

Washoe County Department of Water Resources

Status

Report on protests

March 31, 2008

Vahid Behmaram

Water Rights Manager

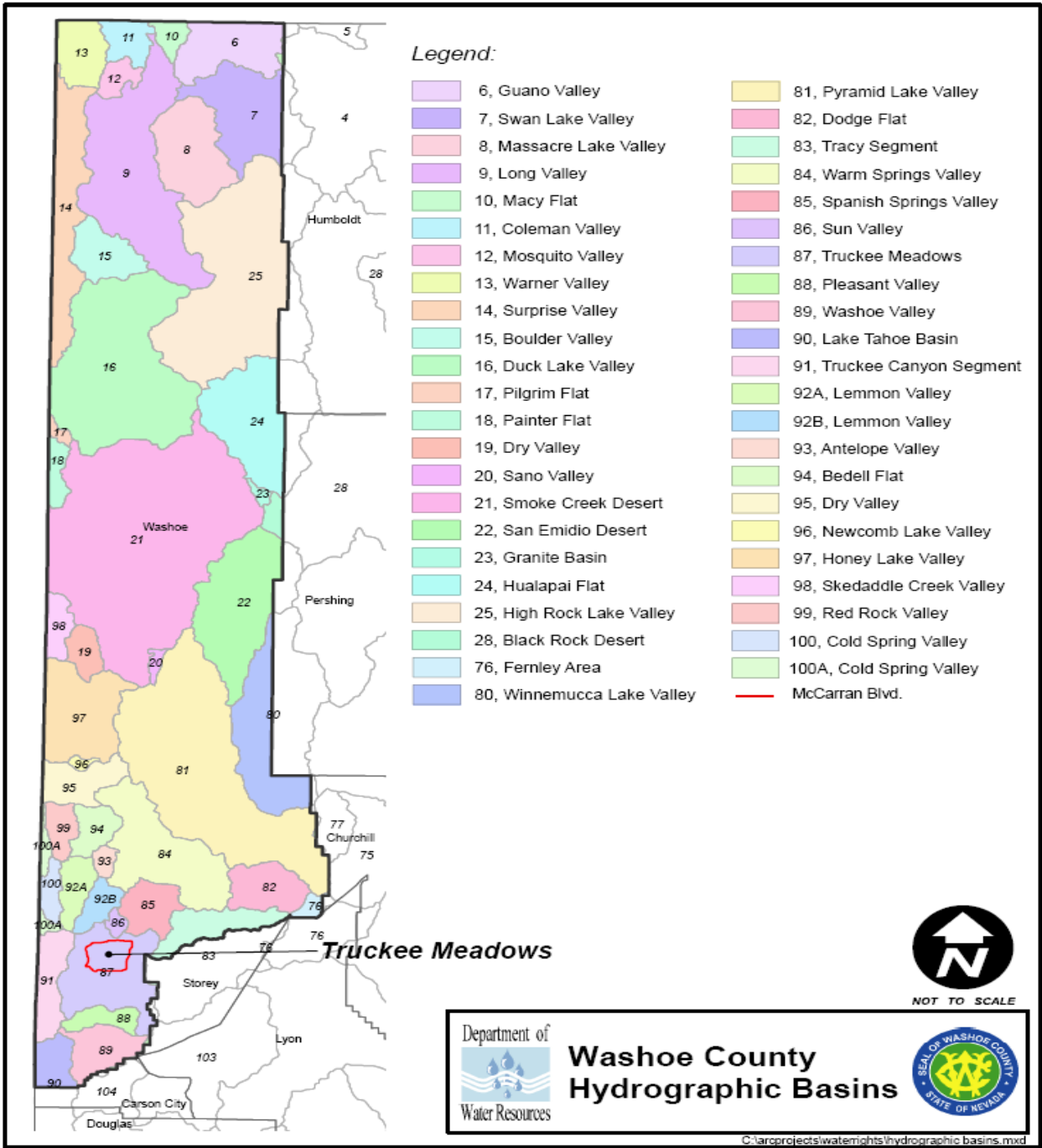
Department of



Water Resources



EXHIBIT I – WESTERN WATER
Document consists of 20 pages.
Entire Exhibit provided.
Meeting Date: 3-31-08



Hydrographic Basins In Washoe County

- There are 45 hydrographic basins in Washoe County, each unique in character
- They vary in size and their estimated yield of water ranges from 25 acre-feet annually to 27,000 acre-feet annually (source: State Engineer & U.S.G.S)
- They range from sparsely populated to densely populated metropolitan areas of Reno-Sparks

Washoe County Comprehensive Plan & Development Code

Washoe County Comprehensive Plan and Development Code provides both the authorization and a mandate to Washoe County, through the Department of Water Resources (DWR), to manage the water resources of Washoe County.

A significant component of the Comprehensive Plan, the Public Services and Facilities section states:

“ PSF.1.10 Prohibit long term groundwater mining as a method of water management.”

“ PSF.1.10.1 Washoe County shall work with state and federal agencies to manage local groundwater resources to provide for annual use of these resources which does not exceed levels sustainable at current rates of inflow and recharge.”

“ PSF.1.10.2 The Washoe County Board of County Commissioners shall not approve land development activities dependent upon groundwater supplies which will cause the groundwater basin(s) to fall below self-sustaining levels as a result of the project's water consumption or effluent discharge method.”

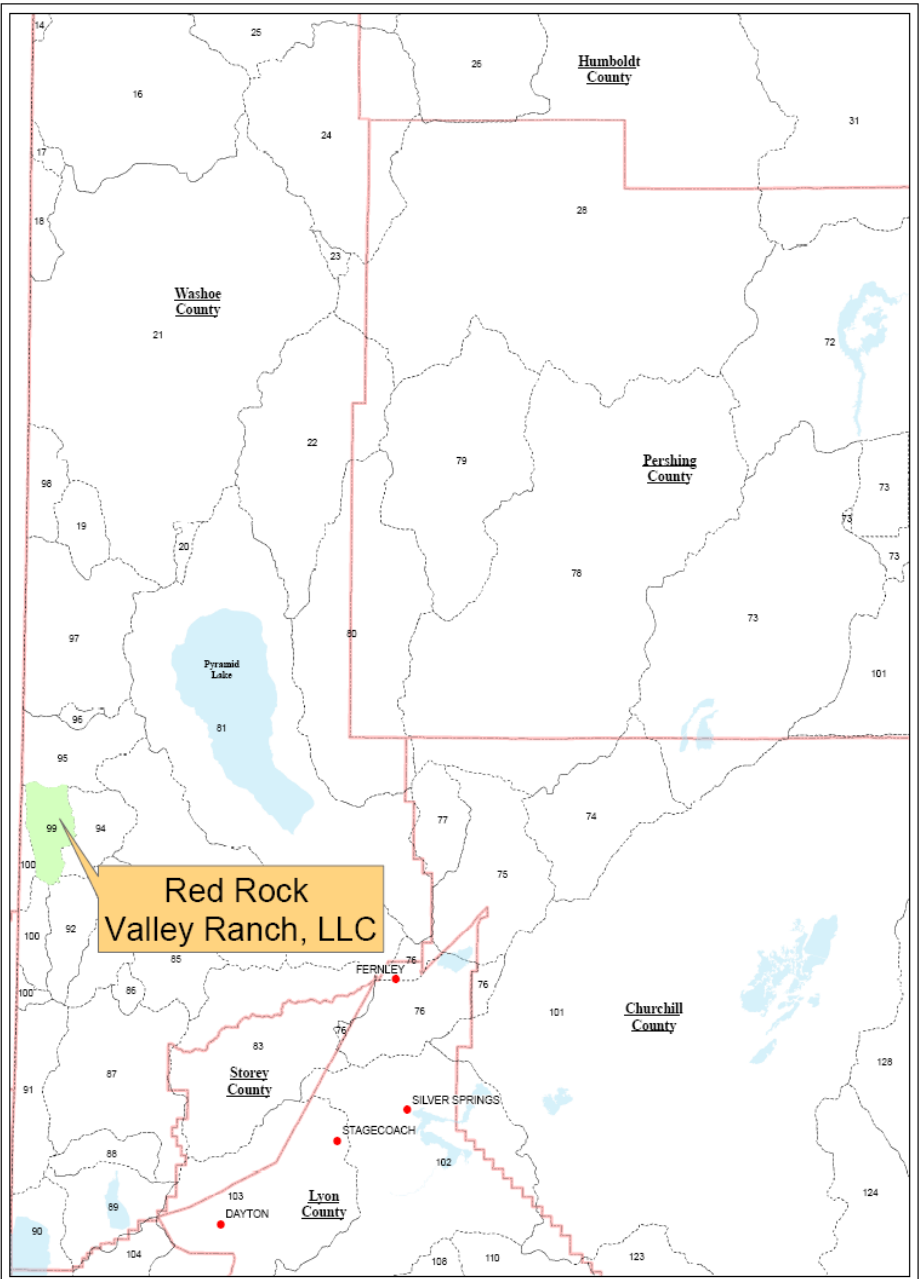
Significant components of Nevada Water Law states:

- NRS 533.370-5:
- *The State Engineer is prohibited by law from granting an application to appropriate the public waters of State of Nevada where:*
 - *A. There is no unappropriated water at the proposed source;*
 - *B. The proposed use or change conflicts with existing rights;*
 - *C. The proposed use or change conflicts with protectible interests in the existing domestic wells as set forth in NRS 533.024; or*
 - *D. The proposed use or change threatens to prove detrimental to the public interest.*

NRS 533.370-6 :

- *6. In determining whether an application for an interbasin transfer of groundwater must be rejected pursuant to this section, the State Engineer shall consider:*
 - *(a) Whether the applicant has justified the need to import the water from another basin;*
 - *(b) If the State Engineer determines that a plan for conservation of water is advisable for the basin into which the water is to be imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out;*
 - *(c) Whether the proposed action is environmentally sound as it relates to the basin from which the water is exported;*
 - *(d) Whether the proposed action 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; and*
 - *(e) Any other factor the State Engineer determines to be relevant.*

Washoe County Protests on recent projects and their status



Red Rock Valley Ranch, LLC

Hydrographic Basin Boundaries & County Lines in Western Nevada

Department of Water Resources
 Engineering Division
 Washoe County
 Nevada

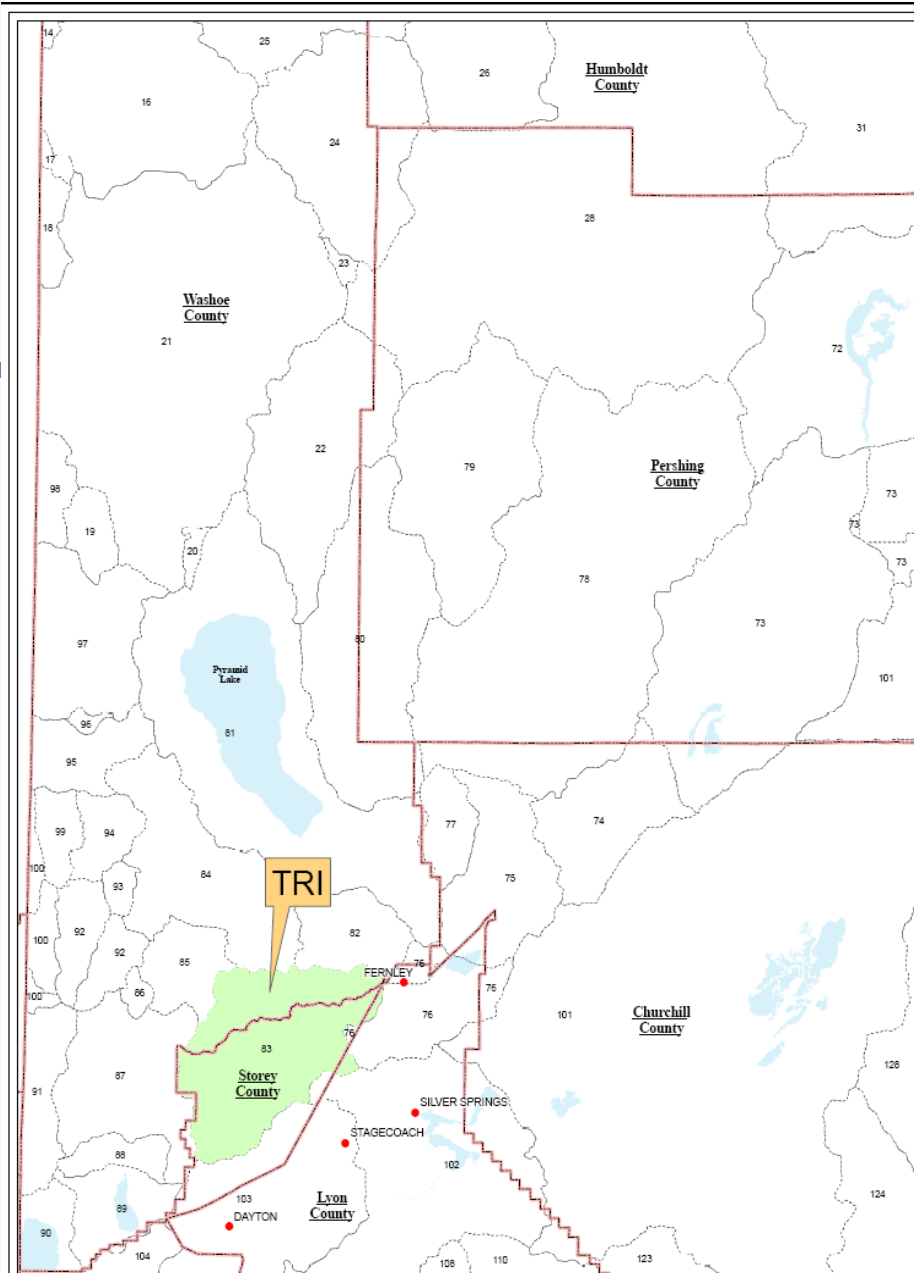
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 March 2008

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Red Rock Valley Ranch, LLC

- The initial project request was to export 1929 acre-feet of existing and new ground water appropriations to Lemmon Valley
- There are approximately 650 lots with a domestic well or the rights to drill one and 176 acre-feet of existing ground water appropriations
- Estimated yield according to U.S.G.S. Reconnaissance report # 43 is 1000.00 acre-feet annually.
- Applicant provided large volumes of reports and studies on the availability of additional water resources in this basin
- The applicant and Washoe County stipulated to a reduced export amount of 1,273.30 acre-feet. This number was arrived at after establishing a new yield estimate, and accounting for the domestic wells and other existing rights
- State Engineer ruling # 5816 dated January 2008 grants 1273 acre-feet of which 855 can be pumped and exported, and the remaining 418 acre-feet may be exported upon monitoring and further approval of the State Engineer



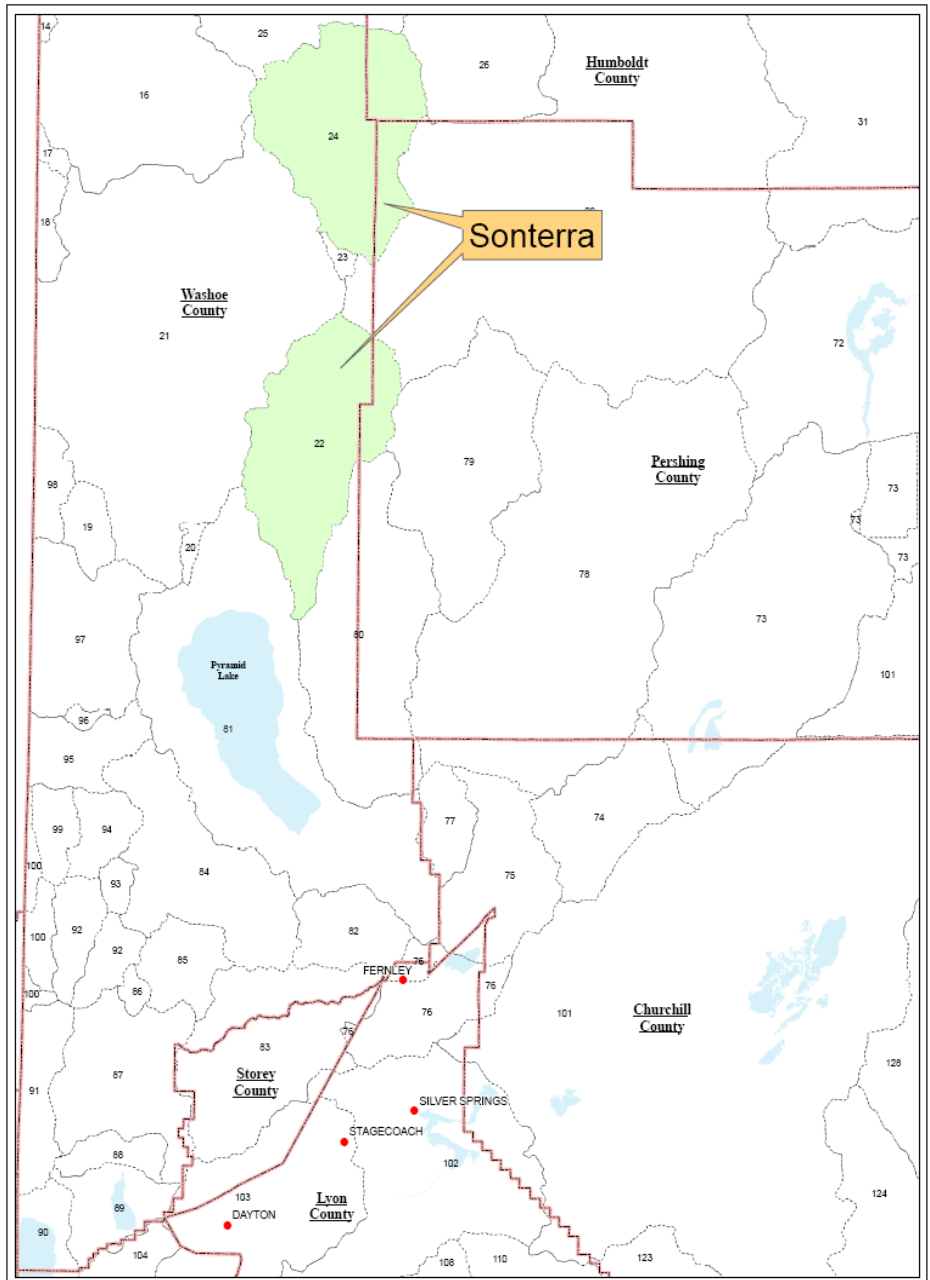
Hydrographic Basin Boundaries & County Lines in Western Nevada

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TRI (Tahoe Reno Industrial Park)

- U.S.G.S. Reconnaissance Report No. 57 estimated the yield of Tracy Segment basin (083) at 6000 acre-feet. Existing appropriations exceeded 8000 acre-feet.
- New applications to appropriate (several thousands acre-feet) of ground water have been protested by Washoe & Churchill Counties, The Pyramid lake tribe and an individual rancher, Edwin De Paoli.
- Extensive new studies presented to Washoe County, other protestants and the State Engineer provided evidence of additional available water. Recharge Values calculated by U.S.G.S. varied between 2,000 and 22,000 acre-feet annually. Washoe County did not present a case in the hearing.
- State Engineer Ruling # 5747 concluded there was 2,920 acre-feet available to appropriate. This figure is based on a new recharge figure of 11,500 less existing rights.
- State ruling is appealed by several protestants and applicants.



**Hydrographic Basin Boundaries
&
County Lines in Western Nevada**



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**Department of Water Resources
Engineering Division
Washoe County
Nevada**



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Sonterra

- The proposed project consists of export of water from two basins in Washoe County for use in Lyon & Storey Counties including Fernley, Silver Springs, Stagecoach and Dayton.
- The magnitude of the project is about 7,200 acre-feet total from both basins, Hualapai Flat and San Emidio Desert. All applications are changes of existing permits and certificates for irrigation use. All priority dates go back to the 1960's and 1970's.
- The proposed export out of Hualapai Flat is about 2,500 acre-feet, with an estimated basin yield of 6,700 acre-feet (USGS open file report 78-768). Existing appropriations in this basin are about 28,000 acre-feet, almost all for irrigation use.
- The proposed export out of San Emidio Desert is about 4,700 acre-feet, with an estimated basin yield of 2,500 acre-feet (USGS recon. 44). Existing appropriations in this basin are about 9,900 acre-feet, mostly for irrigation use.

(The irrigation rights referenced may include supplemental rights, and as such may be exaggerated)

Sonterra (cont.)

The basis for County protests is provided below for reference

- Based on the above information Washoe County concluded that:
 - 1) There is no un-appropriated water in the source,
 - 2) Granting of the applications would conflict with existing rights,
 - 3) And could prove detrimental to public interest
- Furthermore, the proposed changes in the above applications contradict the provisions of NRS 533.370-6 for the following reasons:
 - The applicant has not justified the need to import the water from another basin. Conversion of agricultural water rights has been the standard model of water resource development to support growth, and there are abundant agricultural water rights available to the county of destination, which have not been utilized to meet their municipal demands.
 - Some duty of water has to be reserved for the basin of origin to meet the future growth and development in that basin. This method of mitigation of adverse economic effects is contemplated in NRS 533.4385.
 - The quantities of water sought to export out of these basins exceed current estimates of available water resource, and as such would not be environmentally sound.

Sonterra (cont.)

- Other relevant factors to be considered by the State Engineer are the anticipated future growth and demand for water resources within Washoe County. A comparison of the projected land uses and population forecasts for Washoe County to the available water resources within the boundaries of Washoe County, including the basins associated with these applications, indicates a deficit in available water resources in meeting those future water demands. Therefore, the resources of these basins would be required within Washoe County and export of these resources would be detrimental to the interests of a larger sector of the population of the State of Nevada.
- Utilization of the resources from these basins by Washoe County would include provisions to mitigate any adverse economic effects and limit the extent of the export to eliminate any adverse environmental impacts. Washoe County would take these measures to balance the benefits and the negative impacts of such an export project within its own boundaries.



High Rock Holdings, LLC
&
Juniper Hill Partners, LLC

Hydrographic Basin Boundaries & County Lines in Western Nevada



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High Rock Holdings, LLC

- The High Rock applications propose to export water from a basin in Washoe County for use in Lyon & Storey Counties including Fernley, Silver Springs, Stagecoach and Dayton.
- All applications are changes of existing permits and certificates for irrigation use. All priority dates go back to 1960s and 1970s.
- The proposed export out of Hualapai Flat is about 10,000 – 14,000 acre-feet, with an estimated basin yield of 6,700 acre-feet (USGS open file report 78-768). Existing appropriations in this basin are about 28,000 acre-feet, almost all for irrigation use. This figure may include supplemental rights, and as such may be exaggerated.
- The basis for Washoe County's protest are the same as in the Sonterra project.

Juniper Hill Partners, LLC

- The magnitude of the Juniper Hill project is about 1,415.60 acre-feet total from Granite Creek located in the Hualapai Flat hydrographic basin.
- The basis for Washoe County's protest are the partially same as in the Sonterra project.

Sonterra, High Rock & Juniper Hill

- No hearings have been scheduled nor any rulings have been issued on Sonterra, High Rock or Juniper Hill applications or project.