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

IN THE MATTER OF APPLICATION NUMBER 85264
FILED BY Rodney St. Clair
ON June 25, 20 15

PROTEST

FILED
SEP 01 2015
STATE ENGINEER'S OFFICE

Comes now Humboldt River Basin Water Authority
Printed or typed name of protestant

whose post office address is P.O. Box 2008 Carson City, Nevada 89702
Street No. or PO Box, City, State and ZIP Code

whose occupation is local government and protests the granting

of Application Number 85264, filed on June 25, 20 15

by Rodney St. Clair for the

waters of an underground source (Casey Hot Springs Well) situated in Humboldt
an underground source or name of stream, lake, spring or other source

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

1. The Division of Water Resources has estimated the perennial yield of Basin 026 at 13,000 acre feet. There are currently 5,799.16 acre feet of committed groundwater rights in the Basin. Granting of Application 65264 in the amount of 7,241 acre feet would result in Basin 026 being over-appropriated. Said over-appropriation may adversely impair other more senior groundwater rights in the Basin.

2. The Applicant has also filed Application 65263 to appropriate groundwater in Basin 026. Granting of both Applications 65264 and 65263 would result in Basin 026 being over-apropriated in an amount exceeding 7,000 acre feet. Said over-appropriation will likely adversely impair other more senior groundwater rights in the Basin. (See Attachment A for additional reasons and grounds)

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
Agent or protestant

Mike Baughman, Executive Director
Printed or typed name, if agent

Address P.O. Box 2008
Street No. or PO Box

Carson City, Nevada 89702
City, State and ZIP Code

775-315-2544
Phone Number

mikebaughman@charter.net
E-mail

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State of Nevada
County of Carson

Subscribed and sworn to before me on September 1, 2015
by Mike Baughman

MORGEN BROWN
Notary Public - State of Nevada
Carson City
APPT. NO. 15-2039-3
My App. Expires June 29, 2019

Morgen Brown
Signature of Notary Public Required

Notary Stamp or Seal Required

+ $30 FILING FEE MUST ACCOMPANY PROTEST. PROTEST MUST BE FILED IN DUPLICATE. ALL COPIES MUST CONTAIN ORIGINAL SIGNATURE.

Attachment A
Continuation Sheet
Reasons and Grounds for Protest
Humboldt River Basin Water Authority
Protest to Application 85264
September 1, 2015

2. There are an additional 1,158.31 acre feet of committed spring-sourced water rights within Basin 026. Another 1,158.31 acre feet of spring-sourced claims of vested water rights have been filed with the Division of Water Resources in Basin 026. Said claims of vested water have priority dates between 1912 and 1954. The interconnection of groundwater recharge and groundwater levels in Basin 026 to spring flows in the Basin is not well understood. Over pumping of groundwater resources in the Basin associated with Application 85264 by itself, and jointly with Application 85263, may result in adverse impacts to the flow of various springs in the Basin and may impair senior committed and vested water rights whose source is said springs.

3. There are another 4,427.28 of committed stream-sourced water rights in the Basin. Another 8,426.58 acre feet of stream-sourced claims of vested water rights have been filed with the Division of Water Resources in Basin 026. Said claims of vested water have priority dates between 1912 and 1954. The interconnection between the base flow of said streams and groundwater pumping in Basin 026 to is not well understood. Over pumping of groundwater resources in the Basin associated with Application 85264 by itself, and jointly with Application 85263, may result in adverse impacts to the base flow of various streams in the Basin and may impair senior committed and vested water rights whose source is said streams.

4. The proposed Place of Use for Application 85264 covers an area exceeding 530 square miles in the Fernley, Storey County, Silver Springs, Stagecoach and Dayton areas, all of which have one or more municipal existing municipal water systems. The Applicant is proposing that water appropriated under Application 85264 be utilized for municipal purposes yet the applicant is not a municipality, nor does the Applicant have any known agreements with any municipality in the proposed Place of Use to deliver water. Application 85264 is therefore speculative in nature.

5. The northern-most Proposed Place of Use is 90-plus miles from the Proposed Point of Diversion. The southern-most Proposed Place of Use is 140-plus miles from the Proposed Point of Diversion. The capital cost of permitting, designing and constructing the proposed groundwater production and transmission system is likely to exceed $225 million, not including the cost of capital. It is not likely that the Applicant currently has demonstrable access to the level of capital required to permit, design and construct the proposed groundwater production and transmission system and is hoping to be able to secure said project capital once Application 85264 is approved. Accordingly, the Applicant cannot demonstrate the financial capability to construct the proposed groundwater production and transmission system required to place the requested water to beneficial use at the proposed Place of Use.

6 Allowing for a modest 8 percent annual return on investment (ROI) to the Applicant over 30

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years, total capital and ROI costs for the project required to convey the water requested by Application 85264 may exceed $765 million. Assuming that the proposed production and transmission system delivers the 7,214 acre feet requested by Application 85264 and existing permitted water rights held by the Applicant proximate to the Proposed Point of Diversion of 2,050 acre feet, a total of 9,264 acre feet of water would be delivered for the investment of $765 million, or $82,578 per acre foot. (While it is recognized that the Applicant has an additional Application 85263 pending before the Nevada State Engineer for another 7,000 acre feet of groundwater from Basin 026, production and conveyance of this additional amount of water is not included in this analysis because production of said additional water would greatly exceed the established perennial yield of Basin 026). Assuming that each serviced household requires just 1 acre foot, the annual cost per household served would be $2,752 over 30 years. This would equate to a monthly water cost of approximately $229 per household served. This level of cost does not include the costs of permitting, designing, constructing, operating and maintaining the water treatment and delivery systems to convey the water to households. Including said costs could easily result in the monthly cost of 1 acre foot of water served to each household being in excess of $250 to $300 per month. This amount is 2-3 times what households in the Proposed Place of Use are currently paying and very likely not feasible given other more cost effective sources of water in and near the Proposed Place of Use (i.e. purchase and conversion of irrigation rights to municipal use). Accordingly, the proposed production and transmission system to serve municipal customers in the proposed Place of Use for the water requested under Application 85264 is likely not feasible and is speculative in nature.

7. Pumping and export of the groundwater requested through Application 85264, particularly in concert with groundwater requested through Application 85263, will adversely impact the static water level of Basin 026 resulting to impairment of existing committed and vested senior ground and surface water rights in the basin.

8. Pumping and export of the groundwater requested through Application 85264, particularly in concert with groundwater requested through Application 85263, will adversely impact the static water level of Basin 026 resulting in adverse impacts to the environment and to other existing permitted land uses in Basin 026 such as livestock grazing. Accordingly, approval of Application 85264 would not be in the public interest.

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