



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-4220
WTR-4.03

APR 29 2011

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. Richard Holmes
Deputy General Manager
Engineering and Operations
Southern Nevada Water Authority
P.O. Box 99956
Las Vegas, NV 89193-8856

Subject: Verification of 2009 Muddy River and Virgin River Tributary Conservation
Intentionally Created Surplus Created by the Southern Nevada Water Authority
(SNWA)

Dear Mr. Holmes:

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

The following chronology documents how the above requirements were met regarding SNWA's creation of Tributary Conservation ICS during calendar year 2009:

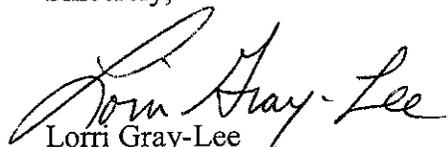
- By letter dated September 10, 2008, SNWA submitted to the Bureau of Reclamation its Plans of Creation for Muddy and Virgin River Tributary Conservation Intentionally Created Surplus, Calendar Years 2008 and 2009 (ICS Plans).
- After consultation with the Lower and Upper Basin States, Reclamation approved SNWA's ICS Plans by letter dated December 9, 2008.
- By letter dated April 26, 2010, SNWA submitted to Reclamation and the Nevada State Engineer draft 2009 Certification Reports demonstrating the amount of Tributary Conservation ICS created and that the method of creation was consistent with Nevada Water Law, the approved ICS Plans of Creation and requirements of the Interim Guidelines.

- On September 22, 2010, Reclamation staff and SNWA staff met to thoroughly discuss the processes involved with the ICS creation. At that time, SNWA provided the electronic files used to calculate the amount of ICS created. The files included satellite imagery, geographic information system coverage, and Excel spread sheets showing evapotranspiration values, water rights, and water balance calculations.
- Reclamation staff performed a thorough technical review of these data and verified its accuracy.
- By letter dated February 25, 2011, the Nevada State Engineer concurred that the Muddy and Virgin River water rights outlined in the Certification Reports are owned or controlled by SNWA, have a priority date prior to June 25, 1929, and were conveyed to the Colorado River mainstream.
- By letter dated March 7, 2011, SNWA submitted to Reclamation final 2009 Tributary Conservation ICS Certification Reports (*Muddy River Tributary Conservation Intentionally Created Surplus Certification Report Calendar Year 2009* and *Virgin River Tributary Conservation Intentionally Created Surplus Certification Report Calendar Year 2009*) for archiving. These reports demonstrated the creation of 13,207 acre-feet of Muddy River and 13,293 acre-feet of Virgin River Tributary Conservation ICS during calendar year 2009, for a total of 26,500 acre-feet of Tributary Conservation ICS.

In accordance with Section 3.D.2 of the Interim Guidelines, I hereby verify and make a final determination that SNWA created 13,207 acre-feet of Muddy River Tributary Conservation ICS and 13,293 acre-feet of Virgin River Tributary Conservation ICS during calendar year 2009, for a total of 26,500 acre-feet of Tributary Conservation ICS, prior to accounting for the one-time deduction of 5 percent for the benefit of additional system storage in Lake Mead, as outlined in Section 3.B.2 of the Interim Guidelines.

If you have questions, please contact Mr. Paul J. Matuska, Water Accounting and Verification Group Manager, at 702-293-8164.

Sincerely,



Lorri Gray-Lee
Regional Director

cc: Mr. Christopher Harris
Acting Executive Director
Colorado River Board of
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Subject: Verification of 2009 ICS by SNWA

cc: Continued from previous page.

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