

**United States Bureau of Reclamation**

Ms. Carly Jerla, P.E.

Program Manager—Post-2026 Guidelines

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[Via Electronic Mail]

February 26, 2026

RE: San Diego County Water Authority Comments on the Draft Environmental Impact Statement, Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead

**Dear Ms. Jerla:**

The San Diego County Water Authority (Water Authority) appreciates the opportunity to comment on the Draft Environmental Impact Statement, Post-2026 Operational Guidelines and Strategies for Lake Powell and Lake Mead (DEIS). The Water Authority sustains a \$262 billion regional economy and the quality of life for over three million residents through significant multi-decade investments in water resiliency. This includes the San Diego region's investment in the 2003 Quantification Settlement Agreement (QSA), which provides the region with conserved Colorado River supplies through the Water Authority's conserved water transfer with the Imperial Irrigation District and the lining of the All-American and Coachella canals. Conserved river supplies make up over half of our region's total water supply and have served as a foundation for other resiliency investments in our region. Our region has also invested in the Carlsbad Desalination Plant, the nation's largest seawater desalination plant with the capacity to produce 56,000 acre-feet annually, which reduces pressure on the river.

The Water Authority recognizes how critical it is to develop the new set of river operating guidelines as the policies that have managed the river for 20 years, the 2007 Interim Guidelines, and the 2019 Drought Contingency Plan, reach their end. We appreciate the difficulty faced by the Department of the Interior (Interior) and U.S. Bureau Reclamation (Reclamation) to develop guidelines that will incorporate a balanced and sustainable approach to managing the river. The Colorado River system faces unprecedented challenges due to significant hydrologic variability, which has exacerbated a supply-demand imbalance and driven reservoir levels to historic lows. Given these challenges, it falls on Interior and Reclamation to adopt guidelines that improve predictability for all Basin water users and managers. We offer the points in this comment letter to support that federal effort and to highlight points we believe are critical to the river's future.

**Consensus Best Path Forward**

We commend Reclamation for its commitment to facilitating a consensus agreement among the seven Basin states to guide post-2026 river operations. We support a consensus approach that preserves operational flexibility; enables interbasin, interstate, and intrastate water transfers and exchanges; and protects California's senior water rights and our region's long-standing investments in water resiliency. A consensus approach will result in more durable guidelines that better reflect diverse needs across the Basin. As part of that consensus effort, the Water Authority supports the

Lower Basin’s proposal to provide up to 1.5 million acre-feet in annual reductions as a first and significant step toward stabilizing the river, with additional commitments to be made from the other Basin states.

We join with our California, Arizona, and Nevada partners in supporting the development of an alternative that incorporates a balanced approach to provide sustainable management of the river system under a broad range of future conditions using a holistic approach to river management.

### **Operational Flexibility Through Market-Based Transactions**

Whether through a consensus or alternative post-2026 approach, flexible management strategies, including intrastate and interstate water transactions, are needed to allow Basin water users to adapt to evolving hydrologic and operational conditions. We urge Reclamation to deploy the Secretary’s significant authority in the Lower Basin to adopt a framework that maximizes the possibility for individual parties to enter into market-based water transactions, thereby providing the flexibility needed to adapt to changing conditions while also building resilience in the Basin. A framework for these transactions will be an effective use of the Secretary’s authority to accommodate future needs and growth in the Basin by allowing water to move to communities where it is needed most. For example, under a framework that allows for interstate water transactions, the Water Authority could use available drought-proof supplies from the Carlsbad Desalination Plant to engage in water transactions that can address water scarcity in the Basin. It is the Water Authority’s view that there are several possible ways in which the Secretary can use his authority to develop rules that facilitate the movement of its desalinated seawater into the Basin as an imported supply, even if done through an exchange. Engaging the Water Authority and its partners in evaluating all options is critical to the Basin’s future. Given anticipated variability, low runoff, and low-reservoir conditions in future years, all water management tools must be made available to help the Basin and Reclamation successfully navigate these operational challenges.

Further, the Water Authority calls on Reclamation to consider the following additional points in developing the Final EIS and a record of decision.

- **Basinwide Contributions:** Any reductions imposed on Lower Basin states above their proposed 1.5 million acre-feet per year contribution should be accompanied by equitable conservation measures in the Upper Basin. Contributions by the Upper and Lower basins to stabilize the Colorado River system will result in fair and durable guidelines. Reclamation should acknowledge the 2003 QSA as a model for developing durable conservation programs that can achieve significant conservation targets while addressing the economic and environmental needs of the parties involved.
- **Upper Initial Units and Impacts to Hoover Dam Hydropower:** In addition to receiving conserved Colorado River water, the Water Authority buys power directly from Hoover Dam through a contract with the Western Area Power Administration. The Draft EIS focuses on releases from Colorado River Storage Project (CRSP) Upper Initial Units to protect Lake Powell and Glen Canyon Dam infrastructure but fails to analyze when these releases are needed to protect infrastructure downstream of Glen Canyon Dam, like Hoover Dam. The Final EIS should analyze releases from CRSP Upper Initial Units to reduce water supply and power risks in reservoirs

downstream of Glen Canyon Dam. We also look forward to Reclamation’s assessment of electricity rate impacts at Hoover Dam resulting from the proposed alternatives. Interior’s stated intent to adopt post-2026 guidelines consistent with the “Law of the River” makes this analysis essential.

- **Federal Funding for Conservation:** Colorado River water users will need to quickly adjust their water use to adapt to new shortage and conservation requirements for the river. Reclamation has expressed support of a wide range of approaches that water users may take to manage their individual situations; however, we encourage Reclamation to evaluate opportunities for federal funding to support these efforts. Strategic federal investments in water-use efficiency, infrastructure modernization, and conservation could accelerate progress toward sustainable river management while reducing implementation costs for water users.
- **Socioeconomic Impacts:** The Draft EIS socioeconomic analysis does not include potential impacts to municipal and industrial uses. The analysis is limited to potential impacts to economic and social conditions due to changes in agricultural production, recreational use, and ecosystem services and nonmarket values. The Draft EIS does examine changes to water availability for municipal supply but limits the analysis to impacts on population and land use changes. Municipal water providers need a comprehensive understanding of economic consequences to regional economies and to communicate effectively with ratepayers about the true costs of water scarcity. This analysis should be expanded in the Final EIS to examine potential economic impacts caused by changes to water availability for municipal supply.

The Colorado River is at a pivotal moment. As new operational guidelines are developed, Reclamation must ensure a sustainable river for all who depend on it. Flexible management and a fair approach to addressing shortages are essential for a resilient future across the Basin, including tribes and Mexico. Adoption of rigid operational frameworks may limit the Basin’s ability to respond effectively to future variability. The Water Authority is committed to being part of a long-term solution through significant investments in regional resiliency. These investments, though costly, were necessary for long-term planning and now position us to assist others facing water scarcity while continuing to serve our region.

We thank Reclamation for its outreach efforts to Basin stakeholders throughout this process and look forward to continued engagement and discussions to develop the post-2026 operating guidelines with an eye toward ensuring the new guidelines have the flexibility to respond to the needs of all water users.

Sincerely,



Dan Denham  
General Manager