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

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2010 APR 15 PM 3:54

STATE ENGINEERS OFFICE

IN THE MATTER OF APPLICATION NUMBER 79502
FILED BY Southern Nevada Water Authority
ON February 11, 20 10, TO APPROPRIATE THE
WATERS OF Spring Valley (Groundwater Basin No. 184)

PROTEST

Comes now White Pine County
Printed or typed name of protestant

whose post office address is 953 Campton Street, Ely, Nevada 89301
Street No. or PO Box, City, State and ZIP Code

whose occupation is County Government and protests the granting

of Application Number 79502, filed on February 11, 20 10

by Southern Nevada Water Authority to appropriate the

waters of Spring Valley (Groundwater Basin No. 184) situated in White Pine and Lincoln Counties
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 ATTACHMENT]

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.

FILED
APR 15 2010 ML
STATE ENGINEER'S OFFICE

Signed Laurie L. Carson
Agent or protestant

Laurie L. Carson, Chairman, White Pine County Board of Commissioners
Printed or typed name, if agent

Address 953 Campton Street
Street No. or PO Box

Ely, Nevada 89301
City, State and ZIP Code

(775) 289-3065
Phone Number

Subscribed and sworn to before me this 8th day of April, 20 10

DAHN S. PUCKETT
NOTARY PUBLIC-STATE of NEVADA
White Pine County - Nevada
CERTIFICATE # 99-50846-17
APPT. EXP. JAN. 22, 2011

Dahn Puckett
Notary Public

State of Nevada
County of White Pine

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

ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

ATTACHMENT TO PROTEST OF WHITE PINE COUNTY AGAINST APPLICATION NO. 79502, FILED February 11, 2010, BY THE SOUTHERN NEVADA WATER AUTHORITY

This attachment lists and briefly describes the reasons and grounds for this protest of White Pine County ("Protestant") against Application Number 79502 ("Application"). The Southern Nevada Water Authority ("SNWA" or "Applicant") has filed this Application purportedly in connection with its use of groundwater from Spring Valley (Groundwater Basin No. 184) for ranching and/or farming operations on property that SNWA purchased in Spring Valley over the past few years. SNWA's sole purpose, or mission, is to acquire and manage water supplies for municipal use in the greater Las Vegas area, in Clark County, in southern Nevada, far removed from Spring Valley. SNWA does not appear to have any legal authority to acquire and manage real property and water rights in distant valleys, like Spring Valley, for ranching and/or farming purposes. Furthermore, SNWA's record of actions and statements over the past several years make it clear that the sole purpose of SNWA's acquisition of ranching and farming properties in Spring Valley, along with the water rights associated with those properties, is to maximize the amount of water that SNWA ultimately is able to transfer, or export, from Spring Valley to SNWA's service area in Clark County through SNWA's massive proposed network of wells and pipelines stretching across eastern Nevada from Clark County through Lincoln County and into White Pine County (the "Pipeline Project"). Consequently, the State Engineer must take into account SNWA's actual purpose and ultimate intended use for the water that is subject to this Application in determining whether to permit or deny this Application.

In sum, Protestant asserts as reasons and grounds for this Protest that: (1) there is insufficient unappropriated water in the proposed source of supply to support the Application or the true intended export and use; (2) the true intended export and use would conflict impermissibly with existing water rights and protectable interests in domestic wells; (3) the true intended use would be detrimental to the public interest on environmental grounds and would be environmentally unsound as it relates to the basin from which the water is proposed to be exported; (4) the true intended use would be detrimental to the public interest on economic grounds and would unduly limit future growth and development in the basin from which the water is proposed to be exported; (5) the true intended use is not an appropriate long-term use of water; (6) the Applicant has not justified the need to import water from another basin; (7) the Applicant does not have and is not effectively implementing an adequate or reasonable plan for conservation in the area of the true intended use; and (8) the Applicant has not demonstrated the good faith intent or financial ability and reasonable expectation to actually construct the work and apply the water to the true intended beneficial use with reasonable diligence. These protest grounds are further explained below.

1. There Is Insufficient Water Available In The Proposed Source of Supply:

The State Engineer should deny the Application pursuant to NRS § 533.370(5), because there is insufficient water available for interbasin transfer, or export, in the proposed source of supply. The interbasin transfer of this water, when added to the already approved appropriations and other proposed interbasin transfers from Spring Valley and hydrologically connected basins within the same flow system, will exceed the perennial yield of those basins. The State Engineer

already has designated one or more hydrologically connected basins within the same flow system as Spring Valley, effectively acknowledging that those basins and potentially the entire flow system are fully appropriated, if not over-appropriated.

In addition, the State Engineer previously has found that there is too much uncertainty, too little sound data, and too great a risk of unsustainable overappropriation in the Carbonate Rock Province ("CRP") and the interbasin flow systems within the CRB, such as the system of which Spring Valley is a part, for further appropriations or interbasin transfers to be permitted until substantial additional data were gathered and evaluated. That additional data gathering and evaluation have not been completed, and until they are it would be premature to permit any additional appropriation or interbasin transfer from hydrologically interconnected basins within the carbonate rock province, including the basin targeted by this Application.

2. **The Application And True Intended Use Would Conflict With Existing Water Rights And Protectable Interests In Domestic Wells:**

The State Engineer should deny the Application pursuant to NRS § 533.370(5) because the Application and the Applicant's true intended use would conflict impermissibly with and impair existing senior water rights and protectable interests in domestic wells in Spring Valley and hydrologically connected basins within the same interbasin flow system. When added to the previously approved appropriations in the subject basin and hydrologically connected basins within the same interbasin flow system, the Application and true intended use will exceed the perennial yield of the subject basins resulting in declining groundwater levels and unreasonable degradation of the level and quality of the water in existing wells.

Additionally, the basin to which this Application relates most directly and from which the Applicant ultimately intends to export the water subject to this Application – Spring Valley – is the source of water for hydrologically connected downgradient basins where it already has been appropriated by senior water rights holders.

3. **The Application And The True Intended Use Of The Water Subject To This Application Would Be Detrimental To The Public Interest On Environmental Grounds And Would Be Environmentally Unsound As It Relates To The Basin From Which The Export Is Proposed:**

The State Engineer should deny the Application pursuant to NRS §§ 533.370(5) and 533.370(6)(c), because approval of this Application and SNWA's ultimate true intended use of the water rights subject to this Application would threaten to cause serious environmental harms in Spring Valley and in hydrologically connected downgradient basins within the same interbasin flow system, and therefore would be detrimental to the public interest and would be environmentally unsound as it relates to the basin of origin.

A. Harm to Wildlife and Wildlife Habitat:

The Application and SNWA's true intended export and use of the water subject to this Application would result in severely lowered groundwater levels in Spring Valley and in hydrologically connected downgradient basins within the same interbasin flow system. Those

declining groundwater levels will result in drying out springs, seeps, wetlands, wet meadows, and moist playas, and in killing off vegetation that is groundwater-dependent in Spring Valley and hydrologically connected downgradient basins. This loss of water will cause significant direct harm to many wildlife species and to wildlife habitat in Spring Valley and in hydrologically connected downgradient basins within the same interbasin flow system. Among the species that will be harmfully impacted by this loss of water are a number of federally and state protected species, including federally listed threatened and endangered species, which will be threatened with extinction as a result of the proposed appropriation and export of this water. The list of species likely to be harmfully impacted by the appropriation and export of water proposed in this Application, includes fish, amphibians, other aquatic species, groundwater-dependent mammals and other terrestrial species, bird species, and a variety of insects, including rare butterfly species, all of which depend on the springs, wetlands, wet meadows, and vegetation supported by groundwater.

The wildlife habitat areas and refugia likely to be harmed by this Application and SNWA's true intended use of the water subject to this Application, include, but are not limited to, Great Basin National Park, Shoshone Ponds Natural Area, Mount Moriah Wilderness, Fish Springs National Wildlife Refuge, Pahranagat National Wildlife Refuge, Kirch Wildlife Management Area, Key Pittman Wildlife Management Area, Moapa Valley National Wildlife Refuge, Overton Wildlife Management Area, Ash Meadows National Wildlife Refuge, Amargosa Valley Pupfish Station, and the Desert National Wildlife Refuge Complex.

Because of these harmful impacts, the State Engineer should deny this Application pursuant to NRS §§ 533.370(5) and 533.370(6)(c).

B. Degradation of Air Quality:

The Application and SNWA's true intended use of the water subject to this Application would result in severely lowered groundwater levels in Spring Valley and in hydrologically connected downgradient basins within the same interbasin flow system. Those declining groundwater levels will result in drying out springs, seeps, wetlands, wet meadows, and moist playas, and in killing off vegetation that is groundwater-dependent in Spring Valley and hydrologically connected downgradient basins. This pervasive desiccation, in turn, will make these previously moist and/or vegetated areas dramatically more susceptible to greatly increased mobilization of sediment, or dust. In other words, just as in Owens Valley, the desiccation of these areas will result in much more frequent and severe dust storms in Spring Valley and in downgradient hydrologically connected basins in the same flow system. These dust storms likely will have serious harmful impacts on human and animal health in those basins and in additional downwind communities. In addition to causing severe respiratory problems, the particulate matter that will be mobilized in dust storms in these areas is likely to contain radioactive fallout that heretofore has been held in place by the groundwater-fed moisture in the soil and vegetation. These dust storms also will dramatically degrade the aesthetic and recreational value of the basins in which they occur and additional downwind areas. Because of these harmful impacts, the State Engineer should deny this Application pursuant to NRS §§ 533.370(5) and 533.370(6)(c).

C. Destruction of Recreational and Aesthetic Values:

The severe decline in groundwater levels that will result from this Application and SNWA's

Pipeline Project, which the water subject to this Application truly is intended to supply, will kill off vegetation and wildlife, eliminate many of the springs and wet areas, and degrade air quality and visibility in Spring Valley and hydrologically connected downgradient basins in the same interbasin flow system. These impacts will profoundly degrade the aesthetic values and appeal of all these basins and additional downwind areas. Similarly, the loss of water, wildlife, clean air, and good visibility will destroy the recreational uses and value of these basins and additional downwind areas. For these reasons, as well, the State Engineer should deny this Application pursuant to NRS §§ 533.370(5) and 533.370(6)(c).

D. Degradation of Water Quality:

The groundwater drawdown that would be caused by this Application and the truly intended export of the water subject to this Application would lower the static water table in both the basin fill and carbonate rock aquifers within the affected basins to such an extent that brackish groundwater and/or other pollutants could infiltrate those aquifers. The consequence of this infiltration of poor quality groundwater and other pollutants would be significant degradation of groundwater quality in Spring Valley and downgradient hydrologically connected basins within the same interbasin flow system. This degradation of groundwater quality would prevent humans, livestock, and wildlife from relying on the groundwater from these aquifers, as they have throughout history. Because such an outcome would be detrimental to the public interest and would be environmentally unsound in the basin of origin, the State Engineer should deny this Application pursuant to NRS §§ 533.370(5) and 533.370(6)(c).

E. Degradation of Cultural Resources:

The environmental harms described above also will lead to the pronounced degradation, and in some instances destruction, of cultural resources in Spring Valley and in hydrologically connected basins within the same interbasin flow system. Cultural resources likely to be harmed by this Application and the true intended export and use of the water subject to this Application include but are not limited to Native American ritual worship and other sacred sites, prehistoric Native American village or dwelling sites, Native American graves or burial sites, Native American petroglyph sites, scenes of historic massacres of Native Americans, and the historic site at Osceola. These and other cultural resources that would be damaged if this Application is approved constitute an important part of Nevada's, and the Nation's, historical and cultural legacy. Therefore, the State Engineer should deny this Application pursuant to NRS § 533.370(5) because the Application and the Applicant's true intended use of the water subject to this Application would cause degradation of cultural resources that would be detrimental to the public interest.

4. <u>This Application And The True Intended Export Of Water Subject To This Application Would Be Detrimental To The Public Interest On Economic Grounds And Would Unduly Limit Future Growth And Development In The Basin From Which The Export Is Proposed</u>:

A. Undue Limitation Of Future Economic Activity and Growth In Basin Of Origin:

As detailed elsewhere in this Protest Attachment, this Application and SNWA's true intended export and use of the water subject to this Application would exceed the perennial yield of and lead to declining groundwater levels in Spring Valley. In addition to those effects, the true

intended export and use of the water subject to this Application would eliminate specific sources and the overall available supply of groundwater in the basin to support both existing economic activities and potential future economic growth in the basin of origin. Existing economic activities that would be undermined include livestock and other ranching uses, domestic uses, mining and prospecting uses, and recreational uses including self-guided and outfitter-led hiking, camping, fishing, hunting, birding, and the like. Future economic growth and development that would be unduly limited include the expansion of all of the above-listed activities, particularly the expansion of businesses related to recreational tourism, as well as residential development for both year-round and vacation use, and potential future energy development. In light of the undue economic harm the true intended export and use would cause in the basin of origin, the State Engineer should deny this Application pursuant to NRS § 533.370(6)(d).

B. Undue Economic Harm Will Extend To The Economies And Communities of Downgradient Hydrologically Connected and Downwind Basins:

These economic harms will not be limited to Spring Valley; they will extend outward as the groundwater depletion from SNWA's Pipeline Project, and the true intended export of the water subject to this Application, radiates outward into downgradient hydrologically connected basins within the same interbasin flow system and to downwind basins. Thus, this Application and the Applicant's true intended export and use of water subject to this Application also would cause the same host of economic harms to the rural economies and communities of other basins, including but not limited to Snake Valley, Hamlin Valley, Tippett Valley, Pleasant Valley, and Deep Creek Valley. Therefore, the State Engineer should deny this Application pursuant to NRS § 533.370(5) because it would be detrimental to the public interest.

5. <u>SNWA's True Intended Export And Use Is Not An Appropriate Long-Term Use Of Nevada's Water</u>:

Given the numerous more cost-effective alternatives available to SNWA and the devastating impacts to rural communities, and their economics, and to the environment, this Application and SNWA's entire coordinated rural water grab is not an appropriate long-term use of Nevada's scarce water resources. The State Engineer should require SNWA to actively pursue alternatives to the rural water grab, such as desalination and conservation, before approving any type of water rights applications filed by SNWA in Spring Valley and other subject valleys, because SNWA's true ultimate intent is to export the water subject to those applications for use in Clark County. In the meantime, the State Engineer should deny this Application pursuant to NRS § 533.370(6)(d) because the Applicant's true ultimate intended export and use of the water subject to this Application would be an inappropriate long-term use of water.

6. <u>The Applicant Has Not Justified The Need To Import Water From Another Basin</u>:

By the same token, SNWA has not justified the need to import water from another basin. SNWA has available to it other more feasible and cost-effective options, such as increased water conservation and the use of desalination for downstream Colorado River users in exchange for additional Colorado River water. The State Engineer should not permit such a massive interbasin transfer project, which is likely to be so economically and environmentally damaging to Spring Valley, other basins of origin, and hydrologically connected downgradient basins in the

same flow systems, when more cost-effective and environmentally sound alternatives are readily available to the Applicant. The current per capita water use in SNWA's service area currently far exceeds that of similarly situated western cities. Thus, there is significant potential for more cost-effective conservation alternatives, which would avoid the devastating impacts to the basins of origin and hydrologically connected basins in the same flow systems. Additionally, given the current population, housing, and water use trends, the water demand projections that SNWA has been using to justify the Pipeline Project are no longer credible. So, the State Engineer should deny this Application pursuant to NRS § 533.370(6)(a) because SNWA's true intent is ultimately to export the water subject to this application to Clark County and SNWA has not justified the need to import water from another basin.

7. **<u>The Applicant Has Not Implemented A Sufficient Conservation Plan</u>:**

Given the fragility of rural Nevada's high desert ecosystems and the absolutely vital role their scarce water resources play in supporting rural economies, agriculture, and flora and fauna, it should be mandatory for SNWA and its client water districts to achieve the highest practicable level of water conservation – as measured by reference to presently available technologies and methods and to the highest conservation levels achieved by sister western cities – before being permitted to transfer groundwater from rural basins of origin to SNWA's service area to feed its now demonstrably unsustainable growth and excessive per capita water use.

SNWA's conservation plan falls far short of meeting this goal. The current per capita water use in SNWA's service area far exceeds that of similarly situated western cities. The State Engineer should require SNWA to submit a conservation plan that utilizes all feasible conservation strategies to achieve concrete conservation goals that are at least as aggressive as those of the most conservation-minded other western cities, and should require SNWA to demonstrate that the plan has been fully implemented, before considering this Application. Unless SNWA submits and demonstrates implementation of such a plan, the State Engineer should deny this Application pursuant to NRS § 533.370(6)(b).

8. **<u>The Applicant Has Not Demonstrated The Good Faith Intent Or Financial Ability And Reasonable Expectation To Actually Construct The Work And Apply The Water To The True Intended Beneficial Use With Reasonable Diligence</u>:**

To date, the Applicant has not provided the State Engineer or the public with a cost projection for the Pipeline Project. Independent estimates for the Project, however, range into the tens of billions of dollars. As SNWA's top management has stated, SNWA does not plan to build this Pipeline Project in the near future and may never build it, saying they simply want to ensure that they have the option of doing so should they decide to in the future. *See* Brendan Riley, *Authority Keeps Pipeline Options Open: Mulroy Wants Construction Permits in Hand*, Las Vegas Review Journal, Feb. 12, 2009, *available at* http:///www.lvrj.com/news/39483777.html. Further, General Manager, Patricia Mulroy has publicly conceded that with the profound economic downturn that has settled with particular severity on southern Nevada, SNWA's financial base has dramatically contracted, calling into question its ability to construct such a project. *See* I-Team, *Dire Predictions Made on Las Vegas Water Supply*, Channel 8 Eyewitness News, Feb. 11, 2009, *available at* http://www.lasvegasnow.com/Global/story.asp?s=9829711.

In addition, SNWA recently has indicated that it does not even have the finances available to construct the much more limited monitoring wells required by the Spring Valley Monitoring Plan that was developed with federal agencies as a prerequisite to any pumping of groundwater from Spring Valley by SNWA for its Pipeline Project. The fact that SNWA now appears unable to finance even this much smaller preliminary project is reflective of SNWA's likely inability to finance the much larger and more costly Pipeline Project intended to be supplied by this Application and SNWA's related applications. Because it appears that SNWA may never construct the project and that SNWA's ability to obtain financing for the Project is highly doubtful, and because SNWA's true intent is to export the water subject to this Application to Clark County through the Pipeline Project, the State Engineer should deny this Application pursuant to NRS § 533.370(1)(c) as a speculative request to tie up Nevada's water resources indefinitely.

9. **Protestant Reserves The Right To Amend This Protest As May Be Warranted By Future Developments**:

SNWA's proposed groundwater export project is on a scale never before seen in Nevada, or in the United States. Thus, it is not possible to anticipate all potential adverse impacts without further study. New scientific or other data and changed circumstances may uncover different bases for this protest. Accordingly, White Pine County reserves the right to amend the subject protest to include such issues as they develop.

10. **Incorporation Of Other Protests To SNWA's Applications By Reference:**

White Pine County additionally incorporates by reference, as though fully set forth herein, and adopts as its own, each and every reason or ground for other protests to this Application and/or any Application that is included in SNWA's groundwater export project and filed pursuant to NRS § 533.365.