



United States Department of the Interior

BUREAU OF RECLAMATION
Lower Colorado Regional Office
P.O. Box 61470
Boulder City, NV 89006-1470



IN REPLY REFER TO:
LC-4212
WTR-4.03

MAY 03 2010

CERTIFIED - RETURN RECEIPT REQUESTED

Ms. Kay Brothers
Deputy General Manager
Engineering and Operations
Southern Nevada Water Authority
P.O. Box 99956
Las Vegas, NV 89193-9956

Subject: Verification of 2008 Muddy River and Virgin River Tributary Conservation Intentionally Created Surplus (ICS) Created by the Southern Nevada Water Authority (SNWA)

Dear Ms. Brothers:

The Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead (Interim Guidelines) establish the requirements for the creation, delivery, and accounting for Intentionally Created Surplus (ICS). Section 3.B.1 of the Interim Guidelines requires the contractor to submit a plan for the creation of ICS to the Secretary of the Interior (Secretary) for review and approval prior to the creation of ICS. Section 3.D.1 requires the contractor to submit a Certification Report containing the information required to demonstrate that the amount of ICS created and that the method of creation is consistent with the contractor's approved ICS plan, a forbearance agreement, and a delivery agreement. Section 3.D.2 requires the Secretary, acting through the Lower Colorado Regional Director, to verify the information submitted and to provide a written decision to the contractor regarding the amount of ICS created.

The following chronology documents the key steps in the process followed to meet the requirements of the Interim Guidelines:

- On September 10, 2008, SNWA submitted plans to Reclamation for the creation of Tributary Conservation ICS on the Muddy and Virgin rivers.
- In November 2008, Reclamation and SNWA staff conducted on-the-ground inspections of the Muddy River and Virgin River ICS project areas.
- After consultation with the Lower and Upper Division states, Reclamation approved the Muddy River and Virgin River ICS creation plans on December 9, 2008.
- On May 5, 2009, SNWA provided draft certification reports to Reclamation and to the Nevada State Engineer documenting the method of ICS creation for the Muddy River and Virgin River ICS projects and provided the electronic files used for calculating the amount of ICS

created. The files included satellite imagery, geographic information system (GIS) coverages and Excel spread sheets showing evapotranspiration (ET), water rights, and water balance calculations.

- Reclamation performed a thorough technical review of these data and on May 21, 2009, Reclamation and SNWA staff met to discuss questions and comments. SNWA addressed Reclamation's questions and comments and subsequently incorporated appropriate changes to the draft certification reports.
- On July 15, 2009, SNWA received confirmation from the Nevada State Engineer that the Tributary Conservation ICS created by SNWA was consistent with Nevada Revised Statutes and State Engineers Orders 1193 and 1194 and that the water rights on the Muddy and Virgin Rivers are owned or controlled by SNWA.
- SNWA submitted final 2008 Tributary Conservation ICS certification reports (*Muddy River Tributary Conservation Intentionally Created Surplus Certification Report Calendar Year 2008* and *Virgin River Tributary Conservation Intentionally Created Surplus Certification Report Calendar Year 2008*) to Reclamation on July 22, 2009 and sent its final data used in the compilation of the Certifications Reports to Reclamation for archiving on August 10, 2009.

In accordance with Section 3.D.2 of the (Interim Guidelines) and following the process outlined in this letter, Reclamation verifies that in 2008 SNWA created 7,095 acre-feet of Muddy River and 3,362 acre-feet of Virgin River Tributary Conservation ICS as represented in SNWA's Tributary Conservation ICS certification reports.

If you have questions, please contact Mr. Paul J. Matuska at 702-293-8164.

Sincerely,


Lorri Gray-Lee
Regional Director

Enclosure:

Mr. Gerald R. Zimmerman
Executive Director
Colorado River Board of
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Mr. Herb Guenther
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cc: Continued on next page

cc: Continued from previous page

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SOUTHERN NEVADA WATER AUTHORITY

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July 22, 2009

Ms. Lorri Gray-Lee, Regional Director
Bureau of Reclamation
Lower Colorado Regional Office
P.O. Box 61470
Boulder City, Nevada 89006

Dear Ms. Gray-Lee:

SUBJECT: SOUTHERN NEVADA WATER AUTHORITY MUDDY AND VIRGIN RIVER TRIBUTARY CONSERVATION INTENTIONALLY CREATED SURPLUS CERTIFICATION REPORTS, CALENDAR YEAR 2008

Enclosed are the Southern Nevada Water Authority's (Authority) Calendar Year (CY) 2008 Certification Reports for Intentionally Created Surplus (ICS) Tributary Conservation for the Muddy and Virgin Rivers in Nevada. These final reports have been approved by the Nevada State Engineer's Office. The Certification Reports demonstrate the amount of Tributary Conservation ICS created, and that the method of creation was consistent with Nevada Water Law (specifically State Engineer Orders 1193 and 1194), the Authority's approved ICS Plans of Creation, and requirements as outlined in Section 3 of the *Colorado River Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead* (Guidelines).

As you know, the Guidelines require a Contractor to obtain an approved Plan of Creation for ICS, enter into a Delivery Agreement with the United States of America (United States) and a Forbearance Agreement with Lower Colorado River Basin (Lower Basin) Contract holders to create and take Tributary Conservation ICS. The Authority received approval for its CY 2008 and CY 2009 Plans of Creation for both the Muddy and Virgin Rivers via letter from you dated December 9, 2008. The Authority and the Colorado River Commission entered into a Delivery Agreement with the United States and a Forbearance Agreement with Lower Basin Contract holders on December 13, 2007.

As documented in the Certification Reports, the Authority created Tributary Conservation ICS during CY 2008 in the volumes indicated below, prior to accounting for the one-time deduction of 5% for the benefit of additional system storage in Lake Mead, as outlined in the Guidelines.

Calendar Year 2008	Volume, in acre-feet/year Cited in Certification Reports	
	Muddy River	Virgin River
Created ICS	7,095	3,362

If you have any questions, please contact William Rinne at 702-691-5255.

Sincerely,

Kay Brothers
Deputy General Manager
Engineering and Operations

KB:WR:JJ:lmv
Enclosures (8)

cc: William E. Rinne, Director, Surface Water Resources
Jeffrey Johnson, Division Manager, Surface Water Resources w/out attachment
George Caan, Director, Colorado River Commission of Nevada

SNWA MEMBER AGENCIES