



United States Department of the Interior



BUREAU OF RECLAMATION
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IN REPLY REFER TO:

LCB-4220
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VIA ELECTRONIC MAIL ONLY

Robert Dunn
Manager
Gila Monster Farms, Inc.
3720 South Avenue 17E
Yuma, AZ 85365

Subject: Approval of Calendar Year (CY) 2026 Colorado River Water Diversion – Gila Monster Farms (GMF)

Dear Mr. Dunn:

The Bureau of Reclamation received GMF's CY 2026 Colorado River water diversion estimate in which GMF requests approval to divert up to 8,500 acre-feet (AF) in CY 2026. In accordance with Title 43, Code of Federal Regulations Part 417 (Part 417), this letter provides GMF with notice of my determination regarding GMF's proposed diversion and beneficial use of Colorado River water for CY 2026.

Pursuant to Contract No. 6-07-30-W0337, GMF is entitled to divert up to 9,156 AF per year of Colorado River water for use on GMF's deeded land. Specifically, GMF is entitled to divert:

1. 780 AF of Arizona first priority Colorado River water (Present Perfected Right No. 16).
2. 6,285 AF of Arizona third priority Colorado River water.
3. 1,435 AF of Arizona fourth priority Colorado River water.
4. 656 AF of Arizona fifth priority Colorado River water.

On August 15, 2025, Reclamation released its Colorado River Basin August 2025 24-Month Study,¹ which projects Lake Mead's most probable elevation on January 1, 2026, to be 1,055.88 feet. In its letter dated August 21, 2025, Reclamation announced that, in accordance with the 2007 Interim Guidelines,² Lake Mead and the lower Colorado River will operate in a Tier 1 Shortage Condition in CY 2026. In addition, the 2019 *Lower Basin Drought Contingency Plan Agreement* (LB DCP Agreement) will also govern the operation of Lake Mead for CY 2026. In accordance with Section XI.G.2.D.1.a of the 2007 Interim Guidelines, 2.48 million AF is apportioned for consumptive use in the state of Arizona in CY 2026 (a reduction of 320,000 AF from its 2.8 million AF basic apportionment). Additionally, in

¹ Available at <https://www.usbr.gov/lc/region/g4000/24mo/>.

² Referring to *Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* dated December 13, 2007.

accordance with Section III.B.1.a of Exhibit 1 to the LB DCP Agreement,³ the state of Arizona will be required to make DCP Contributions in the total amount of 192,000 AF in CY 2026.

Consistent with the Arizona mainstream Colorado River water priority system, there are no reductions to the water supply available to first, second and third priority entitlement holders for CY 2026. As noted in Reclamation's August 21 letter, the Arizona fourth priority Colorado River water available supply for CY 2026 is 1,150,354 AF on a consumptive use basis. Of this amount, 113,940 AF,⁴ on a diversion basis, is available for distribution among mainstream fourth priority entitlement holders for use in CY 2026 in accordance with the state of Arizona's August 6, 2009, Arizona Shortage Sharing Recommendation⁵ and the "pool" approach described by letter dated January 25, 2021.⁶ Reclamation has determined that the available Arizona mainstream fourth priority water supply is sufficient to satisfy all initial on-river mainstream water orders for CY 2026. However, given the limited available supply, requests for modifications to increase approved water order amounts will be evaluated on a case-by-case basis to ensure approved volumes do not collectively exceed the 113,940 AF of available supply. Arizona fifth priority and/or sixth priority entitlements will not be available for diversion in CY 2026.

Based upon the Shortage Condition determination, a review of the CY 2026 diversion estimate provided by GMF, and the information gathered during Reclamation's Part 417 consultation, I approve the diversion of up to 8,500 AF of Colorado River water during CY 2026 for use within GMF's service area. This approved diversion results in an estimated consumptive use of 4,833 AF.

Reclamation would like to highlight that, in accordance with the *Inadvertent Overrun and Payback Policy*,⁷ **accumulations of inadvertent overruns are not permitted in CY 2026 and are suspended as long as a Shortage Condition is in effect.** To assist entitlement holders in monitoring their Colorado River water use to ensure they remain within available quantities, Reclamation will project CY 2026 diversions and consumptive use of Colorado River water during CY 2026 and will make these projections available daily on Reclamation's website⁸ beginning in January 2026. Reclamation encourages Colorado River water entitlement holders to use the projections to adjust diversions to remain within their Reclamation-approved annual Colorado River water order.

³ Referring to *Lower Basin Drought Contingency Operations*. Available at:

<https://www.usbr.gov/lc/region/g4000/dcpdocs/Attachment-B-Exhibit-1-LB-Drought-Operations.pdf>.

⁴ The P4(i) pool will receive 9.90% of the Arizona fourth priority Colorado River water available for CY 2026, calculated as 164,652 AF divided by 1,662,354 which is the difference between Arizona's 2,800,000 AF basic apportionment and the average historical consumptive use by Arizona first, second, and third priority users (1,137,646 AF). The average historical consumptive use by Arizona first, second, and third priority users is based on the four highest years of consumptive use during the five-year period from 2020-2024.

⁵ Available at: https://new.azwater.gov/sites/default/files/8-6-2009_ADWR_Shortage_%20ecommendation.pdf.

⁶ Available at: https://new.azwater.gov/sites/default/files/01.25.21_ADWR_CAWCD_shortage_recommendationLetter.pdf.

⁷ Available at: <https://www.usbr.gov/lc/region/g4000/IOPP.pdf>.

⁸ Available at: <https://www.usbr.gov/lc/region/g4000/hourly/forecast.pdf>.

Thank you for submitting GMF's diversion estimate for CY 2026. Should you have questions, please contact Kerim Dickson, Team Lead, Water Accounting and Verification Group, at (725) 232-6443 or kdickson@usbr.gov. Individuals who are deaf, deafblind, hard of hearing, or have a speech disability may dial 711 to access telecommunication relay services.

Sincerely,

Genevieve R. Johnson
Acting Regional Director

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