



One Water and Adaptation Committee

6/8/2026 Committee Meeting

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Subject

Report on Inflation Reduction Act Conservation Funding

Executive Summary

This report will provide an update on the status of the Colorado River Lower Basin States (Lower Basin), California, and Metropolitan's Colorado River conservation efforts since 2023. This report will also include a summary of the funding associated with Metropolitan's system conservation implementation agreements.

Details and Background

In 2022, Lake Powell was forecasted to fall below critical elevations. To forestall this event, the United States Bureau of Reclamation (Reclamation) released water from upstream reservoirs and decreased the release from Lake Powell from 7.48 MAF to 7.00 million acre-feet (MAF). Concurrently, water users in the Lower Basin pursued conservation to reduce use.

In October of 2022, the Colorado River Board (CRB) of California submitted a letter to the Secretary of the Interior, co-signed by Metropolitan, Coachella Valley Water District, Imperial Irrigation District, and Palo Verde Irrigation District, that proposed California reduce water use by approximately 400,000 AF per year from 2023 through 2026 (**Attachment 1**). Additional conservation to enable these proposed reductions was to utilize funding from the Inflation Reduction Act.

To increase the ability to respond to critically low reservoir levels, Reclamation developed the 2024 Supplemental Environmental Impact Statement and ultimately adopted a Record of Decision (ROD) in 2024 that supplemented the 2007 Interim Guidelines. This supplemental ROD enabled Lake Powell releases to be reduced to 6 MAF, if needed, and included a target for new total Reservoir Protection Conservation of 3.0 MAF for calendar year 2023 through 2026. Reservoir Protection Conservation could consist of compensated system conservation water primarily funded through the Inflation Reduction Act, new Intentionally Created Surplus creation, and other compensated or non-compensated conserved water.

The Inflation Reduction Act included billions in funding for conservation projects that would reduce water use and leave the conserved water in Lake Mead as system water for the benefit of the system. Metropolitan signed three short-term system conservation implementation agreements and three long-term system conservation implementation agreements under the program established with Inflation Reduction Act funding.

This report will provide an update on the status of the Lower Basin, California, and Metropolitan's Colorado River conservation efforts. This report will also include a summary of the funding associated with Metropolitan's system conservation implementation agreements.

Attachment 1 – October 10, 2022, letter from CRB proposing California conserve 400,000 AF per year for four years



October 5, 2022

Deputy Secretary of the Interior Tommy Beaudreau
Assistant Secretary for Water and Science Tanya Trujillo
U.S. Bureau of Reclamation Commissioner Camille Calimlim Touton

Dear Deputy Secretary Beaudreau, Assistant Secretary Trujillo, and Commissioner Touton:

Thank you for your leadership and collaboration as we work together to stabilize the Colorado River Basin amidst an unprecedented, climate change-driven drought stretching over two decades. Given dire drought conditions across the region and dangerously low reservoir levels, we firmly believe that **all water users within the Basin must take immediate voluntary actions** to stabilize water supplies in the Basin's major reservoirs.

California water agencies that utilize Colorado River water supplies propose to conserve up to an additional 400,000 acre-feet of water in Lake Mead each year, beginning in 2023 and running through 2026. This water, which would otherwise be used by California's communities and farms, will meaningfully contribute to stabilizing the Colorado River reservoir system.

We have identified a collection of proposed water conservation and water use reduction opportunities that would yield approximately 400,000 acre-feet of System Conservation water supplies that could be retained in Lake Mead each year through 2026. California's Colorado River water agencies are also prepared to create and store additional quantities of Intentionally Created Surplus water supplies in Lake Mead pursuant to the 2007 Interim Shortage Guidelines, under future favorable hydrologic and water supply conditions.

In order to enable this water conservation, our agencies will need to utilize funding opportunities provided by the Inflation Reduction Act and other federal programs. Each of the California agencies involved in developing this package of proposed conserved water supplies will also require your support in developing agreements for funding, potential intra- and inter-state coordination, water use accounting, and in obtaining necessary board and agency approvals over the coming weeks and months.

The State of California and its Colorado River agencies appreciate the collaboration of the Department of the Interior and Reclamation to stabilize the Salton Sea, which has been shrinking due to California's existing water conservation actions and will further shrink when additional conservation actions are taken. Voluntary water conservation actions outlined in this

letter depends on a clear federal commitment to contribute meaningfully to stabilization efforts at the Salton Sea.

California has long been a leader in water conservation within the Colorado River Basin, including through the nation's largest agricultural to urban water conservation and transfer program, the Quantification Settlement Agreement, and through billions of dollars in investments in agricultural and urban water conservation. In fact, through a variety of activities, California's water agencies have voluntarily conserved nearly 2.0 million acre-feet of water supplies in Lake Mead since 2007 that has added more than twenty feet to Lake Mead elevations and aided other Lower Basin water users from experiencing previously agreed upon shortage reductions that would have otherwise occurred as early as 2015.

Most recently, our water agencies have been committed to constructive participation in discussions among the basin states that began even before to the Commissioner's call in June for urgent voluntary water conservation. While a broad multi-state agreement to conserve water across the Basin has not been reached, the California agencies propose to take voluntary action now to conserve water in coming months. It is California's intention that this proactive voluntary action builds on existing agreements, contracts, compacts, and water rights to catalyze broader basin-wide conservation and helps to avoid protracted litigation that might otherwise result from regulatory or mandated actions.

California and its Colorado River agencies believe that it is imperative for the Department of the Interior and Reclamation to immediately reengage the seven Basin States, Tribes, and Mexico in efforts to identify additional water conservation and water use reduction activities to stabilize the Colorado River reservoir system. Additionally, California and the agencies look forward to working with you and others across the Basin with respect to the administrative actions identified in Reclamation's August 16, 2022, News Release.

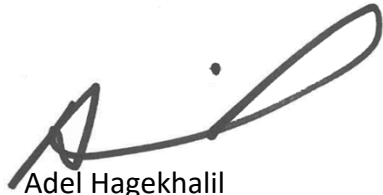
Sincerely,



Peter Nelson
Chair
Colorado River Board of California



Enrique Martinez
General Manager
Imperial Irrigation District



Adel Hagekhalil
General Manager
The Metropolitan Water District of
Southern California



James Barrett
General Manager
Coachella Valley Water District

A handwritten signature in black ink, appearing to read "Bart Fisher". The signature is fluid and cursive, with the first name "Bart" and the last name "Fisher" clearly distinguishable.

Bart Fisher
President
Palo Verde Irrigation District Board
of Trustees

CC: California Secretary for Natural Resources Wade Crowfoot
California Department of Water Resources Director Karla Nemeth
Colorado River Basin States Principals