



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

JUN 22 2012

CERTIFIED - RETURN RECEIPT REQUESTED

Mr. and Mrs. Russell Youmans
Beattie Farms Southwest
3025 NW Firwood Place
Corvallis, OR 97330

Mr. Richard Prinster
Beattie Farms Southwest
1076 Highway P
O'Fallon, MO 63366

Subject: Notice of Calendar Year (CY) 2011 Overrun of Colorado River Entitlement by Beattie Farms Southwest (Farm)

Dear Mr. and Mrs. Youmans and Mr. Prinster:

Effective January 1, 2004, the Inadvertent Overrun and Payback Policy (IOPP) established requirements for payback of any inadvertent overuse of Colorado River water by users in the Lower Division States. A copy of the IOPP is enclosed for reference. In accordance with the IOPP, this letter informs you that the Bureau of Reclamation's final water accounting records for CY 2011 document that the Farm incurred an overrun of 453 acre-feet.

An overrun governed by the IOPP occurs when an entitlement holder inadvertently diverts, pumps, or receives Colorado River water in excess of the water user's entitlement for that year. Under Contract No. 05-XX-30-W0446, the Farm is entitled to divert up to 1,110 acre-feet per year for use within the Farm's contract service area. As published in the *Colorado River Accounting and Water Use Report Arizona, California, and Nevada Calendar Year 2011*, the Farm diverted 1,563 acre-feet in CY 2011, thereby exceeding its annual entitlement by 453 acre-feet.

An entitlement holder incurring an inadvertent overrun is required to submit a payback plan to Reclamation that demonstrates how the entitlement holder will intentionally forbear use of Colorado River water by implementing extraordinary conservation measures sufficient to meet its payback obligation. Examples of extraordinary conservation measures that might be used to meet a payback obligation include, but are not limited to: delivery system improvements, land fallowing, seepage recovery, on-farm conservation (e.g. scientific irrigation scheduling, salinity management, and soil moisture monitoring), forgone banking of Colorado River water off-stream, and exchange of Colorado River water for water banked off-stream. For overruns

incurred in CY 2011, an entitlement holder must submit a payback plan to Reclamation by July 23, 2012. An entitlement holder's payback plan must describe:

- a. The cause of the overrun.
- b. The extraordinary conservation measure(s) that will be implemented to pay back the overrun.
- c. The schedule, location, and amount of water that will be conserved by the payback measure(s), and information that adequately demonstrates that the proposed payback measure(s) is: (1) in addition to measure(s) being implemented to conserve water in accordance with any existing water transfer agreements, water conservation agreements, or Intentionally Created Surplus Plans of Creation, and (2) in addition to the measures implemented in any Reclamation-approved water conservation plan.
- d. How the payback measure(s) being implemented will meet the payback obligation.
- e. The amount of Colorado River water that will be conserved and/or supplemented by the payback measure(s) being implemented, for each year in the case of 3-year payback plans.
- f. The method(s) by which Reclamation will be able to monitor the implementation of the payback plan and verify the amount of payback.

In accordance with Section 2.3 of the IOPP, payback of the Farm's CY 2011 overrun will begin in CY 2013. The number of years within which an overrun must be paid back, and the minimum payback amount required in each year are defined in Section 2.6 of the IOPP. The Farm's payback for the CY 2011 overrun is governed by Section 2.6.c. of the IOPP, which provides for a 3-year payback schedule. The minimum required payback amount each year under Section 2.6.c. is "the greater of 20 percent of the individual entitlement holder's maximum allowable cumulative overrun account amount or 33.3 percent of the total account balance." The IOPP limits an entitlement holder's cumulative overrun account amount to a maximum of 10 percent of the entitlement holder's annual entitlement.

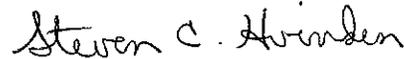
Based on the Farm's annual entitlement of 1,110 acre-feet, the Farm's cumulative overrun account limitation is 111 acre-feet ($1,110 \text{ acre-feet} \times 0.10 = 111 \text{ acre-feet}$). The Farm's 453 acre-foot overrun results in a cumulative overrun account balance that is 40.8 percent of the Farm's entitlement; therefore, the Farm is required to pay back 342 acre-feet during the first year of its payback obligation in order to reduce its overrun account balance to remain within the 10 percent limitation. In addition to this amount, the Farm is also required to pay back 33.3 percent of the remaining balance, or 37 acre-feet ($111 \text{ acre-feet} \times 0.33 = 37 \text{ acre-feet}$), during the first year of payback, bringing the Farm's total CY 2013 payback obligation to 379 acre-feet. The remaining overrun balance of 74 acre-feet is required to be paid back in the subsequent 2 years as follows: 37 acre-feet in CY 2014 and 37 acre-feet in CY 2015.

In recent weeks, Reclamation has engaged in discussions with Mr. Youmans regarding the subject overrun. Through these discussions, Mr. Youmans informed Reclamation of the intent to install a flow measurement device on the pump that services the Farm. Reclamation appreciates

this proactive effort, and believes it will result in a more accurate calculation of the Farm's annual diversions.

Should the Farm need assistance in developing its payback plan, or have questions regarding the IOPP or the Farm's overrun and payback obligation, please contact Mr. Paul J. Matuska, Water Accounting and Verification Group Manager, at 702-293-8164.

Sincerely,



Steven C. Hvinden
Chief, Boulder Canyon Operations Office

Enclosure

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