

- (c) Net river losses;
- (d) Net reservoir losses;
- (e) Regulatory wastes.

(2) Until such time as mainstream water is delivered by means of the Central Arizona Project, the consumptive use requirements of Article III(1)(b) of these Operating Criteria will be met.

(3) After commencement of delivery of mainstream water by means of the Central Arizona Project, the consumptive use requirements of Article III(1)(b) of these Operating Criteria will be met to the following extent:

(a) Normal: The annual pumping and release from Lake Mead will be sufficient to satisfy 7,500 acre-feet of annual consumptive use in accordance with the decree in *Arizona v. California*, 376 U.S. 340 (1964).

Surplus: The Secretary shall determine from time to time when water in quantities greater than "Normal" is available for either pumping or release from Lake Mead pursuant to Article II(b)(2) of the decree in *Arizona v. California* after consideration of all relevant factors, including, but not limited to, the following:

- (i) the requirements stated in Article III(1) of these Operating Criteria;
- (ii) requests for water by holders of water delivery contracts with the United States, and of other rights recognized in the decree in *Arizona v. California*;
- (iii) actual and forecast quantities of active storage in Lake Mead and the Upper Basin Storage Reservoirs; and
- (iv) estimated net inflow to Lake Mead.

(c) Shortage: The Secretary shall determine from time to time when insufficient mainstream water is available to satisfy annual consumptive use requirements of 7,500,000 acre-feet after consideration of all relevant factors, including, but not limited to, the following:

- (i) The requirements stated in Article III(1) of these Operating Criteria;
- (ii) actual and forecast quantities of active storage in Lake Mead;
- (iii) estimated of net inflow to Lake Mead for the current year;
- (iv) historic streamflows, including the most critical period of record;
- (v) priorities set forth in Article II(A) of the decree in *Arizona v. California*; and
- (vi) the purposes stated in Article I(2) of these Operating Criteria.

The shortage provisions of Article II(B)(3) of the decree in *Arizona v. California* shall thereupon become effective and consumptive uses from the mainstream shall be restricted to the extent determined by the Secretary to be

required Section 301(b) of Public Law 90-537.

IV. Definitions

(1) In addition to the definitions in Section 606 of Pub. L. 90-537, the following shall also apply:

(a) "Spills," as used in Article II(3)(c) herein, means water released from Lake Powell which cannot be utilized for project purposes, including, but not limited to, the general of power and energy.

(b) "Surplus," as used in Article III(3)(b) herein, is water which can be used to meet consumptive use demands in the three Lower Division States in excess of 7,500,000 acre-feet annually. The term "surplus" as used in these Operating Criteria is not be construed as applied to, being interpretive of, or in any manner having reference to the term "surplus" in the Colorado River Compact.

(c) "Net inflow to Lake Mead," as used in Article III(3) (b)(iv) and (c)(iii) herein, represents the annual inflow to Lake Mead in excess of losses from Lake Mead.

(d) "Available capability," used in Article II(4) herein, means that portion of the total capacity of the powerplant that is physically available for generation.

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DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

[Nevada, INT-DES 01-43]

Implementation Agreement, Inadvertent Overrun and Payback Policy and Related Federal Actions, Colorado River in the Lower Basin

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of availability of and public hearing for a draft environmental impact statement (DEIS).

SUMMARY: Pursuant to the National Environmental Policy Act (NEPA) of 1969, as amended, and the Council on Environmental Quality's Regulations for Implementing the Procedural Provisions of NEPA, the Bureau of Reclamation (Reclamation) has issued a DEIS on the proposed execution of an Implementation Agreement (IA) that would commit the Secretary of the Interior (Secretary) to make Colorado River water deliveries in accordance with the terms and conditions of the IA to enable certain southern California water agencies to implement the

proposed Quantification Settlement Agreement (QSA). (The QSA is an agreement in principle among several southern California water agencies. It establishes a framework of conservation measures and water transfers within southern California for up to 75 years. It provides a substantial mechanism for California to reduce its diversions of Colorado River water in normal years to its 4.4 million acre-feet per year apportionment.) The proposed Federal action includes the following components: Execution of an IA, wherein the Secretary agrees to changes in the amount and/or location of deliveries of Colorado River water that are necessary to implement the QSA; adoption of an Inadvertent Overrun and Payback Policy (IOP), which establishes requirements for payback of inadvertent overuse of Colorado River water by Colorado River water users in Arizona, California, and Nevada; and implementation of biological conservation measures to offset potential impacts from the proposed action that could occur to federally listed fish and wildlife species. Information on public hearings may be found below in the **DATES** section.

DATES: A 60-day public review and comment period begins with the filing of the draft EIS with the Environmental Protection Agency. Written comments must be received no later than March 12, 2002 [see **ADDRESSES**, below].

Public hearings are scheduled to be held to receive written or verbal comments about the DEIS from interested organizations and individuals, on the adequacy with which the EIS identifies and describes the potential impacts associated with approving and implementing the proposed Federal action. The hearings will be held at the following times and locations:

- February 5, 2002, VFW Hall, 148 N. First St., Blythe, California, 6:30-9:30 p.m.
- February 6, 2002, Henderson Convention Center, 200 S. Water St., Henderson, Nevada, 2:00-5:00 p.m.
- February 7, 2002, Marriott Hotel (Downtown), 333 S. Figueroa St., Los Angeles, California, 2:00-5:00 p.m.

ADDRESSES: Send written comments to Mr. Bruce Ellis, Chief, Environmental Resources Management Division, Bureau of Reclamation, Phoenix Area Office (PXAO-1500), PO Box 81169, Phoenix, AZ 85069-1169; fax number (602) 216-4006.

A copy of the draft EIS is available upon request from Ms. Janice Kjesbo, Bureau of Reclamation, Phoenix Area Office (PXAO-1500), PO Box 81169,

Phoenix, AZ 85069-1169, telephone (602) 216-3864, faxogram (602) 216-4006. A copy of the draft EIS is also available for public inspection and review at the libraries listed under Supplementary Information below.

FOR FURTHER INFORMATION CONTACT:

Questions regarding the draft EIS should be directed to Mr. Ellis, at the address provided above, telephone (602) 216-3854.

SUPPLEMENTARY INFORMATION: The Secretary, pursuant to the Boulder Canyon Project Act of 1928 and *Arizona v. California* 1964 Supreme Court Decree (376 U.S. 340), proposes to take Federal actions necessary to support the implementation of the QSA. The purpose of the Federal action is to facilitate implementation of the QSA, which incorporates contractual agreements necessary for California to reduce its use of Colorado River water. The need for the Federal action is to assist California's efforts to reduce its use of Colorado River water to its 4.4 million acre-feet apportionment in a normal year. This reduction in California's use of Colorado River water would benefit the entire Colorado River Basin.

The IA, IOP, and Related Federal Actions DEIS describes the potential environmental impacts of the three components that make up the proposed Federal action. Because the purpose of the proposed action is to provide Federal approval of an agreement negotiated among the California parties, no other action alternatives to the IA are considered in the DEIS. Similarly, the biological conservation measures proposed to be implemented under the proposed action relate specifically to the water transfers specified in the IA and QSA. These measures were developed and agreed to by Reclamation and the U.S. Fish and Wildlife Service (FWS) in response to an August 2000 Reclamation Biological Assessment, and were incorporated into a FWS January 2001 Biological Opinion; no alternatives to the biological conservation measures are considered in the DEIS. With regard to the IOP, in response to scoping comments received, Reclamation developed an alternative that would eliminate the forgiveness of payment aspect of the proposed policy. This alternative has been evaluated and is described in the DEIS.

Copies of the draft EIS are available for public inspection and review at the following locations:

- Department of the Interior, Natural Resources Library, 1849 C St., NW, Washington, DC 20240

- Bureau of Reclamation, Denver Office Library, Building 67, Room 167, Denver Federal Center, 6th and Kipling, Denver, CO 80225

- Bureau of Reclamation, Lower Colorado Regional Office, Nevada Highway and Park St., Boulder City, NV 89006

- Bureau of Reclamation, Phoenix Area Office, 2222 W. Dunlap Ave., Suite 100, Phoenix, AZ 85021

- Bureau of Reclamation, Southern California Area Office, 27710 Jefferson Ave., Suite 201, Temecula, CA 92590-2628

- Bureau of Reclamation, Yuma Area Office, 7301 Calle Agua Salada, Yuma, AZ 85364-9763

- Bureau of Reclamation, Upper Colorado Regional Office, 125 S. State St., Salt Lake City, UT 84138-1102

- Lake Havasu City Library, 1787 McCulloch Blvd. North, Lake Havasu City, AZ 86403

- Mohave County Library, 1170 Hancock Rd., Bullhead City, AZ 86442

- Parker Public Library, 1001 S. Navajo Ave., Parker, AZ 85344

- Phoenix Public Library (Burton Barr Central), 1221 N. Central Ave., AZ 85004

- Yuma County Library, 350 S. 3rd Ave., Yuma, AZ 85364

- Los Angeles Central Library, 630 W. 5th St., Los Angeles, CA 90071

- Palo Verde Valley Library, 125 W. Canslor Way, Blythe, CA 92225

- San Bernardino County Library, 1111 Bailey Ave., Needles, CA 92363

- San Diego Central Library, 820 E St., San Diego, CA 92101

- Henderson District Public Library, 280 South Water St., Henderson, NV 89015

- Salt Lake City Public Library, 209 E 500 S, Salt Lake City, UT 84111

Written comments received by Reclamation become part of the public record associated with this action. Accordingly, Reclamation makes these comments, including names and home addresses of respondents, available for public review. Individual respondents may request that we withhold their home address from public disclosure, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold a respondent's identity from public disclosure, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public disclosure in their entirety.

Dated: December 28, 2001.

Kenneth D. Naser,

Director, Office of Environmental, Policy and Compliance.

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BILLING CODE 4310-MN-P

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

Change in Discount Rate for Water Resources Planning

AGENCY: Bureau of Reclamation, Interior.

ACTION: Notice of change.

SUMMARY: The Water Resources Planning Act of 1965 and the Water Resources Development Act of 1974 require an annual determination of a discount rate for Federal water resources planning. The discount rate for Federal water resources planning for fiscal year 2002 is 6.125 percent. Discounting is to be used to convert future monetary values to present values.

DATES: This discount rate is to be used for the period October 1, 2001, through and including September 30, 2002.

FOR FURTHER INFORMATION CONTACT: James Handlon, Economist, Office of Policy, Washington, DC 20240; telephone: (202) 513-0603.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the interest rate to be used by Federal agencies in the formulation and evaluation of plans for water and related land resources is 6.125 percent for fiscal year 2002.

This rate has been computed in accordance with section 80(a), Pub. L. 93-251 (88 Stat. 34) and 18 CFR 704.39, which: (1) Specify that the rate shall be based upon the average yield during the preceding fiscal year on interest-bearing marketable securities of the United States which, at the time the computation is made, have terms of 15 years or more remaining to maturity (average yield is rounded to nearest one-eighth percent); and (2) Provide that the rate shall not be raised or lowered more than one-quarter of 1 percent for any year. The Treasury Department calculated the specified average to be 5.654 percent. Rounding this average yield to the nearest one-eighth percent is 5.625 percent, which exceeds the permissible one-quarter of 1 percent change from fiscal year 2001 to 2002. Therefore, the change is limited to one-quarter of 1 percent.

The rate of 6.125 percent shall be used by all Federal agencies in the formulation and evaluation of water and