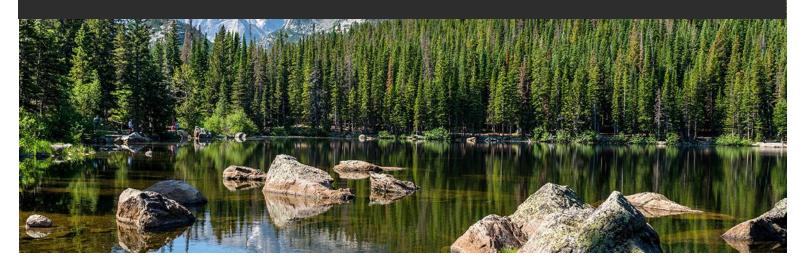


## **Alert | Water Law**



May 2023

## **Lower Colorado Basin States' Compromise on Water Conservation**

On May 22, 2023, the Lower Colorado Basin States comprised of California, Arizona, and Nevada agreed to voluntarily conserve three million acre-feet¹ of water over the next three years. This compromise is a result of pressure from the federal government for these states to voluntarily reduce their water allocations from the Colorado River due to the 20-year "megadrought" in the western United States causing Lakes Powell and Mead to approach critically low levels and preventing hydropower generation. *See* November 2022 GT Alert.

In 2022, the Bureau of Reclamation (BOR) took emergency measures to reduce releases from Lake Powell's Glen Canyon Dam and Lake Mead's Hoover Dam to conserve water levels. The federal government also allocated funding to support conservation of Colorado River Basin water. *See* April 2023 GT Alert. On April 12, 2023, BOR issued a Draft Supplemental Environmental Impact Statement (Draft SEIS) relating to proposed federal intervention to reduce Colorado River allotments in the event that California, Arizona, and Nevada were unable to reach an agreement by May 30, 2023.

To avoid federal government action, California, Arizona, and Nevada created a "Lower Basin Plan," (Plan) which would include tier-based water use reductions. While the states have yet to finalize where the water savings will come from, the Plan requests federal compensation from the Inflation Reduction Act for three quarters of the water savings, or 2.3 million acre-feet, which could amount to as much as \$1 to \$1.2 billion

<sup>&</sup>lt;sup>1</sup> One "acre-foot" of water is equivalent to approximately 326,000 gallons.



in federal funds to support the irrigation districts, cities, and tribes that voluntarily cut their water usage. The states' agreed-upon reduction, when combined with cuts tied to federal payments, would amount to a 13% reduction of the states' total water use in the Lower Colorado River Basin.

Although the Plan would result in less water saved than the Draft SEIS proposes, it is a step toward cooperatively modernizing certain aspects of the Colorado River Compact of 1922, at least in the short term.

## **Authors**

This GT Alert was prepared by the following members of the firm's Water Law Practice:

- Christopher Thorne | +1 303.572.6519 | Chris.Thorne@gtlaw.com
- Casey A. Shpall | +1 303.572.6511 | shpallc@gtlaw.com
- Mary Katherine Andrews | +1 303.685.7451 | Mary Katherine. Andrews@gtlaw.com

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