

**POLICY STATEMENT OF THE STATE OF NEVADA
BEFORE
THE CALIFORNIA STATE WATER RESOURCES CONTROL BOARD
REGARDING
WATER RIGHT APPLICATIONS 31487 AND 31488 FILED BY THE
UNITED STATES BUREAU OF RECLAMATION
AND PETITIONS TO CHANGE
LICENSE 3723 (APPLICATION 5169) OF WASHOE COUNTY CONSERVATION DISTRICT,
LICENSE 4196 (APPLICATION 9247) OF TRUCKEE MEADOWS WATER AUTHORITY
PERMIT 11605 (APPLICATION 15673) AND LICENSE 10180 (APPLICATION 18006) OF THE
UNITED STATES BUREAU OF RECLAMATION**

The State of Nevada is a signatory to the Truckee River Operating Agreement (“TROA”) which was duly made pursuant to Section 205 of Public Law 101-618 (the “Settlement Act”). The Settlement Act protects the respective roles and jurisdictions of the Nevada State Engineer and the California State Water Resources Board. *Settlement Act Section 210 (b)(12)*. Through compliance with applicable state laws and procedures for changes in water rights, the water rights of non-applicants will not be impaired and the public policies of each state will be supported.

Section 12.A.4(d) of TROA requires state approval of certain water right changes, including those before this Board. The Nevada State Engineer has already acted upon TROA related changes in its Ruling No. 6035, issued March 19, 2010.

The United States District Courts in Nevada and California will also make required determinations regarding water rights and modification to decrees. *TROA Sections 12.A.4(b) and (c)*.

The execution of TROA by the United States required compliance with the National Environmental Policy Act and the Endangered Species Act. *TROA Section 12.A.3(b)*. The execution of TROA by California required compliance with the California Environmental Quality Act and the California Endangered Species Act. *TROA Sections 12.A.3(c) and (d)*.

This proceeding before the State Water Resources Control Board is another vital component of the TROA process which will serve to protect and promote many varied and important interests.

Section 204 of the Settlement Act provides for the long-awaited allocation of the waters of the Carson River, Lake Tahoe and the Truckee River. The allocations will take effect upon the satisfaction of stated conditions, including that TROA has entered into effect. *Settlement Act Section 2010(2)(A)*.

The California-Nevada Interstate Compact Commission was established in 1955 to negotiate an interstate compact relative to the distribution and use of the waters of Lake Tahoe and the Truckee, Carson and Walker Rivers and their tributaries. The United States was to be represented through presidential appointment.

Commission members representing water using entities or areas conducted intensive negotiations in an effort to establish an interstate allocation of water of Lake Tahoe and the three river systems between the two States. Those negotiations spanned the period 1955-1969.

The often contentious negotiations resulted in agreement between the commission members from both Nevada and California. The Nevada State Legislature ratified and approved the California-Nevada Interstate Compact in 1969. The California State Legislature ratified and approved the Compact with minor modifications in 1970. Subsequently in 1971 the Nevada State Legislature ratified and approved the Compact as modified by California.

The Compact did not receive consent by act of Congress of the United States, primarily because of objections of the Pyramid Lake Indian Tribe, some local interests and some federal agency representatives. Therefore it did not enter into effect. Those objections are now resolved through statutory allocation of the Settlement Act.

It is important to note that representatives of both California and Nevada and their constituents continued to recognize that it was essential to preserve the comity in both states

basically as set forth in the allocation provisions of the Compact. The two states have thus continued to be guided in their water right management and administration decisions by those proposed allocations.

The importance of confirming an interstate allocation was again affirmed in the development and enactment of PL 101-618. While the Settlement Act does include interstate allocations for the Carson River, Lake Tahoe and the Truckee River, the allocation of Walker River was not included.

The provisions of PL 101-618 are not identical to those of the earlier Compact. However, the basic allocations are similar and in effect meet the intents and goals which guided the earlier negotiators. Provisions of the Truckee River Operating Agreement are in accordance and consistent with provisions of PL 101-618.

Although the States of Nevada and California have cooperated and agreed to an interstate allocation, it is essential that the allocation be established formally in law.

Protection of existing water rights and uses, together with an established measure of water between the States, is critical to future water right and management decisions.

Without intending to improperly address this proceeding, Nevada does wish to make the following policy statements for the record:

1. As evidenced by Nevada's participation in the TROA process culminating in Nevada's concurrence in the approval of TROA, it is established policy to support TROA and its implementation .
2. Nevada has been involved with California since 1955 in efforts to conclude an interstate allocation of waters of Lake Tahoe, the Truckee River and the Carson River. Ratification and implementation of TROA would effect that

critical allocation. Nevada policy supports resolution and conclusion of this allocation.

STATE OF NEVADA DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES

July 21, 2010

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Leo Drozdoff
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July 21, 2010

By: /s/ John W. Hoffman
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