IN THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATIONS 53987 THROUGH 53992, INCLUSIVE, AND 54003 THROUGH 54021, INCLUSIVE FILED TO APPROPRIATE THE UNDERGROUND WATERS OF CAVE VALLEY, DELAMAR VALLEY, DRY LAKE VALLEY AND SPRING VALLEY HYDROGRAPHIC BASINS 180, 181, 182 AND 184), LINCOLN COUNTY AND WHITE PINE COUNTY, NEVADA

State 'S EXHIBITS 91
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STATE OF NEVADA
DIVISION OF WATER RESOURCES
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SOUTHERN NEVADA WATER AUTHORITY'S OPENING STATEMENT

The Southern Nevada Water Authority ("SNWA") requests that the State Engineer grant its applications (the "Applications") to appropriate groundwater in the Cave Valley, Delamar Valley, Dry Lake Valley, and Spring Valley hydrographic basins (collectively, the "Basins"). The Applications are part of SNWA's planned interbasin groundwater development project (the "Groundwater Project") whereby SNWA intends to deliver the water to Southern Nevada. In total, the Groundwater Project could provide as much as 184,655 acre-feet per year ("afy") to approximately two million residents in Southern Nevada.

The residents and businesses of Southern Nevada have pressing needs for this water. Southern Nevada depends on the Colorado River for roughly ninety percent (90%) of its water supply and extreme and long-lasting drought conditions in the western United States have created uncertainty as to the continued availability of that water supply. The need to increase and diversify the water supply is the driving impetus behind the pursuit of the Applications and the development and timing of the Groundwater Project. Further, despite aggressive and highly successful water conservation efforts, SNWA's Water Resource Plan shows that water demand levels could exceed the available water supply by 2028 under normal Colorado River conditions or even earlier if the drought on the Colorado River worsens. Those water demand levels are influenced by long-term growth and development projections for Southern Nevada and underscore the need to replace temporary water supplies that are finite in nature.

The economic well-being of the State of Nevada is heavily dependent upon a healthy economy in Southern Nevada. The economic stability of Southern Nevada will be in jeopardy unless SNWA can develop additional water resources to diversify its water supply, meet future water demands, and replace finite temporary water supplies. The water that SNWA will appropriate under these Applications is thus critical to the continued economic success of Southern Nevada, and in turn, the entire State of Nevada.

As described below, SNWA expert reports, exhibits, and related testimony, will present substantial evidence to satisfy all statutory requirements in Nevada water law for the State Engineer to approve the Applications.

I. FINANCIAL ABILITY, BENEFICIAL USE AND REASONABLE DILIGENCE.

SNWA will present substantial evidence of its (1) intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence, and (2) financial ability and reasonable expectation to construct the Groundwater Project and apply the water to the intended beneficial use with reasonable diligence. NRS 533.370(1)(c). SNWA will present evidence that this water is a critical component of SNWA's water resource portfolio and that it could begin putting the water to beneficial use by 2028 or earlier, depending on drought conditions on the Colorado River. SNWA will provide a cost estimate for the Groundwater Project and expert analysis of SNWA's ability to pay for construction of the Groundwater Project, even if the Project is required for drought purposes only.

II. AMOUNT OF WATER AVAILABLE FOR APPROPRIATION.

SNWA will present substantial evidence regarding the amount of water available for appropriation in the proposed sources of supply. NRS 533.370(5); NRS 534.110(3). The amount of water available for appropriation in a given groundwater reservoir is equal to the perennial yield of the reservoir minus committed groundwater rights. SNWA's evidence will establish new perennial yields for the Basins to replace the outdated estimates of the 1971 Scott et al. report, which compiled information from the Reconnaissance Series Reports. Unlike the protestant experts who in many cases simply adopted average values from previous studies,

SNWA undertook a complete and comprehensive evaluation of the hydrology of the Basins and adjacent basins. SNWA's evaluation included an analysis of groundwater recharge and discharge including evapotranspiration, precipitation, and interbasin flow. The end result is a balanced groundwater budget that contains the most current and accurate estimates for perennial yield in the Basins.

A. Groundwater Evapotranspiration.

Groundwater evapotranspiration ("ET") was derived using the standard approach of determining the volume of total ET occurring in the groundwater discharge area and subtracting the volume of precipitation that fell on that area. Groundwater discharge areas and land cover classes within them were defined using previous mapping efforts that were updated using satellite imagery, field mapping, and remote sensing techniques. SNWA directly measured ET rates at measurement sites located in Spring, White River, and Snake Valleys using a widely-accepted method that is considered the most direct technique for estimating ET. These data were used to derive an empirical relationship between total annual ET and remotely sensed vegetation indices.

For Spring Valley and White River Valley, this empirical relationship was applied to estimate the total annual ET of each basin. These estimates were reduced by the annual precipitation that fell on the groundwater discharge areas to derive estimates of groundwater ET. The annual precipitation estimates were derived from 4-km PRISM precipitation grids. SNWA evaluated these grids by comparing the precipitation point values from the precipitation grid to the actual precipitation data measured at stations located in White River and Spring Valleys. SNWA evidence will show that PRISM over-estimated precipitation in groundwater discharge areas in Spring Valley, but underestimated precipitation in groundwater discharge areas in White River Valley. In both cases, SNWA accounted for these biases by either adjusting the grid values higher or lower to represent actual conditions. SNWA groundwater ET estimates for Spring and White River Valleys represent the best estimates to date, as they are based on data

collected within the respective groundwater discharge areas using state of the art methods and a period of data collection reflecting variable environmental conditions over a five year period.

Based on this analysis, there is 94,800 afy of groundwater ET in Spring Valley. For the other Basins, groundwater ET is minimal in Cave Valley, approximately 1,300 afy, and non-existent in Delamar and Dry Lake Valleys, where the depth to water is deeper than the rooting depth of the phreatophytes.

B. Precipitation Distribution.

SNWA selected a state of the art method to estimate spatial distribution of precipitation and long-term mean annual precipitation for the Basins. Precipitation plays an essential role in the hydrology of the Basins because it is the main source of surface water and groundwater. SNWA applied the 800-m PRISM precipitation grid to the Basins for the purpose of deriving the most accurate estimates of total mean precipitation and precipitation distribution. PRISM was selected over more rudimentary methods, such as the Hardman maps and precipitation altitude regression models, because it incorporates important physical processes, uses more recent data and station records than other mapping efforts, uses state of the art spatial methods, and is recognized world-wide as the best spatial data sets. For this study, PRISM grid values were compared against period-of-record mean values for select precipitation stations using a regression analysis. The findings indicated that the 800-m PRISM precipitation grid represents long-term mean conditions to within a margin of ten percent, which is a quality match. Estimated values for total annual precipitation extracted from the 800-m PRISM precipitation grid will be provided for each of the Basins. SNWA's use of PRISM is just one of numerous examples where SNWA uses the most modern, advanced, and accurate techniques to estimate important components of the groundwater system in the Basins.

C. Geologic Framework and Interbasin Flow.

SNWA evaluated interbasin flow using all available data, including refined geologic mapping. To aid in this analysis SNWA experts developed the most detailed, highest resolution digital geologic mapping available for the region. SNWA used this high resolution mapping to

identify key faults and other geologic features across the region that were not included in prior U.S. Geological Survey low-resolution mapping. Based on the geologic framework SNWA experts evaluated the likely impact of geologic features on groundwater occurrence and movement including areas of likely, permissible and unlikely flow across hydrographic area boundaries. SNWA experts have analyzed through additional geophysical surveys contested areas where SNWA and protestants disagree about the amount and direction of groundwater flow. Simply stated, the analysis of these experts has allowed SNWA to develop the most comprehensive picture available of the geology of the Basins and surrounding areas.

In addition to new geologic mapping, SNWA used all available data including data acquired from newly installed SNWA monitor and test wells to measure hydrologic gradients and estimate aquifer properties in place of or to validate prior estimates of these important parameters. These data were used to determine the direction and magnitude of groundwater flow across hydrographic area boundaries. Finally, SNWA corroborated many of its geological and hydrological conclusions with new gravity, audiomagnetotellurics, and isotope studies.

D. <u>Groundwater Recharge.</u>

SNWA optimized estimates of groundwater recharge using modern technology to solve complex numerical problems. SNWA used an Excel Solver to derive a relationship between recharge and precipitation for the purpose of estimating recharge efficiencies and mean annual recharge for the Basins. These estimates are constrained by independent estimates of annual groundwater ET and interbasin groundwater flow. The recharge efficiencies are used to derive recharge values based upon the spatial distribution of precipitation in the Basins. This numerical solution process represents a significant advancement from Reconnaissance Series estimates that used hand-drawn Hardman Precipitation Maps from the 1940's, a method that seems to be advocated by protestants' witness Dr. Myers. SNWA applied the Excel Solver as the principal means to derive total recharge and the potential distribution of recharge in Spring, Cave, Dry Lake and Delamar Valleys.

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E. Perennial Yield.

The perennial yields of the Basins must be revised to account for significant advances in hydrologic and aquifer property data collection and analysis. SNWA conducted the most current, comprehensive, and accurate assessment of hydrologic and geologic data in the Basins using extensive data collection and modern analytical tools. Based upon this information, SNWA will present new groundwater budgets for the Basins, and respectfully requests that the State Engineer accept and adopt these estimates in place of outdated estimates.

For basins with significant groundwater discharge to the surface in the form of ET, the perennial yield is limited to the total annual groundwater ET. For basins without significant groundwater ET, the definition of the perennial yield has been interpreted in different ways. The maximum perennial yield has, however, always been defined as no more than the total annual recharge volume to the basin.

Spring Valley is a basin with considerable groundwater ET; therefore, the perennial yield is equal to groundwater ET in the basin, 94,800 afy. Conversely, subsurface interbasin flow accounts for the majority of discharge from Cave Valley, Dry Lake Valley, and Delamar Valley. For these basins, the perennial yield is equal to the total annual recharge to the basins: 13,700 afy for Cave Valley, 16,200 afy for Dry Lake Valley, and 6,600 afy for Delamar Valley.

F. Committed Groundwater Rights.

The committed groundwater rights are the amount of existing senior water rights estimated to be used in an average year. In order to determine the total committed groundwater rights, SNWA experts identified all groundwater rights and then made adjustments for supplemental and consumptive use. These are the same adjustments made by the State Engineer in the Basin Inventories completed pursuant to NRS 533.364.

SNWA will present expert testimony that quantifies the total amount of senior committed groundwater rights in each of the Basins. The total amount of committed groundwater rights is determined by identifying the total amount of groundwater rights in the records of the State Engineer and then adjusting for (i) groundwater rights that are supplemental to other

groundwater rights, (ii) groundwater irrigation rights that are supplemental to surface water irrigation rights, (iii) the percentage of supplemental rights that are estimated to be actually used per year, and (iv) the amount of groundwater actually consumed by irrigation and domestic uses. The amount of committed groundwater rights identified by SNWA's expert conforms closely to the amount identified by the State Engineer in his Basin Inventories. The State Engineer can subtract the senior committed groundwater rights from the perennial yield in order to determine the amount of water available for appropriation in each of the Basins.

G. Unappropriated Water.

Subtracting the senior committed groundwater rights from the perennial yields for each of the Basins means that the following amounts of water are unappropriated and therefore available for appropriation by SNWA: Spring Valley is 84,370.49 afy, Cave Valley is 13,682.23 afy, Dry Lake Valley is 16,137.74 afy and Delamar Valley is 6,591.05 afy.

III. EVALUATION OF POTENTIAL CONFLICTS WITH EXISTING RIGHTS AND IMPACTS TO ENVIRONMENTAL AREAS.

SNWA will provide substantial evidence that the proposed use of the water will not conflict with existing senior water rights (including protectable interests in existing domestic wells) or unreasonably impact sensitive environmental areas. NRS 533.370(5); NRS 533.370(6)(c). SNWA's conflicts analysis examined the potential effects of groundwater production on existing senior water rights and sensitive environmental areas and provided examples of mitigation measures for remedying potential adverse effects. The scope of work for SNWA's conflicts analysis involved identifying locations of interest, including existing senior water rights and environmental areas of interest, conducting a qualitative analysis using known hydrologic and geographical information, and finally performing a quantitative analysis using model simulations with the original version of the numeric groundwater flow computer model developed for the Draft Environmental Impact Statement ("DEIS") for the Groundwater Project.[1]

[1] The CCRP model was developed in support of the DEIS by SNWA, with direction and guidance from U.S. Bureau of Land Management and its Hydrology Technical Group.

SNWA experts will testify to the model's construction and best uses, and SNWA's commitment to monitoring and managing the water resource.

A. Model Construction.

The original version of the Central Carbonate Rock Province ("CCRP") model provides a solid foundation for analysis of regional effects. The effects of SNWA's proposed groundwater production from the Application points of diversion were evaluated using the original version of the CCRP model. SNWA experts will describe how this model was developed through great effort and collaboration with other experts from state and federal agencies. The model development closely adheres to best practices and sound modeling principles, and was used properly based on the limitations of the model and its suitable uses. The model contains more up-to-date representations of hydrogeologic data for the Basins and adjacent regions than any previous work, was developed and evaluated using state-of the art methods, and was calibrated well to fit observations. In contrast, protestants' groundwater model prepared by Dr. Myers contains numerous errors and omissions.

B. Effects Analysis.

Potential effects from the Groundwater Project were thoroughly analyzed using both a qualitative and quantitative approach. SNWA's approach to the effects analysis consisted of a qualitative assessment, based upon known hydrologic and geographical data, and a quantitative assessment that used model results and other considerations, such as well construction attributes. SNWA queried the geographical location of each existing senior water right and environmental area of interest using a geographical information system, or GIS. Experts determined impacts to many of the identified existing rights and environmental areas would not occur based on a quantitative analysis. This analysis determined these rights and areas are not in connection with the regional groundwater aquifer based upon their location in the mountain blocks where water is derived from local precipitation and perched groundwater. The remaining water rights were geographically located on either alluvial fans or valley floors. All of these water rights were evaluated for potential effects using the groundwater model except for the water rights in

Delamar Valley, which were all determined to not be in connection with the regional aquifer due to the deep water table in the valley.

The remaining water rights and environmental areas of interest were evaluated using model results. The model simulated staged development of the resource up to full application volumes through continuous pumping during the simulation period. The scenario yielded results that over-estimate effects because SNWA is not expected to continuously pump the resource due to breaks in pumping for maintenance or management techniques to avoid unreasonable impacts. Assuming that SNWA will pump continuously does not take into account the fact that intervention by SNWA and state and federal regulators will modify pumping from the simulation scenarios as needed based on observed impacts. Simulations were run out to 75 years beyond full build out of the project, or the calendar year 2117. This simulation time period was selected to represent the expected lifespan of the project's equipment and infrastructure and is based on increased confidence in model predictions made for 75 years versus the confidence level for a 200 year simulation period. The effects were evaluated based on two criteria, a change in water level greater than 50 feet or a change in spring discharge greater than 15%. The thresholds used for this analysis were selected based upon confidence in simulated results at this model scale and inherent uncertainties associated with scarcity of available data and unavoidable generalization in geologic features.

Existing rights and sensitive environmental areas that met or exceeded the threshold inquiry for this analysis were further examined to evaluate the level of potential impact on the groundwater or surface water point of interest. Specifically, SNWA experts examined: (1) interconnectivity of surface water features to the regional groundwater table; (2) interconnectivity between aquifers; (3) well construction and characteristics such as well depth, depth to water, and pump setting; and (4) well performance details such as yield or static and pumping water levels. Based upon this analysis, only a small amount of existing water rights and environmental areas of interest potentially required mitigation measures when evaluated with these additional considerations. These model results are extraordinary given the fact that

the simulated effects are exaggerated since the model analyzed continuous pumping at full volume for an extended period of time (which is unrealistic) while at the same time excluding monitoring, management, mitigation measures that would protect against adverse effects.

C. **Monitoring, Management and Mitigation.**

Any unreasonable adverse effects caused by the Groundwater Project can, and will, reasonably be mitigated by the monitoring and mitigation plans for the Basins. NRS 533.024(1)(b). SNWA is committed to responsible and sustainable development of the groundwater resources in the Basins through its hydrologic and biologic management programs. The Hydrologic Management Program (the "Program") is a comprehensive and adaptive program committed to monitoring and managing the groundwater resources in the Basins. The Program is designed to meet the requirements of Nevada statutes and stipulated agreements between SNWA and federal agencies. For these applications, the State Engineer is required to examine potential conflicts with existing rights, weigh the possible benefits and detriments to the public's interest, and analyze whether the interbasin transfer is environmentally sound. NRS 533.370(5); NRS 533.370(6)(c) The Program provides the basis for the State Engineer to determine those requirements are met by (1) offering a scientifically sound framework to study the groundwater aquifers in the Basins; (2) establishing a periodic data reporting process; and (3) collaborating to adapt and change the groundwater development scenario as needed to ensure responsible and sustainable development of the resource. The Plans submitted at this hearing should be included as permit terms by the State Engineer.

The Program framework includes a spatially distributed and hydrologically diverse monitoring network currently geared toward collecting baseline data in the Basins. The baseline data documents natural variations in the system for detecting artificial variations caused by groundwater production. Ongoing data collection in the monitoring network will allow SNWA to update the data files in the CCRP model to increase its predictive accuracy. The density of SNWA's monitoring network will permit SNWA to monitor impacts at short and long distances from production wells.

Mitigation measures are available to remedy any unreasonable effects. For example, the potential effects described above may be mitigated through deepening the current well, drilling a substitute well, or providing a like amount of water from water rights owned by SNWA. Potential mitigation measures are also provided for under the stipulated agreements between SNWA and federal agencies, to which SNWA must adhere.

IV. PUBLIC INTEREST.

SNWA will provide substantial evidence that the proposed use of the water does not threaten to prove detrimental to the public interest. NRS 533.370(5). The State Engineer's consideration of the public interest is limited to issues raised by Nevada's water statutes. *Pyramid Lake Paiute Tribe v. Washoe County*, 112 Nev. 743, 748–49, 918, 5 P.2d 697, 700 (1996). In addition, the State Engineer may weigh economic benefits of proposed uses of water in consideration of the public interest. *See* NRS 533.370(6)(a), (d), & (e).

The economic interests of the State of Nevada are heavily dependent upon the continued economic success of Southern Nevada. Expert testimony will show that a 10.5 percent decline in water supply in Southern Nevada will result in a decrease of the economic output of Southern Nevada by $9.6 billion, a loss of 84,000 jobs, and a decline in wages and salaries of $3.0 billion. Even if current water supplies were adequate, any uncertainty regarding future supplies would still have a negative effect on the economy. Clark County accounts for about 75% of Nevada's tax revenue, draws nearly 40 million visitors per year, and subsidizes hospitals and schools for the rest of the state. The water that SNWA will appropriate under these Applications is thus critical to the economic recovery and success of Southern Nevada, and in turn, the entire State of Nevada.

V. INTERBASIN TRANSFER CRITERIA.

The Applications are seeking an interbasin transfer of groundwater which requires the State Engineer to consider the following additional criteria:

A. **Justification of Need.**

The State Engineer must consider whether SNWA has justified the need to import the water from another basin. NRS 533.370(6)(a). SNWA will provide substantial evidence, satisfactory to the State Engineer, that it has a need to import and beneficially use the water. NRS 533.045; NRS 533.060(1); NRS 533.070(1); NRS 533.340(3); NRS 533.370(1). Despite aggressive and highly successful water conservation efforts, SNWA projections show that water demand levels will exceed available water supply beginning in roughly 2028 under normal conditions on the Colorado River, and even sooner if drought triggers shortage conditions. Those demand levels are influenced by long-term growth and development projections for Southern Nevada and underscore the need to replace finite temporary water supplies with permanent and reliable water supplies. The need to increase and diversify water supply is the driving impetus behind the pursuit of the Applications and the development and timing of the Groundwater Project. Southern Nevada must develop the Groundwater Project in order to be self-sufficient and support long-term growth and prosperity. SNWA will present evidence that it has maximized local water resources and that it needs to import the water from the Basins because there is no other alternative source of supply that can be developed. SNWA has maximized local water resources, including water from the Colorado River and Las Vegas Valley groundwater. SNWA would not be expending considerable amounts of time and resources on securing these Applications if it did not need this water.

B. **Conservation Plan.**

After determining that a conservation plan is advisable for Southern Nevada, the State Engineer must consider whether SNWA has demonstrated that a plan for conservation of water for the Las Vegas Valley groundwater basin has been adopted and is being effectively carried out. NRS 533.370(6)(b). SNWA and its member agencies promulgate a conservation plan every five years, aggressively updating and achieving conservation goals. The current conservation plan is being effectively carried out and has been approved by the State Engineer and the Bureau of Reclamation and is in compliance with state and federal conservation policies. From 2002 to

2008, Southern Nevada's annual water consumption was reduced by nearly 21 billion gallons despite a population increase of approximately 400,000 people. SNWA and its member agencies built upon that success by setting an even more robust goal of reducing consumption to 199 gallons per capita per day by 2035.

Southern Nevada's conservation success has been the result of a comprehensive conservation strategy. This strategy includes strict development codes that impose water related limitations on development, block rate structures that encourage conservation by steepening the cost of excess water consumption, incentive programs for customers to conserve water, and education programs to foster a conservation ethic in the Southern Nevada community. The incentives are among the most effective in the nation, having caused the conversion of more than 14 million square feet of turf grass for a demand reduction of more than 127,000 acre-feet over the past ten years. The conservation plan strikes an appropriate balance between ensuring that Southern Nevada continues to thrive and benefit the state economically while reducing per capita consumptive uses.

C. Environmental Soundness.

The State Engineer must consider whether the Groundwater Project is environmentally sound as it relates to the basins from which the water is exported. NRS 533.370(6)(c). SNWA has undertaken extraordinary efforts to ensure that its project will be carefully operated in an environmentally sound manner. SNWA has amassed comprehensive baseline data regarding the biological resources in the Basins and adjacent basins. SNWA is committed to environmental monitoring, adaptive management and mitigation to protect the Basins and the protected species located therein. SNWA has entered into conservation agreements that preserve and in some cases create habitat for Great Basin species. SNWA's evidence will address how to manage any change in depth to groundwater through plant succession to more drought-tolerant species so that barren land or blowing dust will not result. SNWA has acquired ranch properties, grazing allotments, and surface and groundwater rights in the Basins so that it can improve habitat

conditions for species of concern by managing natural and agricultural resources in ways that benefit vital ecosystems.

The regulatory environment also ensures that unreasonable adverse impacts will not occur. SNWA is a party to two stipulated agreements with four Department of the Interior agencies and one agreement with the U.S. Forest Service, all of which are designed to manage the development of groundwater in the Basins in a manner that will avoid unreasonable adverse effects to federal resources. Environmental laws such as the Endangered Species Act, the National Environmental Policy Act, the Clean Water Act, and the Clean Air Act, along with State Engineer permit terms and conditions, will all require environmental protections.

SNWA will (1) prevent unreasonable impacts through placement and operation of its wells, (2) closely monitor unexpected outcomes to prevent unreasonable impacts, and (3) mitigate any unavoidable impacts as required by commitments to state and federal agencies that will be closely supervising SNWA operations. The Groundwater Project will be, and must be, environmentally sound as it relates to the Basins and the protected species therein.

D. Basin of Origin.

The State Engineer must consider whether the Groundwater Project is an appropriate long-term use which will not unduly limit the future growth and development in the basin from which the water is exported. NRS 533.370(6)(d). SNWA will demonstrate that rural economic development requiring significant water resources in the Basins is highly unlikely to occur in the foreseeable future. Several key factors that typically support economic growth—including proximity to metropolitan centers, a skilled labor force, and a location along major transportation corridors—are absent in the Basins and will remain so into the future. SNWA will show that future agricultural development in the Basins is highly unlikely given the substantial costs of investment in new facilities and land within the area. Other markets in the western United States provide far superior economic advantages for agricultural development than the Basins. In addition, SNWA will show that renewable energy development in the Basins is highly unlikely to occur. Given the limited likely future development in the Basins, the use of water as proposed

by the Applications is an appropriate long-term use that will not unduly limit future growth and development in the Basins.

E. Other Relevant Factors.

The State Engineer may consider any other factor the State Engineer determines to be relevant. NRS 533.370(6)(e). The highest and best use of this water resource should be considered by the State Engineer. The Groundwater Project is a unique and vital undertaking for the people of Southern Nevada and the State of Nevada as a whole. SNWA is seeking to appropriate water that is not being used, and is not reasonably likely to be used by any other appropriator in the Basins. If these Applications are granted, 7 out of 10 people in the State of Nevada will directly rely upon this water and the other 3 out of 10 will benefit either directly or indirectly. The Groundwater Project will provide a permanent water supply that will do more for the people of Nevada than any other appropriation that the State Engineer could grant.

VI. CONCLUSION.

SNWA has expended considerable time, money and effort in pursuing the Groundwater Project and it will face considerable challenges in the years to come. There is a small minority interest that will simply never support the Groundwater Project and will oppose it at every turn, no matter how baseless the grounds are for that opposition. However, because the future of Southern Nevada demands a reliable water supply, SNWA must develop this water resource and will continue to pursue responsible development of this water for the people of Southern Nevada and the State of Nevada as a whole. Nevada's continued prosperity and economic survival depends on it.

Respectfully submitted this 16th day of September, 2011.

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CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of September 2011, a true and correct copy of SOUTHERN NEVADA WATER AUTHORITIES' OPENING STATEMENT BRIEF was served on the following by Fed Ex overnight delivery as follows:

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