

**Agri-Business Council of Arizona, Inc.
Central Valley Project Water Association
Colorado River Commission of Nevada
Colorado River Energy Distributors Association
Elephant Butte Irrigation District
Family Farm Alliance
Garrison Diversion Conservancy District
Hermiston Irrigation District
Idaho Water Users Association, Inc.
National Water Resources Association
Northern Colorado Water Conservancy District
Oregon Water Resources Congress
San Juan Water Commission
Southeastern Colorado Water Conservancy District
Washington State Water Resources Association**

January 8, 2008

Mr. Bill McDonald
Regional Director
Pacific Northwest Regional Office
Bureau of Reclamation
1150 North Curtis Road, Suite 100
Boise, Idaho 83706-1234h

Re: “Managing for Excellence” (M4E)

Dear Director McDonald:

Thank you for taking the time to talk to Western water and power user representatives and Reclamation staff on our November 19, 2007 teleconference call. At that time, we pledged to revise our original objective letter (submitted to you October 22, 2007) to reflect comments made on the teleconference and also at the National Water Resources Association conference in Albuquerque. Due to the holidays and other pressing commitments, I am finally submitting to you that document. I apologize for not getting this to you sooner.

The attached document has been revised as follows:

1. Further explanation is provided to explain the intent behind Objective #5 and Objective #9;
2. Objective #7 has been eliminated;
3. Minor clarification has been applied to Objective #12 to show that we understand Reclamation’s restraints, but still want to use the M4E forum as one to underscore limitations to address aging infrastructure.

We believe these modified objectives will allow us to easily determine whether the Managing for Excellence process has been a success. We believe that implementation of the above processes and objectives will focus Reclamation's capabilities to meet its core mission of operating and maintaining its existing facilities to deliver water and power at peak efficiency.

We will continue to endeavor to work closely with Reclamation and implement an action plan that fits Reclamation's role in the 21st Century. We look forward to seeing you in Las Vegas next month to further discuss how Reclamation will address these objectives.

Sincerely,

Chris Udall, Executive Director
Agri-Business Council of Arizona, Inc. (Mesa, Arizona)

Robert F. Stackhouse, Executive Director
Central Valley Project Water Association (Sacramento, California)

George M. Caan, Executive Director
Colorado River Commission of Nevada (Las Vegas, Nevada)

Leslie James, Executive Director
Colorado River Energy Distributors Association (Tempe, Arizona)

Gary Esslinger, General Manager
Elephant Butte Irrigation District (Las Cruces, New Mexico)

Dan Keppen, Executive Director
Family Farm Alliance (Klamath Falls, Oregon)

Dave Koland, General Manager
Garrison Diversion Conservancy District (Carrington, North Dakota)

Chuck Wilcox, Manager
Hermiston Irrigation District (Hermiston, Oregon)

Norm Semanko, Executive Director
Idaho Water Users Association, Inc. (Boise, Idaho)

Tom Donnelly, Vice President
National Water Resources Association (Arlington, Virginia)

Eric Wilkinson, General Manager
Northern Colorado Water Conservancy District (Berthoud, Colorado)

Anita Winkler, Executive Director
Oregon Water Resources Congress (Salem, Oregon)

Randy Kirkpatrick, Executive Director
San Juan Water Commission (Farmington, New Mexico)

James Broderick, Executive Director
Southeastern Colorado Water Conservancy District (Pueblo, Colorado)

Tom Myrum, Executive Director
Washington State Water Resources Association (Olympia, Washington)