



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

Capitol Complex

201 S. Fall Street

Carson City, Nevada 89710

Telephone (702) 885-4380

Re: 42900-02

May 29, 1984

Steamboat Springs Properties, Inc.
16006 S. Virginia Street
Reno, Nevada 89511

Dear Sir or Madam:

Enclosed is a copy of Applications 42900-01 which include the endorsement of denial.

These applications have been denied on the grounds as set forth in the ruling by the State Engineer on May 23, 1984. This ruling, which is a portion of the hearing record, is attached. This portion of the record was completed by the court reporter prior to the entire proceedings being transcribed.

The ruling on these applications was entered on May 23, 1984; therefore, the appeal procedures set out in NRS 533.450 became effective that date.

Very truly yours,

A handwritten signature in cursive script that reads "Peter G. Morros".

Peter G. Morros
State Engineer

By:

A handwritten signature in cursive script that reads "Hugh Ricci".

Hugh Ricci

PGM:dcb

Certified Mail No. P718 187 519

cc: Ernest E. Muller--Certified Mail No. P718 187 520

1 MR. MORROS: I'm going to close the record for
2 the taking of any more evidence and testimony as regards the
3 applications that I am just about to rule on. Those will be
4 Applications 42900 through 42902, inclusive, in the name of
5 Steamboat Springs Property; 46958 through 46961, inclusive,
6 in the name of Merle B. Windburn and George W. Poore; and
7 46440 through 46450, inclusive, in the name of the Nell J.
8 Redfield Trust, in care of the Quadriga Development Company.

9 The remaining applications I will get to when I
10 conclude my ruling in this matter.

11 First of all, I want to thank both Mr. Mahannah
12 and you, Mr. deLipkau, and all your witnesses. I think you
13 developed a very thorough record and you should both be
14 complimented. I think that that record, first of all, clearly
15 establishes that the hydrologic and geophysical components
16 of the Galena System are complex, but I think clearly-defined
17 with the possible exception of the mountain-block ground-water
18 component. I believe that there has been substantial insight
19 developed through the record on that component, primarily
20 through test wells that were drilled and testified to in the
21 record by Mr. Nork, and the other testimony and evidence
22 presented at this hearing.

23 Secondly, the Steamboat Springs area is a sub-
24 basin of the Pleasant Valley System, where I think there is
25 very little potential recharge. The lack of recharge generated
26 is because of the characteristically low altitude within that

1 sub-area within that drainage system, as compared to the
2 Galena drainage as a whole.

3 I think the added components of ground-water
4 quality, the shallow water table and potential effect on
5 existing rights are pretty well defined in this record and in
6 the other information and data that is available to the State
7 Engineer.

8 Thirdly, I think that the record clearly estab-
9 lishes the hydrologic interconnection between the surface-
10 water sources and the ground-water system within the Pleasant
11 Valley ground-water basin. And I think that further it
12 clearly defines and identifies the consequences of overcom-
13 mitment of the ground-water resource.

14 I think the record further defines the potential
15 interconnection of the shallow ground-water aquifers and the
16 geothermal system that exists in the Steamboat area.

17 The record, I think, further establishes the
18 hydrologic interconnection between the Galena System, which
19 is part of the overall Pleasant Valley ground-water basin and
20 the adjoining Truckee Meadows ground-water basin to the north.

21 I think the record further establishes that
22 existing rights within both the Galena ground-water sub-basin
23 and the Steamboat area presently exceed the ground-water
24 recharge identified and available to these areas. And I think
25 the record further establishes that the approval of additional
26 appropriations of ground water within the Pleasant Valley

1 ground-water system would adversely affect existing rights.

2 The State Engineer, under statute, is prohibited
3 from granting appropriations of water where the granting would
4 adversely affect existing rights; where there is no unappro-
5 priated water in the source; and where the granting thereof
6 would not be in the public interest and welfare.

7 First, addressing applications 42900, 42901,
8 and 42902, in the name of Steamboat Springs Properties, Inc.,
9 these applications propose to appropriate additional water
10 within the Steamboat Springs Valley area, and it is therefore
11 my ruling that these applications are denied on the grounds
12 that there is no unappropriated water in the source, and the
13 granting of the applications would adversely affect existing
14 rights.

15 Next, addressing applications 46959, 46960 and
16 46961, in the names of Merle B. Windburn and George W. Poore,
17 these applications proposed to appropriate additional water
18 within the Galena Creek ground-water basin. The applications
19 are under protest. It is my ruling that the protests to these
20 applications are upheld, and the applications are denied on
21 the grounds that there is no unappropriated water in the
22 source, and the granting thereof would affect existing water
23 rights.

24 Next are applications 46440 through 46450, in
25 the name of the Nell J. Redfield Trust, in care of the
26 Quadriga Development Company. These applications again propose

1 to appropriate additional water within the Galena Creek ground-
2 water basin. It is my ruling that applications 46440 through
3 46450 are denied on the grounds that there is no unappropriated
4 water in the source, and that the granting thereof would tend
5 to impair the value of existing water rights, and further,
6 that the granting thereof would not be in the public interests

7 Now, the remaining applications, very frankly,
8 what has been referred to throughout this hearing as the Davis
9 applications, and the applications to change existing rights of
10 the Mt. Rose Service Company, I believe, need additional
11 consideration. I think that Mr. Mahannah's request that he
12 be given the opportunity to review some of the information
13 that has been put into the record is not unreasonable.

14 Therefore, I am going to instruct Mr. Mahannah
15 that you will be given 15 days from the date of this hearing
16 to submit to me your written comments concerning applications
17 47127 through 47132, inclusive, and applications 47133 through
18 47140, inclusive. That will be 15 days from today's date. I
19 don't know what date that falls on, but if it falls on a week-
20 end or a holiday, then the effective date will be the next
21 following working day as relates to the State Engineer's
22 Office.

23 Upon receipt of Mr. Mahannah's brief or comments
24 Mr. deLipkau, you will have 10 days to respond. All right.
25 I'm going to withhold action on the remaining applications
26 until I receive those briefs.

1 The distinction that I draw between the
2 applications that I'm going to withhold action on and the
3 ones that I have taken action on are that one set of applica-
4 tions proposes to appropriate new water, while the other
5 proposes to change existing rights. There is a distinction.

6 I will remind all parties that the ruling that
7 I have made on applications 42900 through 42902, 46958
8 through 46961, and 46440 through 46450 is effective this date.
9 Therefore, the appeal procedure set out in NRS 533.450 becomes
10 effective this date.

11 I think I neglected, in the matter of applica-
12 tions 42900 through 42902, inclusive, and applications 46958
13 through 46961, in my ruling I failed to indicate that the
14 granting of those applications would additionally be adverse
15 to the public welfare and interest.

16 (Discussion off the record.)

17 MR. MORROS: I will declare this hearing closed.

18 I will reopen the record.

19 Let's go back to the Merle B. Windburn appli-
20 cations. I'm going to have to amend my ruling.

21 One of those applications, specifically 46958,
22 had been filed to change the plea of use of a permit number
23 42760 which, in effect, changes in existing right. In my
24 ruling, I had indicated that that application was denied: 46958.
25 I want to correct that on the record. My ruling should
26 reflect that the protests to this application, specifically
application 46958, are overruled and that a permit will be

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granted under 46958.

Now I will declare the hearing closed.