

**APPLICATION FOR PERMISSION TO CHANGE POINT OF DIVERSION, MANNER
OF USE AND PLACE OF USE OF THE PUBLIC WATERS
OF THE STATE OF NEVADA HERETOFORE APPROPRIATED**

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office **NOV 03 2005**
 Returned to applicant for correction **NOV 23 2005**
 Corrected application filed..... Map filed **JAN 13 2006**

The applicant, Intermountain Pipeline, Ltd.

2440 Holcomb Lane..... of Reno.....
Street and No. Or P.O. Box No. City or Town

NV 89511....., hereby make..... application for permission to change the
State and Zip Code No.

Point of diversion

Place of use

Manner of use

of a portion

of water heretofore appropriated under..... Permit 66400

Identify existing right by Permit, Certificate, Proof or Claim Nos. If Decreed, give title of Decree

and identify right in Decree.

1. The source of water is ...Underground water well.....
Name of stream, lake, underground, spring or other sources.

2. The amount of water to be changed.... 0.45 cfs (325 AF).....
feet, acre-feet. One second foot equals 448.83 gallons per minute.

3. The water to be used for....Same as heretofore.....
Irrigation, power, mining, commercial, etc. If for stock state number and kind of animals. Must limit to one major use.

4. The water heretofore used for...Municipal and Domestic.....
If for stock state number and kind of animals.

5. The water is to be diverted at the following point...SE 1/4 NW 1/4, Section 11, T. 24 N., R. 18 E.,
 M D B & M, or at a point from which the N. 1/4 corner of said Section 11 bears N. 21° 02' 38" E.,
 a distance of 1370.69 feet. #3
Describe as being within a 40-acre subdivision of public survey and by course and distance to a section corner. If on unsurveyed land, it should be stated.

6. The existing point of diversion is located within. SW 1/4 SE 1/4, Section 10, T. 24 N., R. 18 E.,
 M D B & M, or at a point from which the SE corner of said Section 10 bears S. 62° 30' 36" E.,
 a distance of 2807 feet.....
If point of diversion is not changed, do not answer.

JA1951

SE ROA 1867

7. Proposed place of use... Same as heretofore.
Describe by legal subdivisions. If for irrigation state number of acres to be irrigated.
8. Existing place of use... See attached sheet.
Describe by legal subdivisions. If permit is for irrigation, state number of acres irrigated. If changing place of use and/or manner of use of irrigation permit, describe acreage to be removed from irrigation.
9. Use will be from... 1/1 to... 12/31 of each year.
Month and Day Month and Day
10. Use permitted from... 1/1 to... 12/31 of each year.
Month and Day Month and Day
11. Description of proposed works. (Under the provision of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.)..... Deep well, pump, motor and transmission lines
State manner in which water is to be diverted, i.e. diversion structure, ditches, pipes and flumes or drilled well, pump and motor, etc.
12. Estimated cost of works.... \$10,000,000.00
13. Estimated time required to construct works..... 5 years
If well completed, describe well.
14. Estimated time required to complete the application of water to beneficial use... 10 years.....
15. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.
- For map of existing POD, use map on file under permit 66400. For map of proposed POD, use map to accompany this application.

(775) 885-2101
Phone No.

By: R. Michael Turnipseed P.E.

Print only name clearly

Signature, applicant or agent

204 N. Minnesota Street

Street and No., or P.O. Box No.

Carson City, NV 89703

City, State, Zip Code

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

\$150 FILING FEE MUST ACCOMPANY APPLICATION

JA1952
SE ROA 1868

65400

EXHIBIT "A"

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, all in T21N R18E MDM.

Section 35, T21N R18E MDM.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, all in T20N R18E MDM.

Sections 1 and 12 T20N R18E MDM.

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

TURNIPSEED ENGINEERING LTD
204 N MINNESOTA ST
CARSON CITY NV 89703

Receipt

Payment Method		Check No.	Receipt #
Check		372	195950
Date	Item	Description	Amount
11/3/2005	Permanant Change	APPLICATION TO CHANGE NO. 73428 COVERS CHGAPP NO'S 73428, 73429 AND 73430	150.00
Received by: Sue Cox SC			Total \$150.00

JA1954
SE ROA 1870

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

RE: 73428, 73429 and 73430

November 10, 2005

Intermountain Pipeline, Ltd.
2440 Holcomb Lane
Reno, NV 89511

Ladies and Gentlemen:

Application Nos. 73428, 73429 and 73430 for permission to appropriate water were filed in the Division of Water Resources on November 3, 2005, in the name of Intermountain Pipeline, Ltd. by R. Michael Turnipseed as agent. The \$450.00 was received and Receipt Nos. 195950, 195951 and 195952 were issued on November 3, 2005, to Turnipseed Engineering, LTD.

Please be advised that, in addition to the correspondence and notices sent to you from the Division of Water Resources relative to these water filings, a copy will be forwarded to R. Michael Turnipseed as agent unless we are otherwise instructed by you as the owner of record.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Very truly yours,
Hugh Ricci, P.E.

Hugh Ricci, P.E.
State Engineer

HR/dl

*195950 (\$150.00)
*195951 (\$150.00)
*195952 (\$150.00)

APPLICATION 73428, 29, 30

DATE 11/13/95

INITIALS
MAP EVS APP KE

[] In the Heading Paragraph give the date and place of incorporation. If a copartnership or association, give names of members.

[] ITEM #3. _____ are each considered major uses. Item #3 must be limited to a single major use. A separate application is required for each individual major use.

[] #5. #6. Describe the point of diversion as within a 40-acre legal subdivision (1/16 section) or government lot and tie by bearing and distance to an established section or quarter-section corner.

[] #6. #7. #8. Give the place of use by 40-acre legal subdivisions (1/16 sections), or government lots, or 1/4 or 1/2 sections, sections, township & range.

[] #8. Must describe the area (in acres) to be removed from irrigation for each 1/16 section under the existing certificated, decreed, or claim of vested right.

[] #7. #9. If annual use is anticipated, should read "Jan 1 to Dec 31."

[] #8. #11. Describe works of diversion.

[] #12. #15. Give the anticipated number and type of units proposed to be served under this application, eg, 15 trailers with landscaping, service station, and a small store.

[] #12. #15. Give the estimated annual rate of consumption, eg, 150 gallons per hour, 8 hours per day, 5 days per week, 52 weeks per year.

☒ Need a map. A supporting map, prepared by a licensed State Water Right Surveyor, is required in support of the application(s).

[] Map. The supporting map must be endorsed with the professional engineer's or land surveyor's stamp or seal, signed and dated, with the license expiration date specified, in compliance with NAC 625.610.

[] Map. The supporting map must illustrate areas to scale and the description and size of the areas must be labeled for each surface feature that prevents beneficial use, eg, roads, fences, structures, water channels and impoundments, gullies, steep slopes, hills.

[] #____. The map shows _____

whereas Item #____ shows _____

[] The map is being returned so the following corrections can be made:

[] Other

JA1956
SE ROA 1872

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

RE: 73428, 73429, and 73430

November 23, 2005

R. Michael Turnipseed
204 N. Minnesota Street
Carson City, NV 89703

Dear Mr. Turnipseed:

Your applications to appropriate the public waters of the State of Nevada were received and filed November 03, 2005. These applications were assigned Numbers 73428, 73429, and 73430.

We are enclosing copies of the original applications so that the following corrections may be made:

MAP:

Need a map. A supporting map, prepared by a licensed State Water Surveyor, is required in support of the application.

The map must illustrate the exact place and acreage being removed under this application.

The map must be filed in this office on or before **January 22, 2006**, or it becomes mandatory of the State Engineer to cancel the above application.

If your map is returned within 60 days, your applications will retain the priority of their original filing; if not returned within the time stated, they will be cancelled.

R. Michael Turnipseed
November 23, 2005
Page 2

Should you have any questions concerning these corrections, please contact Karl Eitenmiller at your earliest convenience.

Sincerely,




Hugh Ricci, P.E.
State Engineer

HR/KE/mc


Enclosures

cc: Intermountain Pipeline, LTD
Certified Mail # 71067808063000172523
Certified Mail #71067808063000172554

JA1958
SE ROA 1874

2. Article Number	COMPLETE THIS SECTION ON DELIVERY	
	A. Signature <i>R. Michael Turnipseed</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
7106 7808 0630 0017 2523	B. Received by (Printed Name) <i>R. Michael Turnipseed</i>	C. Date of Delivery
1. Article Addressed to: R. MICHAEL TURNIPSEED 204 N MINNESOTA STREET CARSON CITY, NV 89703 11/23/2005 9:57 AM	D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input checked="" type="checkbox"/> No 3. Service Type <input checked="" type="checkbox"/> Certified 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811 File: 73428/MC RFC Domestic Return Receipt

2. Article Number	COMPLETE THIS SECTION ON DELIVERY	
	A. Signature <i>Nan Marshall</i>	<input type="checkbox"/> Agent <input checked="" type="checkbox"/> Addressee
7106 7808 0630 0017 2554	B. Received by (Printed Name) <i>Nan Marshall</i>	C. Date of Delivery
1. Article Addressed to: INTERMOUNTAIN PIPELINE LTD 2440 HOLCOMB LANE RENO, NV 89511 11/23/2005 10:04 AM	D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input checked="" type="checkbox"/> No 3. Service Type <input checked="" type="checkbox"/> Certified 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	

PS Form 3811 File: 73428/MC RFC Domestic Return Receipt

JA1959
SE ROA 1875

COPY - has not been compared
with the Original Document - WCR

DOC # 3325490**Conformed Copy**12/18/2005 02:40P Fee: 15.00
RPTT 0.00

BK1

Requested By
ROBERT MARSHALL
Washoe County Recorder
Kathryn L. Burke - Recorder

APN: N/A

WHEN RECORDED MAIL TO:

Intermountain Water Supply, Ltd.
c/o Robert W. Marshall
2440 Holcomb Ranch Lane
Reno, NV 89511

WATER RIGHTS DEED

THIS WATER RIGHTS DEED is made and entered into this 16th day of Dec., 2005

between Intermountain Pipeline Ltd., a Nevada limited liability company ("Grantor"), and
Intermountain Water Supply, Ltd., a Nevada limited liability company ("Grantee").

WITNESSETH

That said Grantor, for good and valuable consideration to Grantor in hand paid by the
Grantee, the receipt whereof is hereby acknowledged, conveys, transfers and quitclaims to
Grantee, and to its successor and assigns forever, all of Grantor's right, title and interest in and to
the water rights described in Exhibit A, attached hereto and incorporated herein by this reference.

TOGETHER WITH, all and singular, the tenements, hereditaments and appurtenances
thereunto belonging or in anywise appertaining, and the reversion and reversions, remainder and
remainders, rents, issues and profit thereof.

TO HAVE AND TO HOLD, all and singular, the said water rights with the
appurtenances, unto the said Grantee, and to its successors and assigns forever.

Grantor represents and warrants to Grantee that the described water rights stand in the
name of the Grantor, are in good standing and are not encumbered by any monetary obligation or
lien of any kind whatsoever.

JA1960
SE ROA 1876

IN WITNESS WHEREOF, the Grantor has hereunto executed this Water Rights Deed
the day and year first above written.

INTERMOUNTAIN PIPELINE LTD.

By: Robert W. Marshall
Robert W. Marshall, Co-Manager

STATE OF NEVADA)
) ss.
COUNTY OF WASHOE)

This instrument was acknowledged before me on the 16th day of Dec., 2005
by Robert W. Marshall.

Deanna L. Gray
Notary Public

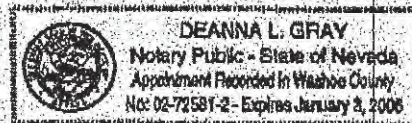


EXHIBIT "A"

Dry Valley (underground):

Change Application No. 73428

Change Application No. 73429

Change Application No. 73430

ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form

PERMIT 73428
PAGE 1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	MGA/MGS AFS/AFA	ACRES or Units	FILED UNDER DATE	DOC # DATE	DOCUMENT DESCRIPTION/ REMARKS
1	Intermountain Pipeline Ltd	Intermountain Water Supply Ltd	0.45	325	N/A		3325490 12/19/05	Water Rights Deed
2								
3								
4								
5								
6								
7								
8								

SE ROA 1879

JA1963

REPORT OF COVERAGE

Policy No. 73423 Insured WILLIAM

Policy No. 73423 Insured WILLIAM

Policy No. 73423 Insured WILLIAM

NAME OF INSURED WILLIAM ADDRESS WILLIAM

NAME WILLIAM ADDRESS WILLIAM

NAME WILLIAM ADDRESS WILLIAM

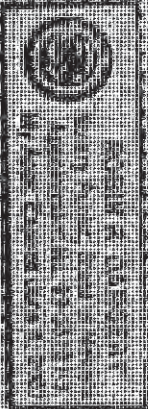
DATE	DESCRIPTION	AMOUNT	REMARKS
1/1/50	1/1/50	1/1/50	1/1/50
2/1/50	2/1/50	2/1/50	2/1/50
3/1/50	3/1/50	3/1/50	3/1/50
4/1/50	4/1/50	4/1/50	4/1/50
5/1/50	5/1/50	5/1/50	5/1/50
6/1/50	6/1/50	6/1/50	6/1/50
7/1/50	7/1/50	7/1/50	7/1/50
8/1/50	8/1/50	8/1/50	8/1/50
9/1/50	9/1/50	9/1/50	9/1/50
10/1/50	10/1/50	10/1/50	10/1/50
11/1/50	11/1/50	11/1/50	11/1/50
12/1/50	12/1/50	12/1/50	12/1/50

THE INSURED HAS BEEN ADVISED OF THE TERMS AND CONDITIONS OF THIS POLICY AND HAS ACCEPTED THE SAME. THE INSURED HAS BEEN ADVISED OF THE RIGHTS AND OBLIGATIONS OF THE INSURED UNDER THIS POLICY AND HAS ACCEPTED THE SAME.

NAME WILLIAM ADDRESS WILLIAM CITY WILLIAM STATE WILLIAM ZIP WILLIAM

NAME WILLIAM ADDRESS WILLIAM CITY WILLIAM STATE WILLIAM ZIP WILLIAM

NAME WILLIAM ADDRESS WILLIAM CITY WILLIAM STATE WILLIAM ZIP WILLIAM



JA1964

NOV 22 1964

REPORT
CONTINUED
RECEIVED
CORRECTION

RECEIVED
CORRECTION

DEFICIENCIES REQUIRING RETURN

37454

37455

37456

17607
17608

RECEIVED
NOV 22 1964

FOR OFFICE USE ONLY

JA1965

68400

EXHIBIT "A"

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, all in T21N R18E MDM.

Section 38, T21N R18E MDM.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, all in T20N R18E MDM.

Sections 1 and 12 T20N R18E MDM.

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

TURNIPSEED ENGINEERING LTD
204 N MINNESOTA ST
CARSON CITY NV 89703

Receipt

		Payment Method	Check No.	Receipt #
		Check	407	197699
Date:	Item	Description	Amount	
12/23/2005	Deeds - Permit	Deed Filing Fee - APPLICATION # 73428, 73429 AND 73430	55.00	
	COVERS DEEDS	COVERS ALL DEEDS LISTED ABOVE	0.00	
Received by: Sue Cox		Total		\$55.00

JA1967
SE ROA 1883

ABSTRACT OF TITLE

Please retain this sheet underneath the Summary of Ownership form.

PERMIT
PAGE

73428

1 of 1

DEED NO.	GRANTOR	GRANTEE	CFS	AFA	ACRES	FILED UNDER	DOC #	DOCUMENT DESCRIPTION/ REMARKS
						DATE	DATE	
1	Intermountain Pipeline, LTD.	Intermountain Water Supply, LTD.	0.45	325.0	—	73428 1/9/2006	3325490 12/19/2005	Water Rights Deed
2								
3								
4								
5								
6								
7								
8								

SE ROA 1884

STATE OF NEVADA
DIVISION OF WATER RESOURCES

SUMMARY OF OWNERSHIP

Please retain this sheet on top of file

APPLICATION: 73428
CERTIFICATE: _____

USE: MUN
ISSUED: _____

CFS: 0.45
CFS: _____

DUTY: 325.0 AFA
DUTY: _____ AFA

Page 1 OF 1
ACRES
ACRES

REVIEW
DATE: 1/19/2006

LAST
UPDATE: _____

OWNER

BY: EVS

BY: _____
CFS

SUPPLEMENTAL TO: 66400, 73428, 73429, 73430

APPURT-
ENANT
ACRES

DUTY
AFA

CHANGED BY:
STATUS

REFERENCED
DOCUMENTS

DESCRIPTION

Intermountain Water Supply, Ltd.

0.45

325.0

—

1

ENCUMBRANCE(S) : YES () NO (X)

0.450

325.000

0.000

SE ROA 1885

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002

Carson City, Nevada 89701

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

January 25, 2006

RE: Applications 73428, 73429 & 73430

Intermountain Water Supply, Ltd.
2440 Holcomb Lane
Reno, NV 89511

To Whom It May Concern:

Please be advised that the above-referenced water rights have been confirmed to show **Intermountain Water Supply, Ltd.** as the current owner of record. The amount of water allocated is listed in the table below.

Application	Diversion Rate (CFS)	Flow (MGD)	Flow (MGD)	Use
73428	0.45	325.0	MGD	MUN
73429	0.97	700.0	MGD	MUN
73430	0.22	159.0	MGD	MUN

Also be advised that according to NRS 533.386 (2.), this confirmation of your Report of Conveyance does not guarantee that a) The water right is in good standing with the office of the State Engineer; or b) The amount of water referenced in the notice or in the report of conveyance is the actual amount of water that a person is entitled to use.

This confirmation reflects only the information that has been filed with this office and may be subject to amendment upon receipt of additional documentation. The owner is responsible for notifying the State Engineer's office of any change of address in writing. If you have any questions, please contact this office at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script that reads "Eric Schadeck".

Eric Schadeck
Engineering Technician III

EVS/lld

cc:

R. Michael Turnipseed P.E., Turnipseed Engineering, Ltd.
Southern Nevada Branch Office

ATTACHMENT C

PROPOSED MONITORING PLAN FOR BEDELL FLAT

ATTACHMENT C PROPOSED WATER RESOURCES MONITORING PLAN FOR BEDELL FLAT AREA

This water resources monitoring program is proposed by Intermountain Water Supply for groundwater extraction of up to 500 acre-feet per year (af/yr) from two production wells located in Bedell Flat, Nevada. The monitoring program would document changes that could be caused by the pumping and transfer of water from Bedell Flat to the Stead/Lemmon Valley areas.

GROUNDWATER LEVELS

Depth to groundwater will be measured in all production wells (BFM-1 and BFM-2) on a daily basis using pressure transducers or sounding probes. Each production well will be equipped with a flow meter to record cumulative water production. Cumulative well production will be recorded at least once per month.

A network of 9 to 12 monitoring well sites will be measured for water levels on a minimum quarterly basis. Locations are shown on **Figure D-3** and listed in **Table D-2**. The existing BLM stock water well in the center of the valley floor will be used for the monitoring program. Three to five domestic wells in Red Rock Estates and two or three wells in the northeast corner of Red Rock Valley would be included for water level monitoring. Permission is still needed from some land owners to gain access to some of the monitoring wells.

Three new monitoring wells are proposed for Bedell Flat, all located on BLM land. One location is to the west of proposed production well BFM-2, upgradient of Campbell Ranch Spring, for purposes of monitoring shallow groundwater in that area. The two other proposed new monitoring wells are located in the central portion of the basin to expand coverage on the valley floor at intermediate locations between the production wells and the domestic wells at Red Rock Estates.

Continuous water level recorders will be installed on two of the new monitoring wells (BFM-3 and BFM-6). This will allow daily tracking of water levels from these wells.

BF - I

JA1908

SE ROA 1824

Ground surface and measuring point elevations will be measured at each production and monitoring well using a survey-grade GPS instrument. Groundwater level data will be downloaded at least semiannually into a project database and the accuracy of the measurements checked with manual measurements using an electronic sounder. Future groundwater monitoring will be accomplished by a combination of efforts of the well field operator and USGS.

TABLE D-2				
Proposed Monitoring and Production Wells for Bedell Flat, Nevada				
Well Number	Well Type	Well Depth (feet)	Well Diameter (Inches)	Monitoring
BFM-1	Production Well	950	16	Water Level and Quality
BFM-2	Production Well	400	12	Water Level and Quality
BFM-3	New Monitoring Well	80	2	Water Level and Quality
BFM-4	Stock Water Well	180	6	Water Level Only
BFM-5	New Monitoring Well	150	2	Water Level Only
BFM-6	New Monitoring Well	200	2	Water Level and Quality
NE Red Rock Valley Domestic Wells (2 or 3 wells)	Domestic Wells	160 – 400	6	Water Level Only
Red Rock Estates Domestic Wells (3 to 5 wells)	Domestic Wells	140 – 970	6	Water Level Only

See Figure D-3 for well locations.

GROUNDWATER QUALITY

Groundwater quality samples will be collected from the two production wells and selected monitoring wells and analyzed by a laboratory for major ions, trace elements, and/or isotopes. The wells to be sampled for laboratory analysis include the production wells (BFM-1 and BFM-2) and the following two monitoring wells: BFM-3 and BFM-6 (Figure D-3).

The following parameters will be measured in each water sample:

- Field Parameters: Water temperature, pH, and specific conductance.
- Common Ions: Calcium, sodium, potassium, magnesium, chloride, fluoride, sulfate, bicarbonate, nitrate, total dissolved solids, and total suspended solids.
- Trace Elements: Arsenic, barium, copper, iron, lead, manganese, and zinc.
- Isotopes: Oxygen-18 and deuterium.

More extensive water quality analysis will be performed for samples from the production wells to meet Safe Drinking Water requirements. Samples will be collected and analyzed from the selected wells on a quarterly basis for the first two years of production well pumping to establish seasonal variations. Thereafter, the wells will be

sampled and analyzed semiannually. An exception is that the isotopes will be analyzed only once per year for the first two years.

Frequency, sampling location, and water quality parameters will be reviewed by the WAC on an annual basis, and may be reduced or expanded in scope upon its recommendation.

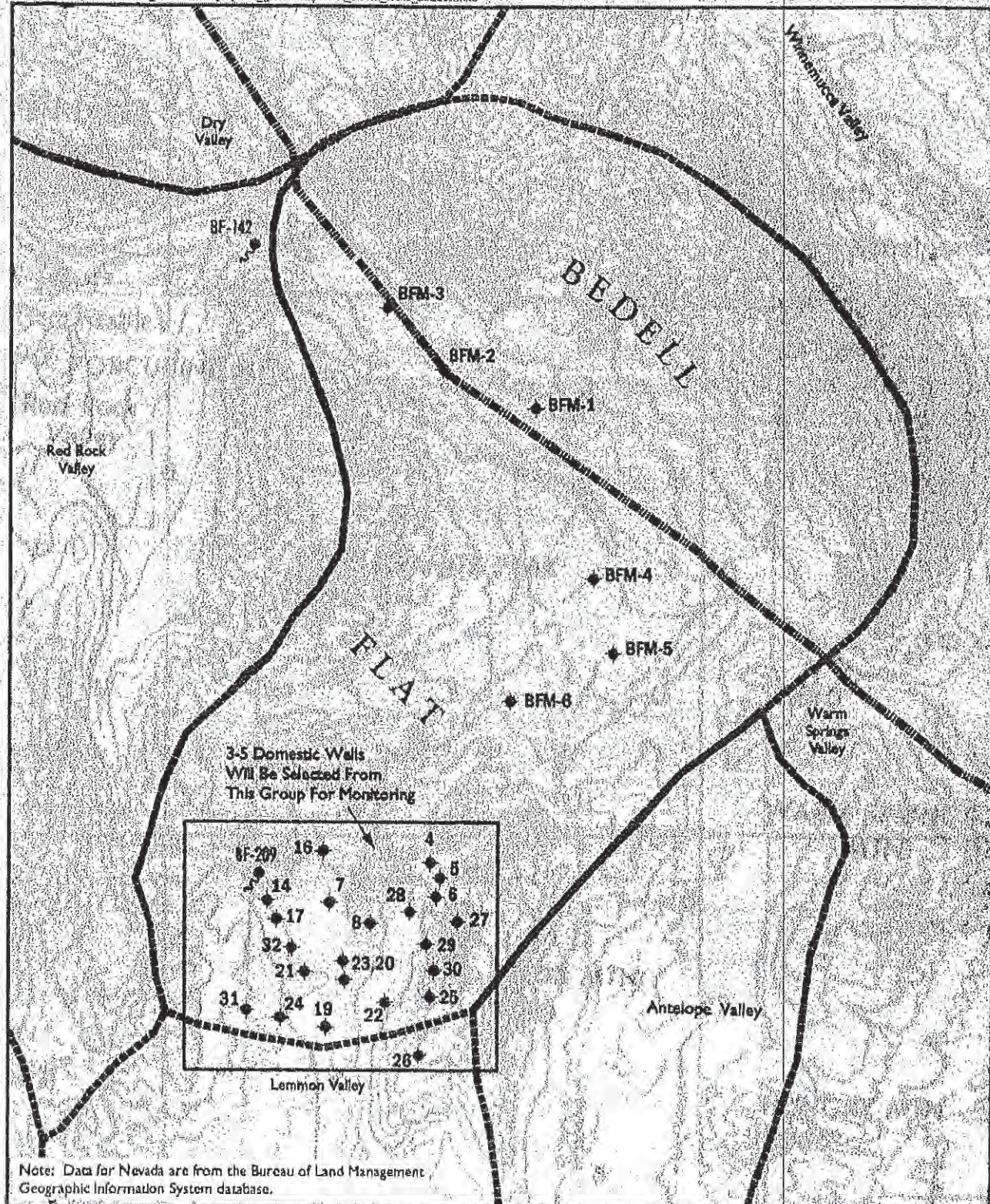
SPRINGS AND RIPARIAN AREAS




Selected springs and associated riparian areas will be monitored in Bedell Flat to determine if pumping from the production wells would have an adverse effect on flow and/or vegetative conditions. The springs selected for monitoring are: BF-142 (Campbell Ranch Spring); and BF-209 (Bird Spring) (**Figure D-3**). Monitoring activities will be conducted on a quarterly basis, with information periodically entered into the project database. Monitoring activities will include the following:

- Flow: Flow rate of water discharging from the spring will be measured using a flow meter or portable flume. Alternatively, a staff gage can be installed to measure relative changes in water level if the flow is in a well-defined channel. For low flows or dispersed flows on the ground surface, flows can be estimated.
- Photo-Documentation of Vegetation: One or more photographs will be taken of the spring site from the same location each time so that relative changes in vegetation and overall site conditions can be evaluated.

PRECIPITATION

A precipitation gage will be installed in Bedell Flat to measure precipitation amount on a daily basis. This information will be recorded weekly by the well field operator, and periodically entered into the project database.



Public Ownership
 Bureau of Land Management
 Tuscarora Natural Gas Pipeline
 Watershed Boundary

37 ♦ Monitoring Well
 (BFM-1 and BFM-2
 are adjacent to proposed
 production wells)
 BF-209 ● Spring

Proposed Monitoring Sites
 Beddell Flat
 North Valleys Rights-of-Way Projects EIS
 Washoe County, Nevada
 FIGURE D-3

JA1911
 SE ROA 1827

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

June 19, 2006

Dorothy A. Timian-Palmer
Chief Operating Officer
Fish Springs Ranch, LLC
3480 GS Richards Blvd., Suite 101
Carson City, NV 89703

RE: Groundwater Monitoring and Management Plan for Future Pumping in the Fish Springs Ranch Area as Part of the North Valley's Right-of-Way Projects, Washoe County, Nevada.

Dear Ms. Timian-Palmer:

We have received your monitoring and management plan (Plan) for the Fish Spring's Ranch groundwater pumping associated with the North Valley's importation project. By your letter of May 23, 2006, the Plan submitted pursuant to the conditions of Ruling 3787 and 3787A is found as Attachment A of Appendix D, of the North Valleys Right-of-Way Projects Final EIS. Monitor wells and springs are shown on Figure D-1 of Attachment A. A list of the wells with survey coordinates was also attached to your correspondence of May 23, 2006.

There were a few minor differences between your attached list of proposed monitor wells and Figure D-1 of Attachment A. Figure D-1 shows well Headquarters MW-2, however the table lists Headquarters MW-1. Jennifer Morgan of your staff recently clarified that Headquarters MW-2 is the actual well to be monitored. In addition, Ms. Morgan indicated the well shown as BB MWA on Figure D-1 is the same as well BB-2A in your table.

As we discussed at our meeting of May 8, 2006, there must be two additional monitor wells in addition to the monitor wells shown on Figure D-1 of Attachment A. These wells will be Sand Pass MW-2, to be used in conjunction with Sand Pass MW-1 to determine hydraulic gradient in that location. Another new well is to be located near USGS-01 such that the two wells together will provide information on the groundwater gradient and change in gradient between the Fish Springs Ranch and the Sierra Army Depot. Well USGS-04 was shown on your list of May 23 but is not suitably located to identify changes in gradient between the pumping center and the

JA1912
SE ROA 1828

Sierra Army Depot. These new wells shall be measured at least quarterly. Monitor wells LB2, USGS-04 and well 9 are shown on Figure D-1, but are not currently equipped with a recording pressure transducer. Are these wells part of the monitoring program, and if so, are you planning to equip them with recording devices or to measure manually?

You have requested to exclude High Rock Spring, designated as HLW-165 on Figure D-1, from the monitoring network. High Rock Spring is approximately 12 miles northwest of the center of the planned well field, and your request to remove the site from the network is approved.

The following table is believed to accurately list each of the planned monitor wells. Please contact me if you believe this list to be incorrect, incomplete or if you would like to propose changes. The Plan is tentatively approved subject to clarification on the status of USGS-04, LB2 and well 9 and to the addition of one new monitor well near USGS-01, whose location and depth must be pre-approved by this office. The Nevada Division of Water Resources reserves the right to amend this plan any time during the life of the project as conditions warrant.

Proposed Fish Springs Ranch Monitoring Well Network						
Well Name	Location		Elevation (feet m.s.l.)	Depth (feet)	Perf'd. interval (feet)	
	Latitude	Longitude				
1 Wilson MW-1	40° 05' 33.8160717"	119° 55' 49.3857934"	4000.36	440	146 - 440	
2 Ferrel MW-1	40° 05' 32.9996883"	119° 55' 00.0216541"	3998.5	252	63 - 252	
3 Ferrel Playa MW	40° 05' 49.6570620"	119° 54' 11.5199254"	3979.01	477	123 - 477	
4 Jarboe MW-1	40° 05' 07.4465484"	119° 53' 08.5930509"	4031.4	497	140 - 497	
5 Jarboe MW-2	40° 05' 07.4416921"	119° 53' 08.6736875"	4032.42	185	42 - 105	
6 Headquarters MW-2	40° 05' 51.1370577"	119° 52' 45.5207317"	4017.88	175	49 - 175	
7 BB-2A (BB-MWA)	40° 08' 55.7209986"	119° 51' 59.7122509"	3992.26	475	465 - 475	
8 Schaufus	40° 07' 42.6"	119° 50' 46.3"	4076	607	?	
9 Hodges MW-1	40° 07' 57.4227436"	119° 50' 31.5750895"	4018.75	260	50 - 260	
10 Cottonwood MW-2	40° 06' 46.0935517"	119° 49' 30.1465441"	4317.62	495	180 - 495	
11 Neversweat MW-2	40° 08' 49.1815573"	119° 48' 56.3318666"	4179.07	500	311 - 500	
12 Astor Pass MW-1	40° 11' 54.9722793"	119° 48' 28.129191"	4001.65	400	180 - 390	
13 Astor Pass MW-2	40° 12' 04.6771566"	119° 48' 58.067799"	4002.69	475	262 - 472	
14 Sand Pass MW-1	40° 13' 01.6915970"	119° 49' 30.6319558"	4076.99	712	546 - 712	
15 Sand Pass MW-2	40° 13' 23.8"	119° 49' 11.9"	4173.9	712	546 - 712	
16 USGS-01	40° 07' 39.0094955"	120° 00' 51.6643144"	4003.54			
17 West MW	To be determined					

Please contact me if you have any questions or concerns related to this monitor plan.

Sincerely,

Richard A. Felling

Richard A. Felling
Chief, Hydrology Section

JA1913
SE ROA 1829



InterMountain
Water Supply

175 Stages Loop Circle
Applis Springs, NV 89441

(702) 424-1181 PII
17761425-128732
e:intermountain@globalnet.net

RECEIVED
2007 NOV -8 AM 11:16
STATE ENGINEERS OFFICE

November 7, 2007

Tracy Taylor, P.E.
Nevada State Engineer
Department of Conservation and Natural Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Re: Bedell Flat -- Permit No. 53338

Dear Tracy:

Intermountain Water Supply, Ltd. is the owner and developer of the Intermountain Water Supply project to take approximately 2,500+ acre feet of municipal water to Lemmon Valley, Washoe County, Nevada. We currently have a large contract in place to supply a substantial portion of this water to a developer in Lemmon Valley. In addition, we have obtained a record of decision from the BLM on our EIS application and hold a BLM grant for the pipeline right of way. We also hold a Washoe County Special Use Permit for our project and the PUC has approved our NEPA permit application. We have in place easements over private land and have developed five well sites pursuant to State Engineer permits.

We hold Permit No. 66873 for underground water from Bedell Flat for municipal use in Lemmon Valley, a permit with which you are familiar. We also hold Application No. 73048 to appropriate additional water from the same point of diversion as Permit No. 66873. There is a municipal well located at that point of diversion which is capable of yielding approximately 300 g.p.m.

There exists an old permit for Bedell Flat groundwater, No. 53338, which, with its predecessor permits has been in existence for about 36 years. Permit No. 53338 is tied to Permit No. 50399 for groundwater in the adjoining Antelope Valley basin. The holder of these permits has drilled a well in the Antelope Valley basin and has filed a Proof of Beneficial Use in connection with Permit No. 50399. I do not know if the State Engineer has issued a certificate of water right. No well has been drilled in Bedell Flat with respect to Permit No. 53338. Since the full amount of water permitted has been put to beneficial use under Permit No. 50399, there is no unused duty available for Permit No. 53338. To allow Permit No. 53338 to continue, in effect permits double the amount covered by the tied Permit Nos. 50399 and 53338 since the points of diversion are in different basins. To allow Permit No. 53338 to continue in full force and effect, prevents other applicants from putting the water covered by Permit No. 53338 to beneficial use, thus frustrating the intent of Nevada's water law.

JA1914
SE ROA 1830

Tracy Taylor, P.E.
Nevada State Engineer
Department of Conservation and Natural Resources
November 5, 2007
Page 2

Request is hereby made to cancel Permit No. 53338 and grant our pending Application No. 73048 in the amount of Permit No. 53338, which is 52.6 acre feet per year.

Thank you for considering and granting this request.

Sincerely,

Intermountain Water Supply, Ltd.

By Robert W. Marshall
Robert W. Marshall, Co-Manager



InterMountain
Water Supply

175 Stage Loop Circle
Spunkish Springs, NV 89431

(775) 489-1161 PH
(775) 489-1347 FX
rsmith@intermountainwater.com

2008 JAN -8 AM 11:35

STATE ENGINEER'S OFFICE

January 3, 2008

Honorable Tracy Taylor, P.E.
Nevada State Engineer
901 S. Stewart Street, Room 2002
Carson City, Nevada 89701

Re: Bedell Flat, Permit 66873 and Application 73048

Dear Tracy:

I have received the file stamped copy of the Stipulation and Order to Dismiss Appeal from the Washoe County District Court with respect to Application 66873. Apparently the judge didn't sign the Order until December 20, even though Mike Wolz and I signed it on the 2nd and 3rd of November respectively. In any event it appears that Permit 66873 should now be amended to show 315.5 acre feet of groundwater permitted for municipal use in Lemmon Valley. I'll look forward to receiving the amended permit as soon as possible.

I wrote you on November 7, 2007 regarding the cancellation of old permit 53338 in Bedell Flat and granting our pending Application 73048. You are familiar with the details of this request. Since I had understood that the last extension of time for permit 53338 expired in November 2007, the way should now be clear for granting our application 73048.

I'll look forward to hearing from you at your earliest convenience on both of these matters.

Sincerely,

Bob Marshall

Mike Turnipseed
Dwight Smith

JA1916
SE ROA 1832

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

IN THE MATTER OF PROTESTED)
APPLICATION 73048 FILED TO)
APPROPRIATE THE PUBLIC)
WATERS OF AN UNDERGROUND)
SOURCE WITHIN THE BEDELL)
FLAT HYDROGRAPHIC BASIN (94),)
WASHOE COUNTY, NEVADA.)

RULING

#6073

GENERAL

I.

Application 73048 was filed on July 14, 2005, by Intermountain Water Supply, Ltd., to appropriate 5 cubic feet per second (cfs), not to exceed 500 acre-feet annually (afa) of water from an underground source for municipal and domestic purposes. The proposed place of use is described as being located within all of T.21N., R.19E., M.D.B.&M., Section 36, T.21N., R.18E., M.D.B.&M., Sections 1 through 12, 15, 16 and 17, T.20N., R.19E., M.D.B.&M., and Sections 1 and 12, T.20N., R.18E., M.D.B.&M. The proposed point of diversion is described as being located within the SE¼ SE¼ of Section 5, T.23N., R.19E., M.D.B.&M.¹

II.

Application 73048 was timely protested by Washoe County on the following grounds:¹

The above referenced applications propose to appropriate 1,000.00 acre-feet of ground water from the Bedell Flat hydrographic basin. State Engineer's ruling #5429 issued on October 14th, 2004 determined a total available duty of 144.20 acre-feet remains for appropriation by Application 66873. That ruling is currently under appeal and Washoe County is not aware of any new studies that could have affected the State Engineer's determination.

Therefore, based on the available information and the State Engineer's ruling #5429, it is clear that there is no water available for appropriation, and the applications should be denied.

¹ File No. 73048, official records in the Office of the State Engineer.

FINDINGS OF FACT

I.

Application 73048 was filed for 500 afa of groundwater within the Bedell Flat Hydrographic Basin. The State Engineer considers the Bedell Flat Hydrographic Basin fully appropriated under existing water rights.² Permit 53338 was approved by the State Engineer on December 6, 1991, and appropriated 52.6 afa of groundwater from the Bedell Flat Hydrographic Basin. Permit 53338 was withdrawn on October 22, 2010. The State Engineer finds that with the withdrawal of Permit 53338 there is 52.6 afa of groundwater available for appropriation under Application 73048.

CONCLUSIONS

I.

The State Engineer has jurisdiction over the parties and the subject matter of this action and determination.³

II.

The State Engineer is prohibited by law from granting an application to appropriate the public waters where:⁴

- A. there is no unappropriated water at the proposed source;
- B. the proposed use or change conflicts with existing rights;
- C. the proposed use or change conflicts with protectible interests in existing domestic wells as set forth in NRS § 533.024; or
- D. the proposed use or change threatens to prove detrimental to the public interest.

III.

The water previously appropriated under withdrawn Permit 53338 is available for appropriation within the Bedell Flat Hydrographic Basin. Application 73048 is the most senior pending application to appropriate groundwater. The State Engineer concludes that the protest may be overruled on the condition that Application 73048 is limited to a duty of 52.6 afa of groundwater.

² State Engineer's Ruling No. 5429, October 14, 2004, official records in the Office of the State Engineer.

³ NRS chapters 533 and 534.

⁴ NRS § 533.370 (5).

RULING

The protest to Application 73048 is overruled and the application is hereby approved in the amount of 52.6 afa, subject to existing rights and payment of the statutory permit fees.

Respectfully submitted,


JASON KING, P.E.
State Engineer

Dated this 1st day of
December, 2010.

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

December 1, 2010

Robert W. Marshall
Nanette Marshall
Intermountain Pipeline, LTD
Intermountain Water Supply, LTD
175 Stags Leap Circle
Sparks, Nevada 89436-7280
Certified Mail # 71067808063000448147

Re: Application 73048

Ladies and Gentlemen:

Enclosed is our official Ruling granting Application 73048 filed to appropriate the underground water from the Bedell Flat Hydrographic Basin (94), Washoe County, Nevada, subject to payment of the statutory permit fee.

Please be advised that within the next few weeks you will receive notice from this office requesting payment of the fee for the issuance of your permit.

Sincerely,

A handwritten signature in black ink, appearing to be "J. King", written over the word "Sincerely,".

Jason King, P.E.
State Engineer

JK/jm

Enclosures

cc: Dwight Smith
Vahid Behmaram, Washoe County
Southern Nevada Branch Office
Elko Branch Office

JA1920
SE ROA 1836

cle Number

COMPLETE THIS SECTION ON DELIVERY

6 7808 0630 0044 8147

essed to:

tain Water Supply, LTD
Leap Circle
yada 89436-7280

Code2: 73048/Rulling/Kojm

m 3811

Domestic Return Receipt

A. Signature

X

☐ Agent
☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from Item 1? ☐ Yes
If YES enter delivery address below: ☐ No

3. Service Type

☒ Certified

4. Restricted Delivery? (Extra Fee)

☐ Yes

JA1921
SE ROA 1837

Permit Terms Sheet

Application No.	73048	Basin Status	DESIGNATED
Owner:	INTERMOUNTAIN WATER SUPPLY, LTD.		
Ready for Action Date	09/12/2005	Basin	07 - 094 BEDELL FLAT
Source	UG	Source Description	
Amount	0.07 CFS	Use Units	
Duty:	52.60	Duty Unit:	AFA
Manner of Use	MUN	Period of Use	0101 to 1231
Fees	\$ 459.00	Priority Date:	07/14/2005
Permit Plat Filed Under	73048	Supplemental To	

Office Notes:

THE PROTEST, CONDITIONALLY.

12/6/2010—Ruling # 6073 overruled this ~~protected~~ application. The application requested 5 cfs and 500 acre-feet, the ruling found that 52.6 acre-feet (0.073 cfs) was available for appropriation. The PPOD of this application is the same as Permit 66873 (315.5 AFA). The well was drilled under 30275 in 1978, it was then cleaned out in 2007 under 66873, to date, no POC has been filed. The POU of this permit is in Lemmon Valley, and is proposed to be part of Honey Lake pipeline system. The well is located on BLM land.

Permit Terms:

B-D: IRRIGATION & GENERAL (TOTALIZING METER) Page 19

AN-RPT TRM: Monthly Report submitted annually

S. (2): Ingress and Egress

S. (3): Must seal Well ground level to 100 feet

S. (11): Other Permits from Federal, State and Local Agencies

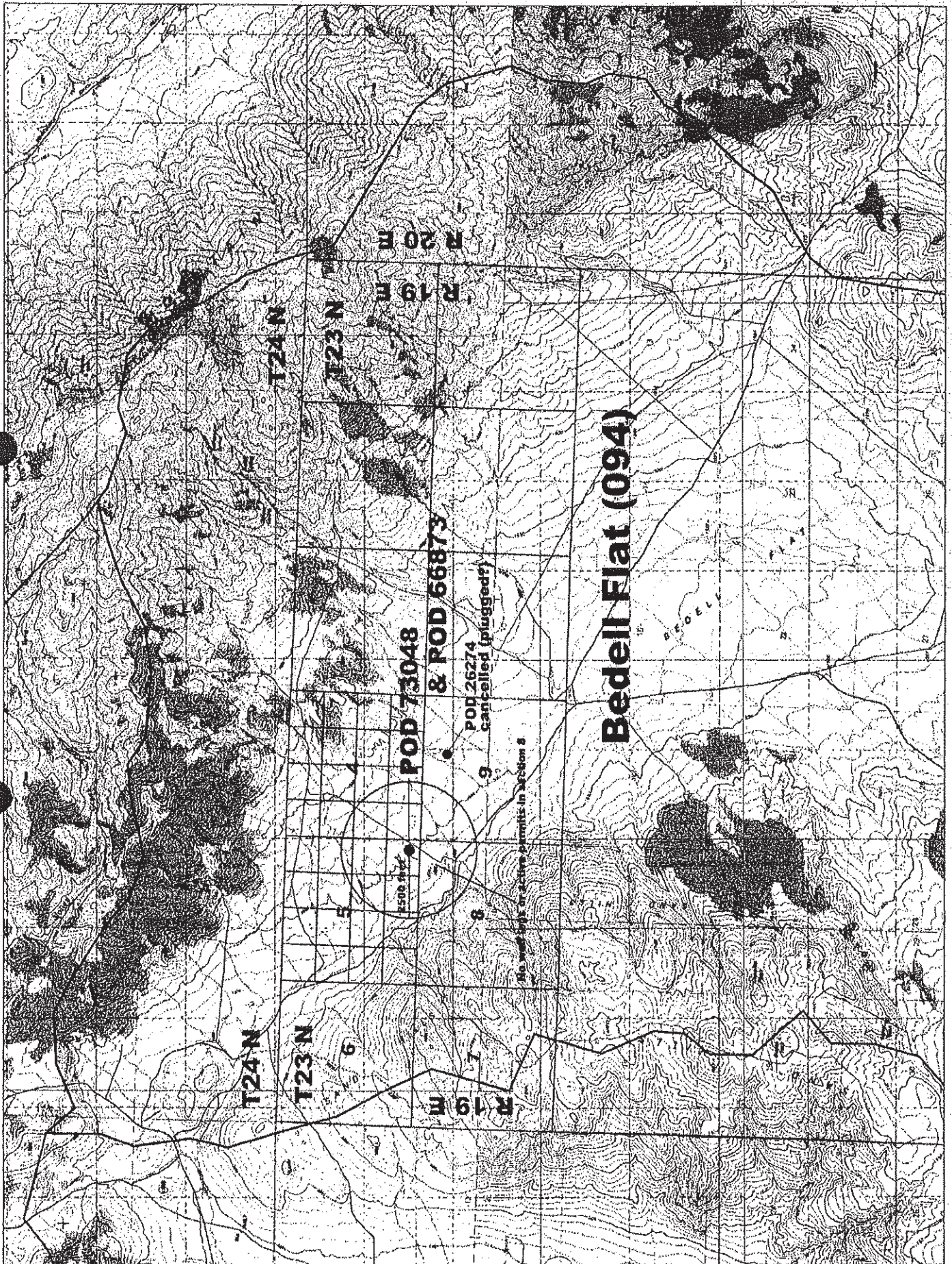
The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1 cubic feet per second or 52.6 acre-feet annually.

By sam monteleone Date 12/06/2010

RFA Committee Approval POC Due Date 11/20/2012

By TT Date 12/06/2010 PBU Due Date 11/20/2016

By RKM Date 12/06/2010 PBU Map Due Date: N/A



JA1923
SE ROA 1839

STATE OF NEVADA
DIVISION OF WATER RESOURCES

OFFICE USE ONLY

Log No. 18387
Permit No. 30275
Basin.....

WELL DRILLERS REPORT

Please complete this form in its entirety

1. OWNER Red Rock Ranch Inc. ADDRESS 103 Mill Street
Reno, Nevada 89501

2. LOCATION SE 1/4 SE 1/4 Sec 5 T. 23 N N/S R. 19 E Washoe County
PERMIT NO.....

3. TYPE OF WORK
New Well ☒ Recondition ☐
Deepen ☐ Other ☐
4. PROPOSED USE
Domestic ☒ Irrigation ☐ Test ☐
Municipal ☐ Industrial ☐ Stock ☐
5. TYPE WELL
Cable ☐ Rotary ☒
Other ☐

6. LITHOLOGIC LOG				
Material	Water Strata	From	To	Thickness
Top soil		0	5	
Course Sand & Fine soil		5	15	
Decomposed Granit		15	40	
D.G. w/ red clay & large rocks		40	58	
D.G. w/ red clay & stringers		58	72	
D.G. w/ large rocks		72	75	
D.G. w/clay stringers		75	240	
Brown clay w/ D.G. imbedded		240	255	
D.G. w/ some hard rock 8" rock bit		255	257	
Course sand w/ brn clay		257	302	
Brown clay		302	310	
Sand w/ Brown clay		310	315	
Course sand w/ brn clay		315	320	
Course sand		320	340	
Stickey green clay, sand		340	361	
D.G. w/ brn clay stringer		361	370	
Decomposed Granit		370	378	
D.G. w/ large rocks		378	386	
Sandy brown clay		386	393	
Sandy grey clay		393	397	
D.G.		397	400	

8. WELL CONSTRUCTION
Diameter hole 18 inches Total depth 400 feet
Casing record 12 3/4 00
Weight per foot 33.38 Thickness 1/4
Diameter From To
..... inches feet feet
..... inches feet feet
..... inches feet feet
..... inches feet feet
..... inches feet feet
Surface seal: Yes ☐ No ☐ Type Cement
Depth of seal 50 feet
Gravel packed: Yes ☒ No ☐
Gravel packed from 50 feet to 400 feet
Perforations:
Type perforation Johnson Well screen
Size perforation 50 slot
From 138 feet to 168 feet
From 208 feet to 228 feet
From 248 feet to 278 feet
From 290 feet to 340 feet
From 360 feet to 390 feet

9. WATER LEVEL
Static water level..... Feet below land surface.....
Flow..... G.P.M.....
Water temperature..... ° F. Quality.....

Date started August 13 19 78
Date completed August 18 19 78

7. WELL TEST DATA			
Pump RPM	G.P.M.	Draw Down	After Hours Pump

BAILER TEST
G.P.M. Draw down..... feet hours
G.P.M. Draw down..... feet hours
G.P.M. Draw down..... feet hours

10. DRILLERS CERTIFICATION
This well was drilled under my supervision and the report is true to the best of my knowledge.

Name The Water Development Corp.
Address P.O. Box 888, Woodland, CA95695
Nevada contractor's license number 12852
Nevada driller's license number 793
Signed [Signature]
Date 8/28/78

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

Dec 8 2010

Intermountain Water Supply, Ltd.
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

Re: 73048

Dear Mr. Marshall:

You are hereby advised that your application(s) to appropriate the public waters of the State of Nevada, under Application Number(s) 73048 for the waters of an underground source is/are now ready to be presented to the State Engineer for approval.

In accordance with NRS §533.435, please forward to this office **within sixty (60) days** from the date hereof, permit fees of **\$459.00**, for your application(s). Please note, in accordance with NRS §533.1467 (effective July 1, 2008), all payments in excess of \$10,000.00 to a state agency must be made by electronic transfer. Payments received by a state agency that are in violation of NRS 353.1467, will be returned to the remitter and may be subject to late fees and/or penalties.

Please be advised that the applicant or his properly authorized agent is responsible for notifying the State Engineer's Office of any address change, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record unless proper written notification from the applicant or agent directs otherwise.

In the event that this office does not receive the permit fees within **sixty (60) days** from this date, your application will be subject to denial.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

Sc
cc: Dwight Smith

JA1926
SE ROA 1842

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPANISH SPRINGS NV 89441

Receipt

		Payment Method	Check No.	Receipt #
		Check	1431	254100
Date	Item	Description		Amount
12/14/2010	Appropriation	PERMIT FEE - UNDER APPLICATION TO APPROPRIATE NO 73048		459.00
Received by: Sue Cox			Total	\$459.00

JA1927
SE ROA 1843



Permit No. 73048

THE STATE OF NEVADA

PERMIT TO APPROPRIATE WATER

Name of applicant: INTERMOUNTAIN WATER SUPPLY, LTD.
Source: UNDERGROUND
Basin: BEDELL FLAT
Manner of Use: MUNICIPAL
Period of Use: January 1st to December 31st
Priority Date: 07/14/2005

APPROVAL OF STATE ENGINEER

This is to certify that I have examined the foregoing application, and do hereby grant the same, subject to the following limitations and conditions:

This permit is issued subject to existing rights. It is understood that the amount of water herein granted is only a temporary allowance and that the final water right obtained under this permit will be dependent upon the amount of water actually placed to beneficial use. It is also understood that this right must allow for a reasonable lowering of the static water level. This well shall be equipped with a two (2) inch opening for measuring depth to water. If the well is flowing, a valve must be installed and maintained to prevent waste. A totalizing meter must be installed and maintained in the discharge pipeline near the point of diversion and accurate measurements must be kept of water placed to beneficial use. The totalizing meter must be installed before any use of water begins, or before the Proof of Completion of Work is filed. This source is located within an area designated by the State Engineer, pursuant to NRS 534.030. The State retains the right to regulate the use of the water herein granted at any and all times.

The Permittee shall keep monthly records of the amount of water pumped from this well and the records must be submitted to the State Engineer on an annual basis within 30 days after the end of each calendar year.

This permit does not extend the permittee the right of ingress and egress on public, private or corporate lands.

The well must be sealed with cement grout, concrete grout or neat cement from ground level to 100 feet.

The issuance of this permit does not waive the requirements that the permit holder obtain other permits from State, Federal and local agencies.

The point of diversion and place of use are as described on the submitted application to support this permit.

(Continued on Page 2)

JA1928
SE ROA 1844

Permit No. 73048

The amount of water to be appropriated shall be limited to the amount which can be applied to beneficial use, and not to exceed 0.1 cubic feet per second or 52.6 acre-feet annually.

Work must be prosecuted with reasonable diligence and proof of completion of work shall be filed on or before:

November 20 2012

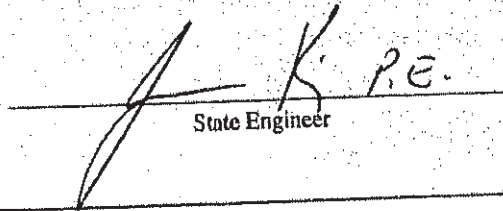
Water must be placed to beneficial use and proof of the application of water to beneficial use shall be filed on or before:

November 20 2016
N/A

Map in support of proof of beneficial use shall be filed on or before:

IN TESTIMONY WHEREOF, I, JASON KING, P.E.,

State Engineer of Nevada, have hereunto set my hand and the seal of my office, this 29th day of December, A.D. 2010


State Engineer

Completion of work filed _____

Proof of beneficial use filed _____

Cultural map filed _____

Certificate No. _____ Issued _____

JA1929
SE ROA 1845

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 29, 2010

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, Nevada 89441

RE: 73048

Dear Mr. Marshall:

Enclosed herewith you will find Permit No. 73048 for the waters of an underground source.

Please be advised that if Proof of Completion and Proof of Beneficial Use, together with a supporting map that may be required, are not filed in this office prior to the dates set for such filings, the permit will be subject to cancellation.

Additional information regarding this and other water rights may be found on our web page at <http://water.nv.gov>.

You are responsible for notifying this office of any address change. If multiple addresses are used, the required legal notices will be sent to the latest address of record unless written notification from the applicant or agent directs otherwise.

Please be advised that if this water right is sold, the new owner must file a report of conveyance with this office reflecting the change in ownership to insure proper noticing and avoid cancellation of the permit.

Sincerely,

A handwritten signature in dark ink, appearing to read "Jason King".

Jason King, P.E.
State Engineer

JK/llb
Enclosure

Cc: Interflow Hydrology, Inc. Dwight L. Smith

JA1930
SE ROA 1846

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director
JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
(800) 992-0900
(In Nevada Only)
<http://water.nv.gov>

FINAL NOTICE

December 3rd 2012

FINAL NOTICE

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441
certified mail no. 71067808063000512299

Re: Final Notice for Permit 73048

The provisions of your above referenced permit to appropriate waters of the State of Nevada require you to file a proof of completion on or before November 20th 2012.

Our records indicate that you have not filed the required proof(s) and your permit is in danger of cancellation unless the proof(s) or an application for an extension of time along with the appropriate filing fee(s) with which to file the required proof(s) is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice.

Per NRS 533.410, if the required proof or extension of time is not received within thirty (30) days after the mailing of this notice, your permit will be cancelled.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

mw
cc: Dwight L. Smith (email)

Schedule of Fees:
Fee for filing Proof of Completion - \$50
Fee for filing Proof of Beneficial Use - \$50
Fee for filing Request for Extension of Time - \$100

JA1931
SE ROA 1847

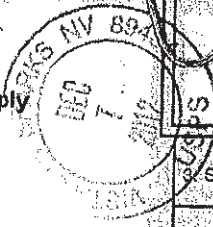
2. Article Number

7106 7808 0630 0051 2299

1. Article Addressed to:

Batch #:
75759

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441



COMPLETE THIS SECTION ON DELIVERY

A. Signature

Monette Marshall

☐ Agent
☒ Addressee

B. Received by (Printed Name)

Monette Marshall

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

YES enter delivery address below: ☐ No

3. Service Type

☒ Certified

4. Restricted Delivery? (Extra Fee)

☐ Yes

Code2:

File: 73648 f/mw

PS Form 3811

Domestic Return Receipt

JA1932
SE ROA 1848

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

DEC 11 2012

Owner of Record Intermountain Water Supply, Ltd.

STATE ENGINEER'S OFFICE

IN THE MATTER OF PERMIT NO. 73048 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED

Comes now Robert W. Marshall, the Agent
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

☐ Yes ☐ No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years5. What is the expenditure on the project under this permit? Last year? \$5,656 Total to date? \$2,524,8686. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)

proof of completion

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved at all this past year. There is no growth occurring in this area. We have continued maintenance of the project. We had to oppose a PUCN staff effort to nullify a favorable PUCN order on our UEPA application. After briefing and oral argument, we were successful. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and have been actively working with two interested buyer-user groups, one local group and one group located in Southern California. The outcome of the election does not bode well for the economy.

State of Nevada

County of WashoeSubscribed and sworn to before me on December 10, 2012by Robert W. Marshall

Signed

Address 625 Onyo Way

Street Address or P.O. Box

Sparks, NV 89441

City, State, Zip Code

Phone (775) 425-1161

E-mail



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

Revised 05/12 - ext of time

JA1933
SE ROA 1849

1/4
 poc
 12/13/2012
 JSM

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPANISH SPRINGS NV 89441

Receipt

Payment Method		Check No.	Receipt #
Check		1453	273991
Date	Item	Description	Amount
12/11/2012	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO 73048	100.00
Received by: Sue Cox		Total	\$100.00

JA1934
SE ROA 1850

Brian Sandoval
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

January 4, 2013

Robert W. Marshall
Intermountain Water Supply
625 Onyo Way
Sparks, NV 89441

RE: Permit 73048

This is to inform you that the Application for Extension of Time has been granted to November 20, 2013, with the provision that no further extensions will be granted for filing of the Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2835 or smonteleone@water.nv.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sam Monteleone".

Sam Monteleone
Water Resource Specialist 1

SEM/dl

cc: Dwight L. Smth, Interflow Hydrology, Inc., email

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director
JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

FINAL NOTICE

November 22, 2013

FINAL NOTICE

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441
Certified Mail No. 71067808063000544658

Re: Final Notice for Permit 66873 and 7348

The provisions of your above referenced permit to appropriate waters of the State of Nevada require you to file a **Proof of Completion on or before November 20, 2013.**

Our records indicate that you have not filed the required proof(s) and your permit is in danger of cancellation unless the proof(s) or an application for an extension of time along with the appropriate filing fee(s) with which to file the required proof(s) is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice.

Per NRS 533.410, if the required proof or extension of time is not received within thirty (30) days after the mailing of this notice, your permit will be cancelled.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

jw

cc: Interflow Hydrology, Inc (email)
Parsons, Behle & Latimer (email)

Schedule of Fees:

Fee for filing Proof of Completion - \$60

Fee for filing Proof of Beneficial Use - \$60

Fee for filing Request for Extension of Time - \$120

JA1936
SE ROA 1852

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

FILED

NOV 25 2013

STATE ENGINEER'S OFFICE

Owner of Record Intermountain Water Supply, Ltd.IN THE MATTER OF PERMIT NO. 73048 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

, the

Agent

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?
☐ Yes ☐ No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years5. What is the expenditure on the project under this permit? Last year? \$7,800.00 Total to date? \$2,532,768.006. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)

proof of completion

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved at all this past year. There is no growth occurring in this area. We have continued maintenance of the project. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and have been actively working with a public agency to purchase the project.

State of Nevada

County of WashoeSubscribed and sworn to before me on November 25, 2013by Robert W. Marshall

Signed

Permittee or Agent

Address 625 Onyo Way

Street Address or PO Box

Sparks, NV 89411

City, State, Zip Code

Phone

(775) 425-1161

E-mail



Notary Stamp or Seal Required

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

Revised 07/13 - ext_app

JA1937
SE ROA 1853

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPARKS NV 89441

●Receipt

		Payment Method	Check No.	Receipt #
		Check	1469/1471	283772
Date	Item	Description	Amount	
11/25/2013	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO. 73048 COVERS EXT NO'S 66873, 72700 AND 73048 CHECK 1469 (\$240.00) AND CHECK 1471 (\$120.00)	120.00	
Received By: Catherine Orpilla			Total	\$120.00

JA1938
SE ROA 1854

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 6, 2013

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permit 73048

This is to inform you that the Application for Extension of Time has been granted to November 20, 2014 with the provision that no further extensions will be granted for Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2842 or smcdaniel@water.nv.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Shannon McDaniel".

Shannon McDaniel
Water Resource Specialist I

SM/lr

cc: Interflow Hydrology Inc. (email)

JA1939
SE ROA 1855

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director
JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
(800) 992-0900
(In Nevada Only)
<http://water.nv.gov>

FINAL NOTICE

November 25, 2014

FINAL NOTICE

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441
Certified Mail No. 71067808063000578059

Re: Final Notice for Permit 66873 and 73048

The provisions of your above referenced permit to appropriate waters of the State of Nevada require you to file a **Proof of Completion on or before November 20, 2014.**

Our records indicate that you have not filed the required proof(s) and your permit is in danger of cancellation unless the proof(s) or an application for an extension of time along with the appropriate filing fee(s) with which to file the required proof(s) is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice.

Per NRS 533.390 and/or 533.410, if the required proof or extension of time is not received within thirty (30) days after the mailing of this notice, your permit will be cancelled.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

jw
cc: Parsons, Behle & Latimer (email)
Interflow Hydrology Inc. (email)

Schedule of Fees:
Fee for filing Proof of Completion - \$60
Fee for filing Proof of Beneficial Use - \$60
Fee for filing Request for Extension of Time - \$120

JA1940
SE ROA 1856

**PARSONS
BEHLE &
LATIMER**

50 West Liberty Street, Suite 750
Reno, Nevada 89501
Main 775.323.1801
Fax 775.348.7250

A Professional
Law Corporation

Robert W. Marshall

RMarshall@parsonsbehle.com

December 2, 2014

Jason H. King, P.E., State Engineer
Nevada Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City NV 89701

**Re: 2014 Application for Extension of Time
Permit Nos. 66873, 72700, 73048**

Dear Mr. King:

Enclosed please find the above-referenced documents, together with supporting documentation and our client's check in payment of the mandatory filing fees in the amount of \$360.00.

Also enclosed is a copy of the above-referenced documents that I ask you stamp received and return to our office.

If you have any questions or comments, please do not hesitate to call.

Sincerely,

PARSONS BEHLE & LATIMER



Roni L. Shaffer

Assistant to Robert W. Marshall, Esq.

/rls

Enclosures

Copy [w/encls.] to:
Client

99997.800/4839-3636-0992.1

BOISE | LAS VEGAS | RENO | SALT LAKE CITY | WASHINGTON, D.C. |

PARSONS BEHLE & LATIMER

JA1941
SE ROA 1857

RECEIVED
2014 DEC -3 AM 11:33
STATE ENGINEERS OFFICE

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record Intermountain Water Supply, Ltd.

FILED

DEC 03 2014

STATE ENGINEER'S OFFICE

IN THE MATTER OF PERMIT NO. 73048 FILED TO APPROPRIATE/CHANGE

underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

, the

Agent

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?
☐ Yes ☐ No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years

5. What is the expenditure on the project under this permit? Last year? \$16,733.43 Total to date? \$2,549,501.00

6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)

Proof of Completion

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved this past year. There is little growth occurring in this area, although the next 10 years look promising. We have continued maintenance of the project and repaired one test well. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and are actively working with three private entities to purchase the project.

State of Nevada

County of Washoe

Subscribed and sworn to before me on 12-02-14

by ***Robert W. Marshall***

Signed

Permittee or Agent

Address 625 Onyo Way

Street Address or PO Box

Sparks, NV 89411

City, State, ZIP Code

Phone 775-425-1161

E-mail

Roni L. Shaffer

Signature of Notary Public Required



RONI L. SHAFFER
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: 99-36517-2 - Expires May 6, 2015

Notary Stamp or Seal Required

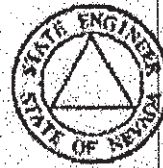
**\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT**

Revised 07/13 - ext_app

JA1942
SE ROA 1858



**Division of Water Resources
Receipt for Payment**



Intermountain Water Supply Ltd
625 Onyo Way
Spanish Springs, NV 89441

Check #: 1501
Check Date: 11/28/2014
Date Received: 12/3/2014
Receipt #: 3,220

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2015	\$120.00	73048		- Extensions / App For Ex Of Time Under Permit No.	Covers Ext No's 66873, 72700 and 73048 Check Total: \$360.00

12/4/2014

57

JA1943
SE ROA 1859

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 23, 2014

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permits 66873 and 73048

This is to inform you that the Application for Extension of Time has been granted to November 20, 2015, with the provision that no further extensions will be granted for Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2842 or smcdaniel@water.nv.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Shannon".

Shannon McDaniel
Water Resource Specialist I

SM/dl

cc: Parsons, Behle and Latimer, email
Interflow Hydrology, Inc., email

JA1944
SE ROA 1860



InterMountain
Water Supply

625 Onyo Way
Spanish Springs, NV 89411

(775) 425-1161
(775) 425-1327 FX

marsh@iw.wt.net

May 26, 2015

Kristen Geddes
Chief, Hearings Section
State of Nevada Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Re: Extension of Time: Permit

Dear Ms. Geddes:

In my letter of March 12, 2015 with respect to the above permit. I enclosed statements from Parsons, Behle & Latimer law firm. To clarify, none of these statements included any of my time. These were bills I paid for time spent by firm personnel, other than me. Most of the time was billed by Rew Goodenow, a partner with the firm for appearances before the County Commission or for meetings with the District Attorneys' Office.

I have NEVER billed any of my time to this project during the 20+ years I have worked on it.

I trust this letter clarifies any questions that there may have been on this point.

Please place a copy of this letter in the file for each Intermountain Water Supply Ltd. Permit involved in the Project. The Permit numbers include Permits 64977, 64978, 66400, 72700, 73428, 73429, 73430, 74327, 66873, 73048, and 67037. I am enclosing copies for your convenience.

Sincerely,

INTERMOUNTAIN WATER SUPPLY

By:


Robert W. Marshall, Manager

RWM/ks
Enclosures
cc: Jason King, P.E.

4827-3643-6260

RECEIVED
2015 MAY 28 AM 10:11
STATE ENGINEERS OFFICE

JA1945
SE ROA 1861

STATE OF NEVADA

BRIAN SANDOVAL
Governor



(See FN 4)
LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5230
(775) 884-2800 • Fax (775) 884-2811
<http://water.nv.gov>

June 4, 2015

Robert W. Marshall
Intermountain Water Supply, Ltd.
625 Onyo Way
Sparks, Nevada 89441

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978,
66400, 73428, 73429, 73430 and 74327

Dear Mr. Marshall:

On March 12, 2015, you responded to the request for evidence concerning the extension of time filed concerning Permit 72700. Given the similarity of information stated on the request for extension of time concerning Permit 72700, and Permits 64977, 64978, 66400, 73428, 73429, 73430 and 74327, this response applies equally to all of the listed Permits (i.e., "the Project").

Pursuant to NRS § 533.380(3) an application for the extension must in all cases be accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application. The measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances. NRS § 533.380(6). Further, when a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system. *Id.*

In addition, in requests for extensions on permits for municipal use on any land referred to in NRS § 533.380(1)(b), or for any use which may be served by a county, city, town, public water district or public water company, requests an extension of time to apply the water to a beneficial use, the State Engineer shall also consider:

(a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

JA1946
SE ROA 1862

Page 2

(b) The number of parcels and commercial or residential units which are contained in or planned for the land being developed or the area being served by the county, city, town, public water district or public water company;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;

(d) Any delays in the development of the land or the area being served by the county, city, town, public water district or public water company which were caused by unanticipated natural conditions; and

(e) The period contemplated in the:

(1) Plan for the development of a project approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(2) Plan for the development of a planned unit development recorded pursuant to chapter 278A of NRS,

→ if any, for completing the development of the land.

Your response included a written response, copies of the amendment to the Washoe County Regional Water Management Plan to Include the North Valley Strategy, Regional Water Planning Commission Minutes, a written Current Status of the Project, and various invoices for legal fees, consultant and professional fees, accountant fees and secretary of state fees. I have considered the evidence you submitted concerning the extension request and a discussion of my opinion concerning the evidence submitted as it relates to the extension request follows below.

1. Discussion of Amendment to the Regional Water Management Plan and Current Status of the Project

The Amendment to the Regional Water Management Plan to Include the North Valley Strategy (1995-2015), which was adopted March 31, 1997, identified four water supply alternatives, one of which included the Warm Springs Importation Project ("Project"). Although the Project was briefly described, the Plan Amendment makes clear that the County sought to pursue multiple projects simultaneously in order to maximize flexibility, to provide greater competitive position among negotiations with project proponents, and to secure a reliable water supply system beyond 2015. Therefore, it was recommended that, among other potential projects, your Project was to be aggressively pursued and implemented as needed and merited. Specific activities of the Regional Plan to implement the strategy included entering into agreements with project proponents to resolve remaining implementation issues and set performance criteria for proving viability of the projects. If the projects met the performance criteria, completed supporting technical analysis, submitted permit applications, prepared environmental documentation, completed preliminary engineering design, then the county would initiate formal discussions with project proponents to establish potential terms of an agreement to implement each project. Based on the results of these activities the County was to implement either the Project or the Green Gulch Project, or both.

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978, 66400, 73428, 73429, 73430 and 74327

Page 3

Subsequent to the revision of the Regional Plan, the "Current Status of the Project" does identify a number of performance criteria that were carried out, including: conformance reviews completed by the Regional Water Planning Commission, a Record of Decision issued on the EIS, Special Permit issued by the County, a Utility Environmental Protection Act (UEPA) permit issued by the Public Utility Commission, easements and rights of way were obtained and the drilling of seven wells. You also state that a final report, the archeological survey, is due later this year.

From the foregoing history it is evident that in 1997, the County contemplated the Project as a potential water source for the North Valleys, and considered future implementation of the Project subject to later-met performance criteria. As you demonstrate in your response, many activities were carried out laying the groundwork for the Project until the economic slowdown beginning in or around 2008.

2. Discussion of invoices

You submitted a number of invoices for attorney's fees, which your response states were incurred from meetings with Washoe County commissioners and meetings with representatives of the Washoe County District Attorney's Office to develop an appropriate agreement for Washoe County to obtain the Project.¹ While you state that ultimately an agreement was not reached with the County, the attorney's fees which were incurred appear to support the portions of the Regional Water Management Plan that formal discussions between the County and you would occur concerning the potential terms of an agreement to implement the Project.

As well, the consultant fees paid to Robert Williams to draft a letter of support regarding the FEIS demonstrates new efforts toward project milestones.

However, I find that the invoices for professional accounting and tax preparation services, and annual Secretary of State filing fees, do not help demonstrate the steady application of effort to perfect the application. Rather, invoices for professional accounting and tax preparation services, annual Secretary of State filing fees are indicative of revolving administrative fees incurred by Intermountain Water Supply.

¹ You later clarified that the attorney's fees were incurred by Rew Goodenew, of Parsons, Behle & Lattimer.

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978, 66400, 73428, 73429, 73430 and 74327

Page 4

3. Application of Bacher.

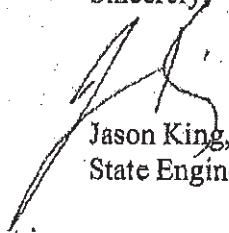
I decline at this time to apply the anti-speculation doctrine of the *Bacher* decision to deny the extensions on the basis of speculation. I would note, however, that the applications for extensions of time filed since 2011 have indicated you are seeking a buyer for the project. Inasmuch as negotiations with the County were unfruitful at the end of 2014, the inability to secure a buyer in future requests for extensions of time will not be considered good cause for extensions of time. See *Colorado River Water Conservation Dist. v. Vidler Tunnel Water Co.*, 594 P.2d 566 (Colo. 1979) (articulating anti-speculation doctrine adopted by *Bacher*, stating the right to appropriate is for use, not merely for profit).

In considering NRS 533.380(4), I find good cause for granting extensions on the Project permits. The area to be served is Lemmon Valley, which has existing developments with currently little to no recharge. It is true that economic conditions have been poor in recent years for which I have taken into consideration.

Notwithstanding that the extensions of time are being granted, please be advised that further requests for extensions on permits comprising the Project will be closely scrutinized to ensure the statutory criteria for granting extensions of time are adhered to. In that vein, for any future extensions of time filed regarding the Project, please submit evidence at the time the request for extensions are filed, which demonstrates good cause supporting future extension requests made pursuant to NRS 533.380.²

You will receive confirmation of the extension dates and new proof filing dates under separate cover. If you have any questions regarding the foregoing please do not hesitate to contact me.

Sincerely,


Jason King, P.E.
State Engineer

cc: Chris Skinner, Sierra Pacific Industries

² This also applies to Permits 66873 and 73048 referenced in your response.

APPLICATION TO CHANGE THE P.O.D. of 66900 OF A PORTION

No. **73428**

Date Filed **NOV 03 2005**

Indexed under

Well Log

Name of applicant

Map

Basin 7 - 95

Stream

DRY VALLEY

Township **24 N** Range **18 E**

County **WASHOE**

Point of diversion **NE 1/4 NW 1/4 Section 11**

Applicant **INTERMOUNTAIN PIPELINE, LTD.**

ASSIGNED

Source of Water **UNDERGROUND**

Returned for correction **NOV 23 2005**

Abrogated by **P 74873 T 0.208 Sup 11-29**

Corrected application received

Map filed **1-13-2006** exist & prop POU 5-1-1998 under 64073 (3 of 4)

Sent for publication **FEB 07 2006**

Proof of publication filed **MAR 09 2006**

Investigated on ground by

Protested **2-21-06 BY LASSEN CTY, 3-17-06 BY WASHOE CTY Pro Overruled 6-27-06 See Pub**

Ready for action **APR 06 2006**

Approved **June 29, 2006**

0.45

Municipal & domestic

Denied

	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		Feb 11, 2008	Feb 11, 2008	NA
1st extension		Feb 11, 2008	Feb 11, 2008	
2nd extension				
		NO FURTHER EXTENSION	NO FURTHER EXTENSION	
Date filed				

Filed under map

CERTIFICATE NO.

ISSUED

AMOUNT

Use

COMPUTER CHECK

File Entry

Publication

Permit

Certificate

ADDRESS

13258

JA1950
SE ROA 1866

OF A PORTION

SEE APPLICATION 74873-T TO CHANGE P.O.U.

**PARSONS
BEHLE &
LATIMER**

201 South Main Street, Suite 1800
Salt Lake City, Utah 84111
Main 801.532.1234
Fax 801.636.6111
parsonsbehle.com

A Professional
Law Corporation

INTERMOUNTAIN WATER SUPPLY, LTD.
ROBERT W. MARSHALL
C/O PARSONS, BEHLE & LATIMER
50 W. LIBERTY STREET, SUITE 750
RENO, NV 89501

OCTOBER 16, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 396625
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH SEPTEMBER 30, 2014

CURRENT LEGAL FEES \$ 275.00

CURRENT COSTS AND DISBURSEMENTS \$ 0.00

TOTAL \$ 275.00

*pd 10/20/14
1500*

BALANCE DUE FROM PREVIOUS STATEMENT
LESS PAYMENT(S) -- THANK YOU

126.00
(126.00)

BALANCE FORWARD

0.00

TOTAL AMOUNT DUE

\$ 275.00

=====

DUE UPON RECEIPT
TO ENSURE ACCURATE CREDITING, PLEASE RETURN THE COPY OF THIS STATEMENT WITH YOUR PAYMENT

JA1862

SE ROA 1778

FOR DEPOSIT ONLY

2085010016500 07-08-2014

183171935

REF#8513533189 CK# 11172 5000.00

11172

5/30/14

\$5000.00

Robert Marshall

183171935

TURNER, LOY & CO., LLC
6502 S. McCarran Blvd., Ste. D
Reno, NV 89509
(775) 823-3777 FAX (775) 823-3773

Mr. Robert Marshall
625 Onyo Way
Sparks, NV 89441

3/26/14
1486

46750-03 Invoice# 14197

March 24, 2014

In Reference to: Intermountain Water Supply, Ltd.

Professional accounting services provided in connection with:

Analysis of accounting transactions and preparation of federal partnership
income tax return for the year ended December 31, 2013.

Amount

\$ 450.00

BALANCE DUE

\$ 450.00

Terms: Net 30 Days. Amounts past due 30 days subject to a finance charge of 1% per month, annual percentage rate 12%

JA1864
SE ROA 1780

Water
Supply
Bills 2014

TURNER, LOY & CO., LLC
6502 S. McCartan Blvd., Ste. D
Reno, NV 89509
(775) 823-3777 FAX (775) 823-3773

OK 1/14/82
1125.00

Mr. Robert Marshall, Esq.
625 Onyo Way
Sparks, NV 89441

46750-03 Invoice# 14015

January 14, 2014

In Reference to: Intermountain Water Supply, Ltd.

Professional accounting services provided in connection with:

Meeting with client and present value calculations on payment stream in
comparison with calculations by Les Smith.

Amount

\$ 3,125.00

1125.00

BALANCE DUE

\$ 3,125.00

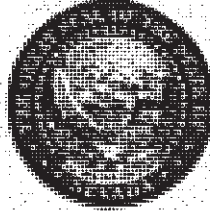
Terms: Net 30 Days. Amounts past due 30 days subject to a finance charge of 1% per month, annual percentage rate 12%

JA1865
SE ROA 1781

STATE OF NEVADA

ROSS MILLER
Secretary of State

SCOTT W. ANDERSON
Deputy Secretary
for Commercial Recordings



OFFICE OF THE
SECRETARY OF STATE

Commercial Recordings Division
202 N. Carson Street
Carson City, NV 89701-4069
Telephone (775) 684-5708
Fax (775) 684-7138

ROBERT W. MARSHALL
50 W LIBERTY STREET STE 750
RENO, NV 89501

Job: C20140220-0030
February 25, 2014

Special Handling Instructions:
alafave@parsonsbehle.com al bl emailed 2/25/14 raa

Charges

Description	Document Number	Filing Date/Time	Qty	Price	Amount
Annual List	20140120860-54	2/19/2014 6:02:50 AM	1	\$125.00	\$125.00
Business License 4/2014-4/2015	20140120860-54	2/19/2014 6:02:50 AM	1	\$200.00	\$200.00
Total					\$325.00

Payments

Type	Description	Amount
Check	Check #1480	\$325.00
Total		\$325.00

Credit Balance: \$0.00

Job Contents:

File Stamped Copy(s): 1
Business License(s): 1

ROBERT W. MARSHALL
50 W LIBERTY STREET STE 750
RENO, NV 89501

JA1866
SE ROA 1782

InterFlow Hydrology, Inc.

P.O. Box 1482
Truckee, CA 96160

Invoice

Invoice #: IFH - 924
Invoice Date: 2/3/2014
Due Date: 3/5/2014
Project:
P.O. Number:

Bill To:

Intermountain Land & Cattle Co.
625 Onyo Way
Spanish Springs, NV 89441
Attn: Bob Marshall

2/6/14
11037
(R)

Description	Hours/Qty	Rate	Amount
Warm Springs Creek Gages			
Professional Services of Jack Childress, PG, Senior Hydrogeologist: 1-24-14 Gage Maintenance and Data Downloads	5	75.00	375.00
Reimbursable Expenses: 1-24-14 Travel - Field Vehicle	130	0.75	97.50

Professional Hydrogeologic Services in January 2014

Dwight T. Smith

Total	\$472.50
Payments/Credits	\$0.00
Balance Due	\$472.50

JA1867
SE ROA 1783

InterFlow Hydrology, Inc.
P.O. Box 1482
Truckee, CA 96160

Invoice

6/10/14
#11153

Invoice #: IFH - 963
Invoice Date: 6/4/2014
Due Date: 7/4/2014
Project:
P.O. Number:

Bill To:
Intermountain Land & Cattle Co.
625 Onyo Way
Spanish Springs, NV 89441
Attn: Bob Marshall

Description	Hours/Qty	Rate	Amount
Warm Spring Stream Gages			
Professional Services of Jack Childress, PG, Senior Hydrogeologist: 5-05-14 Gage Maintenance and Data Downloads	5	75.00	375.00
Reimbursable Expenses: 5-05-14 Travel - Field Vehicle	120	0.75	90.00
Professional Hydrogeologic Services in May 2014			
Total			\$465.00
Payments/Credits			\$0.00
Balance Due			\$465.00

Dwight L. Smith

JA1868
SE ROA 1784

Invoice

Robert Williams
Species Conservation Solutions, LLC
7003 Whitemare Court
Sparks, NV
89436

2/4/14
1478
Mace

Bill To
Robert W Marshall
Intermountain Water Supply LTD
625 Onyo Way, Sparks Nevada
89441

Date	Invoice #
January 24 2014	1

Description	Quantity	Rate	Amount
Review FEIS and Record of Decision	2	\$100.00	\$200.00
Draft letter of support	1	\$100.00	\$100.00
			\$0.00
		Subtotal	\$300.00
		Total	\$300.00



InterMountain
Water Supply

625 Onyo Way
Spanish Springs, NV 89441

(775) 425-1161
(775) 425-1327 FX

marshall@iws.net

May 26, 2015

Kristen Geddes
Chief, Hearings Section
State of Nevada Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Re: Extension of Time: Permit

Dear Ms. Geddes:

In my letter of March 12, 2015 with respect to the above permit. I enclosed statements from Parsons, Behle & Latimer law firm. To clarify, none of these statements included any of my time. These were bills I paid for time spent by firm personnel, other than me. Most of the time was billed by Rew Goodenow, a partner with the firm for appearances before the County Commission or for meetings with the District Attorneys' Office.

I have NEVER billed any of my time to this project during the 20+ years I have worked on it.

I trust this letter clarifies any questions that there may have been on this point.

Please place a copy of this letter in the file for each Intermountain Water Supply Ltd. Permit involved in the Project. The Permit numbers include Permits 64977, 64978, 66400, 72700, 73428, 73429, 73430, 74327, 66873, 73048, and 67037. I am enclosing copies for your convenience.

Sincerely,

INTERMOUNTAIN WATER SUPPLY

By:


Robert W. Marshall, Manager

RWM/ks
Enclosures
cc: Jason King, P.E.

4827-3643-6260

RECEIVED
2015 MAY 28 AM 10:00
STATE ENGINEERS OF

JA1870
SE ROA 1786

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

June 4, 2015

Robert W. Marshall
Intermountain Water Supply, Ltd.
625 Onyo Way
Sparks, Nevada 89441

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978,
66400, 73428, 73429, 73430 and 74327

Dear Mr. Marshall:

On March 12, 2015, you responded to the request for evidence concerning the extension of time filed concerning Permit 72700. Given the similarity of information stated on the request for extension of time concerning Permit 72700, and Permits 64977, 64978, 66400, 73428, 73429, 73430 and 74327, this response applies equally to all of the listed Permits (*i.e.*, "the Project").

Pursuant to NRS § 533.380(3) an application for the extension must in all cases be accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application. The measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances. NRS § 533.380(6). Further, when a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system. *Id.*

In addition, in requests for extensions on permits for municipal use on any land referred to in NRS § 533.380(1)(b), or for any use which may be served by a county, city, town, public water district or public water company, requests an extension of time to apply the water to a beneficial use, the State Engineer shall also consider:

(a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

JA1871
SE ROA 1787

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978, 66400, 73428, 73429, 73430 and 74327

Page 2

(b) The number of parcels and commercial or residential units which are contained in or planned for the land being developed or the area being served by the county, city, town, public water district or public water company;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;

(d) Any delays in the development of the land or the area being served by the county, city, town, public water district or public water company which were caused by unanticipated natural conditions; and

(e) The period contemplated in the:

(1) Plan for the development of a project approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(2) Plan for the development of a planned unit development recorded pursuant to chapter 278A of NRS,
→ if any, for completing the development of the land.

Your response included a written response, copies of the amendment to the Washoe County Regional Water Management Plan to Include the North Valley Strategy, Regional Water Planning Commission Minutes, a written Current Status of the Project, and various invoices for legal fees, consultant and professional fees, accountant fees and secretary of state fees. I have considered the evidence you submitted concerning the extension request and a discussion of my opinion concerning the evidence submitted as it relates to the extension request follows below.

1. Discussion of Amendment to the Regional Water Management Plan and Current Status of the Project

The Amendment to the Regional Water Management Plan to Include the North Valley Strategy (1995-2015), which was adopted March 31, 1997, identified four water supply alternatives, one of which included the Warm Springs Importation Project ("Project"). Although the Project was briefly described, the Plan Amendment makes clear that the County sought to pursue multiple projects simultaneously in order to maximize flexibility, to provide greater competitive position among negotiations with project proponents, and to secure a reliable water supply system beyond 2015. Therefore, it was recommended that, among other potential projects, your Project was to be aggressively pursued and implemented as needed and merited. Specific activities of the Regional Plan to implement the strategy included entering into agreements with project proponents to resolve remaining implementation issues and set performance criteria for proving viability of the projects. If the projects met the performance criteria, completed supporting technical analysis, submitted permit applications, prepared environmental documentation, completed preliminary engineering design, then the county would initiate formal discussions with project proponents to establish potential terms of an agreement to implement each project. Based on the results of these activities the County was to implement either the Project or the Green Gulch Project, or both.

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978, 66400, 73428, 73429, 73430 and 74327

Page 3

Subsequent to the revision of the Regional Plan, the "Current Status of the Project" does identify a number of performance criteria that were carried out, including: conformance reviews completed by the Regional Water Planning Commission, a Record of Decision issued on the EIS, Special Permit issued by the County, a Utility Environmental Protection Act (UEPA) permit issued by the Public Utility Commission, easements and rights of way were obtained and the drilling of seven wells. You also state that a final report, the archeological survey, is due later this year.

From the foregoing history it is evident that in 1997, the County contemplated the Project as a potential water source for the North Valleys, and considered future implementation of the Project subject to later-met performance criteria. As you demonstrate in your response, many activities were carried out laying the groundwork for the Project until the economic slowdown beginning in or around 2008.

2. Discussion of invoices

You submitted a number of invoices for attorney's fees, which your response states were incurred from meetings with Washoe County commissioners and meetings with representatives of the Washoe County District Attorney's Office to develop an appropriate agreement for Washoe County to obtain the Project.¹ While you state that ultimately an agreement was not reached with the County, the attorney's fees which were incurred appear to support the portions of the Regional Water Management Plan that formal discussions between the County and you would occur concerning the potential terms of an agreement to implement the Project.

As well, the consultant fees paid to Robert Williams to draft a letter of support regarding the FEIS demonstrates new efforts toward project milestones.

However, I find that the invoices for professional accounting and tax preparation services, and annual Secretary of State filing fees, do not help demonstrate the steady application of effort to perfect the application. Rather, invoices for professional accounting and tax preparation services, annual Secretary of State filing fees are indicative of revolving administrative fees incurred by Intermountain Water Supply.

¹ You later clarified that the attorney's fees were incurred by Rew Goodenew, of Parsons, Behle & Lattimer.

Re: Applications for Extension of Time concerning Permits 72700, 64977, 64978, 66400, 73428, 73429, 73430 and 74327

Page 4

3. Application of Bacher.

I decline at this time to apply the anti-speculation doctrine of the *Bacher* decision to deny the extensions on the basis of speculation. I would note, however, that the applications for extensions of time filed since 2011 have indicated you are seeking a buyer for the project. Inasmuch as negotiations with the County were unfruitful at the end of 2014, the inability to secure a buyer in future requests for extensions of time will not be considered good cause for extensions of time. See *Colorado River Water Conservation Dist. v. Vidler Tunnel Water Co.*, 594 P.2d 566 (Colo. 1979) (articulating anti-speculation doctrine adopted by *Bacher*, stating the right to appropriate is for use, not merely for profit).

In considering NRS 533.380(4), I find good cause for granting extensions on the Project permits. The area to be served is Lemmon Valley, which has existing developments with currently little to no recharge. It is true that economic conditions have been poor in recent years for which I have taken into consideration.

Notwithstanding that the extensions of time are being granted, please be advised that further requests for extensions on permits comprising the Project will be closely scrutinized to ensure the statutory criteria for granting extensions of time are adhered to. In that vein, for any future extensions of time filed regarding the Project, please submit evidence at the time the request for extensions are filed, which demonstrates good cause supporting future extension requests made pursuant to NRS 533.380.²

You will receive confirmation of the extension dates and new proof filing dates under separate cover. If you have any questions regarding the foregoing please do not hesitate to contact me.

Sincerely,


Jason King, P.E.
State Engineer

cc: Chris Skinner, Sierra Pacific Industries

² This also applies to Permits 66873 and 73048 referenced in your response.

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

June 15, 2015

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permit(s) 72700

This is to inform you that the Application for Extension of Time has been granted to December 18, 2015, with the provision that no further extensions will be granted for the filing of Proof of Completion and Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2807.

Sincerely,

A handwritten signature in cursive script, appearing to read "Colette Easter".

Colette Easter
Water Resource Specialist I

CE/lr
cc: TEC Civil Engineering Consultants (email)

JA1875
SE ROA 1791

No. **73048**Date Filed **JUL 14 2005**

Indexed under		Well Log
Name of applicant		
Map	Basin 7 - 94	
Stream	BEDELL FLAT	
Township 23N Range 19E		County WASHOE
Point of diversion SE 1/4 SE 1/4 Section 5		
Applicant INTERMOUNTAIN WATER SUPPLY, LTD.		
Source of Water UNDERGROUND		
Returned for correction	Abrogated by	
Corrected application received		
Map filed 1-22-73 pro pod 26771 / pro pod under 64073 May 1-90		
Sent for publication JUL 21 2005		
Proof of publication filed AUG 16 2005		
Investigated on ground by		
Protested Sep 12 by Washoe Co		
Pro. Overruled 12/1/10 Sec Ruling #6073		
Ready for action SEP 12 2005		
Approved December 29, 2010 0.1 cfs Municipal		
Denied		

	PROOF OF COMMENCEMENT	PROOF OF COMPLETION	PROOF OF BENEFICIAL USE	CULTURAL MAP
Date due		Nov 20, 2012	Nov 20, 2016	N/A
1st extension		15		
2nd extension				
Date filed				

	Filed under map
--	-----------------

CERTIFICATE NO.		ISSUED		AMOUNT	
-----------------	--	--------	--	--------	--

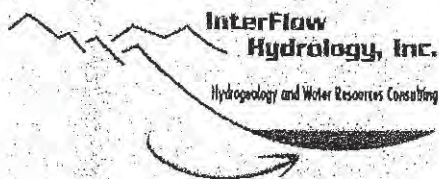
Use	
-----	--

COMPUTER CHECK	File Entry		Publication		Permit	SEM	Certificate	
----------------	------------	--	-------------	--	--------	------------	-------------	--

ADDRESS

13259

JA1876
SE ROA 1792



RECEIVED

05 JUL 14 AM 8:22

STATE ENGINEERS OFFICE

July 13, 2005

Mr. Hugh Ricci, PE
State Engineer
NEVADA DIVISION OF WATER RESOURCES
123 W. Nye Lane, Suite 246
Carson City, Nevada 89706-6972

RE: Applications to Appropriate Underground Water by Intermountain Water Supply, Ltd.

Dear Mr. Ricci:

On behalf of Intermountain Water Supply, Ltd., please find enclosed two applications to appropriate additional underground water in the Bedell Flat Hydrographic Basin (094), along with a check for the filing fee in the amount of \$500.00.

Please feel free to contact me, if you have any questions regarding the applications to appropriate water.

Sincerely,
INTERFLOW HYDROLOGY, INC.

Dwight L. Smith, PE, WRS
Principal Hydrogeologist

cc: Bob Marshall, Intermountain Water Supply, Ltd.

Serial No. 73048

APPLICATION FOR PERMIT TO APPROPRIATE THE PUBLIC
WATERS OF THE STATE OF NEVADA

THIS SPACE FOR OFFICE USE ONLY

Date of filing in State Engineer's Office JUL 14 2005

Returned to applicant for correction

Corrected application filed Map filed JAN 22 1973 under 26771

The applicant Intermountain Water Supply, Ltd.

2440 Holcomb Lane of Reno
Street and No. Or P.O. Box No City and Town

NV, 89511 hereby makes application for permission to appropriate
State and Zip code No.

the public waters of the State of Nevada, as hereinafter stated. (If applicant is a corporation, give date and place of
incorporation; if a copartnership or association give names of members.)

Is applicant a U.S. citizen? ☒ Yes ☐ No

Is applicant 21 years of age or older? Yes ☒ No ☐

NRS 533.325 requires that applicant be a citizen of the United State or have legally declared their intention to
become a citizen, and that they be 21 years of age or older.

1. The source of the proposed appropriation is Underground
Name of stream, lake, spring, underground or other source

2. The amount of water applied for is 5 cfs, not to exceed 500 acre-feet annually
One second foot equals 448.83 gallons per minute.

(a) If stored in reservoir give number of acre-feet

3. The water to be used for Municipal and Domestic
Irrigation, power, mining, commercial, domestic or other use. Must limit to one major use.

4. If use is for:

(a) Irrigation, state number of acres to be irrigated

(b) Stockwater, state number and kind of animals

(c) Other use (describe fully "No. 12. Remarks")

(d) Power:

(1) Horse Power developed

(2) Point of return of water to stream

JA1878
SE ROA 1794

5. The water is to be diverted from its source at the following point SE1/4 SE1/4 Section 5, T23N, R19E, MDM,
Describe as being within a 40-acre subdivision of public

....at a point from which the SE corner of said Section 5 bears S 40° E, a distance of 550 feet.....
survey, and by course and distance to section corner. If on unsurveyed land, it should be so stated.

6. Place of use ..See Attached Exhibit "A"

Describe by legal subdivision. If on unsurveyed land, it should be so stated.

7. Use will begin aboutJanuary 1..... and end aboutDecember 31.....of each year.
Month and Day Month and Day

8. Description of proposed works (Under the provisions of NRS 535.010 you may be required to submit plans and specifications of your diversion or storage works.) ... Drilled well equipped with pump and controls, and a ...
State manner in which water is to be diverted, i.e. diversion structure.

.... water transmission pipeline to deliver water to Lemmon Valley
ditches and flumes, drilled well with pump and motor, etc.

9. Estimated cost of works \$500,000, this component only

10. Estimated time required to construct works 5 years

If well completed, describe works.

11. Estimated time required to complete the application of water to beneficial use 10 years

12. Remarks: For use other than irrigation or stock watering, state number and type of units to be served or annual consumptive use.

.... Supporting map for the proposed point of diversion is on file with the Division of Water Resources

.... under Application No. ^{MS}30275. Supporting map for the proposed place of use is filed under
26711

.... Application No. 64073. This application to appropriate groundwater is in addition to Permit No.

....66873, as groundwater may be deemed to be available by the State Engineer.

TELEPHONE NUMBER

(..530..)582-1622.....

APPLICATION MUST BE SIGNED
BY THE APPLICANT OR AGENT

By

Wright Smith
Signature, applicant or agent

P.O. Box 1482

Street and No., or P.O. Box No.

Truckee, CA 96160

City, State, Zip code No.

\$250 FILING FEE MUST ACCOMPANY APPLICATION

JA1879
SE ROA 1795

Exhibit "A"
Proposed Place of Use
Lemmon Valley Area, Washoe County, Nevada

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, all in T21N, R19E, MDM.

Section 36, T21N, R18E, MDM.

Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 15, 16, 17, all in T20N, R19E, MDM.

Sections 1 and 12, T20N, R18E, MDM.

State of Nevada - Division of Water Resources

123 W. Nye Lane, Suite 246
Carson City, Nevada 89706-0818

INTERFLOW HYDROLOGY INC
PO BOX 1482
TRUCKEE CA 96160

Receipt		Payment Method	Check No.	Receipt #
Date	Item	Description	Amount	
7/14/2005	NEW APP	NEW APPLICATION NO. 73048 COVERS CHGAPP NO'S 73048 AND 73049	250.00	
Received by: Sue Cox Sc			Total	\$250.00

JA1881
SE ROA 1797

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246
Carson City, Nevada 89706-0818
(775) 687-4380 • Fax (775) 687-6972
<http://water.nv.gov>

RE: 73048 and 73049

July 19, 2005

Intermountain Water Supply, Ltd.
2440 Holcomb Lane
Reno, Nevada 89511

Dear Ladies and Gentlemen:

Application Nos. 73048 and 73049 for permission to appropriate water were filed in the Division of Water Resources on July 14, 2005, in the name of Intermountain Water Supply, Ltd. by Dwight L. Smith as agent. \$500.00 was received and Receipt Nos. 191844 and 191845* were issued on July 14, 2005, to Interflow Hydrology Inc.

Please be advised that, in addition to the correspondence and notices sent to you from the Division of Water Resources relative to these water filings, a copy will be forwarded to Dwight L. Smith as agent unless we are otherwise instructed by you as the owner of record.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record, and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Sincerely,

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

Hugh Ricci, P.E.
State Engineer

HR/bh

cc:

* #191844 = \$250.00

#191845 = \$250.00

ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 248
Carson City, Nevada 89706

JUL 21 2005

In reply refer to
No. 73048

Address All Communications to
the State Engineer, Division
of Water Resources
Telephone (775) 687-4380

THE RENO GAZETTE JOURNAL
ATTN LEGAL DEPT
PO BOX 22000
RENO NV 89520

Gentlemen:

Enclosed is notice of Application No. 73048 of Intermountain Water Supply, Ltd. for the waters of an underground source. Please publish this notice in your paper once a week for four consecutive weekly issues, the first publication to commence in your first issue after receipt of this letter.

Upon completion of such publication it will be necessary for you to send to this office a proof of publication subscribed to before a Notary Public, showing the dates of the issues of said newspaper wherein such publications were made, and that such newspaper is a newspaper having a general circulation, and that the affiant is the publisher or manager thereof. Also send your bill, which, in accordance with the statutes, must not exceed the sum of fifty dollars. The bill will be paid on the first of the month following receipt of proof of publication.

Kindly detach the receipt provided below and return to this office with a copy of the notice as first published attached thereto. If this receipt is not received within 15 days of this date it will be assumed that you do not desire the publication, and it will be sent elsewhere.

Sincerely,

Hugh Ricci, P.E.
State Engineer

HR/ag

Enclosure

_____, Nevada, _____

STATE ENGINEER
Carson City, Nevada

DEAR SIR:

Notice of Application No. _____ for publication in this paper has been received and publication will be made as directed.

Name of Paper

By _____

KINDLY RETURN PROMPTLY ON COMPLETION OF FIRST PUBLICATION

JA1883
SE ROA 1799

R. MICHAEL TURNIPSEED, P.E.
Director

STATE OF NEVADA

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES

DIVISION OF WATER RESOURCES

123 W. Nye Lane, Suite 246
Carson City, Nevada 89706-0818

JUL 21 2005

In reply refer to
No.

73048

Address All Communications to
the State Engineer, Division
of Water Resources
Telephone (775) 687-4380

INTERMOUNTAIN WATER SUPPLY LTD
2440 HOLCOMB LANE
RENO NV 89511

Your application was received and filed in this office under the above mentioned serial number
on JUL 14 2005. The supporting map was received and filed on JAN 22 1973.
Today notice of publication has been mailed to The Reno Gazette Journal
Reno, NV. In accordance with the law the notice will be
published once a week for four consecutive weekly issues.

Sincerely,

Hugh Ricci, P.E.
State Engineer

HR/ag
CC: Dwight L. Smith

RECEIVED

05 AUG 22 PM 1:40

RENO NEWSPAPERS INC

Publishers of

Reno Gazette-Journal

955 Kuenzli St • P.O. Box 22,000 • Reno, NV 89520 • 775.788.6200

Legal Advertising Office 775.788.6394

FILED
AUG 16 2005
STATE ENGINEER'S OFFICE

NV STATE WATER RESOURCES DIV
123 W NYE LN STE 246
CARSON CITY NV 89706-0838

Customer Acct# 310374
PO# 73048
Ad# 1000084349
Legal Ad Cost \$50.00

STATE OF NEVADA
COUNTY OF WASHOE

ss: Julia Ketcham

Being first duly sworn, deposes and says: That as the legal clerk of the Reno Gazette-Journal, a daily newspaper published in Reno, Washoe County, State of Nevada, that the notice referenced below has published in each regular and entire issue of said newspaper between the dates: 07/23/2005 - 08/13/2005, for exact publication dates please see last line of Proof of Publication below.

Signed: *Julia Ketcham*

AUG 16 2005

Subscribed and sworn to before me

TANA CICCOTTI
Notary Public - State of Nevada
Appointment Recorded in Washoe County
No: D2-75259-2 - Expires May 16, 2008

Tana Ciccotti

Proof of Publication

APPLICATION TO APPROPRIATE WATER NO. 73048 NOTICE IS HEREBY GIVEN, that on the 14th day of July 2005 Intermountain Water Supply, Ltd. of Reno, Nevada made application to the State Engineer of Nevada for permission to appropriate 5.0 c.f.s. of the public waters of the State of Nevada. Diversion is to be made from an underground source at a point located within the SE 1/4 SE 1/4, Section 5, T23N, R19E MDM, or at a point from which the SE corner of said Section 5 bears S 40 degrees E, a distance of 550 feet (approx. 15 miles N of Stead, NV). Water will be used for municipal and domestic purposes from January 1st to December 31st of each year. Hugh Ricci, P.E. State Engineer Date of first pub 7-23-05 Date of last pub 8-13-05 No. 84349 July 23, 30; Aug 6, 13, 2005

72058
1450-

Date 9/13/05
Warrant No. PV 477557

Ad Number: 1000084349

Page 1 of 1

JA1885
SE ROA 1801

JUL 21 2005

APPLICATION TO APPROPRIATE WATER NO. 73048

NOTICE IS HEREBY GIVEN, that on the 14th day of July 2005 Intermountain Water Supply, Ltd. of Reno, Nevada made application to the State Engineer of Nevada for permission to appropriate 5.0 c.f.s. of the public waters of the State of Nevada. Diversion is to be made from an underground source at a point located within the SE¼ SE¼, Section 5, T23N, R19E MDM, or at a point from which the SE corner of said Section 5 bears S 40° E, a distance of 550 feet (approx. 15 miles N of Stead, NV). Water will be used for municipal and domestic purposes from January 1st to December 31st of each year.

Hugh Ricci, P.E.
State Engineer

HR/ag

Date of first publication _____

Date of last publication _____

JA1886
SE ROA 1802

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

IN THE MATTER OF APPLICATION NUMBER 73048
FILED BY INTERMOUNTAIN WATER SUPPLY, LTD. PROTEST
ON JULY 14, 20 05, TO APPROPRIATE THE
WATERS OF UNDERGROUND



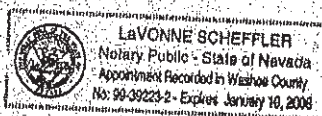
Comes now Washoe County
Printed or typed name of protestant
whose post office address is 4930 Energy Way, Reno, NV 89502-4106
Street No. or P.O. Box, City, State, and Zip Code
whose occupation is a political subdivision of the State of Nevada, and protests the granting
of Application Number 73048, filed on JULY 14, 20 05,
by INTERMOUNTAIN WATER SUPPLY, LTD. 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.

Signed Vahid Behmaram
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 12th day of SEPTEMBER, 20 05.



LaVonne Scheffler
Notary Public
State of Nevada
County of Washoe

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

JA1887
SE ROA 1803

Exhibit "A"
Applications 73048 & 73049

The above referenced applications propose to appropriate 1,000.00 acre-feet of ground water from the Bedell Flat hydrographic basin. State Engineer's ruling # 5429 issued on October 14th, 2004 determined a total available duty of 144.20 acre-feet remains for appropriation by Application 66873. That ruling is currently under appeal and Washoe County is not aware of any new studies that could have affected the State Engineer's determination.

Therefore, based on the available information and the State Engineer's ruling # 5429, it is clear that there is no water available for appropriation, and the applications should be denied.

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

WASHOE COUNTY
PO BOX 11130
RENO NV 89520-0027

Receipt		Payment Method	Check No.	Receipt #
Date	Item	Description	Amount	
9/12/2005	Protest	FILING PROTEST UNDER APPLICATION NO. 73048 APPLICANT: INTERMOUNTAIN WATER SUPPLY LTD PROTESTANT: WASHOE COUNTY CHECK COVERS 73048 & 73049	25.00	
Gloria Lash			Total	\$25.00

JA1889
SE ROA 1805

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

December 22, 2005

RE: 73048 and 73049

Intermountain Water Supply Ltd.
2440 Holcomb LN
Reno NV 89511

Ladies and Gentlemen:

Please be advised that NRS 533.360 (3b) establishes certain noticing requirements, which must be met by any applicant for underground water for municipal, quasi-municipal, or industrial uses whose reasonably expected rate of diversion is 0.5 c.f.s. or greater. It appears that your Application Numbers 73048 and 73049 are subject to this statute. I have enclosed a copy of NRS 533.360 for your information. The State Engineer **cannot** consider approval of your applications until the noticing requirements are met. If there are no domestic wells within 2,500 feet of the well site, please inform this office in writing.

If you have any questions on this matter, feel free to call me.

Sincerely,


Jason King, P.E.
Deputy State Engineer

JK/sc

cc: Dwight L. Smith

Enclosures

Nevada Revised Statutes: Chapter 533

NRS 533.360 Notice of application: Contents; publication; mailing required under certain circumstances.

1. Except as otherwise provided in subsection 4, NRS 533.345 and subsection 4 of NRS 533.370, when an application is filed in compliance with this chapter, the State Engineer shall, within 30 days, publish or cause to be published once a week for 4 consecutive weeks in a newspaper of general circulation and printed and published in the county where the water is sought to be appropriated, a notice of the application which sets forth:

- (a) That the application has been filed.
 - (b) The date of the filing.
 - (c) The name and address of the applicant.
 - (d) The name of the source from which the appropriation is to be made.
 - (e) The location of the place of diversion, described by legal subdivision or metes and bounds and by a physical description of that place of diversion.
 - (f) The purpose for which the water is to be appropriated.
- The publisher shall add thereto the date of the first publication and the date of the last publication.

2. Except as otherwise provided in subsection 4, proof of publication must be filed within 30 days after the final day of publication. The State Engineer shall pay for the publication from the application fee. If the application is cancelled for any reason before publication, the State Engineer shall return to the applicant that portion of the application fee collected for publication.

3. If the application is for a proposed well:

- (a) For municipal, quasi-municipal or industrial use; and
 - (b) Whose reasonably expected rate of diversion is one-half cubic foot per second or more,
- the applicant shall mail a copy of the notice of application to each owner of real property containing a domestic well that is within 2,500 feet of the proposed well, to his address as shown in the latest records of the county assessor. If there are not more than six such wells, notices must be sent to each owner by certified mail, return receipt requested. If there are more than six such wells, at least six notices must be sent to owners by certified mail, return receipt requested. The return receipts from these notices must be filed with the State Engineer before he may consider the application.

4. The provisions of this section do not apply to an environmental permit.

[61:140:1913; A 1925, 121; 1951, 132]—(NRS A 1975, 1397; 1981, 358; 1985, 489; 1989, 319; 1991, 758; 1993, 2641; 1995, 1530; 2001, 551; 2003, 2979)



RECEIVED
2006 JAN 17 PM 1:32
STATE ENGINEERS OFFICE

January 13, 2006

Mr. Jason King, PE
Deputy State Engineer
NEVADA DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

RE: Applications 73048 and 73049 by Intermountain Water Supply, Ltd.

Dear Mr. King:

In response to your letter dated December 22, 2005 regarding NRS 533.360, there are no existing domestic wells within 2,500 feet of the proposed points of diversion for Application Numbers 73048 and 73049.

Please feel free to contact me, if you have any questions regarding this information.

Sincerely,
INTERFLOW HYDROLOGY, INC.

Dwight L. Smith, PE, WRS
Principal Hydrogeologist

cc: Bob Marshall, Intermountain Water Supply, Ltd.

KENNY C. GUINN
Governor

STATE OF NEVADA



ALLEN BIAGGI
Director

HUGH RICCI, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

RE: Application 73048 and 73049

February 8, 2006

Intermountain Water Supply
2440 Holcomb Ranch Lane
Reno, NV 89511

Ladies and Gentlemen:

You are hereby notified that formal protests were filed in this office on September 12, 2005 against the granting of your applications, under the above-mentioned serial numbers. A copy of the protests is enclosed herewith.


A brochure titled *Practice and Procedure in Protest Hearings Before State Engineer* is available from this office upon request. The contents of this brochure are contained in the Nevada Administrative Code, Chapter 533.

Sincerely,

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

Hugh Ricci, P.E.
State Engineer

HR/lb
Enclosures
cc: Michael Buschelman
Certified Mail # 71067808063000186674

2. Article Number		COMPLETE THIS SECTION ON DELIVERY	
 7106 7808 0630 0016 6674		A. Signature <input checked="" type="checkbox"/> <i>Robert W. Marshak</i> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee	
1. Article Addressed to: Intermountain Water Supply 2440 Holcomb Ranch Lane Reno, NV 89511 2/8/2000 11:17 AM		B. Received by (Printed Name) <i>Robert W. Marshak</i>	
		C. Date of Delivery 	
		3. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
Code: 73048 73049 pro lb			
PS Form 3811 Domestic Return Receipt			

JA1894
SE ROA 1810

ROBERT W. MARSHALL
NANETTE MARSHALL
INTERMOUNTAIN PIPELINE, LTD.
INTERMOUNTAIN WATER SUPPLY, LTD.

Nevada Div. of Water Resources
901 S. Stewart, Suite 2002
Carson City, NV,
89701

re: Account Permits: 39593, 64073,
64074, 64075, 64076, 64077, 64078,
64079, 49669, 49670, 66873, TR-014,
73048, 73049, 73428, 73429, 73430,
66400, 69664, 64977, 64978, 66961,
72700.

This is to notify you of an address change for the above account ----

Old address: 2440 Holcomb Ranch Lane
Reno, Nevada 89511-9549

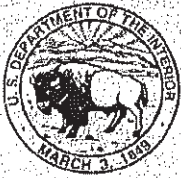
New address: 175 Stags Leap Circle
Sparks, Nevada 89436-7280

RECEIVED
2006 MAR -6 AM 11:57
STATE ENGINEERS OFFICE

Sincerely,

Robert W. Marshall

JA1895
SE ROA 1811



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Carson City Field Office
5665 Morgan Mill Road
Carson City, Nevada 89701
<http://www.nv.blm.gov>



MAY - 2 2006

In Reply Refer To:
2800 (NV030)

Nevada Division of Water Resources
Attn: Hugh Ricci, State Engineer
901 S. Stewart St., Ste. 2002
Carson City, NV 89701-5250

Dear Mr. Ricci:

On December 12, 2005, Terri Knutson, of my staff, and I met with Jason King, Robert Martinez, and Richard Felling, of your staff, to discuss the *North Valleys Rights-of-Way Projects Final Environmental Impact Statement - Fish Springs Ranch and Intermountain Water*. Included in Appendix D of this Final EIS is a document called *Recommended Water Resources Monitoring and Management Plan for Future Pumping in Honey Lake Valley, Dry Valley, and Bedell Flat, Nevada* (Plan). As was discussed in the meeting in December, this Plan was developed and recommended in coordination with the Cooperating Agencies for the EIS and for your consideration. The Cooperating Agencies for the North Valleys EIS are: U.S. Fish & Wildlife Service; U.S. Bureau of Indian Affairs; U.S. Geological Survey; Sierra Army Depot; Pyramid Lake Paiute Tribe; Susanville Indian Rancheria; California Department of Water Resources; California Department of Fish and Game; Lassen County, CA; Washoe County, NV; Truckee Meadows Water Authority; Truckee Meadows Regional Planning Agency; Airport Authority of Washoe County; City of Reno; and City of Sparks.

The Final EIS was released to the public on November 10, 2005 and the comment period ended on December 30, 2005. A total of 13 comment letters were received and seven of those letters were from Cooperating Agencies (BIA-Western Nevada Agency and Western Regional Office; Lassen County; California Water Resources; Pyramid Lake Paiute Tribe; Susanville Indian Rancheria; and Truckee Meadows Regional Planning Agency). All but one of the comment letters from the Cooperating Agencies contained revisions for the Plan. Attached is the revised Plan incorporating all comments received from the Cooperating Agencies.

The BLM Carson City Field Office strongly urges the implementation of the attached Plan. As stated in NRS 534.250(5.) "The State Engineer shall require the holder of a permit to monitor the operation of the project and the effect of the project on users of land and other water within the area of hydrologic effect of the project. In determining any monitoring requirements, the State Engineer shall cooperate with all government entities which regulate or monitor, or both, the quality of water." As described in the document, the BLM would not take a lead role in implementing the Plan but would be happy to help or facilitate in any other way needed. Please notify this office of any decisions you make in this matter. The record of decisions (RODs) for

JA1896
SE ROA 1812

both the Fish Springs Ranch and Intermountain Water Projects should be issued within the next month.

Thank you for your consideration in review of this document. If you have any questions, please call either myself at 885-6000 or Terri Knutson at 885-6156.

Sincerely,

Donald T. Hicks

Donald T. Hicks
Manager,
Carson City Field Office

Enclosure: *Revised Recommended Water Resources Monitoring and Management Plan for Future Pumping in Honey Lake Valley, Dry Valley, and Bedell Flat, Nevada*

Cc: U.S. Fish & Wildlife Service; U.S. Bureau of Indian Affairs; U.S. Geological Survey; Sierra Army Depot; Pyramid Lake Paiute Tribe; Susanville Indian Rancheria; California Department of Water Resources; California Department of Fish and Game; Lassen County, CA; Washoe County, NV; Truckee Meadows Water Authority; Truckee Meadows Regional Planning Agency; Airport Authority of Washoe County; City of Reno; and City of Sparks.

REVISED
**RECOMMENDED WATER RESOURCES MONITORING AND
MANAGEMENT PLAN**

**FOR FUTURE PUMPING IN HONEY LAKE VALLEY,
DRY VALLEY, AND BEDELL FLAT, NEVADA**
NORTH VALLEYS RIGHTS-OF-WAY PROJECTS
(Submitted to the Nevada State Engineer)

The purpose of this Monitoring and Management Plan (**Plan**) is to describe monitoring and management activities of water resources and related potential impacts due to development of groundwater resources in eastern Honey Lake Valley, Dry Valley, and Bedell Flat associated with the proposed North Valleys Rights-of-Way Projects (**Projects**). This Plan applies to proposed groundwater extraction rates of up to 8,000 acre-feet per year (af/yr) in eastern Honey Lake Valley, 2,000 af/yr in Dry Valley, and 500 af/yr in Bedell Flat. The groundwater would be extracted from these valleys by Fish Springs Ranch and Intermountain Water Supply (**Proponents**) and conveyed via pipelines to the North Valleys Planning Area in Washoe County, Nevada, and also be subject to water right appropriations from the Nevada State Engineer and conformance with Nevada State law concerning adverse impacts to public resources. This Plan is prepared to cover both Proponents; site-specific proposed monitoring activities are presented in **Attachment A** (Honey Lake Valley), **Attachment B** (Dry Valley), and **Attachment C** (Bedell Flat).

It should be recognized that this recommended **Plan** was included in the Final EIS (FEIS) due to the lack of concurrence between Cooperating Agencies and the Project Proponents regarding the adequacy of existing data and hydrologic evaluations (contained in the FEIS) to substantiate sustainable annual groundwater extraction levels in the Project areas. This **Plan** is intended to provide the necessary data, provide an early warning capability and provide safeguards for responsible management of the water resources.

Along with the U.S. Bureau of Land Management (BLM) as lead agency, the following groups are cooperating agencies for the North Valleys Rights-of-Way Projects EIS: U.S. Geological Survey (USGS); U.S. Fish and Wildlife Service (USFWS); U.S. Bureau of Indian Affairs (BIA); Pyramid Lake Paiute Tribe; Sierra Army Depot; California Department of Water Resources; California Department of Fish and Game; Washoe County, Nevada; Lassen County, California; Truckee Meadows Water Authority; Truckee Meadows Regional Planning Agency; City of Reno; City of Sparks; Airport Authority of Washoe County; and Susanville Indian Rancheria. This group hereinafter is referred to as the "**Cooperating Agencies**". Because the two project Proponents would eventually be replaced by a local area water purveyor, this potential purveyor should also become a "Cooperating Agency".

The two agencies with primary importance with respect to this Plan are:

- Nevada State Engineer (Nevada Dept. of Conservation and Natural Resources – Division of Water Resources): This state agency has authority to administer the use of water resources in Nevada, including the issuance of water rights.
- U.S. Geological Survey (U.S. Dept. of the Interior): This federal agency is the primary water resources data collection agency in the United States. It is in the process of developing a regional groundwater monitoring program in west-central Nevada and adjoining portions of California.

Because these agencies have the jurisdiction, and over-riding authority and responsibility for the protection of water resources in Nevada and nationwide respectively, they should together provide impartial oversight for development of groundwater for this Project.

This Plan consists of four principal components:

1. Monitoring Requirements, related to production wells, monitoring wells, elevation control, spring flow, water quality, precipitation stations, quality of data, and reporting as proposed in Attachments A, B, and C to this document.

Incorporated in the development of the monitoring plan would be the inclusion of data from *Previous Monitoring*, related to monitoring of surface water and groundwater resources in Honey Lake Valley, Dry Valley, and Bedell Flat, including location of existing supply and monitoring wells, groundwater extraction rates, groundwater level measurements, flow from springs, water quality, precipitation data, and wetland/riparian conditions

2. Management Requirements, related to the creation and role of a Water Advisory Committee (WAC), and a subcommittee of the WAC – the Technical Advisory Committee (TAC), continued use of numerical groundwater flow models, establishment of action criteria, and details of the decision-making process;
3. Mitigation Measures, related to potential mitigation measures that could be implemented if “unreasonable adverse impacts” (to be defined) occur as a result of groundwater extraction associated with the North Valleys Projects; and
4. Modification of Plan, related to procedures that could be followed to modify the Plan if future changing conditions or mitigations warrant modifications.

The common goal of the Proponents, BLM, Cooperating Agencies, and the Nevada State Engineer (all referred to as “Parties”) in proposing and adopting this plan is to develop water resources data relating to a better understanding and analysis to assist the

Nevada State Engineer in managing development of groundwater resources in Honey Lake Valley, Dry Valley, and Bedell Flat without resulting in unreasonable adverse impacts to public resources and the prior water rights of other appropriators (i.e., receptors). The Parties agree that groundwater extraction and management decisions can be based on data collected and analyzed for these proposed Projects and from the USGS proposed regional monitoring program. The Parties will collaborate via the WAC on technical data collection and analysis provided by the TAC.

The Parties acknowledge that pursuant to NRS 534.110(4) each right to appropriate groundwater in the State of Nevada carries with it the right to make a reasonable lowering of the static groundwater level at the appropriator's point of diversion and that pursuant to NRS 534.110(5) the Nevada State Engineer may allow, at his discretion, the groundwater level to be lowered at the point of diversion of a prior appropriator with the provision that rights of holders of existing appropriations can be satisfied under such express conditions.

The Parties expressly acknowledge that the Nevada State Engineer has, pursuant to both statutory and case law, broad authority to administer groundwater resources in the State of Nevada. The Pyramid Lake Reservation is held in Trust by the United States government. The U.S. and its representative, the BIA hold legal authority and jurisdiction over water resources located on the Reservation. Nothing contained in this Plan shall be construed as waiving or diminishing such authorities.

MONITORING REQUIREMENTS

The Final EIS for the North Valleys Rights-of-Way Projects contains information about water resources data in Honey Lake Valley, Dry Valley, Bedell Flat, and surrounding areas. This information includes location of existing supply and monitoring wells, groundwater extraction rates, groundwater level measurements, flow from springs, water quality, precipitation data, and wetland/riparian conditions. This information, as well as data available from other local, state, and federal agencies, would be compiled into a central database that would be expanded as new data are collected.

*where?
who compiles*

Generally, project specific monitoring may be the responsibility of the Proponents as recommended or agreed to by the TAC; however, the USGS is in the process of developing a regional groundwater monitoring program in west-central Nevada and adjoining portions of California (i.e., "Regional Study Area"). Objectives are to develop a network of monitoring wells in the Regional Study Area to monitor and document any regional effects of future groundwater development and management on groundwater levels, water quality, and groundwater discharge.

*who is responsible
for that*

The USGS regional monitoring network would be designed to supplement rather than replace individual project monitoring programs. For example, Project monitoring would be conducted by the technical agents of the Proponents, while the USGS monitors other wells within Honey Lake Valley, Dry Valley, Bedell Flat, and surrounding basins. The USGS monitoring may include wells in the Project monitoring groups. In addition to

the Proponents, Washoe County, Lassen County, and/or other agencies also may volunteer to participate in some monitoring activities.

The term "as is feasible" as used in this Plan shall relate to mechanical failures or other events/reasons outside the control of the Parties, or agreed by the Parties, that do not permit data collection.

Production Wells

- Discharge rates and groundwater levels may be measured in production wells on a continuous or frequent basis, as is feasible, using permanent recording devices. Water levels could be measured during pumping and non-pumping periods.
- The proposed action includes six production wells at the Fish Springs Ranch property in eastern Honey Lake Valley, five wells in Dry Valley, and two wells in Bedell Flat.
- All monitoring data may be entered into a project database recommended by the TAC.

Monitoring Wells

- A network of monitoring wells has been proposed by the Proponents to measure groundwater levels over time. Monitoring wells are located in Honey Lake Valley (**Attachment A**), Dry Valley (**Attachment B**), Bedell Flat (**Attachment C**). These proposed monitoring networks would be subject to concurrence from the TAC. The USGS likely could establish additional monitoring wells in the Regional Study Area that includes some surrounding valleys that may be affected by groundwater extraction (e.g., Smoke Creek Desert, Pyramid Lake Valley, Warm Springs Valley, Antelope Valley, and/or Long Valley).
- Groundwater levels can be measured, as feasible, using permanent recording devices in selected monitoring wells. For those monitoring wells without continuous monitoring instruments, water levels could be measured initially on a quarterly basis to establish seasonal variations, followed by semi-annual or annual measurements after such seasonal trends have been established.
- The TAC may recommend that new monitoring well(s) be installed in key areas where there are no existing wells available for monitoring. These new wells can be located and constructed in a cost-effective manner, while meeting the objectives of early-warning detection of impacts, if any, from proposed groundwater extraction. Consideration could be given to completing nested wells that monitor individual aquifers at a single location. The Proponent(s) may be responsible for completing new monitoring well(s), unless another member of the Parties or the USGS agrees to complete the well(s).

- Initiation of groundwater level monitoring should commence as soon as possible, recognizing the desire to obtain baseline data prior to groundwater extraction. Groundwater levels should be measured in each aquifer from which ground water is extracted, as is feasible, in basins including and immediately surrounding Honey Lake Valley, Dry Valley, and Bedell Flat.
- Locations and monitoring frequency of the monitoring well network would be reviewed by the TAC on an annual basis, and may be reduced or expanded in scope upon its recommendation to the WAC.
- All groundwater level monitoring data would be entered into the project database on a regular basis, reflecting the monitoring interval chosen.

Elevation Control

- Ground surface and measuring point elevations should be established using survey-grade GPS instrumentation at production and monitoring wells used as part of this Plan. Elevations for surface water and spring monitoring Locations should also be established. The common datum would allow a comparative base for all elevation associated data; including the possibility of the occurrence of subsidence due to groundwater extraction.
- All elevation measurements would be added to the project database that contains project data.

Monitoring Springs and Riparian Areas

- Selected springs and associated riparian areas could be monitored on a quarterly basis located in Honey Lake Valley (**Attachment A**), Dry Valley (**Attachment B**), Bedell Flat (**Attachment C**), and some surrounding valleys that may be affected by groundwater extraction (e.g., Smoke Creek Desert). Monitoring may consist of measuring flow rate and photo-documenting general site conditions (see attachments for proposed site-specific monitoring activities). Flow can be estimated for low flow conditions or where flow is diffuse on the ground surface. Monitoring frequency may be reduced later as recommended by the TAC to semi-annually or annually.
- Initiation of monitoring for springs and riparian areas could commence as soon as possible, recognizing the desire to obtain baseline data prior to groundwater extraction. Monitoring data may be recorded using a standard format to be used for each monitoring event.

Water Quality

- Groundwater quality samples may be collected from selected production and monitoring wells and analyzed by a laboratory for major ions, trace elements, and/or

isotopes. Wells to be sampled, schedule of sample collection, and list of parameters are included in **Attachments A, B, and C.**

- Frequency, sampling location, and water quality parameters may be reviewed by the TAC on an annual basis, and reduced or expanded in scope upon its recommendation to the WAC.

Precipitation Stations

- Precipitation stations would be established in each of the following locations: eastern Honey Lake Valley, western Dry Valley, and central Bedell Flat. Existing precipitation stations may be used where possible. The purpose of collecting precipitation data is to support conclusions regarding changes in groundwater levels with corresponding changes in precipitation, if it occurs.
- All precipitation data would be entered into the project database.

Quality of Data

- The TAC would ensure that the entity or entities that collect water resources data follow standard protocols of data collection, recording and analysis (e.g., USGS and EPA), unless otherwise agreed to by the Parties.
- The water quality sampling program would include standard field and laboratory quality control procedures.

Reporting

- All data collected under or as described in this Plan, would be fully and cooperatively shared among the Parties, and made available to the public after appropriate QA/QC evaluation procedures have confirmed its accuracy.
- All water resources information collected for the North Valleys Projects would be downloaded to the project database and updated periodically on a website that is accessible to all Parties and the public.
- In addition to updating the water resources project database on a regular basis, an annual summary report would be prepared by the TAC that summarizes all information collected during the previous calendar year, including an analysis of any trends. These reports would be provided to the WAC for annual assessment of potential impacts to water resources resulting from groundwater extraction in Honey Lake Valley, Dry Valley, and Bedell Flat.

MANAGEMENT REQUIREMENTS

Water Advisory Committee (WAC) and Technical Advisory Committee (TAC)

These two committees are to establish and carry out policy (WAC), and to provide the technical scientific expertise (TAC) necessary to impartially develop, evaluate and analyze data. Separation of the roles and responsibilities of these two bodies is crucial to the maintenance of scientific impartiality of the data program.

- The Parties would establish a Water Advisory Committee (WAC) with membership created from representatives from cooperating agencies listed above, BLM, Project Proponents, and Nevada State Engineer. The WAC may also include representatives from the U.S. Environmental Protection Agency and U.S. Army Corps of Engineers. A representative of the Nevada State Engineer's Office would be invited to participate as the chair of the WAC.
- The WAC would create a Technical Advisory Committee (TAC) as a subcommittee to the WAC. TAC members would be appointed by the WAC.
- The WAC would meet in the first quarter of each year, or at other times as mutually agreed upon.
- The TAC would meet initially to establish and execute the monitoring plan and, thereafter, at intervals deemed appropriate to review and analyze data.
- Roles and responsibilities of the WAC and TAC would be determined by the Parties under advisement of the Nevada State Engineer's Office.

Suggested purposes and functions of the WAC would be to:

1. Provide a forum for discussion of relevant data and analyses.
2. Share information regarding modeling efforts and model results, if used as part of the monitoring and management program.
3. Discuss needs for additional data collection and scientific investigations as recommended by the TAC.
4. Provide status reports and recommendations to the Parties.
5. Form recommendations for groundwater management actions based on reports from the TAC.
6. Recommend values for monitored variables (water levels, spring discharges, etc.) known as "action criteria", which, if exceeded, could be of concern to the parties. The values would be based on evaluations of historic hydrologic conditions and trends reported by the TAC.
7. Determine what constitutes an "unreasonable adverse impact" on a case-by-case basis.

8. Provide the Nevada State Engineer, Washoe County, and other relevant agencies with results of any analyses or technical evaluations, along with recommendations for specific mitigation.

Suggested purposes and functions of the TAC would be to:

1. Review proposed project monitoring plans and recommend implementation as appropriate.
2. Review historic groundwater level trends, spring and creek flows to determine historic hydrologic trends. Where possible identify wet and dry regimes, climate effects on groundwater recharge rates and base flows in surface waters. Where possible identify critical lows for detrimental impacts on habitat and resource sustainability.
3. Develop/refine standards and quality control procedures for data collection, management and analysis.
4. Evaluate monitoring plans and data to determine whether data gaps exist, make appropriate recommendations to the WAC.
5. Evaluate all monitoring data to determine if any action criteria have been exceeded, indicating a possible unreasonable adverse impact, report findings to the WAC.

Numerical Ground-Water Flow Models

- The TAC can recommend if numerical groundwater flow models that have previously been prepared for the North Valleys Projects for each of the three basins could be updated for use by the TAC/WAC for predicting future impacts.
- If deemed appropriate by the TAC/WAC, the full TAC or members of the TAC could update each model at the request of the Nevada State Engineer. Model output could be in the form of drawdown maps at appropriate intervals as requested by the State Engineer, plots of simulated water levels for the aquifer systems, and results of model calibration. The TAC would provide scientific review of modeling updates and hydrogeologic assumptions.

Action Criteria

- Specific quantitative criteria (action criteria) would be developed by the WAC, based on data developed by the TAC, and recommended to the Nevada State Engineer for possible use to "trigger" management actions.
- Action criteria would be developed by the WAC and recommended to the Nevada State Engineer to provide early warning of unreasonable adverse impacts to public resources and prior water rights of other appropriators. These criteria would be based on changes in groundwater levels, flow of springs, water quality, and/or changes in wetland/riparian habitat that can be attributed to groundwater extraction by the Project(s).

- If and when any action criterion is reached, the following management actions could be triggered:
 1. The WAC would request that the TAC conduct a thorough fact-finding to determine the level and extent of impacts, the TAC would report findings to the WAC;
 2. If WAC members agree that the action criterion exceedance is attributable to groundwater extraction by the Project(s), then the TAC would make recommendations to the WAC for possible mitigation actions to alleviate the impacts;
 3. The WAC members would determine whether or not to implement the recommended mitigation actions. The Nevada State Engineer's Office would determine whether the appropriate actions were implemented to conserve the resource.
- In the event that adverse environmental impacts are found to be unrelated to Project operations, the Nevada State Engineer should consult with the USGS regarding regional hydrologic conditions that may be contributing to the impacts.
- Any member of the WAC may propose a change to any action criterion. Any such change could be presented in writing to other members of the WAC, and accompanied by data and scientific analyses to support the proposed change. If the supporting analyses are found to be technically sound, then the WAC may recommend to the Nevada State Engineer that the action criterion be adjusted, as appropriate.

Decision-Making Process

- If the WAC determines that an action criterion is exceeded and attributed to groundwater extraction by the Project(s), based on reports from the TAC, the WAC can recommend a course-of-action (i.e., management activity or mitigation measure). If within the WAC, there are: (1) different interpretations regarding relationship of an adverse impact to the Project's groundwater extraction; or (2) different opinions on the course-of-action, the Parties may jointly agree to conduct additional data collection and/or data review and analysis directed at resolving the different interpretations or opinions, if possible. If that is not successful, the Parties could refer the issue to their respective managers and the Nevada State Engineer. Nothing herein limits or changes the Nevada State Engineer's authority, and any Party can petition the State Engineer to consider the issue.
- In the event that any of the Parties disagree as to whether the Proponents' proposed or ongoing groundwater extraction will result in unreasonable adverse impacts, any Party may petition the Nevada State Engineer to request that it determine whether there is or is not adverse impact(s) that require implementation of management or mitigation measures.

MITIGATION MEASURES

- The Project(s) can mitigate unreasonable adverse impacts either as agreed upon by the Parties or after the Nevada State Engineer determines whether there are unreasonable adverse impacts due to Project(s) groundwater extraction. The Parties may take necessary steps to ensure that mitigation actions are feasible and reasonable.
- The mitigation portion of the plan should include a bond or escrow account established by the Project Proponents to fund possible mitigation actions.
- Mitigation measures may include one or more of the following:
 1. Geographic redistribution of groundwater extraction;
 2. Reduction or cessation of groundwater extraction from one or more wells;
 3. Restoration/modification of existing habitat;
 4. Establishment of new habitat;
 5. Augmentation of water resources with groundwater extracted for the Project(s);
 6. Purchase other water rights in the area, if available;
 7. Other measures as agreed to by the Parties and/or required by the Nevada State Engineer.

MODIFICATION OF THE PLAN

- The Parties may modify this Plan by mutual agreement. The Parties also acknowledge that the Nevada State Engineer has authority to modify this Plan. In addition, the Parties may individually or jointly petition the Nevada State Engineer to modify this Plan in the event that mutual agreement cannot be reached. Any such petition shall only be filed after 90 days written notice to the remaining Party members. Any Party member, including the Proponents, may submit written comments to the Nevada State Engineer regarding the merits of any such petition for modification.

IN THE SUPREME COURT OF THE STATE OF NEVADA

Case No. 73933

Electronically Filed
Feb 08 2018 04:55 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

SIERRA PACIFIC INDUSTRIES, a California Corporation,

Appellant,

v.

JASON KING, P.E., in his capacity as Nevada State Engineer; THE
DIVISION OF WATER RESOURCES, DEPARTMENT OF
CONSERVATION, an agency of the State of Nevada; and
INTERMOUNTAIN WATER SUPPLY, LTD., a Nevada Limited Liability
Company,

Respondents

Appeal From Order Denying Petition for Judicial Review
District Court Case No.: CV16-01378
Second Judicial District Court of Nevada

JOINT APPENDIX

VOLUME VIII Part 1 of 2

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Intermountain Water Supply*

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NV State Engineer*

CHRONOLOGICAL INDEX TO JOINT APPENDIX

<u>DATE</u>	<u>DESCRIPTION OF DOCUMENT</u>	<u>VOLUME</u>	<u>PAGE(S)</u>
6/29/2016	Notice of Filing Petition for Judicial Review (NRS 533.450) with 6/29/2016 filed Petition for Judicial Review and Exhibits	I	JA0001 – JA0028
7/22/2016	Order Granting Stipulation to Allow Intervention	I	JA0029 – JA0031
9/8/2016	State Engineer's Summary of Record on Appeal: SE ROA 1 – SE ROA 748	I – III	JA0032 – JA0790
	SE ROA 1-214	I	JA0043 – JA0256
	SE ROA 215-470	II	JA0257 – JA0512
	SE ROA 417-748	III	JA0513- JA0790
10/5/2016	State Engineer's Supplemental Summary of Record on Appeal: SE ROA 749 – SE ROA 2405	IV – X	JA0791 – JA2490
	SE ROA 749-965	IV	JA0830 – JA1046
	SE ROA 966-1220	V	JA1047 – JA1302
	SE ROA 1221-1471	VI	JA1303 – JA1554
	SE ROA 1472-1723	VII	JA1555 – JA1806
	SE ROA 1724-1974	VIII	JA1807 – JA2058
	SE ROA 1975-2225	IX	JA2059 – JA2308
	SE ROA 2226-2405	X	JA2309 – JA2490

<u>DATE</u>	<u>DESCRIPTION OF DOCUMENT</u>	<u>VOLUME</u>	<u>PAGE(S)</u>
10/7/2016	Petitioner's Sierra Pacific Industries' Opening Brief	X	JA2491 – JA2517
11/17/2016	Respondent-Intervenor Intermountain Water Supply's Answering Brief	XI	JA2518 – JA2561
11/28/2016	Respondent State Engineer's Answering Brief	XI	JA2562 – JA2583
12/30/2016	Petitioner's Sierra Pacific Industries' Reply Brief	XI	JA2584 – JA2603
12/30/2016	Exhibits 1-9: SROA 2406 – SROA 2475, to Petitioner Sierra Pacific Industries Motion to Supplement the Record, or in the Alternative, for Judicial Notice.	XI	JA2604 – JA2686
2/6/2017	Order Granting Sierra Pacific Industries' Motion to Supplement the Record	XI	JA2687 – JA2689
4/28/2017	Application for Setting via Teleconference	XI	JA2690 – JA2691
5/24/2017	Petition for Judicial Review – Minutes	XI	JA2692
5/24/2017	Petition for Judicial Review Oral Arguments Transcript	XI	JA2693 – JA2750
8/21/2017	Order Denying Petition for Judicial Review	XI	JA2751 – JA2759
8/22/2017	Notice of Entry of Order Denying Petition for Judicial Review (Order not recopied)	XI	JA2760 – JA2764
9/8/2017	Notice of Appeal with Clerk's Certificate (Notice of Entry & Order not recopied)	XI	JA2765 – JA2769

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<u>DESCRIPTION OF DOCUMENT</u>	<u>DATE</u>	<u>VOLUME</u>	<u>PAGE(S)</u>
Application for Setting via Teleconference	4/28/2017	XI	JA2690 – JA2691
Exhibits 1-9: SROA 2406 – SROA 2475, to Petitioner Sierra Pacific Industries Motion to Supplement the Record, or in the Alternative, for Judicial Notice.	12/30/2016	XI	JA2604 – JA2686
Notice of Appeal with Clerk’s Certificate (Notice of Entry & Order not recopied)	9/8/2017	XI	JA2765 – JA2769
Notice of Entry of Order Denying Petition for Judicial Review (Order not recopied)	8/22/2017	XI	JA2760 – JA2764
Notice of Filing Petition for Judicial Review (NRS 533.450) with 6/29/2016 filed Petition for Judicial Review and Exhibits	6/29/2016	I	JA0001 – JA0028
Order Denying Petition for Judicial Review	8/21/2017	XI	JA2751 – JA2759
Order Granting Sierra Pacific Industries’ Motion to Supplement the Record	2/6/2017	XI	JA2687 – JA2689
Order Granting Stipulation to Allow Intervention	7/22/2016	I	JA0029 – JA0031
Petition for Judicial Review – Minutes	5/24/2017	XI	JA2692
Petition for Judicial Review Oral Arguments Transcript	5/24/2017	XI	JA2693 – JA2750
Petitioner’s Sierra Pacific Industries’ Opening Brief	10/7/2016	X	JA2491 – JA2517
Petitioner’s Sierra Pacific Industries’ Reply Brief	12/30/2016	XI	JA2584 – JA2603

<u>DESCRIPTION OF DOCUMENT</u>	<u>DATE</u>	<u>VOLUME</u>	<u>PAGE(S)</u>
Respondent-Intervenor Intermountain Water Supply's Answering Brief	11/17/2016	X	JA2518 – JA2561
Respondent State Engineer's Answering Brief	11/28/2016	XI	JA2562 – JA2583
State Engineer's Summary of Record on Appeal: SE ROA 1 – SE ROA 748	9/8/2016	I – III	JA0032 – JA0790
SE ROA 1-214		I	JA0043 – JA0256
SE ROA 215-470		II	JA0257 – JA0512
SE ROA 417-748		III	JA0513- JA0790
State Engineer's Supplemental Summary of Record on Appeal: SE ROA 749 – SE ROA 2405	10/5/2016	IV – X	JA0791 – JA2490
SE ROA 749-965		IV	JA0830 – JA1046
SE ROA 966-1220		V	JA1047 – JA1302
SE ROA 1221-1471		VI	JA1303 – JA1554
SE ROA 1472-1723		VII	JA1555 – JA1806
SE ROA 1724-1974		VIII	JA1807 – JA2058
SE ROA 1975-2225		IX	JA2059 – JA2310
SE ROA 2226-2405		X	JA2311 – JA2490

IN THE SUPREME COURT OF THE STATE OF NEVADA

AFFIRMATION

Pursuant to NRS 239B.030, the undersigned does hereby affirm that **JOINT APPENDIX VOLUME VIII** does not contain the social security number of any person.

DATED this 8th Day of February, 2018.

MCDONALD CARANO LLP

BY: /s/ Debbie Leonard
Debbie A. Leonard, Esq.
Nevada Bar No. 8260
100 West Liberty Street, 10th Floor
Reno, Nevada 89501
Tel.: (775) 788-2000
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dleonard@mcdonaldcarano.com

Attorneys for Appellant

CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b), I hereby certify that I am an employee of McDonald Carano, LLP and that on February 8, 2018, **JOINT APPENDIX VOLUME VIII** was electronically filed with the Clerk of the Court for the Nevada Supreme Court by using the Nevada Supreme Court's E-Filing system (E-Flex). Pursuant to NRAP 30(f)(2), all Participants in the case will be served and provided an electronic copy via U.S. mail as follows:

Richard L. Elmore, Esq.
3301 S. Virginia Street, Suite 125
Reno, Nevada 89502

Office of the Nevada Attorney General
Micheline N. Fairbank, Esq.
100 North Carson Street
Carson City, NV 89701

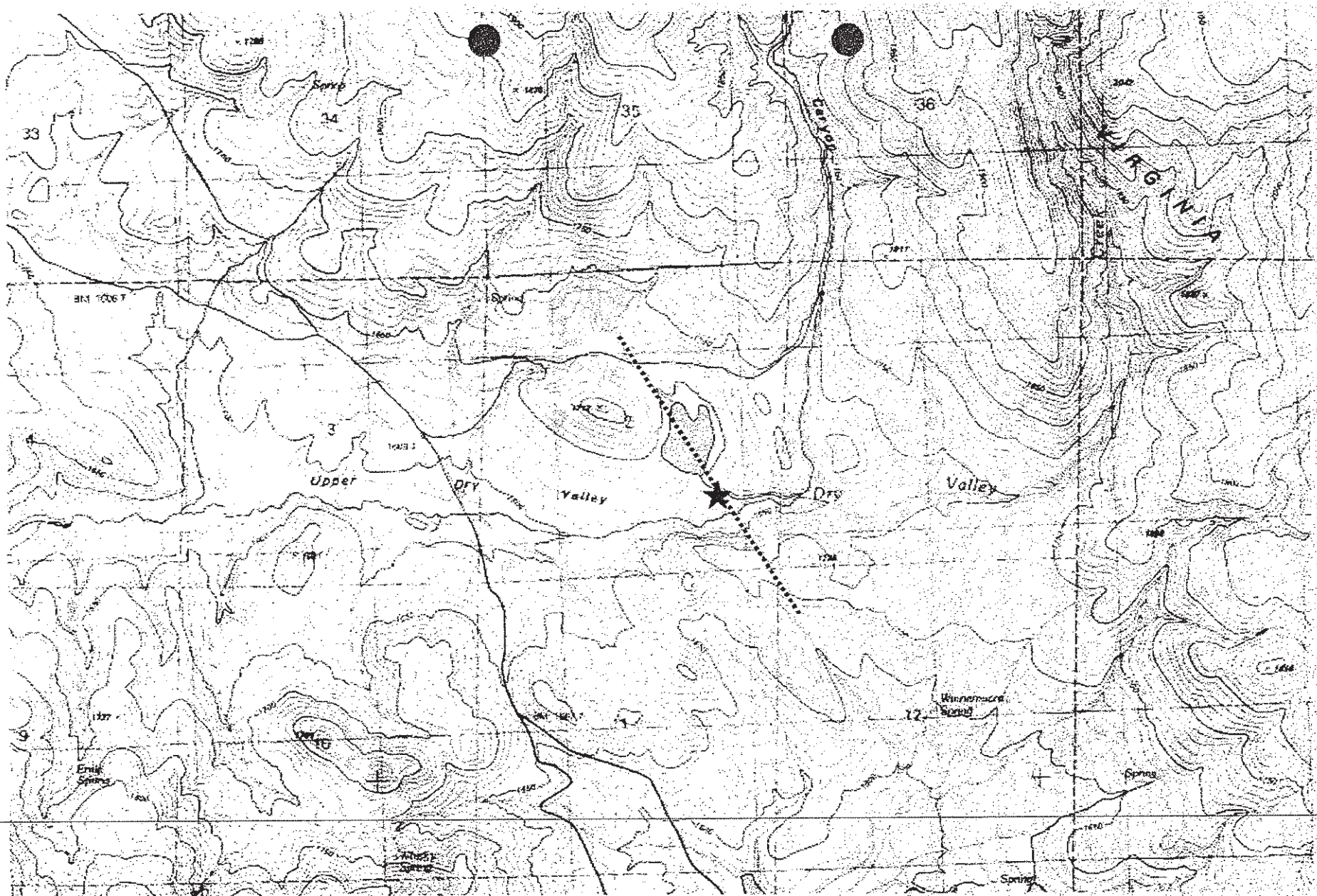
/s/ Pamela Miller
An employee of McDonald Carano, LLP

EXHIBIT C
EASEMENT DESCRIPTION

1. An easement for operation and maintenance of a water pipeline and an underground electric line from a well (Alt. No. 2) located in the N $\frac{1}{2}$ of Section 11, T24N, R19E, MDM, thence southwesterly along an existing road to where it crosses the east-west center section line of Section 10, T24N, R19E. *SIZE / EASEMENT NOT TO EXCEED 50' x 50' for well*
2. An easement for operation and maintenance of a water pipeline and an underground electric line from a well (Well Site) located in the E $\frac{1}{2}$ of Section 14, T24N, R19E, MDM, thence easterly and westerly along an existing road to where it crosses the south property line of Purchaser in Section 14; then along the Dry Valley Road from the center east-west line of Section 14, north and west to where it crosses the north property line of Purchaser's land in said Section 14. *Well easement not to exceed 50 x 50.*
3. An easement for operation and maintenance of a water pipeline and an underground electric line from a well (Alt. No. 1) located in the NE $\frac{1}{4}$ of Section 15, T24N, R19E, MDM, thence northeasterly to the north boundary of Purchaser's property in said Section 15. *SIZE / EASEMENT NOT TO EXCEED 50' x 50' for well*

Exhibit D (Water Use)

SE ROA 1725



Upper Dry Valley Test Well Sites

JA1808

EXHIBIT D

EASEMENT DESCRIPTION

An easement for operation and maintenance of a waterline and a well over a parcel of land located in Section 3 of Township 24 North, Range 19 East, Mount Diablo Base and Meridian, Washoe County, Nevada, said parcel of land being shown as parcel number 079-200-27 on the Washoe County Assessor's Map current as of 1 October 2004, the centerline of said easement is more particularly described as follows: *WELL SITE NOT TO EXCEED 50' X 50'*

Beginning at the southeast corner of said Section 3, said point being the center of an existing road known as "Winnemucca Ranch Road";

Thence, along the center of said Winnemucca Ranch Road in a generally northwesterly direction to an existing well located in the southeast one-quarter of the southeast one-quarter of said Section 3, which is approximately 1,200 feet northwesterly of the southeast corner of said Section 3.

Excepting therefrom any portions of the alignment lying on land belonging to the United States of America.

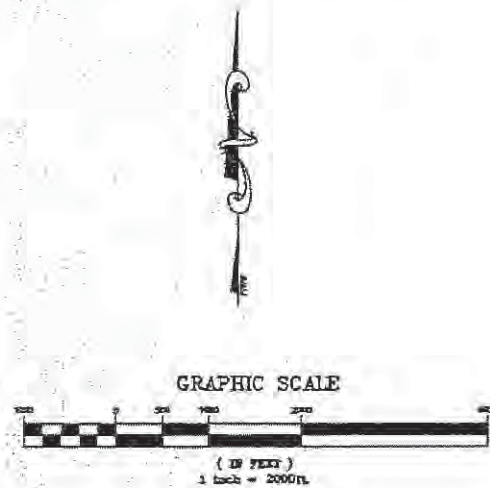
The Basis of Bearings for this legal description is true north.

This legal description was prepared by Arthur C. O'Connor Jr., P. O. Box 10307, Reno, Nevada 89510.

*Winnemucca Ranch Rd.
36m well site
To water line*

JA1809
SE ROA 1726

SE ROA 1727



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EXHIBIT 
WATERLINE & WELL
EASEMENT

JA1810

EXHIBIT ~~D~~ D

EASEMENT DESCRIPTION

An easement for operation and maintenance of a waterline over a parcel of land located in Sections 13, 14 and 24 of Township 24 North, Range 19 East, Mount Diablo Base and Meridian, Washoe County, Nevada, said parcel of land being shown as parcel number 079-200-37 on the Washoe County Assessor's Map current as of 1 October 2004, the centerline of said easement is more particularly described as follows:

Beginning at a point on the westerly boundary of the southwest one-quarter of the northwest one-quarter of Section 14 of said Township 24 North, Range 19 East which is approximately 420 feet south of the northwest corner of said southwest one-quarter of the northwest one-quarter, said point being the center of an existing unnamed dirt road;

Thence, along the center of said unnamed dirt road in a generally easterly direction to the intersection with the road known as "Winnemucca Ranch Road";

Thence following along said "Winnemucca Ranch Road" in a generally southeasterly direction to a point on the easterly boundary of the north one-half of the southeast one-quarter of the northeast one-quarter of Section 24 of said Township 24 North, Range 19 East which is approximately 1,070 feet north of the east one-quarter corner of said Section 24.

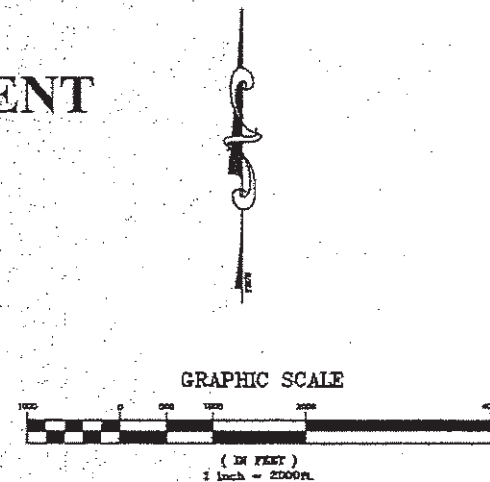
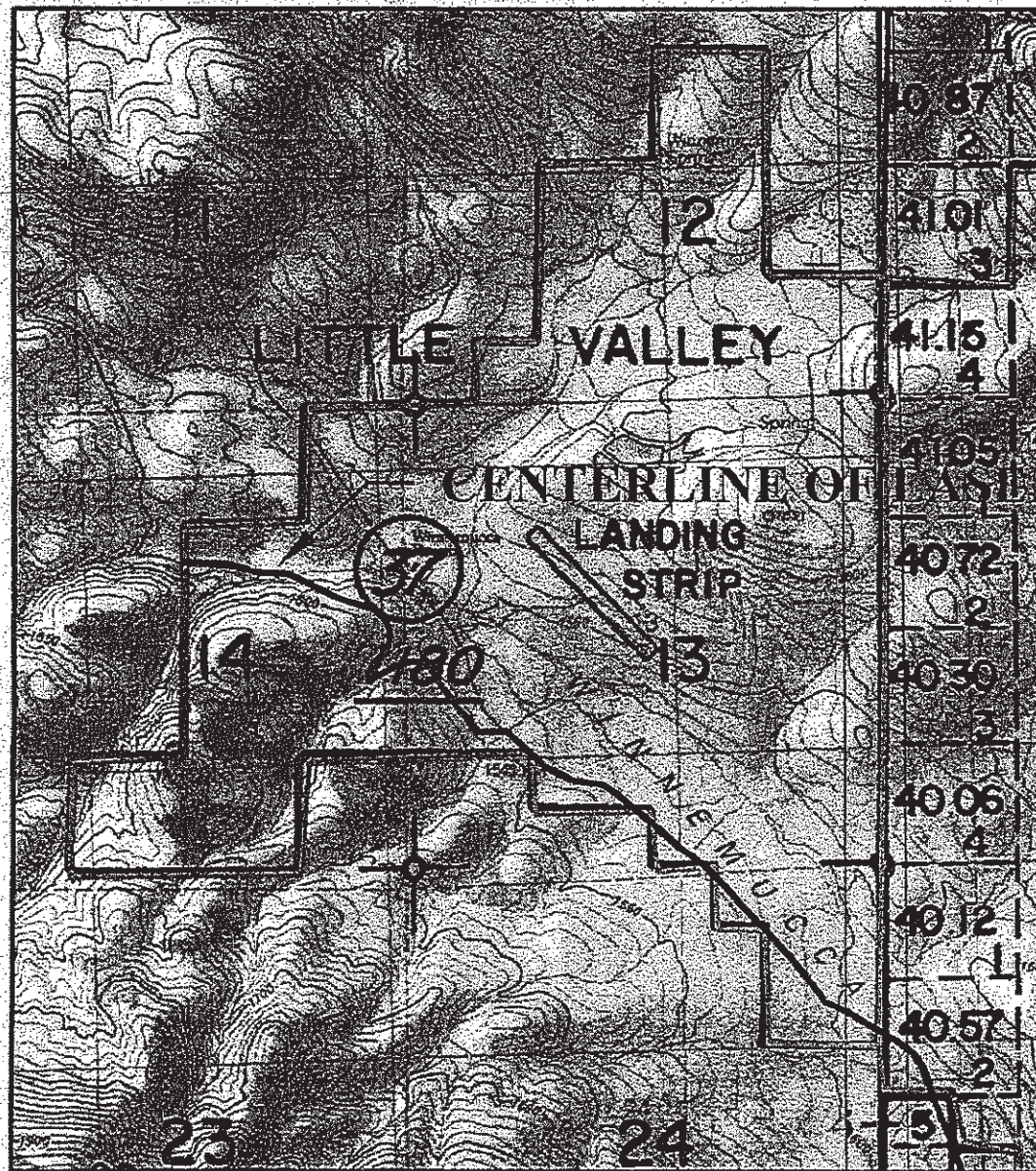
Excepting therefrom any portions of the alignment lying on land belonging to the United States of America.

The Basis of Bearings for this legal description is true north.

This legal description was prepared by Arthur C. O'Connor Jr., P. O. Box 10307, Reno, Nevada 89510.

*Winnemucca Ranch Road
from main Ranch*

SE ROA 1729



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EXHIBIT *AD*
WATERLINE
EASEMENT

JA1812

EXHIBIT D

EASEMENT DESCRIPTION

An easement for operation and maintenance of a waterline over a parcel of land located in Section 19 of Township 24 North, Range 20 East, Mount Diablo Base and Meridian, Washoe County, Nevada, said parcel of land being shown as parcel number 079-220-39 on the Washoe County Assessor's Map current as of 1 October 2004, the centerline of said easement is more particularly described as follows:

Beginning at a point on the westerly boundary of the northwest one-quarter of Section 19 of said Township 24 North, Range 20 East which is approximately 1,060 feet north of the west quarter-corner of said Section 19; said point being the center of an existing road known as "Winnemucca Ranch Road";

Thence, along the center of said Winnemucca Ranch Road in a generally southeasterly direction to a point on the south boundary of said Section 19, which is approximately 820 feet west of the south one-quarter corner of said Section 19.

Excepting therefrom any portions of the alignment lying on land belonging to the United States of America.

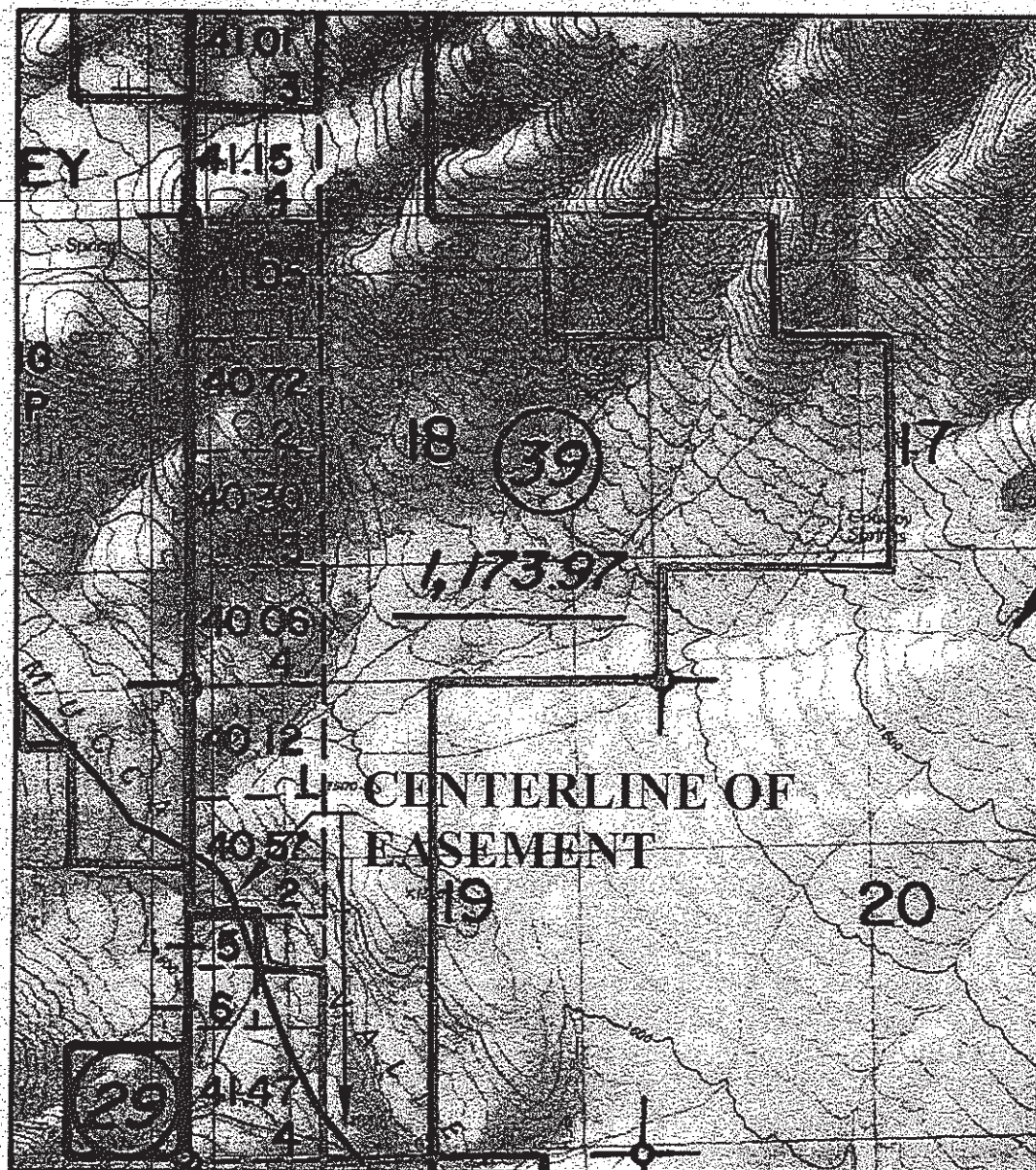
The Basis of Bearings for this legal description is true north.

This legal description was prepared by Arthur C. O'Connor Jr., P. O. Box 10307, Reno, Nevada 89510.

*Win R. Rd
bottom of Ranch*

JA1813
SE ROA 1730

✓ R. A. H.



GRAPHIC SCALE



(IN FEET)
1 inch = 2000ft.

OC ENGINEERING

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E-MAIL: doan@doan.com
RENO OFFICE: 10885 ORYDEN DRIVE

EXHIBIT ~~B~~D
WATERLINE
EASEMENT

JA1814

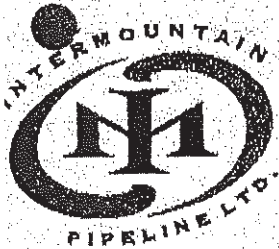
TRANSMISSION VERIFICATION REPORT

TIME : 12/07/2004 19:48
NAME : R.W. MARSHALL
FAX : 775-852-2523
TEL : 775-852-1161

DATE, TIME
FAX NO./NAME
DURATION
PAGE(S)

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RESULT
MODE



2440 HOLCOMB LN.
RENO, NV 89511

(775) 852-1161 PH
(775) 852-2523 FX
RWMARSHALL@SOURCE.NET

Bob Lissner
Woodland Village Homes
FAX - 356-0503
ph - 750-5537

from

Bob Marshall

ph - 775-852-1161

JA1815

SE ROA 1732

Buckhorn, LLC
4005 Quail Rock Lane
Reno, NV 89511

RECEIVED
2009 MAY -4 PM 1:17
STATE ENGINEERS OFFICE

April 21, 2009

Tracy Taylor, P.E.
State Engineer
901 South Stewart Street, Suite 2002
Carson City, NV 89701

SUBJECT: PERMIT #72700 FOR INTERMOUNTAIN WATER SUPPLY, LTD

Dear Mr. Taylor,

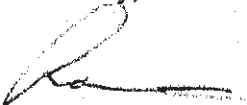
We request that you include this letter and the attached letter to Intermountain Water Supply, LTD in the official record for the above-referenced water permit.

As outlined in the attached letter, Intermountain does NOT own or have other rights to access or utilize private property that is shown as the point of diversion on the attached map for permit #72700.

The point of diversion is located on private property that is owned by Buckhorn, LLC within the SE ¼ of the SE ¼ of Section 2 of T24N, R19E.

We understand that Intermountain will need to file an application to move the point of diversion off Buckhorn's property or acquire necessary easements from Buckhorn in order to utilize this point of diversion.

Sincerely,



Randy Venturacci
Member Manager

JA1816
SE ROA 1733

3. Michael D. Buchele, being First Jury sworn, deposes and says that the map, consisting of two sheets, has been correctly drawn to the designated scale from a survey under his supervision and direction on or before 1/1/1900. That the map is true and correctly represents the proposed public use and proposed part of the reservation and to draw a note from an unincorporated mineral in Andrew County, Nevada, by INTER-MOUNTAIN WATER SUPPLY, LTD. for municipal and domestic purposes.



Subscribed and sworn to before me on the 15th day of
~~February~~ January, 1905.
Robert M. Young
 Notary Public.

1. 7.3 shows 100% Quadrangle Map of DOOSIGN MTH, NEVADA - CALIFORNIA
2. Map is Accompanying Proof of Appropriation No. 00344, in the office of the Nevada State Engineer.
3. Official Government BLD Plot and related notes, T-244, R-102, M-14, approved January 12, 1960.



GRAPHIC SCALE 1"=1000'

0 1000 2000 3000

The property is of Section 2, T24N, R2E, M2M, Town
of West, non Official Government SLD Plat of T24N,
R2E, M2M, covered under S 106A

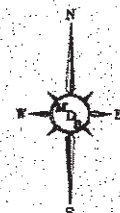
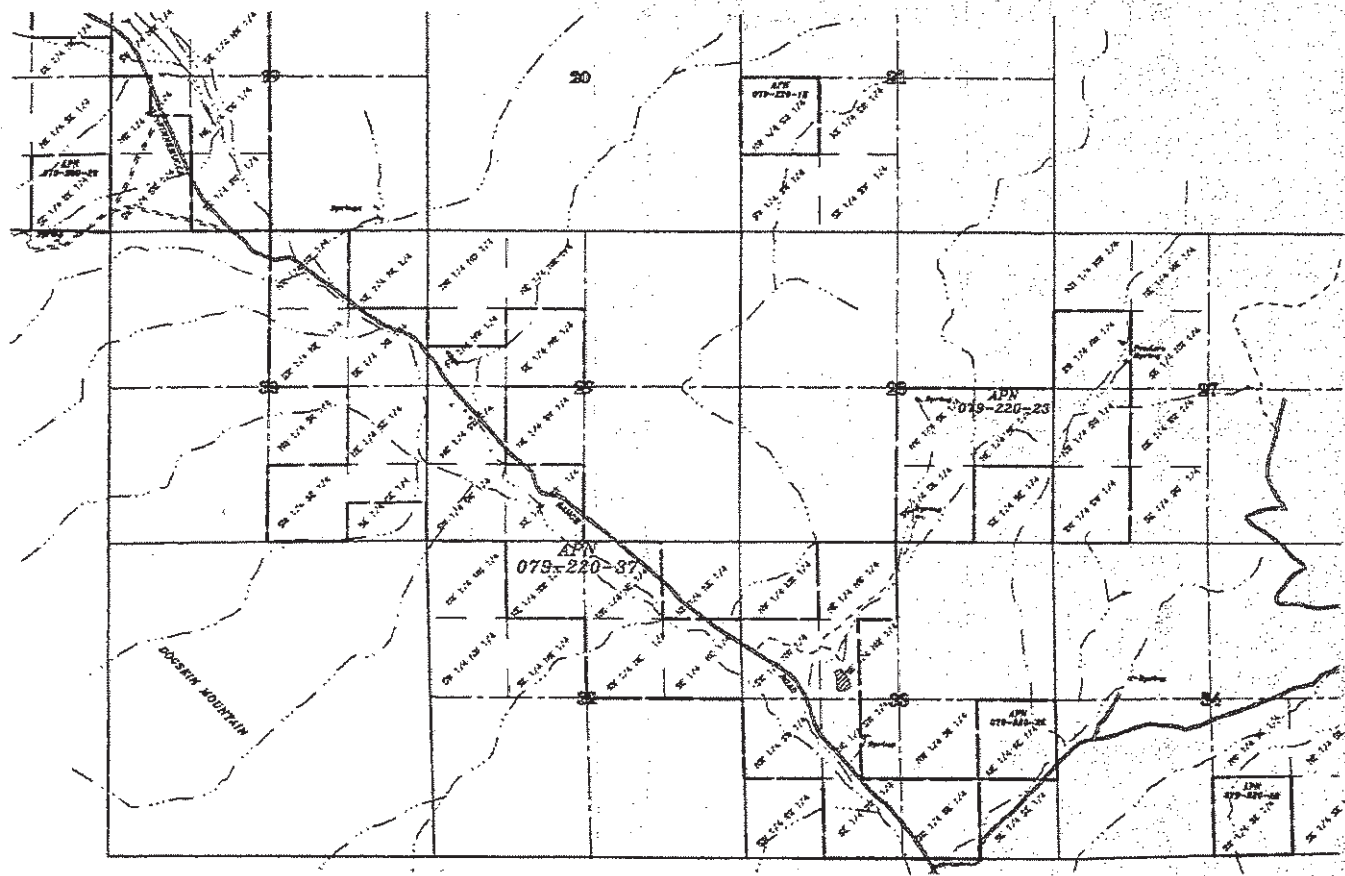
MAP TO ACCOMPANY APPLICATION NO. 13790 TO CHANGE THE POINT OF DIVERGENCE AND PLACE OF USE OF A PORTION OF WATER APPROPRIATED UNDER

FROM
IN CARPENTERS SOURCE
NITEL BLISS COUNTY, NEVADA

75836 72700
JA1817

SE ROA 1734

PROPOSED PLACE OF USE; PORTION OF SECTION 24, T24N., R.19E. and PORTIONS OF SECTIONS 19, 21, 27, 28, 29, 30, 32, 33 & 34, T.24N., R.20E., M.D.M., WASHOE COUNTY, NEVADA



BASIS OF BEARINGS

The bearing line of Section 24, T.24N., R.20E., M.D.M., is shown as part of Official Survey Map No. 1224, R.M., N.M., approved January 15, 1960.

SE ROA 1735

STATE ENGINEER'S USE

FILED
APR 11 1961
WASHOE COUNTY, NEVADA

DEPUTY COUNTY ENGINEER
05-01-61

Michael D. Buschman Consulting, Inc.
Post Office Box 51571
Sparks, Nevada 89435
(775) 353-9628 Office 355-9629 FAX

MAP TO ACCOMPANY APPLICATION FOR TYPING TO CHANGE THE POINT OF INTEREST AND PLACE OF USE OF A PORTION OF WATER APPROPRIATED UNDER PERMIT NO. 10471 FOR MUNICIPAL AND DOMESTIC PURPOSES BY

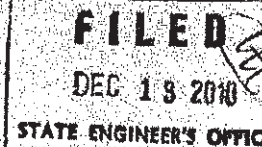
INTERMOUNTAIN WATER SUPPLY, LTD.

FROM AN UNDERGROUND SOURCE WITHIN WASHOE COUNTY, NEVADA

7583 772701
JA1818

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record Intermountain Water Supply, Ltd.IN THE MATTER OF PERMIT NO. 72700 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

, the

Permittee

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners? ☐ Yes ☐ No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 10 years5. What is the expenditure on the project under this permit? Last year? 0* Total to date? Approx. \$250,000 **6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)
proof of completion of work

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

*this permit is part of a municipal water project on which approximately \$3,000,000.00 has been spent for easements, permitting, test wells, pump tests and technical analysis and reports. With the bad economy, there is no current demand for new municipal water sources.

**for a test well and report.

Signed

Robert W. Marshall
Permittee or AgentSubscribed and sworn to before me this 13th day ofDecember, 20 10Kathryn Souverson
Signature of Notary Public RequiredNotary Public in and for the County of WashoeState of Nevada

My commission expires _____

Address

625 Onyo Way

Street Address or PO Box

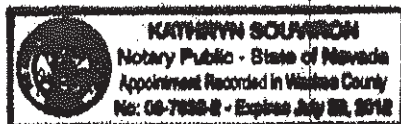
Sparks, NV 89441

City, State, ZIP Code

Phone

(775) 425-1161

E-mail _____



Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

Revised 07/09 - ext of time

JA1819
SE ROA 1736

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPANISH SPRINGS NV 89441

Receipt

Payment Method		Check No.	Receipt #
Check		1433	254094
Date	Item	Description	Amount
12/13/2010	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO 72700	100.00
Received by: Sue Cox			Total \$100.00

JA1820
SE ROA 1737

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 22, 2010

Intermountain Water Supply, Ltd.
Attn: Robert W. Marshall
625 Onyo Way
Spanish Springs, NV 89441

RE: PERMIT 72700

This is to inform you that the Application for Extension of Time has been granted to December 18, 2011 with the provision that no further extensions will be granted for filing of the Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact Sam Monteleone at (775) 684-2800.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sam Monteleone".

Sam Monteleone
Staff / Associate Engineer

SEM/mt

c: TEC Civil Engineering Consultants

JIM GIBBONS
Governor

STATE OF NEVADA



LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 22, 2010

Intermountain Water Supply, Ltd.
Attn: Robert W. Marshall
625 Onyo Way
Spanish Springs, NV 89441

RE: Application for Extension of Time for Permit 72700

Dear Mr. Marshall:

Please refer to the Application for Extension of Time submitted by you on behalf of Intermountain Water Supply, Ltd received in this office on December 13, 2010 under Permit 72700. This Application for Extension of Time has been granted to **December 18, 2011**, and the standard approval letter is enclosed.

Correspondence in the permit file from Randy Venturacci, Buckhorn, LLC, received May 4, 2009, states that Intermountain Water Supply, Ltd does not own or have access to the private property where the proposed point of diversion under Permit 72700 is located. In any future Application for Extension of Time request under Permit 72700, please include documentation showing that Intermountain Water Supply, Ltd does have, or is actively negotiating, access rights to the proposed point of diversion. If Intermountain Water Supply, Ltd does not have access to the proposed point of diversion, an application to change the point of diversion is necessary.

If you have any questions, please contact me at (775) 684-2818.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard Lisle".

Richard Lisle, P.E.
Supervising Engineer IV

REL/mt
Enclosure

JA1822
SE ROA 1739

STATE OF NEVADA



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

FINAL NOTICE

December 21, 2011

FINAL NOTICE

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441
Certified Mail No. 71067808063000485494

Re: Final Notice for Permit 72700

The provisions of your above referenced permit to appropriate waters of the State of Nevada require you to file a **Proof of Completion on or before December 18, 2011.**

Our records indicate that you have not filed the required proof(s) and your permit is in danger of cancellation unless the proof(s) or an application for an extension of time along with the appropriate filing fee(s) with which to file the required proof(s) is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice.

Per NRS 533.410, if the required proof or extension of time is not received within thirty (30) days after the mailing of this notice, your permit will be cancelled.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

sm

cc: TEC Civil Engineering Consultants (email)


Schedule of Fees:

Fee for filing Proof of Completion - \$50

Fee for filing Proof of Beneficial Use - \$50

Fee for filing Request for Extension of Time - \$100

JA1823
SE ROA 1740

2. Article Number  7106 7808 0630 0048 5494		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: Intermountain Water Supply Robert W. Marshall 625 Onyo Way Sparks, NV 89441 12/20/2011 4:52 PM Code2: File: 72700 tn/sm		A. Signature X <i>Robert W. Marshall</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		B. Received by (Printed Name) <i>Robert W. Marshall</i>	C. Date of Delivery <i>12/28/11</i>
		D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
		3. Service Type <input checked="" type="checkbox"/> Certified	
		4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes	
PS Form 3811		Domestic Return Receipt	

JA1824
SE ROA 1741

50 West Liberty Street
Suite 750
Reno, Nevada 89501
Telephone 775.323.1601
Facsimile 775.348.7250



A PROFESSIONAL
LAW CORPORATION

Robert W. Marshall

Direct Dial
(775) 425.1161

December 30, 2011

Jason H. King, P.E., State Engineer
Nevada Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City NV 89701

Re: Permit 72700 2011 Application for Extension of Time

Dear Mr. King:

Enclosed please find the above-referenced document, together with a check in payment of the mandatory filing fee in the amount of \$100.00.

Also enclosed is one extra copy which I ask that you time-stamp and return to me in the self-addressed stamped envelope.

If you have any questions or comments, please do not hesitate to call.

Sincerely,

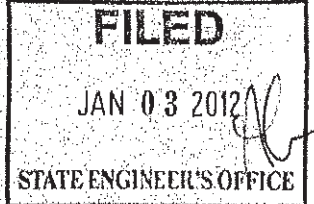
PARSONS BEHLE & LATIMER

A handwritten signature in cursive script that reads "Robert W. Marshall".

Robert W. Marshall

Enclosures

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA
APPLICATION FOR EXTENSION OF TIME



Owner of Record Intermountain Water Supply, Ltd.

IN THE MATTER OF PERMIT NO. 72700 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground
(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall the Agent
Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? YES X NO (Check the appropriate box.)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?
YES NO (Check the appropriate box.)
3. If "NO" on question 2 is checked, on whose behalf is this extension being filed?
4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years
5. What is the expenditure on the project under this permit? Last year? \$5,086.00 Total to date? \$2,519,366.00
6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)
Proof of Completion
(Proof of completion of work and/or Proof of beneficial use)
7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

Within the last 12 months, we have completed our initial permitting for the Intermountain Water Supply project with the granting of Permit 73048 for groundwater in Bedell Flat. We have met with two potential purchasers and have held numerous discussions with them. To date, nothing has been finalized. Bad economic conditions have prevented us from moving forward significantly on this project this past year.

State of Nevada County of Washoe

Subscribed and sworn to before me this 30 day of

Dec, 20 11 by Robert W. Marshall

[Signature]
Signature of Notary Public Required

Notary Public in and for the County of Washoe

State of Nevada

My commission # 09-9310-2 expires: 02.06.2013 (13)

(Notary Seal)

Signed: Robert W. Marshall (12)

Permittee or Agent

Robert W. Marshall

Address: 625 Onyo Way

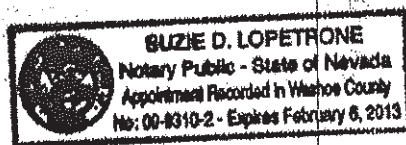
Street Address or PO Box

Sparks, NV 89441

City, State, ZIP Code

Phone: 775.425.1161

Phone number is required



(Application Year: 2011)

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPANISH SPRINGS NV 89441

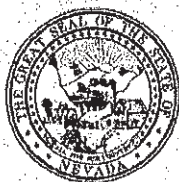
Receipt

		Payment Method	Check No.	Receipt #
		Check	1448	264988
Date	Item	Description		Amount
1/3/2012	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO 72700		100.00
Received by: Sue Cox			Total	\$100.00

JA1827
SE ROA 1744

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

January 10, 2012

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permit 72700

This is to inform you that the Application for Extension of Time has been granted to December 18, 2012 with the provision that no further extensions will be granted for filing of the Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2835 or smonteleone@water.nv.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Sam Monteleone".

Sam Monteleone
Water Resource Specialist I

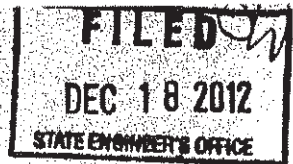
SEM/ag

cc: TEC Civil Engineering Consultants- email

JA1828
SE ROA 1745

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record Intermountain Water Supply, Ltd.IN THE MATTER OF PERMIT NO. 72700 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

the

Agent

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)

2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?

☐ Yes ☐ No (Check the appropriate box)

3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years5. What is the expenditure on the project under this permit? Last year? \$5,756 Total to date? \$2,524,9686. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)

proof of completion

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved at all this past year. There is no growth occurring in this area. We have continued maintenance of the project. We had to oppose a PUCN staff effort to nullify a favorable PUCN order on our UEPA application. After briefing and oral argument, we were successful. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and have been actively working with two interested buyer-user groups, one local group and one group located in Southern California. The outcome of the election does not bode well for the economy.

State of Nevada

County of WashoeSubscribed and sworn to before me on December 17, 2012by Robert W. Marshall

Signed

Permittee or Agent

Address 625 Onyo Way

Street Address or PO

Sparks, NV 89441

City, State, and Code

Phone (775) 425-1161

E-mail



KATHY SOUVION

Notary Public - State of Nevada

Appointment Recorded in Washoe County

No: 08-7539-2 - Expires July 30, 2016

Notary Stamp or Seal Required

\$100 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

Revised 05/12 - ext of time

1 YEAR FOR
JA1829
 SE ROA 1746
 1/9/2013

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPANISH SPRINGS NV 89441

Receipt

Payment Method	Check No.	Receipt #
Check	1454	274174

Date	Item	Description	Amount
12/18/2012	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO 72700	100.00
Received by: Sue Cox			Total
			\$100.00

JA1830
SE ROA 1747

1 **4105**
2 ADAM PAUL LAXALT
3 Attorney General
4 MICHELINE N. FAIRBANK
5 Senior Deputy Attorney General
6 Nevada Bar No. 8062
7 100 North Carson Street
8 Carson City, Nevada 89701-4717
9 Tel: (775) 684-1225
10 Fax: (775) 684-1108
11 Email: mfairbank@ag.nv.gov
12 *Attorney for Respondent,*
13 *Nevada State Engineer*

14 **IN THE SECOND JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**
15
16 **IN AND FOR THE COUNTY OF WASHOE**

17 SIERRA PACIFIC INDUSTRIES, a
18 California Corporation,

19 Petitioner,

20 vs.

21 JASON KING, P.E., in his capacity as
22 Nevada State Engineer, and the
23 DIVISION OF WATER RESOURCES,
24 DEPARTMENT OF CONSERVATION,
25 an agency of the State of Nevada,

26 Respondent,

27 and,

28 INTERMOUNTAIN WATER SUPPLY,
LTD., a Nevada limited liability company,

Intervenor-Respondent.

Case No. CV16-01378

Dept. No. 1

SUPPLEMENTAL RECORD ON APPEAL

Part IV of V

SE ROA 1748 - 2082

JA1831

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 28, 2012

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permit(s) 72700

This is to inform you that the Application for Extension of Time has been granted to December 18, 2013 with the provision that no further extensions will be granted for filing of the Proof of Completion except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2814 or khaffey@water.nv.gov.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ken Haffey".

Ken Haffey
Water Resource Specialist II

KH/sw
cc: TEC (email)

JA1832
SE ROA 1748

Michael D. Buschelman Consulting, Inc.
Post Office Box 51371
Sparks, Nevada 89435
(775) 355-9628 Office
(775) 355-9629 Fax

March 6, 2013

Hand Delivered

Nevada State Engineer's Office
Division of Water Resources
Attn: Ms. Gloria Lash
901 South Stewart Street, 2nd Floor
Carson City, Nevada 89701

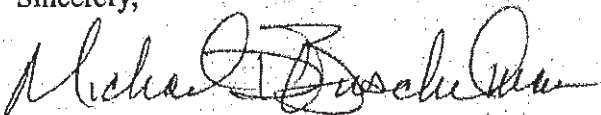
Re: Permit No. 72700
Intermountain Water Supply – Bright Holland

Dear Ms. Lash:

This letter is to notify you that I am no longer acting as agent under the above permit.
Please remove my name from the notice and correspondence list under this water right.

Should you have any questions, please contact my office.

Sincerely,



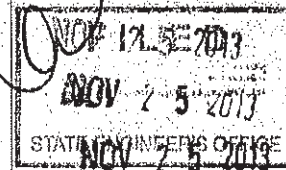
Michael D. Buschelman

RECEIVED
2013 MAR -6 AM 11:05
STATE ENGINEERS OFFICE

JA1833
SE ROA 1749

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME



Owner of Record Intermountain Water Supply, Ltd.

IN THE MATTER OF PERMIT NO. 72700 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

, the Agent

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?
☐ Yes ☐ No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years

5. What is the expenditure on the project under this permit? Last year? \$7,800.00 Total to date? \$2,532,768.00

6. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)

proof of completion Phu

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved at all this past year. There is no growth occurring in this area. We have continued maintenance of the project. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and have been actively working with a public agency to purchase the project.

State of Nevada

County of Washoe

Subscribed and sworn to before me on November 25, 2013

by Robert W. Marshall

Signed

Robert W. Marshall
Permittee or Agent

Address 625 Onyo Way

Street Address or PO Box

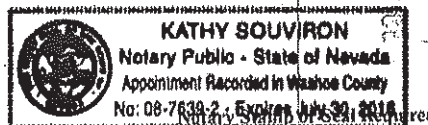
Sparks, NV 89411

City, State, Zip Code

Phone (775) 425-1161

E-mail

Kathy Souvion
Signature of Notary Public Required



\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

Revised 07/13 - ext_app

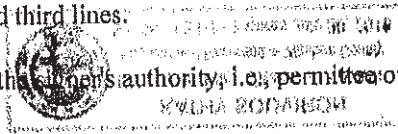
JA1834
SE ROA 1750

INSTRUCTIONS

A. Enter the name of the owner of record on the first line.

B. Enter the permit number and source of water on the second and third lines.

C. Print the name of the person signing the application and enter the signer's authority, i.e., permittee or agent, on the fifth line.



1. Check the appropriate box regarding the permit owner(s)

2. If you answered "Yes" to question 1, check the appropriate box. If you answered "No" to question 1, skip to question 4.

3. If you answered "No" to question 2, list the party or parties you are representing.

4. If the extension is for proof of completion of work, state the estimated time to complete the diversion works. If for proof of beneficial use, state the estimated time to complete the total project.

5. Furnish the amount of expenditures on work and equipment during the last year and the total to date.

6. The period of time requested may not exceed one year. Complete no. 6 by entering whether this request is for proof of completion of work and/or proof of beneficial use.

7. NRS 533.380 3(b) states that an application for extension must in all cases be "Accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application." Please provide specific information that documents reasonable diligence and steady application of effort to perfect the application. **Highlight progress made during the previous year.** Examples of this type of information follow:

- 1) Describe any work in progress and any facility or feature completed.
- 2) Specify any project reports or engineering drawings that have been submitted for review or recorded pursuant to applicable laws.
- 3) If water is being diverted, describe the actual use of the water (e.g. acres irrigated, number of units served, number and kind of livestock watered, customers served, etc.)
- 4) Submit the record of water measurements (e.g. meter readings) for the last one-year period. Specify the measurement volume units (e.g. gallons, million gallons, or acre-feet).
- 5) Submit any other proof of evidence that documents reasonable diligence.
- 6) Explain anticipated development of water distribution facilities to serve the place of use under the permit and specify completion dates.
- 7) Explain any adverse conditions and their affect upon the permittee's ability to establish full beneficial use.

This application is a sworn affidavit and must be signed by the person making the application and include his or her address and phone number in the spaces provided.

NOTE: Each application must appear with an original signature of the applicant or agent.

The application must be properly dated and notarized.

A separate application for extension of time is required for each permit.

The application for extension of time must be properly completed, signed, notarized and received in an office of the State Engineer, with the \$120.00 statutory filing fee, on or before the due date as set forth in the permit terms. Please mail form to Nevada Division of Water Resources, 901 S. Stewart Street, Suite 2002, Carson City, Nevada 89701.

State of Nevada - Division of Water Resources

901 S. Stewart Street
2nd Floor
Carson City, NV 89701

INTERMOUNTAIN WATER SUPPLY LTD
625 ONYO WAY
SPARKS NV 89441

Receipt

Payment Method		Check No.	Receipt #
Check		1469/1471	283771
Date	Item	Description	Amount
11/25/2013	Extension of Time	APPLICATION FOR EXTENSION OF TIME UNDER PERMIT NO. 72700 COVERS EXT NO'S 66873, 72700 AND 73048 CHECK 1469 (\$240.00) AND CHECK 1471 (\$120.00)	120.00
Received By: Catherine Orpilla			Total \$120.00

JA1836
SE ROA 1752

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

December 6, 2013

Intermountain Water Supply
Robert W. Marshall
625 Onyo Way
Sparks, NV 89441

RE: Permit 72700

This is to inform you that the Application for Extension of Time has been granted to December 18, 2014 with the provision that no further extensions will be granted for Proof of Completion and Proof of Beneficial Use except for good cause shown as provided under NRS 533.380, 533.390 and 533.410.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

Should you have any questions regarding this notification please contact me at (775) 684-2842 or smcdaniel@water.nv.gov.

Sincerely,

A handwritten signature in dark ink, appearing to read "Shannon McDaniel".

Shannon McDaniel
Water Resource Specialist I

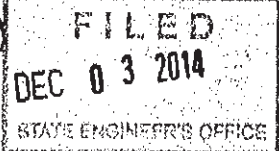
SM/lr

cc: TEC Civil Engineering Consultants (email)

JA1837
SE ROA 1753

BEFORE THE STATE ENGINEER OF THE STATE OF NEVADA

APPLICATION FOR EXTENSION OF TIME

Owner of Record Intermountain Water Supply, Ltd.IN THE MATTER OF PERMIT NO. 72700 FILED TO APPROPRIATE/CHANGE THE WATERS OF
underground

(Name of stream, lake, spring, underground or other source)

THIS APPLICATION IS RESPECTFULLY SUBMITTED.

Comes now Robert W. Marshall

, the

Agent

Permittee or Agent

who after being duly sworn and answering to the best of their knowledge the following questions in compliance with the requirements as set forth in the permit terms:

1. Does this permit have multiple owners? ☐ Yes ☒ No (Check the appropriate box)
2. If "Yes" on question 1 is checked, is this request for an extension of time submitted on behalf of all the owners?
☐ Yes ☐ No (Check the appropriate box)
3. If "No" on question 2 is checked, on whose behalf is this extension being filed?

4. How much time is needed to construct the works of diversion or place the water to beneficial use? 5 years5. What is the expenditure on the project under this permit? Last year? \$16,733.43 Total to date? \$2,549,501.006. The permittee requests an extension of time for 1 year within which to comply with the provisions for filing the
(Not to exceed 1 year)Proof of Completion RA

(Proof of completion of work and/or Proof of beneficial use)

7. Describe progress made during the last year and explain in detail why this request for an extension of time is being submitted (See instructions on back. Use additional pages if necessary):

The economy has not improved this past year. There is little growth occurring in this area, although the next 10 years look promising. We have continued maintenance of the project and repaired one test well. We have continued monitoring activities with Interflow Hydrology with continuous flow recording meters. We have drastically reduced the price of the Project and are actively working with three private entities to purchase the project.

State of Nevada

County of WashoeSubscribed and sworn to before me on 12-02-14by ***Robert W. Marshall***

Signed

Permittee or Agent

Address 625 Onyo Way

Street Address or PO Box

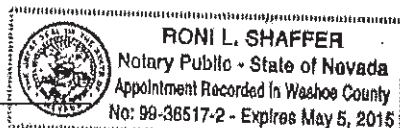
Sparks, NV 89411

City, State, ZIP Code

Phone 775-425-1161

E-mail

Signature of Notary Public Required



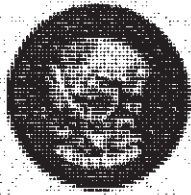
Notary Stamp or Seal Required

\$120 FILING FEE MUST ACCOMPANY THIS APPLICATION FOR EXTENSION OF TIME
A SEPARATE APPLICATION MUST BE FILED FOR EACH PERMIT

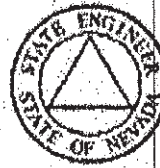
Revised 07/13 - ext_app

JA1838
SE ROA 1754

RECEIVED
 2014 DEC -3 11:33
 STATE ENGINEER'S OFFICE



**Division of Water Resources
Receipt for Payment**



Intermountain Water Supply Ltd
625 Onyo Way
Spanish Springs, NV 89441

Check #: 1501
Check Date: 11/28/2014
Date Received: 12/3/2014
Receipt #: 3,220

FY	Amount	Permit #	Invoice #	Fee Type/Fee desc	Notes
2015	\$120.00	72700		- Extensions / App For Ex Of Time Under Permit No.	Covers Ext No's 66873, 72700 and 73048 Check Total: \$360.00

12/4/2014

56

JA1839
SE ROA 1755



Sierra Pacific Industries

P.O. Box 750 • Quincy, California 95971 • (530) 283-2820 • Fax (530) 283-4018

Jason King
Nevada State Engineer
Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

Re: Permits 64977
64978
66400
66961
72700
73428
73429
73430
74327
79548

RECEIVED
2011 SEP 18 PM 2:23
STATE ENGINEER'S OFFICE

Dear Mr. King:

Sierra Pacific Industries ("SPI") submits this letter to object to the State Engineer granting any additional extensions of time to Intermountain Water Supply, Ltd. ("Intermountain") for groundwater permits in the Dry Valley hydrographic basin.

Intermountain has the following permits in Dry Valley basin for which it cannot demonstrate proof of completion or proof of beneficial use:

Application No.	Status	File Date	Proof of Completion Due	Proof of Beneficial Use Due
64977	PER	3/24/1999	2/11/2015	2/11/2015
64978	PER	3/24/1999	2/11/2015	2/11/2015
66400	PER	5/22/2000	2/11/2015	2/11/2015
72700	PER	5/3/2005	12/18/2014	12/18/2014
73428	PER	11/3/2005	2/11/2015	2/11/2015
73429	PER	11/3/2005	2/11/2015	2/11/2015
73430	PER	11/3/2005	2/11/2015	2/11/2015
74327	PER	5/23/2006	2/11/2015	2/11/2015

Intermountain's permits, some of which have existed for nearly 16 years, have not been and, as a practical matter, cannot be developed for their intended beneficial use.

JA1840
SE ROA 1756

Nevada's statutes limit the State Engineer's authority to extend the time period in which a permittee must show completion of the diversion works or prove up beneficial use: "The State Engineer shall not grant an extension of time unless the State Engineer determines from the proof and evidence so submitted that the applicant is proceeding in good faith and with reasonable diligence to perfect the application." NRS 533.380(3). With regard to extension requests for water rights that, as here, are meant to supply a municipal area,

[T]he State Engineer shall, in determining whether to grant or deny the extension, consider, among other factors:

- (a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;
- (b) ... [T]he area being served by the county, city, town, public water district or public water company; [and]
- (c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use.

NRS 533.380(4). "[T]he measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances." NRS 533.380(6).

No good cause exists to extend the time for Intermountain to complete the diversion works and put the water to beneficial use. Intermountain has not commenced construction of the infrastructure needed to transport water to Lemmon Valley, the intended place of use. Moreover, Intermountain does not have any agreement with Truckee Meadows Water Authority ("TMWA"), which as of January 1, 2015, will be the sole water purveyor for the service territory that encompasses Lemmon Valley.

In the last year, Intermountain has sought to sell its water rights to Washoe County. Yet, as of January 1, 2015, Washoe County's water utility will merge into TMWA and will no longer be in the water purveying business. Intermountain's permits are not part of the merger deal with TMWA.

The minutes of the Washoe County Commission meeting at which Intermountain presented its proposal indicate a number of facts that confirm no good cause exists for an extension of Intermountain's permits:

1. The purpose of the purchase would be for Washoe County to hold the water rights as an "investment," not to put the water to beneficial use. 01.14.14 Minutes at pp. 27, 30, 33. Commissioner Bonnie Weber indicated that "there were no current plans for the water in the future." 01.14.14 Minutes at p. 27. Rather, referring to a 2007 sale in which Washoe County sold some water rights for a significant sum, Commissioner Weber sought to hold the Intermountain water rights as "an asset." 01.14.14 Minutes at p.27.

2. If Washoe County sought to purchase Intermountain's water rights through the Washoe County water utility, the merger with TMWA would be jeopardized because the water rights would alter the County water utility's financial position. 01.14.14 Minutes at pp. 27-28, 32.
3. Intermountain's attorney represented that the proposal was not intended to jeopardize the merger and, therefore, did not contemplate taking funds from the water utility to pay for the water rights purchase. 01.14.14 Minutes at p. 30.

As these comments show, any proposed sale of Intermountain's water rights to Washoe County would be for the sole purpose of speculating that the value of the water rights would increase in the future. Washoe County cannot and does not intend to use the water rights to deliver municipal water because, after January 1, 2015, it will no longer be a municipal water purveyor. These facts lead to no other conclusion than that no good cause exists for an extension.

Under the "anti-speculation doctrine," Intermountain should be denied further extensions and its permits canceled. *Bacher v. State Engineer*, 122 Nev. 1110, 1119-20, 146 P.3d 793, 799 (2006). This doctrine "addresses the situation in which the purported appropriator does not intend to put water to use for its own benefit and has no contractual or agency relationship with one who does." *Id.* Where a permittee is speculating on anticipated need, the beneficial use requirement is not satisfied. *Id.* Nevada's statutory scheme "protects against speculation" by requiring financial ability, a reasonable expectation of constructing the work and applying the water, and reasonable diligence in putting the water to beneficial use. *Id.*, citing NRS 533.370(1)(c)(2); see also NRS 533.380. Even if the State Engineer was initially satisfied that Intermountain could meet these requirements, if changed circumstances indicate that the permittee is speculating, a permit should be canceled. See NRS 533.380.

Intermountain's proposed project to export water from Dry Valley hydrologic basin into Lemmon Valley involves water speculation, as there is no demand from the municipal water purveyor for the importation project, no infrastructure to transport the water and no evidence that Intermountain has the means to finance or obtain financing for the necessary capital expenditures.

Under these circumstances, the State Engineer should deny any extension requests made by Intermountain and cancel the permits so that the water can be made available for appropriation by others.

Sincerely,



Chris Skinner
Division Manager
Sierra Pacific Industries

RECEIVED
2014 SEP 18 AM 2:20
STATE ENGINEER'S OFFICE

JA1842
SE ROA 1758

BRIAN SANDOVAL
Governor

STATE OF NEVADA



LEO DROZDOFF
Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
<http://water.nv.gov>

February 24, 2015

Robert Marshall
Intermountain Water Supply, Ltd.
625 Onyo Way
Sparks, Nevada 89441
Certified Mail #7106 7808 0630 0058 6573

Re: Application for Extension of Time Permit 72700

Dear Mr. Marshall:

On December 3, 2014, you filed an Application for Extension of Time for Proof of Completion of Work and Proof of Beneficial Use for Permit 72700 on behalf of Intermountain Water Supply, Ltd. (Extension Request).

On December 18, 2014, an objection to the Extension Request was received from Sierra Pacific Industries (Sierra Pacific). A copy of the objection is enclosed with this letter. In its objection, Sierra Pacific requests the Extension Request be denied based on the following facts:

- Construction of the infrastructure necessary to transport water to Lemmon Valley has not commenced
- Intermountain does not have an agreement with Truckee Meadows Water Authority (TMWA), which as of January 1, 2015, will be the sole water purveyor for the service territory encompassing Lemmon Valley
- Intermountain has attempted to sell its water rights to Washoe County, however, after the merger between the County and TMWA, the County will no longer be a water purveyor and Intermountain's permits are not part of the merger with TMWA
- The Washoe County Commission minutes dated January 14, 2014, confirm that good cause does not exist to grant the Extension Request

From the above-summarized facts, Sierra Pacific alleges that Intermountain's proposed sale of its water rights to Washoe County violate the anti-speculation doctrine announced in *Bacher v. State Engineer*, 122 Nev. 1110, 146 P.3d 793 (2006).

JA1843
SE ROA 1759

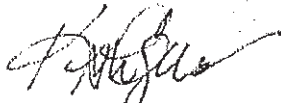
Pursuant to NRS § 533.390(3) an application for the extension must in all cases, *inter alia*, be accompanied by proof and evidence of the reasonable diligence with which the applicant is pursuing the perfection of the application. The statute provides that the State Engineer shall not grant an extension of time unless the State Engineer determines from the proof and evidence submitted that the applicant is proceeding in good faith and with reasonable diligence to perfect the application.

The explanation in the current Extension Request is, in large part, the same as the requests for extensions filed in 2013 and 2012. In each extension request, Intermountain described attempts at selling the project. In light of the foregoing information and objection, within 30 days, please provide proof and evidence that Intermountain Supply is pursuing perfection of the application in good faith and with reasonable diligence.

At a minimum, Intermountain's response should address the objection filed by Sierra Pacific. In addition, the response must detail what work was done in the last year toward the completion of work, and must provide evidence supporting the assertion in the Extension Request that Intermountain expended \$16,733.43 on the project under this permit in the last year.¹

If you have any questions regarding the foregoing please do not hesitate to contact me.

Regards,



Kristen Geddes
Chief, Hearings Section

KG/jm

cc: Chris Skinner, Sierra Pacific Industries

¹ Although Sierra Pacific's objection identifies 8 different permits, this Request is limited to Permit 72700 and the Extension Request currently pending for that permit.

2. Article Number 7106 7808 0630 0058 6573		COMPLETE THIS SECTION ON DELIVERY	
1. Article Addressed to: Batch #: 89423 Robert Marshall Intermountain Water Supply, Ltd. 625 Onyo Way Sparks, Nevada 89441		A. Signature X <i>Robert Marshall</i>	<input type="checkbox"/> Agent <input type="checkbox"/> Addressee
		B. Received by (Printed Name) <i>Robert Marshall</i>	C. Date of Delivery
		D. Is delivery address different from Item 1? <input type="checkbox"/> Yes If YES enter delivery address below: <input type="checkbox"/> No	
		3. Service Type	<input checked="" type="checkbox"/> Certified
Code2: 72700 / KG/m		4. Restricted Delivery? (Extra Fee)	<input type="checkbox"/> Yes
PS Form 3811 Domestic Return Receipt			

JA1845
SE ROA 1761



InterMountain
Water Supply

625 Onya Way
Spanish Springs, NV 89441

(775) 425-1161

(775) 425-1327 FX

unashallow@earthlink.net

Via Hand Delivery

Kristen Geddes
Chief, Hearings Section
State of Nevada Division of Water Resources
901 S. Stewart St., Suite 2002
Carson City, NV 89701

March 12, 2015

Re: Application for Extension of Time for Permit 72700

Dear Mrs. Geddes:

This is in response to your letter of February 24, 2015. Permit 72700 was issued on the 18th day of December, 2008 by the State Engineer and is one of a number of permits which make up the Intermountain Water Supply project.

The date for completion of improvements under Permit 72700 was December 18, 2010 and the date to apply the water to beneficial use was December 18, 2013. The application for extension of time was filed December 3, 2014, less than one year after the date the p.b.u. was originally due.

This Project is an approved water project by the Regional Water Planning Commission of Washoe County. In the "Amendment to the Regional Water Management Plan to include the North Valleys Strategy" for the period 1995-2015, adopted on March 31, 1997, this Project, was then termed the "Warm Springs Groundwater Importation Project." Local Governments were directed to "aggressively pursue" this project by "entering into agreements with project proponents." The need for this project was thereby determined by the Regional Water Planning Commission. Subsequent amendments to the project were approved by the Regional Water Planning Commission in 2000 and again in 2005. The Amendment to the Regional Water Management Plan to include the North Valley Strategy is attached as well as the minutes of the meeting of the Regional Water Planning Commission, dated April 19, 2000, approving the addition of Dry Valley hydrographic basin to the Project.

The Project encompasses (a) the groundwater at the Marshall Ranch in northwestern Warm Springs Valley (1,656 acre-feet) together with Recharge and Recovery Application R-014 (approved in Ruling 5194). This water is permitted for municipal use in Lemmon Valley (see Ruling 5066); (b) 368.1 acre-feet of groundwater in Bedell Flat from an existing 12" cased municipal well; (c) five well sites in Lower Dry Valley for 2,000 acre-feet, permitted for municipal use in Lemmon Valley (a test well has been drilled, cased, and pumped at each of the five well sites); (d) three well sites in Upper Dry Valley for 996 acre-feet permitted for municipal use in Lemmon Valley; an 8" well has been drilled and cased at the p.o.d. for Permit 72700; and (e) one

March 12, 2015
Page Two

well site in Newcomb Lake Valley for 200 acre-feet, also permitted for municipal use in Lemmon Valley.

There is attached hereto a sheet entitled "Current Status of Project" January 2015. The Project has been engineered to 35±% with an engineering cost analysis of \$17,160,000.00 to pipe the Lower Dry Valley and Bedell Flat water to Lemmon Valley and complete five municipal wells. An EIS was completed with a Record of Decision (ROD) entered by the BLM. A Right-of-Way Grant has been issued by the BLM for a pipeline from Lower Dry Valley and Bedell Flat to Lemmon Valley. The BLM has issued a Right-of-Way Grant for a power line from Red Rock Road to the Bedell Flat well and Booster Station and along the pipeline to the last well in Lower Dry Valley. Easements over private land have been obtained. Washoe County has issued a Special use Permit. Five test wells have been drilled in Lower Dry Valley and one in Upper Dry Valley. A municipal well exists in Bedell Flat. An Archeological Study has been done at the cost of \$305,000.00. A final report is due this year.

It is apparent from the foregoing that there has been a great deal of time and money spent over quite a few years on developing this project. The deep recession has made it uneconomical to spend large sums on additional infrastructure for the last six years. Total expenditures on this Project are nearly \$3,000,000.00 cash.

The State Engineer's attention is directed to NRS 533.380(4), which states in part "... wherever the holder of a permit issued for any municipal or quasi municipal use of water ... for any use which may be served by a county, city, town, public water district or public water company requests an extension of time to apply the water to a beneficial use, the State Engineer shall, in determining whether to grant or deny the extension, consider among other factors:

(a) whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;"

Section 6 of NRS 533.380 continues:

"6. For the purposes of this section, the measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances. When a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system."

JA1847
SE ROA 1763

March 12, 2015

Page Three

Work done over the last two and one-half years includes:

(a) maintenance of test wells by replacing caps which had been removed by unauthorized persons.

(b) maintaining and reading continuous recording meters on the Warm Springs surface flows, as a basis for determining storage of water pursuant to R-014.

(c) countless meetings with Washoe County commissioners and meetings with representatives of the Washoe County District Attorney's Office to develop an appropriate agreement for Washoe County to obtain the Project. This effort failed due to political considerations.

(d) maintaining all permits by filing appropriate extensions of time.

(e) hiring a consultant to assist in effecting an agreement with a water project firm which may be more effective in dealing with local government's staff.

(f) since talks with Washoe County terminated in September 2014, we have talked with at least five firms who have expressed an interest in our Project. There are many potential purchasers of our water. When a sale occurs, then it will be appropriate to enter into a contract with the purveyor in whose service territory the buyer is located.

The cost breakdown for last year's expenditures is roughly as follows:

Legal expense (working with Washoe County) (invoices attached)	\$6,320.10
Consultant Fees (copy of cancelled check)	5,000.00
Accountant Fees (invoice attached)	1,575.00
Secretary of State annual fee (invoice attached)	325.00
State Engineer (extensions of time)	2,160.00
Parts (Western Nevada Supply)	8.56
Maintenance and reading of Recording meters (invoices attached)	937.50
Miscellaneous (invoice for environmental report-portion)	<u>497.91</u>
Total	<u>\$16,824.07</u>

March 12, 2015

Page Four

The objection mentioned speculation if Washoe County purchased the Project. This comment has no relevance because Washoe County is not going to purchase any part of the Project.

There is no speculation in this Project as it is an approved project under the Regional Water Management Plan. Permits have already been issued and a Record of Decision has been made pursuant to the EIS process.

We have done everything possible to bring this Project to completion. The undersigned who has some familiarity with water matters, has spent thousands of hours of time on this Project over a number of years, without pay of any kind.

The law does not require persons to spend money if it is uneconomical to do so. Indeed NRS 533.380(4) states that the State Engineer "shall" consider "economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use."

The demand for water ceased with the onset of the "great recession" and has not ramped up yet, although the undersigned expects that it will in the next several years. Even Vidler with its hundred million dollar pipeline has not been able to sell any water.

In the event Sierra Pacific Industries has a need for some water, the undersigned is willing to discuss their needs with them, so long as the Project is not jeopardized.

It should be noted that the State Engineer has already approved an extension of time for Permits 66873 and 73048, which are an integral part of our Project.

For the foregoing reasons, the undersigned requests the State Engineer to grant the application(s) for extension of time and deny the complaint of Sierra Pacific Industries*.

Sincerely,

INTERMOUNTAIN WATER SUPPLY

By: Robert W. Marshall
Robert W. Marshall, Manager

RWM/ks

cc: Jason King, P.E. (via hand delivery)

* Sierra Pacific Industries is not qualified to do business in Nevada.

JA1849
SE ROA 1765

ENCLOSURE

AMENDMENT TO THE REGIONAL WATER MANAGEMENT PLAN TO INCLUDE THE NORTH VALLEY STRATEGY

9.4 North Valleys Water Alternatives

Water Supply Alternatives

Four water supply alternatives have been identified for the North Valleys, excluding Cold Springs. The availability of effluent (2,300 af) and these enclosed alternatives reasonably supply the estimated potable water needs and the estimated groundwater deficit total water needs by 2015 (see the following Table 9-4.) A brief description of the projects follows.

Increase Truckee River Supply to Stead

Sierra Pacific Power Company provides the current water supply for Stead through a 50-year-old 14-inch-diameter pipeline which transports water from the Highland Reservoir facility to Stead. The company plans to fund the replacement of its existing pipeline in 2001. This project (Increased Truckee River Supply) analyzes oversizing the existing 14-inch pipeline going to Stead with a 24-inch line capable of delivering an additional 4,300 af/yr to the North Valleys. This project interties with the existing County systems at two points—near Horizon Hills and at the existing connection near the end of Stead Boulevard. Water right requirements must include the necessary return flow component. This project lends itself to three modes of implementation: as a permanent water supply, as a temporary water supply, and as a component of a larger conjunctive use project.

Implementation of this project in advance of the completion of a North Valleys water supply facility plan will not prejudice the outcome of such a plan. If a facility plan should indicate that another resource would be more economical for meeting the needs of the North Valleys, the pipeline oversizing is the only portion of the project cost that could not be directly recovered by reallocating the increased Truckee River supply to new customers in other areas. The oversized pipeline would allow future water management flexibility for conjunctive use between the Truckee Meadows and North Valleys service areas.

Warm Springs Valley Importation

This project involves treating surface and ground water at the source in Warm Springs Valley and piping it 22 miles to the North Valleys. The estimated yield is approximately 2,900 af/yr. Questions remain concerning water quality of groundwater source and existing Washoe County policy limiting water importation from the Warm Springs Hydrobasin.

Long Valley Importation

The project would deliver 3,300 af/yr to the North Valleys from four wells in the California portion of Long Valley via a 9-mile pipeline. Questions concerning the permit requirement and environmental reviews from state and county entities in California exist.

Truckee Meadows Importation Project

This project would import up to 13,000 af/yr of groundwater from the Nevada portion of Honey Lake Hydrographic Basin for delivery approximately 39 miles to the North Valleys and Spanish Springs. Due to limited demand in the North Valleys (3,000 af/yr) the entire project is analyzed to establish annual costs on per-acre-foot basis to both areas of demand. Washoe County has committed to protecting the quality of the Truckee River by not allowing the wastewater resulting from this project to be treated in a manner which would violate Truckee River discharge standards for TDS. It is assumed that this will require a separate wastewater treatment facility and land application of the effluent. The incremental

groundwater recharge in the East Lemmon Valley/Silver Lake. Currently unused SPPC capacity, or capacity in a replacement pipeline, could be used to deliver water to new groundwater recharge facilities or to existing water users in lieu of groundwater use. This would benefit groundwater pumpers while strengthening the County's position in negotiations with groundwater importation project proponents by delaying the adverse effects of continued groundwater overdraft.

Minimize Cost to the Water User

Simultaneously pursuing multiple projects will also minimize the final cost of the North Valleys water supply by providing Washoe County with multiple competitive opportunities. This would give the County a more accurate view of its options, while provide one or more fall-back positions in negotiations with project proponents.

Maximize Flexibility and Reliability of the Regional Water Supply System

Flexibility and reliability of the overall regional water supply system would be maximized by implementing one or more of the groundwater importation projects. Although either of the groundwater projects alone would satisfy the North Valleys' 2015 base need for water, none of the groundwater projects would satisfy the 2015 high range need for water or provide for the North Valleys' needs beyond 2015.

The Truckee River Surface Water Project decreases overall system flexibility and reliability by exporting additional water from the Truckee River basin. This requires the dedication of an additional 1,416 af of Truckee River water rights to instream flows (for an export of 2,832 af/yr), representing an "inefficient" use of limited Truckee River water rights. Conversely, the groundwater projects would represent a new source of water for the region. In fact, groundwater importation in excess of the North Valleys' need could potentially be used to offset SPPC deliveries to the North Valleys, resulting in supplemental supply to Truckee Meadows.

Therefore, it is recommended that multiple groundwater importation projects be pursued and implemented as needed.

Provide Opportunities to Meet Water Needs Beyond 2015

Simultaneously pursuing multiple water supply options, while implementing an interim groundwater recharge program will maximize the opportunity to meet the North Valleys' water needs beyond the current 2015 planning horizon. Multiple projects representing combined supplies in excess of the projected high range water need will have been thoroughly detailed. At some point in the future, the County will be able to proceed with a more complete understanding of the available options. As suggested above, implementation of both the Green Gulch and the Warm Springs Groundwater Importation Projects would provide water supplies in excess of the 2015 base water need, potentially making water available to Truckee Meadows, Pyramid Lake, or other uses. The Truckee Meadows Groundwater Importation Project, while not appearing favorable relative to the other groundwater projects, should be retained as a possibility for future implementation.

Therefore, it is recommended that both the Green Gulch and Warm Springs Groundwater Importation Projects be aggressively pursued and implemented as they are needed and merited.



Recommended Strategy

In summary, the recommended water supply strategy for the North Valleys is:

- pursue and implement a groundwater recharge program in the East Lemmon Valley/Silver Lake considering both in-lieu and direct recharge methods;
- aggressively pursue implementation of the Green Gulch and Warm Springs Groundwater Importation Projects and construct each project as merited; *
- until the Green Gulch and/or Warm Springs Groundwater Importation Projects are implemented, deliver water for groundwater recharge through existing or replaced SPPC facilities; and
- reconsider the Truckee Meadows Groundwater Importation Project as future conditions may merit.

Specific activities required to implement the recommended strategy include:

- 1) Amend the RWMP to include the North Valleys strategy described above, and recommend the RWMP to the Washoe County Board of County Commissioners for approval of the amendment.
- 2) Integrate the existing facilities as detailed in the report by Vector Ecology to maximize existing conjunctive use opportunities.
- 3) Complete a water supply facilities plan for the East Lemmon Valley/Silver Lake addressing existing and projected demands, ASR potential, potential sources of supply, the size of the replacement SPPC pipeline, and existing facilities.
- 4) Assess the potential for surface water deliveries for an East Lemmon Valley/Silver Lake groundwater recharge program. Consider the use of existing, but unused, facility capacity and upsized replacement facilities to provide groundwater recharge in the East Lemmon Valley/Silver Lake. Implement an interim groundwater recharge program.
- 4) Aggressively pursue implementation of the Truckee River Surface Water Project followed by the Green Gulch and Warm Springs Groundwater Importation Projects by entering into agreements with project proponents to resolve remaining implementation issues and set performance criteria for proving the viability of the projects. If the projects meet the performance criteria, then complete supporting technical analyses and submit permit applications, prepare environmental documentation, complete preliminary engineering design, and initiate formal discussions with project proponents to establish potential terms of an agreement to implement each project.
- 5) Based on the results of activities 3 and 4, implement either the Green Gulch or Warm Springs Groundwater Importation Projects, or both.
- 6) As the North Valleys' water demands approach those projected for 2015, reevaluate the North Valleys' need for water.

* our project (former name)

FROM RWPC
4/19/00 (H)
5

REGIONAL WATER PLANNING COMMISSION

MINUTES

April 19, 2000

The regular meeting of the Regional Water Planning Commission was held on Wednesday, April 19, 2000, at 1:30 p.m. in the Washoe County Commissioners Chambers, 1001 East Ninth Street, Reno, Nevada.

ACT. by Water Mgt.
3/8/01
Planner.

DETERMINATION OF QUORUM

Chairman Neuffer called the meeting to order at 1:35 p.m.

Voting Members present:

Bob Firth
Paul Neuffer
Mike Buschelman
George Ball
Bill Isaef (Late)
Lori Williams

Voting Alternates present:

Birnie McGavin
Dennis Ghiglieri
John Gonzales
Michael DeMartini

Voting Members absent:

Diana Langs
George Shaw
Elwood Lowery

Voting Alternates absent:

Susan Lynn
Don Casazza
Peter Krenkel
Gerry Emm

Non-voting Members present:

Harry Fahnestock
Bryan Tyre
Hugh Ricci
Bill Carlos
Dale Stransky

Non-voting Alternates present:

Jeanne Ruefer

Non-voting Members absent:

Steve McGoff
Adele Basham
Don Casazza
Naomi Duerr

Non-voting Alternates absent:

Tom Porta
Craig Steele

Staff present:

Ed Schmidt
Niki Linn

John Rhodes
Steve Walker

meetings would be modeled after the Evans Creek Advisory Committee. Mr. Walker requested that the appointees see him after the meeting to check availability for the meetings.

Commissioner Firth made a motion to approve Chairman Neuffer's appointment of members to the Boneyard Flat sub-committee. Commissioner Williams seconded the motion, which carried unanimously.

AGENDA ITEM 1A

PRESENTATION CONCERNING THE CHANGES MADE TO PROPOSED WARM SPRINGS IMPORTATION PROJECT RECOGNIZED IN THE NORTH VALLEYS STRATEGY AMENDMENT TO THE REGIONAL WATER MANAGEMENT PLAN TO:

PROVIDE INFORMATION CONCERNING CHANGES IN LOCATION OF WATER SOURCE AND NEW FACILITIES PROPOSED IN THE WARM SPRINGS IMPORTATION PLAN

Bob Marshall presented this item explaining that the project has changed somewhat since it's beginning in 1996. Mr. Marshall expressed his concern and hope that his project would not require amendment to the Regional Water Management Plan and hoped the project could be considered as a "small facility" as determined in the Plan. Mr. Marshall gave a brief overview explaining that the project would take surface water rights from his ranch in the northwest corner of Warm Springs valley, groundwater from Dry Valley and transport it to the Stead Airport.

Mr. Marshall explained some of the changes that have taken place since the project was first planned. Some of the changes are that there would be more water coming from Dry Valley than previously proposed and the water would now be ground versus surface water; a pipeline would now connect the wells rather than surface gathering; the cost will increase approximately \$1.5 to 2 million. Mr. Marshall reported that the place of use, route of pipeline, recharge and basic concept of the project have remained the same.

According to Mr. Marshall, he was contacted by the Washoe County Airport Authority about the possibility of a water source for Stead Airport. Mr. Marshall will be meeting with Krys Bart of the Airport Authority on May 5, 2000 to further discuss the issue.

In response to a question from Commissioner Buschelman, Mr. Marshall reported that he is only negotiating with the Airport Authority for water delivery in an effort to avoid becoming a "public utility". Mr. Marshall explained that it is up to the Airport Authority as to how they wish to use the water.

Dennis Ghiglieri asked if the project would result in a decrease in irrigated acreage, to which Mr. Marshall answered yes. Mr. Marshall added that not all the water rights had been put to beneficial use.

Commissioner Ball asked Mr. Marshall if he has water quality data on the recharged water in Warm Springs and Dry Valley, to which Mr. Marshall answered that two test wells in the vicinity of the recharge basin showed good water quality. Dwight Smith, Stantec, reported that the arsenic content in the water was very low. Mr. Marshall reported that the Dry Valley water had not yet been sampled.

Harry Fahnestock referred to a question of "Does the project violate the Warm Springs valley area plan?" Mr. Fahnestock responded that no, that plan covers only ground water in a portion of Warm Springs valley. Mr. Fahnestock explained that the plan was based on recharge of the entire valley, not just a specific plan area. Mr. Fahnestock reported that property owners in the valley are concerned that taking any water from the Warm Springs area could have a negative effect on the residents and property owners.

Mr. Marshall reported that he has received protests to the surface water change application from six entities including Fish and Game, Washoe County, the Pyramid Lake Paiute Tribe, Wanda Wright and Tony Bader. Mr. Marshall explained that the extensive hydrogeologic studies conducted have shown no adverse impacts to area residents.

AGENDA ITEM 1B

BASED UPON ABOVE PRESENTATION, DISCUSSION AND DIRECTION TO STAFF ON POSSIBLE NEED FOR PLAN AMENDMENT OR ADDITIONS TO LARGE/SMALL FACILITIES LIST TO RECOGNIZE THE CHANGES AND ALLOW THE PROJECT TO STAY IN CONFORMANCE TO THE REGIONAL WATER MANAGEMENT PLAN

Steve Walker explained the purpose of this item is to find the project in conformance with the Plan. Mr. Walker recommended that the RWPC add the wells in Dry Valley to the list of small facilities, so that the Marshall project would stay conformance with the Plan. The wells would be added once location, size and other details become available.

Commissioner Buschelman made a motion to add the wells to the list of small facilities and recognize the project as in conformance with the Plan. Commissioner Firth seconded the motion, which carried unanimously.

AGENDA ITEM 2

STATUS REPORT AND REQUEST FOR INPUT ON SOUTH TRUCKEE MEADOWS GROUNDWATER RECHARGE PROJECT

Lynn Orphan, Kennedy Jenks Consultants (KJC) presented this item as an update on the project. Ms. Orphan introduced Matt Setty of KJC and Doug Guerrant of Broadbent and Associates. Ms. Orphan clarified that the title of the project is actually the "Southern Washoe County Groundwater Recharge Analysis". Ms. Orphan explained that the study area included all of Washoe County south of township 25 to the southern boundary of the county. Ms. Orphan reported that the purpose of the study is to identify and prioritize potential, as well as existing, recharge areas in order to preserve the areas for use in long range water resource planning.

Ms. Orphan explained that the project uses a geographic information system (GIS) compilation of information from other entities. Ms. Orphan referred to matrices that were included in the agenda packet and referred to the components that were used to rank areas of recharge. Doug Guerrant explained the components that were used in ranking the areas: hydrology/geology, site suitability and water delivery. Ms. Orphan reported that the ranking was done on a basin by basin basis so that each basin could be examined thoroughly.

Current Status of Project
March 2015

- Approved Project under Regional Water Management Plan
- Conformance Review completed by Regional Water Planning Commission (2002 and Fall 2005)
- EIS – Record of Decision issued on June 23, 2006
- Washoe County Special Use Permit issued January 4, 2006
- Public Utility Commission – UEPA Permit:
 - Application approved June 6, 2007
- State Engineer Permits:
 - Lower Dry Valley: Permits issued for 2,000 AFY covering five wells sites
 - Bedell Flat: Permit issued for 368.1 AFY, on one existing well
 - Newcomb Lake: Permit issued for 200 AFY on one well site
 - Upper Dry Valley: Permits issued for 996 AFY on three well sites
 - Warm Springs surface: Permits issued for 1656 acre feet with Recharge and Recovery application R-014 approved.
- Easements/Rights of Way:
 - Federal – issued February 2007 for the pipeline from Lower Dry Valley and Bedell Flat to Lemmon Valley.
 - County Road (through Antelope Valley); encroachment permit to be issued to contractor at commencement of construction
 - Public Utility easements available on American Flat Road and Antelope Valley Road through the Red Rock subdivision
 - Private easements through one parcel and across land of two ranches secured
 - Power line right of way across BLM ground issued September 8, 2008
- Test Wells:
 - Lower Dry Valley: Five test wells completed with a total hydrologically calculated yield of 2,530 AFY as a result of a ten day pump test on each well
 - Bedell Flat: A municipal production well has been completed on BLM ground yielding at a minimum 400 AFY
 - Newcomb Lake: No well drilled yet
 - Upper Dry Valley: No wells drilled at permit sites for Permit 64977 and 64978; an 8" well has been drilled at well site for Permit 72700
- Monitoring: Four continuous recording meters have been installed and are maintained and read approximately 6 times each year. These meters are located on the Warm Springs surface water flows.

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LATIMER

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2/14/14
1477

INTERMOUNTAIN WATER SUPPLY, LTD.
ROBERT W. MARSHALL
C/O PARSONS, BEHLE & LATIMER
50 W. LIBERTY STREET, SUITE 750
RENO, NV 89501

JANUARY 14, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 349469
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH DECEMBER 31, 2013

CURRENT LEGAL FEES	\$	2,353.00
CURRENT COSTS AND DISBURSEMENTS	\$	27.90
TOTAL	\$	2,380.90

BALANCE DUE FROM PREVIOUS STATEMENT		306.75
LESS PAYMENT(S) -- THANK YOU		(306.75)
BALANCE FORWARD		.00
TOTAL AMOUNT DUE	\$	2,380.90

DUE UPON RECEIPT

TO ENSURE ACCURATE CREDITING, PLEASE RETURN THE COPY OF THIS STATEMENT WITH YOUR PAYMENT

JA1857
SE ROA 1773

PARSONS
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Salt Lake City, Utah 84111
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Fax 801.538.6111
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pd 2/18/14
#1481

INTERMOUNTAIN WATER SUPPLY, LTD.
ROBERT W. MARSHALL
C/O PARSONS, BEHLE & LATIMER
50 W. LIBERTY STREET, SUITE 750
RENO, NV 89501

FEBRUARY 11, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 354121
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH JANUARY 31, 2014

CURRENT LEGAL FEES	\$	2,016.00
CURRENT COSTS AND DISBURSEMENTS	\$	19.20

TOTAL	\$	2,035.20

BALANCE DUE FROM PREVIOUS STATEMENT		2380.90
LESS PAYMENT(S) -- THANK YOU		(2380.90)

BALANCE FORWARD		.00
TOTAL AMOUNT DUE	\$	2,035.20
		=====

DUE UPON RECEIPT
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JA1858
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PARSONS
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3/15/14
1485

INTERMOUNTAIN WATER SUPPLY, LTD.
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RENO, NV 89501

MARCH 10, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 359449
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH FEBRUARY 28, 2014

CURRENT LEGAL FEES	\$	840.00
CURRENT COSTS AND DISBURSEMENTS	\$	8.55
TOTAL	\$	848.55

BALANCE DUE FROM PREVIOUS STATEMENT	2035.20
LESS PAYMENT(S) -- THANK YOU	(2035.20)
BALANCE FORWARD	.00
TOTAL AMOUNT DUE	\$ 848.55

DUE UPON RECEIPT
TO ENSURE ACCURATE CREDITING, PLEASE RETURN THE COPY OF THIS STATEMENT WITH YOUR PAYMENT

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pd 4/15/14 #

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APRIL 9, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 365132
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH MARCH 31, 2014

CURRENT LEGAL FEES	\$	654.00
CURRENT COSTS AND DISBURSEMENTS	\$	0.45

TOTAL	\$	654.45

BALANCE DUE FROM PREVIOUS STATEMENT	848.55
LESS PAYMENT(S) -- THANK YOU	(848.55)

BALANCE FORWARD	.00
TOTAL AMOUNT DUE	\$ 654.45
=====	

DUE UPON RECEIPT
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JA1860
SE ROA 1776

PARSONS
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Bob owe

9/20/14
1496

INTERMOUNTAIN WATER SUPPLY, LTD.
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SEPTEMBER 8, 2014
FILE NUMBER: 18226.001
INVOICE NO.: 390942
TAX ID NO.: 87-0279766

REGARDING: CORPORATE GENERAL

FOR PROFESSIONAL SERVICES RENDERED THROUGH AUGUST 31, 2014

CURRENT LEGAL FEES	\$	126.00
CURRENT COSTS AND DISBURSEMENTS	\$	0.00

TOTAL	\$	126.00

BALANCE DUE FROM PREVIOUS STATEMENT		.00
LESS PAYMENT(S) -- THANK YOU		.00

BALANCE FORWARD		.00
TOTAL AMOUNT DUE	\$	126.00
		=====

DUE UPON RECEIPT
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JA1861
SE ROA 1777