

**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  
Southwestern Water Conservation District  
Washington State Water Resources Association**

April 14, 2008

Mr. Robert Johnson  
Commissioner  
Bureau of Reclamation  
1849 C Street, NW  
Washington, D.C. 20240

**Re: “Managing for Excellence” (M4E)**

Dear Commissioner Johnson:

We would like to thank you and your “Managing for Excellence” (“M4E”) leadership team for hosting the public workshop in Las Vegas on February 29. Under your leadership, the Bureau of Reclamation (Reclamation) since early 2006 has formulated the M4E Action Plan. We believe this process has provided important opportunities to address key concerns of Reclamation’s water and power partners.

**Overview**

As you know, our water and power organizations have developed objectives that allow us to determine whether or not the M4E process has been a success. Those original objectives were transmitted to the Bureau of Reclamation (Reclamation) last October. A slightly modified document was provided to M4E leaders in January 2008. We believe that implementation of our recommendations and objectives will better focus Reclamation's capabilities to meet its core mission of operating and maintaining its existing facilities to deliver water and power at peak efficiency.

**The Task at Hand**

In Las Vegas, Reclamation walked through a draft final report that contained “Appendix B – Crosswalk of Action Items and Customer Objectives”. A revised “crosswalk” was

recently made available for comment to reflect comments made in Las Vegas. This matrix is intended to demonstrate how the overall Managing for Excellence implementation will address the objectives we have outlined for Reclamation since a September 2007 public workshop in Portland.

We have reviewed the matrix, which will form the basis for many of our organizations' assessments on how worthwhile our involvement in the M4E process has been.

### **Overall Reaction**

The following summarizes captures our general observations and concerns with respect to the matrix. We hope to further address our concerns as Reclamation implements its M4E plan.

First, we applaud Reclamation for elevating the need for collaboration with water and power customers. We encourage Reclamation to continue moving in that direction. Overall, while the matrix appears to be repetitive and vague in parts, we believe many of our objectives have been met, and that Reclamation is on the right track with this program.

One potential positive outcome from this process would be for some of these ideas to spill over to other government partners. Reclamation is one of several federal agencies that we work with on a regular basis. We urge you to outreach to other agencies and communicate what you have accomplished through M4E and the importance of improving relationships with water and power customers. We believe some of these organizations – such as the Western Area Power Administration - may not recognize or appreciate the improvements Reclamation is making relative to collaboration, transparency and accountability. It is our hope that your work could provide a model for other agencies to learn from.

### **Concerns**

We continue to have concerns with positions we have consistently advocated for.

1. Outsourcing was one of the key concerns of some of the customers and was voiced at a number of meetings. The outsourcing issues are given only cursory mention near the end of the "right sizing" discussion, which appears to simply reiterate actions proposed earlier in the process. We would like you to provide a specific "yes" or "no" answer to the following questions:
  - a. Can water or power customers responsible for payment of costs associated with the design, contracting and construction of a facility have the right to use irrigation district, power customer, or other water user personnel or private consultants for design, procurement, construction and contract and construction management of that facility, with agreed-to Reclamation oversight?

- b. For a case-by-case basis, if the answer to this first question is “no”, will you (the Commissioner) or the Regional Director provide a formal finding that Reclamation is the only entity that can or should do the work?
2. As you know, “right sizing” of the Bureau of Reclamation is one of the more important issues for many water and power customers. It will require much planning and oversight to maintain the appropriate mix of technical competence at Reclamation offices throughout the West. We remain concerned about the proposed “Coordination and Oversight Group” (COG), which would bring together Reclamation officials to periodically review data agency-wide, and as appropriate, recommend staffing and/or organizational changes. Cost and performance reporting and analysis would also be the responsibility of the COG. We are concerned that management effectiveness might be compromised when decisions are made by committee. If Reclamation chooses to proceed with the COG, we would like the opportunity to periodically review its function as part of ongoing M4E meetings with Reclamation.
3. Several of our organizations remain concerned that the “Managing for Excellence” process and promises have not worked their way down to the regional and local office level in some areas. While overall recognition and appreciation for M4E by Reclamation employees has improved in the past year, unfortunately, that concern remains. However, we understand that official policy has not yet been developed. We also believe that communication at the project/program/area level needs to work in both directions; water and power customers believe that by sharing management and operations and maintenance experiences and ideas, both Reclamation and the customers can improve the ways they conduct their business processes, and operate and maintain their facilities in a more cost-effective and timely manner.

### **Next Steps**

Obviously, the ultimate results generated by M4E will depend on directives you issue, and most importantly, how those directives are followed up on to ensure they are complied with.

We intend to continue to focus priority attention to M4E implementation, and we pledge that this topic will continue to be one we discuss at national water and power meetings in coming years. Notably, we will work to help Reclamation become more accountable. Where we find notable specific examples of accountability (good or bad) at the local level, we will communicate and elevate those issues, as necessary.

We want to see the M4E recommendations properly implemented, and we will be asking for regular status reports on progress made towards that end.

Thank you again for your agency’s commitment to work with its water and power customers. We will continue to endeavor to work closely with the Bureau of Reclamation and implement an action plan that fits Reclamation’s role in the 21<sup>st</sup> Century.

Sincerely,

Chris Udall, Executive Director  
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Central Valley Project Water Association (Sacramento, California)

George M. Caan, Executive Director  
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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  
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cc: Brenda Burman