



SOUTHERN NEVADA WATER AUTHORITY

1001 South Valley View Boulevard • Las Vegas, NV 89153
(702) 258-3939 • snwa.com

November 4, 2009

Kim Mitchell, Manager
Arizona Water Banking Authority
3550 North Central Avenue
Phoenix, Arizona 85012

Dear Ms. Mitchell:

SUBJECT: SOUTHERN NEVADA WATER AUTHORITY NOTICE OF AVAILABILITY OF UNUSED APPORTIONMENT FOR STORAGE BY ARIZONA WATER BANKING AUTHORITY – 2009

Pursuant to the Storage and Interstate Release Agreement and the Second Amended Agreement for Interstate Water Banking, the Southern Nevada Water Authority (Authority) would like to release to Arizona up to 40,000 acre-feet of unused Nevada basic apportionment. The Authority requests that the Arizona Water Banking Authority (AWBA) store this water on our behalf during 2009. Enclosed is the Authority's letter to the Bureau of Reclamation of our intended action. The AWBA's ability to work with the Central Arizona Project and other partners will contribute greatly to the coordinated efforts to manage the water available to Nevada.

The Authority requests that the AWBA notify the Authority and the Secretary of the Interior, if the AWBA can store up to 40,000 acre-feet released during 2009.

If you have any additional questions, please contact William Rinne, Director of Surface Water Resources at (702) 691-5255. Thank you for consideration of this request. We appreciate your willingness to help southern Nevada secure future water supplies.

Sincerely,

Kay Brothers
Deputy General Manager
Engineering and Operations

KB:WR:TM:lmv

Enclosure

cc: William Rinne, Director, Surface Water Resources, Southern Nevada Water Authority
John Entsminger, Deputy General Counsel, Southern Nevada Water Authority
Jeffrey Johnson, Division Manager, Water Management and Accounting Division,
Southern Nevada Water Authority
George Caan, Director, Colorado River Commission of Nevada
Jennifer Crandall, Senior Deputy Attorney General, Colorado River Commission of Nevada
Herb Guenther, Director, Arizona Department of Water Resources
Larry Dozier, Deputy General Manager, Central Arizona Water Conservation District
Lorri Lee, Regional Director, Lower Colorado Regional Office, Bureau of Reclamation
Terry Fulp Deputy Regional Director, Lower Colorado River Regional Office,
Bureau of Reclamation
William Hasencamp, Program Manager, Metropolitan Water District of Southern California
Gerald R. Zimmerman, Executive Director, Colorado River Board of California

SNWA MEMBER AGENCIES

Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District



SOUTHERN NEVADA WATER AUTHORITY

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November 2, 2009

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

Dear Ms. Lee:

**SUBJECT: SOUTHERN NEVADA WATER AUTHORITY INTERSTATE BANKING DURING
CALENDAR YEAR 2009**

At the recent Inadvertent Overrun Payback Policy (IOPP) meeting in Las Vegas on October 20-21, 2009, staff from your office, the Central Arizona Project (CAP), the Metropolitan Water District (MWD), and the Southern Nevada Water Authority (Authority) discussed issues concerning Intentionally Created Surplus (ICS) and release of Nevada's unused basic apportionment for interstate banking in 2009.

The 2007 Colorado River Interim Guidelines, finalized in December 2007, identified procedures for ICS. Subsequent work to develop *Plans of Creation* (Plan) for ICS in 2008 and 2009, based on the Guidelines, precluded submittal of the Plans until the third and fourth quarter of 2008. Both the MWD and the Authority put forth plans to aggressively pursue conservation efforts for water supply and ICS purposes. The MWD submitted its ICS Plan for 2009 in late 2008. The Authority's Plans to create ICS in 2008 and 2009 were approved by the Bureau of Reclamation (Reclamation) in December 2008, following consultations with Arizona, California, and the Upper Basin.

In addition, the CAP was involved in a process to address the fact that they had customer orders for water for underground storage in 2009 that exceeded the available supply by 200,000 acre-feet (af). The Authority also anticipated the need to direct Nevada unused basic apportionment for interstate storage with the MWD.

Unfortunately, the volume of activities and work concerning Bi-national issues, Decree Accounting, the Colorado River Basin Study, Unused Basic Apportionment Policy, and the Inadvertent Overrun and Payback Policy, impacted completion of required work associated with ICS in 2009 for the MWD.

We are now approaching the end of 2009 and find that 1) the MWD has been very successful in conserving water for use and creating ICS; 2) the Authority has requested the Secretary of the Interior (Secretary) to make unused apportionment available for interstate storage with the MWD and would like to request approval for interstate storage in Arizona through the Water Order process in the near future; and 3) the CAP has a process for apportioning a limited supply of water for underground storage and has begun the process to store some of the Authority's unused apportionment in anticipation of the Secretary's approval to direct unused Nevada basic apportionment through a modified Nevada Water Order. We also learned that it may be necessary to reduce groundwater pumping in the Yuma area to address salinity issues with deliveries to Mexico which would reduce water available to the CAP.

SNWA MEMBER AGENCIES

Big Bend Water District • Boulder City • Clark County Water Reclamation District • City of Henderson • City of Las Vegas • City of North Las Vegas • Las Vegas Valley Water District

In order to address these challenges, the CAP, the MWD, the Authority, and Reclamation agreed upon a general plan of collaboration at the October 21, 2009 meeting to help ensure that the ICS and interstate storage for 2009 is appropriately credited and accounted for among the entities while ensuring that the Lower Basin States do not exceed their collective allocation and that 2009 Decree Accounting is clear and correct.

At this time, it appears that the MWD will store up to 60,000 af for the Authority. The CAP will use best efforts to store up to 40,000 af of the Authority unused apportionment while also trying to ensure all of Arizona's 2.8 million af is put to beneficial use. The Authority will address its 2009 Tributary Conservation ICS accounting as provided for in the 2007 Colorado River Interim Guidelines, forbearance agreement, and approved 2009 Plan.

We will need Reclamation's continued collaboration and leadership through the remainder of 2009 and through the Decree Accounting process to help us accomplish our goals. We all recognize that other factors beyond our control may impact our current plans, and we encourage Reclamation to continue to provide the most accurate, real-time information available as we complete the 2009 operating year. We also encourage Reclamation to provide the initiative and leadership to collaboratively develop the needed details and timelines to assure timely submittal, review, and approval of ICS Plans in future years and commit our time and energy to assure that goal is reached.

Sincerely,



Kay Brothers
Deputy General Manager
Engineering and Operations

KB:WR:JJ:Imv

cc: Terry Fulp, Deputy Regional Director, Lower Colorado River Regional Office,
Bureau of Reclamation
Herb Guenther, Director, Arizona Department of Water Resources
Tom Carr, Assistant Director, Arizona Department of Water Resources
Kim Mitchell, Manager, Arizona Water Banking Authority
David Modeer, General Manager, Central Arizona Water Conservation District
Larry Dozier, Deputy General Manager, Central Arizona Water Conservation District
Pat Mulroy, General Manager, Southern Nevada Water Authority
William Rinne, Director, Surface Water Resources, Southern Nevada Water Authority
George Caan, Director, Colorado River Commission of Nevada
Jeffrey Kightlinger, General Manager, Metropolitan Water District of Southern California
Roger Patterson, Assistant General Manager, Strategic Water Initiatives,
Metropolitan Water District of Southern California
William Hasencamp, Program Manager, Metropolitan Water District of Southern California
Gerald Zimmerman, Executive Director, Colorado River Board of California