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

IN THE MATTER OF APPLICATION NUMBER 75702,

FILED BY SONTERRA DEVELOPMENT CO., LLC **PROTEST**

ON MAY 15, 20 07, TO APPROPRIATE THE

WATERS OF UNDERGROUND

FILED
AUG 07 2007
STATE ENGINEER'S OFFICE

Comes now Washoe County
Printed or typed name of protestant

whose post office address is 4930 Energy Way, Reno, NV 89502-4106
Street No. or P.O. Box, City, State, and Zip Code

whose occupation is a political subdivision of the State of Nevada, and protests the granting

of Application Number 75702, filed on MAY 15, 20 07,

by SONTERRA DEVELOPMENT COMPANY, LLC, a Nevada Limited Liability company to appropriate the

waters of underground situated in Washoe
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:

Please refer to attached Exhibit "A".

THEREFORE the protestant requests that the application be Denied
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.

2007 AUG -7 PM 3: 12
STATE ENGINEERS OFFICE

Signed
Agent or Protestant

Vahid Behmaram, Water Rights Manager
Printed or typed name, if agent

Address Washoe County Dept. of Water Resources
Street No. or P.O. Box No.

4930 Energy Way, Reno, NV 89502-4106
City, State, and Zip Code No.

Subscribed and sworn to before me this 7th day of AUGUST, 20 07.

Notary Public

LaVONNE SCHEFFLER
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 99-39223-2 - Expires January 10, 2008

State of Nevada

County of Washoe

$25 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE.
ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Exhibit "A"

Applications 75701 through 75724

The proposed project consists of export of water from two basins in Washoe County for use in Fernley, Silver Springs, Stagecoach and Dayton areas within Lyon & Storey Counties.

The magnitude of the project is about 7,200 acre-feet total from both basins, Hualapai Flat and San Emidio Desert. These basins are located in Eastern Washoe County with a small portion of them lying within Pershing County.

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. This figure may include supplemental rights, and as such may be exaggerated.

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. This figure may include supplemental rights, and as such may be exaggerated.

Based on the above information Washoe County concludes 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.

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.