UPPER COLORADO RIVER COMMISSION

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Mr. Tom Buschatzke, Director
Arizona Department of Water Resources
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We write to express our concern that deadlock over water management in Arizona threatens the health of the entire Colorado River basin. Lakes Powell and Mead remain at near historic low elevations, and the current projected inflow into Lake Powell this year is 5.62 million acre-feet – only 52% of average. Without action, the current pattern of drought could draw Lake Powell to critical elevations and result in deep shortages in the Lower Basin within the next few years.

The basin remains in a historic 18 year (and counting) drought. This has significantly affected the Upper Basin, with large hydrologic shortages on an annual basis. However, during this time, the Lower Basin has continued on average to receive above-normal release volumes from Lake Powell. Nevertheless, Lake Mead is only at 41% capacity and is projected to continue to drop . This is because the Lower Basin uses exceed what a normal supply will support, also known as the "structural deficit." The consequence of this water supply and demand imbalance under the 2007 Interim Guidelines is to continue to pull above-normal releases from Lake Powell, as Ted Cooke's, General Manager of the Central Arizona Water Conservation District ("CAWCD"), widely circulated "sweet spot" graphic illustrates.

Representatives of Arizona, California, and Nevada have nearly finalized the Lower Basin Drought Contingency Plan – a suite of measures to help prevent Lake Mead from falling below dangerously low elevations. The voluntary water use reductions contemplated by those measures are necessary in light of the continuing drought. As you know, the Upper Division States are also preparing to take actions in light of the continuing drought which will benefit the Lower Basin. In particular, our proposed actions are all intended to protect Lake Powell elevations so that we may continue to assure full compliance with our obligations under the Colorado River Compact. Yet, in-fighting within Arizona has significantly contributed to stalling collaborative and critical progress throughout the basin and has delayed Mexico's participation in similar reductions under Minute 323.

Our concerns are heightened by the graphic displayed on CAWCD's website and relied upon in public presentations by Ted Cooke. Specifically, these efforts lay out CAWCD's strategy to intentionally maximize demands within the Central Arizona Project to induce larger than normal releases from Lake Powell. CAWCD's goal appears to be to delay agreement on drought plans in order to take advantage of

what it terms the "sweet spot" by drawing "bonus water" from Lake Powell. Both characterizations indicate that CAWCD intends to disregard the basin's dire situation at the expense of Lake Powell and all the other basin states. These statements undermine the collaboration we need now more than ever in this basin. With the current poor hydrology and high release volumes, Lake Powell is expected to drop approximately 30 feet within the next year. That is only about 7 feet above the 2007 Interim Guidelines' mid-elevation release tier requiring 7.48 MAF from Lake Powell. With continuing poor hydrology, attempts to maximize demands to increase releases from Lake Powell could ultimately accelerate low reservoir conditions in both the Upper and Lower Basins and cause shortages in Lake Mead.

In 2007, as seven states, we agreed with the Department of the Interior on the adoption of the 2007 Interim Guidelines for, among other things, coordinated operations of Lakes Powell and Mead that benefit the entire basin. CAWCD's statements run contrary to the spirit of interstate comity and cooperation that led to adoption of the 2007 Interim Guidelines. Its unilateral actions threaten the water supply for nearly 40 million people in the United States and Mexico, and threaten the interstate relationships and good will that must be maintained if we are to find and implement collaborative solutions moving forward. As a result, consultation with the Governors of all Basin States, or their designated representatives, as provided under the 2007 Interim Guidelines, may be necessitated to resolve any claim or controversy.

CAWCD's actions, and the current deadlock in Arizona, raise an additional matter. Together, the CAWCD, Metropolitan Water District of Southern California, Southern Nevada Water Authority, Denver Water, and the Bureau of Reclamation have funded the successful System Conservation Pilot Program ("SCPP"). The Upper Colorado River Commission has acted as the contracting entity for that program in the Upper Basin. By compensating water users in both lower and upper basins to voluntarily and temporarily conserve water, this program has already contributed approximately 139,000 acre-feet of water for the benefit of the entire Colorado River System.

As with the 2007 Interim Guidelines, the SCPP is made possible through cooperation. The actions taken have been for the benefit of the entire Colorado River System. The program was not designed or intended to subsidize inaction. Through its intentional maximization of demands, CAWCD has directed the system benefits of this program for its own use. As Upper Division States, we cannot facilitate the voluntary reduction in use intended to protect the water level in Lake Powell and the system as a whole, only to see water intentionally drawn out of that reservoir by another state. The Upper Division States and Upper Colorado River Commission are, therefore, forced to consider whether and how to proceed, if at all, with the SCPP going forward.

Our sincere hope and desire is to resume cooperative work with the states of the Lower Division and their water users. We are prepared to re-initiate discussions on basin-wide solutions with the goal of withstanding continued water stress to the Colorado River system. If, however, our collaborative efforts continue to be delayed or manipulated, we will act to protect the Colorado River System and will urge others to do the same.

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