

## Lower Division States' Proposal for Short-Term Operations of the Colorado River

Recognizing the dire hydrology and Colorado River system conditions, the Lower Division States have come together to propose a path forward through the end of 2028. Through this plan, the Lower Basin offers tools and commitments to Reclamation that are not otherwise available at the expiration of the 2007 Interim Guidelines.

This plan includes at least 3.2 million acre-feet (MAF) of savings by Lower Basin water users in the U.S., consisting of 1.25 MAF of reductions in 2027 and 2028, while providing proactive protection to the system through creation of an additional expected 700 thousand acre-feet (KAF) of conservation. These commitments are dependent on the other operational and financial components outlined below, to protect existing uses as much as possible while sustaining the Colorado River system.

While the prospect of litigation necessarily remains in the absence of a 7-state agreement, the proposal described below will benefit the entire Basin through the substantial water savings and the voluntary commitments that would be made in the agreements required for implementation. We hope these actions can provide additional time to develop a longer-term approach involving actions to achieve reductions in use by all seven states when the system demands it, which would limit or eliminate the prospect of interstate litigation and provide Reclamation with the fullest set of tools and resources to effectively manage the system.

### **Term**

The Lower Division States' proposal is intended to cover the Calendar Years 2026, 2027 and 2028 ("implementation term"). The Lower Division States commit to reconult to establish operating plans for post-2028.

### **Lower Basin Reductions**

The Lower Division States' reductions in 2027 and 2028 will be 1.25 MAFY, allocated as follows: Arizona 760 KAFY, California 440 KAFY, and Nevada 50 KAFY. For calendar years 2027 and 2028, contributions may be reflected through reduced water orders or the application of a corresponding quantity of ICS subject to the ICS limitations set forth in the table below. The Lower Division States will consult regarding the effects of higher elevations in Lake Mead on these reductions and surplus conditions consistent with the provisions outlined in the Lower Division States' Alternative submitted in March 2024.

If the most probable projection of any 24-MS shows Lake Mead falling below 1,010', Reclamation will consult with the Lower Division States for additional actions, if any, that may be required to protect elevation 975'.

### **Intentionally Created Surplus**

With the exception of the modifications set forth below, the existing DCP ICS framework and rules will be extended through the implementation term. Time limits for ICS withdrawal will be extended from 2036 to 2038. IID will also benefit from the same ICS framework as other parties, upon approval of the new agreement(s).

Annual evaporation losses of 3% will be assessed on all ICS other than Brock Reservoir ICS<sup>1</sup> beginning in 2027. The Extraordinary Conservation ("EC") ICS account of each state will be increased. Arizona's storage limit will be increased by 500 KAF. California's and Nevada's storage limits will each be increased by 300 KAF. Beginning in 2027, all newly created ICS will be subject to a 10% assessment upon creation, which shall become system water.

Due to additional ICS creation for the Tribal Pool (described below), the Arizona EC ICS creation limit will be increased by 25 KAF per year. The EC ICS creation limits for each state will be as follows: Arizona – 125 KAF; California – 400 KAF; Nevada – 125 KAF.

The goal is to achieve operational neutrality of ICS. The Lower Division States will consult to determine when and how to convert ICS to operational neutrality at higher elevations in Lake Mead.

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<sup>1</sup> Brock Reservoir ICS is System Efficiency ICS created pursuant to Exhibit C of the 2007 Lower Basin ICS Agreement.

Use of ICS for delivery and to offset reductions is outlined in Table 1.

**Table 1 – Use of ICS<sup>2</sup>**

<b>Elevation of Lake Mead, January 1<sup>st</sup>, Year N (feet MSL)</b>	<b>Maximum withdrawal of ICS in Year N (CA / AZ / NV) (KAF)</b>
Above 1025	400 <sup>3</sup> / 200 / 50
At or below 1025 and above 1010	267 / 100 / 50
At or below 1010 and above 1000	133 / 33 / 33
At or below 1000	0 / 0 / 0

The Lower Division States recognize that withdrawals of ICS at lower Lake Mead elevations may affect the likelihood of reaching critical thresholds and express a shared objective of considering reservoir conditions in the timing of such withdrawals, while maintaining flexibility for ICS contractors to access supplies when warranted by water supply conditions. Contractors with ICS accounts may offset inadvertent overruns in any year subject to a 25 KAF state limit.

**Tribal Pool**

A new conservation pool in Lake Mead will be established to ensure the federal government can meet trust commitments to Indian Tribes in Arizona (Tribal Pool). The Tribal Pool will be accounted for within the ICS limitations applicable to the State of Arizona and will *not* be operationally neutral.

The Tribal Pool will be primarily a federal responsibility. Arizona tribes will also contribute water to the Tribal Pool at discounted prices. There will be no Lower Division State contribution to the Tribal Pool. It is anticipated this pool will need to be of a magnitude of approximately 280 KAF through 2028. Sufficient Tribal water can be acquired to fill this pool when including existing ICS Reclamation has already acquired. Subject to the ICS delivery limits outlined above, a portion of the water made available through the Tribal Pool

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<sup>2</sup> The limitations in Table 1 do not apply to Tributary ICS created pursuant to Exhibit A to the 2007 Lower Colorado River ICS Agreement.

<sup>3</sup> California will use ICS credits to offset no more than a total of 600 KAF of its reductions over the implementation term, except that if the Powell release is higher than 7.5 MAF in either 2027 or 2028, the limit on California ICS use increases to 680 KAF.

will be made available to meet the federal trust responsibilities within Arizona. The Gila River Indian Community will contribute a portion of the water made available to it from the Tribal Pool to be converted to system water as part of Arizona's additional conservation. The remainder shall remain as Tribally owned ICS in Lake Mead for the implementation term.

### **Additional Lower Basin Conservation**

In recognition of the poor condition of the Colorado River system, the Lower Division States intend to conserve a cumulative contribution of a minimum of 700 KAF in addition to the reductions described above during the implementation term. While this is the minimum amount of cumulative contribution, the Lower Division States anticipate working to exceed this amount if possible to a target of a cumulative contribution of at least 1 MAF. Sources could include expansion/continuation of SEIS activities (above and beyond activities required to generate 1.25 MAF), voluntary or compensated contributions of Binational ICS or other stored water, or establishment of a Lower Basin/Federal 700+ plan. To create conservation of this magnitude, the Lower Division States and Reclamation expect to develop a plan by August 2026 to identify specific contributions. With appropriate funding, the Lower Division States estimate minimum contributions from each of the Lower Division States as follows: California – 300 KAF; Arizona – 300 KAF; and Nevada – 100 KAF. Reclamation will account for all additional system conservation separately in its Decree Accounting Report and will apply annual evaporation losses of 3% to the total volume.

The Lower Division States' contributions are contingent on appropriate funding being available to facilitate the contribution of water. Any water acquired by Reclamation as part of the Lower Basin conservation program will be done at a cost-share with the Bureau of Reclamation. The cost-share will be either in kind, at a price discounted from prior federal programs, or made up with funding contributions at the state level. Reclamation will work to streamline environmental permitting in support of contractor actions required to implement the provisions of this proposal and will work with California contractors to facilitate additional considerations that may be necessary, including Federal funding, to address potential impacts to the Salton Sea and adjacent/underlying federal lands.

The long-term goal of the Lower Division States is to create an operationally neutral common pool of new water savings to be strategically deployed at low elevations to help delay and offset additional reductions to the Lower Division States beyond the 1.25 MAF.

### **Operation of the Upper Initial Units of the Colorado River Storage Project Act (UIU)**

The Lower Division States appreciate Reclamation's approach to Flaming Gorge operations and Glen Canyon Dam releases described in Secretary Burgum's letter on April 22, 2026. The range of releases described for Flaming Gorge should trend heavily towards releasing as close to 1 MAF as possible to protect Lake Powell infrastructure as we see near-record low inflows and record high heat creating significant uncertainty in summer flow forecasts. Should unanticipated improvement in hydrology occur such that lower releases from Flaming Gorge are needed, the commensurate adjustments should be made to Glen Canyon Dam releases in water year 2026 and 2027 in a way that both the Flaming Gorge recovery and recovering the Glen Canyon Dam release modification occur simultaneously.

Given operational experience on the river since 2019, Reclamation should initiate the process early enough to begin UIU releases above baseline in early March, beginning in 2027. Releases above baseline should be dependent upon Lake Powell projected elevations; should Lake Powell be projected to fall below elevation 3,515' in the minimum projection, at least 600 KAF should be released above baseline. The UIU target elevations should be lowered until the release from Lake Powell is at least 8.23 MAF (i.e., Lake Powell elevation is at least 3,565'). The intent under improved hydrology is to share the benefits of improved hydrology between both basins. This logic should be applied in each successive year of operations under the proposed approach.

Releases above baseline from UIUs shall be system water and shall not be considered operationally neutral for determining operations of Lake Powell. Reclamation should determine annual UIU release volumes above baseline and commit to making those releases before making any decisions that reduce annual Lake Powell releases.

#### **Release from Lake Powell to Lake Mead**

The release for water year 2026 is expected to be maintained at 6.0 MAF. In the event Lake Powell is projected to end water year 2026 above elevation 3,530', additional water should be released.

Starting in water year 2027, the scheduled release from Lake Powell will be 8.0 MAF if Lake Powell is at or above 3,540' on October 1 of the preceding year. If Lake Powell is below 3,540' on October 1, the scheduled release from Lake Powell will be 7.0 MAF. Under either starting condition, the release may be adjusted, following consultation among the Lower Division States and Reclamation, if Reclamation's Minimum Probable forecast of hydrologic conditions and UIU augmented releases are insufficient to keep Lake Powell from falling below elevation 3,500' during the water year. Consultation shall consider options including the use of the River Outlet Works (ROW).

If Lake Powell is projected to end the water year above 3,565', Reclamation will adjust the release from Lake Powell to 8.23 MAF or greater and allow for both recovery of water released from the UIUs and additional releases from Lake Powell to address any reduced releases,<sup>4</sup> to the extent possible without Lake Powell falling below elevation 3565'. Such adjustments will allow both basins to benefit from the improved hydrology. This process of determining Lake Powell release volumes should be iterative from October to April with the final determination for the water year based on the Most Probable projections in the April 24-MS.

By the end of calendar year 2027, the Department of the Interior shall develop and publish a plan to address long-term operational and structural risks at Glen Canyon Dam in order to increase the ability to deliver water at lower elevations and prioritize releases to the Lower Division States in compliance with the Law of the River. This plan must be developed in consultation with and with the approval of the Lower Division States, and Interior shall begin implementing the plan no later than the end of 2028.

As a pilot, Reclamation will operate the ROW to test infrastructure performance for extended release periods during the implementation term. Reclamation will consult with the Lower Division States regarding the parameters of this test.

### **Additional Items**

Reclamation will expeditiously confirm and implement federal investment in various necessary improvements in the management of the Colorado River system, especially in federal infrastructure in the Yuma area.

Reclamation, with the Lower Division States and stakeholders, should develop a framework for the exchange of augmented water among existing Section 5 contractors. Water that is not withdrawn by the receiving contractor in the year the exchange occurs should be eligible to be stored in an ICS account under the rules of the ICS program. The evaporation and system assessments will occur if the exchanged water is stored as ICS, but do not occur if delivery of the exchange occurs in same calendar year.

Reclamation should study modifications to the Navajo Indian Irrigation Project Diversion at Navajo Reservoir to allow Navajo Reservoir's operating elevation to fluctuate and release additional water downstream as originally intended in its enacting legislation.

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<sup>4</sup> For purposes of this proposal, "reduced releases" will be addressed when (a) the WY 2026 reduction in Lake Powell's release from 7.48 MAF to 6 MAF is recovered and (b) the difference between 8.23 MAF and Lake Powell's actual release in WY 2027 or WY 2028 (if any) is recovered.

Reclamation should evaluate and, as appropriate, seek new compliance to release additional water from the UIU when operating for their authorized purposes including protecting downstream infrastructure and meeting Compact requirements.

**Possible extension of term and scope**

If additional federal funding is available before December 31, 2027, the Lower Division States will consider extending the implementation term by an additional year, or more, as circumstances allow.

The Lower Division States and water users have prepared this proposal on a voluntary and non-precedential basis, to address the dire hydrologic conditions affecting the Colorado River system. Nothing in this proposal, including any party's participation or the magnitude or form of any party's contributions, shall be construed as a waiver, relinquishment, or modification of any party's rights, claims, or defenses under the Law of the River, all of which are expressly reserved.