

MARCH 12TH, 2021

Dear Delegates,

We, as the co-chairs of the Arizona Reconsultation Committee (ARC), write to provide you with an update regarding the status of the Reconsultation process at the Federal and Basin States levels, and within the Arizona process. We are also providing a brief update about Colorado River conditions. With respect to the Reconsultation process, it appears unlikely the formal negotiation process, initiated by the Bureau of Reclamation, will commence in 2021. We anticipate movement, however, toward framing the Federal and Basin States processes later this year. Therefore, we expect to reconvene the ARC in late May or early June to continue to prepare for the Reconsultation process.

FEDERAL PROCESS UPDATE:

Since our last ARC meeting on September 17, 2020, the United States has been working to prepare for the Reconsultation process. The U.S. completed the first step in the preparation process in December 2020 with the publication of The Final Report of Review of the Effectiveness of the 2007 Interim Guidelines (aka. 7.D Review Report). The report is available on Reclamation's website (https://www.usbr.gov/ColoradoRiverBasin/documents/7.D.Review_FinalReport_12-18-2020.pdf). Due to the change in administration, the new leadership at the Department of the Interior and Reclamation is working through the confirmation process. We anticipate the Department of the Interior and Reclamation leadership positions will be in place by mid-2021. Finally, Reclamation staff are working to prepare the technical tools to support the Reconsultation process. In summary, we expect to learn more about the approach and timing for the Federal Reconsultation process later this year.

BASIN STATES PROCESS UPDATE:

The Basin States are also preparing for the Reconsultation process. The Basin States took the first step to prepare for the process by providing a letter to the Secretary of the Interior in December 2020 (https://dnrweblink.state.co.us/cwcbsearch/ElectronicFile.aspx?docid=213567&dbid=0). The letter, pursuant to the 2007 Basin States Agreement, declared the States are preparing to initiate preliminary conversations to prepare recommendations to the Secretary regarding future operations of the Colorado River system. The correspondence further mentions that a common understanding, developed through an examination of the ways in which Colorado River system modeling results are impacted by key provisions of the Guidelines and Drought Contingency Plans, will contribute to the Reconsultation effort. The Basin States signatories indicated they intend to convene a technical work group later this year.

ARC UPDATE:

The work of the ARC has been continuing since our September 2020 meeting through the Modeling and Analysis Work Group (MAWG). Based on the ARC recommendations, the MAWG has been meeting since late last year to better plumb the key drivers that influence the Colorado River water supply available to Arizona, to our On-River users, and to the CAP priority pools. The MAWG has explored the complexities of the Colorado River modeling in the Colorado River Simulation System (CRSS) on November 10th and January 26th. The Arizona On-River and CAP system were explored on March 11th. The MAWG intends to develop and recommend initial condition scenarios at a meeting tentatively scheduled for May 13th. The MAWG meetings materials are posted on ADWR and CAWCD webpages (https://new.azwater.gov/ARC or https://cap-az.com/ARC). The MAWG will report on its work to the next ARC meeting to be scheduled in late May or early June.

In addition, the Arizona Strategy Team has been established (membership list is attached). We intend to convene the Strategy Team in April to discuss how the ARC Guiding Principles can begin to be considered in framing Arizona's initial negotiating strategies. The Strategy Team will likely report on its work at the next ARC meeting.

COLORADO RIVER CONDITIONS UPDATE:

Due to the warm and dry conditions extending from the summer of 2020 through the current snow accumulation season in the central Rocky Mountains, the current operating forecast prepared by Reclamation shows that the most probable outcome for 2022 and 2023 are for Tier 1 shortages on the Colorado River system. Tier 1 shortages include a reduction of 512,000 acre-feet to Arizona's Colorado River water supply. The reductions will largely be applied to the CAP. We will host an Arizona Shortage Preparedness Workshop in late April. At the workshop, we will provide an overview of the manner by which we are collectively implementing the shortage mitigation plans developed by the DCP Steering Committee. While the reductions are painful, the plans we jointly developed will blunt a significant portion of the impacts.

We continue to take the steps necessary to prepare for the Reconsultation process that the ARC outlined during the September 2020 meeting. We look forward to receiving your input and guidance on those processes.

Thank you for your willingness to participate in this process and contribute to Arizona's Colorado River water future.

Sincerely,

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