



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

Operating Guidelines

Colorado River Guidelines for Coordinated Operations of Lake Powell and Lake Mead Operating Years 2027 and 2028

August 2026

Recommending Official:

David M. Palumbo
Deputy Commissioner, Operations, Bureau of Reclamation

08-21-2026

Date

Approved:

Doug Burgum
Secretary of the Interior

August 21ST, 2026

Date

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1. Purpose

The Colorado River Guidelines for Coordinated Operations of Lake Powell and Lake Mead Operating Years 2027 and 2028 (2027–2028 Operating Guidelines) establish operating criteria applicable to Operating Years 2027 and 2028 (the “Effective Period”). These 2027–2028 Operating Guidelines are a final agency action issued pursuant to the Record of Decision adopted by the Secretary of the Interior (Secretary) for the Decision Framework for Colorado River Guidelines: Coordinated Operations of Lake Powell and Lake Mead (2027–2036) (ROD).

The 2027–2028 Operating Guidelines are for Operating Years 2027 and 2028 only and are not intended to represent a long-term operational strategy. The Department is establishing these guidelines at a time of historic low storage conditions in Lake Powell and Lake Mead and with significant hydrologic risk facing the system should low runoff conditions continue. It is against this backdrop of hydrologic risk and lack of long-term consensus that Reclamation has prepared these 2027–2028 Operating Guidelines. These 2027–2028 Operating Guidelines are not and shall not be construed to create a precedent for future operations as described in Section 10.11 of the ROD.

These 2027–2028 Operating Guidelines contemplate actions that rely upon necessary implementing and parallel agreements as described in Section 5.9. Where necessary parties do not reach consensus on proposed operational measures or agreements, the Secretary will proceed consistent with applicable Federal law, the 2006 Consolidated Decree of the U.S. Supreme Court in *Arizona v. California* (Consolidated Decree), the Law of the River, and all other governing statutes, regulations, and contractual obligations necessary to fulfill the Secretary’s statutory responsibilities, protect Federal interests, and ensure continued system operations. The absence of such agreements shall not impair, delay, or otherwise limit the Secretary’s authority to implement operations in 2027 and 2028.

The Department of the Interior (Department) intends to implement the Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs Pursuant to the Colorado River Basin Project Act of September 30, 1968 (Long-Range Operating Criteria or LROC) through these 2027–2028 Operating Guidelines and implemented through the Annual Operating Plan for Colorado River Reservoirs (AOP). These 2027–2028 Operating Guidelines also provide for temporary operational actions that are not otherwise provided for under the LROC when necessary to protect critical Federal infrastructure during extraordinary circumstances, consistent with applicable Federal law.

2. Process to Develop Guidelines

These 2027–2028 Operating Guidelines were developed pursuant to the ROD and incorporate operational elements based on input provided by the Basin States, Basin Tribes, and other interested parties.

Further, these 2027–2028 Operating Guidelines were developed and reflect ongoing discussions regarding consensus arrangements by the Basin States for 2027 and 2028 which would be supported by implementing and parallel agreements that will facilitate water management tools such as: Lower Basin shortage sharing, forbearance, conservation efforts, releases of additional water from the Colorado River Storage Project (CRSP) Upper Initial Units – specific reservoirs above Lake Powell pursuant to Section 602 of the Colorado River Basin Project Act – to increase the elevation at Lake Powell to protect critical Federal infrastructure.

3. Effective Period

These 2027–2028 Operating Guidelines shall become effective upon (1) execution by the Secretary and (2) execution of the necessary implementing and parallel agreements, as described in **Section 5.9**. Absent such implementing and parallel agreements in (2), the Secretary will proceed as described in **Sections 5.2, 5.3, and 5.4**, consistent with applicable Federal law, the Consolidated Decree, the Law of the River, and all other governing statutes, regulations, and contractual obligations necessary to fulfill the Secretary’s statutory responsibilities, protect Federal interests, and ensure continued system operations. Once effective, these 2027–2028 Operating Guidelines shall govern the operation of Lake Powell and Lake Mead for the 2027 and 2028 Operating Years, unless modified or superseded by subsequent action of the Secretary pursuant to the provisions herein. Further, these 2027–2028 Operating Guidelines could be superseded during the Effective Period if consensus operating guidelines, including among the Basin States and the Secretary, are reached.

4. Definitions

Definitions are included in the ROD and are incorporated by reference into these 2027–2028 Operating Guidelines. Additional definitions specific to these 2027–2028 Operating Guidelines are below.

1. “2027–2028 Operating Guidelines” shall mean the Colorado River Guidelines for Coordinated Operations of Lake Powell and Lake Mead for Operating Years 2027 and 2028.
2. “Exhibit Run” shall refer to modeling performed in addition to the official modeling runs, which are used for official operational determinations. Exhibit Runs reflect unofficial dam operations or sensitivity analysis based on hypothetical conditions or dam operations.
3. “Lower Colorado Regional Director” shall mean the Regional Director of the Lower Colorado River Basin Region of the Bureau of Reclamation (Reclamation).
4. “Most Probable” shall mean a modeling projection provided by Reclamation in the monthly 24-Month Study, which simulates conditions using a median (50th percentile exceedance) inflow scenario.

5. Guidelines for the Coordinated Operation of Lake Powell and Lake Mead for Operating Years 2027–2028

For Operating Years 2027 and 2028, the Secretary shall coordinate the operations of Lake Powell and Lake Mead according to the strategy set forth in this **Section 5**.

The Secretary will base annual determinations regarding the operations on these 2027–2028 Operating Guidelines unless extraordinary circumstances exist as described in **Section 5.1.D**. The Secretary retains full legal authority to ensure ongoing operations of Colorado River facilities, including operational actions taken to address extraordinary circumstances in order to ensure protection of critical Federal infrastructure and continuous operational reliability of such facilities.

The Department is establishing these 2027–2028 Operating Guidelines at a time of historic low storage conditions in Lake Powell and Lake Mead, with combined storage at an all-time low, and with significant hydrologic risk facing the system should low runoff conditions continue. The Department recognizes the continued importance of Lake Powell operations that achieve the objective stated in Article II of the LROC: “the objective shall be to maintain a minimum release of water from Lake Powell of 8.23 maf for that year.” However, the Department also recognizes that achievement of this objective may not be possible under the hydrologic and operational conditions that exist at the time of adoption of these 2027–2028 Operating Guidelines, including low reservoir elevations, declining river flows, and the need to protect operational reliability. The coordinated operations described in these 2027–2028 Operating Guidelines are intended to account for these considerations and are intended to minimize adverse operational effects in the Upper and Lower Basins while preserving the Secretary’s ability to respond to changing hydrologic conditions.

5.1 Operation of Lake Powell for Operating Years 2027–2028

These operations are designed to protect a minimum Lake Powell elevation of 3,500 feet by initially seeking to maintain a minimum elevation of 3,510 feet. This provides an operational buffer and provides additional flexibility in recognition of the operational risks associated with sustained operations below elevation 3,490 feet, at which releases from Glen Canyon Dam can only pass through the river outlet works. As described in Section 3.1 of the ROD, there are infrastructure concerns associated with the uncertainty of extended operations through the river outlet works as the sole means of sustained water releases from Glen Canyon Dam that could compromise the reliability and operational flexibility of Glen Canyon Dam and affect the ability to meet critical downstream water supply needs. There are additional impacts to hydropower associated with operating below 3,490 feet, as this is the minimum power pool.

These operations involve various consultations and coordination with the Basin States, Basin Tribes and other affected parties. These consultations are described in **Section 5.7.B**.

The Most Probable August 24-Month Study projections of the October 1 Lake Powell elevation, for the following Water Year, shall be used to determine the applicable operational range for the coordinated operation of Lake Powell and Lake Mead as described below.

Releases from Lake Powell for coordinated operations will be consistent with the provisions of the 2016 Glen Canyon Dam Long-Term Experimental and Management Plan Environmental Impact Statement and Record of Decision and the 2024 Glen Canyon Dam Long-Term Experimental and Management Plan Supplemental Environmental Impact Statement and Record of Decision.

As described below, determinations in Operating Years 2027 and 2028 throughout this section will be based on the current month's Most Probable 24-Month Study projections of Lake Powell elevations. In each range, the Lake Powell Water Year release could be reduced to a minimum of 6.0 million acre-feet (maf) if necessary to maintain elevation 3,510 feet. Releases may be further reduced as described in **Section 5.1.D**, should Lake Powell be projected to reach elevations below 3,500 feet. Any such adjustments shall not require re-initiation of the AOP consultation process. **Sections 5.1.A – 5.1.D** describe the months and criteria for determining such adjustments.

A. Upper Elevation Range

1. In Water Years when the projected October 1 Lake Powell elevation is at or above 3,565 feet, the initial Water Year release will be determined by performing an incremental modeling approach using Exhibit Runs. Reclamation shall first evaluate a Water Year release of 8.23 maf and, if necessary, successively evaluate releases of 8.0 maf and 7.5 maf. The initial Water Year release shall be the first release evaluated that is projected to maintain a minimum Lake Powell elevation of 3,510 feet throughout the Water Year.
2. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation is less than 3,510 feet, adjust Lake Powell releases downward as needed to no less than 6.0 maf, such that when combined with additional releases from the CRSP Upper Initial Units, a minimum of 3,510 feet is maintained through March of the following Water Year.
3. Should Lake Powell be projected to reach elevations below 3,500 feet, Reclamation shall consider and consult as described in **Section 5.1.D** on additional actions that may be necessary.
4. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation at the end of the Water Year is greater than 3,565 feet, adjust releases upward, such that half the difference in volume from the projected September 30 Lake Powell storage at elevation 3,565 feet is added to the release.

B. Mid-Elevation Range

1. In Water Years when the projected October 1 Lake Powell elevation is below 3,565 feet and at or above 3,540 feet, the initial Water Year release will be determined by performing an incremental modeling approach using Exhibit Runs. Reclamation shall first evaluate a Water Year release of 8.0 maf and, if necessary, shall successively evaluate releases of 7.5 maf and 7.0 maf. The initial Water Year release shall be the first release evaluated that is projected to maintain a minimum Lake Powell elevation of 3,510 feet throughout the Water Year.
2. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation is less than 3,510 feet, adjust releases downward as needed to no less than 6.0 maf, such that when combined with additional releases from the CRSP Upper Initial Units, a minimum of 3,510 feet is maintained through March of the following Water Year.
3. Should Lake Powell be projected to reach elevations below 3,500 feet, Reclamation shall consider and consult as described in **Section 5.1.D** on additional actions that may be necessary.
4. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation at the end of the Water Year is greater than 3,565 feet, adjust the Lake Powell releases upward, such that half the difference in volume from the projected

September 30 Lake Powell storage at elevation 3,565 is added to the release, up to 8.23 maf or greater.

C. Low Elevation Infrastructure Protection Range

1. In Water Years when the projected October 1 Lake Powell elevation is below 3,540 feet, the initial Water Year release will be determined by performing a modeling approach using an Exhibit Run. Reclamation shall first assume a release of 7.0 maf. If Lake Powell is projected to remain above 3,510 feet during the Water Year, begin the year with an initial release of 7.0 maf if conditions allow and while preserving the flexibility to make reductions under **Section 5.1.C.1.a** and proceed as follows:
 - a. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation is less than 3,510 feet, adjust Lake Powell releases downward as needed to no less than 6.0 maf, such that when combined with additional releases from the CRSP Upper Initial Units, a minimum of 3,510 feet is maintained through March of the following Water Year.
 - b. Beginning in October, and continuing each month through April, if the projected Lake Powell elevation at the end of the Water Year is greater than 3,565 feet, adjust releases upward, such that half the difference in volume from the projected September 30 Lake Powell storage at elevation 3,565 feet is added to the release.
2. If the Exhibit Run of the August 24-Month Study assuming a release of 7.0 maf (from **Section 5.1.C.1**) results in Lake Powell elevation projected to decline below 3,510 feet at any time during the Water Year, defer the determination of the Water Year release until April and proceed as follows in **Table 1** below.

Table 1
Low Elevation Infrastructure Protection Range Determination Table

Steps Reclamation will Follow to Determine Water Year Release in the Low Elevation Infrastructure Protection Range for 2027–2028 Operating Guidelines	
(when Lake Powell elevation is less than 3,510 feet in the August 24-Month Study Exhibit Run)	
Aug	State that the expected Water Year release will be between 6.0 and 7.0 maf Determine monthly release pattern October-April that results in maintaining a minimum target elevation of 3,510 feet in March of the following year - Perform at least 2 "official" August 24-Month Studies - o Runs assume a Water Year release of 6.0 maf and 7.0 maf - o All runs include the same release pattern Oct-Apr that maintains a minimum target elevation of 3,510 feet in March of the following year
Sept-Dec	Perform the same 2 "official" 24-Month Studies each month as described above (may include adjustments to the October-April monthly release pattern if needed to maintain a target of 3,510 feet)
Jan-Mar	Continue potential adjustment of Lake Powell monthly releases per above but begin including assumptions regarding use of the CRSP Upper Initial Units for May of the current year through April of the following year, into the 6.0 maf run only, as appropriate

Steps Reclamation will Follow to Determine Water Year Release in the Low Elevation Infrastructure Protection Range for 2027–2028 Operating Guidelines

(when Lake Powell elevation is less than 3,510 feet in the August 24-Month Study Exhibit Run)

Apr	Determine Water Year release according to the following steps: 1. Evaluate the projected Lake Powell elevation in March of the following year assuming a 7.0 maf release. For the purpose of Water Year 2027 and 2028 only, this will be considered as the baseline for determining whether releases should be less than 7.0 maf, and additional releases from CRSP Upper Initial Units should be considered. If the March projected elevation is $\geq 3,510$ feet, - o Set the Water Year release to 7.0 maf - o No releases from the CRSP Upper Initial Units will be made for infrastructure protection purposes 2. If the March projected elevation is $< 3,510$ feet, determine the volume needed to maintain a minimum of 3,510 feet in March of the following year. As practicable, Reclamation will determine the reduced Lake Powell releases and CRSP Upper Initial Unit actions required contemporaneously (subject to hydrologic conditions), considering historical consultations and volumetric reductions in Lake Powell Releases and CRSP Upper Initial Unit releases. Past actions have included 1) a planned 500 thousand acre-feet (kaf) CRSP Upper Initial Unit release and recovery coupled with a 480 kaf reduction in the Lake Powell release and 2) a planned 660-1,000 kaf CRSP Upper Initial Unit release and recovery coupled with a 1,480 kaf reduction in the Lake Powell release. 3. Reclamation will consult with the Basin States in the event of any of the following conditions: a. if the volume needed to protect the critical elevation of 3,500 feet in March of the following year is > 2.0 maf; or b. if any Basin State believes there is inequity between the volume available for release from the CRSP Upper Initial Units and the Lake Powell release reductions, it may request consultation; or c. if a Lake Powell release of < 6.0 maf is required to protect 3,500 feet in March of the following year; or d. if the Lake Powell elevation at the end of the water year is projected to be greater than 3,565 feet. 4. When operating under 2 or 3 above, Reclamation will consider any other tools available that can be used to maintain 3,510 feet
May	Publish 24-Month Study with selected Water Year release and any projected releases from the CRSP Upper Initial Units for May of the current year through April of the following year (adjusted operations could begin in April if conditions warrant)

3. Should Lake Powell be projected to reach elevations below 3,500 feet, see **Section 5.1.D** to consult on additional actions that may be necessary.

D. Extraordinary Circumstances

1. As identified in Section 10.7 of the ROD, the highest and lowest contemplated release from Glen Canyon Dam is 12.0 maf and 5.0 maf, respectively. Based on any 24-Month Study, if

Lake Powell is projected to decline below 3,500 feet at any time from the current month through March of the following year, the Secretary will consult and coordinate with the Basin States and Basin Tribes, and other affected parties as appropriate, to consider potential actions throughout the Basin to respond to and address hydrologic and operational conditions.

5.2 Drought Operations of the Colorado River Storage Project Act Upper Initial Units for Operating Years 2027–2028

In Operating Years 2027 and 2028, the Secretary will conduct drought operations, in consideration of releases and recovery, at the CRSP Upper Initial Units pursuant to the process outlined in an agreement concerning drought operations at these facilities and as referenced in this section. The provisions of this section assume that the Upper Division States reach agreement. If such agreement is not reached by that date, the Secretary will conduct drought operations at CRSP Upper Initial Units consistent with existing authorities.

5.3 Operation of Lake Mead for Operating Years 2027–2028

As implemented in the AOPs for 2027 and 2028, the Secretary shall, in August, make the following determination for Lake Mead operation for the following Calendar Year as described in this **Section 5.3**.

These operations provide water users in the Lower Division States with water supply determinations for Calendar Years 2027 and 2028, with the potential for consultation at high and low water elevations at Lake Mead. This provides additional flexibility in recognition of the operational risks associated with operations below elevation 950 feet. Below elevation 950 feet, Lake Mead releases are restricted to only the upper penstock outlet works, which would reduce operational flexibility and severely constrain releases, and below this elevation hydropower can no longer be produced.

A. Shortage Condition Determination and Lower Basin Reductions

1. The Secretary will determine that a Shortage Condition exists for the applicable Year for purposes of the apportionment of Colorado River water among the Lower Division States and will apportion 6.25 maf for consumptive use in the Lower Division States. This represents a reduction of 1.25 maf from the quantity apportioned to the Lower Division States under a Normal Condition.
2. Of the 6.25 maf that shall be apportioned each calendar year for consumptive use in the Lower Division States of which 2.04 maf shall be apportioned for use in Arizona, 3.96 maf shall be apportioned for use in California and 250,000 acre-feet (af) shall be apportioned for use in Nevada, reflecting reductions of 760,000 af in Arizona, 440,000 af in California, and 50,000 af in Nevada, in accordance with a Lower Basin implementing agreement(s).
3. If the Lower Division States have not fully executed the applicable or necessary implementing agreements, the Secretary shall determine the quantities and apportionment thereof as identified in **Section 5.3.A.1**, in accordance with applicable law.
4. Should the Most Probable projection of any 24-Month Study show Lake Mead falling below 1,010 feet at any time in the subsequent 12-month period, the Secretary shall consult and coordinate with the Basin States and Basin Tribes, and other affected parties as appropriate,

to consider potential actions throughout the Basin to respond to and address hydrologic and operational conditions.

5. Should the Most Probable projection indicate a likelihood of achieving Lake Mead elevation 1,125 feet or above during 2027 or 2028, the Secretary will consult with the Lower Division States regarding the potential to increase apportionments.

B. Additional System Conservation Water

In addition to the reductions of 1.25 maf per year in 2027 and 2028, Contractors within the Lower Division States will conserve an additional 700,000 af in total of System Conservation water in 2026, 2027, and 2028 pursuant to voluntary agreements with those Contractors and in accordance with a Lower Basin implementing agreement(s). In the absence of a Lower Division State implementing agreement, the Secretary will work with Contractors within the Lower Division States to conserve additional System Conservation water, as possible.

5.4 Implementation of Intentionally Created Surplus

The provisions of this **Section 5.4** assume that the Lower Division States reach agreement. If such agreement is not reached, the Secretary shall deliver Intentionally Created Surplus (ICS) created and stored through December 31, 2026, in accordance with the applicable provisions of the 2007 Record of Decision for the Colorado River Interim Guidelines for Lower Basin Shortages and Coordinated Operations for Lake Powell and Lake Mead (2007 Interim Guidelines) and the 2019 Lower Basin Drought Contingency Plan Agreement (Lower Basin DCP) executed on May 20, 2019). In the absence of such agreement, no new ICS may be created after December 31, 2026.

Subject to such agreement, the ICS program will be extended through these 2027–2028 Operating Guidelines. Tributary Conservation ICS and Developed Shortage Supply may be created and delivered and shall be accounted for pursuant to the provisions set forth in Sections 3 and 4 of the 2007 Interim Guidelines. DCP ICS shall be delivered and accounted for pursuant to Section III.F. of Exhibit 1 to the Lower Basin DCP.

All other categories of ICS, whether created before or after the effective date of these 2027–2028 Operating Guidelines, are subject to the following provisions. References to ICS in the following provisions refer to Binational ICS, Extraordinary Conservation ICS, and System Efficiency ICS, unless otherwise specified. ICS may be created through December 31, 2028. ICS may be delivered through December 31, 2038.

The existing-categories of ICS are Binational ICS, Extraordinary Conservation ICS, Tributary Conservation ICS, System Efficiency ICS, and DCP ICS and are being carried forward as part of these 2027–2028 Operating Guidelines.

A Contractor may create ICS consistent with an approved ICS Exhibit.

ICS activity, as described in this section, does not and will not adversely impact operations upstream of Lee Ferry and is not factored into the determination of the Lake Powell release or any activities upstream of Lee Ferry.

A. Creation of ICS

A Contractor may only create ICS in accordance with the following conditions:

1. A Contractor shall submit a plan for the creation of ICS to the Secretary with sufficient information to demonstrate how all requirements of these 2027–2028 Operating Guidelines will be met in the Contractor’s creation of ICS. An ICS Creation Plan may be a single year or multi-year plan and may describe the creation of ICS pursuant to multiple projects consistent with a Contractor’s approved ICS Exhibit(s). Until such plan is reviewed and approved by the Secretary, such plan or any ICS purportedly created through it shall not be a basis for creation of ICS. An ICS plan will consist of, at a minimum, the following information:
 - a. Project description, including what extraordinary measures will be taken to conserve or import water;
 - b. Term of the activity;
 - c. Estimate of the amount of water that will be conserved or imported;
 - d. Proposed methodology for verification of the amount of water conserved or imported; and
 - e. Documentation regarding any State or Federal permits or other regulatory approvals that have already been obtained by the Contractor or that need to be obtained prior to creation of ICS.
2. There shall be a one-time deduction of 10 percent from the amount of ICS, including Tributary ICS, in the Year of its creation. This system assessment shall result in additional system water in storage in Lake Mead. This one-time system assessment shall not apply to:
 - a. System Efficiency ICS created because a large portion of the water conserved by this type of project will increase the quantity of system water in storage over time.
 - b. Extraordinary Conservation ICS created by conversion of Tributary Conservation ICS that was not delivered in the Year created, because the 10 percent of the ICS is deducted at the time the Tributary Conservation ICS is created.
3. Except as provided in 3.A.2. of the 2007 Interim Guidelines for the conversion of Tributary Conservation ICS to Extraordinary Conservation ICS, Extraordinary Conservation ICS can only be created if such water would have otherwise been beneficially used.
4. The maximum total amount of Extraordinary Conservation ICS that can be created during any Year is limited to the following:
 - a. 125,000 af for Arizona Contractors;
 - b. 400,000 af for California Contractors; and
 - c. 125,000 af for Nevada Contractors.
 - d. If one but not all of the Lower Division States reaches its annual Extraordinary Conservation ICS creation limit, and if there remains a desire to create additional amounts of Extraordinary Conservation ICS, the Secretary, subject to the provisions of a Lower Basin implementing agreement(s), may authorize additional Extraordinary Conservation ICS creation within the total combined Lower Division State annual limitation of 650,000 af.
5. The maximum quantity of Binational ICS, Extraordinary Conservation ICS, and DCP ICS that may be accumulated, at any time, is limited to the following:
 - a. 1.0 maf for Arizona Contractors;

- b. 2.0 maf for California Contractors; and
 - c. 800,000 af for Nevada Contractors.
 - d. If a Lower Division State reaches its maximum ICS accumulation limit, the ICS Contractor may coordinate with ICS Contractors from the other Lower Division States and request that the Secretary provide additional ICS accumulation space available in another State's limit, subject to the provisions of a Lower Basin implementing agreement(s).
- 6. No surplus water can be used to create ICS.
- 7. A Contractor must notify Reclamation of the amount of ICS it wishes to create for the subsequent Year pursuant to an existing, approved plan. Once the Plan is approved, the Contractor cannot increase the amount of ICS they intend to create during the Year.

B. Delivery of ICS

In addition to the provisions in Section 10.9.G of the ROD, and as modified below, the Secretary shall deliver ICS, including the use of ICS to offset reductions, in accordance with applicable law and the following conditions:

- 1. The delivery shall be consistent with the terms of a Delivery Agreement with a Contractor regarding ICS. The Contractor shall agree in the Delivery Agreement that the records of the Contractor relating to the creation of ICS shall be maintained and open to inspection by the Secretary and by any Contractor or Basin State for 5 years after the creation of such ICS.
- 2. The existence of Forbearance Agreements necessary to bring the delivery of the ICS into compliance with Articles II(B)(2) and II(B)(6) of the Consolidated Decree.
- 3. A limitation on the total combined amount of any ICS that may be delivered in any Year is as follows:
 - a. 300,000 af for Arizona Contractors;
 - b. 400,000 af for California Contractors; and
 - c. 300,000 af for Nevada Contractors.
- 4. The total combined delivery of ICS from January 1, 2026, through December 31, 2028, shall not exceed 800,000 af.
- 5. In a year when the January 1 elevation of Lake Mead is between elevation 1,025 feet and 1,000 feet, the Secretary will consult with the ICS Contractor for requests for ICS delivery when Lake Mead elevations are between 1,025 feet and 1,000 feet. This consultation will occur before a request for ICS delivery is approved. The Secretary could reduce or deny a request for ICS delivery if the requested delivery would result in Lake Mead declining below elevation 1,000 feet in the current year based on the current Most Probable 24-Month Study projection or if the elevation of Lake Mead is below elevation 1,000 feet. Consultation will occur such that it is implementable by the Contractor within the calendar year.
- 6. No ICS shall be delivered in a year when the January 1 Lake Mead elevation is less than 1,000 feet.
- 7. A Contractor may request mid-Year modification(s) to the amount of ICS to be delivered during that Year because of changed conditions, emergency, or hardship, subject to the requirements of this **Section 5.4.B**.

C. Accounting for ICS

In addition to the provisions in Section 10.9.H of the ROD, and as modified below, the Secretary shall annually account for and verify ICS in accordance with the following:

1. A Contractor shall submit for the Secretary's review and verification, appropriate information, as determined by the Secretary, contained in a Certification Report, to demonstrate the amount of ICS created and that the method of creation was consistent with the Contractor's approved ICS plan, a Forbearance Agreement, and a Delivery Agreement. Such information shall be submitted in the Year following the creation of the ICS.
2. The Secretary, acting through the Lower Colorado Regional Director, shall verify the information submitted pursuant to **Section 5.4.C.1**, and provide a final written decision to the Contractor regarding the amount of ICS created. The results of such final written decisions shall be made available to the public through publication of the Water Accounting Report or other appropriate means. A Contractor and any party to an applicable Forbearance Agreement may appeal the Regional Director's verification decision first to the Regional Director and then to the Secretary; and through judicial processes.
3. The quantity of ICS remaining in an ICS Account at the end of each Year shall be diminished by annual evaporation losses of 3 percent. Losses shall be applied annually to the end-of-the-Year balance of ICS beginning in the Year after the ICS is created and continuing until no ICS remains in Lake Mead. This provision includes DCP ICS but excludes System Efficiency ICS created pursuant to the 2007 Forbearance Agreement Exhibit C - Drop 2 Reservoir System Efficiency Project.
4. ICS from a project within a State may be credited or transferred to the ICS Account of a different Contractor within that State that has funded or implemented the project creating ICS, or to the ICS Account of a Contractor within the same State as the funding entity and project and with written agreement of the funding entity.
5. Each Year the Water Accounting Report will include ICS Account balance information for each Contractor and shall address ICS creation, deliveries, amounts no longer available for delivery due to releases for flood control purposes, deductions applied to volumes of ICS created pursuant to **Section 5.4.A.2**, deductions due to annual evaporation losses pursuant to **Section 5.4.C.3**, any amounts of ICS converted to Extraordinary Conservation ICS, any ICS transferred pursuant to **Section 5.4.C.4**, and ICS remaining available for delivery.
6. A Contractor with ICS stored in Lake Mead can offset an inadvertent overrun resulting from gage error or unanticipated changes in water accounting discovered in December or after the end of the calendar year, as determined during development of the Water Accounting Report, with ICS subject to the following limitations:
 - a. The cumulative volume of ICS used to offset overruns in a given year is limited to a maximum of 25,000 af in each Lower Division State.
 - b. The volume of ICS used to offset potential overruns is not limited as described in **Section 5.4.B.4**.
7. Nothing in these 2027–2028 Operating Guidelines shall preclude the development of additional categories of ICS, such as ICS created through interstate exchanges involving a non-Colorado River supply, subject to Secretarial review and approval and the applicable forbearance.

8. Water provided to the United States pursuant to Section IX.A of Minute No. 323 and converted to Binational ICS in 2026 will be accounted for as Binational ICS on January 1, 2027, and credited to the applicable ICS Account.

5.5 Implementation of the Federally Managed Water Resources Pool

- A. A Federally Managed Water Resources Pool (FMWRP) in Lake Mead is established. The FMWRP shall be composed of Federally managed contractual rights to ICS in Lake Mead. The FMWRP is created to provide additional tools to address continued drought, including:
 - (a) to meet Federal firming or other Federal delivery obligations pursuant to a congressionally authorized Indian Water Rights Settlement; and
 - (b) to provide limited offsetting of Tribal wet water shortages up to 25 percent of shorted Mainstream Lower Colorado River or Central Arizona Project entitlements for these 2027–2028 Operating Guidelines.
- B. Creation of the FMWRP
 1. The Secretary shall create the FMWRP upon the effective date of the ROD.
 2. The FMWRP may consist of the following sources of ICS:
 - a. ICS: The right to delivery of which the Secretary currently controls by contract;
 - b. Existing or future Binational ICS: The right to delivery of which the Secretary acquires by contract from account holders of such Binational ICS during the term of these 2027–2028 Operating Guidelines; and
 - c. Existing or future ICS: The right to delivery of which the Secretary obtains from water rights holders in Arizona during the term of these 2027–2028 Operating Guidelines.
 3. The Secretary shall account for and deliver ICS in FMWRP solely for the purposes listed in this **Section 5.5.B**, and subject to the provisions set forth in **Section 5.5.C**.
 - a. Purposes of the FMWRP in order of precedence and as limited based on available resources:
 - i. Federal firming or other Federal delivery obligations pursuant to congressionally authorized Indian water rights settlements; and
 - ii. After any Federal statutory obligations are met in any given calendar year, offsets of up to 25 percent of reductions of Tribal wet water shortages to Mainstream Lower Colorado River or Central Arizona Project entitlements for these 2027–2028 Operating Guidelines as further specified under delivery agreements-with such affected Arizona Tribes.
- C. FMWRP Administration

The FMWRP shall be subject to all provisions of **Section 5.4** in addition to the provisions in this **Section 5.5**. For any State-specific criteria in **Section 5.4**, the FMWRP shall be subject to the criteria applicable to the State in which the ICS was created and shall count toward any maximum limits for that State, except that the delivery of ICS shall count toward the maximum limit of the State in which it is delivered.

 1. The maximum quantity of ICS that may be accumulated in the FMWRP, at any time, is limited to the accumulation maximum of 450,000 af.

2. Federal delivery agreements are required for delivery of FMWRP water.
 3. Binational ICS the right to delivery of which the Secretary has acquired for the FMWRP may be delivered to any Lower Division State.
 4. Each Year the Water Accounting Report will include FMWRP Account balance information.
- D. In advance of the next operating period, the Secretary and the Lower Division States commit to discuss future details for the FMWRP for the remainder of the ROD duration, through 2036, as described in Section 10.8 of the ROD, including identification of mechanisms and potential water sources, sufficient to accomplish FMWRP purposes.

5.6 Water Deliveries to Mexico for Operating Years 2027–2028

Deliveries of water to the United Mexican States (Mexico) are made pursuant to the 1944 Water Treaty and associated implementing agreements called Minutes. Water delivery reductions applicable to Mexico, in accordance with Minutes to the 1944 Water Treaty, are determined by the International Boundary and Water Commission, U.S. and Mexico, and are in addition to and separate from the apportionment to the Lower Division States under Shortage Conditions determined under **Section 5.3.A.1**. For each such Year, the Secretary, in coordination with the Department of State and the United States Section of the International Boundary and Water Commission, will implement any reductions in deliveries to Mexico in accordance with the applicable Minute.

5.7 Implementation of the Guidelines for Operating Years 2027–2028

A. AOP Process

During Operating Years 2027 and 2028, the Secretary shall utilize the AOP process to implement operations under these 2027–2028 Operating Guidelines concerning the coordinated operations of Lake Powell and Lake Mead pursuant to **Section 5** of these 2027–2028 Operating Guidelines, and the allocation of apportioned but unused water from Lake Mead and the implementation of whether Normal, Surplus, or Shortage Conditions shall apply for the delivery of water from Lake Mead, pursuant to **Section 5.3** of these 2027–2028 Operating Guidelines.

B. Consultation

The Secretary shall consult on the implementation of these 2027–2028 Operating Guidelines in circumstances including but not limited to the following:

1. The Secretary shall first consult with all the Basin States before making any substantive modification to these 2027–2028 Operating Guidelines.
2. Upon a request for modification of these 2027–2028 Operating Guidelines, or upon a request to resolve any claim or controversy arising under these 2027–2028 Operating Guidelines or under the operations of Lake Powell and Lake Mead pursuant to these 2027–2028 Operating Guidelines or any other applicable provision of Federal law, regulation, criteria, policy, rule, or guideline, or regarding application of the 1944 Water Treaty that has the potential to affect domestic management of Colorado River water, the Secretary shall invite the Governors of all the Basin States, or their designated representatives, and the Department of State and United States International Boundary and Water Commission as

appropriate, to consult with the Secretary in an attempt to resolve such claim or controversy by mutual agreement.

3. The Secretary shall consult with the Basin States and ICS contractors regarding the creation and administration of ICS.
4. The Secretary shall consult with the Basin States in the event of any of the following conditions when in the Lower Elevation Infrastructure Protection Range:
 - if the volume needed to protect the critical elevation of 3,500 feet at Lake Powell in March of the following year is > 2.0 maf; or
 - if any Basin State believes there is inequity between the volume available for release from the CRSP Upper Initial Units and the Lake Powell release reductions, it may request consultation; or
 - if a Lake Powell release of < 6.0 maf is required to protect 3,500 feet in March of the following year; or
 - if the Lake Powell elevation at the end of the water year is projected to be greater than 3,565 feet; or
5. The Secretary shall consult with the Basin States if Lake Powell is projected to reach an elevation of above 3,665 feet during Water Years 2027 or 2028, to determine to what extent releases above 8.23 maf, including the potential for releases consistent with Section 602(a) storage requirement contained in the Colorado River Basin Project Act.
6. The Secretary shall consult with the Lower Division States in the event of any of the following conditions:
 - Should the Most Probable projection of any 24-Month Study show Lake Mead falling below 1,010 feet at any time in the subsequent 12-month period, the Secretary shall with the Basin States and Basin Tribes, and other affected parties as appropriate, to consider potential actions throughout the Basin to respond to and address hydrologic and operational conditions.
 - Should the Most Probable forecast indicate a likelihood of achieving Lake Mead elevation 1,125 feet or above during 2027 or 2028, the Secretary will consult with the Lower Division States regarding the potential to increase apportionments.
7. Reclamation will coordinate and consult throughout the 2027–2028 Operating Guidelines with Basin Tribes and Mexico pursuant to the circumstances detailed in this section.

C. Accounting

For Operating Years 2027–2028, Reclamation will continue to account for and verify Lower Division States water use, including reductions and ICS activity through the Lower Colorado River Water Accounting and Water Use Report.

D. Operations During the Effective Period

For Operating Years 2027–2028, the Secretary will base annual determinations regarding the operations of Lake Powell and Lake Mead on these 2027–2028 Operating Guidelines unless further extraordinary circumstances arise. As identified in Section 10.7 of the ROD, such circumstances could include operations that are prudent or necessary for safety of dams, public health and safety, other emergency situations, or other unanticipated or unforeseen activities arising from actual operating experience.

Beginning no later than October 1, 2027, the Secretary shall initiate the process to determine the next set of guidelines as described in Section 10.5 of the ROD. The Secretary shall consult with the Basin States and Basin Tribes, and other affected parties as appropriate, during this process.

5.8 Authority and Operations for Operating Years 2027–2028

The provisions of Section 10.11 of the ROD apply to these 2027–2028 Operating Guidelines.

5.9 Implementing and Parallel Agreements

These 2027–2028 Operating Guidelines contemplate actions that rely upon necessary implementing and parallel agreements as referenced herein. Agreements are anticipated to be executed within a sufficient timeframe to support implementation of 2027 and 2028 operations, including agreements to which the United States is a party or an approver, and non-federal agreements. Namely, the Secretary acknowledges that portions of **Sections 5.3 and 5.4**, as described, will be implemented only when a Lower Basin implementing agreement takes effect as well as the drought operations at the CRSP Upper Initial Units pursuant to the process outlined in an agreement concerning drought operations at these facilities and as referenced in **Section 5.2**. The absence of such agreements shall not impair, delay, or otherwise limit the Secretary’s authority to act and any Basin State or Basin Tribe or Contractor shall retain any rights as set forth in Section 10.11 of the ROD.

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