in the FEIS. 24
- Because a shortage has not been declared to date on the River, and because our M&I users take the most immediate and significant and disproportionate reductions, the FEIS should include a program for monitoring the economic, land use and public policy impacts of any declared shortage during the proposed interim period. 25
- Operation of the YDP at full capacity should commence as soon as possible in order to stop the loss of water now occurring as a result of the bypass flows to the Cienega de Santa Clara. 26
- Reclamation should immediately undertake programs and projects to augment system flows. 27
- Final shortage guidelines should be flexible in order to allow the appropriate response to changing conditions including, but not limited to, improved hydrologic conditions during the year(s) in which a shortage is declared and catastrophic conditions requiring cuts in excess of 600,00 a/f. 28

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CONCLUSION

Subject to Arizona's comments as submitted by ADWR, and our comments as noted above, the Mohave County Water Authority strongly recommends that the Secretary choose the Basin States Alternative as the preferred alternative in the FEIS and adopt a ROD with the guidelines and criteria necessary to implement the Basin States Alternative in substantial conformance with the carefully negotiated Basin States' Proposal.

29

Sincerely,


Diane Vick
Mayor

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Reponses to Comment Letter L-9

L-9-1

Your comment is noted. No change to the Final EIS was necessary.

L-9-2

Your comment is noted. No change to the Final EIS was necessary.

L-9-3

Your comment is noted. No change to the Final EIS was necessary.

L-9-4 through L-9-6

Your comments are noted. No change to the Final EIS is necessary.

L-9-7 and L-9-8

Your comments are noted. No change to the Final IES is necessary.

L-9-9 and L-9-10

See responses to Comment Nos. G-5-93 and L-1-9.

L-9-11 and L-9-12

See response to Comment No. L-1-11.

L-9-13

See response to Comment No. L-1-13.

L-9-14

See responses to Comment Nos. L-1-13 and L-1-14.

L-9-15

See response to Comment No. L-1-15.

L-9-16 and L-9-17

See response to Comment No. G-1-25.

L-9-18

See responses to Comment Nos. L-1-11 and L-1-13.

L-9-19

See response to Comment No. L-1-14.

L-9-20

See response to Comment No. L-1-20.

L-9-21

Your comment is noted. No change to the Final EIS was necessary.

L-9-22 and L-9-23

See response to Comment No. G-1-25.

L-9-24

See response to Comment No. L-1-15.

L-9-25

See response to Comment No. L-1-25.

L-9-26

Your comment is noted. See also response to Comment No. F-4-9.

L-9-27

Your comment is noted. See also response to Comment No. L-1-9.

L-9-28

See response to Comment No. G-8-37.

L-9-29

Your comment is noted.