



Southern Nevada  
Water Authority

June 29, 2007

REC'D JUL 09 2007

Tracy Taylor, P.E., State Engineer  
Nevada Division of Water Resources  
901 Stewart Street  
Suite 2002  
Carson City, Nevada 89701

Dear Mr. Taylor:

**SUBJECT: HEARING REQUEST FOR DELAMAR, DRY LAKE AND  
CAVE VALLEYS**

This letter is sent to request that you schedule an administrative hearing to consider the water right applications owned by the Southern Nevada Water Authority (SNWA) in Delamar, Dry Lake and Cave Valleys. We request that this hearing be scheduled for the period from January 14-18, 2008.

SNWA originally asked for the scheduling of a hearing for Delamar, Dry Lake and Cave Valleys at the January 5, 2006, Pre-Hearing Conference that was held to address the SNWA applications in Spring, Snake, Delamar, Dry Lake and Cave Valleys. In letters dated February 9, 2006, and February 27, 2006, SNWA clarified the applications for which it sought a hearing for Delamar, Dry Lake and Cave Valleys.

In response to SNWA's request, on March 8, 2006, your Office issued an Interim Order and Hearing Notice which scheduled a hearing for the Spring Valley applications on September 11, 2006. The State Engineer indicated in that Order that "the hearings for Snake Valley, Delamar Valley, Dry Lake Valley and Cave Valley will be scheduled at some later date." SNWA now requests that a hearing be scheduled for applications in Delamar, Dry Lake and Cave Valleys.

As you are aware, concurrent with proceedings on these water right applications, SNWA is proceeding with the federal environmental compliance process for the construction and operation of the Clark, Lincoln, and White Pine Counties Groundwater Development Project. This process is under the direction of the Bureau of Land Management, and certain documentary due dates exist for completion of the environmental impact statement (EIS). Data that will be material to this hearing are being prepared as part of the EIS preparation process. Due to the requirements of this parallel regulatory process, and because documents need to be prepared for both processes, SNWA requests that document submittals for the proposed hearing be ordered no sooner than 60 days prior to the scheduled hearing period.

Additionally, SNWA respectfully requests that during the hearing on Delamar, Dry Lake and Cave Valleys, you take administrative notice of the record that was admitted at the Spring Valley hearing. This will avoid the duplication of volumes of information that are already available to your Office. SNWA also requests that you schedule a pre-hearing conference so that certain statutory issues and protest issues can be briefed, and possibly ruled upon, prior to the hearing date. Many of the remaining protest issues were addressed conclusively in the Spring Valley Ruling.

Departments of:

**ENERGY MANAGEMENT  
ENGINEERING  
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These issues include SNWA's intent to construct the project, SNWA's technical and financial ability to construct the works of diversion, the justification of need for the project, the adequacy of a conservation plan in Las Vegas Valley, and whether the project will put water to beneficial use. This process will alleviate the need to present the same evidence that has been previously admitted in response to identical protest issues in previous hearings.

SNWA Applications at Issue. SNWA requests that the following applications be considered at the hearing on Delamar, Dry Lake and Cave Valleys:

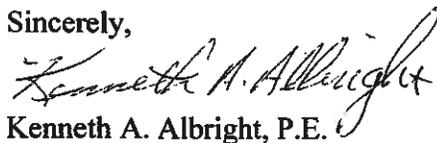
|                 |            |                    |
|-----------------|------------|--------------------|
| Delamar Valley  | App. 53991 | 6 cfs (4,344 afy)  |
|                 | App. 53992 | 10 cfs (7,240 afy) |
| Dry Lake Valley | App. 53989 | 6 cfs (4,344 afy)  |
|                 | App. 53990 | 10 cfs (7,240 afy) |
| Cave Valley     | App. 53987 | 6 cfs (4,344 afy)  |
|                 | App. 53988 | 10 cfs (7,240 afy) |

In addition to the hearing on the applications listed above, SNWA requests that you consider scheduling a separate hearing, if necessary, after the SNWA hearing in Delamar, Dry Lake and Cave Valleys, to consider certain change applications (Nos. 72296-72349) related to existing water rights in the Lake Valley hydrographic basin filed by Tuffy Ranch Properties, LLC. The Lake Valley change applications were filed to change the place of use of groundwater from Lake Valley to a place of use in the Coyote Spring hydrographic basin and to change the manner of use from irrigation to municipal.

As you may be aware, SNWA entered into a cooperative agreement with the Lincoln County Water District (LCWD) in January, 2006 that anticipates the LCWD's acquisition of capacity rights in SNWA's water conveyance facilities. It is SNWA's understanding that these capacity rights will be utilized to convey water rights available to the LCWD, which potentially include the water rights that are the subject of the Lake Valley change applications. SNWA believes that consideration of the Lake Valley change applications immediately after the Delamar, Dry Lake and Cave Valley applications will promote administrative efficiency and allow for the consideration of regional issues proximate to each of the four hydrographic basins.

Please contact me directly at 702-862-3775 if you have any questions regarding this matter.

Sincerely,



Kenneth A. Albright, P.E.  
Director, Groundwater Resources

KAA:vw

c: Patricia Mulroy, General Manager, SNWA  
Kay Brothers, Deputy General Manager, Engineering/Operations, SNWA  
John J. Entsminger, Deputy General Counsel, SNWA  
Paul Taggart, Esq.  
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