OF WYOMING

State Engineer's Office

HERSCHLER BUILDING

May 18, 1988

Max E. Van Den Berg Project Superintendent Minidoka Project Office Bureau of Reclamation 1359 Hansen Avenue Burley, Idaho 83318 CHEYENNE, WYOMING 82002 CHEYENNE, C

Dear Max:

During the months since our July 21, 1987 meeting here in Cheyenne, much work and attention has been directed by this office towards Snake River operations and the examination of options to address the fishery and consumptive use concerns expressed by Wyoming officials and citizens relating to the Snake River.

Pursuant to the July discussions, we have analyzed the following: 1) the negotiation and ratification of the Snake River Compact; 2) the provisions of the Compact; 3) subsequent correspondence concerning those provisions; and 4) Wyoming's utilization of water under the Compact. The Wyoming Game and Fish Department has also completed studies the flow requirements below Jackson Lake Dam and have of recently expanded their work in this regard. I understand the Bureau of Reclamation has also pursued additional research in these areas of interest since that time. You may recall that each attendee at the July 21st meeting felt it to be prudent to proceed in a systematic manner with analyzing the low streamflow problem, its magnitude, frequency, and possible resolution options before selecting one option over another.

The Compact/water rights analysis mentioned above, and several other work items were set forth in your letter dated September 29, 1987 to Wyoming State Senator John Turner. Those items included the conduct of the cooperative instream flow study by the Wyoming Game and Fish Department, with the assistance of the Bureau of Reclamation, to determine minimum flow recommendations below Jackson Lake Dam to maintain the Snake River fishery. The Wyoming Game and Fish

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Mr. Van Den Berg May 18, 1988 Page Two

Department was able to collect instream flow data last fall the four-mile reach of the Snake River between Jackson for Lake Dam and Pacific Creek, and developed flow recommendations which were provided to you by the Game and Fish Department on February 18, 1988. Your letter of March 1988 to the Wyoming Game and Fish Department noted that 28, the Bureau of Reclamation's review of the Department's Instream Flow Report found the report to be "technically correct and wholly adequate for its intended purpose." By virtue of the Game and Fish Department's letter of April 7, 1988, to State Senator Turner, it is understood that the Department is presently expanding their instream flow investigations and study sites along the Snake River further downstream.

The other two work items mentioned in your September 29, 1987 letter concerned the purchase of Water Bank water in the event of another water short year, occurring before the completion of the Jackson Lake Dam Modification Project. items have consisted of close monitoring of These the snowpack and water supply situation during the past few months and preliminary discussions with key Idaho users. With the USBR's cooperation in making reservoir releases, further action regarding the Water Bank has not been required for 1988. In essence, all of the items set forth in your September 29, 1987 letter, have been addressed to an adequate extent or are in some working phase at this time. I am pleased to note that these activities have occurred with a great amount of cooperation among all involved to arrive at a singular acceptable solution.

Based on the work briefly touched upon above, and our in-house subsequent discussions, a consensus position has been developed that the State of Wyoming's interests in the entire basin would best be served by the State acquiring uncommitted reservoir storage in Palisades Reservoir. We believe that this storage would provide long term security to Wyoming for basinwide management of the allocated water resources for both consumptive and non-consumptive uses.

This position has been influenced to a degree by the knowledge that a sizable, (30-50,000 acre-feet), portion of Palisades Reservoir storage remains uncommitted. We are also aware that some storage was once administratively allocated, as the replacement storage required by Article III.A.2. of the Snake River Compact between Idaho and Wyoming. It is understood from the information currently available that during the interim period before the need arises to provide replacement storage to Idaho users required under the Compact, that the uncommitted storage Mr. Van Den Berg May 18, 1988 Page Three

water has been occasionally used as supplemental irrigation water supply for the Minidoka Project and has served to provide additional powerhead.

This office's research into the Compact/water rights issues has led us to understand that several Department of Interior solicitors have written in their opinions that the storage in Palisades Reservoir could be committed through contract for purposes other than replacement storage, on a permanent basis. These views indicate that storage in Palisades Reservoir could be obtained through a contract with the Bureau of Reclamation, just as similar obligations and arrangements have been effectuated between the USBR and Wyoming concerning both Fontenelle and Buffalo Bill Reservoirs.

Accordingly, the State of Wyoming desires to enter into negotiations with the Bureau of Reclamation towards the end of executing a contract for a portion of the storage and water in Palisades Reservoir. It is the State of Wyoming's conclusion, based on the body of work conducted since our July 21, 1987 meeting, that the purchase and management of reservoir storage will provide the long-term definitive solution that Wyoming seeks to preserve and maintain its rights to the use of water allocated by Compact and the extremely valuable fishery resource along the Snake River below Jackson Lake Dam.

We believe that our joint efforts at this time can very well lead to a mutually acceptable agreement. Please advise me as early as is convenient concerning how the Bureau of Reclamation feels negotiations can be initiated and, from the Bureau's perspective, the process that may be required to accomplish this result. We are prepared and desire to proceed as quickly as possible. We sincerely appreciate your past cooperation and look forward to continuing those efforts.

With best regards,

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GORDON W. FASSETT State Engineer

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- cc: The Honorable Mike Sullivan Governor, State of Wyoming
  - John W. Keys, III Regional Director, USBR