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# Management of the Colorado River: Water Allocations, Drought, and the Federal Role

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# Management of the Colorado River: Water Allocations, Drought, and the Federal Role

The Colorado River Basin covers more than 246,000 square miles in seven U.S. states (Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, and California) and Mexico. Pursuant to federal law, the Bureau of Reclamation (part of the Department of the Interior) manages much of the basin's water supplies. Colorado River water is used primarily for agricultural irrigation and municipal and industrial (M&I) uses; it is also important for hydropower production, fish and wildlife, and recreational uses.

Apportioned Colorado River water is widely acknowledged to be in excess of the river's natural flows, and consumptive use of these waters typically exceeds natural flows. This causes an imbalance in the basin's available water supply and demand. Stress on basin water supplies is exacerbated by a long-term drought dating to 2000.

## River Management

Multiple laws, court decisions, and other documents govern Colorado River operations; the foundational document governing basin water management is the Colorado River Compact of 1922. Pursuant to the compact, the basin states established a framework to apportion water supplies between the river's Upper and Lower Basins, with the dividing line between the two basins at Lee Ferry, AZ. Each basin was allocated 7.5 million acre-feet (MAF) annually under the compact, and an additional 1.5 MAF in annual flows was made available to Mexico under a 1944 treaty. Further agreements and court decisions addressed other issues, and subsequent federal legislation provided authority and funding for federal facilities that allowed users to develop their allocations. A 1963 Supreme Court ruling confirmed that Congress designated the Secretary of the Interior as the *water master* for the Lower Basin, a role in which the federal government manages the delivery of all water below Hoover Dam.

Reclamation and basin stakeholders closely track the status of two large reservoirs—Lake Powell in the Upper Basin and Lake Mead in the Lower Basin—as an indicator of basin storage conditions. Under criteria agreed upon by basin states, water releases from both lakes are tied to specific water storage levels. In recent years, storage levels have been falling. In August 2021, Reclamation declared the first-ever *Level One Shortage Condition* in the Lower Basin; it subsequently declared a *Level Two Shortage Condition* in August 2022. These declarations reduced water deliveries to contractors in Arizona and Nevada, as well as to Mexico. Also in 2022, Lake Powell's surface water elevation fell below a key target (3,525 feet) established to protect hydropower infrastructure at Glen Canyon Dam. In response, Reclamation has implemented drought response operations intended to protect Lake Powell elevations.

## Efforts to Address Drought

The federal government has led multiple efforts attempting to improve the basin's water supply outlook, resulting in collaborative agreements in 2003 and 2007, and most recently in the 2019 drought contingency plans (DCPs) for the Upper and Lower Colorado River Basins. The latter agreements were authorized by Congress in the Colorado River Drought Contingency Plan Authorization Act (P.L. 116-14). The DCPs required reduced Lower Basin water deliveries tied to specified storage levels, committed Reclamation to additional water conservation efforts, and put in place plans to coordinate Upper Basin operations to enhance Lake Powell storage levels and prevent the loss of hydropower generation.

The hydrologic outlook for the Colorado River Basin has deteriorated further since passage of the DCPs, and there remains widespread concern about the basin's long-term water supply. On June 14, 2022, Reclamation called for basin states to conserve an additional 2-4 MAF of water in 2023; this could lead to further reduced deliveries to contractors in the near term. In addition to short-term water management, longer-term questions facing decisionmakers include whether to renew and/or amend basin water management agreements (including the DCPs) prior to their expiration in 2026. Some worry that the current convergence of basin issues could result in the basin's first-ever compact call (i.e., an attempt to force deliveries of Colorado River water).

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## **Congressional Role**

Congress plays a multifaceted role in federal management of the Colorado River Basin. Congress funds and oversees management of basin facilities and has held oversight hearings on drought in the basin and elsewhere. Congress also has enacted legislation involving allocation of Colorado River waters (e.g., authorization of Indian water rights settlements; new water storage facilities) and authorities to mitigate water shortages (i.e., the DCPs and other related efforts). Further, Congress may consider amending, extending, or repealing these authorities or addressing the sufficiency of funding to combat long-term water shortages. Most recently, in Section 50233 of P.L. 117-169 (popularly known as the Inflation Reduction Act), Congress provided \$4.0 billion for drought mitigation in the West, with priority given to Colorado River Basin activities.

## Contents

Introduction .....	1
The Law of the River: Foundational Documents and Programs .....	3
Colorado River Compact.....	4
Boulder Canyon Project Act.....	5
Arizona Ratification and <i>Arizona v. California</i> Decision .....	5
1944 U.S.-Mexico Water Treaty.....	6
Upper Basin Compact and Colorado River Storage Project Authorizations .....	6
Water Storage and Operations .....	8
Annual Operations .....	9
Recent Conditions.....	10
Mitigating the Environmental Effects of Colorado River Basin Development.....	11
Salinity Control .....	11
Endangered Species Efforts and Habitat Improvements .....	12
Upper Colorado Endangered Fish Recovery Program.....	12
San Juan River Basin Recovery Implementation Program.....	13
Glen Canyon Dam Adaptive Management Program.....	13
Lower Colorado Multi-Species Conservation Program.....	13
Tribal Water Rights.....	14
Drought and the Supply/Demand Imbalance.....	15
Recent Developments and Agreements .....	17
2003 Quantitative Settlement Agreement .....	18
2004 Arizona Water Settlements Act.....	18
2007 Interim Guidelines/Coordinated Operations for Lake Powell and Lake Mead.....	19
Pilot System Conservation Program .....	20
Minute 319 and Minute 323 Agreements with Mexico.....	21
2019 Drought Contingency Plans .....	21
Upper Basin Drought Contingency Plan.....	21
Lower Basin Drought Contingency Plan .....	23
500+ Plan .....	25
Potential for Additional Curtailments .....	26
Issues for Congress.....	26
Funding and Oversight of Existing Facilities and Programs.....	26
Tribal Water Rights Settlements and Leasing .....	27
Plans for New and Augmented Water Storage, Conveyance.....	27
Drought Contingency Plan Implementation and Future Basin Agreements .....	28

## Figures

Figure 1. Colorado River Basin and U.S. Areas That Import Colorado River Water.....	3
Figure 2. Colorado River Basin Allocations.....	7
Figure 3. Lake Powell and Lake Mead Elevations and Operational Tiers .....	11
Figure 4. Colorado River Flows, Combined Storage at Lakes Mead and Powell, 1999-2022.....	16
Figure 5. U.S. Lower Basin States: Intentionally Created Surplus Balance, 2010-2020 .....	20

Figure 6. Lake Powell End of Month Elevation Projections ..... 23  
Figure 7. Lake Mead End of Month Elevation Projections ..... 25

**Tables**

Table 1. Ten Tribes Study: Tribal Water Rights and Diversions..... 15  
Table 2. Lower Basin Water Delivery Curtailment Volumes Under Existing Agreements ..... 24

**Contacts**

Author Information..... 29

## Introduction

From its headwaters in Colorado and Wyoming to its terminus in the Gulf of California, the Colorado River Basin covers more than 246,000 square miles.<sup>1</sup> The river runs through seven U.S. states (Wyoming, Colorado, Utah, New Mexico, Arizona, Nevada, and California) and Mexico. Pursuant to federal law, the Bureau of Reclamation (Reclamation, part of the Department of the Interior [DOI]) plays a prominent role in the management of the basin's waters. In the Lower Basin (i.e., Arizona, Nevada, and California), Reclamation also serves as *water master* on behalf of the Secretary of the Interior, a role that elevates the status of the federal government in basin water management.<sup>2</sup> The federal role in the management of Colorado River water is magnified by the multiple federally owned and operated water storage and conveyance facilities in the basin, which provide low-cost water and hydropower supplies to water users.

Colorado River water is used primarily for agricultural irrigation and municipal and industrial (M&I) purposes. The river's flow and stored water also are important for power production, fish and wildlife, and recreation, among other uses. A majority (70%) of basin water supplies are used to irrigate 5.5 million acres of land; basin waters also provide M&I water supplies to nearly 40 million people.<sup>3</sup> Much of the area that depends on the river for water supplies is outside of the drainage area for the Colorado River Basin. Storage and conveyance facilities on the Colorado River provide trans-basin diversions that serve areas such as Cheyenne, WY; multiple cities in Colorado's Front Range (e.g., Fort Collins, Denver, Boulder, and Colorado Springs, CO); Provo, UT; Albuquerque and Santa Fe, NM; and Los Angeles, San Diego, and the Imperial Valley in Southern California (**Figure 1**). Colorado River hydropower facilities can provide up to 4,200 megawatts of electrical power per year.<sup>4</sup> The river also provides habitat for a wide range of species, including several federally endangered species. It flows through 7 national wildlife refuges and 11 National Park Service (NPS) units; these and other areas of the river support important recreational opportunities.<sup>5</sup>

Precipitation and runoff in the basin are highly variable. Water conditions on the river depend largely on snowmelt in the basin's northern areas. Observed historical data (1906-2020) show that overall, natural flows in the Colorado River Basin averaged about 14.7 million acre-feet (MAF) annually.<sup>6</sup> Flows have dipped significantly during the current drought, which dates to 2000; natural flows from 2000 to 2020 averaged approximately 12.5 MAF per year.<sup>7</sup> Reclamation has estimated that the 19-year period from 2000 to 2018 was the driest period in more than 100 years of record keeping.<sup>8</sup> The dry conditions are consistent with prior droughts in the basin that were identified through tree ring studies; some of these

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<sup>1</sup> J. C. Kammerer, "Largest Rivers in the United States," USGS Fact Sheet, May 1990, at <https://pubs.usgs.gov/of/1987/ofr87-242/pdf/ofr87242.pdf>.

<sup>2</sup> As discussed in the section, "The Law of the River: Foundational Documents and Programs," the Boulder Canyon Project Act of 1928 made the Secretary of the Interior responsible for the distribution (via contract) of all Colorado River water delivered below Hoover Dam (i.e., the Lower Basin), and authorized such regulations as necessary to enter into these contracts. Subsequent court decisions confirmed the Secretary's power to apportion surpluses and shortages among and within Lower Basin states; this forms the basis for the designation Lower Basin *water master*. No similar authorities and designation have been provided for the Upper Basin.

<sup>3</sup> U.S. Bureau of Reclamation, *Colorado River Basin Water Supply and Demand Study*, p. 4, December 2012, at <https://www.usbr.gov/lc/region/programs/crbstudy/finalreport/index.html>. Hereinafter, Reclamation 2012 Supply/Demand Study.

<sup>4</sup> Reclamation 2012 Supply/Demand Study, p. 3.

<sup>5</sup> Reclamation 2012 Supply/Demand Study, p. 3.

<sup>6</sup> U.S. Bureau of Reclamation, "Colorado River Basin Natural Flow and Salt Data-Current Natural Flow Data 1906-2022," April 2022 24 Month Study, at <https://www.usbr.gov/lc/region/g4000/NaturalFlow/provisional.html>. Hereinafter, "1906-2020 Natural Flows."

<sup>7</sup> 1906-2020 Natural Flows.

<sup>8</sup> U.S. Bureau of Reclamation, *Annual Operating Plan for Colorado River Reservoirs, 2019*, November 20, 2019, p. 8.

droughts lasted for decades.<sup>9</sup> Climate change impacts, including warmer temperatures and altered precipitation patterns, may further increase the likelihood of prolonged drought in the basin.

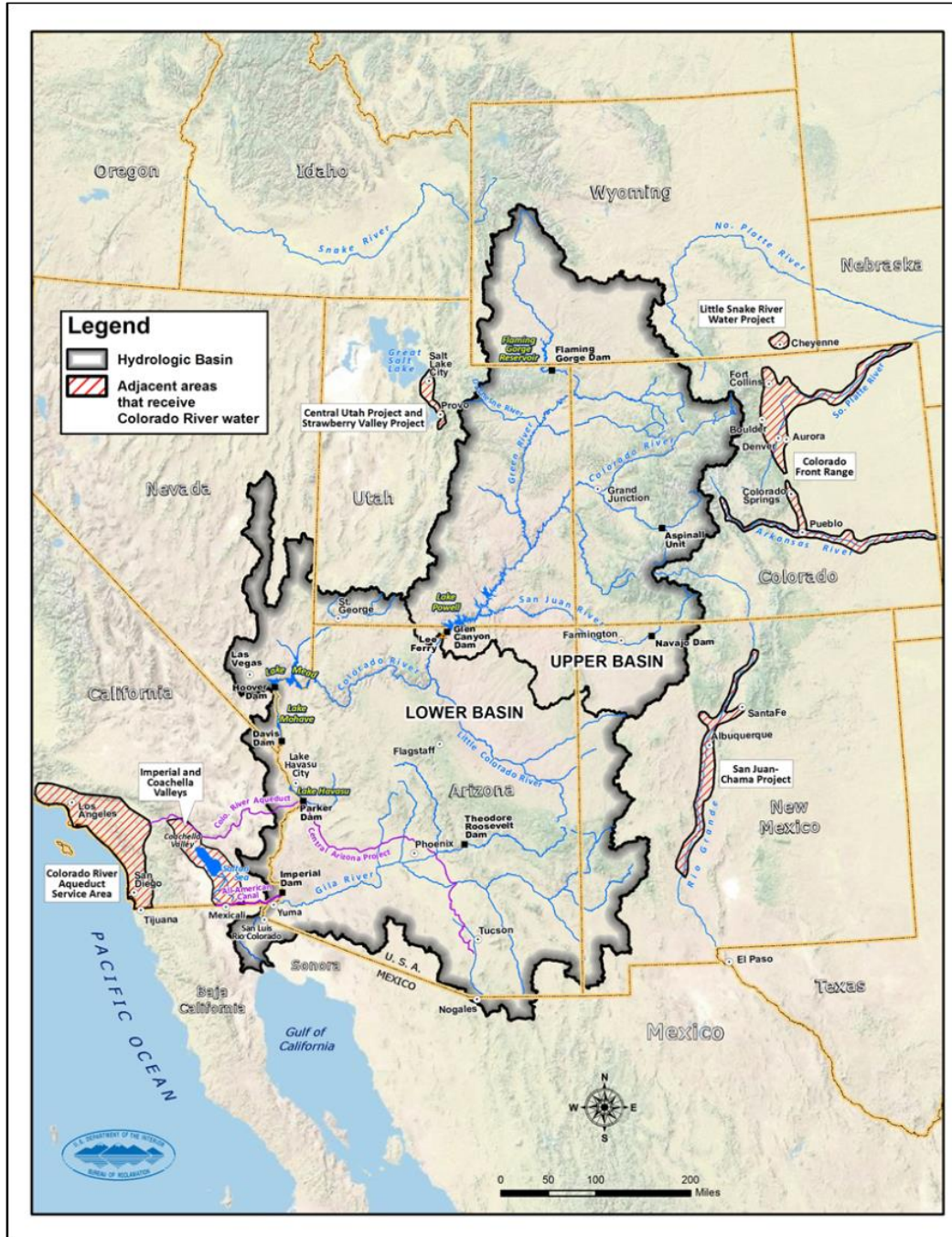
Pursuant to the multiple compacts, federal laws, court decisions and decrees, contracts, and regulatory guidelines governing Colorado River operations (collectively known as the *Law of the River*), Congress and the federal government play a prominent role in the management of the Colorado River. Specifically, Congress funds and oversees Reclamation's management of Colorado River Basin facilities, including facility operations and programs to protect and restore endangered species. Congress has also approved and continues to actively consider Indian water rights settlements involving Colorado River waters, and development of new and expanded water storage in the basin. In addition, Congress has approved funding to mitigate drought and stretch basin water supplies and has considered new authorities for Reclamation to combat drought and enter into agreements with states and Colorado River contractors.

This report provides background on management of the Colorado River, with a focus on recent developments. It also discusses the congressional role in the management of basin waters.

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<sup>9</sup> For additional discussion on historic drought in the Colorado River, see Subhrendu Gangopadhyay, Connie A. Woodhouse, and Gregory J. McCabe, "Tree Rings Reveal Unmatched 2<sup>nd</sup> Century Drought in the Colorado River Basin," *Geophysical Research Letters*, vol. 49, no. 11 (June 2022), at <https://doi.org/10.1029/2022GL098781>.

Figure I. Colorado River Basin and U.S. Areas That Import Colorado River Water



Source: Bureau of Reclamation, *Colorado River Basin Water Supply and Demand Study*, 2012.

## The Law of the River: Foundational Documents and Programs

In the latter part of the 19<sup>th</sup> century, interested parties in the Colorado River Basin began to recognize that local interests alone could not solve the challenges associated with development of the Colorado River.



Plans conceived by parties in California's Imperial Valley to divert water from the mainstream of the Colorado River were thwarted because these proposals were subject to the sovereignty of both the United States and Mexico.<sup>10</sup> The river also presented engineering challenges, such as deep canyons and erratic water flows, and economic hurdles that prevented local or state groups from building the necessary storage facilities and canals to provide an adequate water supply. Because local or state groups could not resolve these "national problems," Congress considered ideas to control the Colorado River and resolve potential conflicts between the states.<sup>11</sup> Thus, in an effort to resolve these conflicts and prevent litigation, Congress gave its consent for the states and Reclamation to enter into an agreement to apportion Colorado River water supplies in 1921.<sup>12</sup>

The below sections discuss the resulting agreement, the Colorado River Compact, and other documents and agreements that form the basis of the Law of the River, which governs Colorado River operations.<sup>13</sup>

## Colorado River Compact

The Colorado River Compact of 1922, negotiated by the seven basin states and the federal government, was signed by all but one basin state (Arizona).<sup>14</sup> Under the compact, the states established a framework to apportion the water supplies between the Upper Basin and the Lower Basin, with the dividing line between the two basins at Lee Ferry, AZ,<sup>15</sup> below the confluence of the Colorado and Paria Rivers near the Utah border.<sup>16</sup> Each basin was apportioned 7.5 MAF annually for beneficial consumptive use, and the Lower Basin was given the right to increase its beneficial consumptive use by an additional 1 MAF annually. The agreement also required that Upper Basin states not deplete more than a total of 75 MAF over any 10-year period (i.e., 7.5 MAF per year), thus allowing for averaging over time to make up for low-flow years.<sup>17</sup> The compact did not address inter- or intrastate allocations of water (which it left to future agreements and legislation), nor did it address water to be made available to Mexico, the river's natural terminus; this matter was addressed in subsequent international agreements. The compact was not to become binding until it had been approved by the legislatures of each of the signatory states and by Congress.

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<sup>10</sup> *Arizona v. California*, 373 U.S. 546 (1963). Hereinafter, *Arizona v. California*.

<sup>11</sup> S. Doc. No. 67-142 (1922). For example, the states in the Upper Basin (Colorado, Wyoming, Utah, and New Mexico), where the majority of the river's runoff originates, feared that a storage facility making water available downstream might form a basis for claims by Lower Basin states (California, Arizona, and Nevada) under prior appropriation doctrine before Upper Basin states could develop means to access their share.

<sup>12</sup> Ch. 72, 42 Stat. 171 (1921). In lieu of litigation, interstate compacts have historically been a preferred means of allocating water among competing uses. Pursuant to the U.S. Constitution, Article I, Section 10, Clause 3, no such compacts can be entered into without the consent of Congress.

<sup>13</sup> The *Law of the River* is the commonly used shorthand for the multiple compacts, federal laws, court decisions and decrees, treaties, contracts, and regulatory guidelines collectively known under this heading.

<sup>14</sup> Because the Colorado River Compact of 1922 did not specify the apportionments for individual states, Arizona initially refused to sign and ratify the agreement out of concern that rapidly growing California would lay claim to most of the Lower Basin's share of water. Arizona eventually signed and ratified the compact in 1944. See below section on "Arizona Ratification and *Arizona v. California* Decision."

<sup>15</sup> *Lee Ferry* is the dividing line between basins designated in the compact. *Lees Ferry* (or *Lee's Ferry*), approximately 1 mile upstream from that point, is the location of the USGS streamgage that has measured flows dating to 1921. After the compact was signed, the Lees Ferry streamgage, along with a gage on the Paria River, became the measurements used to determine compliance with the compact.

<sup>16</sup> Arizona receives water under both the Upper and the Lower Basin apportionments, since parts of the state are in both basins.

<sup>17</sup> As a result, in some years in which Lake Powell inflows are less than 7.5 MAF, less than 7.5 MAF may be available to Lower Basin states.

## Boulder Canyon Project Act

Congress approved and modified the Colorado River Compact in the Boulder Canyon Project Act (BCPA) of 1928.<sup>18</sup> The act ratified the 1922 compact, authorized the construction of a federal facility to impound water in the Lower Basin (Boulder Dam, later renamed Hoover Dam) and related facilities to deliver water in Southern California (e.g., the All-American Canal, which delivers Colorado River water to California's Imperial Valley), and apportioned the Lower Basin's 7.5 MAF per year among the three Lower Basin states. It provided 4.4 MAF per year to California, 2.8 MAF to Arizona, and 300,000 acre-feet (AF) to Nevada, with the states to divide any surplus waters among them. It also directed the Secretary of the Interior to serve as the sole contracting authority for Colorado River water use in the Lower Basin and authorized several storage projects for study in the Upper Basin.

Congress's approval of the compact in the BCPA was conditioned on a number of factors, including ratification by California and five other states (thereby allowing the compact to become effective without Arizona's concurrence), and California agreeing by act of its legislature to limit its water use to 4.4 MAF per year and not more than half of any surplus waters. California met this requirement by passing the California Limitation Act of March 4, 1929.<sup>19</sup>

## Arizona Ratification and *Arizona v. California* Decision

Arizona did not ratify the Colorado River Compact until 1944, at which time the state began to pursue a federal project to bring Colorado River water to its primary population centers in Phoenix and Tucson. California opposed the project, arguing that under the doctrine of prior appropriation,<sup>20</sup> California's historical use of the river trumped Arizona's rights to the Arizona allotment.<sup>21</sup> California also argued that Colorado River apportionments under the BCPA included water developed on Colorado River tributaries, whereas Arizona claimed, among other things, that these apportionments included the river's mainstream waters only.

In 1952, Arizona filed suit in the U.S. Supreme Court to settle the issue. Eleven years later, in the 1963 *Arizona v. California* decision,<sup>22</sup> the Supreme Court ruled in favor of Arizona, finding that Congress had intended to apportion the *mainstream* of the Colorado River and that California and Arizona each would receive one-half of surplus flows.<sup>23</sup> The same Supreme Court decision held that Section 5 of the BCPA controlled the apportionment of waters among Lower Basin States, and that the BCPA (and not the law of prior appropriation) controlled the apportionment of water among Lower Basin states.<sup>24</sup> The ruling was notable for its directive to forgo traditional Reclamation deference to state law under the Reclamation Act of 1902, and formed the basis for the Secretary of the Interior's unique role as *water master* for the Lower

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<sup>18</sup> Boulder Canyon Project Act (BCPA), Ch. 42, 45 Stat. 1057 (1928), codified as amended at 43 U.S.C. 617.

<sup>19</sup> The Department of the Interior also requested that California prioritize its Colorado River rights among users before the Colorado River Compact became effective; the state established priority among these users for water in both "normal" and "surplus" years in the California Seven-Party Agreement, signed in August 1931.

<sup>20</sup> Historically, water in the western United States has been governed by some form of the *rule of prior appropriation*. Under this rule, the party that first appropriates water and puts it to *beneficial use* thereby acquires a vested right to continue to divert and use that quantity of water against claimants junior in time.

<sup>21</sup> Under the BCPA, Arizona and California also were to divide any excess, or surplus, supplies (i.e., amounts exceeding the 7.5 MAF basic apportionment). What was meant by the term *surplus*—and how much water California could claim under this authority—was significant to the arguments in the case.

<sup>22</sup> *Arizona v. California*, 373 U.S. 546 (1963).

<sup>23</sup> *Id.* at 546, 573.

<sup>24</sup> *Id.* at 585-586. This decision gave the Secretary the power to apportion surpluses and shortages among and within Lower Basin states.

Basin.<sup>25</sup> The decision also held that Native American reservations on the Colorado River were entitled to priority under the BCPA.<sup>26</sup> Later decrees by the Supreme Court in 1964 and 1979 supplemented the 1963 decision.<sup>27</sup>

Following the *Arizona v. California* decision, Congress eventually authorized Arizona's conveyance project for Colorado River water, the Central Arizona Project (CAP), in the Colorado River Basin Project Act of 1968 (CRBPA).<sup>28</sup> As a condition for California's support of the project, Arizona agreed that, in the event of shortage conditions, California's 4.4 MAF has priority over CAP water supplies.

## 1944 U.S.-Mexico Water Treaty<sup>29</sup>

In 1944, the United States signed a water treaty with Mexico (1944 U.S.-Mexico Water Treaty) to guide how the two countries share the waters of the Colorado River.<sup>30</sup> The treaty established water allocations for the two countries and created a governance framework (the International Boundary and Water Commission) to resolve disputes arising from the treaty's execution. The treaty requires the United States to provide Mexico with 1.5 MAF of Colorado River water annually, plus an additional 200,000 AF when a surplus is declared. During drought, the United States may reduce deliveries to Mexico in similar proportion to reductions of U.S. consumptive uses. The treaty has been supplemented by additional agreements between the United States and Mexico, known as *minutes*, regarding matters related to the treaty's execution and interpretation.<sup>31</sup>

## Upper Basin Compact and Colorado River Storage Project Authorizations

Projects originally authorized for study in the Upper Basin under BCPA were not allowed to move forward until the Upper Basin states determined their individual water allocations, which they did under the Upper Colorado River Basin Compact of 1948. The Upper Basin Compact established Colorado (where the largest share of runoff to the river originates) as the largest entitlement holder in the Upper Basin, with rights to 51.75% of any Upper Basin flows after Colorado River Compact obligations to the Lower Basin have been met. Other states also received percentage-based allocations, including Wyoming

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<sup>25</sup> Pursuant to Section 8 of the Reclamation Act of 1902 (32 Stat. 388), Reclamation is not to interfere with state laws, "relating to the control, appropriation, use, or distribution of water used in irrigation" and that "the Secretary of the Interior, in carrying out provisions of the Act, shall proceed in conformance with such laws."

<sup>26</sup> Indian reserved water rights were first recognized by the Supreme Court in *Winters v. United States* in 1908. *Winters v. United States*, 207 U.S. 564, 575-77 (1908). Under the *Winters* doctrine, when Congress reserves land (i.e., for an Indian reservation), it implicitly reserves water sufficient to fulfill the purpose of the reservation. Because the establishment of Indian reservations (and, therefore, of Indian water rights) generally predated large-scale development of water resources for non-Indian users, the water rights of tribes often are senior to those of non-Indian water rights. For more information on the resulting settlements, see below section on "Tribal Water Rights" and CRS Report R44148, *Indian Water Rights Settlements*, by Charles V. Stern.

<sup>27</sup> *Arizona v. California*, 376 U.S. 340, 341 (1964). The 1964 decree determined, among other things, that all water in the mainstream of the Colorado River below Lee Ferry and within the United States would be "water controlled by the United States" and that the Secretary would release water under only three types of designations for a year: "normal, surplus, and shortage." The 1979 supplemental decree determined the present perfected rights of various parties in the Lower Basin.

<sup>28</sup> Colorado River Basin Project Act of 1968, P.L. 90-537.

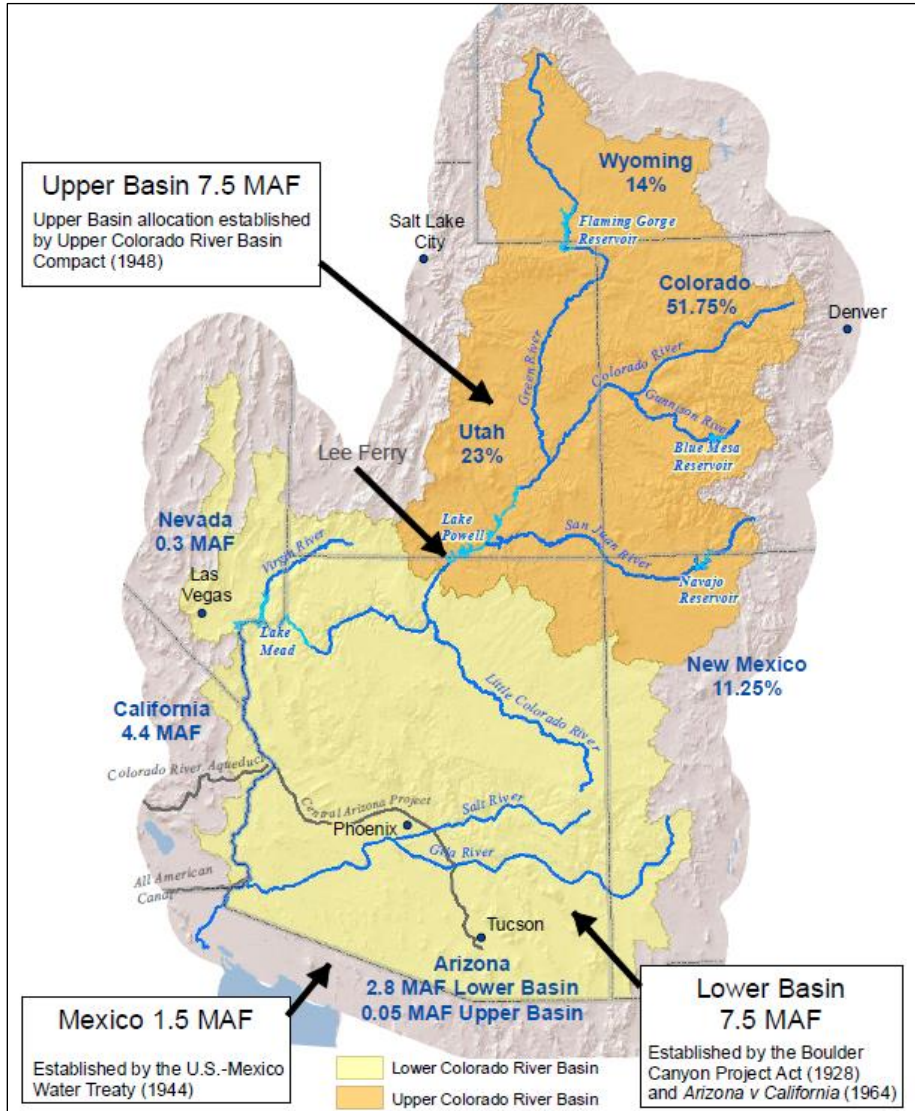
<sup>29</sup> For more information on the 1944 U.S.-Mexico Water Treaty and Colorado River water sharing issues with Mexico, see CRS Report R45430, *Sharing the Colorado River and the Rio Grande: Cooperation and Conflict with Mexico*.

<sup>30</sup> The treaty also included water-sharing provisions relating to the Lower Rio Grande and Tijuana Rivers. See Treaty Between the United States of America and Mexico Respecting Utilization of Waters of the Colorado and Tijuana Rivers and of the Rio Grande, U.S.-Mex., February 3, 1944, 59 State. 1219, at [https://www.ibwc.gov/Treaties\\_Minutes/treaties.html](https://www.ibwc.gov/Treaties_Minutes/treaties.html). Mexico ratified it on October 16, 1945 and the United States ratified the treaty on November 1, 1945. It became effective on November 8, 1945.

<sup>31</sup> The complete list of minutes is available at [https://www.ibwc.gov/Treaties\\_Minutes/Minutes.html](https://www.ibwc.gov/Treaties_Minutes/Minutes.html). For more information on recent minutes, see section, "Minute 319 and Minute 323 Agreements with Mexico."

(14%), New Mexico (11.25%), and Utah (23%).<sup>32</sup> Arizona was allocated 50,000 AF in addition to its Lower Basin apportionment, in recognition of the small portion of the state in the Upper Basin. **Figure 2** shows basin allocations by state following approval of the Upper Basin Compact (i.e., the allocations that generally guide current water deliveries). The Upper Basin Compact also established the Upper Colorado River Commission, an interstate administrative water agency charged with administering the provisions of the Upper Basin Compact.<sup>33</sup>

**Figure 2. Colorado River Basin Allocations**  
(shown as percentage of allocation or million acre-feet [MAF])



**Source:** Figure by the Congressional Research Service (CRS), using data from USGS, ESRI Data & Maps, 2017, Central Arizona Project, and ESRI World Shaded Relief Map.

<sup>32</sup> There was uncertainty about how much water would remain in the Upper Basin after Colorado River Compact obligations to Lower Basin states were fulfilled. Therefore, outside of 50,000 AF provided annually to Arizona, the Upper Basin Compact includes apportionments in terms of percentage of the overall Upper Basin allocation.

<sup>33</sup> For more information, see Upper Colorado River Commission, “About the UCRC,” at <http://www.ucrccommission.com/about-us/>.

**Notes:** Although both the Upper and Lower Basins were each allocated 7.5 MAF, there was uncertainty about how much water would remain in the Upper Basin after Colorado River Compact obligations to Lower Basin states were fulfilled. Therefore, outside of 50,000 AF provided annually to Arizona, the Upper Basin Compact includes apportionments in terms of percentage of the overall Upper Basin allocation.

Subsequent federal legislation paved the way for development of Upper Basin allocations. The Colorado River Storage Project (CRSP) Act of 1956 authorized storage reservoirs and dams in the Upper Basin, including the Glen Canyon, Flaming Gorge, Navajo, and Curecanti Dams. The act also established the Upper Colorado River Basin Fund, which receives revenues collected in connection with the projects, to be made available for defraying the project's costs of operation, maintenance, and emergency expenditures.

In addition to the aforementioned authorization of CAP in Arizona, the 1968 CRBPA amended CRSP to authorize several other Upper Basin projects (e.g., the Animas La Plata and Central Utah projects) as CRSP *participating projects*. It also directed that the Secretary of the Interior propose operational criteria for Colorado River Storage Project units (including the releases of water from Lake Powell) that prioritize (1) treaty obligations to Mexico, (2) the Colorado River Compact requirement for the Upper Basin to not deplete more than 75 MAF to Lower Basin states over any 10-year period (i.e., 7.5 MAF per year), and (3) carryover storage to meet these needs. The CRBPA also established the Upper Colorado River Basin Fund and the Lower Colorado River Basin Development Fund, both of which were authorized to utilize revenues from power generation from relevant Upper and Lower Basin facilities to fund certain expenses in the sub-basins.<sup>34</sup>

## Water Storage and Operations

Due to the basin's large water storage projects, water users are able to store as much as 60 MAF, or about four times the Colorado River's annual flows. Thus, storage and operations in the basin receive considerable attention, particularly at the basin's two largest dams and their storage reservoirs: Glen Canyon Dam/Lake Powell in the Upper Basin (26.2 MAF of storage capacity) and Hoover Dam/Lake Mead in the Lower Basin (26.1 MAF of storage capacity). The status of these projects is of interest to basin stakeholders and observers and is monitored closely by Reclamation.

Glen Canyon Dam, completed in 1963, serves as the linchpin for Upper Basin storage and regulates flows from the Upper Basin to the Lower Basin, pursuant to the Colorado River Compact. It also generates approximately 3,640 gigawatt hours (GWh) of electricity per year, which the Western Area Power Administration (WAPA) supplies to 5.8 million customers in Upper Basin States.<sup>35</sup> Other significant storage in the Upper Basin includes the initial "units" of the CRSP: the Aspinall Unit in Colorado (including Blue Mesa, Crystal, and Morrow Point dams on the Gunnison River, with combined storage capacity of more than 1 MAF),<sup>36</sup> the Flaming Gorge Unit in Utah (including Flaming Gorge Dam on the Green River, with a capacity of 3.78 MAF), and the Navajo Unit in New Mexico (including Navajo Dam on the San Juan River, with a capacity of 1 MAF). The Upper Basin is also home to 16 participating

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<sup>34</sup> Basin-wide operational commitments on the Colorado River were established in the 1970 Criteria for Coordinated Long-Range Operation of Colorado River Reservoirs, which coordinated the operation of reservoirs in the Upper and Lower Basins, including releases from Lake Powell and Lake Mead. These operating instructions have been modified by more recent operational agreements intended to mitigate the effects of long-term drought.

<sup>35</sup> Western Area Power Administration, CRSP MC at a Glance, FY2020," at <https://www.wapa.gov/newsroom/FactSheets/Documents/CRSP-at-a-glance.pdf>.

<sup>36</sup> The Curecanti Unit was renamed the Aspinall Unit in 1980 in honor of U.S. Representative Wayne N. Aspinall of Colorado.

projects, which are authorized to use water for irrigation, municipal and industrial uses, and other purposes.<sup>37</sup>

In the Lower Basin, Hoover Dam, completed in 1936, provides the majority of the Lower Basin's storage and generates about 4 billion KWh of electricity per year for customers in California, Arizona, and Nevada.<sup>38</sup> Also important for Lower Basin Operations are Davis Dam/Lake Mohave, which regulates flows to Mexico under the 1944 Treaty, and Parker Dam/Lake Havasu, which impounds water for diversion into the Colorado River Aqueduct (thereby allowing for deliveries to urban areas in southern California) and CAP (allowing for diversion to users in Arizona). Further downstream on the Arizona/California border, Imperial Dam (a diversion dam) diverts Colorado River water to the All-American Canal for use in California's Imperial and Coachella Valleys.

## Annual Operations

Reclamation monitors Colorado River reservoir levels and projects them 24 months into the future in monthly studies (called *24-month studies*).<sup>39</sup> The studies take into account forecasted hydrology, reservoir operations, and diversion and consumptive use schedules to model a single scenario of reservoir conditions. The studies inform operating decisions by Reclamation looking one to two years into the future. They express water storage conditions at Lake Mead and Lake Powell in terms of elevation, as feet (ft) above mean sea level.

In addition to the 24-month studies, the CRBPA requires the Secretary to transmit to Congress and the governors of the basin states, by January 1 of each year, a report describing the actual operation for the preceding water year and the projected operation for the coming year. This report is commonly referred to as the *annual operating plan* (AOP). The AOP's projected January 1 water conditions for the upcoming calendar year establish a baseline for future annual operations.<sup>40</sup>

Since the adoption of new operational guidelines by Reclamation and basin states in 2007 (see below section, "2007 Interim Guidelines"), operations of the Hoover and Glen Canyon Dams have been tied to specific pool elevations at Lake Mead and Lake Powell (**Figure 3**). For Lake Mead, the first level of shortage (a *Level One Shortage Condition*) in the 2007 guidelines, under which Arizona and Nevada's allocations are decreased (along with releases to Mexico), is triggered if Lake Mead falls below 1,075 feet. For Lake Powell, releases under tiered operations are based on storage levels in both Lake Powell and Lake Mead. Drought contingency plans (DCPs) for the Upper and Lower Basins, enacted in 2019, overlaid additional efforts that tied operational changes to elevations in both reservoirs. For Lake Mead, this included additional triggers for curtailments beyond those established in 2007.<sup>41</sup> For Lake Powell, the Upper Basin DCP incorporated a Drought Response Operations Agreement (DROA) that established a target lake elevation of 3,525 feet and provided for altered releases from Glen Canyon Dam and Upper Basin reservoirs to protect Lake Powell from falling below an elevation that would no longer produce

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<sup>37</sup> In total, 16 of the 22 Upper Basin projects authorized as part of CRSP have been developed. (Of the six remaining projects, five were determined by Reclamation to be infeasible, and one project—the Pine River Extension Project—had its authorization deleted by Congress.) For a complete list of projects, see <https://www.usbr.gov/uc/rm/crsp/index.html>.

<sup>38</sup> Bureau of Reclamation, "Hoover Dam Frequently Asked Questions and Answers," at <https://www.usbr.gov/lc/hooverdam/faqs/powerfaq.html>, accessed August 3, 2022.

<sup>39</sup> Current 24-month studies, as well as two- and five-year probable projections of Lake Mead and Powell elevations, are available at Bureau of Reclamation, "Colorado River System Projections Overview," <https://www.usbr.gov/lc/region/g4000/riverops/coriver-projections.html>.

<sup>40</sup> Current and historical AOPs are available at Bureau of Reclamation, "Annual Operating Plan for Colorado River Reservoirs," <https://www.usbr.gov/uc/water/rsvrs/ops/aop/>.

<sup>41</sup> For example, a new set of curtailments for Nevada and Arizona at lake elevations up to 1,090 feet (*Tier Zero*) was added pursuant to the 2019 DCP for the Lower Colorado River Basin.

hydropower. These efforts are discussed more in the below section “Recent Developments and Agreements”.”

## **Recent Conditions**

Based on low water storage levels in 2021 and 2022, Reclamation announced Lower Colorado River Basin delivery curtailments for Arizona and Nevada, in accordance with previous plans. In August 2021, Reclamation declared the first-ever Level One Shortage Condition for the Lower Basin.<sup>42</sup> In August 2022, Reclamation announced the first-ever Level Two Shortage, which resulted in additional water supply delivery cutbacks.<sup>43</sup> In March 2022, Lake Powell fell below the target elevation of 3,525 feet for the first time since the late 1960s.<sup>44</sup>

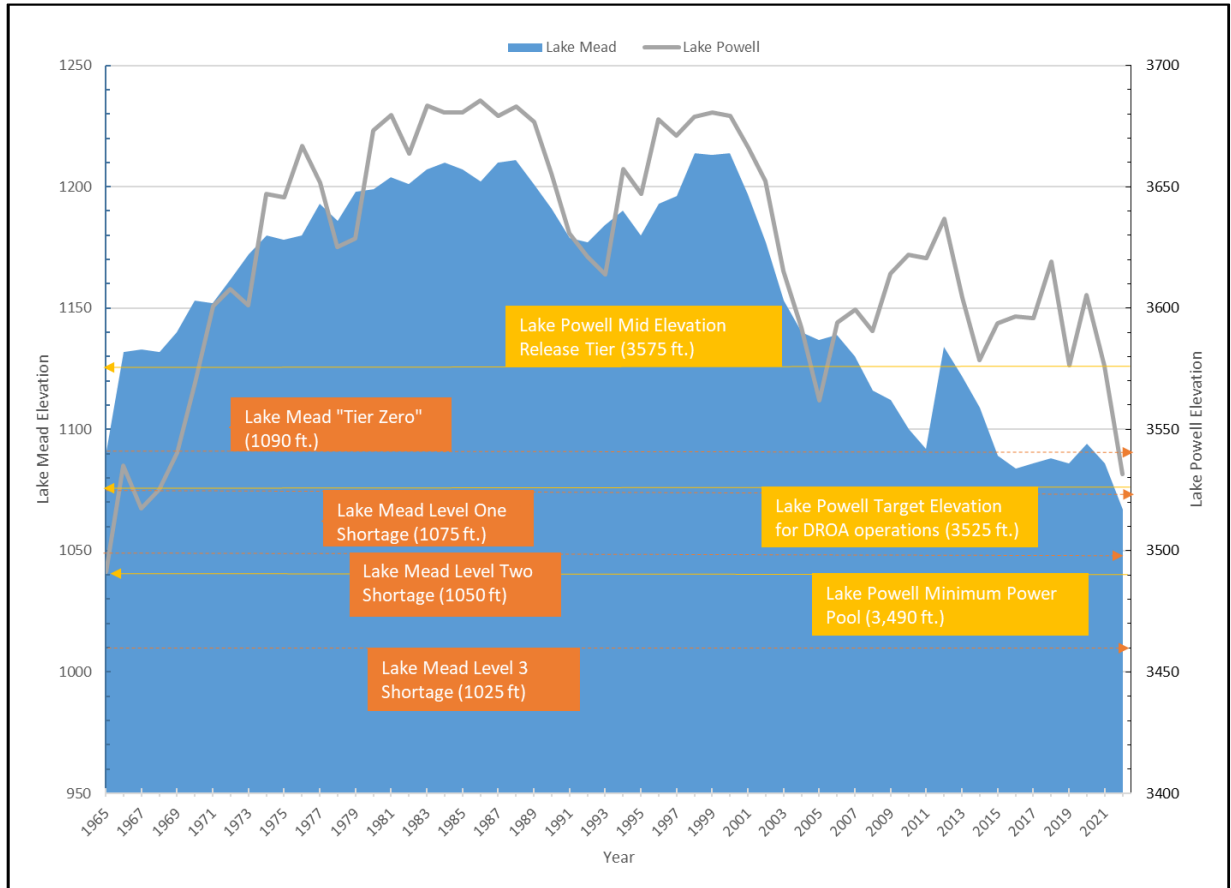
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<sup>42</sup> Bureau of Reclamation, “Reclamation Announces 2022 Operating Conditions for Lake Powell and Lake Mead,” press release, August 16, 2021, at <https://www.usbr.gov/newsroom/#/news-release/3950>. Hereinafter, Reclamation, August 2021 press release.

<sup>43</sup> Bureau of Reclamation, “Interior Department Announces Actions to Protect Colorado River System, Sets 2023 Operating Conditions for Lake Powell and Lake Mead,” press release, August 16, 2022, at <https://www.usbr.gov/newsroom/news-release/4294>.

<sup>44</sup> Bureau of Reclamation, “Lake Powell to Temporarily Decline Below 3,525 Feet,” press release, March 4, 2022, at <https://www.usbr.gov/newsroom/#/news-release/4117>. 3,525 feet is established as a target because it is 35 feet above 3,490 feet, or the level at which power production would cease.

**Figure 3. Lake Powell and Lake Mead Elevations and Operational Tiers**  
(as of January 2022)



**Source:** Figure by CRS, based on Bureau of Reclamation 24-month study data (<https://www.usbr.gov/uc/water/crsp/studies/>) and information in the 2007 Interim Guidelines and the 2019 Drought Contingency Plan for the Lower Basin.

**Notes:** DROA= Upper Colorado River Basin Drought Response Operations Agreement. Depicts January 1 elevations for each year.

## Mitigating the Environmental Effects of Colorado River Basin Development

Construction of most of the Colorado River’s water supply infrastructure predated major federal environmental protection statutes, such as the National Environmental Policy Act (NEPA; 42 U.S.C. §§4321 *et seq.*) and the Endangered Species Act (ESA; 87 Stat. 884, 16 U.S.C. §§1531-1544). Thus, many of the environmental impacts associated with the development of basin resources were not originally taken into account. Over time, multiple efforts have been initiated to mitigate these effects. Some of the highest-profile efforts have been associated with water quality (in particular, salinity control) and the effects of facility operations on endangered species.

### Salinity Control

Salinity and water quality are longstanding issues in the Colorado River Basin. Parts of the Upper Basin are covered by salt-bearing shale (which increases salt content in water inflows), and salinity content



increases as the river flows downstream due to both natural leaching and return flows from agricultural irrigation. The 1944 U.S.-Mexico Water Treaty did not set water quality or salinity standards in the Colorado River Basin. However, after years of dispute between the United States and Mexico regarding the salinity of the water reaching Mexico's border, the two countries reached an agreement on August 30, 1973, with the signing of Minute 242 of the International Boundary and Water Commission.<sup>45</sup> The agreement guarantees Mexico that the average salinity of its treaty deliveries will be no more than 115 parts per million higher than the salt content of the water diverted to the All-American Canal at Imperial Dam in Southern California. To control the salinity of Colorado River water in accordance with this agreement, Congress passed the Colorado River Basin Salinity Control Act of 1974 (P.L. 93-320), which authorized desalting and salinity control facilities to improve Colorado River water quality. The most prominent of these facilities is the Yuma Desalting Plant, which was largely completed in 1992 but has never operated at capacity.<sup>46</sup> In 1974, the seven basin states also established water quality standards for salinity through the Colorado River Basin Salinity Control Forum.<sup>47</sup>

## **Endangered Species Efforts and Habitat Improvements**

Congress enacted the ESA in 1973.<sup>48</sup> As the federal government listed some basin species under ESA in accordance with the act,<sup>49</sup> federal agencies and nonfederal stakeholders consulted with the U.S. Fish and Wildlife Service (FWS) to address the conservation of the listed species. As a result of these consultations, several major programs have been developed to protect and restore endangered fish species on the Colorado River and its tributaries. Summaries of some of the key programs are below.

### **Upper Colorado Endangered Fish Recovery Program**

The Upper Colorado Endangered Fish Recovery Program was established in 1988 to assist in the recovery of four species of endangered fish in the Upper Colorado River Basin.<sup>50</sup> Congress authorized this program in P.L. 106-392. The program is implemented through several stakeholders under a cooperative agreement signed by the governors of Colorado, Utah, and Wyoming; DOI; and the Administrator of WAPA. The recovery goals of the program are to reduce threats to species and improve their status so they are eventually delisted from the ESA. Some of the actions taken in the past include providing adequate instream flows for fish and their habitat, restoring habitat, reducing nonnative fish, augmenting fish populations with stocked fish, and conducting research and monitoring. Reclamation is the lead federal

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<sup>45</sup> See International Boundary and Water Commission, *Minute 242, Permanent and Definitive Solution to the International Problem of the Salinity of the Colorado River*, August 30, 1973, at [https://www.ibwc.gov/Treaties\\_Minutes/Minutes.html](https://www.ibwc.gov/Treaties_Minutes/Minutes.html).

<sup>46</sup> The Yuma Desalting Plant's limited operations have been due in part to the cost of its operations (desalination can require considerable electricity to operate) and surplus flows in the Colorado River during some years compared to what was expected. In lieu of operating the plant, high-salinity irrigation water has been separated from the United States' required deliveries to Mexico and disposed of through a canal that enters Mexico and discharges into wetlands called the Ciénega de Santa Clara, near the Gulf of California. Whether and how the plant should be operated, and how the impacts on the Ciénega de Santa Clara from the untreated irrigation runoff should be managed, remain topics of some debate in the basin and between Mexico and the United States.

<sup>47</sup> Additional information about the forum and related salinity control efforts is available at Colorado River Basin, Salinity Control Forum, at <https://www.coloradoriversalinity.org/>.

<sup>48</sup> For background information on the Endangered Species Act, see CRS Report R46677, *The Endangered Species Act: Overview and Implementation*.

<sup>49</sup> Several endangered species are found throughout the Colorado River Basin. Some are specifically found in the Colorado River, such as the Razorback sucker (*Xyrauchen texanus*), Bonytail chub (*Gila elegans*), Colorado pikeminnow (*Ptychocheilus Lucius*), and Humpback chub (*Gila cypha*).

<sup>50</sup> For more information, see Upper Colorado River Endangered Fish Recovery Program at <http://www.coloradoriverrecovery.org/uc>.

agency for the program and provides the majority of federal funds for implementation. It is also funded through a portion of Upper Basin hydropower revenues from WAPA; FWS; the states of Colorado, Wyoming, and Utah; and water users, among others.

### **San Juan River Basin Recovery Implementation Program**

The San Juan River Basin Recovery Implementation Program was established in 1992 to assist in the recovery of ESA-listed fish species on the San Juan River, the Colorado's largest tributary.<sup>51</sup> The program is a partnership implemented under a cooperative agreement between the Department of the Interior and the states of Colorado and New Mexico, the Jicarilla Apache Nation, the Navajo Nation, the Southern Ute Indian Tribe, and the Ute Mountain Ute Indian Tribe.<sup>52</sup> It is concerned with the recovery of the Razorback sucker (*Xyrauchen texanus*) and Colorado pikeminnow (*Ptychocheilus Lucius*). Congress authorized this program in P.L. 106-392 with the aim to protect the genetic integrity and population of listed species, conserve and restore habitat (including water quality), reduce nonnative species, and monitor species. The Recovery Program is coordinated by FWS. Reclamation is responsible for operating the Animas-La Plata Project and Navajo Dam on the San Juan River in a way that reduces effects on the fish populations. The program is funded by a portion of revenues from power generation, Reclamation, participating states, and the Bureau of Indian Affairs. Recovery efforts for listed fish are coordinated with the Upper Colorado River Program discussed above.

### **Glen Canyon Dam Adaptive Management Program**

The Glen Canyon Dam Adaptive Management Program was established in 1997 in response to a directive from Congress under the Grand Canyon Protection Act of 1992 (P.L. 102-575) to operate Glen Canyon Dam “in such a manner as to protect, mitigate adverse impacts to, and improve the values for which Grand Canyon National Park and Glen Canyon National Recreation Area were established.”<sup>53</sup> This program uses experiments to determine how water flows affect natural resources south of the dam. Reclamation is in charge of modifying flows for experiments, and the U.S. Geological Survey conducts monitoring and other studies to evaluate the effects of the flows.<sup>54</sup> The results are expected to better inform managers how to provide water deliveries and conserve species. The majority of program funding comes from hydropower revenues generated at Glen Canyon Dam.

### **Lower Colorado Multi-Species Conservation Program**

The Multi-Species Conservation Program (MSCP) is a multistakeholder initiative to conserve 27 species (8 listed under ESA) along the Lower Colorado River while maintaining water and power supplies for farmers, tribes, industries, and urban residents.<sup>55</sup> The MSCP began in 2005 and is planned to last for at least 50 years.<sup>56</sup> The MSCP was created through consultation under ESA. To achieve compliance under ESA, federal entities involved in managing water supplies in the Lower Colorado River Basin met with

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<sup>51</sup> For more information, see U.S. Fish and Wildlife Service, “San Juan River Basin Recovery Implementation Program,” <https://www.fws.gov/southwest/sjrip/>.

<sup>52</sup> It also includes participation by water development interests in Colorado and New Mexico.

<sup>53</sup> For more information, see Bureau of Reclamation, Glen Canyon Dam Adaptive Management Program, “Glen Canyon Dam High Flow Experimental Release,” at <https://www.usbr.gov/uc/progact/amp/ltemp.html>.

<sup>54</sup> Regardless of the status and results of flow experiments, the total annual volume of water released from Glen Canyon Dam remains dictated by the Law of the River, as described above.

<sup>55</sup> The stakeholders include six federal and state agencies, six tribes, and 36 cities and water and power authorities. Stakeholders serve more than 20 million residents in the region, and irrigate 2 million acres of farmland. For more information, see Lower Colorado River Multi-Species Conservation Program at <https://www.lcrmscp.gov/>.

<sup>56</sup> The program was formally authorized by Congress under Subtitle E of Title IX of P.L. 111-11.

resource agencies from Arizona, California, and Nevada; Native American Tribes; environmental groups; and recreation interests to develop a program to conserve species along a portion of the Colorado River. A biological opinion (BiOp) issued by the FWS in 1997 served as a basis for the program. Modifications to the 1997 BiOp were made in 2002, and in 2005, the BiOp was renewed for 50 years. Nonfederal entities received an incidental take permit under Section 10(a) of the ESA for their activities in 2005 and shortly thereafter implemented a habitat conservation plan.

The objective of the MSCP is to create habitat for listed species, augment the populations of species listed under ESA, maintain current and future water diversions and power production, and abide by the incidental take authorizations for listed species under the ESA. The estimated total cost of the program over its lifetime is approximately \$626 million in 2003 dollars (\$903 million in 2019 dollars) and is to be split evenly between Reclamation (50%) and the states of California, Nevada, and Arizona (who collectively fund the remaining 50%).<sup>57</sup> The management and implementation of the MSCP is the responsibility of Reclamation, in consultation with a steering committee of stakeholders.

### **Hydropower Revenues Funding Colorado River Basin Activities**

Hydropower revenues finance a number of activities throughout the Colorado River Basin. In the Lower Basin, the Colorado River Dam fund uses power revenues generated by the Boulder Canyon Project (i.e., Hoover Dam) to fund operational and construction costs for related Reclamation facilities. A separate fund, the Lower Colorado River Basin Development Fund, collects revenues from the Central Arizona Project (CAP), as well as a surcharge on revenues from the Boulder Canyon and Parker-Davis Projects that was enacted under the Hoover Power Plant Act of 1984 (P.L. 98-381). These revenues are available without further appropriation toward defraying CAP operation and maintenance costs, salinity control efforts, and funding for Indian water rights settlements identified under the Arizona Water Settlements Act of 2004 (i.e., funding for water systems of the Gila River Indian Community and the Tohono O'odham Nation, among others). In the Upper Basin, the Upper Colorado River Basin Fund collects revenues from the initial units of the Colorado River Storage Project and funds operation and maintenance expenses, salinity control, the Glen Canyon Dam Adaptive Management Program, and endangered fish studies on the Colorado and San Juan rivers, among other things.

## **Tribal Water Rights**

Twenty-two federally recognized tribes in the Colorado River Basin have quantified water diversion rights that have been confirmed by court decree or final settlement; these rights typically come out of existing state allocations. These tribes collectively possess rights to 2.9 MAF per year of Colorado River water.<sup>58</sup> As of 2015, these tribes typically were using just over half of their quantified rights.<sup>59</sup> Additionally, 13 other basin tribes have reserved water rights claims that have yet to be resolved, although the total potential amount of these claims has not been estimated.<sup>60</sup> Increased water use by tribes with existing water rights, and/or future settlement of claims and additional consumptive use of basin waters by other tribes, is likely to exacerbate the competition for basin water resources.

The potential for increased use of tribal water rights (which, once ratified, are counted toward state-specific allocations where the tribal reservation is located) has been studied in recent years. In 2014,

<sup>57</sup> As of the end of 2021, more than \$381 million had been spent on program implementation. Lower Colorado River Multi-Species Conservation Program, "Implementation and Funding," at [https://www.lcrmscp.gov/about\\_us/implementation\\_and\\_funding](https://www.lcrmscp.gov/about_us/implementation_and_funding). Accessed August 3, 2022.

<sup>58</sup> Reclamation 2012 Supply/Demand Study, Technical Report C, Appendix C9, p. C9-4.

<sup>59</sup> Colorado River Research Group, *Tribes and Water in the Colorado River Basin*, June 2016, at [https://www.usu.edu/colorado-river-research-group/files/crrg\\_tribal\\_water\\_rights.pdf](https://www.usu.edu/colorado-river-research-group/files/crrg_tribal_water_rights.pdf). According to this study, tribal consumptive use in 2015 (including leasing of tribal water to non-tribal entities) totaled 1.7 MAF of the 2.9 MAF in diversion rights.

<sup>60</sup> Colorado River Research Group, *Tribes and Water in the Colorado River Basin*, June 2016, at [https://www.coloradoriverresearchgroup.org/uploads/4/2/3/6/42362959/crrg\\_tribal\\_water\\_rights.pdf](https://www.coloradoriverresearchgroup.org/uploads/4/2/3/6/42362959/crrg_tribal_water_rights.pdf).

Reclamation, working with a group of 10 tribes with significant reserved water rights claims on the Colorado River, initiated a study known as the *10 Tribes Study*.<sup>61</sup> The study, published in 2018, estimated that, cumulatively, the 10 tribes in the study could have reserved water rights (including unresolved claims) to divert nearly 2.8 MAF per year.<sup>62</sup> Of these water rights, approximately 2 MAF per year were confirmed by a court decree or final settlement and an additional 785,273 AF (mostly in the Upper Basin) remained unresolved.<sup>63</sup> The report estimated that, overall, the 10 tribes are diverting (i.e., making use of) almost 1.5 MAF of their 2.8 MAF in resolved and unresolved claims. **Table 1** shows these figures at the basin and sub-basin levels.<sup>64</sup> According to the study, the majority of unresolved claims among the 10 tribes are Upper Basin claims associated with the Ute Tribe in Utah (370,370 AF per year), the Navajo Nation in Utah (314,926 AF), and the Navajo Nation in the Upper Basin in Arizona (77,049 AF).

**Table 1. Ten Tribes Study: Tribal Water Rights and Diversions**

(values in terms of acre-feet per year)

	Current Use Diversions	Reserved/Settled Water Rights	Unresolved Water Rights	Total Estimated Tribal Water Rights
Upper Basin	672,964	1,060,781	762,345	1,823,125
Lower Basin	800,392	952,190	22,928	975,119
<b>Total Basin</b>	<b>1,473,356</b>	<b>2,012,971</b>	<b>785,273</b>	<b>2,798,244</b>

**Source:** U.S. Bureau of Reclamation, Colorado River Ten Tribes Partnership, *Colorado River Basin Ten Tribes Partnership Tribal Water Study*, Study Report, December 2018.

**Note:** Unresolved water rights include claims for potential water rights that have yet to be resolved.

## Drought and the Supply/Demand Imbalance

When the Colorado River Compact was originally approved in 1922, it was assumed based on the historical record that average annual flows on the river were 16.4 MAF per year.<sup>65</sup> According to Reclamation data, from 1906 to 2020, observed historical natural flows on the river at Lee Ferry, AZ—the common point of measurement for observed basin flows—averaged 14.7 MAF annually.<sup>66</sup> Natural flows from 2000 to 2020 (i.e., during the ongoing drought) averaged considerably less than that—12.5 MAF annually.<sup>67</sup> At the same time, consumptive use and losses in the basin have grown since the compact was approved and have regularly exceeded natural flows (in particular during the current drought).<sup>68</sup>

<sup>61</sup> The tribes are the Chemehuevi Indian Tribe, Cocopah Indian Tribe, Colorado River Indian Tribes, Fort Mojave Indian Tribe, Jicarilla Apache Nation, Navajo Nation, Quechan Indian Tribe, Southern Ute Indian Tribe, Ute Indian Tribe, and Ute Mountain Ute Tribe.

<sup>62</sup> U.S. Bureau of Reclamation, Colorado River Ten Tribes Partnership, *Colorado River Basin Ten Tribes Partnership Tribal Water Study*, Study Report, December 2018, p. 5.11-1, at <https://www.usbr.gov/lc/region/programs/crbstudy/tws/finalreport.html>. Hereinafter, *Ten Tribes Study*, 2018.

<sup>63</sup> *Ten Tribes Study*, 2018, pp. 5.11-1-5.11-2.

<sup>64</sup> *Ten Tribes Study*, 2018, p. 5.11-4.

<sup>65</sup> National Research Council, Committee on the Scientific Bases of Colorado River Basin Water Management, Water Science and Technology Board, *Colorado River Basin Water Management: Evaluating and Adjusting to Hydroclimatic Variability*, 2007, at <https://www.nap.edu/read/11857/chapter/1>.

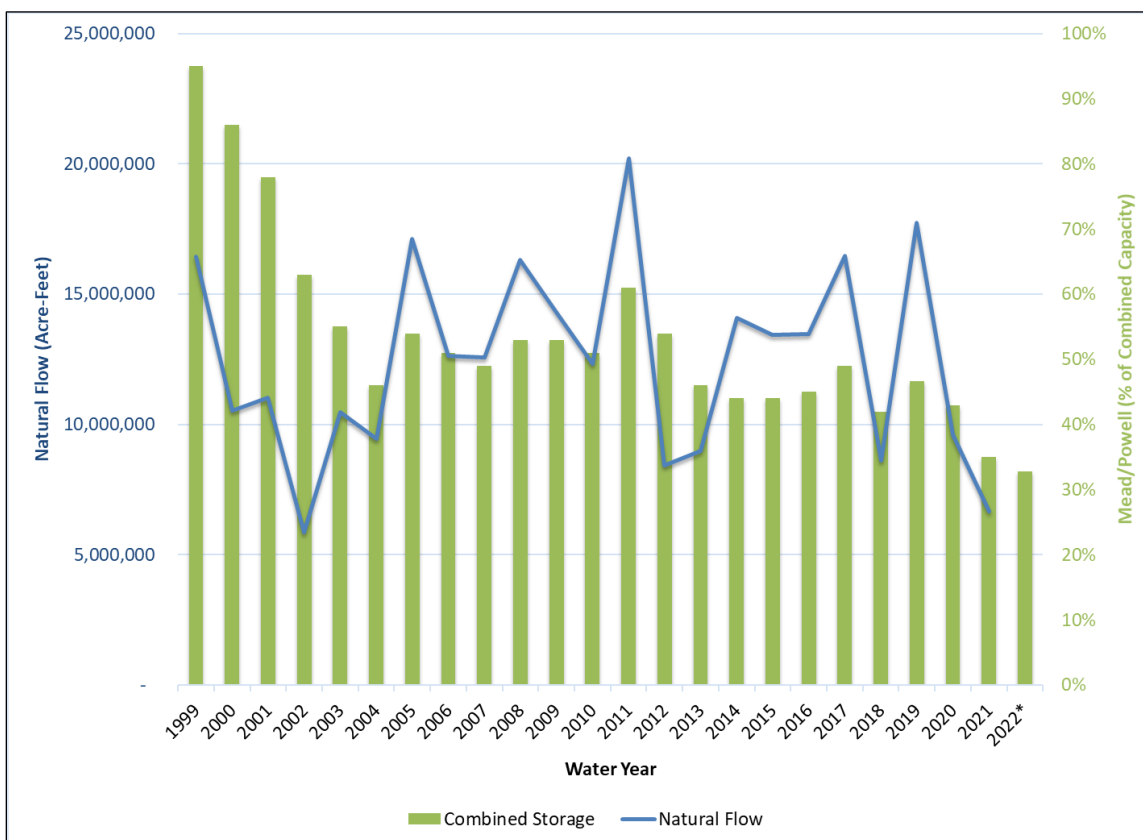
<sup>66</sup> Data available from Bureau of Reclamation, Lower Colorado River Operations, “General Modeling Information,” at <https://www.usbr.gov/lc/region/g4000/riverops/model-info.html>. Hereinafter, Bureau of Reclamation Flow Data.

<sup>67</sup> Bureau of Reclamation Flow Data, 1906-2020.

<sup>68</sup> *Consumptive uses and losses* include reservoir evaporation and other consumptive use losses, which average in excess of 2 MAF per year.

Consumptive use in the basin generally increased from 1971 to 2002 but declined after the 2003 approval of the Quantitative Settlement Agreement (QSA) led to a decrease of consumptive use in the Lower Basin (see below section, “Recent Developments and Agreements”).<sup>69</sup> Despite this development, overall basin consumptive use and other losses continue to exceed natural flows in most years; the resulting “structural deficit” has caused a drawdown of basin storage (Figure 4).

**Figure 4. Colorado River Flows, Combined Storage at Lakes Mead and Powell, 1999-2022**



**Source:** Congressional Research Service, based on Bureau of Reclamation natural flow data (<https://www.usbr.gov/lc/region/g4000/NaturalFlow/provisional.html>) and Annual Operating Plans for Colorado River reservoirs (<https://www.usbr.gov/uc/water/rsvrs/ops/aop/>).

**Note:** Total storage = 52.3 million acre-feet. \*2022 storage reflects conditions as of January 2022.

Observers have noted that Colorado River flows are unlikely to return to 20<sup>th</sup> century averages and that future water supply risk is high.<sup>70</sup> The period from 2000 to 2021 has been the driest 22-year period on record, and the current drought in the basin has resulted in 8 of the 20 driest years on record (1906-2020) having occurred since 2000.<sup>71</sup> Overall, natural flows have declined by approximately 20% over the last

<sup>69</sup> Consumptive use in the Lower Basin (excluding tributaries) was in excess of 8.41 MAF in 2002 but had decreased to 6.79 MAF as of 2020. For more information on consumptive use, see Bureau of Reclamation Consumptive Uses and Losses Reports for 2006-2010, 2011-2015, and 2016-2020. Analysis of 2009-2020 Lower Basin consumptive use data by CRS, based on Bureau of Reclamation Colorado River Water Accounting and Use Reports for 2009-2020. Hereinafter, references to consumptive use data analysis based on these reports are referred to collectively as “CRS Analysis of Colorado River Consumptive Use Data.”

<sup>70</sup> B. Udall and J. Overpeck, “The Twenty-First Century Colorado River Hot Drought and Implications for the Future,” *Water Resources Research*, vol. 53 (February 17, 2017), pp. 2404-2418.

<sup>71</sup> CRS Analysis of Bureau of Reclamation Flow Data.

century, and some studies attribute more than half of this decline to increasing temperatures resulting from climate change.<sup>72</sup> Further complicating the water-supply picture is that potential precipitation increases in the region due to climate change are not expected to counteract drying resulting from rising temperatures.<sup>73</sup> As a result, most research projects an ongoing reduction in flows.

A 2012 study by Reclamation highlighted projected long-term imbalances in supply and demand in the Colorado River Basin.<sup>74</sup> In the study, Reclamation noted that the basin had thus far avoided serious impacts on water supplies due to the significant storage within the system, coupled with the fact that some Upper Basin states have yet to fully develop the use of their allocations.<sup>75</sup> However, Reclamation projected that in the coming half century, flows would continue to decrease, while drought would increase in frequency and duration.<sup>76</sup> At the same time, Reclamation projected that demand for basin water supplies would increase, with annual consumptive use projected to rise from 15 MAF in 2012 to 18.1-20.4 MAF by 2050, depending on population growth.<sup>77</sup> Most of the increase in demand was expected to come from municipal and industrial users.<sup>78</sup>

Reclamation's 2012 study posited several potential ways to alleviate future shortages in the basin, such as alternative water supplies, demand management, drought action plans, water banking, and water transfers/markets. Some of these options already are being pursued. In particular, some states have become increasingly active in banking unused Colorado River surface water supplies, including through groundwater banks or storage of unused surface waters in Lake Mead.

## Recent Developments and Agreements

Drought conditions throughout the basin have raised concerns about potential negative impacts on water supplies. Concerns center on uncertainty that might result if the Secretary of the Interior were to determine that a shortage condition exists in the Lower Basin, and that related curtailments were warranted. Some in Upper Basin States are also concerned about the potential for a *compact call* of Lower Basin states on Upper Basin states.<sup>79</sup> Drought and other uncertainties related to water rights priorities (e.g., potential tribal water rights claims) spurred the development of several efforts that generally attempted to relieve pressure on basin water supplies, stabilize storage levels, and provide assurances of available water supplies. Some of the most prominent developments since the year 2000 (i.e., the beginning of the current drought) are discussed below.

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<sup>72</sup> Milley, P.S.D. and K.A. Dunne, "Colorado River flow dwindles as warming-driven loss," *Science*, vol. 367, no. 6483 (March 13, 2020), pp. 1252-1255. Hereinafter, Milley, 2020. Also see M. Xiao, B. Udall, D. P. Lettenmaier, "On the Causes of Declining Colorado River Streamflows," *Water Resources Research* 54 (2018), pp. 6739-6756.

<sup>73</sup> Milley, 2020.

<sup>74</sup> Reclamation 2012 Supply/Demand Study.

<sup>75</sup> This is largely due to a lack of development in Wyoming (which uses approximately 500,000 acre-feet of its 1 MAF in Colorado River supplies) and Utah (which uses approximately 800,000 acre-feet of its 1.7 MAF in supplies).

<sup>76</sup> Reclamation 2012 Supply/Demand Study, p. 7.

<sup>77</sup> Reclamation 2012 Supply/Demand Study, p. 8. Population growth in central Arizona and on the Front Range of Colorado is expected to comprise the majority of basin population increases.

<sup>78</sup> Reclamation 2012 Supply/Demand Study, *Technical Report C*, p. C-22. The majority of this demand increase was assumed to come from Central Arizona and the Front Range in Colorado.

<sup>79</sup> A *compact call* is the commonly used term for the Lower Basin states' hypothetical attempt to force deliveries of Colorado River water under the compact. For more background, see Anne Castle and John Fleck, "The Risk of Curtailment under the Colorado River Compact," November 20, 2019, at <https://ssrn.com/abstract=3483654>.

## 2003 Quantitative Settlement Agreement

Prior to the 2003 finalization of the QSA, California had been using approximately 5.2 MAF of Colorado River on average each year (with most of its excess water use attributed to urban areas). Under the QSA, an agreement between several California water districts and DOI, California agreed to reduce its use to the required 4.4 MAF under the Law of the River.<sup>80</sup> It sought to accomplish this aim by quantifying Colorado River entitlement levels of several water contractors; authorizing efforts to conserve additional water supplies (e.g., the lining of the All-American Canal); and providing for several large-scale, long-term agriculture-to-urban water transfers. The QSA also committed the state to a path for restoration and mitigation related to the Salton Sea, a water body in Southern California that was historically sustained by Colorado River irrigation runoff from the Imperial and Coachella Valleys.<sup>81</sup>

A related agreement between Reclamation and the Lower Basin states, the Inadvertent Overrun and Payback Policy (IOPP), went into effect concurrently with the QSA in 2004.<sup>82</sup> IOPP is an administrative mechanism that provides an accounting of inadvertent overruns in consumptive use compared to the annual entitlements of water users in the Lower Basin. These overruns must be “paid back” in the calendar year following the overruns, and the paybacks must be made only from “extraordinary conservation measures” above and beyond normal consumptive use.<sup>83</sup>

## 2004 Arizona Water Settlements Act

The 2004 Arizona Water Settlements Act (P.L. 108-451, AWSA) altered the allocation of CAP water in Arizona.<sup>84</sup> It ratified three water rights settlements (one in each title) between the federal government and the State of Arizona, the Gila River Indian Community (GRIC), and the Tohono O’odham Nation, respectively.<sup>85</sup> For the state and its CAP water users, the settlement resolved a final repayment cost for CAP by reducing the water users’ reimbursable repayment obligation from about \$2.3 billion to \$1.65 billion. Additionally, Arizona agreed to new tribal and non-tribal allocations of CAP water so that approximately half of CAP’s annual allotment would be available to Indian tribes in Arizona, at a higher priority than most other uses. The tribal communities were authorized to lease the water, so long as the water remains within the state via the state’s water banking authority. The act authorized funds to cover the cost of infrastructure required to deliver the water to the Indian communities, much of it derived from power receipts accruing to the Lower Colorado River Basin Development Fund. It also authorized funding for the study of a potential New Mexico Unit of CAP.

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<sup>80</sup> California Quantification Settlement Agreement by and Among Imperial Irrigation District, the Metropolitan Water District of Southern California, and Coachella Valley Water District, October 10, 2003.

<sup>81</sup> For more information on the Salton Sea, see CRS Report R46625, *Salton Sea Restoration*.

<sup>82</sup> Bureau of Reclamation, *Record of Decision for the Colorado River Water Delivery Agreement*, October 10, 2003, pp 16-19. Hereinafter, Reclamation, *Colorado River Water Delivery Agreement*.

<sup>83</sup> Reclamation, *Colorado River Water Delivery Agreement*.

<sup>84</sup> P.L. 108-451.

<sup>85</sup> Congress passed the Colorado River Basin Project Act of 1968 and authorized construction of CAP despite significant uncertainty related to tribal water rights related to the Colorado River. The Gila River, Arizona’s largest tributary of the Colorado River, runs directly through the Gila River Indian Community, which encompasses approximately 372,000 acres south of and adjacent to Phoenix. Additionally, the Tohono O’odham Nation possessed reserved water rights near Tucson with the potential to disrupt that city’s water supplies.

## 2007 Interim Guidelines/Coordinated Operations for Lake Powell and Lake Mead

Another development in the basin was the 2007 adoption of the Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (2007 Interim Guidelines). Development of the agreement began in 2005, when, in response to drought in the Southwest and the decline in basin water storage (and a record low point in Lake Powell of 33% active capacity), the Secretary of the Interior instructed Reclamation to develop coordinated strategies for Colorado River reservoir operations during drought or shortages.<sup>86</sup> The resulting guidelines included criteria for releases from Lakes Mead and Powell determined by “trigger levels” in both reservoirs, as well as a schedule of Lower Basin curtailments at different operational tiers (**Table 2**). Under the guidelines, Arizona and Nevada, which have junior rights to California, would face reduced allocations if Lake Mead elevations dropped below 1,075 feet. At the time, it was thought that the 2007 Guidelines would significantly reduce the risk of Lake Mead falling to 1,025 feet.

The 2007 agreement also included for the first time a mechanism by which parties in the Lower Basin were able to store conserved water in Lake Mead, known as Intentionally Created Surplus (ICS). Reclamation accounts for this water annually, and the users storing the water may access the surplus in future years, in accordance with the Law of the River. As of 2020, the portion of Lake Mead water in storage that was classified as ICS was 2.84 MAF (**Figure 5**).<sup>87</sup>

The 2007 guidelines are considered “interim” because they are scheduled to expire in 20 years (i.e., at the end of 2026). Thus, beginning in 2020, Reclamation coordinated a review on the effectiveness of the 2007 guidelines. Reconsultation on the 2007 guidelines also is expected to encompass negotiations related to renewal of the Upper and Lower Basin DCPs, which are an overlay on the 2007 guidelines (see below section, “2019 Drought Contingency Plans”).

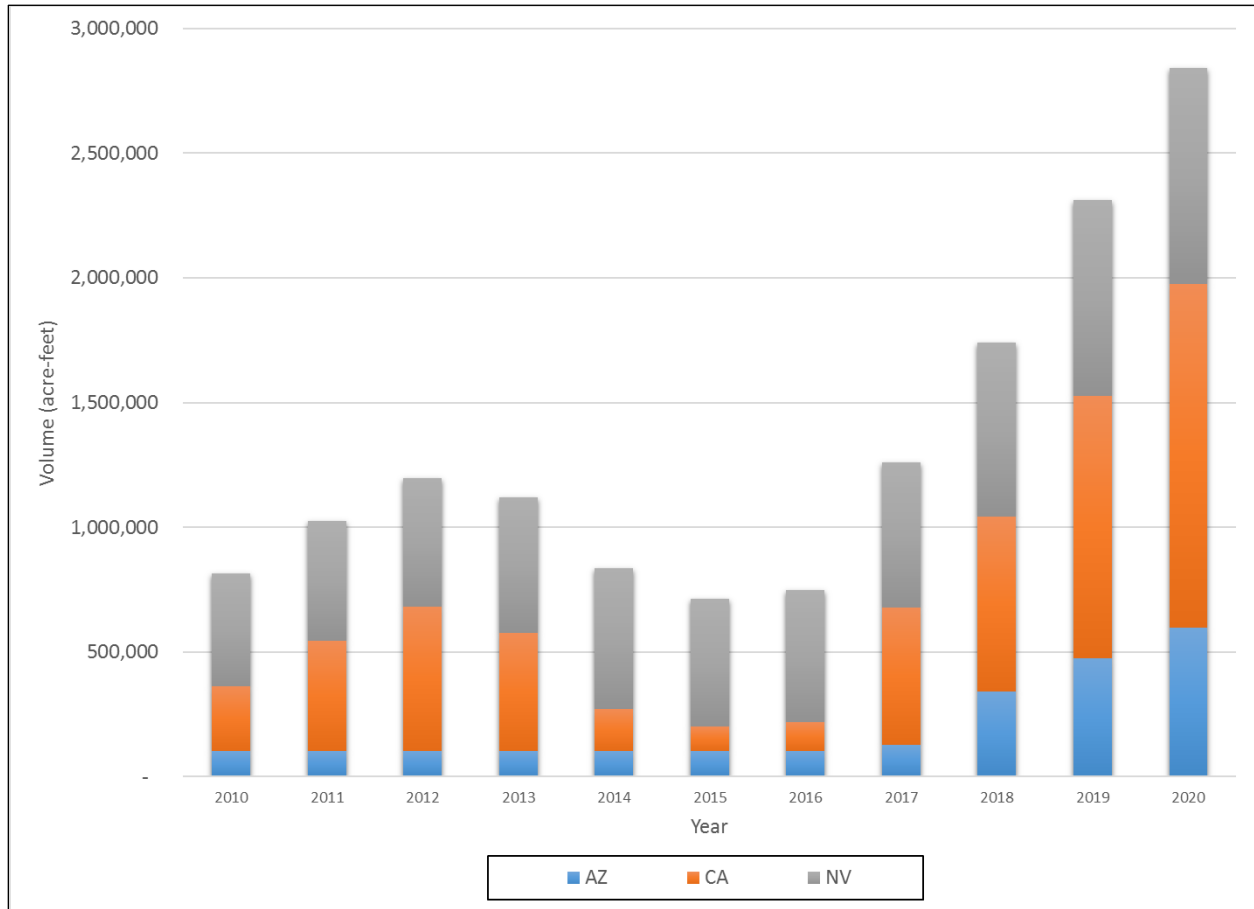
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<sup>86</sup> Prior to this time, the Secretary of the Interior had the authority to declare a shortage, but no shortage criteria had been publicly announced or published. (Criteria for surplus operations were put in place in 2001.)

<sup>87</sup> Bureau of Reclamation, *Colorado River Accounting and Water Use Report, Calendar Year 2020*, at <https://www.usbr.gov/lc/region/g4000/wtracct.html>.



**Figure 5. U.S. Lower Basin States: Intentionally Created Surplus Balance, 2010-2020**



**Source:** Figure by CRS, based on data from Bureau of Reclamation, *Colorado River Accounting and Water Use Report, Calendar Years 2010-2020*, at <https://www.usbr.gov/lc/region/g4000/wtracct.html>.

## Pilot System Conservation Program

In 2014, Reclamation and several major basin water supply agencies (Central Arizona Water Conservation District, Southern Nevada Water Authority, Metropolitan Water District of Southern California, and Denver Water) executed a memorandum of understanding to provide funding for voluntary conservation projects and reductions of water use. These activities had the goal of developing new *system water*,<sup>88</sup> to be applied toward storage in Lake Mead, by the end of 2019.<sup>89</sup> Congress formally authorized federal participation in these efforts in the Energy and Water Development and Related Agencies Appropriations Act, 2015 (P.L. 113-235, Division D), with an initial sunset date for the authority

<sup>88</sup> *System water* refers to water that is provided to increase water supplies as a whole, without being directed toward additional consumptive use for specific contractors or water users.

<sup>89</sup> Agreement Among the United States of America, Through the Department of the Interior, Bureau of Reclamation, the Central Arizona Water Conservation District, the Metropolitan Water District of Southern California, Denver Water, and the Southern Nevada Water Authority, for a Pilot Program for Funding the Creation of Colorado River System Water Through Voluntary Water Conservation and Reductions in Use, Agreement No. 14-XX-30-W0574, July 30, 2014, at <https://www.usbr.gov/lc/region/programs/PilotSysConsProg/PilotSCPFundingAgreement7-30-2014.pdf>.

at the end of FY2018.<sup>90</sup> The Energy and Water Development and Related Agencies Appropriations Act, 2019 (P.L. 115-244, Division A) extended the authority through the end of FY2022, with the stipulation that Upper Basin agreements could not proceed without the participation of the Upper Basin states through the Upper Colorado River Commission.<sup>91</sup> As of September 2019, Reclamation estimated that the Lower Basin program had resulted in a total of 175,347 AF of system water conserved, at an average cost of \$170 per AF.<sup>92</sup> Additional projects also were carried out in the Upper Basin by the Upper Colorado River Basin Commission; these efforts ended in 2018.<sup>93</sup>

## Minute 319 and Minute 323 Agreements with Mexico<sup>94</sup>

In 2017, the United States and Mexico signed Minute 323, which extended and replaced elements of a previous agreement related to implementation of the 1944 U.S.-Mexico Water Treaty, Minute 319, signed in 2012.<sup>95</sup> Minute 323 includes, among other things, options for Mexico to hold water in reserve in U.S. reservoirs for emergencies and water conservation efforts, as well as U.S. commitments for flows to support the ecological health of the Colorado River Delta. It also extended initial Mexican cutback commitments made under Minute 319 (which were similar in structure to the 2007 cutbacks negotiated for Lower Basin states) and established a Binational Water Scarcity Contingency Plan that included additional cutbacks that would be triggered if DCPs are approved by U.S. basin states (see following section, “2019 Drought Contingency Plans”).

## 2019 Drought Contingency Plans

Ongoing drought conditions and the potential for water supply shortages prompted discussions and negotiations focused on how to conserve additional basin water supplies. After several years of negotiations, on March 19, 2019, Reclamation and the Colorado River Basin states finalized DCPs for both the Upper Basin and the Lower Basin. These plans required final authorization by Congress to be implemented. On April 16, 2019, Congress authorized the DCP agreements in the Colorado River Drought Contingency Plan Authorization Act (P.L. 116-14). The DCPs are an overlay of the 2007 Interim Guidelines discussed above, thus similar to the 2007 guidelines; they are scheduled to be in place through 2026. Each of the basin-level DCPs is discussed below in more detail.

## Upper Basin Drought Contingency Plan

The Upper Basin DCP aims to protect against Lake Powell reaching critically low elevations through coordinated Upper Basin reservoir operations; it also authorizes storage of conserved water in the Upper Basin that would serve as the foundation for a water use reduction effort (i.e., a *Demand Management Program*) that may be developed in the future.<sup>96</sup>

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<sup>90</sup> P.L. 113-235, §206.

<sup>91</sup> P.L. 115-244, §205.

<sup>92</sup> Lower Colorado Region, “Pilot System Conservation Program,” at <https://www.usbr.gov/lc/region/programs/PilotSysConsProg/pilotsystem.html>. Accessed August 2, 2022.

<sup>93</sup> For more information, see Upper Colorado River Commission, “System Conservation Pilot Program,” at <http://www.ucrcommission.com/system-conservation-pilot-program/>.

<sup>94</sup> For more information on the 1994 U.S.-Mexico Water Treaty and Colorado River water sharing issues with Mexico, see CRS Report R45430, *Sharing the Colorado River and the Rio Grande: Cooperation and Conflict with Mexico*, by Nicole T. Carter, Stephen P. Mulligan, and Charles V. Stern.

<sup>95</sup> The text of these minutes is available from the International Boundary and Water Commission at [https://www.ibwc.gov/Treaties\\_Minutes/Minutes.html](https://www.ibwc.gov/Treaties_Minutes/Minutes.html).

<sup>96</sup> While such a mechanism exists for the Lower Basin, a comparable program has not been developed in the Upper Basin.

Under the Upper Basin DCP’s Drought Response Operations Agreement (DROA), the Upper Basin states agree to operate system units to keep the surface of Lake Powell above 3,525 feet, which is 35 feet above “minimum power pool” (i.e., the minimum elevation needed to run the dam’s hydroelectric plant). Under DROA, the two main mechanisms to do this are altering the timing of releases from Glen Canyon Dam and operating “initial unit” reservoirs on the mainstem of the Colorado River (e.g., Navajo Reservoir, Blue Mesa Reservoir, and Flaming Gorge Reservoir) to protect Lake Powell elevations, potentially through storage drawdown. Operational changes may occur either through DROA’s emergency provisions, which allow the Secretary of the Interior to make supplemental water deliveries at his or her discretion (after consultation with basin states), or through a planning process establishing formal triggers for Upper Basin water deliveries to Lake Powell, based on agreed-upon hydrological targets.

The other primary component of the Upper Basin DCP, the Upper Basin DCP Demand Management Program, has yet to be formally established. It would entail willing seller/buyer agreements allowing for temporary paid reductions in water use that would provide for more storage volume in Lake Powell. As noted, the Upper Colorado River Commission operated an Upper Basin System Conservation Pilot Program from 2015 to 2018; that program compensated water users for temporary, voluntary efforts that resulted in additional water conserved in Lake Powell. A future Demand Management Program may expand on some of those efforts.

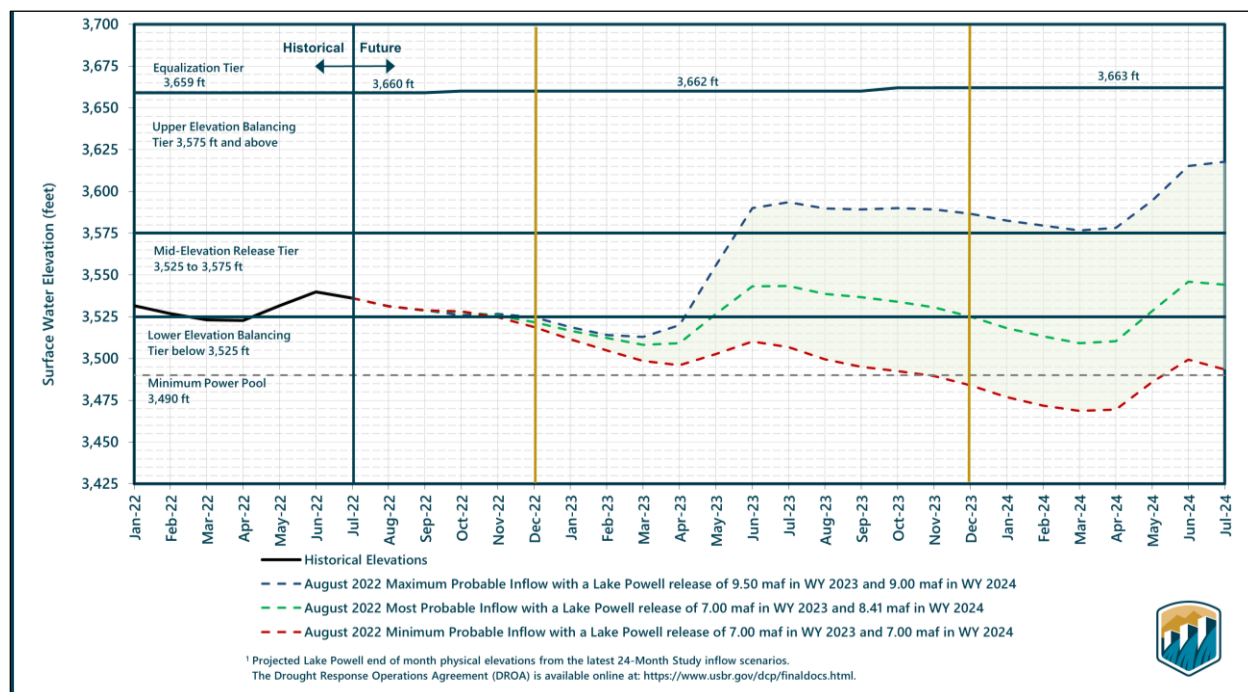
Due to falling lake levels, Reclamation implemented drought response operations under DROA that led to reduced storage in other Upper Basin mainstem reservoirs in 2021 and 2022.<sup>97</sup> Separately, Reclamation also began planning efforts under DROA, known as the *Drought Response Operations Plan*, and released a draft plan in early 2022.<sup>98</sup> These efforts are expected to supplement Lake Powell storage, although the exact magnitude is uncertain and there remains a possibility of the lake level dropping to minimum power pool by 2024 (**Figure 6**).

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<sup>97</sup> For example, in 2021, 180,000 AF was transferred to Lake Powell from Flaming Gorge Reservoir (125,000 AF), Blue Mesa Reservoir (36,000 AF), and Navajo Reservoir (20,000 AF).

<sup>98</sup> For more information, see Reclamation, Colorado River Basin Drought Contingency Plans, at “Drought Response Operations Agreement,” at <https://www.usbr.gov/dcp/droa.html>.

**Figure 6. Lake Powell End of Month Elevation Projections**  
(August 2022 24-month study inflow scenarios)



**Source:** U.S. Bureau of Reclamation, “24-Month Study Projections,” August 2022, at <https://www.usbr.gov/lc/region/g4000/riverops/24ms-projections.html>.

**Notes:** WY=Water Year. DROA= Drought Response Operations Agreement.

## Lower Basin Drought Contingency Plan

The Lower Basin DCP is designed to require Arizona, California, and Nevada to curtail deliveries and thereby contribute additional water to Lake Mead storage at predetermined “trigger” elevations. It is also designed to create additional flexibility to incentivize voluntary conservation of water to be stored in Lake Mead, thereby increasing lake levels. Under the DCP, Nevada and Arizona (which were already set to have their supplies curtailed beginning at 1,075 feet under the 2007 Interim Guidelines) have committed to contributing additional supplies to maintain higher lake levels (i.e., beyond previous commitments). These reductions begin at 1,090 feet and would reach their maximums when reservoir levels drop below 1,045 feet. At the same time, the Lower Basin DCP includes—for the first time—delivery cutbacks for California. These curtailments begin with a 200,000 AF delivery reduction at Lake Mead elevations of 1,040-1,045 feet and would increase by 50,000 AF for each additional 5 foot drop in Lake Mead elevation, to as much as 350,000 AF at elevations of 1,025 feet or lower.

The curtailments in the Lower Basin DCP are in addition to those agreed to under the 2007 Interim Guidelines and under Minute 323 with Mexico. Specific and cumulative reductions are shown in **Table 2**. In addition to the state-level reductions, under the Lower Basin DCP, Reclamation also agreed to pursue efforts to add 100,000 AF or more of “system water” within the basin. Some of the largest and most controversial reductions under the Lower Basin DCP were committed to by Arizona, where pursuant to previous changes under the 2004 AWSA, a large group of agricultural users face major cutbacks to their CAP water supplies. The Tier Zero Arizona curtailment of 192,000 AF at Tier Zero represents a 12% reduction in CAP water supplies.

**Table 2. Lower Basin Water Delivery Curtailment Volumes Under Existing Agreements**

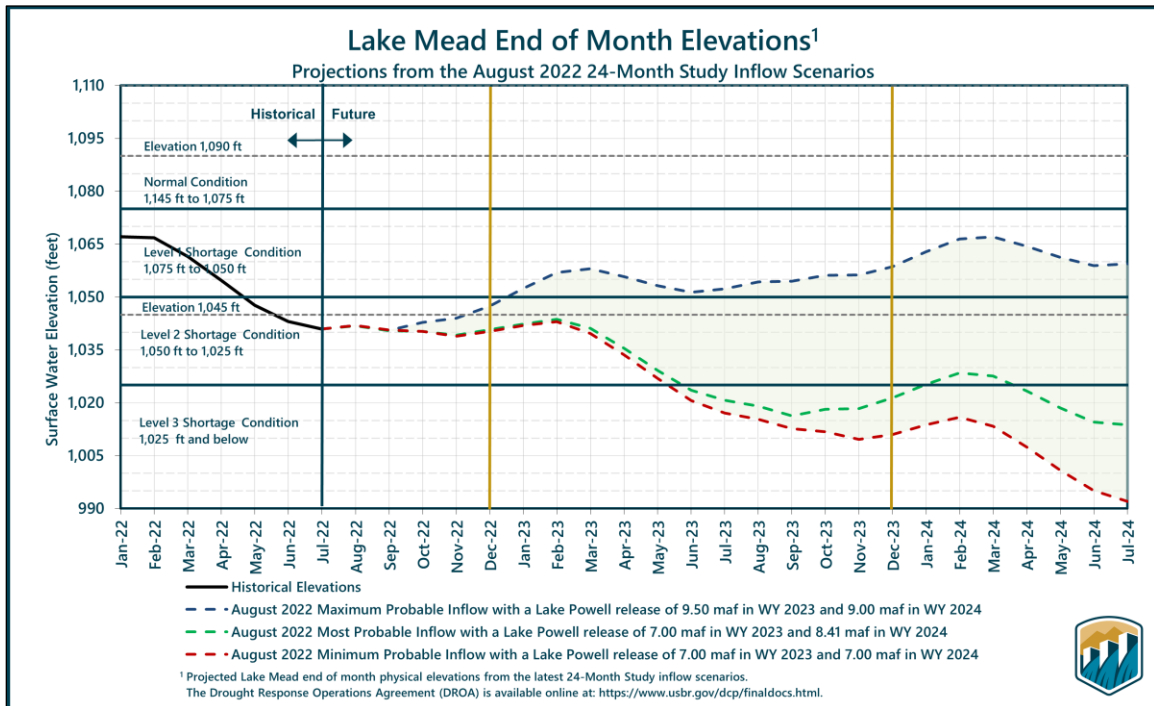
(values in thousands of acre-feet)

Lake Mead Elevation (ft)	2007 Interim Shortage Guidelines		Minute 323 Delivery Reductions	DCP Curtailment			Binational Water Scarcity Conting. Plan	Total Volume of Curtailment (% of Colorado River Apportionment)				
	AZ	NV	Mexico	AZ	NV	CA	Mexico	AZ	NV	CA	Lower Basin	Mexico
1,090 - >1,075	0	0	0	192	8	0	41	192 (6.8%)	8 (2.6%)	0 (0%)	200	41
1,075 - >1,050	320	13	50	192	8	0	30	512 (18.2%)	21 (7%)	0 (0%)	533	80
1,050 - >1,045	400	17	70	192	8	0	34	592 (21.1%)	25 (8.3%)	0 (0%)	617	104
1,045 - >1,040	400	17	70	240	10	200	76	640 (22.8%)	27 (9.0%)	200 (4.5%)	867	146
1,040 - >1,035	400	17	70	240	10	250	84	640 (22.8%)	27 (9.0%)	250 (5.6%)	917	154
1,035 - >1,030	400	17	70	240	10	300	92	640 (22.8%)	27 (9.0%)	300 (6.8%)	967	162
1,030 - 1,025	400	17	70	240	10	350	101	640 (22.8%)	27 (9.0%)	350 (7.9%)	1,017	171
<1,025	480	20	125	240	10	350	150	720 (22.8%)	30 (10.0%)	350 (7.9%)	1,100	275

**Sources:** Table by CRS, using data in the 2007 Interim Shortage Guidelines, Minute 323 between Mexico and the United States, *Lower Basin Drought Contingency Plan*, and the Binational Water Scarcity Contingency Plan in Minute 323 between Mexico and the United States.

At the time of its passage, Reclamation noted that the Lower Basin DCP decreased the chance of Lake Mead elevations falling below 1,020 feet, which would be a critically low level.<sup>99</sup> Combined with the commitments from Mexico, total planned cutbacks under shortage scenarios (i.e., all commitments to date, combined) were expected to decrease Lower Basin consumptive use by 241,000 AF to 1.375 MAF per year, depending on the curtailments triggered by Lake Mead’s elevation.<sup>100</sup> Despite these efforts, Lake Mead has continued to decline since the Lower Basin DCP was finalized and is projected to continue to decline (**Figure 7**). This has triggered additional Lower Basin conservation efforts.

**Figure 7. Lake Mead End of Month Elevation Projections**  
(August 2022 24-month study inflow scenarios)



**Source:** U.S. Bureau of Reclamation, “24-Month Study Projections,” August 2022, at <https://www.usbr.gov/lc/region/g4000/riverops/24ms-projections.html>.

## 500+ Plan

The Lower Basin DCP included a provision that if Reclamation’s modeling (which includes all of the aforementioned conservation efforts) indicates a possibility of Lake Mead reaching an elevation at or below 1,030 feet, the Secretary of the Interior and the Lower Basin states would consult on additional measures to avoid and protect Lake Mead declining below 1,020 feet.<sup>101</sup> This provision was triggered in Reclamation’s August 2021 24-month study, which projected the

<sup>99</sup> 2018 Reclamation DCP Presentation. Currently, there are no agreed-upon curtailment levels governing operations below 1,020 feet; thus, that level represents an unknown and likely more severe level of curtailment affecting more users than those affected under the 2007 guidelines.

<sup>100</sup> For a summary of the curtailments that add up to this amount, see “1,090 - >1,075” row of **Table 2**.

<sup>101</sup> Reclamation, *Agreement Concerning Colorado River Drought Contingency Management and Operations*, May 19, 2020, at <https://www.usbr.gov/dcp/docs/final/Companion-Agreement-Final.pdf>.

possibility for such a scenario by 2023 under its “Probable Minimum Inflow” scenario.<sup>102</sup> In response, Lower Basin parties and the DOI met and in December 2021 agreed on a new set of actions in a memorandum of understanding, known as the *500+ Plan*. This plan calls for contributions of up to \$100 million by Lower Basin users (\$40 million from the Arizona Department of Water Resources and \$20 million each from the Central Arizona Water Conservation District, the Metropolitan Water District of Southern California, and the Southern Nevada Water Authority), plus another \$100 million from the federal government, which collectively will result in the conservation of an additional 500,000 AF in Lake Mead in each of 2022 and 2023 (i.e., 1 MAF).<sup>103</sup> Federal funding for these conservation efforts was made available through a combination of discretionary appropriations to Reclamation, as well as supplemental funding in the Infrastructure Improvement and Jobs Act (P.L. 117-58).

## Potential for Additional Curtailments

At a June 14, 2022, congressional hearing, the Commissioner of Reclamation announced that basin states would need to conserve between 2 MAF and 4 MAF in 2023 to protect Lake Mead and Lake Powell storage volumes over the near-term period (2023-2026).<sup>104</sup> These amounts would be *in addition* to the previous commitments discussed above. The estimate was the result of a 2022 Protection Volume Analysis by Reclamation.<sup>105</sup> The Commissioner noted that if these targets are not met with voluntary actions by August 2022, DOI was prepared to act unilaterally.<sup>106</sup> In a July 18, 2022, letter to Reclamation, the Upper Colorado River Commission declined to contribute a specific volume of cutbacks to these efforts, instead laying out a five-point plan as the basis for its water conservation efforts.<sup>107</sup> As of early September 2022, no new curtailments or agreements had been announced.

## Issues for Congress

### Funding and Oversight of Existing Facilities and Programs

The principal role of Congress as it relates to storage facilities on the Colorado River is funding and oversight of facility operations, construction, and programs to protect and restore endangered species (e.g., Glen Canyon Dam Adaptive Management Program and the Upper Colorado River Endangered Fish Program). In the Upper Basin, Colorado River facilities include the 17 active

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<sup>102</sup> Bureau of Reclamation, Operation Plan for Colorado River System Reservoirs, August 2021 24-Month Study, Minimum Probable Inflow, at [https://www.usbr.gov/lc/region/g4000/24mo/2021/AUG21\\_MIN.pdf](https://www.usbr.gov/lc/region/g4000/24mo/2021/AUG21_MIN.pdf). 24-Month Study Reports are available at Bureau of Reclamation, *Operation Plan for Colorado River System Reservoirs (24-Month Study)*, at <https://www.usbr.gov/lc/region/g4000/24mo/index.html>.

<sup>103</sup> Similar to the aforementioned efforts under the System Conservation Program, funding for increased efficiency and decreased deliveries (e.g., through fallowing programs) are expected to be among the efforts funded through the 500+ Plan.

<sup>104</sup> U.S. Congress, Senate Committee on Energy and Natural Resources, *Short And Long Term Solutions To Extreme Drought In The Western U.S.*, Statement of the Honorable Camille Touton, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 14, 2022. Hereinafter “2022 Drought Hearing.”

<sup>105</sup> See, Bureau of Reclamation, *Colorado River System Mid Term Projections*, June 16, 2022, at <https://www.usbr.gov/ColoradoRiverBasin/documents/20220616-ColoradoRiverSystemMid-termProjections-Presentation.pdf>.

<sup>106</sup> 2022 Drought Hearing.

<sup>107</sup> Letter from Charles Cullom, Director, Upper Colorado River Commission, to Camille Touton, Commissioner, U.S. Bureau of Reclamation, July 18, 2022, at <http://www.ucrcommission.com/wp-content/uploads/2022/07/2022-July-18-Letter-to-Reclamation.pdf>.

participating units in the Colorado River Storage Projects, as well as the Navajo-Gallup Water Supply Project. In the Lower Basin, major facilities include the Salt River Project and Theodore Roosevelt Dam, Hoover Dam and All-American Canal, Yuma and Gila Projects, Parker-Davis Project, Central Arizona Project, and Robert B. Griffith Project (now Southern Nevada Water System).

Congressional appropriations in support of Colorado River projects and programs typically account for a portion of overall project budgets. For example, in FY2020, approximately 36% of the budget was funded with discretionary appropriations, with the remainder of funding came from power revenues (which are made available without further appropriation) and nonfederal partners.<sup>108</sup> In recent years, Congress has also authorized and appropriated funding that has targeted the Colorado River Basin in general (e.g., the Pilot System Conservation Plan). Congress may choose to extend or amend these and other authorities specific to the basin.

While discretionary appropriations for the Colorado River are of ongoing interest to Congress, Congress also may address Colorado River funding outside of the regular appropriations process. In the 117<sup>th</sup> Congress, in Section 50233 of P.L. 117-169 (popularly known as the Inflation Reduction Act), Congress provided \$4.0 billion for projects that mitigate drought in the 17 arid and semiarid *reclamation states* in the West, with priority given to Colorado River Basin activities. These activities include compensation for reduction in water diversions and funding for system conservation and ecosystem restoration to address drought in a river basin or inland water body.

## **Tribal Water Rights Settlements and Leasing**

Most tribal water rights are senior to other users and thus are likely to play an important role in the future of the Colorado River. The extent to which tribes develop their water rights, or are willing and able to market their water to other users, will have ramifications for water availability in the basin. As previously noted, Congress has approved Indian water rights settlements associated with more than 2.5 MAF of tribal diversion rights on the Colorado River; a portion of this water has been developed to date. Congress may be asked to consider new settlements that would add to this total. For instance, both S. 4104 and H.R. 7633 would authorize a water rights settlement with the Hualapai Tribe in Arizona, including approval of that tribe's water rights and funding for infrastructure to access this water. Congress is also considering new authority for some tribes to market their water rights to other basin water users. In the 117<sup>th</sup> Congress, S. 3308 would authorize the Colorado River Indian Tribes (CRIT) to enter into agreements to lease a portion of their Colorado River water rights. Currently, some tribes have the ability to lease their water, whereas others (such as CRIT) do not.

## **Plans for New and Augmented Water Storage, Conveyance**

Some states in the Upper Basin have indicated their intent to further develop their Colorado River water entitlements. In the 115<sup>th</sup> Congress, Section 4310 of America's Water Infrastructure Act (P.L. 115-270) authorized the Secretary of the Interior to enter into an agreement with the State of Wyoming whereby the state would fund a project to add erosion control to Fontenelle Reservoir in the Upper Basin. The project would allow the state to potentially utilize an additional 80,000 acre-feet of water storage on the Green River, a tributary of the Colorado River.

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<sup>108</sup> Bureau of Reclamation, *Lower Colorado Region Annual Report, FY2018*, at <https://www.usbr.gov/lc/docs/LCRegionReportFY18.pdf>.



Another project that would develop Upper Basin waters is the proposed Lake Powell Pipeline (LPP), which would direct approximately 86,000 acre-feet of Utah’s Upper Basin Colorado River Basin apportionment from Lake Powell to Washington County, UT (i.e., the St. George, UT, area, which is technically located within the Lower Basin drainage area).<sup>109</sup> The pipeline would begin near Glen Canyon Dam in Arizona and would run through Arizona and Utah to Sand Hollow Reservoir near St. George, UT. Reclamation has been designated the lead agency for the project under NEPA and is coordinating an Environmental Impact Statement (EIS) for the most recently proposed version of the project.<sup>110</sup> Supporters in Utah argue that the pipeline is needed to provide a second primary water source for the St. George area, in addition to the Virgin River. Some environmental groups have argued that the proposed development and diversion of additional Upper Basin waters is ill-advised in light of climate change and the basin’s issues with over-allocation. These groups have argued for major changes to the scope of the EIS.<sup>111</sup> The six other Colorado River Basin states have raised concerns related to the proposed LPP’s “legal and operational issues,” and they have raised concerns with the LPP NEPA process as the de facto forum for resolving a conflict among basin states. The six states previously requested that Reclamation refrain from issuing a final EIS until these issues can be resolved on a consensus basis.<sup>112</sup>

## **Drought Contingency Plan Implementation and Future Basin Agreements**

Congress is likely to remain interested in the status of long-term drought in the basin and in the implementation of the DCPs and other related agreements, including their ability to stem further delivery curtailments and add water to the basin’s storage reservoirs.<sup>113</sup> Congress also may be interested in broader basin planning, including new and existing efforts to plan for increased demand in the basin and stretch limited basin water supplies.

Federally led efforts to extend the 2007 Interim Guidelines (including the DCPs), which expire at the end of 2026, look to be the next major set of negotiations in the consensus-based management of the Colorado River. These “reconsultation” efforts, including any major changes to existing agreements, are seen as key to managing the basin’s future water resources. At the same time, new agreements that would protect water supplies in the short-term, such as the 500+ Plan, an Upper Basin Demand Management Program, and DROA Drought Plans, could themselves result in additional congressional involvement in funding, oversight, and/or enactment of new authorities. On June 20, 2022, Reclamation published a “pre-scoping” notice in the *Federal*

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<sup>109</sup> While St. George, UT, is technically within the Lower Colorado River Basin’s drainage, as previously discussed, Utah’s state allocation comes out of waters available to the Upper Basin. Thus, the LPP would utilize Upper Basin waters.

<sup>110</sup> For project NEPA documents and studies, see <https://www.usbr.gov/uc/DocLibrary/EnvironmentalImpactStatements/LakePowellPipeline/index.html#intro>.

<sup>111</sup> Letter from Utah Rivers Council et al. to Rick Baxter, Program Manager, Bureau of Reclamation Provo Area Office, September 8, 2020.

<sup>112</sup> Letter from Colorado River Basin States Representatives of Arizona, California, Colorado, Nevada, New Mexico, and Wyoming to Secretary of the Interior David Bernhardt, September 8, 2020.

<sup>113</sup> For instance, 2021 and 2022 hearings on drought in the western United States included extensive discussion of drought conditions in the Colorado River Basin. See U.S. Congress, House Committee on Natural Resources, Subcommittee on Water, Oceans, and Wildlife, *The Status of Drought Conditions Throughout the Western United States*, 117<sup>th</sup> Cong., 1<sup>st</sup> sess., May 25, 2021 and U.S. Congress, Senate Committee on Energy and Natural Resources, *Short and Long-Term Solutions to Extreme Drought in the Western United States*, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., June 14, 2022.

*Register* seeking input on how to foster participation by stakeholders in the National Environmental Policy Act (NEPA) process to develop post-2026 basin operations.<sup>114</sup> A formal notice for NEPA scoping activities is expected in 2023.

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<sup>114</sup> Department of the Interior, Bureau of Reclamation, "Request for Input on Development of Post-2026 Colorado River Reservoir Operational Strategies for Lake Powell and Lake Mead Under Historically Low Reservoir Conditions," 87 *Federal Register* 37884-37888, June 24, 2022.