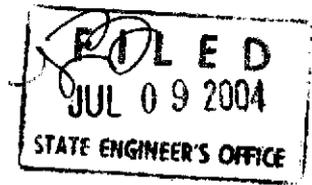


IN THE OFFICE OF THE STATE ENGINEER OF THE STATE OF NEVADA

IN THE MATTER OF APPLICATION NUMBER..... 71000
FILED BY..... DOUGLAS COUNTY, NEVADA
ON..... APRIL 02., 2004, TO APPROPRIATE THE WATERS OF ..AN
UNDERGROUND SOURCE.



PROTEST



Comes now.. Carson City, through its agent, Lawrence A. Werner P.E., R.L.S., W.R.S.....
Printed or typed name of protestant

whose post office address is..... 2621 Northgate Lane, Suite 54, Carson City, Nevada 89706.....
Street No. Or P.O. Box, City, State and Zip Code.

whose occupation isCity Engineer..... and protests the granting
of Application Number71000....., filed onApril 02, 2004.....

byDouglas County, Nevada.....to appropriate the
waters ofan underground source, Basin 104.....situated in Carson City
Underground or name of stream, lake, spring or other source

County, State of Nevada, for the following reasons and on the following grounds, to wit:

Carson City protests the granting of Application #71000 for the following reasons:

- 1) The State Engineer designated a preferred use for the Eagle Valley Groundwater Basin through Order #1119, setting the preferred use as "Municipal". By granting a Change in Use under Application #71000, a non-preferred water right (permitted under Permit #57541 as Irrigation and Domestic) would be given the same standing as existing municipal water rights.
- 2) There are already more existing permitted water rights for "Municipal" use in the Eagle Valley Basin (104) than there is the ability to actually develop water. The granting of this right would impact the City's ability to fully utilize its existing permitted and certificated rights.
- 3) There is an existing, viable municipal water system within the area (Indian Hills GID) that has the ability and rights to serve the needs of the applicant. The development of another municipal water system in the area does not provide for a coordinated and efficiently managed water resource.
- 4) The proposed place of use under this application is in both the Carson Valley Hydrographic and the Eagle Valley Hydrographic Basins. Allowing the use of water extracted from the Eagle Valley Basin for use in the Carson Valley Basin would diminish the return flow/recharge to the Eagle Basin which is already showing extreme declines in groundwater elevations.
- 5) Carson City does not believe that the applicant has complied with:
 - (a) NRS 533.370 (5) (a) showing the need to import water from the Eagle Valley Basin to the Carson Valley Basin;
 - (b) NRS 533.370 (5) (b) demonstrating that the applicant has instituted a water conservation plan;
 - (c) NRS 533.370 (5) (c) showing that the granting of the application is environmentally sound for the Eagle Valley Basin; and
 - (d) NRS 533.370 (5) (d) that the granting is appropriate for the long-term use that would not unduly limit the future growth and development for the Eagle Valley Basin.

In summary, Carson City believes that there are other alternatives to meeting the water supply needs of the application and that this application should be denied.

THEREFORE the Protestant requests that the application beDenied.....
Denied, issued subject to prior rights, etc., as the case may be

and that an order be entered for such relief as the State Engineer deems just and proper.

Signed
Agent or protestant

.....Lawrence A Werner.....
Printed or typed name, if agent

Address.....2621 Northgate, Lane 51.....
Street No. or P.O. Box No.

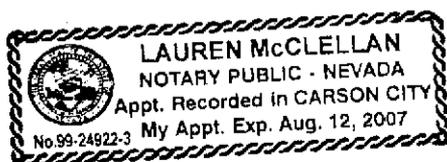
.....Carson City, NV 89423.....
City, State and Zip Code No.

Subscribed and sworn to before me this 7th day of July, 2004

.....Lauren McClellan.....
Notary Public

State of Nevada

County of Carson City



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\$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.