



One Water & Adaptation Committee

Report on Basin States Discussions on Colorado River Operations

Item 6c

July 13, 2026

Presented by: Shanti Rosset

Item 6c

Report on Basin States Discussion on Colorado River Operations

Subject

Basin States Discussions regarding operations of Lake Powell and Lake Mead

Purpose

Provide updates on development of the post-2026 negotiations

Next Steps

Continue to update Board as Basin States discussions progress

STATUS

Where We Are

- **Draft Environmental Impact Statement (EIS)** published Jan 16, 2026 — five alternatives evaluated. Comment period closed March 2 (18,000+ comments).
- Interior Dept. is now consulting on a **preliminary Preferred Alternative**.
- Final EIS and draft Record of Decision (ROD) consultations **late June (tbd)**. ROD signed **late July 2026**.

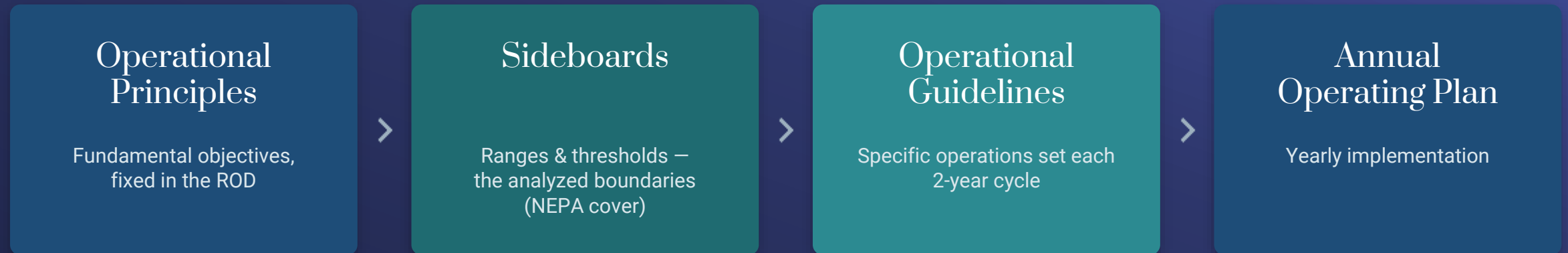
- **January 16, 2026** Draft EIS published
- **March 2, 2026** Comment period closed
- **Late June 2026** Final EIS + draft ROD consultations
- **Late July 2026** ROD to be signed
- **August 2026** Reservoir operations set in 2027 AOP



Why this matters now: What's being decided before the end of the month is the first 2-year operating cycle and the Lower Basin shortage-sharing — how much Colorado River supply Metropolitan can count on.

A 10-Year Framework

- *Principles and sideboards are fixed for ten years.*
- *Operational guidelines are set every two years and implemented through the Annual Operating Plan.*



Interior Department is advancing this alternative **absent a seven Basin States' consensus** — a federally-structured framework, not a negotiated deal. That is the backdrop the Lower Division States' proposal is responding to.

The May 1 Proposal



- **What it is.** The Lower Division States putting forward a workable proposal: 2-year guidelines for 2027 and 2028.
- **The terms that move our numbers.** California takes a fixed 440 TAFY reduction in 2027 and 2028 — met through reduced water orders or ICS, where ICS withdrawal is limited based on Lake Mead elevation.

WHAT CALIFORNIA TAKES ON · 2027 & 2028

440 TAFY — California's annual reduction

Lower Basin total **1.25 MAFY** — AZ 760 / CA 440 / NV 50

Reductions met by reduced water orders or ICS

+ **300 TAF** CA additional voluntary system conservation, with federal funding match



Important to keep in mind

California's willingness to take these reductions — including **out-of-priority** — was offered **conditioned on the ICS-access terms still being negotiated with the Interior Department**. The proposal and the ICS question are one package, not two separate topics.

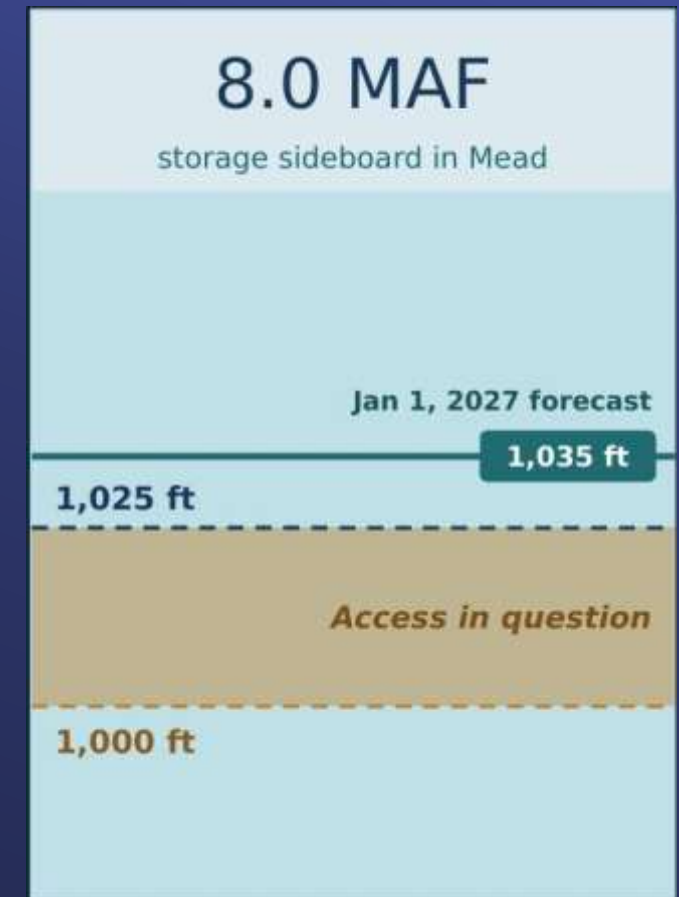
ICS Access Below Elevation 1,025 ft



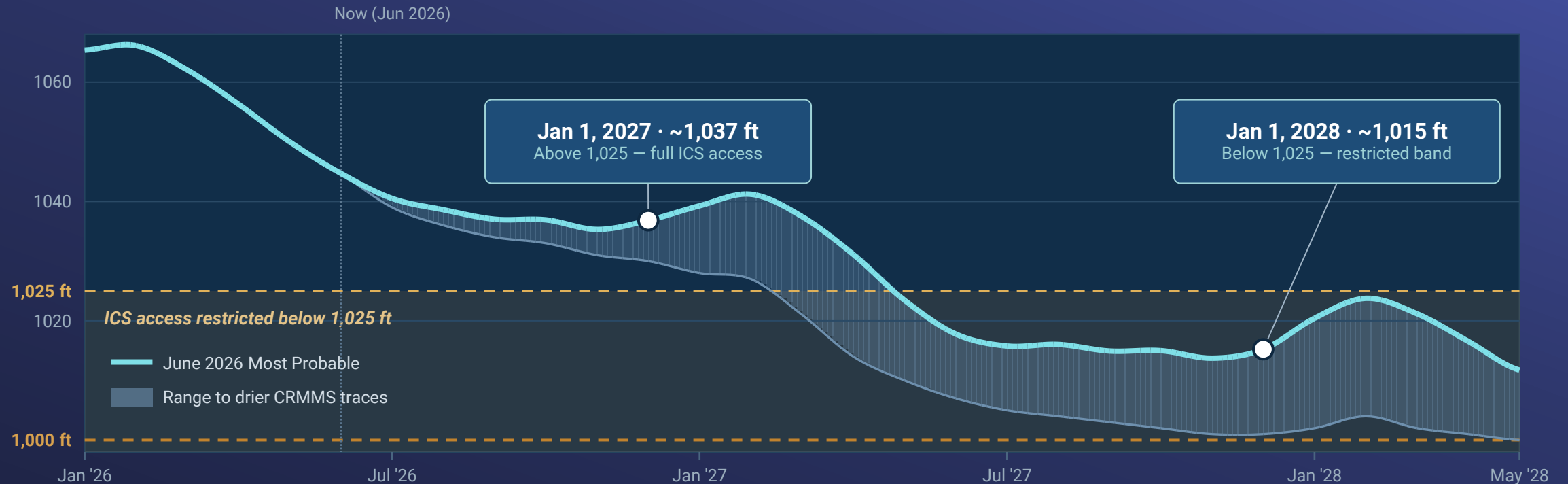
- **The stakes.** Metropolitan stores conserved water – **Intentionally Created Surplus (ICS)** - in Lake Mead as a core part of how we manage reliability. Its value depends on being able to withdraw it when we need it including in the low-elevation conditions.
- **Storage ≠ access.** The Proposed Preferred Alternative allows up to 8.0 MAF of storage in Mead (existing ICS, a new ICS-type program, conservation pools, exchanges) – but capacity to store is not guaranteed access to deliver.
- **Ongoing negotiation.** Whether, and on what terms, ICS can be delivered between 1,025 ft – 1,000 ft, where the Secretary's asserted authority to deny or reduce deliveries sits.

MWD seeks to make process for accessing ICS <1,025 feet

- Predictable and consistent
- With specific timelines
- Based on objective criteria, not open-ended discretion



What to Expect Over the Next Year



Why this matters: Even Reclamation's most-probable forecast puts Lake Mead below 1,025 ft through 2027 — the zone where ICS access is restricted — and on the Jan 1, 2028 when access is set for 2028. Drier CRMMS traces trend toward 1,000 ft, and because the modeling already holds water at Glen Canyon Dam to keep Powell above 3,500 ft, a deeper Powell cut would push Mead lower still.

Sources: Bureau of Reclamation June 2026 Most Probable 24-Month Study; CRMMS projections, May/June 2026. January 1 elevation is the operative ICS-access determination point.

Why Reliable Access Matters



Reliable, rules-based access to our stored water below 1,025 ft is **essential to Metropolitan's support for California's reductions.**



Firm, rules-based access

- Stored water is recoverable when needed
- Replacement-supply cost stays bounded
- Reliability planning holds



Discretionary, deniable access

- Reductions would rely on stored water we might not recover when needed
- Higher, uncertain replacement-cost exposure
- Greater risk to dry-year reliability

The crux: without a firm ability to recover our stored water, dry-year reliability risk grows — which is why reliable access to ICS below 1,025 ft matters so much to Metropolitan.

Supplies and Costs



Two variables set our exposure:

1. Size of our reduction obligation

How California divides its share among its contractors is still being worked out.

2. Firm vs. discretionary ICS access

Could raise our cost to replace water and the integrity of our reliability planning.

Still open and consequential for us

- ICS-access terms below 1,025 ft
- Final shortage-sharing distribution
- Lower Basin surplus guidelines (TBD)

The reliability equation

~1.6 MAF

MWD's Current ICS Storage In Lake Mead

Worth only as much as our ability to **deliver it.**

Bottom line: firm access protects supply and bounds cost. Discretionary access increases risk to Metropolitan's dry-year reliability.

Path Ahead and What We're Tracking



Late July 2026

ROD to be signed



August 2026

2027 Annual Operations Plan



Fall 2026 (tentative)

Board authorization of implementation agreements

Also tracking — not today's focus

Upper Initial Unit sequencing

How Reclamation sequences actions to protect Glen Canyon Dam infrastructure affects Lake Mead elevations and potential size of Lower Basin shortages.

Successor to Minute 323

Mexico's proportional surplus/shortage sharing, negotiated on a separate IBWC / State Department track. Affects the basin math and must stay coordinated with the ROD.

