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

IN THE MATTER OF APPLICATION NUMBER 76144,
FILED BY Donald M. Schulz, et al,
ON August 10, 20 07, TO APPROPRIATE THE
WATERS OF Underground

PROTEST

FILED
Oct 25 2007
STATE ENGINEER'S OFFICE

Comes now CARSON CITY, A Consolidated Municipality
Printed or typed name of protstant
whose post office address is 3505 Butti Way, Carson City, NV 89701
Street No. Or P.O. Box, City, State and Zip Code.
whose occupation is Municipality, Water Purveyor and protests the granting
of Application Number 76144, filed on August 10, 20 07
by Donald M. Schulz, et al to appropriate the
waters of Underground 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:

See attached

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.

Signed Bruce R Scott
Agent or protestant

Bruce R. Scott, Resource Concepts, Inc.
Printed or typed name, if agent

Address 340 N. Minnesota St.
Street No or P.O. Box No

Carson City, NV 89703
City, State and Zip Code No.

Subscribed and sworn to before me this 25th day of OCTOBER, 20 07

Rina Hannafin
Notary Public

RINA HANNAFIN
NOTARY PUBLIC
STATE OF NEVADA
No.07-3798-3 My Appt. Exp. July 13, 2011

State of Nevada

County of Carson City

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2007 OCT 25 PM 4: 14
STATE ENGINEER'S OFFICE

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

Attachment to Protest of Application 76144

The Carson City Board of Supervisors at their regular meeting on Thursday, October 18, 2007, unanimously supported the filing of this Protest, after discussing the following points and concerns:

1. The Schulz family and Carson City have executed an Agreement whereby Carson City will purchase from the Schulz family up to 611 acre-feet of vested groundwater rights. This purchase is subject to the approval by the State Engineer of all, or a portion of the claims of vested right being asserted by the Schulz's in the Clear Creek area. The Carson City Board of Supervisors reaffirmed this Agreement and their commitment to it in their Action to Protest to Application 76144. The City wants to be sure the State Engineer understands the contractual relationship and the fact that, in the City's view, this Protest is in no way intended to negate or change the Agreement between Carson City and the Schulz family.

2. Carson City is the water purveyor in the portion of the Proposed Place of Use under Application 76144, which is within the Carson City boundaries. Carson City feels that the issuance of municipal rights to other parties within this service area when Carson City is prepared to provide service, is inappropriate and not in the best interests of Carson City or the general public.

3. The subject Application is for a significantly larger amount of water than the claims of vested right which the Application purports to supplement. Carson City feels that it is inappropriate to issue additional water over and above any water which might be considered for approval by the State Engineer under the pending claims of vested right. The proposed acquisition of additional water within the Carson City service area by a private entity for the potential resale to Carson City is not in the public interest, not consistent with the Carson City Utility development plans, and raises the question of the availability of water in the source. Carson City has existing rights in the source as do other public entities including the State of Nevada and Douglas County. It is not clear that the Applicants have any plans or way in which a municipal permit of the size requested could be placed to beneficial use within properties owned or controlled by the Applicants.

4. The Carson Valley groundwater basin has been determined to be fully appropriated in prior rulings and determinations of the State Engineer. To grant the appropriation requested under this Application would be detrimental to existing rights.

In summary, Carson City does not feel there is unappropriated water in the source. The approval of the permit would adversely affect existing rights, including those of Carson City, and the issuance of a permit under this Application would be detrimental to the public interest.