

IN THE SUPREME COURT OF THE STATE OF NEVADA

Case No. 81224

DIAMOND NATURAL RESOURCES PROTECTION & CONSERVATION
ASSOCIATION; J&T FARMS, LLC; GALLAGHER FARMS LLC; JEFF
LOMMORI; M&C HAY; CONLEY LAND & LIVESTOCK, LLC; JAMES
ETCHEVERRY; NICK ETCHEVERRY; TIM HALPIN; SANDI HALPIN;
DIAMOND VALLEY HAY COMPANY, INC.; MARK MOYLE FARMS LLC;
D.F. & E.M. PALMORE FAMILY TRUST; WILLIAM H. NORTON;
PATRICIA NORTON; SESTANOVICH HAY & CATTLE, LLC; JERRY
ANDERSON; BILL BAUMAN; DARLA BAUMAN; TIM WILSON, P.E.,
NEVADA STATE ENGINEER, DIVISION OF WATER RESOURCES,
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES;
AND EUREKA COUNTY;

Appellants,

v.

DIAMOND VALLEY RANCH, LLC; AMERICAN FIRST FEDERAL, INC.;
BERG PROPERTIES CALIFORNIA, LLC; BLANCO RANCH, LLC; BETH
MILLS, TRUSTEE MARSHALL FAMILY TRUST; TIMOTHY LEE BAILEY;
CONSTANCE MARIE BAILEY; FRED BAILEY; CAROLYN BAILEY;
SADLER RANCH, LLC; IRA R. RENNER; AND MONTIRA RENNER,

Respondents.

Appeal From Order Granting Petitions for Judicial Review
Seventh Judicial District Court of Nevada Case No. CV-1902-348

**JOINT APPENDIX
VOLUME III**

LEONARD LAW, PC
Debbie Leonard (#8260)
955 S. Virginia St., Suite 220, Reno, NV 89502
775-964-4656
debbie@leonardlawpc.com

CHRONOLOGICAL INDEX TO JOINT APPENDIX

DATE	DOCUMENT	VOLUME	PAGE RANGE
02/11/2019	Sadler Ranch, LLC and Daniel S. Venturacci's Petition for Judicial Review (filed in Case No. CV-1902-349, later consolidated with CV-1902-348)	I	JA0001-0089
02/11/2019	Bailey Petitioners' Notice of Appeal and Petition for Review of Nevada State Engineer Order No. 1302 (filed in Case No. CV-1902-350, later consolidated with CV-1902-348)	I	JA0090-0115
02/11/2019	Ira R. and Montira Renner Petition for Judicial Review	I	JA0116-0144
04/03/2019	Eureka County's Motion to Intervene	I	JA0145-0161
04/05/2019	Notice of Entry of Stipulation and Order to Consolidate Cases	I	JA0162-0182
04/25/2019	Order Following Telephone Status Hearing Held April 9, 2019	I	JA0183-0186
04/26/2019	Letter to Chambers re Stipulated Extension for Record on Appeal	I	JA0187-0188
05/10/2019	Order Granting Eureka County's Motion to Intervene	I	JA0189-0190
05/13/2019	DNRPCA Intervenors' Motion to Intervene	I	JA0191-0224

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05/28/2019	Unopposed Motion to Extend Time to File the State Engineer's Record on Appeal	I	JA0225-0232
06/07/2019	Order Granting DNRPCA Intervenor's Motion to Intervene	I	JA0233-0234
06/07/2019	Order Granting Motion to Extend Time to File The State Engineer's Record on Appeal	I	JA0235
06/11/2019	State Engineer Motion in Limine	II	JA0236-0307
06/11/2019	Summary of Record on Appeal and Record on Appeal bates-numbered SE ROA 1-952	II (JA0308-0479) III (JA0480-0730) IV (JA0731-0965) V (JA0966-1196) VI (JA1197-1265)	JA0308-1265
06/11/2019	Order Following Telephone Status Conference Held June 4, 2019	VI	JA1266-1268
06/14/2019	Notice of Withdrawal of Petitioner Daniel S. Venturacci	VI	JA1269-1271
06/20/2019	Eureka County's Joinder to State Engineer's Motion in Limine	VI	JA1272-1275
06/24/2019	Opposition of Baileys to Motion in Limine	VI	JA1276-1285
06/24/2019	Sadler Ranch, LLC and Ira R. and Montira Renner Opposition to Motion in Limine	VI	JA1286-1314
06/24/2019	DNRPCA Intervenor's Joinder to State Engineer's Motion in Limine and Eureka County's Joinder Thereto	VI	JA1315-1317

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07/01/2019	Notice of Mailing of Notice of Legal Proceedings	VI	JA1318-1330
07/01/2019	DNRPCA Intervenor's Reply in Support of Joinder to State Engineer's Motion in Limine and Eureka County's Joinder Thereto	VI	JA1331-1336
07/01/2019	Eureka County's Joinder to State Engineer's and DNRPCA's Replies in Support of Motion in Limine	VI	JA1337-1341
07/02/2019	State Engineer's Reply in Support of Motion in Limine	VI	JA1342-1353
07/31/2019	Motion to Intervene by Beth Mills, Trustee of the Marshall Family Trust	VI	JA1354-1358
08/01/2019	Motion to Intervene filed by Diamond Valley Ranch, LLC, American First Federal, Inc., Berg Properties California, LLC and Blanco Ranch, LLC	VI	JA1359-1368
09/04/2019	Order Granting Motion in Limine	VI	JA1369-1378
09/06/2019	Order Granting Motion to Intervene for Diamond Valley Ranch, LLC, American First Federal, Inc., Berg Properties California, LLC and Blanco Ranch, LLC	VI	JA1379-1382
09/16/2019	Opening Brief of Petitioners Sadler Ranch, LLC and Ira R. and Montira Renner	VII	JA1383-1450
09/16/2019	Opening Brief of Bailey Petitioners	VII	JA1451-1490

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10/23/2019	DNRPCA Intervenor's Addendum to Answering Brief	VII	JA1523-1626
10/23/2019	State Engineer's Answering Brief	VIII	JA1627-1674
10/23/2019	Answering Brief of Eureka County	VIII	JA1675-1785
11/26/2019	Reply Brief of Petitioners Sadler Ranch, LLC and Ira R. and Montira Renner	IX	JA1786-1818
11/26/2019	Sadler Ranch, LLC and Ira R. & Montira Renner's Addendum to Reply Brief	IX	JA1819-1855
11/26/2019	Reply Brief of Bailey Petitioners and Addendum to Bailey Reply Brief	IX	JA1856-1945
12/10/2019	Transcript of Proceedings, Oral Argument Volume I	X	JA1946-2154
12/10/2019	Opening Argument of Bailey Petitioners Presentation	X	JA2155-2184
12/10/2019	Sadler Ranch & Ira & Montira Renner Opening Argument Presentation	XI	JA2185-2278
12/10/2019	Eureka County's Presentation	XI	JA2279-2289
12/11/2019	Transcript of Proceedings, Oral Argument Volume II	XI	JA2290-2365
12/11/2019	DNRPCA Intervenor's Presentation	XI	JA2366-2380

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04/30/2020	Notice of Entry of Findings of Fact, Conclusion of Law, Order Granting Petitions for Judicial Review filed by Bailey Petitioners	XII	JA2465-2507
05/14/2020	DNRPCA Intervenor's Notice of Appeal	XII	JA2508-2554
05/14/2020	DNRPCA Intervenor's Motion for Stay Pending Appeal of Order Granting Petitions for Judicial Review of State Engineer Order 1302	XIII	JA2555-2703
05/15/2020	State Engineer Notice of Appeal	XIII	JA2704-2797
05/19/2020	State Engineer Joinder to DNRPCA Intervenor's Motion for Stay Pending Appeal of Order Granting Petitions for Judicial Review of State Engineer Order 1302	XIII	JA2798-2802
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06/01/2020	State Engineer's Reply in Support of DNRPCA Intervenor's Motion for Stay Pending Appeal of Order Granting Petitions for Judicial Review of State Engineer Order 1302	XIV	JA2930-2941
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05/28/2019	Unopposed Motion to Extend Time to File the State Engineer's Record on Appeal	I	JA0225-0232

AFFIRMATION

The undersigned does hereby affirm that the preceding document does not contain the social security number of any person.

Date: September 23, 2020

/s/ Debbie Leonard

Debbie Leonard (Nevada Bar No. 8260)

LEONARD LAW, PC

955 S. Virginia Street, Suite 220

Reno, NV 89502

(775) 964-4656

debbie@leonardlawpc.com

Attorney for DNRPCA Appellants

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I am an employee of Leonard Law, PC, and that on September 23, 2020, the foregoing document 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). Participants in the case who are registered with E-Flex as users will be served by the EFlex system. All others will be served by first-class mail.

/s/ Tricia Trevino
An employee of Leonard Law, PC

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18242, 72370

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Harlow B. and Bonnie G. Andersen

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: July 19, 2018

Valerie A. Wood
Printed Name

Valerie A. Wood
Signature

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19191, 24214, 47518, 47519, 47520, 47521

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Edward B. and Jerry Lee Anderson

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-18-18

Jerry Anderson
Printed Name

Jerry Anderson
Signature

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19526, 44783

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

James E. and Vera L., Jim Baumann

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-18-18

James E. Baumann
Printed Name

James E. Baumann
Signature

JA0482

SE ROA 169

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

33817, 33818

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Scott Thomas and Kristine Louise Bell

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 5/24/10

Scott T Bell
Printed Name

Kristine L. Bell

Scott T Bell
Signature

Kristine L Bell

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NVS
JUN 1 2010
4-11003 03-00002

JA0483

SE ROA 170

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

44784, 78663, 78664, 83852, 83853

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Chad and Rosie Bliss

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-18-2018

Chad Bliss
Printed Name

Chad Bliss
Signature

Rosie Bliss

Rosie Bliss

JA0484

SE ROA 171

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19111, 23893

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Harold R. and Muriel Miles

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: July 27, 2018

Galen F. Byler
Printed Name

Galen F. Byler
Signature

RECEIVED
2018 JUL 20 AM 11:55

JA0485

SE ROA 172

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19492, 19500, 19501, 19502, 22217

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Kenneth E. and Beverly A. Conley
Conley Land and Livestock, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date:

6/26/18

Russell E. Conley
Printed Name

Russell E. Conley
Signature

Lynn A Conley

Lynn A Conley

Beverly A. Conley

Beverly A. Conley

KENNETH E. CONLEY

Kenneth E. Conley

2018 JUN 29 AM 11:54
RECEIVED
JA0486

SE ROA 173

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

33018, 33019

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Martin P. and Kathleen A. Etcheverry Family Trust and Mark T. Etcheverry and Jennifer Etcheverry

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

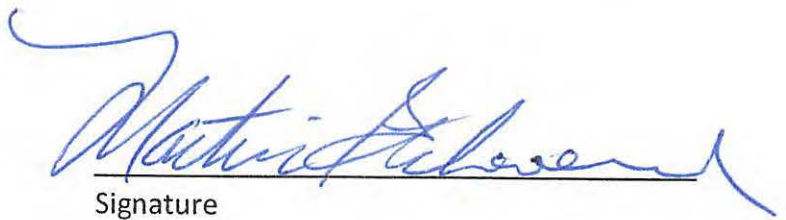
By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date:

7-12-18

MARTIN ETCHEVERRY

Printed Name



Signature

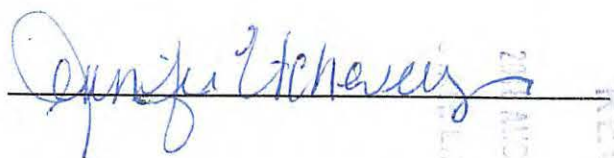
Kathleen A Etcheverry



Mark Etcheverry



Jennifer Etcheverry



RECEIVED
JUL 23 11:14
JA0487

SE ROA 174

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

20694, 21399, 21841, 35013

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Michel and Margaret Ann Etcheverry Family Limited Partnership

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 8-13-18

Mark Etcheverry
Printed Name

Mark Etcheverry
Signature

MARTIN ETCHVERRY

Martin Etcheverry

Day Etcheverry

Day Etcheverry

REC-110
2018 AUG 23 PM 11:53
JA0488

SE ROA 175

DATE: July 25, 2018

TO: Diamond Valley Groundwater Rights Holders

SUBJECT: Final date to submit petition for Diamond Valley Groundwater Management Plan and associated meeting – August 15, 2018

Previously, you were sent a copy of the Final Diamond Valley Groundwater Management Plan (GMP) and associated petition. This packet included a schedule of meetings intended to open petitions received and tally the signatures. Here are the results thus far as of the July 24 meeting:

- 53 of 99 names of record which equals 53.5%
- 266 of 493 permits which equals 53.9%

While an overall majority has been exceeded, there were at least two water rights holders whom provided notice before the July 24 meeting that their petition was either in the mail or would be very soon and they wanted their petition counted. Further, one entity representative attending the meeting noted they had not yet ran the petition through their channels for a formal decision. Since the July 24 meeting, more petitions have come in and we have received additional phone calls from water rights holders informing they are sending petitions in and wish to be counted.

At the July 24 meeting, one individual asserted July 24 was the “cut off” date for any petitions to be sent and tallied and for the petitions as of July 24 to be sent on to the State Engineer for consideration. The rest of the group attending the meeting did not believe July 24 was intended to be a “cut off” date and wanted to set August 15 as the final date to allow those that have provided notice they are sending in their petitions and want their petitions counted and any others that have not yet made a decision to have a clear deadline. The group decided, with the one individual remaining opposed, to schedule a meeting on August 15 and to provide formal notice to water rights holders this would be the final deadline to get any remaining petitions in.

If you feel inclined to sign the petition and have not yet sent in your petition, please ensure it is sent in enough time to be received by August 15.

Please mark your calendars and plan to attend the final GMP petition tallying meeting on August 15 at 6:00 pm at the Opera House.

You may return any signed petition through US Mail to:

Diamond Valley GMP
PO Box 509
Eureka, NV 89316

Or, you may hand-deliver your signed petition at the August 15 meeting.

This will serve as a petition by the Etcheverry Family Limited Partnership (EFLP) Signed by myself Matthew Etcheverry as President.

Matthew Etcheverry
JA0489
SE ROA 176

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

35012

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

James F. Etcheverry

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-15-18

James F. Etcheverry
Printed Name

James F. Etcheverry
Signature

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

81612, 81614, 81653

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Gary G. and Melody I. Garaventa

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: JUNE 25- 2018

GARY G GARAVENTA
Printed Name

Gary G Garaventa
Signature

Melody I Garaventa

Melody I. Garaventa

RECEIVED
JUN 28 2018
CLERK OF COURTS
CLERK OF COURTS

JA0491

SE ROA 178

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

46287, 51647

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Daniel E. Groth

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

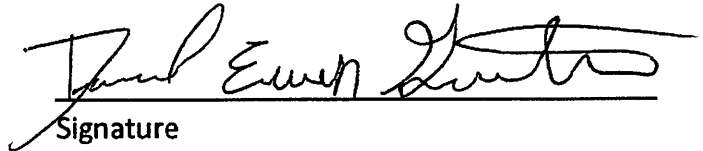
By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date:

7-23-18

Daniel Evan Groth

Printed Name



Signature

JA0492

SE ROA 179

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

31454, 31455, 81004

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Jayme L. Halpin

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6/26/18

JAYME L. HALPIN
Printed Name

[Signature]
Signature

RECEIVED
2018 JUN 23 AM 11:55

JA0493

SE ROA 180

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19192, 29765

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Halpin Family Trust


Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: June 26 - 2018

Tim HALPIN Trustee
Printed Name


Signature

RECEIVED
JUN 27 2018
NVS
STATE ENGINEER
DIVISION

JA0494

SE ROA 181

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

18911

Note: write in any other permit numbers held or cross out any permit numbers not held

Howard Sr and Kathy Hill

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-15-18

Howard Hill SR
Printed Name

Howard Kellie
Signature

Mathy M. Hill

Kathy M. Neil

JA0495

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

80799, 83503, 83504, 73629, 80799, 81229, 81230, 83503, 83504

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Robert Ithurralde and James P. Ithurralde
James P. and Robert Ithurralde

Note: write in any other permit numbers held or cross out any permit numbers not held

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-18-2018

Chad Bliss
Printed Name

Chad Bliss
Signature

Rosie Bliss

Rosie Bliss

RECEIVED
JUN 20 2018
STATE ENGINEER
CLARK COUNTY
JUN 20 2018

JA0496
SE ROA 183

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

26664, 42367, 42368, 42369, 42370, 56652

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Richard E and Mari A. Kephart

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-25-18

RICHARD KEPHART
Printed Name

Richard Kephart
Signature

JA0497

SE ROA 184

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18786, 18787, 18788, 18789, 86252, 86253

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

**Juanita Ruthel Martin
The Juanita Ruthel Martin Trust
Ruth Martin Ranches, LLC**

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-26-18

Vickie Buchanan
Printed Name

Vickie Buchanan
Signature

JA0498

SE ROA 185

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

22566, 22567

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Lavon and Kristi Miller

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-2-18

Lavon Miller
Printed Name

[Signature]
Signature

RECEIVED
2018 MAR 23 PM 1:55

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

30927, 30928, 40010, 40013, 44604, 44605, 44606, 44607, 44609

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Lynford and Susan Miller Revocable Family Trust

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-24-18

Lynford Miller
Printed Name

Lynford Miller
Signature

2018 JUL 23 PM 11:15

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

20565

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

John B. and Nancy M. Minoletti

Note: write in any other water right holders

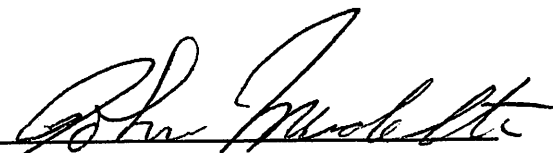
I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7/21/18

John Minoletti

Printed Name



Signature

2018 JUL 23 PM 11:05

JA0501

SE ROA 188

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

24129 * 24130

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Donald E. and Alberta J. Morrison

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-22-18

Alberta J. Morrison
Printed Name

Alberta J. Morrison
Signature

(Donald E. Morrison - Deceased 2016)

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

21844, 34596, 42021, 48225, 48226, 18999

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

M&C Hay Morrison Trust

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-26-18

Matthew L. Morrison
Printed Name

Matthew L. Morrison
Signature

Cheryl Ann Morrison

Cheryl Ann Morrison

JA0503

SE ROA 190

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

24574, 29405, 66439

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

D. Lloyd Morrison

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: June 20 2018

Donald Lloyd Morrison
Printed Name

Donald Lloyd Morrison
Signature

RECEIVED
JUN 21 2018
STATE ENGINEER
CLARK COUNTY

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

21426, 21843, 66440 (stock).

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Lloyd D. & Belinda Faye Morrison → Tommye J. PLASKETT (Deceased).
→ MARTIN L. PLASKETT

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6.25.2018

MARTIN L. PLASKETT

Printed Name

Martin L. Plaskett

Signature

RECEIVED
JUL 10 2018
NVS

JA0505

SE ROA 192

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

24204, 24262, 24263, 24264, 24265

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Diamond Valley Hay Co., Inc.

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6.25.2018

MARTIN L. PLASKETT
Printed Name

Martin L Plaskett
Signature

RECEIVED
2018 AUG 20 AM 11:56
NVE ENGINEERING

JA0506

SE ROA 193

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19563, 19971, 19972, 19973, 28160, 34948, 46348

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Walter L. and Tommye J. Plaskett → *MARTIN L. PLASKETT*

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6.25.2018

MARTIN L. PLASKETT
Printed Name

Martin L Plaskett
Signature

2018 JUN 24 PM 11:56

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

26437, 47591

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

~~Roger B. and Judy B. Allen~~ **DUSTY L. MOYLE, OWNER. TRANSFER**

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: June 26, 2018

DUSTY L. MOYLE
Printed Name

Dusty L. Moyle
Signature

CLERK OF COURTS
JUL 10 2018

JA0508

SE ROA 195

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19145, 19378, 19379, 19381, 19492, 20000, 20015, 24605, 29557, 29873, 30102, 30913, 36070, 40402, 43397, 46461, 49185, 49188, 50095, 50650, 81268, 26437, 47591

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

James L. and N. Jane, Dusty L. Moyle

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: _____

JAMES L. MOYLE
Printed Name

James L. Moyle
Signature

N JANE MOYLE

N Jane Moyle

DUSTY L. MOYLE

Dusty Moyle

JA0509

SE ROA 196

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18794, 31108, 31110, 31111, 31113, 31114, 76358, 77569, 78062, 81269

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Deanne M. Hicks and Denise L. Moyle

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6/26/18

Denise Moyle
Printed Name

Deanne Moyle-Hicks

[Signature]
Signature

[Signature]

RECEIVED
JUL 11 2018
NVS

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18834, 18835, 19052, 19053

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Debra Newton

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7/6/18

David Groth
Printed Name

David Groth
Signature

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2018 JUL 24
11:11 AM
NRS

JA0511

SE ROA 198

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

23918, 77646, 77695, 77696, 80717, 80718, 80879, 80880, 80881, 80926

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

William H. Jr. and Patricia A. Norton

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-24-18

William H Norton

Printed Name

[Signature]

Signature

RECEIVED
2018 AUG 20 AM 11:55
STATE ENGINEER'S OFFICE

JA0512

SE ROA 199

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

14948, 44451, 44452, 53872

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

The Donald F. & Eliza M. Palmore Family Trust

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-26-18

Donald F Palmore
Printed Name

Donald F Palmore
Signature

RECEIVED
2018 AUG 20 AM 11:56
STATE ENGINEER'S OFFICE

JA0513

SE ROA 200

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19760, 20046, 23272, 24272, 28061, 28561, 28641, 29279, 40011, 40014, 44610, 46505, 70249

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Chuck D Reinford, Heidi N Reinford
~~Burnham Farms, LLC~~

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-2-2018

Chuck D Reinford,

Printed Name

Chuck D Reinford

Signature

Heidi N. Reinford

Heidi N. Reinford

JA0514

SE ROA 201

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19218, 21561, 23711, 23738, 23739, 41883, 41884

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

~~Owen J. and Cheryl Miller~~

Delmar Ropp and Trenni's Ropp

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

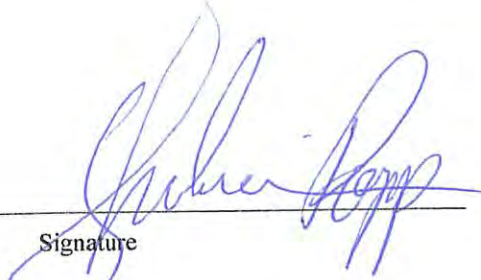
Date:

8/3/18

Printed Name

Delmar Ropp

Signature



Trenni's Ropp



2018 MAR 20 AM 11:15

RECEIVED

JA0515

SE ROA 202

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

54409

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Albert L. and Joy D. Snowden

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 8-15-18

ALBERT L. SNOWDEN
Printed Name

Albert L. Snowden
Signature

Joy D. Snowden

Joy D. Snowden

RECEIVED
SEP 10 2018
10:11:56

JA0516

SE ROA 203

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

73899, 78358

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Dennis L. and Kim Kennedy West

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date:

7-15-18

Dennis West

Printed Name

[Signature]

Signature

JA0517

SE ROA 204

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

33668, 33669, 33670, 33671

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Larry N. Wisehart

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 06-22-2018

Larry N. Wisehart
Printed Name

Larry N. Wisehart
Signature

RECEIVED
2018 AUG 20 AM 11:56

JA0518

SE ROA 205

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18927, 18928

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

A.G. Farm Commodities

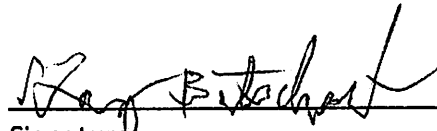
Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7.22.18

GARY BETSCHART
Printed Name


Signature

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JA0519

SE ROA 206

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

21930, 22316, 22982, 43271, 43272, 43273, 43274, 19541, 19542, 19904, 20087, 20088, 21929, 23479, 23480, 24606, 24607, 24609, 24610, 78905, 78906

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

American First Federal, Inc.
Berg Properties California, LLC
Diamond Valley Ranch, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6/26/18

ARTHUR BERG
Printed Name

[Signature]
Signature

REC'D
2018 AUG 20 AM 11:55

JA0520

SE ROA 207

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

43269, 43837, 43838, 43839, 43840

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Blanco Ranch, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6/26/18

ARTHUR BERG
Printed Name

[Signature]
Signature

RECEIVED
2018 AUG 20 AM 11:56

JA0521

SE ROA 208

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

~~19760, 20046, 23272, 24272, 28061, 28561, 28641, 29278, 40011, 40014, 44610, 46505, 70249~~
23271

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Burnham Farms, LLC *Lavon Miller or LK Farm LLC*

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-2-2018

Lavon Miller
Printed Name

Lavon Miller
Signature

RECEIVED
2018 AUG 20 AM 11:56
STATE ENGINEER'S OFFICE

JA0522

SE ROA 209

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19292, 19293, 24202, 24203

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Damele Farms, Inc.

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: July 8- 18

Leo G Damele

Printed Name

Leo G Damele

Signature

RECEIVED
2018 AUG 20 AM 11:56
Nevada State Engineer's Office

JA0523

SE ROA 210

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

20495

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Eureka County Board of Education

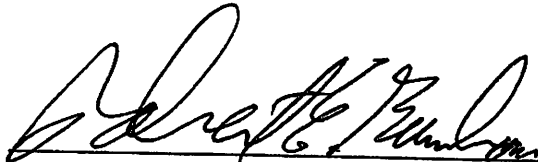
Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7-10-2018

Robert E Burnham
Printed Name


Signature *Board President*

2018 AUG 20 AM 11:56

JA0524

SE ROA 211

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18851, 48871, 48872, 70587, 70588, 87072, 87073, 19014, 83615, 83616, 83617

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

**Gallagher Farms, LLC
J & T Farms, LLC**


Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

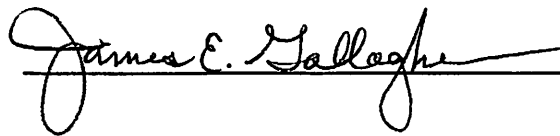
By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: June 24, 2018

James Travis Gallagher
Printed Name


Signature

JAMES E. GALLAGHER



2018 AUG 20 AM 11:56

JA0525

SE ROA 212

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

78771, 78772, 78773, 78774, 78775, 20487

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

J.W.L. Properties, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 7/2/2018

Jeffrey J. Lommori
Printed Name

[Signature]
Signature

RECEIVED
2018 AUG 20 AM 11:56
STATE ENGINEER'S OFFICE

JA0526

SE ROA 213

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

19110, 20366, 22352, 22353, 34561, 34562, 34939, 43268, 43270, 43836, 48437, 66441, 67172, 70940, 78568

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Mark Moyle Farms, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-26-2018

Mark S Moyle
Printed Name

Mark S Moyle
Signature

RECEIVED
2018 AUG 20 AM 11:56
STATE ENGINEER'S OFFICE

JA0527

SE ROA 214

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18621, 18622, 19411, 22551, 24378, ~~25820~~, 44621, 68923, ~~73118~~, 73204, 77447, 77449, 79706, 79707,
83501, 83502, 83505, 83506, 83507, 85645, 85646, 85647, 86794, 87222, 87223, 87224, 87225
18623, 79705

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Ruby Hill Mining Company, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley,
petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above
groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the
named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: June 8th 2018

Jack McMahon
Printed Name

[Signature]
Signature

RECEIVED
2018 AUG 20 AM 11:56
STATE ENGINEER'S OFFICE

JA0528

SE ROA 215

Petition

To the Nevada State Engineer for Approval of the Diamond Valley Groundwater Management Plan

Water Right Permit(s):

18975, 18988, 18989, 19324, 34950, 70073, 80780, 80781, 86030

Note: write in any other permit numbers held or cross out any permit numbers not held

Name of groundwater right holder on file in the Office of the State Engineer:

Sestanovich Hay & Cattle, LLC

Note: write in any other water right holders

I, the undersigned holder of permit(s) to appropriate groundwater in the Basin 153, Diamond Valley, petition the Nevada State Engineer to approve the Diamond Valley Groundwater Management Plan.

By signing this Petition, I as the signatory, do hereby declare that I am the holder of the above groundwater permit(s) or portion thereof or am legally authorized to sign as the representative of the named holder of the groundwater permit(s) or portion thereof upon which I place my signature.

Date: 6-24-18

JERRY SESTANOVICH
Printed Name

Jerry Sestanovich
Signature

Cheri Sestanovich

Cheri Sestanovich

2018 JUN 20 AM 11:56
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STATE ENGINEER
DIAMOND VALLEY

Diamond Valley Groundwater Management Plan

2018/11/20 AM 11:52

SE	'S EXHIBITS	2
DATE:	10-30-18	JA0530

Executive Summary

For over 40 years, annual groundwater pumping has exceeded the perennial yield of Diamond Valley, located in southern Eureka County, Nevada. Groundwater levels since 1960 have declined on average two feet per year. In 2015, the State Engineer designated Diamond Valley as a Critical Management Area (CMA). By law, this designation provides 10 years for groundwater rights holders to develop a Groundwater Management Plan (GMP) to remove the basin from CMA designation.

If the GMP is not developed, supported by a majority of water right holders, approved by the State Engineer, and implemented in that timeframe, the State Engineer is mandated to regulate the groundwater basin by strict priority. Junior groundwater rights and domestic wells (after about May 1960) would be prohibited entirely or severely restricted from pumping.

The Diamond Valley Groundwater Management Plan applies to groundwater rights that serve an irrigation purpose and mining or milling rights that have an irrigation base water right. Priority (seniority) is factored into these rights using a formula which converts the rights to a set amount of shares. The shares are used on a year-to-year basis for calculating the volume of water (annual allocation in acre-feet of water per share) allowed to be used, sold, traded and banked. The GMP does not apply to vested water rights (including mitigation rights), municipal, industrial, stockwater, or existing domestic wells.

The GMP provides an alternative approach to ensure that over time groundwater levels stabilize. Existing water users may continue to use water in proportion to their water rights and seniority. The GMP requires reductions in pumping over time. This is accomplished by a system of shares with annual allocations (acre-feet of water per share) of water being available based on a formula.

$$WR * PF = SA$$

Where:

WR = Total groundwater right volume as recognized by DWR, accounting for total combined duty (i.e., overlapping places of use) (measured in acre feet)

PF = Priority Factor based on seniority

SA = Total groundwater Shares

Using the formula, shares are set for each water right and do not change. However, annual allocations (acre-feet of water per share) are reduced each year under the GMP to meet the required pumping reductions. Water rights holders and users can use the table in Appendix F and cross reference to the pumping reduction table in Appendix G to calculate the water allocation for any given year under the Plan.

Share calculation example using 160 acres with a duty of 4 acre-feet per acre:

Most senior water right: 640 acre-feet x 1.0 PF = 640 shares

Mid senior water right: 640 acre- feet x 0.90 PF = 576 shares

Least senior water right: 640 acre-feet x 0.80 PF = 512 shares

Year of GMP	Allocation in acre-feet per share (Appendix G)	Most Senior (water in acre-feet)	Mid-senior (water in acre-feet)	Least Senior (water in acre-feet)
1	0.670	428.495	385.645	342.796
5	0.569	364.221	327.798	291.376
10	0.469	299.946	269.952	239.957
15	0.435	278.522	250.669	222.817
20	0.402	257.097	231.387	205.677
25	0.368	235.672	212.105	188.538
30	0.335	214.247	192.823	171.398
35	0.301	192.823	173.540	154.258

The Plan creates a system to track water allocations and use. The State Engineer will administer and manage the Plan while being advised by a locally elected Advisory Board. The State Engineer is authorized to hire a Water Manager to assist.

The approval of the GMP by the State Engineer requires that a majority of the groundwater rights holders sign a petition requesting approval.

This Executive Summary provides a reference to the most important aspects of the plan but it is highly encouraged that all affected water right holders read and understand the entire document.

Contents

Section 1. Defined Terms

Definitions of terms and acronyms used in the Plan

Section 2. Diamond Valley Background

Description of the area as a groundwater basin

Section 3. Need for a Groundwater Management Plan (GMP)

Explanation of the Critical Management Area designation by the State Engineer, what that means for Diamond Valley water users, and why a Groundwater Management Plan is needed.

Section 4. GMP Process

Description of the multi-year process that led to the development of the plan beginning in 2014, prior to CMA designation, including the notification process for all groundwater right holders in Diamond Valley.

Section 5. Nevada Statutory Criteria for GMP Approval

Nevada Revised Statutes for the GMP

Section 6. GMP Goals

The eight GMP goals emphasize stabilizing groundwater levels while preserving the agricultural economy of the area.

Section 7. GMP Boundary and Out-of-Basin Transfers

The GMP applies to groundwater uses within the Diamond Valley Hydrographic Basin and prohibits out-of-basin transfers of groundwater.

Section 8. Scope of Groundwater Included in the GMP

The GMP scope includes all water rights that serve an irrigation purpose and mining or milling rights that have an agricultural base right. The GMP does not apply to vested water rights, municipal, industrial, stockwater, or existing domestic wells which are regulated directly by the State Engineer.

Section 9. Authority of State Engineer to Analyze Potential for Conflicts

The State Engineer has the authority to take appropriate actions regarding groundwater withdrawals that may conflict with existing rights or domestic wells or impacts to vested claims.

Section 10. GMP Administration and Enforcement

The State Engineer administers and enforces the GMP and considers recommendations of the GMP Advisory Board (AB). The State Engineer may hire a Water Manager to coordinate with the AB and carry out the Plan. The State Engineer has the ultimate decision-making authority, but his decisions are subject to an appeals process and judicial review as provided under state law.

Section 11. GMP Advisory Board

The GMP Advisory Board has seven members, elected by the Shareholders subject to the GMP. The AB may make specific recommendations to the State Engineer to address any issue or concern. This section describes the composition, election, and replacement of Advisory Board members.

Section 12. Groundwater Shares and Share Register

All groundwater rights within the scope of the GMP receive groundwater Shares according to the formula. The formula takes into account the priority date or seniority of the permit or certificate.

The formula is: $WR * PF = SA$

Where:

WR = Total groundwater right volume as recognized by DWR, accounting for total combined duty (i.e., overlapping places of use) (measured in acre feet)

PF = Priority Factor based on seniority

SA = Total groundwater Shares

The shares are recorded in the Share Register by owner. The registry is maintained by the State Engineer. Appendix F is a preliminary table/spreadsheet of the groundwater rights and corresponding Shares projected.

Section 13. Annual Groundwater Allocations and Groundwater Account

An Annual Groundwater Allocation is the amount of groundwater allocated to each Share each year in acre-feet per Share. Each Allocation is placed into a Groundwater Account or Accounts as determined by the base water rights holder and linked to the Share Register. The State Engineer makes Annual Allocation assignments to each Groundwater Account in February. Groundwater subject to this GMP may be withdrawn from Diamond Valley for any beneficial purpose under Nevada law as long as the groundwater use is linked to and withdrawn from a Groundwater Account with a positive balance and consistent with all of the provisions of the GMP. Water Allocations can be used, traded or sold, or banked for future use. Banked water carried over to the next year will be reduced to account for natural losses based on location within the basin. Year 1 is introductory to allow water users a better understanding of how their groundwater use and management coordinates with the GMP. Section 13.15 provides information on how new and previously existing mining pit lakes are considered.

Section 14. Well Use Approvals

This section explains how existent and future wells in the planning area will be approved and managed including exemption from NRS required abandonment procedures if the well is used to pump water from the Annual Allocation. This does not apply to water uses separate from the GMP. (See Section 8.2)

Section 15. Groundwater Use Metering and Reporting

All groundwater pumped under the GMP shall be metered using an approved Smart-capable flow meter or equivalent, for uniformity, standardization, and to ensure high quality data and accurate reporting.

Section 16. Overdrawing a Groundwater Account

If a Groundwater Account is overdrawn, the water user is responsible for transferring groundwater Allocations from another account. After 30 calendar days, the overdrawn Groundwater Account is subject to penalty.

Section 17. Other Penalties

Penalties may apply for violations of any provision of the GMP. Fines and fees are appealable to the State Engineer through a petition process, and are subject to judicial review.

Section 18. Groundwater Uses Without Allocations.

Groundwater uses within Diamond Valley not expressly included within this GMP remain under the provisions of Title 48 of the Nevada Revised Statutes. Water conservation best management practices by these water users could reduce use of groundwater.

Section 19. Non-Consumptive Groundwater Uses

Some groundwater withdrawals, such as mine pit dewatering, are non-consumptive because much of the groundwater is returned to the Diamond Valley aquifer through injection or infiltration. Non-consumptive groundwater withdrawals remain under the authority of the State Engineer.

Section 20. Funding of GMP

Implementation, management and administration of the GMP will be primarily funded through the State Engineer special annual assessment authority where groundwater rights in Diamond Valley are assessed to cover expense in management of groundwater used. The base right receiving Shares will continue to be the avenue for levying of the assessment through the County tax roll.

Section 21. Relinquishment of Groundwater Rights or Allocations

Groundwater rights may be relinquished with the written consent of all parties with an interest in the right of Allocation.

Section 22. Lands Retired from Irrigation

Funds raised through the special annual assessment may be used for land stabilization and weed and rodent control on lands retired from irrigation (permanently and temporarily) in order to prevent land degradation and detrimental impacts on neighboring lands.

Section 23. Other Land Management

The State Engineer shall work with land management agencies to enhance groundwater recharge.

Section 24. Annual Meeting

The State Engineer and AB shall hold a joint annual public meeting between November 1 and December 15.

Section 25. GMP Publically Accessible

The approved GMP shall be posted on the State Engineer's website and any other website that may be developed for the GMP.

Section 26. GMP Review, Modification or Discontinuation

Amendment or discontinuance of the GMP must be done by following state law. In Year 6, the State Engineer and the AB must review the Plan. Section 26.5 states that many appendices to the GMP are living documents that will change as the Plan progresses. Updates to any appendix are not amendments to the GMP.

Appendices and Footnotes

The appendices and the footnotes provide detailed information and background, and are useful to a full understanding of the GMP.

Appendix A is the petition signed by a majority of water holders, for submission to the State Engineer.

Appendix B is the GMP Scoping Report by Walker and Associates.

Appendix C outlines the GMP process.

Appendix D covers the hydrologic setting of Diamond Valley.
Appendix E contains a basic model of the job description for the Water Manager.
Appendix F is a table of groundwater rights and shares included in the GMP.
Appendix G contains the groundwater allocation and pumping reduction tables.
Appendix H is flow meter water testing results.
Appendix I is the groundwater flow modeling report supporting banking depreciation.

1. Defined Terms

Acre-foot: The amount of water it takes to cover an acre of land with water to a depth of 1 foot. It is equivalent to 325,900 gallons of water. The annual duty of a water right is commonly defined in terms of acre-feet per year.

Agricultural Positions: the Groundwater Management Plan Advisory Board (AB) Members who represent groundwater rights holders whose water rights are used for irrigation purposes

Annual Groundwater Allocation (Allocation): the amount of groundwater allocated to each Share each year (measured in acre feet) in accordance with Section 13

Aquifer: An underground layer of porous rock, sand, or gravel containing amounts of water in sufficient quantity to constitute a usable supply for wells and springs.

At-Large Positions: the positions on the AB that may be held by any Shareholder after Year 8 in accordance with Section 11.4

Allocation and Benchmark Reduction Table: the table of preliminary annual groundwater Allocations and benchmark pumping reductions contained in Appendix G.

Base Water Right: The original groundwater right in good standing according to the records of the State Engineer converted to Shares in this GMP.

Critical Management Area (CMA): Critical Management Area within the meaning of NRS 534.037 and NRS 534.110.

Eureka Conservation District (ECD): Eureka Conservation District

ET Depreciation: the rate of annual depreciation of a banked Allocation (expressed in a percentage) to account for evapotranspiration.

Evapotranspiration: The combined processes by which water is transferred from the earth surface to the atmosphere; evaporation of liquid or solid water plus transpiration from plants.

Evapotranspiration occurs through evaporation of water from the surface, evaporation from the capillary fringe of the groundwater table, and the transpiration of groundwater by plants whose roots tap the capillary fringe (phreatophytes) of the groundwater table.

Division of Water Resources (DWR): the Nevada Division of Water Resources, a division of the Nevada Department of Conservation and Natural Resources

Groundwater Management Plan (GMP): this Groundwater Management Plan

Groundwater Account: the account tied to the Share Register held by a groundwater user for all of that groundwater user's Allocations, as described in Section 13.2

Groundwater Management Plan Advisory Board (AB): the Advisory Board initially elected by the participants in the GMP development as described in Section 4 and that shall thereafter be elected and serve in accordance with Section 11

Mining Position: the AB Member who represents groundwater rights holders whose water rights are used for mining and milling purposes

MOU: Memorandum of Understanding; the to-be-drafted document that may be executed between the DWR and the Advisory Board in accordance with Section 10

Perennial Yield: The maximum amount of groundwater that can be salvaged each year over the long term without depleting the groundwater reservoir. Perennial yield is ultimately limited to the maximum amount of natural discharge that can be salvaged for perennial use. The perennial yield cannot be more than the natural recharge to a groundwater basin and in some cases is less. If the perennial yield is exceeded, groundwater levels will [continue to] decline and steady state conditions will not be achieved, a situation commonly referred to as groundwater mining.

Phreatophyte: Plants whose roots tap the capillary fringe of the groundwater table.

Priority Factor (PF): the percentage that is used to convert a groundwater right to a Share, in accordance with Section 12.4

Recharge: The process by which water is added to an aquifer, including natural recharge by which precipitation or stream flow makes its way into the groundwater supplies, secondary recharge by which water used for irrigation or other purposes infiltrates the ground and adds to the groundwater supplies, or artificial recharge which includes actions specifically designed to increase groundwater supplies.

Senior Positions: the AB Members who represent groundwater rights holders who hold water rights with a priority date within the first 30,000 acre feet appropriated in Diamond Valley

Share: the product of multiplying the groundwater right volume (measured in acre feet) by the Priority Factor, in accordance with Section 12.3, resulting in the number of Shares a groundwater right holder receives under this GMP. This results in the unit used to calculate an amount of groundwater received under this GMP

Share Register: the database of all Shares that shall be maintained by DWR in accordance with Section 12.8

Shareholder: a person or entity who holds one or more Shares of groundwater that is subject to the GMP

Smart meter: an electronic flow meter that has the capability to record water pumping in desired intervals (including near-real-time) and to communicate that information back to an entity (user or regulatory agency) for monitoring, billing, and administration. Smart meters may enable two-way communication between the meter and the central system.

State Engineer: the Nevada State Engineer

Vested Position: the AB Member who represents groundwater rights holders claiming vested rights to springs in Diamond Valley

Vested Water Right: The water right to use either surface or groundwater acquired through water put to beneficial use prior to the enactment of water law pertaining to the source of the water (i.e., prior to 1905 for surface water)

Water Manager: the employee or independent contractor of the DWR whose role and responsibilities are specified in Section 10

Year X: The word “Year” followed by a number refers to the year following GMP approval, starting on January 1.

2. Diamond Valley Background

Diamond Valley is a major groundwater-reliant farming area in the Diamond Valley Hydrographic Basin, Basin 153 and collectively referred to as “Diamond Valley” in this Groundwater Management Plan (GMP). There are about 26,000 acres of irrigated land, which primarily produce premium-quality alfalfa and grass hay. In 2013, it was estimated that approximately 110,000 tons of hay are produced annually for a total farming income of approximately \$22.4 million¹.

About 126,000 acre-feet of irrigation groundwater rights are appropriated in Diamond Valley while the perennial yield recognized by the State Engineer is 30,000 acre-feet per year.² Groundwater pumping as of 2016, was about 76,000 acre-feet per year. While the primary groundwater usage is irrigation, nearly two-thirds of Eureka County’s residents receive their domestic water needs from groundwater in Diamond Valley, including most of the water needed by the Town of Eureka (which serves numerous businesses and the Eureka County schools), two General Improvement Districts, and domestic wells. Groundwater in Diamond Valley also supplies water needs for mines and other commercial and industrial uses. There are also multiple stockwatering wells that supply the water for many livestock production operations.

For over 40 years, annual groundwater pumping has exceeded the perennial yield of Diamond Valley, and groundwater levels since 1960 have declined at an average rate of approximately two feet per year.

3. Need for a Groundwater Management Plan (GMP)

Recognizing the continuing decline of the groundwater resource in Diamond Valley, on August 25, 2015, the State Engineer used his authority³ to designate Diamond Valley a Critical Management Area (CMA) through Order #1264. By statute, this designation provides a ten-year period in which the groundwater rights holders may come together to develop a Groundwater Management Plan (GMP) to remove the basin from CMA designation. If a GMP is not developed, approved by the State Engineer, and implemented by the end of ten years, the State Engineer is mandated by law to regulate by strict priority. At the expiration of this 10-year period following CMA designation, the law does not provide the State Engineer with any discretion or flexibility other than to regulate by priority⁴. In this case, NRS 534.110(7)(b) would require prohibiting the pumping of junior groundwater rights and domestic wells that were appropriated more recently than a date determined by the State Engineer to bring the withdrawals below the perennial yield. State water law allows

¹ Hansford Economic Consulting, June 2013.

² This perennial yield is based on Harrill (1968). The recent 2016 U.S. Geological Survey Scientific Investigations Report on the Diamond Valley Flow System (Berger et al. 2016) defines the pre-development groundwater discharge, often used by the State Engineer to establish perennial yield, to be 35,000 acre-feet annually.
<http://dx.doi.org/10.3133/sir20165055>.

³ NRS 534.110(7)(a)

⁴ NRS 534.110(7)(b)

development of a GMP in a hydrographic basin designated as a CMA and defers to the GMP on the processes needed to remove the basin from the CMA designation. With or without the CMA designation, the drafters of this GMP recognize that a concerted effort to reduce pumping in Diamond Valley to sustainable levels is needed for protection of the resource itself.

4. GMP Process

Well before CMA designation, many groundwater rights holders, primarily irrigators, came together to start making progress towards a GMP in anticipation that the State Engineer would designate Diamond Valley as the State's first CMA⁵. In March 2014, this group held a meeting and decided to request that the Eureka Conservation District (ECD), a locally elected, third-party, local government entity⁶, take the lead role in facilitating development of a GMP. At its meeting in March 2014, the ECD officially accepted the role of facilitating the development of a GMP.

ECD contracted with Walker & Associates (Walker) in May 2014 to assist in scoping the GMP. ECD sent a letter to every groundwater right holder and all known domestic well holders in Diamond Valley to inform them that Walker would be hosting facilitated workshops and private meetings (if requested) to scope the issues, hurdles, and opportunities that stakeholders believed were relevant to development of a GMP, including potential strategies to reduce pumping. Walker held many facilitated public workshops and private meetings. The results of Walker's work are in Appendix B.

Nevada Revised Statute 534.037(1) requires that a GMP must receive the signatures (through petition) of a majority of groundwater rights holders before it can be officially submitted to the State Engineer for approval⁷. ECD and the groundwater rights holders who attended the various meetings chose to involve everybody who might be affected by a GMP and to build consensus on its content. In April 2015, ECD approached a respected facilitator with the University of Nevada Cooperative Extension, Dr. Steve Lewis, along with Mr. Steve Walker of Walker & Associates and ECD leadership, to assist ECD leadership in this process. Many efforts were made to ensure all groundwater right holders in Diamond Valley were informed of meetings and opportunities to engage in the process. Certified letters were sent to every groundwater right holder in the Diamond Valley hydrographic basin on record with the State Engineer and every documented domestic well owner. An article was also published in the local newspaper, the Eureka Sentinel, about the GMP meetings, encouraging interested and affected persons to attend. Over the course of ten months

⁵ AB 419, which passed in the 2011 Nevada legislative session, created the CMA and GMP statutes. Much of the testimony received during the session on AB 419 was how this could be a tool applied in Diamond Valley. Additionally, the State Engineer held a workshop in Eureka on February 25, 2014 outlining his desire that local solutions be developed through a GMP, regardless of CMA designation. Groundwater rights holders were well aware that CMA designation was likely.

⁶ See NRS 548 for more information on the duties and powers of a conservation district.

⁷ NRS 534.037

between April 2015 and February 2016, seven facilitated workshops were held, at which major portions of the GMP were developed.

In February 2016, participants in these GMP development meetings elected a Groundwater Management Plan Advisory Board (AB) by nomination and majority vote. Thereafter, the AB took over much of the responsibility for facilitating GMP development from the professional facilitators. The AB made recommendations for consideration to the entire group of groundwater rights holders who were participating in the GMP process. From February 2016 until submittal of the GMP to the State Engineer, there were an additional twenty-three formal Advisory Board meetings and twenty formal full-group meetings.

During this process, the groundwater rights holders received presentations on the potential development and implementation of a water market-based system meant to provide ultimate flexibility in using water, while incentivizing conservation and allowing willing participants' quick sale, lease, trade, etc. of water in times when needed⁸. This GMP was developed adapting these concepts to local needs, desires, and constraints.

All meeting reminders, sign-in sheets, meeting notes, outlines, etc. developed at these meetings are included in Appendix C.

5. Nevada Statutory Criteria for GMP Approval

NRS 534.037(1) requires that a GMP submitted for approval to the State Engineer must be accompanied by a petition for approval signed by a "majority of the holders of permits or certificates to appropriate groundwater in the basin that are on file in the Office of the State Engineer...." This GMP is submitted to the State Engineer for approval, accompanied by the required petition, included as Appendix A.

The only statutory requirement for a GMP is that it "must set forth the necessary steps for removal of the basin's designation as a critical management area."⁹ Only basins where "withdrawals of groundwater consistently exceed the perennial yield of the basin" may be designated as a critical management area,¹⁰ as has occurred in Diamond Valley.

NRS 534.037(2) further identifies, without limitation, elements the State Engineer "shall consider" when "determining whether to approve a groundwater management plan submitted pursuant [NRS 534.037(1)]..." These include:

⁸ See Young, M. (2015) Unbundling Water Rights: A Blueprint for development of robust water allocation systems in the western United States. NI R 15-01 Durham, NC. Duke University. <http://nicholasinstitute.duke.edu/publications>.

⁹ NRS 534.037(1)

¹⁰ NRS 534.110(7)(a)

- (a) The hydrology of the basin;
- (b) The physical characteristics of the basin;
- (c) The geographic spacing and location of the withdrawals of groundwater in the basin;
- (d) The quality of the groundwater in the basin;
- (e) The wells located in the basin, including, without limitation, domestic wells;
- (f) Whether a groundwater management plan already exists for the basin; and
- (g) Any other factor deemed relevant by the State Engineer.

Appendix D was developed and included to assist the State Engineer's consideration of these required considerations.

6. GMP Goals

- A. Remove the basin's CMA designation within 35 years by stabilizing groundwater levels in Diamond Valley
- B. Reduce consumptive use to not exceed perennial yield
- C. Increase groundwater supply
- D. Maximize the number of groundwater users committed to achieving GMP goals
- E. Preserve economic outputs from Diamond Valley
- F. Maximize viable land-uses of private land
- G. Avoid impairment of vested groundwater rights
- H. Preserve the socio-economic structure of Diamond Valley and southern Eureka County

7. GMP Boundary and Out-of-Basin Transfers

- 7.1 The GMP shall apply to those groundwater uses within the Diamond Valley Hydrographic Basin that come within the scope of the GMP, as discussed in Section 8.1.
- 7.2 Out-of-basin transfers of groundwater that is subject to the GMP are prohibited¹¹.

8. Scope of Groundwater Included in the GMP

- 8.1 The GMP applies only to the following groundwater rights that exist at the time the GMP is approved by the State Engineer:
 - 1) Groundwater rights that serve irrigation purposes;
 - 2) Groundwater rights that serve mining and milling purposes if they have irrigation base rights; and
 - 3) Groundwater that is imported to Diamond Valley only if it is injected or infiltrated into the Diamond Valley aquifer.

¹¹ Out-of-basin groundwater transfers may be considered by the State Engineer in the future should (1) a majority of groundwater rights holders petition the State Engineer under the provisions of NRS 534.037(1) to approve an amendment to the GMP that authorizes out-of-basin transfers and (2) only when groundwater levels have reached some threshold of stabilization, as determined under the provisions of this GMP.

- 8.2 The following are not subject to the requirements of the GMP and will remain within the purview of the State Engineer's administrative jurisdiction and standard regulatory scheme:
- 1) Vested water rights, including spring vested rights that have been mitigated with groundwater rights through State Engineer or court order, ruling, decree or other legal decision;
 - 2) Groundwater rights that exist at the time of GMP approval that are not irrigation groundwater rights (including stockwater, municipal, commercial, and mining groundwater rights without an irrigation source permit); and
 - 3) Domestic wells, as defined by NRS 534.013.

9. Authority of State Engineer to Analyze Potential for Conflicts

- 9.1 Nothing in this GMP shall impair or supersede the authority of the State Engineer to analyze or take appropriate actions regarding groundwater withdrawals that may conflict with existing rights or domestic wells or impacts to vested rights (or claims).
- 9.2 The well-use approval process in Section 14 of this GMP is the mechanism for the State Engineer to complete conflict analyses for new wells or increases in diversion rate in existing wells higher than permitted under the base right.

10. Diamond Valley Groundwater Management Plan Administration and Enforcement

- 10.1 This GMP will be administered and enforced by the State Engineer, who will consider the recommendations of the AB.
- 10.2 The shareholders agree that a Water Manager employed or contracted by the State Engineer may be charged with managing the terms and conditions of the GMP. If a Water Manager is necessary, the Water Manager shall be employed or contracted by the DWR with job role and responsibilities, funding, administration of penalty provisions, etc. clearly spelled out in a to-be-drafted Memorandum of Understanding (MOU) executed between the AB and DWR. A proposed job description of the Water Manager is included in Appendix E. Whenever this GMP references "State Engineer" this may include the Water Manager or State Engineer designee, as determined through State Engineer discretion.
- 10.3 The State Engineer in coordination with the AB will conduct annual meetings as set forth in Section 24. In addition to the annual meeting, the State Engineer may meet with the AB as often as deemed necessary and appropriate, within the State Engineer's discretion and, except as otherwise stated herein, shall conduct GMP meetings and business in an open forum with advance notice provided of these meetings but not less than three business days before the meeting.

- 10.4 The State Engineer may task the Water Manager with preparing agendas, taking notes, and preparing meeting minutes or may hire a secretary for these duties, depending on funding availability.
- 10.5 All decisions by the State Engineer shall be in accordance with this GMP and the State Engineer retains ultimate decision making authority over the GMP.
- 10.6 Any person aggrieved by a final decision of the State Engineer under this GMP, which includes any penalties imposed, may appeal the decision to the State Engineer within 30 calendar days after the final decision. The appeal must be in writing and must outline the specific actions requested to be taken by the State Engineer. The State Engineer shall provide detailed, documented reasoning regarding any appealed decision the State Engineer modifies or supersedes. This provision does not waive the judicial review process established in NRS 533.450.

11. GMP Advisory Board

- 11.1 The Advisory Board (AB) shall consist of seven members elected by the Shareholders subject to this GMP.
- 11.2 In addition to other duties specifically outlined in the GMP, the AB is tasked with keeping apprised of local issues and concerns related to the GMP and communicating these issues and concerns to the State Engineer. The AB may make specific recommendations to the State Engineer to address any issue or concern.
- 11.3 The AB in place at the time of the GMP submittal to the State Engineer for approval consisted of eight (8) seats as follows¹²:
- Seat 1; One person representing mining groundwater rights holders (Mining Position)
 - Seat 2; One person representing groundwater rights holders with primary interests in ranching in Diamond Valley and representing claimants with vested spring rights claims on the valley floor (Vested Position)
 - Seats 3 through 6; Four farmers with both senior and junior rights (Agriculture Positions)
 - Seats 7 and 8; Two farmers with all of their groundwater rights being within the first 30,000 acre-foot to have been appropriated in Diamond Valley (Senior Positions)

Except for one of the Senior Positions, Seat 8 which shall expire upon GMP approval, AB members in place at the time shall maintain their positions on the AB for the first two (2) years following GMP approval. After GMP approval, the AB shall consist of the seven remaining seats - Seats 1 through 7.

¹² The specific AB members at GMP submittal: Ari Erickson (Seat 1), Ira Renner (Seat 2), Mark Moyle (Seat 3), Bob Burnham (Seat 4), Russell Conley (Seat 5), Marty Plaskett (Seat 6), Jim Gallagher (Seat 7), and Vickie Buchanan (Seat 8).

- 11.4 After the end of Year 8 of the GMP,¹³ the AB shall consist of the Mining Position, two Agriculture Positions, and four open seats (i.e., groundwater allocation used for any use) (At-Large Positions) according to the following step-wise progression:
- 1) At the end of Year 2, Seats 3, 4, and 5 shall be open for election to a four-year term and shall be filled by individuals representing agriculture (i.e., groundwater allocation used for agriculture).
 - 2) At the end of Year 4, Seats 1, 2, 6, and 7 shall be open for election to a four-year term. Seat 1 shall be filled by an individual representing mining (i.e., groundwater allocation used for mining) and Seats 2, 6 and 7 representing agriculture (i.e., groundwater allocation used for agriculture).
 - 3) At the end of Year 6, Seats 3, 4, and 5 shall be open for election to a four-year term. Seats 3 and 4 shall be filled by an individual representing agriculture (i.e., groundwater allocation used for agriculture) and Seat 5 shall be filled with any groundwater right holder (i.e., groundwater allocation used for any use).
 - 4) At the end of Year 8, Seats 1, 2, 6, and 7 shall be up for election to a four-year term. Seat 1 shall be filled by an individual representing mining (i.e., groundwater allocation used for mining) and Seats 2, 6, and 7 filled with any groundwater right holder (i.e., groundwater allocation used for any use).
- 11.5 Elections occurring after the eighth year of the implementation of this GMP shall be held every two years for each position in which the four-year term has expired.
- 11.6 All AB elections shall be held at the annual meeting described in Section 24 at which all groundwater rights holders under this GMP may attend, make nominations, and cast their vote in-person¹⁴. Nominations shall be made from the floor, and votes shall be weighted according to number of Shares held by a voting water rights holder. Counting of the votes shall be open to view by all attending the meeting and recorded in the minutes.
- 11.7 Any AB seat that becomes vacant before the expiration of a term shall be filled by appointment by the remaining AB members. The term of the appointment expires at the end of the term of the vacant seat.
- 11.8 The AB may meet as often as it deems necessary and appropriate, within its discretion, and meetings shall be in an open forum with advance notice provided of these meetings but not less than three business days before the meeting.
- 11.9 A secretary may be hired to assist with preparing agendas, taking notes, and preparing meeting minutes on behalf of the AB.

¹³ References to events that occur following GMP approval are designated Year 1, Year 2, Year 3, etc., with the year commencing on January 1 following approval by the State Engineer.

¹⁴ No votes by proxy allowed

12. Groundwater Shares and Share Register

- 12.1 All groundwater rights within the scope of this GMP as set forth in Section 8.1 and that are in good standing according the records of the State Engineer, upon approval of this GMP, shall receive groundwater Shares according to the formula specified in this Section. Calculation of the number of Shares issued for a mining groundwater right with an irrigation base permit shall be established by the volume of the irrigation base permit, not the volume of the mining permit.
- 12.2 The base right receiving the Shares shall continue to be tied to the specific land and well(s) described in the respective permits or certificate at the time of GMP approval. Shares shall not be severable from the base permit or certificate they are attached to.
- 12.3 The State Engineer shall record the number of Shares for each permit or certificate number (and associated owner of record) and link this information to a Share register that shall be established according to the provisions of this GMP.
- 12.4 The formula used to calculate the number of Shares for each groundwater permit or certificate under the GMP shall take into account the priority date (i.e., seniority) of the permit or certificate. The formula being:

$$1) \text{ WR} * \text{PF} = \text{SA}$$

Where:

WR = Total groundwater right volume as recognized by DWR, accounting for total combined duty¹⁵ (i.e., overlapping places of use) (measured in acre feet)

PF = Priority Factor based on seniority

SA = Total groundwater Shares

- 12.5 The Priority Factor (PF) for the Share formula shall be determined by seniority of any given groundwater right, where the spread between the most senior groundwater right and the most junior groundwater right shall be 20%. All irrigation groundwater rights and mining groundwater rights with an irrigation base permit and that are in good standing according to the records of the State Engineer, shall be sorted according to seniority, and each total groundwater right multiplied by its relative senior percentage, resulting in the most senior right receiving a PF of 1.0 and the most junior right receiving a PF of 0.80. The most senior water right under rights consolidated under a total combined duty shall receive the shares.
- 12.6 Some separate groundwater rights in Diamond Valley share the same priority date. Rights sharing the same priority date will have their PF averaged and this average PF applied to each right with the same date.
- 12.7 A preliminary table/spreadsheets of the groundwater rights and the corresponding number of Shares projected at the time of GMP submittal to the State Engineer is included in Appendix

¹⁵ The most senior water right under total combined duty rights shall receive the shares.

- F. This table shall be considered preliminary due to the fact that groundwater rights in Diamond Valley continue to be used and managed in various ways, including potential transfer of ownership, during GMP development. The official record of groundwater rights used for the purpose of establishing Shares shall be groundwater rights as they exist at the time of GMP approval by the State Engineer. Upon approval of the GMP by the State Engineer, the final table/spreadsheet will substituted for the preliminary version in Appendix F.
- 12.8 After Shares are issued, the State Engineer, in coordination with the AB, shall send certified letters to notify each appropriator of record of the following:
- A. That the GMP has been approved and groundwater use in Diamond Valley within the scope of the GMP must follow the GMP;
 - B. Of the status of the owner's groundwater right, the official appropriator name on record, and the number of Shares that shall be assigned to each permit or certificate;
 - C. That all appropriators of record should work with the DWR to address, clarify and correct any discrepancies asserted in groundwater rights or name of record and file any necessary documents required by NRS 533.384 and consistent with NRS 533.024(2); and
 - D. Of any other information deemed appropriate by the State Engineer, in consultation with the AB.
- 12.9 Any certified letter that is returned as undeliverable shall be reviewed by the State Engineer and AB, and every reasonable effort shall be made to contact the groundwater right holder to ensure receipt of the letter.
- 12.10 The State Engineer in coordination with the AB shall oversee creation of a Share Register and shall use all reasonably available technology in the maintenance of the Share Register. The State Engineer will make reasonable efforts to provide for the integrity of the register.
- 12.11 The Share Register shall be accessible by the groundwater right owner of record.
- 12.12 When there is a change of ownership of a base right under the scope of the GMP, the associated change shall be made in the register. The same process for change of ownership under the requirements of NRS 533.384 and consistent with NRS 533.024(2) shall be applicable to any change of ownership of a base right under the scope of the GMP.
- 12.13 New Shares shall not be issued after initial Share issuance unless physical, "new" groundwater is imported into Diamond Valley or the issuance of new Shares is legally required (i.e., ordered by a court with jurisdiction). If physical groundwater is imported into Diamond Valley, additional groundwater Shares may be issued if the imported water is injected or infiltrated into the Diamond Valley aquifer and applying the respective ET Depreciation factor. The base water right in the source basin remains under the authority of the State Engineer, not this GMP.

13. Annual Groundwater Allocations and Groundwater Account

- 13.1 An Annual Groundwater Allocation (Allocation) is defined as the amount of groundwater allocated to each Share each year in acre-feet per Share.
- 13.2 The State Engineer shall place each Allocation into a Groundwater Account or Accounts, as determined by the base water rights holder, and link it to the Share register.
- 13.3 The State Engineer shall be the custodian of documents and records for the transfer and record of groundwater Allocations as maintained by the Division of Water Resources.
- 13.4 The Division of Water Resources will manage the transfer and banking of groundwater Allocations. This management may be contracted to a third-party if it is determined that outside assistance is needed or is better suited to managing the transfer and banking.
- 13.5 Requests to access or make changes to a Groundwater Account may incur a nominal fee sufficient to recover the cost of maintaining the account. Any fee, if established, shall be set by the State Engineer through an open and transparent process in coordination with the AB.
- 13.6 The State Engineer shall determine and make Annual Allocations and assign to the appropriate Groundwater Account by January 1 each year. After January 15 and by February 1 each year, Groundwater Accounts will be reconciled to account for ET Depreciation (see Section 13.9) and any relevant overdraw penalties (Section 16) using the previous year's fourth-quarter pumping data.
- 13.7 A summary of information in the overall Groundwater Account (e.g., amount of groundwater used or unused at any given time period) may be aggregated and made available to the public provided personal identifying information is not disclosed pursuant to NRS 603A.040.
- 13.8 Groundwater subject to this GMP may be withdrawn from Diamond Valley for any beneficial purpose under Nevada law as long as the groundwater use is linked to and withdrawn from a Groundwater Account with a positive balance and consistent with all of the provisions of the GMP¹⁶.
- 13.9 Any unused Allocation shall remain as a balance in the Groundwater Account (i.e., banked) for use in a subsequent year and shall not be subject to future reduction except as otherwise provided herein. There shall be no restrictions on the volume of groundwater that can be banked. Banked groundwater Allocations for use in subsequent years shall depreciate to account for natural losses through evapotranspiration (ET Depreciation). The Diamond Valley hydrographic basin shall be divided between the main farming area and the groundwater discharge area as depicted and described in Appendix I. Banked groundwater shall be reduced at seventeen percent (17%) annually for water banked north of the dividing line and one percent (1%) annually for water banked south of the dividing line. These ET Depreciation factors are based on numerical flow modeling analysis completed to justify and support the amount. A report on this analysis is included in Appendix I.

¹⁶ Includes metering with the approved flow meter using a legal well with a well use approval as discussed in this GMP.

- 13.10 All or part of any Allocation in any individual Groundwater Account may be transferred to any other individual groundwater account through confirmed willing-party transactions in a format prescribed by the State Engineer. Notification of any transaction completed will be confirmed and provided back from the State Engineer to above said parties.
- 13.11 All liens, encumbrances, notices of pledge, other security interests, leases and sales on all or part of any Allocation shall be recorded in the register to provide a mechanism for creditor or beneficiary tracking and recording.
- 13.12 Both benchmark and most-aggressive pumping reductions and associated preliminary¹⁷ annual groundwater Allocations are outlined in the table in Appendix G. While pumping reductions are outlined in the table for 35 years for benchmark reductions, and stabilization of the water table and net-pumping in Diamond Valley reaching perennial yield are expected to be reached within 35 years¹⁸, a more, or less, aggressive reduction schedule may be followed (see Section 13.13 below). If it is determined that the most aggressive pumping reduction schedule is to be followed, net-pumping reaching perennial yield would occur around year 22 of this GMP.
- 13.13 Two goals of the GMP are to (1) stabilize groundwater levels of the aquifer and (2) reduce consumptive groundwater use to the perennial yield. To provide some certainty for water users, and since groundwater level trends may take years to determine, annual Groundwater Allocations shall be firmly set for the first ten years of the GMP. Annual Allocations after Year 10 are anticipated to follow the benchmark reductions (1% cumulative reduction per year) but may be adjusted up or down by the State Engineer, in consultation with the AB, as informed by groundwater level monitoring data multi-year trends. However, after Year 10, annual Allocations cannot exceed a cumulative adjustment of plus or minus (+/-) two (2) percent (%)¹⁹.
- 13.14 Year 1, expected to be 2019, shall be considered “introductory” to allow water users to develop a better understanding of how their groundwater use and management coordinates with the GMP and will provide opportunities to fine-tune GMP management and administration. Groundwater users who do not use a full Year 1 Allocation in any specific Groundwater Account may rollover (i.e., bank) any unused Year 1 Allocation with the respective ET Depreciation factor. No penalties shall accrue nor shall replacement water be required for any individual Groundwater Account that is overdrawn during Year 1, provided that the user does not exceed the permitted duty allowed under the base water right permit.

¹⁷ As previously noted, a preliminary table/spreadsheet of the groundwater rights and the Share projected at the time of GMP submittal to the State Engineer for approval is included in Appendix F. Groundwater rights in Diamond Valley continue to be used and managed in various ways, including potential transfer of ownership, during GMP development until GMP approval. The annual groundwater allocation table shall also be considered preliminary due to the fact that annual allocations are calculated based on the total groundwater Shares available in Diamond Valley. Groundwater rights as they exist at the time of GMP approval by the State Engineer shall be the official rights converted to groundwater Shares in which the final, official annual allocation table will be based.

¹⁸ Water table monitoring is an important component of the GMP and future studies may refine perennial yield to be different than what is known at GMP approval.

¹⁹ Reduction percentages are cumulative beginning in Year 1. Year-to-year reduction percentages may be more or less than cumulative pumping adjustments.

- 13.15 All mining operations and other man-made excavations extending below the groundwater table (and therefore creating a pit lake after cessation of dewatering) which did not possess a state or federally approved Plan of Operations by the date the GMP was approved by the State Engineer will be required to dedicate groundwater rights (with associated Shares and Allocations) to account for estimated evaporative losses from the surface of the water body. Groundwater rights dedicated for pit lake groundwater evaporation will be placed into special category of the Share Register and will continue to receive annual groundwater allocations. The quantification of the evaporative loss of groundwater will be determined by the State Engineer case-by-case and based upon the best available science and data. The mining operator or property owner will be invited to offer input into the evaporative loss calculation. The quantification of evaporative groundwater losses from a pit lake shall be calculated at the rate of evaporation when the lake is in equilibrium with the groundwater system. The total number of groundwater rights dedicated must have an estimated Allocation at Year 30 of the projected reduction table in Appendix F equal to or greater than the calculated evaporation rate. The dedication of groundwater rights (and associated Allocations) to account for pit lake evaporative losses must be in place when water is first present in the pit bottom after the cessation of mine dewatering activities. The liability of addressing the projected effects to water rights resulting from pit lake evaporative losses is assignable to successor operators and companies or future property owners. If the GMP be discontinued, the operator at the time of cessation will then relinquish water rights in accordance with the process outlined in the November 1, 2016 letter from the State Engineer regarding Pit Lake Evaporation. Payment of the annual assessment for Shares dedicated to evaporative losses is outlined in Section 20.7.

14. Well Use Approvals

- 14.1 Any well (and its associated meter system components) used, or anticipated to be used, to withdraw groundwater in Diamond Valley for uses required to have an Allocation under the GMP shall be linked to a specific Groundwater Allocation Account before any groundwater withdrawal occurs.
- 14.2 Wells kept active and linked to a Groundwater Allocation Account shall be exempt from well abandonment requirements pursuant to NRS 534 and NAC 534. Any well that is kept active, but unused, must have a secure cap or other covering acceptable to the State Engineer to prevent exposure to open air or sources of contamination or otherwise enable a pollutant to be carried to the waters of the State as prohibited by NRS 445A.465.
- 14.3 Wells not kept active and linked to a Groundwater Allocation Account will be subject to well abandonment pursuant to NRS 534 and NAC 534. Waivers for well abandonment requirements may be requested to allow any well not intended for use by the well owner to be used as a monitoring well, if needed, as determined by the State Engineer.
- 14.4 Any well withdrawing groundwater under the GMP must comply with the requirements of the GMP and NRS 534 and NAC 534.

- 14.5 All well construction activities shall be in accordance with applicable well drilling laws and regulations pursuant to NRS 534 and NAC 534.
- 14.6 As provided in Chapters 533 and 534 of the NRS, the State Engineer may deny any application to drill a new well if the State Engineer determines that withdrawal of groundwater from the proposed well will create a conflict with existing rights or domestic wells.
- 14.7 The State Engineer may disallow additional withdrawals from an existing well that exceeds the volume and flow rate that was initially approved under the base permit if the State Engineer determines that the additional withdrawal would create a conflict with existing water rights, domestic wells, or existing uses under the GMP.
- 14.8 Before any new wells or additional withdrawals from an existing well that exceeds the volume or flow rate that was initially approved under the base permit are used, the proposed new well use or additional withdrawal shall be provided to the State Engineer for review. The State Engineer will evaluate the new well use or additional withdrawal within 14 calendar days to determine if the new use or additional withdrawal is in the public interest and would not impair the water rights held by other persons. If the new well use or additional withdrawal is not denied within this 14 calendar days, the new well use or additional withdrawal would be deemed approved by the State Engineer for a period not to exceed one (1) year.
- 14.9 For new wells or additional withdrawals proposed for periods exceeding one (1) year or which the State Engineer determined within the 14 calendar days outlined above may not be in the public interest or may impair the water rights held by other persons, the regular procedures under NRS 533 and NRS 534 for changing the point of diversion or diversion rate shall be required, including publication and protest provisions.²⁰

15. Groundwater Use Metering and Reporting

- 15.1 All groundwater pumped from Diamond Valley that is subject to this GMP shall be metered using an approved Smart²¹ flow meter. A specific, approved flow meter²² is required under this GMP for uniformity, standardization, and to ensure high quality data and accurate and reliable reporting.
- 15.2 The approved flow meter shall be properly installed, fully operational, and certified for use, as required by this GMP, before any groundwater subject to the GMP may be put to use.

²⁰ Sections 14.8 and 14.9 follow a process consistent with NRS 533.345(2) through (4).

²¹ A Smart meter is an electronic flow meter that has the capability to record water pumping in intervals that are near-real-time and communicate that information back to an entity (user or regulatory agency) for monitoring, billing, and administration. Smart meters may enable two-way communication between the meter and the central system.

²² The approved Smart meter at GMP approval is the Siemens SITRANS F MAGFLO MAG 5100W. This magnetic flow meter has been rigorously and independently tested the Utah Water Research Laboratory (UWRL), a National Institute of Standards and Technology (NIST) traceable lab in Logan, Utah. At the time of GMP development, this flow meter was a top performing meter for accuracy and reliability. The USU specifications for the testing of this and other flow meters and testing results of this specific meter is included as Appendix H.

- 15.3 Metered water use data shall be linked to the appropriate Groundwater Account using the data reporting mechanism and frequency as determined by the State Engineer in coordination with the AB²³.
- 15.4 The approved Smart meter shall be installed at or near the point of diversion and shall meet manufacturer installation specifications.
- 15.5 A variance for use of the required Smart meter may be considered on a case-by-case basis through petition to the State Engineer. The State Engineer, in consultation with the AB, may require site-specific engineering to justify consideration of any variance petition. At a minimum, the State Engineer shall require that any variance in use of the approved meter ensure an alternate Smart meter that is as accurate as, or otherwise is better suited to the application, than the meter otherwise authorized by this GMP. If a petition for variance is submitted and granted, the groundwater user bears the risk of whether the alternative meter will perform as expected. If an alternative meter approved for a variance by the State Engineer is later found by the State Engineer, in the State Engineer's discretion, to be inadequate, the variance shall be withdrawn and the water user shall install another acceptable meter at its expense within the deadline established by the State Engineer.
- 15.6 Owners or operators who are granted a variance under Section 15.5 and install the approved flow meter without the minimum straight length spacing requirements, or otherwise inconsistent with manufacturer's specifications, shall provide an adequate testing section of straight pipe located somewhere on the diversion system either upstream or downstream of the installed flow meter. This testing section may be excavated pipeline as long as the section of pipe carries all groundwater being measured through the installed flow meter. Groundwater users choosing to expose pipe must excavate the pipe at their expense.
- 15.7 After installation of any approved flow meter, the meter and installation shall be field-tested by the State Engineer, through the Water Manager or other designee (e.g., DWR staff) using the meter manufacturer's "field verifier" and a portable standard flow meter authorized by the State Engineer to ensure the meter is properly installed and functioning and accurate to within $\pm 10\%$ of the rate of flow and volume measured with a portable standard flow meter. The State Engineer, through the Water Manager or other designee, is authorized to conduct other field checks of installed meters as it deems appropriate. If a meter does not pass an initial installation test or any other field check, the State Engineer may require the groundwater user to replace the meter at the groundwater user's expense and within the deadline established by the State Engineer.
- 15.8 The State Engineer, in consultation with the AB, is authorized to adopt different approved flow meters, data transmission modules, data reporting mechanisms, or groundwater account

²³ At the inception of the GMP, State Engineer December 8, 2017 Order 1292 will be used as the mechanism to collect pumping data and manage the GMP. Order 1292 requires monthly pumping data to be reported at the end of each calendar quarter. Groundwater Accounts will be updated quarterly using this reported data and reconciling of accounts will be completed with year-end data. As the GMP progresses and penalties or other administrative actions are imposed, data reporting and GMP management may be required through automatic transmission of data (e.g., cellular or radio transmission) or a combination of methods.

linkage devices as new technologies or other alternatives become available that are as accurate as, or otherwise are better suited to accurately measure or administer groundwater use subject to this GMP.

- 15.9 Groundwater users shall maintain the installed and certified approved flow meter system (meter and data recording and transmission devices) in proper operating condition within measurement guidelines as set forth in Section 15.4.
- 15.10 If a groundwater user is aware of or is notified that its meter system is not operating correctly, the user shall have seven calendar days to remedy the issue or replace the meter or meter system component. Failure to remedy the issue within seven calendar days may result in the State Engineer requiring that all pumping through that system cease and desist until the issue is fully remedied. The State Engineer within its discretion, on a case-by-case basis, may allow for short-term remedies to extend past seven calendar days if extenuating circumstances exist (e.g., a specific part may not be available and installation may not be possible within seven calendar days). For example, a portable flow meter (e.g., clamp-on ultrasonic meter) may be installed, if appropriate, as determined by the State Engineer, until the approved flow meter system can be serviced, replaced, or otherwise becomes certified as fully operational. The State Engineer, through the Water Manager or designee, may at the groundwater user's expense, assist the groundwater user to remedy issues that arise in a metering system.
- 15.11 Within its discretion, the State Engineer may fill any pumping data gaps due to failed or faulty metering systems using power data and/or average pumping rates on that system before a meter system failure arose.

16. Procedures and Penalties for Overdrawing a Groundwater Account

- 16.1 If a Groundwater Account is overdrawn, the water user that holds the overdrawn account shall be responsible to immediately take actions so as to enable the transfer of groundwater Allocations from another account to the overdrawn account (i.e., buys or borrows water credit from someone else's account). A Groundwater Account that remains in a deficit for greater than 30 calendar days is subject to penalty.
- 16.2 At a minimum, the State Engineer shall withhold or reduce or prohibit use of the immediate next year's groundwater Allocation, if applicable, of the overdrawn Groundwater Account until any overdrawn account is fully settled as outlined in Sections 16.3 and 16.4.
- 16.3 Any water right user whose Groundwater Account becomes overdrawn shall have 30 calendar days from the time overdraw of the account occurs to transfer groundwater Allocations from another account to the overdrawn account at a 1:1 ratio. If sufficient replacement groundwater cannot be secured from another account before the end of the 30-calendar-day period, the water user may elect to replace any remaining overdraw with up to 5% of that groundwater user's immediate next year Allocation (calculated based on the Groundwater Allocation and benchmark reduction table) at a 2:1 ratio as long as this occurs within this 30-calendar-day period.

- 16.4 If an overdrawn groundwater account is not fully balanced within 30 calendar days from the time overdraw of the account occurs, the groundwater user shall be required to replace the overdrawn volume of groundwater at a ratio of 2:1 at least 30 calendar days prior to use of the immediate next year Allocation, or February 1, whichever is applicable. If sufficient replacement groundwater cannot be secured from another account at least 30 calendar days prior to use of the immediate next year Allocation, or February 1, the groundwater user may elect to replace any remaining overdraw with up to 5% of that groundwater user's immediate next year Allocation (calculated based on the Groundwater Allocation and Benchmark Reduction Table) at a 3:1 ratio, so long as this occurs within the 30 calendar days prior to use of the immediate next year Allocation, or February 1, whichever is applicable.

17. Other Penalties

- 17.1 Penalty provisions under NRS Chapter 534.190 through 534.195 may be applied to individuals violating any of the provisions of the GMP.²⁴ While the State Engineer holds the authority to impose penalties under NRS Chapter 534, the State Engineer will consult with the AB before imposing any penalties as set forth in the MOU. Nothing in this GMP shall be construed to alter the authority conferred on the State Engineer under NRS 534.195.
- 17.2 Tampering of a meter or meter system or bypassing or attempting to bypass groundwater use through the approved meter system is prohibited and shall be considered an egregious and purposeful violation. Such violations shall be considered for penalty at the maximum fine amount of \$10,000 per day for each violation (NRS 534.193(1)(a)).
- 17.3 Any groundwater user who is subjected to a fine or assessment of fees resulting from any violation of any provision of this GMP may petition the State Engineer for reconsideration, elimination, or reduction of the fine or fee. Before making any such recommendation, the State Engineer shall accept and consider information submitted by the petitioner and shall consult with the AB. Any order imposing a monetary penalty is subject to judicial review under NRS 533.450.

18. Groundwater Uses without Allocations

- 18.1 As set forth in Section 8.2, this GMP expressly excludes certain specified water rights within Diamond Valley. Water rights expressly excluded from this GMP include vested water rights, including spring vested rights that have been mitigated with groundwater rights²⁵, other groundwater rights existing at GMP approval that are not irrigation groundwater

²⁴ Such penalties may include the following non-exhaustive list: violators may be guilty of a misdemeanor for violating any provision of NRS Chapter 534; the State Engineer, after notice and opportunity for hearing, may impose a fine not to exceed \$10,000 per day for each violation; the State Engineer may require any violator to pay the costs of any proceeding, including investigative costs and attorney's fees; and the State Engineer may seek injunctive and other relief against violators.

²⁵ Through State Engineer or court order, ruling, decree or other legal decision.

rights, including stockwater, municipal, commercial, mining groundwater rights without an irrigation source permit, and domestic wells. These water rights expressly excluded from this GMP will not receive groundwater Shares and are not required to receive an Allocation before being used under this GMP.^{26 27}

- 18.2 Groundwater uses within Diamond Valley not expressly included within this GMP shall remain under the provisions of Title 48 of the Nevada Revised Statutes. These uses cannot receive Shares or Allocations and cannot be used for groundwater uses required to have an Allocation (i.e., these GMP-excluded uses must remain under the manner of use under the respective permit at GMP approval)²⁸.
- 18.3 After approval of this GMP, any proposal approved by the State Engineer to convert use of a water right that is already under the GMP to a use under one of the groundwater rights categories listed in Section 18.1 (either through a new or change application) will require an Allocation and Shares, as applicable, and shall fall under all requirements of the GMP. If applicable, the Allocation and Benchmark Reduction Table in Appendix G will be used to project maximum groundwater needs for the life of any project or use (which may be in perpetuity) and would require that a sufficient amount of groundwater be dedicated for this period of time.²⁹
- 18.4 This GMP makes the following recommendations to encourage groundwater conservation for those uses that do not fall under the GMP:
- Full consideration of the options described under NRS 534.090(2) and (3) by the State Engineer for the uses listed in Section 18.1 to minimize unnecessary groundwater use (e.g., waive “use it or lose it”).
 - Enforcement by the State Engineer of the statutory requirements for domestic wells at the maximum total allowable withdrawal and for domestic purposes only (i.e., single-family residence only with no commercial use). NRS 534.180.
 - Enforcement by the State Engineer of permit terms for all groundwater rights not receiving Shares or otherwise within the scope of the GMP.
 - With the State Engineer’s support, the AB will request of and work with Eureka County to:

²⁶ Based on State Engineer records, all of these uses combined, not including vested rights, account for less than 5% of the total groundwater appropriations and less than 3% of the total groundwater pumped in Diamond Valley at the time of the GMP submission to the State Engineer.

²⁷ Since expressly excluded from this GMP, these uses cannot receive groundwater Shares or Allocations and non-vested water uses under Section 18.1 cannot be used for new groundwater uses required to have an Allocation (i.e., non-vested GMP-excluded uses must remain under the manners of use under the permit at GMP approval).

²⁸ It is understood that valid vested rights for irrigation or mining purposes and mining rights without an irrigation base permit will continue to be used for irrigation or mining purposes.

²⁹ Example: A developer buys a farm, subdivides the land, and proposes a housing development. This developer would need to dedicate water rights to cover the water use of the homes, which is an “excluded” use under Section 18.1. However, this is a “new” use that did not exist at GMP approval. The developer would need to convert an irrigation base water right to a quasi-municipal use through the application and permitting process of the State Engineer. If approved by the State Engineer, this “new” quasi-municipal use would fall under all provisions of the GMP including metering and pumping reduction requirements. The State Engineer would require enough water to be dedicated in perpetuity for this new use, considering the future pumping reductions required under the GMP.

- Relinquish (to the Diamond Valley basin) any County groundwater rights not reasonably needed in the foreseeable future;
- Implement effective tiered-rates on municipal use to incentivize groundwater conservation;
- Waive hookup fees for groundwater users near the municipal groundwater system to incentivize hookups and reduce new domestic wells;
- Offer domestic well credits to those abandoning current domestic wells and hooking into a municipal water system and potentially assist in cost-sharing to abandon any old domestic well in accordance with Nevada law;
- Invest in infrastructure to better enable hookups to a municipal system; and
- Amend the County groundwater dedication ordinance for new parcels to require groundwater rights and/or Allocations in an amount that equals two acre-feet per year for the life of this GMP (based on the Allocation and Benchmark Reduction Table).
- The State Engineer and AB should work with appropriate entities to:
 - Develop and distribute educational materials on groundwater conservation practices, especially for domestic and municipal uses;
 - Develop and distribute educational materials to domestic well users outlining typical domestic use at or below two acre-feet per year; and
 - Pursue and implement incentive programs for groundwater conservation (e.g., xeriscaping, turf removal, irrigation scheduling).

19. Non-Consumptive Groundwater Uses

- 19.1 Some groundwater withdrawals, such as mine pit dewatering, are non-consumptive because much of the groundwater is returned to Diamond Valley aquifers through injection or infiltration. Groundwater withdrawals that are non-consumptive will remain under the authority of the State Engineer.
- 19.2 Based on net-consumption analysis by the State Engineer, the consumptive use portion of the groundwater withdrawal will require a Groundwater Allocation, but non-consumptive groundwater use will not.
- 19.3 The State Engineer, working with any entity proposing withdrawing groundwater in Diamond Valley and then returning groundwater to Diamond Valley, will consult with the AB to develop measures, as feasible, that return water to Diamond Valley in a manner that provides a net-benefit to the alluvial aquifer.

20. Funding of GMP

- 20.1 Implementation, management, and administration of the GMP will be primarily funded through the State Engineer special annual assessment authority³⁰ where groundwater rights in Diamond Valley are assessed to cover expenses in managing groundwater use. The base right receiving Shares will continue to be the avenue for levying of the assessment through the County tax roll.
- 20.2 DWR will require continued funding to manage groundwater in Diamond Valley. In coordination with the AB, the State Engineer will develop a fair annual assessment that will adequately fund GMP administration and other DWR costs to manage Diamond Valley groundwater. Through an annual budget process, the State Engineer shall endeavor to set the annual assessment in an amount that does not exceed the annual cost of GMP administration to avoid large annual roll-overs of funds from one fiscal year to the next.
- 20.3 The State Engineer shall develop an annual budget that outlines expected revenues and expenditures for the year in which the annual assessment will be based, which will include consideration of recommendations from the AB.
- 20.4 The portion of the annual assessment used for GMP administration and any other administrative fees collected under the GMP shall only be used for GMP administration and related expenses, as determined by the State Engineer, which may include, without limitation:
- Maintenance of the Share register and water trading system;
 - Compensation of the Water Manager and any other necessary staff or consultants;
 - Office space;
 - Office supplies;
 - Field vehicles;
 - Field equipment;
 - Travel expenses;
 - Groundwater conservation grants; and
 - Fallow land stabilization (e.g., cover crop planting, weed control, rodent control).
- 20.5 Annual special assessments must be fully paid in order to receive subsequent annual Groundwater Allocations under any Account. Annual Groundwater Allocations will not be made to any account associated with an over-due special assessment until the delinquency is settled. Allocations made once overdue special assessments are fully paid will be depreciated at five (5) percent and an additional one (1) percent for each month of delay or fraction thereof after every day the assessment became due. The State Engineer, in consultation with the AB, if satisfied the delay was excusable, may remit any part of the penalty.

³⁰ NRS 534.040

- 20.6 For water rights dedicated to the State Engineer for evaporative groundwater losses from applicable pit lakes or other man-made surface water bodies as outlined in Section 13.15, an average of all past annual assessments at the time water rights are dedicated will be calculated and that average amount multiplied by 15 and assessed to the water right/allocation holder to account for 15 subsequent years of assessments. Payment can be made at the time that water is dedicated or continue to be paid on an annual basis by the operator/owner. In lieu of paying the 15-year projected assessment, water allocations may be dedicated to the evaporative loss at 2:1 where the additional associated annual allocations above the amount of evaporation will become available and equally disbursed to the remaining groundwater users under the GMP.

21. Relinquishment of Groundwater Rights or Allocations

- 21.1 Groundwater rights (with the associated Shares) or any portion of an already received Allocation under the GMP may be relinquished with the written consent of all parties with an interest in the right or Allocation³¹.
- 21.2 Any groundwater right or Allocation relinquished in Diamond Valley shall be removed from the Share Register and Groundwater Account, respectively, and shall not be re-issued.
- 21.3 If any groundwater right or Allocation under the GMP is relinquished, the State Engineer shall update the Groundwater Allocation and Benchmark Reduction Table (Appendix G) to reflect this change and future annual Groundwater Allocations shall be divided among the remaining overall groundwater Shares.

22. Lands Retired from Irrigation

- 22.1 There are likely lands in Diamond Valley that will be retired from irrigation (permanently and temporarily). This GMP expresses a preference that these lands retain a beneficial land use and be managed to prevent land degradation due to soil erosion, weeds, and rodents and to avoid detrimental impacts on neighboring lands. The State Engineer and AB will rely on, and may work with, the relevant entities that already have legal jurisdiction over these issues including, but not limited to, Eureka County, Eureka Conservation District, Diamond Valley Weed Control District, Diamond Valley Rodent Control District, and Nevada Department of Agriculture.
- 22.2 Funds raised through the special annual assessment may be used for land stabilization projects, weed control, and rodent control, but any expenditure of special assessment funds for these purposes shall go through the annual, public budgeting processes as described in Section 20.

³¹ There have been efforts by other parties in Diamond Valley to acquire funding to purchase and retire groundwater rights as an effort to reduce pumping. As an example, the Eureka Producers Cooperative entered into an agreement with General Moly, Inc. to establish the Diamond Valley Agricultural Sustainability Trust which, when funded, is anticipated to be potentially used for this purpose.

- 22.3 Separate funds may be pursued from grants, gifts, etc. and spent by the State Engineer, in coordination with the AB, for land stabilization projects, weed control, and rodent control.
- 22.4 The GMP does not mandate that owners of fallow lands plant cover crops and control weeds and rodents. However, any funding acquired and spent through this GMP for these purposes or to retire groundwater shall require that landowners, before receiving any funding assistance, sign a contractual agreement accepting these responsibilities as condition of receiving funding. The State Engineer shall perform at least an annual inspection of grant recipient projects to ensure that funds were used according to the grant terms. The State Engineer, on recommendation from the AB, may demand reimbursement from grant recipients who failed to use funds according to grant terms. The State Engineer, with input from the AB, shall develop standard criteria to evaluate the use of grant funding by funding recipients.
- 22.5 This GMP recommends that funding mechanisms outside of the GMP (e.g., Agricultural Sustainability Trust, NRCS Farm Bill programs) require that fallowed lands in Diamond Valley be subjected to weed and rodent control and cover crop requirements.

23. Other Land Management

- 23.1 The State Engineer, in coordination with the AB, shall work with appropriate entities, including land management agencies, to enhance groundwater recharge in Diamond Valley. This may include, but is not limited to:
- Vegetation management (e.g., pinyon and juniper removal) in areas where vegetation grows outside its desired ecological state or impairs groundwater recharge;
 - Directing surface runoff to catchment basins where surface water can infiltrate to benefit the alluvial aquifer;
 - Use of aerators or infiltration equipment (i.e., rotary subsoiler); and
 - Cloud seeding.
- 23.2 No groundwater Shares or Allocations shall be issued for any land management activities intended to enhance groundwater recharge in Diamond Valley³².

24. Annual Meeting

- 24.1 In addition to any other meetings held by the State Engineer or AB, the State Engineer and AB shall hold a joint annual meeting each year between the dates of November 1 and December 15.
- 24.2 Notice shall be posted at least two weeks in advance of the meeting.
- 24.3 The annual meeting shall be a public meeting where the State Engineer and AB shall:
- Accept input from Shareholders and groundwater users on ways to improve GMP management and administration;

³² This prohibition does not apply to import of physical groundwater into Diamond Valley.

- Present the proposed upcoming year's Allocation with a special focus on proposed changes from the benchmark reductions (after Year 10);
 - Present the proposed GMP budget, including the proposed annual special assessment, for the upcoming fiscal year;
 - Conduct AB elections, if in an election year, as described in Section 11;
 - Present groundwater level monitoring results;
 - Present any other relevant data or information, as the State Engineer and AB deem necessary and appropriate; and
 - Conduct any other business as the State Engineer and AB deem necessary and appropriate.
- 24.4 The State Engineer, with input from the AB, may take final action on items at the annual meeting or may elect to postpone final action if desired, based on input received at the meeting.

25. GMP Publically Accessible

- 25.1 The approved GMP shall be posted on and downloadable from the State Engineer's website and any other website that may be developed for the GMP.
- 25.2 Upon request, the State Engineer shall provide a copy of the GMP so long as the requestor pays any associated costs that may be charged by the State Engineer.

26. GMP Review, Modification, or Discontinuation

- 26.1 This GMP may be amended at any time according to the requirements of NRS 534.037(5) or any other pertinent provision of Nevada law that may now exist or exist in the future, subject to State Engineer approval and potential judicial review.
- 26.2 At a minimum, the State Engineer, in coordination with the AB, shall review this GMP in Year 6. At that time, the State Engineer and AB shall jointly send a letter to every groundwater right and Water Account holder in Diamond Valley informing them of the review and requesting input as to whether this GMP should continue, be amended, or be discontinued. The letter shall set a date for a joint State Engineer and AB meeting to discuss the GMP review and provide a 30-day deadline for written responses. The joint State Engineer and AB meeting shall be held on the date and time identified in the letter, at which the State Engineer and AB shall accept input, discuss and consider whether to continue, amend, or discontinue this GMP.
- 26.3 Discontinuation of the GMP, if desired by the groundwater rights holders, shall follow the same rules as an amendment of a GMP pursuant to NRS 534.037(5).
- 26.4 Should the GMP be discontinued, groundwater management shall revert back to the base groundwater right with the same status that existed at the time of GMP approval and any subsequent changes in the base right during GMP implementation. It is required that

- holders of water rights ensure proper paperwork is filed with the State Engineer to reflect any change in ownership or location of the associated groundwater right (e.g., point of diversion or place of use of the base right) that occur during the period of GMP operation.
- 26.5 Many appendices to the GMP are, by nature, living documents that must change as the GMP progresses. Reasonable updates to any appendix shall not be deemed an amendment to the GMP.
- 26.6 Specific references to Nevada law in this GMP may change as the GMP progresses. Updates in legal citations or added references to other pertinent provisions of Nevada law that may now exist or exist in the future shall not be deemed as amendments to the GMP.

Appendix A – GMP Petition to State Engineer

This will include the GMP petition for approval signed by a majority of the holders of certificates or permits.

Issues and Proposed Solution Developed to Address Groundwater Management in Diamond Valley, Eureka County, Nevada

Develop by
Walker & Associates
661 Genoa Lane
Minden, Nevada

ISSUE GENERATION

- Walker & Associates conducted 3 facilitated sessions using a Nominal Group Technique to develop input from DV irrigators related to issues/hurdles and solutions to reduce pumping.
- Walker & Associates also conducted on site interviews with 10 irrigators and 2 mining firms to further develop input on issues related to groundwater management

Facilitated Session Attendees Addressed these 2 Questions

- 1. What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?**
- 2. What are some of your ideas on reducing pumping?**

NOMINAL GROUP TECHNIQUE USED TO PRIORITIZE ISSUES

- Attendees asked to silently list all their ideas concerning each question.**
- In round robin order each attendee stated an issue that was captured on a flip chart.**
- After all issues were listed, attendees combined similar issues.**
- Attendees voted using a high to low priority voting system to select the top five issues/solutions**

Summary of Issues/Solutions Generated from Facilitated Sessions

- Approximately 27 people attended the 3 session, dominated by DV irrigators.
- Attendees identified 72* issues concerning the hurdles and issues related to a groundwater management plan.
- Attendees identified 67* suggestions for solution to reduce groundwater pumping.

*total for all 3 sessions – some issues/solutions were redundant.

Summary of Issues

Governance

- How would a groundwater management plan be implemented and by whom.
- Would everyone buy into the plan and if not how would it be enforced.
- Urgency of getting a groundwater management plan developed and implemented is important to the groups.
- The State Engineers role in the plan and possible allowance of some flexibility on particularly use it or lose it statutes was consistently mentioned.

Issue Summary Continued

Water Rights

- How would a plan address the junior/senior water right issue that currently exists.
- Most participants thought that strict adherence to first in time, first in place law would have a devastating effect on the existing agricultural economy.

Issue Summary Cont.

- Funding for a water right buyout program – where would the funds come from and what is the value of the water right.
- Education on best management practices to reduce water use, combined with information/participation in development of a groundwater management plan is an important issue

Solution Summary

Water right buyouts. Specific programs were mentioned included:

- Generated funding through a \$2500 per year fee on all active pivots
- Dedicate a portion Eureka County proceeds of minerals funds
- Potential 4 million dollars available through the hay growers coop if/when General Moly proceeds with the construction of the Mount Hope Molybdenum mine.

Solution Summary Cont.

- Mechanical and operation irrigation efficiency improvements
- Require state of art sprinkler design and operation;
- No end guns
- All wells metered
- Establish an irrigation season
- Require 1 day per week no watering
- Shut off sprinklers daily during afternoons
- Follow a percentage of the valley yearly
- Soil moisture monitoring
- Subsurface drip irrigation
- Encourage federal programs to broaden payment/cost shares to a wider variety of irrigation systems.

Solution Summary Cont.

- Grow lower water use crops and develop storage and marketing plan for those crops – wheat; triticale, brewing barley, Quinoa, et al. Make Diamond Valley grains/alternative crops coveted like the alfalfa hay/timothy hay has become. Reduce irrigation season length
- Modify state water law to allow non-use without losing water right/protect existing duty.

Conclusion from Facilitated Sessions

In conclusion, most of the attendees were concerned that;

- A groundwater management plan would not have the rule of law enforcement capability and therefore would be ignored.
- They wanted agricultural irrigators, regardless of water right status, be treated equally.
- The thought that efficiency improvements via better irrigation equipment was important, yet they inherently knew that would not by itself reduce pumping enough to solve the groundwater deficit issue

Conclusions from Facilitated Sessions Cont.

- The opinion of Walker & Associates is that irrigators understand that significant reduction in pumping has to occur or the State Engineer will simply reduce pumping to the published perennial yield by a priority basis.
- Diamond Valley irrigators are very knowledgeable of Nevada water law.

Results from Interviews

- 10 irrigators interviewed and 2 mining representatives. Most of the suggestions were consistent with the top five issues gathered at the facilitated sessions.
- Irrigators interviewed were more likely to give specific examples of how reduced pumping could be achieved.
- They, with exception, felt that all participants regardless of water right priority should be required to participate in mandated conservation programs dictated by a groundwater management plan.
- The exceptions, owners of older water rights, felt that program participation be dictated by priority of the certificated water right.

Comments from On-site Interviews

- Remove end guns
- Require water meters
- Relinquish all water right permits where action has not been taken. Stop extensions.
- Move away from 24 hours per day/7 day per week watering schedules.
- Develop and participate in funding mechanisms to buyout and retire water rights.
- Become as efficient as possible in application techniques
- With exception, require water right priority to not be the determining factor for buyout programs/set aside programs.
- Current crop prices/costs of power are a disincentive to water conservation

Conclusions from Issue Scoping Process

- In order for a legitimate groundwater management program that significantly reduces pumping to be developed, the irrigators need a compelling reason to participate. The significant drop in the water table in some parts of the hydrographic basin is not a motivating concern. Walker & Associates would recommend that Diamond Valley be designated by the State Engineer as a “Critical Management Area” and demand a solution be developed in the timeframe per NRS 534.110 - Section 7

Conclusions from Issue Scoping Process Continued

Walker & Associates also recommends that the Eureka Conservation District contact all irrigators in the Diamond Valley Hydrographic Basin via a letter and ask them if they feel a designation of Diamond Valley as a “Critical Management Area” is appropriate. Responses from the stakeholders should then be tallied and the results reported to the State Engineer.

Steve Walker
Walker & Associates

July 29, 2014

To: Eureka County Conservation District

From: Steve Walker, Walker & Associates

Subject: Summary Report of Issues and Solutions Generated to Address Groundwater Management in Diamond Valley Hydrographic Basin, Eureka County, Nevada

Below is a summary of the issues and proposed solutions generated by Diamond Valley water users over the last 2 months pertaining to development of a groundwater management plan in Diamond Valley to reduce pumping. The information was developed by Walker & Associates via 3 facilitated sessions using the Nominal Group Technique to identify issues related to groundwater management in Diamond Valley. Specifically the groups were asked to provide answers to these questions:

1. What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?
2. What are some of your ideas on reducing pumping?

Approximately 27 citizens attended the sessions with a large majority being active irrigators in the area. Additionally Walker & Associates conducted 12 on site visits to query the individual water users concerning issues/hurdles and solutions in developing a groundwater management plan for the area. Walker & Associates estimates that citizens attending the meetings and those interviewed represent 70% of the irrigated landownership in Diamond Valley. A summary of each facilitated meeting has been developed along with an email description of the issues generated via the interviews. These summaries are available for your review and are attached to this summary report.

Facilitated Sessions Summary

The Nominal Group Technique is a process that identifies issues by having all participants in round robin order state the issue/solutions they feel are important. After all the issues have been identified the group then agrees on combining similar issues followed by a voting process to determine the top 5 issues. (See attached session summaries for specific listing of all the issues generated.) The top 5 issues and solutions were generally consistent among the 3 sessions and can be summarized into these categories.

Issues/Hurdles

1. Governance – how would a groundwater management plan be implemented and by whom. Would everyone buy into the plan and if not how would it be enforced. Also urgency of getting a groundwater management plan developed and implemented is

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important to the groups. The State Engineers role in the plan and possible allowance of some flexibility on particularly use it or lose it statutes was consistently mentioned.

2. How would a plan address the junior/senior water right issue that currently exists. Most participants thought that strict adherence to first in time, first in place law would have a devastating effect on the existing agricultural economy.
3. Funding for a water right buyout program – where would the funds come from and what is the value of the water right.
4. Education on best management practices to reduce water use, combined with information/participation in development of a groundwater management plan is an important issue.

Solutions

1. Water right buyouts. Specific programs were mentioned including generated funding through a \$2500 per year fee on all active pivots; using County proceeds of minerals funds; potential 4 million dollars available through the hay growers coop if/when General Moly proceeds with the construction of the Mount Hope Molybdenum mine.
2. Mechanical and operation irrigation efficiency improvements; require state of art sprinkler design and operation; no end guns; all wells metered; establish an irrigation season; require 1 day per week no watering; shut off sprinklers daily during afternoons; fallow a percentage of the valley yearly; soil moisture monitoring; subsurface drip irrigation; encourage federal programs to broaden payment/cost shares to a wider variety of irrigation systems.
3. Grow lower water use crops and develop storage and marketing plan for those crops – wheat; triticale, brewing barley, Quinoa, et al. Make Diamond Valley grains/alternative crops coveted like the alfalfa hay/timothy hay has become. Reduce irrigation season length.
4. Modify state water law to allow non-use without losing water right/protect existing duty.

In conclusion, most of the attendees were concerned that a groundwater management plan would not have the rule of law enforcement capability and therefore would be ignored. Additionally they wanted agricultural irrigators, regardless of water right status, be treated equally. The thought that efficiency improvements via better irrigation equipment was important, yet they inherently knew that would not by itself reduce pumping enough to solve the groundwater deficit issue. In Walker & Associates opinion the irrigators also understand that significant reduction in pumping has to occur or the State Engineer will simply reduce pumping to the published

perennial yield by a priority basis. Diamond Valley irrigators are very knowledgeable of Nevada water law.

Results from Interviews

As previously stated Walker & Associates conducted interviews with 12 agricultural irrigators at their farms or over the phone. Most of the suggestions were consistent with the top five issues gathered at the facilitated sessions, but interviewers were more likely to give specific examples of how reduced pumping could be achieved. They, with exception, felt that all participants regardless of water right priority should be required to participate in mandated conservation programs dictated by a groundwater management plan. The exceptions, owners of older water rights, felt that program participation be dictated by priority of the certificated water right.

When asked a hypothetical question on whether they would stay in business if they had to deepen their wells by seventy feet, they all agreed they could stay in business and would deepen their wells.

Everyone interviewed was then emailed a summary of what Walker & Associates thought they suggested and suggested change as necessary. These reviewed statements are attached to this summary report.

The most consistent comments were:

- Remove end guns
- Require water meters
- Relinquish all water right permits where action has not been taken. Stop extensions.
- Move away from 24 hours per day/7 day per week watering schedules.
- Develop and participate in funding mechanisms to buyout and retire water rights.
- Become as efficient as possible in application techniques
- With exception, require water right priority to not be the determining factor for buyout programs/set aside programs.
- Current crop prices/costs of power are a disincentive to water conservation

Conclusion

In order for a legitimate groundwater management program that significantly reduces pumping to be developed, the irrigators need a compelling reason to participate. The significant drop in the water table in some parts of the hydrographic basin is not a motivating concern. Walker & Associates would recommend that Diamond Valley be designated by the State Engineer as a "Critical Management Area" and demand a solution be developed in the timeframe per NRS 534.110 - Section 7 listed below.

7. *The State Engineer:*

(a) May designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin.

(b) Shall designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin upon receipt of a petition for such a designation which is signed by a majority of the holders of certificates or permits to appropriate water in the basin that are on file in the Office of the State Engineer.

➤ The designation of a basin as a critical management area pursuant to this subsection may be appealed pursuant to [NRS 533.450](#). If a basin has been designated as a critical management area for at least 10 consecutive years, the State Engineer shall order that withdrawals, including, without limitation, withdrawals from domestic wells, be restricted in that basin to conform to priority rights, unless a groundwater management plan has been approved for the basin pursuant to [NRS 534.037](#)

Walker & Associates also recommends that the Eureka Conservation District contact all irrigators in the Diamond Valley Hydrographic Basin via a letter and ask them if they feel a designation of Diamond Valley as a “Critical Management Area” is appropriate. Responses from the stakeholders should then be tallied and the results reported to the State Engineer.

Steve Walker
Walker & Associates

June 4, 2014

To: Jake Tibbitts, Eureka County Natural Resource Manager
From: Steve Walker, Walker & Associates
Subject: Summary of Meeting with Diamond Natural Resources Protection and Conservation Association

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

1. Combined issues* related to State Engineer's approval/involvement. 2 - NSE full backing; 15 - Penalizing water conservation; 17 - What happens if the water table stabilizes?; 21) Fear of loss of duty; 23 - What is acceptable drawdown/stepwise conservation? 24 - Current lack of regulatory flexibility; 29 - Wet water versus paper water; 27 - Keep plan local with NSE approval; (38 total votes)
2. Combined issues related to local/community support of a groundwater management plan. 1 – People on board for majority; 7 – Community cooperation – others not just irrigators; 31- Participation in the process; 32 – Ownership of the problem – whole basin. (34 total votes)
3. Water value establishment. (16 total votes)
4. Lack of Educations – BMPs (Best Management Practices) (14 total votes)
5. Combined issues related to senior/junior water rights. 16 – Cooperation of senior water right holders; 18 - Getting enough junior/senior water right collaboration. (12 total votes)

Question 2 – What are some of your ideas for reducing pumping?

1. Water right buy-out program. (30)
2. Introduce irrigation season – eg May 1st – September 15th. (23)
3. Suspending use it or lose it or modify. (20)
4. Educate on best, efficient irrigation practices. (20)
5. Combined issues on soil moisture monitoring. 17 – Soil Moisture Monitoring; 18 – Consistent GPM for soil type – only what is necessary. (16)

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* The numbers in the combined issue category represent a participant's suggested issue/hurdle that was identified in the brainstorming process and combined with a related issue via group consensus.

Other issues identified in Nominal Group Process on 6/3/14 ranked per votes received/participants

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

- 4 – Financial solutions for reduced pumping. (10)
- 8 – Groundwater management plan enforcement. (9)
- 13 – Funding (8)
- 30 – Self-enforcement (7)
- 6 & 33 – Maximizing income now versus longevity/high hay prices trump reduced pumping. (4)
- 26 – Lack of education – change is necessary. (3)
- 10 – Declining water table over time. (2)
- 3 – Compliance w/ groundwater management plan. (1)
- 9 – Protection of property values. (1)
- 14 – Keeping the Diamond Valley community alive (1).
- 11 – Develop receptive attitude.
- 19 – Neighbor conflicts.
- 20 – Groundwater mgt plan good for all.
- 22 – Organization to operate groundwater management plan & administer.
- 25 – How to monitor/regulate without metering?
- 26 – Lack of education – change is necessary.
- 28 – Develop mission statement for groundwater management plan.

Question 2 – What are some of your ideas for reducing pumping?

- 3 – All pivots with best conservation techniques – nozzles, drops. (14)
- 13 – Assess for funding mechanism – buyout. (9)
- 22 – Meter to know what you are using. (8)
- 9 – Alternative crops. (7)
- 16 – Set aside programs. (6)
- 7 – Turn end guns off/last 3 nozzles. (5)
- 8 – Fallow pivots rotationally for 1 year. (5)
- 19 – Self enforced water mgmt. (3)
- 25 – No meters on POD (point of diversion) or PBU (proof of benef. use) (2)
- 21 – Establish market based water bank. (1)
- 2 & 6 – Timing of irrigation/irrigate – don't just run water.
- 4 – Pivots shut off one day per week.
- 10 – Drip irrigation.
- 11 – End gun control – keep water on field.
- 12 – One crop Timothy.
- 14 – Incentive for xeriscape - domestic wells
- 20 – Soil additives, amendments to increase soil moisture (capacity).
- 23 – Encourage alternative land uses

Participants

Ken Benson

Dan Green
Jim Gallagher
Jim Moyle
Denise Moyle
Bill Norton
JJ Goicoechea
Lynn Conley
Fred Etchegaray
Jim Baumann
Marty Plaskett
Mark Moyle
Travis Gallagher

Staff

Jake Tibbitts
Dale Bugenig
Steve Walker

June 17, 2014

To: Jake Tibbitts, Eureka County Natural Resource Manager

From: Steve Walker, Walker & Associates

Subject: Summary of Facilitated Meeting Concerning Issue/Solution Idea Generation to Address Diamond Valley Groundwater Issues

The meeting was held at the Opera House in Eureka, Nevada on July 13th from 6 to 8 P.M. Below are the top 5 issues/solutions generated for each question using the Nominal Group Technique.

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

1. Urgency of getting the groundwater management plan done in a timely manner – Issue 25 (27 total votes.)
2. Combined issues* related to local/community support of a groundwater management plan. 3 – Unwillingness to participate in program; 6 – Getting every water user to participate; 26- Participation in the process; (20 total votes)
3. **Funding mechanisms for not pumping. Issue 10. (20 total votes)
4. Water right buy-out. Issue 9 (18 total votes)
5. Combined issues related to senior/junior water rights. 4 - Buy-in from senior water right holders; 7 – Senior/Junior water right holders working together; (14 total votes)

Question 2 – What are some of your ideas for reducing pumping?

1. Combined issues on increasing water use efficiency – 2- Efficiency in water application: 6 – Better nozzle packages/lower drops; 20 – Turn off end guns (26 total votes)
2. Better marketing to increase value of lower water use crops – e.g. Triticale (20 total votes)
3. **Buy out program (12 total votes)
4. Set aside program (12 total votes)
5. High value crops at less acreage – (10 total votes)

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*The numbers in the combined issue category represent a participant's suggested issue/hurdle that was identified in the brainstorming process and combined with a related issue via group consensus.

**Indicates a tie vote between issues ranked 3 & 4.

Other issues identified in Nominal Group Process on 6/13/14 ranked per votes received/participants

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

- 23 – Balancing water supply versus demand and use. (13)
- 22 – Funding to implement groundwater management plan (7)
- 8 – Plan that State Engineer is on-board with (7)
- 12 – Procrastinate until too serious (5)
- 13 – Willingness to break with tradition (5)
- 14 – Who will administer plan (5)
- 21 – Need for more political influence at State (5)
- 5 – High value crops use more water (4)
- 17 – Lack of local enforcement (3)
- 11 – Solutions without hurting economy (2)
- 2 – Fairness to all users
- 15 – Land re-vegetation after irrigation ends
- 18 – Price of hay conflicts with reducing pumping
- 19 – Issues recognized and incorporated into plan
- 20 – Water management and conservation for all participants
- 1 – Use written form to gather to gather issues/solutions

Question 2 – What are some of your ideas for reducing pumping?

- 8 – Multi-year water allocation (8)
- 7 – 3 acre-foot duty cap (7)
- 25 – Fallow rotation (7)
- 11 – Soil additives for better water retention (6)
- 5 – Soil moisture monitoring (5)
- 24 – Limit water use unless a minimum crop yield is met (5)
- 27 – Bank water rights – keep local control (5)
- 4 – Remove pinion-juniper from watershed (4)
- 3 – Local control (3)
- 14 – Education on using /implementing efficiency techniques (3)
- 1/13 Different high value crops that use less water (3)
- 12 – Totalizing meters for management not regulation
- 16 – Alternative land uses e.g. renewable energy production
- 17 – Turn off pumps when possible
- 19 – Turn of pumps in afternoon
- 21 – Develop costs/value of water in inches of application
- 22 – Water right valuation
- 23 – End additional water use coming on line – no new use – don't allow corner consolidation
- 26 – Limit water use based on rodent count

Participants

Bob Burnham
Ken Conley
Anthony Miller
Martin Hinckley
Tom Filbin
Jim Baumann
Marty Plashett
Mike Rebaleati
Jerry Anderson
Mark Moyle

Staff

Jake Tibbitts
Steve Walker

June 20, 2014

To: Jake Tibbitts, Eureka County Natural Resource Manager

From: Steve Walker, Walker & Associates

Subject: Summary of Facilitated Meeting Concerning Issue/Solution Generation to Address Diamond Valley Groundwater Issues

The meeting was held at the Opera House in Eureka, Nevada on July 19th from 6 to 8 P.M. Below are the top 5 issues/solutions generated for each question using the Nominal Group Technique.

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

1. How to govern and enforce groundwater management plan. – Issue 12 (17 total votes.)
2. Combined issues* related to agreement on groundwater management plan (GMP). 3 – All stakeholders agree on GMP; 3 Senior right holders on board – ; 7 – GMP that works for everyone – participation and agreement ; (10 total votes)
3. **Restricting type of irrigation – e.g. no flood. Issue 2 (10 total votes)
4. Consolidate the individual problems into on plan. Issue 5 (8 total votes)
5. Individuals accept responsibility for water use reduction. Issue 4 (7 total votes)

Question 2 – What are some of your ideas for reducing pumping?

1. Combined issues on increasing water use efficiency – 3 – wells/irrigation system top efficiency; 4 – eliminate end guns; 5 – Lowest nozzle drops possible (22 total votes)
2. Restricting method of irrigation. Issue 2 (12 total votes)
3. Impose shutting off water for a period each day – stagger to avoid power surge. Issue 1 (9 total votes)
4. Alternative less water use crops. Issue 7 (5 total votes)
5. **Effective governance. Issue 11 (4 total votes)
6. More participation in GMP. Issue 9 (4 total votes)

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*The numbers in the combined issue category represent a participant's suggested issue/hurdle that was identified in the brainstorming process and combined with a related issue via group consensus.

**Indicates a tie vote between issues ranked 2 & 3 and 5 & 6.

Other issues identified in Nominal Group Process on 6/19/14 ranked per votes received/participants

Question 1 – What are the issues and hurdles associated with developing a groundwater management plan for Diamond Valley?

- 9 - Metering needed (5)
- 11 - Liberal granting of extensions on permits (1)
- 6 - Domestic wells on large parcels only
- 10 - High hay prices trump water conservation

Question 2 – What are some of your ideas for reducing pumping?

- 6 - Crop rotation (2)
- 8 - Grain storage facilities (2)
- 10 - Solutions equitable regardless of farm size

Participants

Leo Damele
Jim Wise
Dan L. Green
Tom Buffington

Staff

Jake Tibbitts
Steve Walker



Eureka Conservation District
P.O. Box 323
Eureka, NV 89316

IMPORTANT – PLEASE READ AND RETURN ENCLOSED QUESTIONNAIRE BY NOVEMBER 7, 2014

DATE: October 14, 2014
TO: Diamond Valley Groundwater Users
FROM: Eureka Conservation District
SUBJECT: Possible Designation of Diamond Valley as a Critical Management Area per NRS 534.110(7)

Dear Diamond Valley Groundwater Users:

The Eureka Conservation District has over the last few months conducted an informal scoping process to determine issues, hurdles, and possible solutions to address the over pumping of the Diamond Valley aquifer. The scoping process involved three facilitated issue generation sessions and on site interviews with Diamond Valley irrigators and water right holders. A summary report of the issues/solutions generated through this effort is available upon request to the Conservation District.

The scoping process identified that a majority of participants wish to develop a groundwater management plan for the Diamond Valley Hydrographic basin prior to the Nevada State Engineer taking action to reduce pumping. These participants want to avoid the State Engineer simply regulating by priority (i.e., junior rights curtailed). Participants desire to keep management options of the water resource flexible, "close to home," and minimize negative effects as much as possible. Currently, the State Engineer can only manage with this flexibility through a groundwater management plan under a critical management area designation. The concept of a groundwater management plan through a critical management area was passed during the 2011 Nevada State Legislative session and codified as NRS 534.110(7). It reads:

7. The State Engineer:

(a) May designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin.

(b) Shall designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin upon receipt of a petition for such a designation which is signed by a majority of the holders of certificates or permits to appropriate water in the basin that are on file in the Office of the State Engineer.

È The designation of a basin as a critical management area pursuant to this subsection may be appealed pursuant to [NRS 533.450](#). If a basin has been designated as a critical management area for at least 10 consecutive years, the State Engineer shall order that withdrawals, including, without limitation, withdrawals from domestic wells, be restricted in that basin to conform to priority rights, unless a groundwater management plan has been approved for the basin pursuant to [NRS 534.037](#) (emphasis added).

The State Engineer has made it clear he is supportive of development and implementation of a groundwater management plan to make progress towards a water use balance. Currently, if designated as a critical management area, the law provides flexibility beyond a ten-year timeframe if a groundwater management plan

is in place. It is important to understand that designation as a critical management area does not create a ten-year "drop dead" timeline. It simply provides motivation to water users to get a groundwater management plan in place within that timeframe and make progress towards a reduction in pumping. Again, while progress needs to be made, the only flexibility currently outside of "first in time, first in use" available through Nevada Water Law is through the law quoted above – designation as a critical management area and the associated development of a groundwater management plan. Most participants in the scoping sessions thought a formal mechanism, such as designation as a critical management area, would be necessary to gain participation and compliance by water users in a groundwater management plan. As one can see from the law listed above the State Engineer "may" designate a basin as a critical groundwater area but "shall" designate the area if the majority of the water users formally request such action via petition.

This letter has been sent out to ask your opinion about designating Diamond Valley as a Critical Groundwater Management Area. Below, please check the box before the statement you support and add a comment or explanation if desired and return in the envelope provided with pre-paid postage. **All responses must be returned by November 7, 2014**; results will be tallied and reported to the State Engineer who is aware of this action. **This is not a petition**, it is simply an opportunity to gather feedback. Thank you for your time and consideration in this important matter and please take the time to voice your opinion and provide by returning this letter in the envelope provided.

Thank you for your consideration,
Eureka Conservation District

☐ I support the State Engineer of Nevada designating the Diamond Valley Hydrographic Basin as a Critical Management Area per NRS 534.110.

Reasons why or further explanation:

☐ I **do not** support the State Engineer of Nevada designating the Diamond Valley Hydrographic Basin as a Critical Management Area per NRS 534.110.

Reasons why or further explanation:

Additional comments, if desired:

Totals

Types of Mailing	Total Mailed Out	Total Received	Total % Received	Total # In Support	Total # Do Not Support	Total # Did Not Mark Any Box	Total # Marked Both Boxes	Total % of Support	Total % Do Not Support	Total % Did Not Mark Any Box	Total % Marked Both Boxes
Domestic	67	9	13.43%	9	0	0	0	100.00%	0%	0%	0%
Irrigation	73	26	35.62%	19	6	1	0	73.08%	23.08%	3.85%	0%
Municipal	221	38	17.19%	26	8	3	1	68.42%	21.05%	7.89%	2.63%

Overall # Total Support	Overall # Total Do Not Support	Overall # Total Did Not Mark Any Boxes	Overall # Marked Both Boxes
54	14	4	1
Overall % Support	Overall % Do Not Support	Overall % Did Not Mark Any Boxes	Overall % Marked Both Boxes
73.97%	19.18%	5.48%	1.37%

Overall Total Mailing	Overall Received	Overall % Received
361	73	20.22%

Note: All comments, totals received, and percents are based on what was received as of 11/17/14.

Critical Management Area per NRS 534.110 (7) Questionnaire-Domestic Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Additional Comments
1	X					
2	X	I believe the State Engineer should have designated Diamond Valley a "Critical Management Area" 30 years ago when the Thompson/Jacobsen Ranch Springs were dried up from over allocation of water. Not 10 years from now. All parties need to expedite a management program now! The problem won't wait 10 years.				
3	X	Paragraph 2 says it all! It's been critical for years/decades.				
4	X	I don't believe some of the large water users will voluntarily reduce pumping. Due to the fact of senior water rights and the high price of hay.				
5	X	We need to start fixing the overuse. Designating the valley is needed to pull everybody together.				
6	X	Please take a good look at the over use by some allotment holders.				
7	X	It will allow the development of a management plan and give the valley water right holders time to adjust and implement water conservation measures as well as alternative operating methods without being cutoff.				The longterm benefit(s) will far outway any short term negative effects that this designation may have on property values, etc.
8	X					
9	X	From what I can see, it seems unlikely that the growers will develop a plan. They have known of the problem for years. I'm wondering if the growers are still applying for new applications... I'm hoping some entity can "motivate" the group to "get to it" now.				
Totals		9	0	0	0	
		Total Received in Mail	9			

Note: All comments, totals received, and percents are based on what was received as of 11/17/14.

1

Critical Management Area per NRS 534.110 (7) Questionnaire-Irrigation Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Additional Comments
1	X	I believe the State Engineer is looking to the growers of Diamond Valley to develop a water management plan that can be agreed upon by all. Ultimately he has the right to rule per NRS and I believe that's the least desirable choice of Jason King.				
2			X	Lets come up with a basic plan that everyone can do for right now and go from there. All pumps off 1 or 2 days a week. " " " by Sept. 5 or ??		
3	X	Creating a management plan ourselves is a better solution than having the State mandate a solution for us.				
4	X					
5			X	At this time I would like to see if a groundwater management plan can be developed and works before the designation of a critical management area. The farmers have to step up and help their own cause.		
6	X	However the water law of first in time, first in right must be the overarching guide for any management plan.				
7	X	This is necessary to motivate change in water management and tools needed to prohibit more stress in the aquifer.				
8	X	As a senior holder I believe that Jr. water rights should be curtailed to protect senior holders. This is the law and is done in every Western State. Curtailment will be the start of protecting all water users. If we do nothing, all of us producers will be out of water.				
9			X			
10			X			
11	X					
12	X	The only way we (irrigators) are going to get the entire basin on board with conserving water and somehow get closer to a sustainable resource and future for farming, is to make this a CMA.				
13	X	A plan needs to be developed to curtail the decline in the basin.				

Note: All comments, totals received, and percents are based on what was received as of 11/17/14.

2

Critical Management Area per NRS 534.110 (7) Questionnaire-Irrigation Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Additional Comments
14	X					
15			X	Due to the past actions of the former and current administration of this office, I see NO reason to believe that the current or FUTURE appointees of this office have the ability OR DESIRE to do what is right and just for all the subjects concerned in this matter!!		
16	X	I believe it's time to take action for the long range sustainability of agriculture in this valley with the drought and high rate of pumping we are heading for trouble if we don't make changes soon				
17	X	The process of establishing a management plan needs to get started so that we will have some control of our future.				
18	X	While I support the concept of a critical management area designation for Diamond Valley, that support is somewhat conditional, based on whether or not there will be some sort of mandatory standard of efficiency and conservation enacted for Diamond Valley Irrigators. I feel that a strictly voluntary effort will be insufficient for meeting the water use reductions that are necessary to preserve the agricultural community in our area. Human nature being what it is, some sort of enforceable standard is essential. There are probably several ways of implementing such standards and they should all be examined. There must be some method of monitoring and implementing a universal effort to conserve our water resources in Diamond Valley.				
19	X					
20	X	It will give the valley time to develop a solution without harming families whose livelihood could otherwise be taken away.				
21	X	We need to take this matter in our own hands and move forward to reduce pumping. A critical management area will allow us to do that. It is important to act now to reduce pumping before it is too late. Let's get it done now.				

Note: All comments, totals received, and percents are based on what was received as of 11/17/14.

3

Critical Management Area per NRS 534.110 (7) Questionnaire-Irrigation Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Additional Comments
22			X	Regulation of the overdraft is overdue and should be implemented immediately. Management should be conducted in a manner consistent with Nevada water law (first in time, first in use). This effort appears to be an effort to circumvent both timely management of the problem and the seniority of rights as determined in existing law.		
23	X	I am in support of a CMA provided it comes with a plan and parameters for conservation. Something with yearly goals and the ability to set regulations and enforce them.				
24	X					I support a critical management area plan that is specific in identifying the steps needed to create conservation of water, and outlines the consequences for not adhering to said plan.
25	X					I think a CMA gives us time to breathe and plan without fear of catastrophic financial repercussions if the SE starts pulling permits.
26					X	In my opinion, we do need ground water management. All water users domestic and irrigation. A meter of some sort should monitor water consumption, and we should reduce our water consumption to 10 to 20 percent to see if water levels can be maintained. All farmers thru some kind of governing system should lay out a percentage of their irrigation on a rotation.

Totals:	19	6	1
Total Received in Mail	25		

Note: All comments, totals received, and percents are based on what was received as of 11/17/14.

4

Critical Management Area per NRS 534.110 (7) Questionnaire-Municipal Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Marked Both Boxes	Additional Comments
1	X						
2	X	Water is a valuable resource.					
3			X	I believe that water rationing is necessary RE: odd even gardens/yard watering to maintain the water resources that we have but having the state take over management of those resources may be the beginning of the end for alfalfa growers and ranching in Diamond Valley.			When the Mt. Hope was in negotiations for Diamond Valley water resources, it was clear that eventually this resource was going to be depleted in short order.
4	X						
5			X	Farmers got plenty tax breaks low interest etc. Pay your own way.			No more Government money for you!
6	X	We feel that the farmers should be held accountable for over pumping in D.V. They should be regulated and fined if they over use the amount of water they are allowed. The State Engineer should take charge before there is nothing to take charge of. The DV water table drops 5 feet a year and the Domestic Wells are suffering. We live in Lureka we are speaking for the people with Domestic Wells.					
7	X						
8	X						
9	X	Water supply is limited, management is mandatory. Plant crops that need less water.					
10	X	Sadly, because I hate to see more government involvement, the only way the majority of the farmers are going to conserve water is if they are forced to. I spend a lot of time in Diamond Valley and it is a crime the amount of water that is being wasted.					

Note: All comments, totals received, and percents are based on what was received as of 11/17/14

5

Critical Management Area per NRS 534.110 (7) Questionnaire-Municipal Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Marked Both Boxes	Additional Comments
11		Did not make decision to support or not to support. Requested more information.		Did not make decision to support or not to support. Requested more information.	X		It's time to get to the bottom of the issue. More info and then we can get to the bottom of the issue. A small independent research team that can be set up to look at the issue and report back to the community. The first thing we need to get right is the data. We need to know what the issue is. We need to know what the problem is. We need to know what the solution is. We need to know what the impact is. We need to know what the cost is. We need to know what the benefits are. We need to know what the risks are. We need to know what the options are. We need to know what the decision is. We need to know what the outcome is. We need to know what the future is. We need to know what the present is. We need to know what the past is. We need to know what the future is. We need to know what the present is. We need to know what the past is.
12			X	Need a (future) not able to read/writing study as to this ARLA.			
13			X				
14			X	There was over allocation in the 1990's expecting some to fail. The state made this error and when the wells fail and the owner cannot afford to deepen it, they will fail the original intent.			
15	X						
16		Did not make decision to support or not to support.		Did not make decision to support or not to support.	X		I think those directly affected, farmers, ranchers, & miners, should be the ones to decide.
17		Did not make decision to support or not to support.		Did not make decision to support or not to support.	X		Those most affected should decide.
18	X	It seems that any movement toward conservation will benefit the total population.					
19	X	I feel that it is very important to the long term economic and environment health of this community to work towards balancing the basin's waters. Designating this basin as a critical management area is a step in the right direction to get government and the private sector to try to achieve the goal of a balanced basin.					
20	X						
21	X	Proper control and management of water supply is crucial to our area.					
22			X	Farming not the only way of life.			
23	X	I do many people in Southern NV after the water.					
24	X	There needs to be an unbiased third party involved.					
25	X						

Note: All comments, totals received, and percents are based on what was received as of 11/17/14

6

Critical Management Area per NRS 534.110 (7) Questionnaire-Municipal Mailing

#	Support	Support Comments	Do Not Support	Do Not Support Comments	Did Not Mark Any Box	Marked Both Boxes	Additional Comments
26	X						
27			X	I there is no management plan that will provide a better solution than that provided under current law without any designation.			
28	X	They are currently pumping too much water out of the basin and it needs to be fixed before it cannot be fixed at all and everyone has no water.					
29	X						
30	X						
31	X	When more water is used than is replaced the land starts to sink. Erosion in the aquifer this is happening in California now.					The answer is simple: after certain amount of water is used on a section of land, raise the water rate so high that it would cost more than any profit on the sale of hay, cows, etc. then maintain a reasonable use depending on rain and snow per year.
32	X						
33		I have witnessed lowering water table in Diamond Valley from the early 70's.		I distrust government!		X	I guess if water conservation hasn't been voluntary in fifty years it will have to be forced.
34	X	Provides 10 yr. window in development of a groundwater management plan.					
35	X						
36	X	I believe that with a central regulation with appeal process is one of the best ways to insure that all users can be benefitted the most.					
37			X	The State Engineer of Nevada over allotted water rights in the 1950's for Diamond Valley. Now, today in the 2014 everything is political. It would be too arbitrary to have a state "official" determining the destiny of people and families. There will be those that fail because they cannot deepen their wells.			As was the plan in the 1950's to have some fail but did not resulting in the present condition of the water table. Additional mistakes by the State Engineer will not solve the problem.
38	X	farmers aren't doing it (managing water) themselves, unfortunately.					
Totals		26	8		3	1	
Total Received in Mail		38					

Note: All comments, totals received, and percent are based on what was received as of 11/17/14.

7

Appendix C – GMP Process

Below is a list of Diamond Valley Groundwater Management Plan (GMP) workshops held and a summary of actions taken toward development of a GMP. Meeting reminders, sign-in sheets, meeting notes, outlines, etc. developed at these meetings are included below this summary.

- **April 23, 2015**
 - Meeting notes of outcomes attached
 - Sign-in sheet attached
 - Decision by attendees to have GMP to State Engineer by January 2017
- **June 11, 2015**
 - Sign-in sheet attached
 - Main outcome of meeting was preliminary Diamond Valley Groundwater Management Plan Outline/Working Model (attached)
 - Decision by attendees to put article in Eureka Sentinel informing about GMP process and seeking involvement. Article ran week of July 2 and asked for stakeholders to attend next meeting which was published in paper. Article attached.
- **July 16, 2015**
 - Two separate meeting reminder emails attached
 - Sign-in sheet attached.
 - GMP outline continued
- **August 18, 2015**
 - Reminder email attached
 - Sign-in sheet attached
 - GMP outline continued
- **October 12, 2015**
 - Reminder email attached
 - Sign-in sheet attached
 - GMP outline continued
- **January 11, 2016**
 - Emails selecting date attached
 - Agenda attached
 - Sign-in sheet attached
 - GMP assumptions developed by group (attached)
 - Directed completion of Chapter 1 that addresses requirements of NRS 534.037(2). This was completed and sent to everybody on February 26 for review. It is attached.
 - Group agreed that a letter needed to be sent out to all water rights holders informing about process, outlining GMP, and asking them to validate their water rights and come to next meeting schedule February 29 and gave contacts if there were any questions. Certified letters sent by Eureka Conservation District (attached).
- **February 29, 2016**
 - Two reminder emails attached. Meeting agenda outlined in January 30 email.
 - Sign-in sheet attached
 - Advisory Board was elected to make progress and bring items back to full group for decisions. 7 individuals were elected to represent the entire group - 2 members with only senior groundwater rights, 1 mining representative, 1 ranching representative, and 2 members with both senior and 1 member with just junior rights.

- **March 23, 2016 Advisory Board (AB)**
 - Developed recommendations for discussion and action at next full group meeting.
- **March 28, 2016**
 - Reminder email with agenda attached
 - Sign-in sheet attached
 - Voted on recommendation of Advisory Board or sent items back to AB for continued discussion.
- **April 18, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **April 25, 2016**
 - Reminder email with items for discussion and possible action attached
 - Sign-in sheet attached
 - GMP outline/working model Items for discussion and action attached.
- **May 16, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **May 23, 2016**
 - Reminder email with items for discussion and possible action attached
 - Sign-in sheet attached
 - GMP outline/working model Items for discussion and action attached.
- **June 20, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **July 21, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **July 25, 2016**
 - Two reminder emails attached.
 - Second email (July 23) outlined items for discussion and action and all previous items that had been determined so far.
 - Sign-in sheet attached
 - GMP outline/working model Items for discussion and action attached.
- **August 9, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **August 22, 2016 Advisory Board**
 - Continued developing recommendations for discussion and action at next full group meeting.
- **August 29, 2016**
 - Reminder email attached
 - Most recent GMP outline/working model attached.
 - Sign-in sheet attached
 - Follow-up email attached that includes updated outline/working model based on actions by the attendees.
- **September 13, 2016 Advisory Board**

- Continued developing recommendations for discussion and action at next full group meeting.
- September 19, 2016
 - Two reminder emails attached.
 - Second email outlined items for discussion and action and all previous items that had been determined so far.
 - Sign-in sheet attached
 - GMP outline/working model Items for discussion and action attached.
- October 10, 2016 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- October 24, 2016
 - Reminder emails attached.
 - Sign-in sheet attached
 - GMP outline/working model Items for discussion and action attached.
 - Group determined that draft GMP was at a point where it could be submitted to the State Engineer for review and feedback.
- November 17, 2016
 - Draft GMP sent to State Engineer for review and feedback.³³
 - Also sent to all individuals on GMP email list; copy of email is attached.
 - Reminder that this draft GMP would be the main item for discussion and action at next full-group meeting.
- December 7, 2016
 - Two reminder emails attached.
 - Second email included copy of draft GMP that was submitted for to the State Engineer for review.
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and State Engineer preliminary review and items were referred to AB to address and bring back to full group.
- January 5, 2017 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- January 11, 2017 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- January 12, 2017
 - Two reminder emails attached.
 - Second email included most recent copy of draft GMP.
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- February 22, 2017 Advisory Board

³³ Nearly all full-group meeting reminders after November 2016 included a copy of the most recent draft GMP with red-line edits. These are not included in this appendix due to their length and the fact that these iterations are all included in the final GMP and would be duplicative to include.

- Continued developing recommendations for discussion and action at next full group meeting.
- February 27, 2017
 - Two reminder emails attached.
 - Second email included most recent copy of draft GMP.
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- March 20, 2017 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- April 7, 2017 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- April 10, 2017
 - Reminder email attached
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- April 12, 2017 Advisory Board
 - Continued developing recommendations for discussion and action at next full group meeting.
- May 2, 2017
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- May 2, 2017 Advisory Board
- May 16, 2017
 - Two reminder email attached
 - Second email included most recent copy of draft GMP.
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- May 18, 2017 Advisory Board
- May 22, 2017
 - Reminder email attached
 - Included copy of draft GMP and noted that the GMP was “nearly at the point of being ready for gathering signatures.”
 - Sign-in sheet attached
 - Draft GMP was discussed and group had very minor suggestions for change. The group had consensus that the Draft GMP should be submitted to the State Engineer for a “formal, informal” review to ensure that there were not any major hurdles before the signatures were gathered on the required petition.
 - Draft GMP was submitted to State Engineer after this meeting.
 - Emails transmitting Draft GMP attached
- September 28, 2017 Advisory Board

- October 9, 2017
 - Two reminder emails attached
 - Sign-in sheet attached
 - State Engineer review of Draft GMP was discussed and Draft GMP was amended according to attendee input to address State Engineer and items were referred to AB to address and bring back to full group.
- November 15, 2017
 - Two reminder emails attached
 - Noted that the previous meeting has “some relatively significant changes” based on the State Engineer review and this meeting would be meant to adopt language changes accordingly.
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- December 13, 2017
 - Email reminder attached
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- January 8, 2018 Advisory Board
- January 22, 2018
 - Email reminder attached
 - Notes that “GMP is getting very close to being complete with a couple important details to still work out.”
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- February 5, 2018 Advisory Board
- February 21, 2018
 - Three email reminders attached
 - January 26 email
 - Most recent Draft GMP was included
 - Noted that this version was submitted to State Engineer for another review; and
 - This meeting “could be the final full-group meeting before moving forward with gathering signatures on the petition.”
 - February 14 email
 - Noted that the State Engineer completed review of the Draft GMP referenced in the January email and this updated version was attached.
 - February 20 email
 - Included a list of comments and issues presented on the GMP over the last couple years
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
- March 26, 2018 Advisory Board

- **March 29, 2018**
 - Reminder email attached
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
 - Primarily Executive Summary, descriptive Table of Contents, and Frequently Asked Questions/Issues and Concerns Identified
- **April 19, 2018 Advisory Board**
- **April 24, 2018**
 - Reminder email attached
 - Most recent Draft GMP included
 - Sign-in sheet attached
 - Draft GMP was discussed and amended according to attendee input and items were referred to AB to address and bring back to full group.
 - Primarily Executive Summary, descriptive Table of Contents, Frequently Asked Questions/Issues and Concerns Identified, and preservation of protest provisions.
 - Group decided to include the document of issues and concerns identified and responded to throughout the process as a way to memorialize it.
- **May 7, 2018 email**
 - Sent final administrative draft GMP with “last few edits” including completed Executive Summary and Contents sections. Noted that “there are no anticipated changes to the substance of the Plan” and that only “various needed grammatical, formatting, or other changes [would] take place.”
 - Also included a document outlining the petition schedule and process (attached)
- **May 22, 2018 Advisory Board**
 - Reviewed completed Final GMP to ensure it was ready for printing and distribution

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Wednesday, April 15, 2015 5:31 PM
Subject: GMP meeting agenda and Steve Lewis Bio
Attachments: Diamond Valley Groundwater Management Plan.docx; bio 2014.doc

Attached is the agenda for the Groundwater Management Plan workshop next Thursday as well as a biographical sketch for Steve Lewis. Feel free to distribute.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010
Fax: 775-237-6012

**Diamond Valley Groundwater Management Plan
Planning Session
Thursday, April 23, 2015
9:00am – 4:00pm
Eureka County Commission Chambers**

Vision

Craft a vision for Diamond Valley agriculture and other water users

History

Review history of events and actions leading up to today. Record the major hurdles and issues. What do we know to be certain, what has been accepted or agreed upon and what are some critical decisions yet to be made.

CMA & GMP

Discuss the details of a Critical Management Area (CMA) and Groundwater Management Plan (GMP). Identify the parameters under which we know we must operate.

Ideal GMP Governance

Describe the duties and characteristics of an ideal governance body. What must a local regulatory authority be capable to handle – what are the duties (oversight, administration, enforcement, penalties, etc.)? What mechanisms will insure efficiency, transparency and accountability?

Build the Governance Entity

With the description of the ideal governance body in mind now construct a real-life entity that possesses these qualities and capabilities. Is it a combination of a newly-formed GiD under the direction of a re-vamped Conservation District, or is it something completely different?

Water User Participation

How will the water users be legitimately involved in the process? What are the key decisions in which their input is needed? What is (are) the process(es) by which they are involved?

Timeline

Form a timeline of actions required to develop and implement a GMP.

Next Steps

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Tuesday, April 14, 2015 5:11 PM
To: 'Jason King'; 'Kelvin Hickenbottom'; 'Rick Felling'
Subject: RE: GMP Facilitated Session - April 23

With the farming season upon us, there will likely not be much happening towards the GMP during the summer so we thought we should get a jump now and then come back to the table later in the year after we see where SB 81 goes and if you decide to designate the basin as a CMA/AMA. The conservation district is taking the lead and we are going to keep the conversation moving so we are on a good path if/when the designation occurs, especially if under a 5 year rather than 10 year timeline. The 5 year language in SB 81 has a few folks here worried and has created some motivation.

Steve Lewis is the Extension Educator in Minden. He has become well respected and established in facilitation and helping develop strategic plans. He was the Extension Educator in Eureka during the mid-1980's and is familiar with the history in DV. Steve Walker is still going to help out.

Jake

From: Jason King [mailto:jking@water.nv.gov]
Sent: Tuesday, April 14, 2015 3:54 PM
To: 'Jake Tibbitts'; Kelvin Hickenbottom; Rick Felling
Subject: RE: GMP Facilitated Session - April 23

Thanks Jake. I'm somewhat surprised – I thought nothing more would happen until we designated it a CMA (or AMA).

Who's Steve Lewis? Steve Walker?

Jason King, P.E. | State Engineer
Nevada Division of Water Resources
P: (775) 684-2861 | F: (775) 684-2811
E: jking@water.nv.gov | W: water.nv.gov

From: Jake Tibbitts [mailto:natresmgr@eureka-nv.org]
Sent: Tuesday, April 14, 2015 3:49 PM
To: Jason King; Kelvin Hickenbottom; Rick Felling
Subject: GMP Facilitated Session - April 23

Gentlemen:

Wanted to keep you in the loop. We are hosting a facilitated session next week, April 23, regarding the Diamond Valley GMP. Steve Lewis will be the facilitator. This will be one of many. Hoping to start making significant progress. I'll keep you updated.

Best,

Jake Tibbitts
Natural Resources Manager
Eureka County, NV

April 23, 2015

PLEASE SIGN IN:

NAME	PHONE #	EMAIL
Jake Tibbitts ✓	237-6010	naturesngr@earthlink.org
Tim Bailey ✓	237-7363	LCBailey@yahoo.com
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Dale Bugenig ✓	232-2108	eureka202bugenig@gmail.com
Chang Palmer ✓	237-5233	Coach
Jim Moyle ✓	318-0057	
Jim Gallagher ✓	233 3542	jgcu45@gmail
Denise Moyle ✓	846-6225	deniseLmoyle@gmail.com
Doug Frazer ✓	415 609 8077	DOFR@Comcast.net
Dusty Moyle ✓	934-1382	
MATT MORRISON ✓	775-237-5510	matt@mchaynada.com
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Chad Bliss ✓	237-5497	ChadBliss@mwPower.org
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CAROL DUBRAY ✓	775-346-0065 (C) 975-237-5245 (W)	cdubray@frontier.com
Ken Benson ✓	775-777-5098	
Anthony Miller ✓	775-318-0366	lionsunlimited@gmail
Bob Buchanan ✓	775-718-0020	buchananb@yahoo.com
Howard & Marcia Morrison ✓	775-293-0166	1104289316@yahoo.com
Michael Tannacchini ✓	775-237-1952	mtannacchini@earthlink.com
PATRICK PROGER ✓	775-748-6008	progers@earthlink.com
Vickie BUCHANAN ✓	775-318-0322	vkbuchanan@gmail.com

Meeting notes for Diamond Valley (DV) Groundwater Management Plan (GMP) workshop held April 23, 2015

Facilitated by Steve Lewis

Attendees:

- 1) Tim Bailey
- 2) Ken Benson
- 3) Chad Bliss
- 4) Vickie Buchanan
- 5) Dale Bugenig
- 6) Bob Burnham
- 7) Russell Conley
- 8) Carrie Dubray
- 9) Fred Etchegaray
- 10) Doug Frazer
- 11) Jim Gallagher
- 12) Travis Gallagher
- 13) Tim Halpin
- 14) Michael Iannacchione
- 15) Anthony Miller
- 16) Lloyd Morrison
- 17) Marcia Morrison
- 18) Matt Morrison
- 19) Denise Moyle
- 20) Dusty Moyle
- 21) Jim Moyle
- 22) Bill Norton
- 23) Chug Palmore
- 24) Patrick Rogers
- 25) Jake Tibbitts

1. **Purpose** – Outline the components, process, and timeline of a GMP.
2. **Vision** – Identify the conditions of Diamond Valley that has benefitted to the extreme by the GMP – what does the valley have that doesn't exist today?

The group identified the following Vision Elements:

- Progressive mindset
- Integrated, educated, united across all users
- Fair reduction between water users
- Water use equals water availability
- Economic stability (community and individually)
- Prosperity based on diversification

3. History –Review the history of events and actions leading up to today. What has been accepted or agreed upon? What are the critical decisions and hurdles?

Jake Tibbitts led discussion of the recent history leading up to today including:

- State Engineer workshop, March 19, 2009, where the SE outlined the history and status of DV and had open discussion on future management and regulation of DV. Essentially, SE asked water users to come up with solutions so he didn't have to.
- AB 419 that passed the 2011 Legislature that allows designation of a Critical Management Area and development of a Groundwater Management Plan.
- Hansford Economic Consulting June 2013 study of financial feasibility of a General Improvement District (GID) to execute a water management program to enhance the sustainability of underground water supply and storage for Basin 153.
- Hansford Economic Consulting May 2014 study of potential water use set-aside programs for DV.
- State Engineer workshop, February 2014, about CMA and GMP and again asking users to move forward with a GMP to reduce pumping in DV.
- Eureka Conservation District (ECD) retained Steve Walker in summer 2014 to facilitate a scoping of the issues, hurdles, and solutions for a GMP in DV.
- ECD sent out a questionnaire in October 2014 asking opinions of DV water users regarding designation of CMA by SE.
- 2015 NV legislation SB 81 that clarifies and provides additional tools in basins designated as CMAs (also changes term to Active Management Area rather than Critical).

All above reports, documents and presentations are available upon request to Mr. Tibbitts.

The group discussed and outlined what has been accepted or agreed upon:

- Over allocation by State Engineer has resulted in situation we're in. People only using at or less than what allowed.
- Beneficial use still rules; must pump and farm to avoid losing water rights.
- Declining water table for decades.
- Need a GMP.
- Declining recharge – drought and less snow; no consensus on why.
- Buy-in of most irrigators has occurred. Some still not "coming to the table."
- Over use of water above crop needs; "running water rather than irrigating."
- DV ag industry is major economic driver in Eureka County; figure of \$12M annually in tax revenue was asserted.
- It's our problem to fix; now is the time to make real progress.

The group discussed and outlined critical decisions and hurdles:

- How do we overcome our own fear?
- Mandatory regulation of GMP
- How do we use less and not give the unused water rights up? Don't want to be penalized for water conservation (i.e., fear of "use it or lose it").
- Meters or no meters?

- Disconnect/lack of participation of all water users (municipal, mining, domestic)
- How do we keep it simple?
- Resentment by domestic users – pointing fingers at farmers.
- Weigh productivity and prosperity with longevity. Short or long view? Do we give up some today (10% example given) to progress to long-term solutions?
- Benchmark reductions needed. What reductions are we shooting for under what timelines?
- Flexibility and adaptive management needed if we are making significant progress.
- Education, acceptance and implementation of current and best technology and management practices to irrigate efficiently

4. Critical Management Area and Groundwater Management Plan – Discuss the details of a CMA and GMA. Identify the parameters under which we must operate.

The group identified the following “sideboards” the GMP must operate under:

- Currently State law only allows solutions through a GMP if a basin designated as a CMA.
- GMP must be accepted by the State Engineer.
- No GMP developed in NV yet. DV is the “guinea pig” and essentially “flying the airplane as we are building it.”
- Nothing is 100% and there will be provisions in the GMP that will be seen as both good and bad.
- Must be specific to irrigation since irrigation is 95% of the water use in DV.
- By law, must be accepted by majority of permit holders through formal petition (does not include domestic wells).
- GMP changes/amendments must go through same process (i.e., petition).

5. Ideal Groundwater Management Plan Governance – Describe the duties and characteristics of an ideal governance structure. This would include duties such as oversight, administration, enforcement, penalties/fines, etc. and mechanisms such as efficiency, responsiveness, transparency, and accountability.

The group identified the following characteristics of “ideal” GMP governance:

- Fair for all.
- Willing to come to the middle in finding things all are willing to give up in the short-term to reach the long-term vision (or get close).
- Responsible to constituency.
- Must be effective; able to monitor plan, give it teeth (i.e., enforcement);
- Legal authority to collect and administer funds to retire water rights.
- Helps and is able to raise funds and get grants.
- Able to keep things simple; everybody must be able to understand plan implementation.
- Must accept this “opportunity” head-on.
- Funds raised stay within the “district.”
- Locally accountable.
- Elected; proportional representation of affected water users; majority made up of irrigators.
- Flexible/Adaptive.

- Measured advancement toward vision; baby-steps are okay if progress being made.
- Boundaries include recharge areas, not just pumping areas; include other agencies.
- Must be a sense of urgency.
- State funds defense of the GMP if/when challenged.
- Governing board must make unbiased decisions.
- Governing board must be able to interface with all partners.
- Make and enforce regulations; able to implement and enforce GMP.

6. Build Governance Entity – Construct an entity that possesses the qualities and characteristics of the ideal entity. In other words, who can do what needs to be done?

DNRPCA was suggested as a governing entity. Conservation district was suggested as a governing entity (NRS 548). County was suggested as a governing entity. There were pros and cons for each entity that highlighted these may not meet the “ideal” standard. Discussion was that there was not likely a current specific entity that met all items for ideal entity. However the group discussed that a plan should be developed that creates this entity and we could go to the 2017 NV Legislature to develop the entity to match the GMP if necessary.

Various entities were discussed and each entities potential contribution to the GMP governing board outlined:

- **Governing board**
 - Handles complaints
 - Employs oversees plan managers and field staff
 - Be available for recognition
 - Advisors of technology
- **Irrigators**
 - Bulk of members on governing board
 - Plan developers
 - Stewards; self-regulators of resource.
 - Be the plan
- **Domestic users**
 - Share the urgency and understand opportunity
 - Cut use at same percentages
 - Provides political capital and support
- **Mt. Wheeler**
 - Pumping and estimates
 - Grants for updating efficiency
 - Conservation incentives
 - Policing; control pumps through turning power on or off.
- **County**
 - Tax revenues
 - Record management and administration; institutional memory.
 - Impose land use regulations.
 - Enforce local ordinances

- Hold municipal water rights for GIDs and Town of Eureka. Must be part of plan.
- Federal agencies such as NRCS and BLM.
 - Fund retirement or incentive programs (NRCS).
 - Technical assistance.
 - Management of public lands to help recharge and watersheds; PJ thinning was provided as an example.
- Conservation District
 - Elected board by registered voters.
 - Can be regulatory.
 - Access funding for implementation, education.
 - Supply technical assistance and education.
 - Potentially have a seat on the governing board?
 - Buy and hold property including water rights.
- Mining Industry
 - Funding
 - Short term drawdown alleviation through disposal of dewatering water.
- State Engineer
 - Communicates with governing entity and water users
 - Approves plan
 - Defends plan
 - Represented on board?

7. *Water User Participation* – How will water users be involved? What are the key decisions in which their input is needed?

Ideas to involve water user stakeholders:

- Stress the regulatory aspect of the GMP.
- Word of mouth; sell the plan. Each attendee committed to bring 2 or more people with them to the next meeting that were not at this one.
- Social media; Facebook.
- Send draft plan outline to all and make the next meeting. Jake Tibbitts committed to work with Lynn Conley to get the outline distributed.
- Email reminders. DNRPCA's distribution list was suggested for use (Lynn Conley).
- Front page article in Sentinel. Dale Bugenig committed to drafting article.
- Make mailers visually appealing and eye-catching so they are not thrown away before being read.

8. Timeline and Next Steps

- Draft plan outline by May 14th. Next meeting, May 28th.
- Plan finalized to SE by January 2017. This is before next NV Legislative Session and would allow legislation needed to be able to implement GMP.
- Start working on steps for removing basin from a CMA. Determine timeframe (e.g., 35 year plan? 50 year plan?)
- Attempt to get a 10% reduction within next year.

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eurekanv.org>
Sent: Friday, May 22, 2015 9:48 AM
To: 'Russell and Lynn Conley'; 'Haystax@icloud.com'; 'Denise Moyle'; Jim Gallagher (jgeu45@gmail.com); 'Lynn Conley'
Subject: GMP meeting postponed until June 11?
Attachments: April 23, 2015 GMP attendance.pdf

All:

Due to obligations I have at the legislature (and otherwise) and some conflicts with Steve Lewis', we need to postpone the next GMP workshop until June 11. Do you think this date will work for everybody? If so, please help me spread the word about the cancellation of the 28th and the new date. Lynn, I think you have the most comprehensive email list to put out the notice to irrigators. Attached is the sign-in sheet from the first meeting so we can be sure all that attended there have notice of the change.

Jake

June 11, 2015

PLEASE SIGN IN:

NAME	PHONE	EMAIL
Sake Tibbitts ✓	237-6010	hahesngr@earthlink.org
Joan Ballenger ✓	233 3542	jgen45@gmail
Dale Bugeis ✓	775-232-2108	eurkah20.bugeis@gmail.com
Jim Stummle ✓	237-5167	bugby@gmail.com
Travis Gallagher ✓	560 2624	en93tg@aol.com
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Jim Bowman ✓	318-0335	SimpsonCreekRanch@gmail.com
Bob Burnham ✓	318-0020	burnhamhayfarm@msn.com
WAYNE CONAWAY ✓	237-7227	WAYNENCO@EMAIL.COM
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Jim Moyle ✓	775-318-0057	
Dan Moyle ✓	775-934-1382	duatymoyle1@gmail.com
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Ken Conley ✓	775-237-5465	hkenley@gmail.com
Dan Miller ✓	11 318-0082	
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HATT MORRISON ✓	775-237-5510	HATT@MCHAYNEVADA.COM
Anthony Miller ✓	775 318 0366	
IL. R. ✓	775-777-5098	haystaxwest@gmail.co

Diamond Valley Groundwater Management Plan Outline/Working Model

Vision

Diamond Valley and southern Eureka County are prosperous and economically stable by all means including education and diversification. We are a community that is united, fair and forward thinking about our water usage in order to ensure stability for ourselves now and our future generations.

Below is an outline of thoughts and steps developed by Diamond Valley Irrigators & Southern Eureka County water users to establish a groundwater management plan for the Diamond Valley Basin. Our recommendations have been influenced significantly by a Blueprint for Western Water Management that builds upon the Australian water sharing & permit unbundling and was presented to us by Prof. Mike Young on Thursday, June 11, 2015. It is the intent of the persons in attendance at that meeting to write a groundwater management plan based on the information shared and ideas developed at this meeting. Following a further meeting, we intend to present this plan to the Nevada State Water Engineer for adoption as the working model to stabilize the Diamond Valley Basin.

Meeting participants were asked the following question.

"Are you in favor of changing our water rights system?"

The resounding answer was yes, especially if we plan to adopt a system similar to that being used and proven in Australia. This system unpacks existing water rights into a new much more enhanced and simpler system. This is achieved by redefining rights as shares, issuing annual allocations and turning beneficial use obligations into a duty to put any water that is taken from a system to be used but not require that water be used. Unused water can be saved for use in subsequent years. The resultant water sharing system allows users to buy, lease, sell or save water shares as needed or desired without a lengthy paper process or approval from a government agency. The shares are recorded in a central register and allocations recorded in water accounts in a manner that makes these allocations available for trade like a commodity. These allocations are not tied to a set piece of land or well. A series of key components and questions to those components was discussed in detail and this was the outcome.

A. Allocation Plan

- 1. Must establish accurate perennial yield of basin**
 - a. Define stability of area-difference in static depending on area of valley**
- 2. Will establish an irrigation season**
- 3. Will stabilize the basin and in the future increase the available water**
 - a. Use State Water Engineers 35-year numbers for reduction in pumping**
- 4. Reduce water use to what is available in the basin without major economic impact**
 - a. All users must be metered and water usage recorded using smart meters that are linked to water accounts**
- 5. Create a plan to establish a sharing percentage**

- a. **Must establish individual starting points**
- 6. **Determine how much water can be used through time at the Basin level**
 - a. **Review plan progress after 5 years to make adjustments with a view to speeding attainment of a sustainable basin yield**
- 7. **With new "water shares" and a plan in place users may save water from month to month or year to year without restriction of effect on the security of their shares or the receipt of future allocations**
- B. **Water Right System**
 - 1. **Do we maintain the priority rights system or go to a shares system?**
 - a. **Do we go with shares system and honor priority? It was suggested that conversion should follow the allocation regime suggested by the State Engineer. All people should receive some shares. More shares per acre feet of entitlement should be issued to those with a higher priority.**
 - b. **Establish tradable shares and tradable allocations underpinned by state/court guaranteed register & water accounting system (i.e. water bank)**
 - 2. **Abolish or re-write "use or lose" rule as separate requirement to use water in a manner that is consistent with plan and administrative requirements.**
 - a. **Redefine conservation as a beneficial use**
 - 3. **Conversion of permits to shares would avoid call for immediate curtailment water and allow people to manage their own destiny.**
- C. **Governance Plan**
 - 1. **Who decides on allocation plan?**
 - a. **Ultimately the basin recharge and levels will determine how much water is allocated**
 - 2. **A board of 5 or fewer people**
 - a. **Will operate like a private company**
 - b. **Will determine allocation amounts based on availability & plan parameters**
 - c. **May need to include a person employed by the State Engineer.**
 - 3. **Paid skilled/expert members (elected/appointed/hired?)**
 - a. **Chair must be good communicator**
 - b. **Need a skilled hydrologist**
 - c. **Need a member with good knowledge of region & farming/mining/users**
 - d. **CEO with good knowledge of government**
 - e. **Community advisory board**
 - f. **Funding to be determined (possible state/federal funding sources)**
 - 4. **Volunteer advisory or reference board of local users (elected/appointed?)**
- D. **Management of use, trades, monitoring & reporting**
 - 1. **Establish a fair market value for the water**
 - 2. **Users will be able to buy & sell water shares and water allocations. Unused allocations may be banked forever without penalty.**
 - 3. **Penalty for overuse (rate TBD) with possible grace period to make good**
 - 4. **Actual usage and recharge must be determined, meters must be installed & read/reported**
 - a. **Desire for Smart Meters so system is automated and standardized**

- b. Possibility of grant money from state/fed sources to purchase meters**
 - c. Land owners must allow meter reader onto property**
 - d. Per share charge to fund monitoring and maintenance**
- E. Implementation Plan**
 - 1. Immediate implementation of the plan and conservation practices**
 - 2. Get all water users involved**
 - 3. Research and discuss other means to positively impact the recharge**
 - 4. Establish system to convert existing water rights to shares**
 - 5. Continued education and dissemination of information to all interested parties**
 - 6. Identify a person or persons to act as champion for the plan with the State Water Engineer, Governor and Legislature (as needed)**
 - 7. Stay apprised of current state and federal initiatives that will aid in the acceptance and funding of the plan**
 - 8. Map out plan of implementation with key dates and sequences**

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eurekanv.org>
Sent: Wednesday, July 15, 2015 9:50 AM
To: 'Lynn Conley'; 'Andy Marshall'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Benson'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadierranch.org'; 'dofr@comcast.net'; 'cdubray@frontier.net'; 'miannacchione@generalmolymoly.com'; 'Patrick Rogers (progers@generalmolymoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'
Cc: Steve Walker; Michael Young; 'Jason King King'; 'Kelvin Hickenbottom'; 'Rick Felling'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'
Subject: RE: Diamond Valley Groundwater Management Plan Workshop - Thursday, July 16
Attachments: 6 11 15 Diamond Valley Groundwater Management Plan Outline.docx; Robust_Separation.pdf; NV Div Water Res-Notice of Hearing on DV Hydrographic Basin (scheduled f....pdf

One more reminder about tomorrow's meeting. 9 am at the Opera House.

The following were sent out earlier, but I'm attaching again to bring them to the top of your piles:

- GMP outline based on Mike Young's information presented at 6/11 workshop. Thanks to Denise for putting this together;
- Robust Separation paper from Mike Young that his proposal is framed upon.
- Proposed order and associated hearing designating DV as a Critical Management Area

The draft agenda is below. It is flexible and we can add or remove items if needed.

1. Introductions
2. Discussion on designation of Diamond Valley as a Critical Management Area
3. Review last meeting's accomplishments
4. Workshop discussion with Prof. Mike Young on water management through water sharing & permit unbundling
5. Review and refine vision
6. Identify and refine goals and objectives (including timeframes to achieve benchmarks)
7. Strategies to involve/inform all users
8. Assignments before next meeting
9. Next meeting date and agenda

Hope to see you all tomorrow.

Jake

From: Jake Tibbitts [mailto:natresmgr@eurekanv.org]
Sent: Tuesday, July 07, 2015 8:17 PM

To: 'Lynn Conley'; 'Andy Marshall'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Benson'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'cdubray@frontier.net'; 'miannacchione@generalmoly.com'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'

Cc: Steve Walker; Michael Young; 'Jason King King'; 'Kelvin Hickenbottom'; 'Rick Felling'; 'JJ Goicoechea'; 'Steve Lewis'

Subject: Diamond Valley Groundwater Management Plan Workshop - Thursday, July 16

All:

This is a reminder that the next Diamond Valley Groundwater Management Plan workshop will be held next Thursday, July 16. It will start at 9:00 am at the Eureka Opera House. I've included everybody that attended the first meetings and a few others I have in my contact list. Please help spread the word to everybody that you know that uses water from Diamond Valley. As the attendees determined at the first meeting, it is crucial that this process is inclusive and involves all water users.

Mike Young will be in attendance again to provide further input on potential solutions for a GMP. Steve Lewis will not be able to make it but Steve Walker is going to step in to facilitate the meeting and participate.

Hope to see you all there.

Jake Tibbitts

JULY 16 - GMP

2015

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Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka.nv.org>
Sent: Friday, August 14, 2015 3:14 PM
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Cc: Steve Walker; Michael Young; 'Jason King King'; 'Kelvin Hickenbottom'; 'Rick Felling'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'; 'SRoutson@winnemuccafarms.com'; 'Jessica Santoyo, Natural Resources (natres@eureka.nv.org)'
Subject: Diamond Valley Groundwater Management Plan Workshop - Tuesday, August 18

All:

This is a reminder that the next Diamond Valley Groundwater Management Plan workshop will be held next Tuesday, August 18. It will start at 9:00 am at the Eureka Opera House. Lunch will be provided by the Eureka Conservation District. As always, please help spread the word and bring somebody that has not attended yet.

At the previous meeting, the group determined that the priority items for discussion will be:

- Assumptions that all can agree the GMP will operate under
- Determining share entitlements
- Right verification process

See you all there.

Jake Tibbitts

8-18-15 GMP WORKSHOP

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Over

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eurekanv.org>
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To: 'Lynn Conley'; 'Andy Marshall'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Benson'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadleranch.org'; 'dofr@comcast.net'; 'miannacchione@generalmoly.com'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'
Subject: Next Diamond Valley Groundwater Management Plan Workshop - October 12

I have not heard from anybody about conflict with the date change. Please mark your calendars and plan to attend the next GMP workshop on October 12 at 9 am.

Jake Tibbitts
Natural Resources Manager
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Goicoechea' <jjgoicoechea@eureka.nv.org>; 'Steve Lewis' <lewisst@UNCE.unr.edu>; 'mjwilson@water.nv.gov'
<mjwilson@water.nv.gov>

Subject: Next Diamond Valley Groundwater Management Plan Workshop - Request to change to October 12

All:

At the last meeting, the next GMP workshop was scheduled for October 5. I have had a couple requests to move this by one week to October 12. Please respond if you are ok with the meeting being on October 12.

Thanks.

Jake Tibbitts

George Parman ✓ Box 58 Eureka NV 89316
 Matt Morrison ✓

10-12-15 GMP Mtg-

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Jake Tibbitts

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Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eurekanv.org)
Subject: Shifting to January - Next Diamond Valley Groundwater Management Plan Workshop January 12?

It became apparent that December is just a tough month to get everybody together due to holiday and travel. We are going to shift the meeting into January and get past the holidays.

It is essential that we keep forward momentum on the Groundwater Management Plan (GMP). Please remember that the State Engineer has ordered Diamond Valley a Critical Management Area. We are now under a statutory timeframe to get the GMP developed and implemented.

It has been proposed to have the next meeting on Tuesday, January 12. The alternative dates would be January 5 or January 11. *Please respond with your availability for January 12 and, if not available, your availability for January 5th or 11th.*

Merry Christmas and Happy New Year!

Jake Tibbitts
Natural Resources Manager
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Subject: December 14? Next Diamond Valley Groundwater Management Plan Workshop

All:

December 8 does not work for many folks for the next workshop. It is very important that we set the meeting for a date that works for everybody as we don't want anybody excluded. I'm polling to see if Monday, December 14 works for everybody.

Thanks,

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Subject: December 8? Next Diamond Valley Groundwater Management Plan Workshop

Sorry about another email; it has been tough finding a date that works for folks. The alfalfa symposium is in Reno the first week of December and many folks are going. How does Tuesday, December 8 look for everybody?

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Goicoechea' <jigoicoechea@eurekanv.org>; 'Ken Conley' <bkconley@gmail.com>; 'Ladd Dubray' <directforce_ladd@frontier.com>; 'Lloyd Morrison' <lloyd89316@yahoo.com>; 'Lynford Miller' <lynford.miller@gmail.com>; 'Mark Moyle' <nhc.moyle@gmail.com>; 'Martin Etcheverry' <midgeamachi@aol.com>; 'Martin Etcheverry' <martin@eresheepcompany.com>; 'Marty Plaskett' <diamondvalleyhay@yahoo.com>; 'Matthew Morrison' <matt@mchaynevada.com>; 'Nick Etcheverry' <nicketcheverry@yahoo.com>; 'Paul Etzler' <p_etzler@msn.com>; 'Pete Goicoechea' <Pete.Goicoechea@sen.state.nv.us>; 'Robert Beck' <rbecknet@gmail.com>; 'Tim & Sandie Halpin' <tshalpin@gmail.com>; 'Tim Bailey' <t_cbailey@yahoo.com>; 'Travis Gallagher' <eu93tg@aol.com>; 'schay@live.com' <schay@live.com>; 'Vickie Buchanan' <vckbuchanan@gmail.com>; 'Wayne Conway' <waynenco@gmail.com>; 'doug@sadlerranch.org' <doug@sadlerranch.org>; 'dofr@comcast.net' <dofr@comcast.net>; 'miannacchione@generalmoly.com' <miannacchione@generalmoly.com>; 'Patrick Rogers (progers@generalmoly.com)' <progers@generalmoly.com>; 'chadbliss@mwpower.org' <chadbliss@mwpower.org>; 'imrenner@yahoo.com' <imrenner@yahoo.com>; 'buckaroodan@gmail.com' <buckaroodan@gmail.com>; 'rhunt29085@AOL.com' <rhunt29085@AOL.com>; 'rbjballen2@gmail.com' <rbjballen2@gmail.com>; 'haystaxwest@gmail.com' <haystaxwest@gmail.com>; 'matt6560@hotmail.com' <matt6560@hotmail.com>; 'bellfarmingco@aol.com' <bellfarmingco@aol.com>; 'basqboy@gmail.com' <basqboy@gmail.com>; 'conleyag@gmail.com' <conleyag@gmail.com>; 'huntboy@gmail.com' <huntboy@gmail.com>; 'lamarmoyle@gmail.com' <lamarmoyle@gmail.com>; 'jsestanovich@gmail.com' <jsestanovich@gmail.com>
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Subject: NEW DATE PROPOSED - RE: Reschedule Next Diamond Valley Groundwater Management Plan Workshop - November 30?

All:

Thanks to those that have responded so far. I've had a few respond that November 30 will not work for them. It has been suggested that the next meeting be Wednesday, December 2. Please respond about your availability on December 2.

Thanks,

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Goicoechea' <jigoicoechea@eurekanv.org>; 'Ken Conley' <bkconley@gmail.com>; 'Ladd Dubray' <directforce_ladd@frontier.com>; 'Lloyd Morrison' <lloyd89316@yahoo.com>; 'Lynford Miller' <lynford.miller@gmail.com>; 'Mark Moyle' <nhc.moyle@gmail.com>; 'Martin Etcheverry' <midgeamachi@aol.com>; 'Martin Etcheverry' <martin@eresheepcompany.com>; 'Marty Plaskett' <diamondvalleyhav@yahoo.com>; 'Matthew Morrison' <matt@mchaynevada.com>; 'Nick Etcheverry' <nicketcheverry@yahoo.com>; 'Paul Etzler' <p_etzler@msn.com>; 'Pete Goicoechea' <Pete.Goicoechea@sen.state.nv.us>; 'Robert Beck' <rbecknet@gmail.com>; 'Tim & Sandie Halpin' <tshalpin@gmail.com>; 'Tim Bailey' <t_cbailey@yahoo.com>; 'Travis Gallagher' <eu93tg@aol.com>; 'schay@live.com' <schay@live.com>; 'Vickie Buchanan' <vckbuchanan@gmail.com>; 'Wayne Conway' <waynenco@gmail.com>; 'doug@sadlerranch.org' <doug@sadlerranch.org>; 'dofr@comcast.net' <dofr@comcast.net>; 'miannacchione@generalmolymoly.com' <miannacchione@generalmolymoly.com>; 'Patrick Rogers' <progers@generalmolymoly.com>; 'chadbliss@mwpower.org' <chadbliss@mwpower.org>; 'imrenner@yahoo.com' <imrenner@yahoo.com>; 'buckaroodan@gmail.com' <buckaroodan@gmail.com>; 'rhunt29085@AOL.com' <rhunt29085@AOL.com>; 'rbjballen2@gmail.com' <rbjballen2@gmail.com>; 'haystaxwest@gmail.com' <haystaxwest@gmail.com>; 'matt6560@hotmail.com' <matt6560@hotmail.com>; 'bellfarmingco@aol.com' <bellfarmingco@aol.com>; 'basqboy@gmail.com' <basqboy@gmail.com>; 'conleyag@gmail.com' <conleyag@gmail.com>; 'huntboy@gmail.com' <huntboy@gmail.com>; 'lamarmoyale@gmail.com' <lamarmoyale@gmail.com>; 'jsestanovich@gmail.com' <jsestanovich@gmail.com>
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Subject: Reschedule Next Diamond Valley Groundwater Management Plan Workshop - November 30?

Hello everybody. At the last Diamond Valley Groundwater Management Plan (GMP) workshop, the date of November 16th (next Monday) was discussed as the date for the next workshop. Unfortunately, this date will not work for many folks as they will be attending a federal district court hearing in Reno. It has been proposed to move the meeting to Monday, November 30 (the week of the 23rd is Thanksgiving week and some folks will be out of town). Please respond whether November 30 will work for you. And, as always, please spread the word to those that don't have email or that have not been attending the workshops.

Thanks,

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Diamond Valley Groundwater Management Planning- Agenda

Date: January 11, 2016

- 1) Introductions**
- 2) NRCS- Programs for meter funding and other programs**
- 3) Assumptions Review**
- 4) Groundwater Management Plan Outline**
 - a) Steve Walker**
- 5) Water Right Verification Process**
 - a) Mitigation Rights**
 - i. Move to top (most senior) for share allocation and adjust based on court actions?**
 - b) Help from DWR?**
 - c) Bring in outside help?**
 - d) Personal commitments.**
- 6) Determining Share Entitlements**
 - a) Jake step through with spreadsheet provided by DWR**
 - b) Priority spread decision**
- 7) Meters**
 - a) Establish Meter Specifications**
 - b) Costs/Bids**
 - c) Federal Programs**
- 8) Advisory Board**
 - a) Nominate Advisory Board list of willing nominees – to be voted on by water users**
- 9) Rules Based**
 - a) Who's In – Who's Out**
 - i. Exemptions – stockwater, domestic, municipal, other de minimis uses?**
- 10) Next meeting and items to tackle**

JAN. 11, 2016 GMP WORKSHOP

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Diamond Valley Groundwater Management Plan - Assumptions

- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
- Perennial yield of 30,000 acre-feet per year is a good number and is number recognized by State Engineer but GMP should focus on sustainability, not numbers, and based on groundwater measurements (data).
 - May change based on soon to be released USGS report
- GMP apply to Diamond Valley hydrographic basin only (Basin 153) and apply to entire basin, not just a portion.
- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.
- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
- All existing groundwater permits/certificates/vested rights in good standing with Division of Water Resources will be converted to water shares, regardless of varying levels of extensions of times to put the water to use. If they are in good standing with DWR, they are legal water rights that must be converted to shares.
- Will recognize certain aspects of current Nevada water law, specifically the part of NRS 533.370(2) that ensures water transfers do not conflict with existing rights (in this case uses or shares) or the protectable interest in existing domestic wells.
- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
- Annual Allocations
 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.
 - Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can’t own shares. Board members must be approved by the State Engineer.

Workshop held for Groundwater Management Plan

July 2, 2015 By Eureka Sentinel

Water users in Diamond Valley kicked off efforts to develop a Groundwater Management Plan for the groundwater basin at two workshops sponsored by the Eureka County Conservation District on April 23 and June 11, 2015. The workshops, held at the Eureka Board of County Commission Chambers and Eureka Opera House, respectively, were facilitated by Steve Lewis of the University of Nevada Cooperative Extension Services. Steve is well-known for his ability to help groups reach consensus with challenging issues. He is intimately familiar with water issues in Eureka County, having previously served as the Extension Service's Agent in Charge in Eureka County from 1984 to 1990.

The June 11 session included an appearance by Professor Mike Young of the University of Adelaide, Australia where he holds a Research Chair in Water and Environmental Policy. He was a founding Executive Director of its Environmental Institute, is a fellow of the Academy of Social Sciences in Australia, and is a Distinguished Fellow of the Australian Agricultural and Resources Economics Study. As the Whitlam and Malcolm Fraser Chair in Australian Studies at Harvard University, Professor Young was instrumental in fashioning a "blueprint for a western water initiative." He was influential in the development and implementation of changes in water policy to combat the worst drought in Australia's history between the years 2003 to 2012. As luck would have it, Professor Young was in Nevada to meet with representatives of Governor Sandoval to discuss a range of water issues. He had heard about Diamond Valley's water problems and was interested in gaining a better appreciation of them, so Jack Tibbitts, Eureka County's Natural Resource Manager, and Eureka County Commission Chairman J.J. Goicoechea invited him to the workshop. Upon completion presentation highlighting the Australian experience, the attendees of the June 11 session drew him into the conversation to help categorize the basic elements of a plan to manage water resources in Diamond Valley.

The need for a Groundwater Management Plan is a result of massive over-appropriation of Diamond Valley's groundwater resources under the oversight of the office of the Nevada State Engineer. More than 50 years ago predecessors to the current State Engineer approved applications for permits to appropriate groundwater totaling more than 180,000 acre-feet per year (an acre-foot is equal to approximately 326,000 gallons of water) in a basin that is estimated to safely yield only about 30,000 acre-feet per year (also referred to as the Perennial Yield). There are currently more than 130,000 acre-feet of groundwater rights on the books in Diamond Valley, more than four times the Perennial Yield. For decades, groundwater consumption in the Valley has been more than double the amount the resource can sustain indefinitely and groundwater has essentially been mined.

Since groundwater exploitation in the basin began in the 1960s and accelerated into the 1970s, water levels in the basin's aquifer have declined by more than 100 feet in the center of southern Diamond Valley where agricultural pumping is concentrated. This drawdown has resulted in

wide-spread declines that now extend well beyond the area of concentrated agricultural pumping and have affected or eliminated the flow of springs in northern Diamond Valley. Well owners and water rights holders are engaged in a “race to the bottom of the aquifer” as pumps are lowered and wells deepened to respond to the declining water levels.

The current State Engineer Jason King inherited the problem from his predecessors. He has made two formal presentations to the water users in Diamond Valley – the most recent in February 2014 – where he strongly urged stakeholders to take the initiative to come up with community-based solutions to the overdraft problem. He has also held numerous meetings with County officials and staff, individuals and groups all of whom welcome the opportunity to work toward an equitable resolution. If the community cannot help the State Engineer resolve the matter, the State Engineer has no option but to curtail pumping solely on the basis of priority, which could result in a 60 percent reduction in current irrigation use. In Diamond Valley, any groundwater right with a priority junior to May 18, 1960 is in jeopardy of being curtailed. The State Engineer also has the authority to regulate pumping from domestic wells. His records show only two domestic wells in Diamond Valley have a priority date that is senior to May 18, 1960.

This community-based approach to addressing water resource management was made possible through legislation sponsored by State Senator Pete Goicoechea when he was a member of the State Assembly. His legislation was conceived specifically to address areas like Diamond Valley where groundwater is being mined and water levels are steadily declining. Such areas would be designated Critical Management Areas (CMAs) either through petition from water right holders or unilaterally by the State Engineer. The process allows flexibility on behalf of the State Engineer over a 10-year period to implement a Groundwater Management Plan developed by the water users. However, if a plan cannot be successfully implemented within the statutory period, the State Engineer would be forced to curtail pumping on the basis of priority. Presently, only Diamond Valley and the Pahrump area are actively moving toward declaration as CMAs, but there are two dozen additional basins waiting in the wings to be designated as such. The important points to remember are: the Groundwater Management Plan is developed by the water users; once the State Engineer approves the Plan, it guides how water is used in the basin.

The two workshops sponsored by the Conservation District are the latest in a series of steps taken by Diamond Valley water users to come to grips with the problem. To date, the Diamond Natural Resources Protection and Conservation Association (DNRPCA) sponsored two economic analyses by Hansford Economic Consulting that were funded by grants from the Eureka Board of County Commissioners to examine the economics of groundwater management strategies. The Eureka County Conservation District engaged Steve Walker of Walker and Associates to conduct two workshops in Eureka to poll residents as to their concerns, the issues and possible solutions. Steve also privately interviewed a number of water users in Diamond Valley for their input. More recently, the Eureka County Conservation District circulated a questionnaire to all residents in Diamond Valley with valid post office boxes to poll the valley residents – irrigators, ranchers, domestic well users, Devils Gate GID water users, Eureka Town water users, and mining interests – regarding whether or not they backed designation of the basin as a Critical Management Area. Approximately 75 percent of the poll respondents favored such a designation. It is expected that the State Engineer will designate Diamond Valley as a CMA in the near future.

Since there are no CMAs currently on the books in Nevada there are a lot of questions how the whole process is expected to work, who will be in charge, how will the process be financed, how will it be enforced, etc. -- in summary, the governance. To quote Jason King, "We are building the airplane and flying it at the same time." Many stakeholders have voiced an opinion that we need to know how the whole process might work before we can work out the specific actions that might be taken to address the overdraft problem.

The April 23 workshop focused on the governance of a CMA. Steve Lewis led discussions that included:

- Crafting a vision of Diamond Valley agriculture and other water users,
- A review of the events and actions leading up to today,
- Identifying the parameters under which a Plan must operate,
- Describing the duties and characteristics of an ideal governance body,
- How to get more water users involved in the process, and
- Developing a timeline for completing a Groundwater Management Plan.

A committee was formed to consolidate the ideas put forth in the workshop into a format that can be distributed to all water users in Diamond Valley. The summary, prepared by Denise Moyle, Craig

Benson and Jake Tibbitts, was circulated at the June 11th meeting at which time a vision statement for Diamond Valley's water plan was drafted. It states:

"Diamond Valley and southern Eureka County are prosperous and economically stable by all means including education and diversification. We are a community that is united, fair and forward thinking about our water usage in order to ensure stability for ourselves now and our future generations."

Discussion then migrated to the goals of a Groundwater Management Plan. The primary goals were identified as

- Balance discharge with recharge to stop the overdraft and help stabilize groundwater levels,
- Maintain the economy of the basin, and
- Avoid unmitigated curtailment of water rights

From there, the conversation flowed to how these goals might be achieved. Topics included:

- What might a governing board look like?

- What powers would a governing board have?
- How will the amount of water available for use each year be determined and how might it be distributed for maximum benefit?
- The importance of accurately measuring how much water is being pumped and monitoring water levels.
- Will a management plan allow water not used in one year to carry over to later years?

Professor Young was enlisted to describe how the Australian experience might be used to formulate management schemes appropriate to Diamond Valley and a number of ideas were bantered about. He stressed that at this early stage, the plan does not need to be perfect and that it should be expected to evolve. The immediate objective should be to develop a “high-level strategic plan” and to identify individuals who can serve as “champions” to guide the plan through to its end. In the end, Professor Young stated he was impressed with the group’s accomplishments to date and the level of involvement by the community.

A workshop to further flesh out the high-level strategic plan was scheduled for Thursday July 16, 2015. It will be moderated by Steve Walker who facilitated the initial sessions sponsored by the Eureka County Conservation District. Professor Young volunteered to attend the workshop and the attendees expressed a desire for State Engineer Jason King to attend. Attendees were invited to each bring at least two new people with them; in particular, residents who own domestic wells and residents who get their water supply from the Eureka Town Water System and the Devils Gate GID Water System because these groups have not been well represented at the previous two workshops.

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Friday, February 26, 2016 4:09 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurrealde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@general-moly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@general-moly.com'; 'grothhay@gmail.com'; 'Carrie Dubray'; 'Sandy Green'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org); Michael Young
Subject: Draft Chapter 1 of GMP
Attachments: Draft Chapter 1 DVGMP v1.docx

All:

Attached is proposed draft Chapter 1 of the GMP, which describe the current conditions with the Diamond Valley Hydrographic Basin and addresses the requirements of NRS 534.037 (2) subsections (a) through (e):

- (a) The hydrology of the basin;
- (b) The physical characteristics of the basin;
- (c) The geographic spacing and location of the withdrawals of groundwater in the basin;
- (d) The quality of the water in the basin;
- (e) The wells located in the basin, including, without limitation, domestic wells;

This will be discussed at the meeting on Monday. Thanks to Steve Walker and Dale Bugenig for taking the initiative in putting this together.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

DIAMOND VALLEY GROUNDWATER MANAGEMENT PLAN

INTRODUCTION

On August 25, 2015 the Nevada State Engineer, issued Order # 1264 (see appendix 7) designating the Diamond Valley Hydrographic Basin (153) as a Critical Management Area per NRS 534.110 (7) (a) and (b) that states;

7. The State Engineer:
- May designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the potential yield of the basin.
 - Shall designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the potential yield of the basin upon receipt of a petition for such a designation which is signed by a majority of the holders of certificates or permits to appropriate water in the basin that are on file in the Office of the State Engineer.
- The designation of a basin as a critical management area pursuant to this subsection may be appealed pursuant to NRS 534.150. If a basin has been designated as a critical management area for at least 10 consecutive years, the State Engineer shall order that withdrawals, including, without limitation, withdrawals from domestic wells, be restricted in that basin to conform to priority rights, unless a groundwater management plan has been approved for the basin pursuant to NRS 534.037.

Mining groundwater in Diamond Valley for more than 50 years and the resultant continual decline in water level within the alluvial aquifer prompted the Nevada State Engineer (NSE) to issue this order. Once designated, the water rights holders have 10 years to develop and implement a Groundwater Management Plan (GMP) that would bring groundwater consumption into balance with recharge to, in effect, balance the basin water budget. The alternative to implementing a GMP is for the NSE to balance the basin budget by curtailing water rights on the basis of priority. In the case of Diamond Valley, the NSE would need to reduce groundwater pumping by 50 to 60 percent to effectively balance the basin water budget.

The agricultural water users of Diamond Valley hereby submit the following document as the Groundwater Management Plan (GMP) for the Diamond Valley Hydrographic Basin to adhere to the requirements of state law and to propose a system of water management that will reduce the current pumping of groundwater to a sustainable level.

Chapter 1 of the GMP will describe the current conditions with the Diamond Valley Hydrographic Basin and address the requirements of NRS 534.037 (2) subsections (a) through (e). (See Appendix 7).

Chapter 2 will describe the water management plan, detailing a new strategy of water right management that will convert existing water right to water shares that can be managed to reduce water allocation over a period of time to address the current imbalance.

CHAPTER 1

Physical Characteristics and General Hydrology of the Area

The Diamond Valley Hydrographic Area (HA 061) is located in southeastern Eureka County (figure 1). Diamond Valley encompasses 752 square miles, of which 700 miles (93 percent) are within Eureka County. The remaining 52 square miles, an area known as Garcia Flat, are within the southwestern-most portion of Elko County.

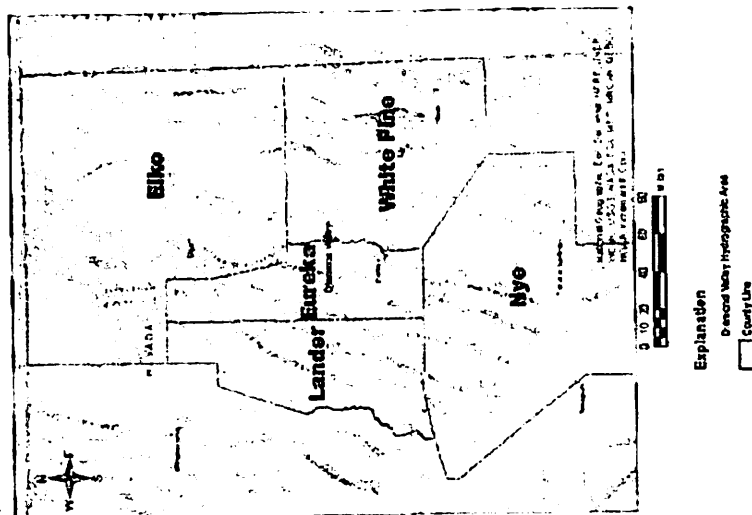


Figure 1. Diamond Valley Hydrographic Area Location Map

Diamond Valley is a closed basin. That is, none of the groundwater recharge originating as infiltration of precipitation falling within the basin, surface water originating in the basin and inter-basin groundwater flow into the basin from adjacent basins flows out of the basin. As stated in previous sections, Diamond Valley is the terminus of the Diamond Valley Flow System, which includes Monitor Valley (North and South Parts), Kober Valley, Antelope Valley and Stevens Basin. Available data suggest inter-basin groundwater flow into Diamond Valley through bedrock from Kober Valley and Garden Valley (a portion of the Pine Valley HA) as well as a small amount of groundwater flow from Kober Valley through alluvial deposits at Devil's Gate in the southwest corner of the basin. In wet years Slough Creek conveys water from Kober Valley into the basin providing additional groundwater recharge. But, as is the case with groundwater, none of this surface water flows out of the basin. Prior to development, virtually all the groundwater entering the basin was discharged in the northern half of the basin by phreatophytes that surrounded the extensive plays located there, the springs located on the margins of the plays, and bare soil evaporation within the plays itself. Since the onset of large-scale groundwater resource utilization in the basin that began in the 1960s, the natural flow of groundwater to the plays has been altered and the majority of groundwater discharge is by irrigation wells. The discharge of groundwater by springs around the margin of the plays has been significantly reduced and there is evidence that the discharge from phreatophytes has also declined.

Perennial streams are present in the mountains, but there is no perennial stream flow below the range front. The principal perennial streams include Eureka Creek, Simpson (Italian) Creek, Torre Creek, Hildebrand Creek, Cottonwood Creek, Molletti Creek, Pedrioli Creek, and Green Canyon, all of which are situated in the Diamond Range which borders the valley on the east.

Wells

The State well log database provides records for approximately 740 wells in the basin (see Figure 2). Of these, 53 have reportedly been plugged and abandoned. 94 records represent replacement wells, 19 represent wells that have been deepened, and 74 were drilled as monitoring wells such that there may be approximately 500 water-supply wells in the basin. The well log database shows 437 wells drilled for irrigation purposes, 117 for domestic supply, 70 for monitoring, 21 for stock water. It also shows 24 for test or exploration purposes, 14 for other purposes, and five were unused. Records show 12 wells drilled as sources of public water supply, but this number includes exploration wells, wells that have been plugged and wells currently used for non-potable supply.

Well depths vary from 50 feet or less to more than 1,700 feet (Figure 3). The shallowest wells were mostly used to monitor groundwater near leaking underground storage tank (LUST) sites in the Town of Eureka. The deeper wells primarily were drilled in the mountain blocks as sources of mining water supply, mine dewatering, or monitoring) primarily for the Ruby Hill mine northwest of the Town of Eureka or for monitoring wells at the Mount Hope Project northwest of the Town. Many wells drilled for the mining industry are over 1,000 feet deep with the deepest wells more than 3,000 feet deep.

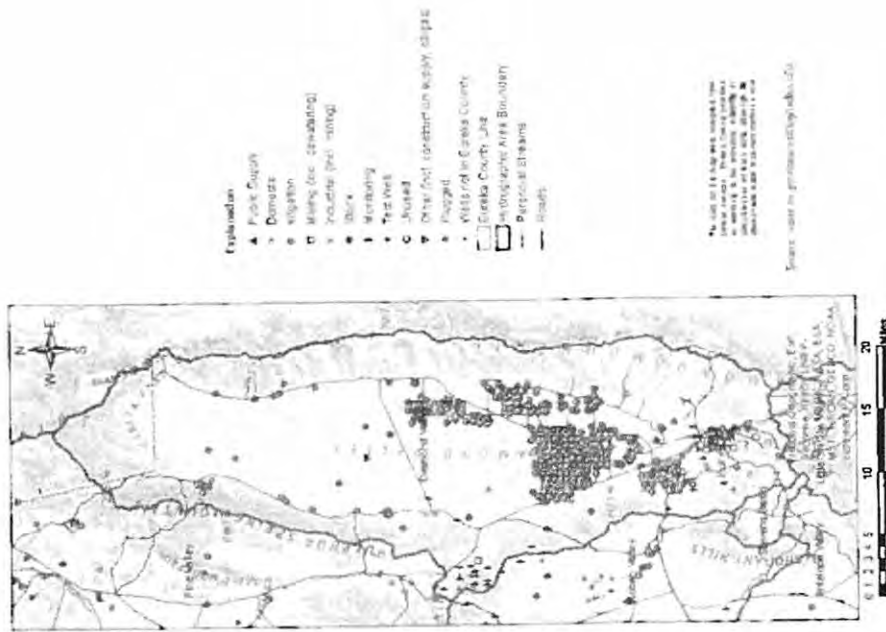


Figure 2. Wells in the Diamond Valley Hydrographic Area

In the early stages of groundwater resource utilization, irrigation supplies could be developed from wells with depths of about 150 to 250 feet. As time passed and as water levels in the aquifer have declined, well depths have generally increased and it is not uncommon for newer irrigation wells to be drilled and completed to depths greater than 400 feet. Information from the deeper wells suggests that the sediments become more cemented with depth and that below this depth the sediments do not yield large quantities of water, such that the bottom of the productive part of the aquifer may be situated at about 400 feet.

Perennial Yield and Groundwater Rights

Recharge to Diamond Valley arising from infiltration of precipitation within the basin was originally estimated at 22,000 acre-feet per year (Eakin, 1962). A small amount of underflow from Kobeh Valley through the alluvium was also acknowledged. The recharge estimate was later increased to 30,000 af/yr by incorporating an estimate of inter-basin flow from the Garden Valley area of Pine Valley (Harrill, 1968) to achieve a better balance between recharge and discharge.

Recent analysis of the Diamond Valley aquifer undertaken in support of the Mount Hope Project suggests perhaps as much as 1,000 af/yr inter-basin flow from Kobeh Valley through the bedrock in the mountains north of Whistler Peak. The Nevada State Engineer (NSE) currently assumes groundwater recharge to the basin from all sources is 30,000 af/yr. The United States Geological Survey is nearing completion of a study of the Diamond Valley Flow System. The results of this study may have an effect on the perennial yield estimate used by the NSE.

Estimates of natural discharge from the basin prior to development included approximately 5,000 af/yr of evaporation from bare soil at the playa and 25,000 af/yr evapotranspiration (ET) from phreatophytes, mostly from the northern portion of the valley. The phreatophyte ET was supported in part by spring discharge and partly by a shallow water table such that these components of groundwater discharge are implicit in the phreatophyte discharge estimate.

Committed groundwater rights in the basin presently total 130,748.33 af/yr. These are summarized in Table 1a and the PODs in the basin are shown in Figure 4. Due to the density of PODs in southern Diamond Valley near the Town of Eureka, that area is expanded in Figure 5. Comparison of the total committed rights to the estimated perennial yield shows the basin to be over appropriated by a factor about 3.5 (approximately 4.5 times the estimated perennial yield). A significant amount of these water rights are currently not being exercised, such that approximately 75,000 acre-feet per year are probably are being consumed at present. The vast majority (95%) of the water rights are for irrigation purposes. Because water rights are not required for individual domestic wells, Table 1a does not incorporate groundwater pumped from approximately 120 domestic wells reportedly constructed in the basin.

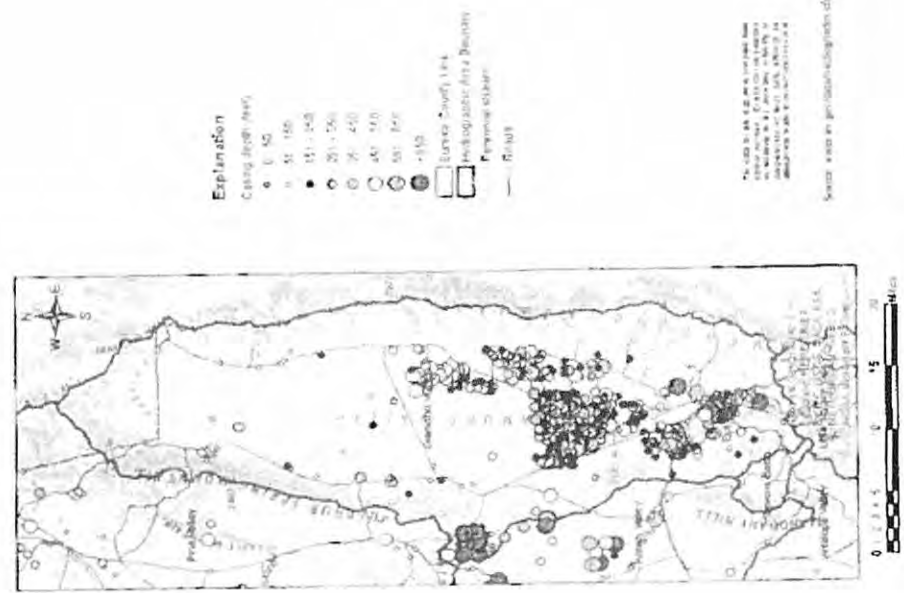


Figure 3. Depths of Wells in the Diamond Valley Hydrographic Area.

Table 4a
Committed Groundwater Rights in the Diamond Valley Hydrographic Area (HA 153)

Manner of Use	Committed Groundwater Rights (af/yr)
Commercial	109.74
Domestic	33.60
Irrigation (including DLE)	124,676.40
Mining and Milling	2,909.24
Municipal	1,678.91
Quasi-municipal	483.34
Stockwater	857.60
Total	130,748.33
Source: http://water.mcgill.ca/ha153/ , November 17, 2013	

Groundwater Use

Groundwater in the basin is used to provide public water supply, domestic supply to residences not supplied by public water systems, irrigation, mining and milling supplies, mine dewatering, stock watering, and commercial use. The overwhelming majority of groundwater pumped in Diamond Valley is used for irrigation.

Public Water System Use

There are currently three public water systems in Diamond Valley. These include the two community water systems operated by the Eureka County Public Works Department and the water system at the Ruby Hill Mine operated by Barrick. The Department operates the Eureka Town Water System and Devils Gate General Improvement District (GID) in Diamond Valley. Both of these entities utilize wells in southern Diamond Valley. The Town of Eureka also derives water from developed springs, after a nearly 25-year hiatus that started in the late 1980s. These spring sources were re-activated after significant improvements in 2012 and 2013 and re-integrated into the Town's supply in 2014.

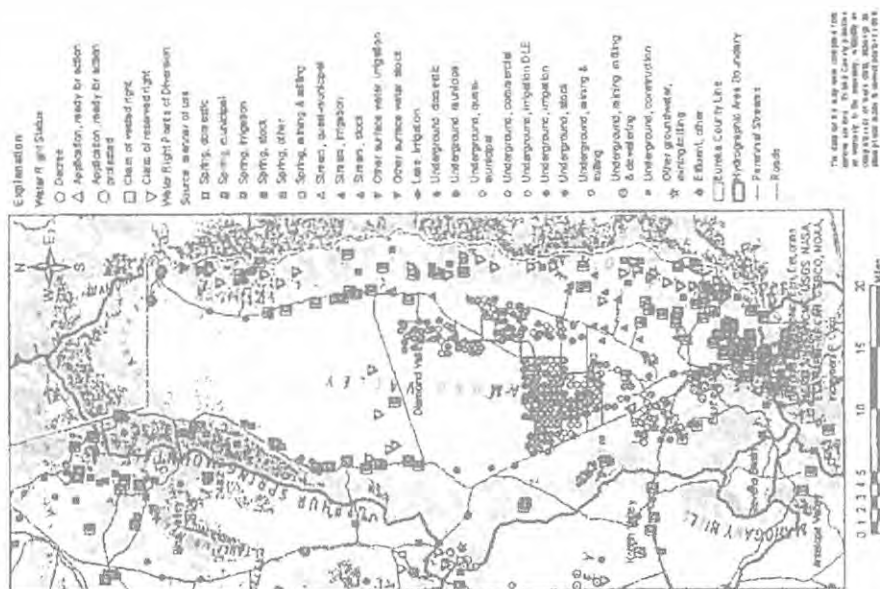


Figure 4. Points of Diversion for Water Rights in the Diamond Valley Hydrographic Area.

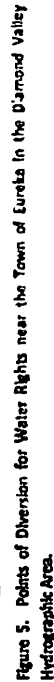
Town of Eureka System

Until 1989, the water supply to the Town of Eureka was derived from 10 springs in the mountains south of the Town. Use of the spring sources was discontinued at that time due to source reliability issues and problems maintaining the aging spring diversions and transmission line to the Town. By 2013, the 10 spring sources were completely reconstructed and a new transmission pipe has been installed to convey the water to a chlorination facility, thence to the Town. In March 2014, the springs were re-integrated into the Town's water supply. Although these spring sources are regulated by the NSF and BSDW as surface water, they in fact capture groundwater discharge in the mountains. The springs, which aggregate are permitted to divert up to approximately 80 af/y or approximately 43% of the current average demand of the Town, are an invaluable source of supply derived from bedrock sources thought to be insulated from the water level declines observed in the alluvial aquifer and which may affect future viability of the Town's and the GID's wells. Another benefit of the spring sources is the water flows to the Town under gravity. In comparison, water from the Town's water supply wells must be piped more than four miles and lifted a total of approximately 800 feet to Town's storage tanks at significant cost.

As stated previously, the Town installed wells in the late 1980s to address issues with the spring source. It pumps groundwater from two wells northwest of the intersection of US Highway 50 and State Route 278 at a location approximately three miles northwest of Eureka. Diamond Valley Well No. 1 is equipped to pump 900 gpm. Diamond Valley Well No. 2, located approximately 100 feet from Well No. 1, is equipped to pump 750 gpm, and provides redundancy to the system. The average daily demand for the Town of Eureka is 150,000 gpd and the maximum daily demand is 480,000 gpd. In comparison, the capacity of Well No. 1 is 1,296,000 gpd. In 2009, the system served 276 customers and the annual use at that time was approximately 179 acre-feet.

Declining water levels in the alluvial aquifer exploited by the Town's wells represent a threat to the Town's water supply. Water level trends are discussed in more detail in a subsequent section (See Water Level Trends, following Figure 4.28).

Dewitt's Gate GID System
The Dewitt's Gate GID operated by Eureka County Public Works Department is located approximately 4.5 miles northwest of the Town of Eureka. It includes two Districts – District 1 and District 2. District 1 straddles US Highway 50 west of the intersection with State Highway 278. District 2 is located about one mile north of District 1. There are currently 17 users in District 1 and 41 users in District 2. The water supply is provided by two wells which are rated to supply a total of approximately 120 gpm; approximately 70 gpm from the "Frontier" Well and approximately 50 gpm from the "Gourley" well. With the largest well out of service, the system can accommodate up to 125 users although the GID holds sufficient existing water rights allow for approximately 118 users, assuming two s/l/y per residence. The GID owns a third well that is rated to produce 240 gpm, but elevated levels of arsenic in the groundwater pumped from it make it unsuitable for use without treating the water to remove arsenic. It currently provides a source of construction water supply. In 2009, approximately 6.4 acre-feet were consumed in District 1 and approximately 17.6 acre-feet were pumped from District 2, for a total of 24 acre-feet.



Declining water levels in the alluvial aquifer of Diamond Valley represent a threat to the GID's water supply. From 2008 to 2013, water levels declined 21 feet in the Frontier Well or at a rate of approximately 4.2 feet/year. In the Gourdier Well, water levels have declined 1.6 ft/year over the same time period. Water level trends are discussed in more detail in a subsequent section.

Other Groundwater Usage by Eureka County

The County also operates a well at the Eureka County Airport and several small-yield wells within the Town that are used to irrigate turf at parks. The recreational uses of the water fall under the general heading of municipal use, but these are independent of the Town and Dew's Gate GID public supplies. The water supply at the airport is not regulated as a public supply because it serves too few individuals for the threshold of regulation to apply.

Barritz Ruby Hill Mine Potable Water Supply

The Ruby Hill Mine water operates a non-transient, non-community supply to serve the needs of its approximately 125 employees. The supply is provided by a dedicated potable water-supply well at the mine site. Annual use varies with the level of mining activity, but during 2013, approximately four acre-feet were consumed. Mining operations have ceased for the foreseeable future.

Domestic Water Use

The State well log database lists driller's reports for 117 domestic wells serving single-family residences in Diamond Valley. There are also an undetermined number of irrigation wells that may provide domestic water supply. In Nevada, each domestic well owner is allowed to pump two (2.0) a/yr, but, domestic well consumption is at best loosely regulated and the wells are unmetered. For purposes of the Water Resources Master Plan, it is assumed that each domestic well user pumps all the groundwater allowed, and that total use by individual domestic well users is less than 250 a/yr or less than 0.1 per cent of the groundwater currently pumped.

Irrigation Water Use

Very little agricultural land in Diamond Valley was irrigated using groundwater prior to 1960 (Figure 6). After 1960, irrigated acreage and estimated irrigation water pumpage increased in a nearly linear fashion until 1984, followed by a decrease of about 24 percent through 1992. Irrigated acreage then remained relatively constant for about eight years. Since 2002/2004, irrigated acreage has resumed a roughly linear trend along with estimated irrigation groundwater pumping, albeit at a much slower pace prior to 1984.

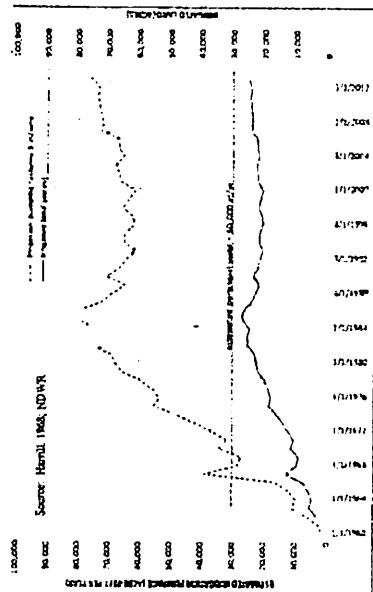


Figure 6. Irrigated Acreage and Estimated Irrigation Pumpage for Diamond Valley.

With few exceptions, most irrigation occurs in the southern half of the basin, with limited irrigation west of the playa in the northern half of the basin. Nearly all irrigation in the basin is accomplished through the use of center-pivot sprinklers. At present, there are approximately 180 pivots in use, plus a handful of wheel lines (Figure 7). Flood irrigation is still practiced, but on a very limited basis. For the most part, the corners of the fields utilizing center pivots are not irrigated. However, a few farmers do irrigate their corners either with wheel lines or by using end guns on their pivots.

The NSE (Nevada State Engineer) ordered irrigation wells in Diamond Valley to be equipped with totalizing meters in 1982, but meters are not widely accepted by the farmers and only limited meter data are available. The amount of groundwater pumped each year for irrigation in Diamond Valley, or many other basins in Nevada for that matter, is typically not measured. Instead, it is estimated on the basis of the observed acreage of land on which water is applied. These estimates are tabulated in annual Crop Inventories prepared by the NSE's staff of a small number of the more than 200 hydrographic areas of the state. The average annual duty (the amount which the NSE permits applicants to pump) for irrigation water rights in Diamond Valley is approximately four feet of water per acre, which implies irrigators were permitted to pump as much as approximately 101,000 acre-feet in 2012. However, because the net irrigation requirement for alfalfa, the principal crop grown in Diamond Valley, is 2.5 feet of water per year per acre, irrigators are likely applying 3.0 feet of water per year per acre or less. Limited meter data confirm

the amount of water pumped is closer to 3.0 feet than 4.0 feet. Therefore, for purposes of discussion in the GMP irrigation pumpage in Diamond Valley is assumed to be 3.0 af/acre/year, or a total of approximately 76,000 acre-feet per year in 2012. Of this amount, an undetermined small portion almost certainly infiltrates the soil to become secondary recharge that can serve to inhibit salt build-up in the soil.

Regardless of the specific amount of water pumped, the available data suggest that irrigation water usage by itself is more than double the estimated perennial yield of the basin and is unsustainable. This over-pumping of the basin is causing a decline in water levels in the range of about one to three feet per year. A discussion of this trend is provided in a subsequent section.

Mine Water Use

At present, water use by the mining industry in Diamond Valley is limited to Barrick's Ruby Hill Mine located on the outskirts of the Town of Eureka. The principal source of supply is derived from wells deriving groundwater from wells completed in bedrock and which serve to dewater the pit. The mine's water rights allow for pumping up to 1,000 acre-feet per year. The pumping rate varies, but has averaged between about 600 to 800 af/yr. Of this amount, approximately half is currently infiltrated into the alluvial aquifer via rapid infiltration basins (RIBs) located west of the mine after the water has been treated to reduce the concentration of arsenic. The remainder is consumed in the milling process and incidental uses such as dust suppression. Mine usage is currently less than one percent of the total amount of water rights permitted in the basin. Operations at Ruby Hill have been suspended for the foreseeable future, but mine dewatering and some limited water use will continue for the foreseeable future.

Other potential mining use includes the Mount Hope Project located approximately 28 miles northwest of Eureka. A portion of the proposed pit is situated in Eureka County and some of the groundwater proposed to be pumped to dewater the pit is expected to originate from the Diamond Valley HA. This water, potentially amounting to only a few hundred acre-feet per year, would be consumed by ancillary uses at the mine, assuming, of course the project ever becomes operational. Water not consumed within the Diamond Valley portion of the mine area would need to be infiltrated or otherwise returned to the Diamond Valley aquifer(s).

Stockwater Use

Ranchers in Diamond Valley hold rights to pump approximately 850 af/year to provide a source of water supply to livestock. The NSE does not closely monitor the use of water for this purpose, so the amount of water currently consumed for this purpose is unknown. However, stockwater rights amount to less than one percent of the total water rights in the basin, such that this use is miniscule compared to other uses. For purposes of the GMP it is assumed that all 850 af/yr are consumed.

Commercial Use

Water rights for the commercial use of groundwater total approximately 105 af/yr, or less than one-tenth of a percent of the total water rights in the basin. Of this, three af/yr have been appropriated by the Church of Latter Day Saints for use at church facilities. The remainder is held by Eureka Mobly to be used

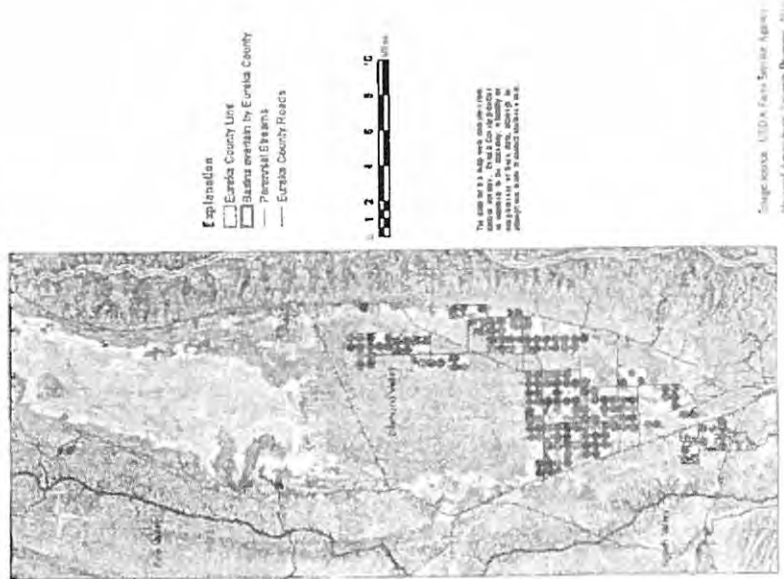


Figure 7. Aerial Image of Irrigated Land in Diamond Valley

at a gravel pit in northwest Diamond Valley, should their Mount Hope Project go forward. At present, their temporary permit has expired and they have not filed for the permanent permit. If the temporary permit is not renewed or they do not complete the water right process, the water will revert back to the original permit which was for irrigation use in southern Diamond Valley.

Water Level Trends

Water level data for the alluvial aquifer in Diamond Valley date back to the start of large scale groundwater exploitation in the 1950s. The data are available from the Nevada Division of Water Resources and the United States Geological Survey and, for the most part, represent water levels taken in the spring of the year prior to the onset of irrigation. The data document how water levels have declined since the 1950s and that a cone of depression has developed over most of southern Diamond Valley, with more than 100 feet of cumulative drawdown near the centroid of the area of irrigation wells (Figure 8). Currently, water levels are declining at a rate of about one to three feet per year.

Figure 9 illustrates several hydrographs representative of water levels in southern-most, central and northern-most parts of the basin-fill aquifer in the south half of Diamond Valley. Some prominent points regarding the hydrographs include:

- Depth to water in the aquifer was initially greater at the southern end of the valley, indicative of the slope of the land surface and the general direction of groundwater flow from south to north in the southern half of the basin.
- The pattern of water level decline is similar over a large area in the center of the south half of the valley (wells N20 ES3 04DD92, N21 ES3 11CDD, and N22 ES4 33BDD).
- Water levels at the north end of the irrigated land (represented by well N23 ES4 30DD2) have declined less compared to the central part of the basin in large part because of distance from the center of ag pumping. A similarly lesser rate of decline is observed at the south end of the basin beginning in 1997 (well N20 ES3 32BDDC1). The lesser rate of decline is also due in large part to the distance from the center of agricultural pumping.
- The rate of water-level decline from the mid-1970s to early 1980s was followed by a lesser rate of decline through the mid-1990s as a result of a decrease in irrigated acreage from 1984 to 1992 (see Figure 9).

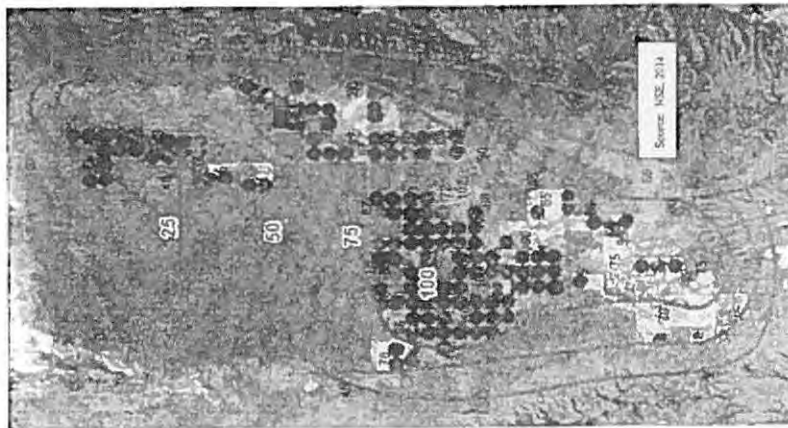


Figure 8. Map of Water Level Decline in Diamond Valley.

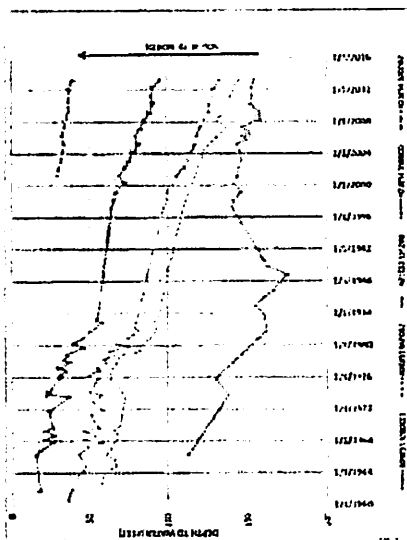


Figure 9. Hydrographs of Representative Wells in Diamond Valley.

In addition to the annual water level measurements obtained by the NSE and the USGS, Eureka County funds a network of 12 monitoring wells equipped with water-level data recorders (data loggers). Of these, six are operated by the County Natural Resources Department and six are operated by the non-profit Diamond Valley Natural Resources Protection and Conservation Association (DNRPCA) and funded by Eureka County. Water levels from the County's monitoring wells have been logged since the spring of 2011 (Figure 10) and data have been collected from the DNRPCA monitoring wells since spring 2013 (Figure 11). Water level measurements are logged daily in each of the wells with the exception of the well located in Section 36, Township 24 North, Range 53 East (Figure 10). This well provides a source of stock water supply and measurements have been collected hourly to help show the effect of the pump cycling on and off. From Figure 10, it is evident that the operation of the well has not obscured the water level trend.

The data from the County's and DNRPCA's monitoring wells help to define the annual variation in water levels in the aquifer resulting from irrigation pumping. From the data, it can be seen that water levels vary seasonally from between about five and 40 feet, depending on how close the monitoring well is to a pumped well or whether or not the monitoring well is completed to the same depth as a pumped well. As discussed previously, the public water supply wells that supply the Town of Eureka and the Devil's Gate GID draw groundwater from the alluvial deposits in Diamond Valley.

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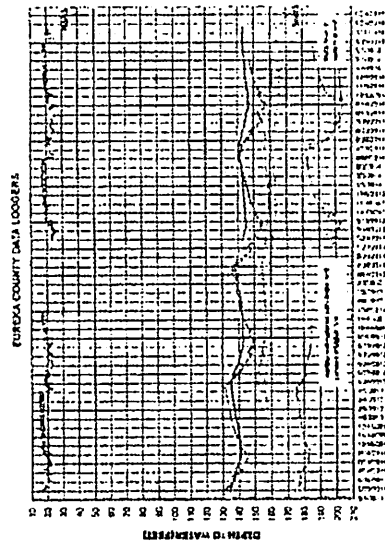


Figure 10. Eureka County Monitoring Network Hydrographs.

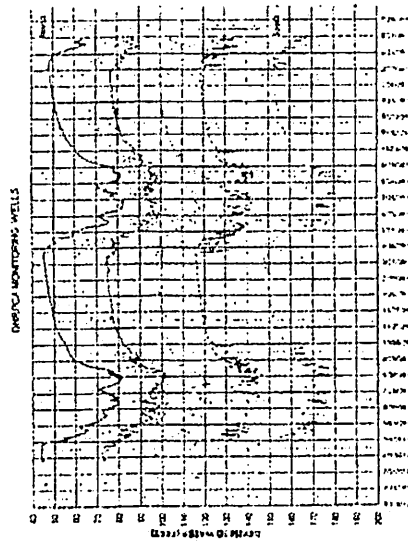


Figure 11. Eureka County / DNRPCA Monitoring Network Hydrographs.

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Surface Water Rights and Use

Water rights have been appropriated from several streams and numerous springs in Diamond Valley. All the perennial streams are located in the Diamond Range east of the valley and the streams are perennial only in the mountain block above the range front. The streams become intermittent or ephemeral on the alluvial fans below the range front. The principal streams include Eureka Creek, Simpson (Italian) Creek, Torre Creek, Hildebrand Creek, Cottonwood Creek, Minolotti Creek, Pedrol Creek, and Green Canyon. Additionally, during wet years or after periods of intense rainfall, Slough Creek flows into Diamond Valley from Kobeh Valley through Devil's Gate. Average annual runoff from the Diamond Range has been estimated at 5,000 af/yr (Harrill, 1968). The estimated annual runoff from the rest of the valley margins is estimated at 800 af/yr (Id.).

Water rights associated with these surface water sources are provided in Table 1b and PODs are shown in Figure 4 and 5. Not included in Table 4-20b are:

- More than 60 claims to reserved water rights to springs by the BLM totaling approximately 0.34 cfs.
- More than 100 claims of vested water rights from springs that have been filed to date.

Table 1b
Committed Surface Water Rights in the Diamond Valley Management Area (thp 153)

Manner of Use	Committed Surface Water Rights (af/yr or af/season)
Springs	
Municipal	80
Mining & Milling	24
Irrigation	1,401
Stock	1,146
Streams	
Irrigation	4,947
Stock	31

Notes: 1. Rounded to the nearest acre-foot
2. Source: HALLS, Basin Abstract

Many of the springs on which claims have been filed are located in the mountains, but a number are located on the valley floor or issue from the alluvium near the range front. Big Shipley Hot Springs west of the playa and Diamond Springs (a.k.a. Thompson Springs) east of the playa both of which are located below the range front, historically flowed at significant rates, perhaps as much as 6,000 to 7,000 af/yr. Groundwater exploitation in the basin has caused the discharge from many springs to decline or cease to flow altogether. The discharge from Big Shipley Hot Springs declined to about 1,500 af/yr and Thompson Spring has ceased to flow.

Springs are treated by the NSE as surface water sources despite the fact they represent groundwater discharge and the spring discharge has historically not figured into the amount of groundwater considered

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to be available for appropriation in the basin. To offset the loss of spring water sources, the NSE has recently granted "mitigation water rights" to offset the loss of spring flow resulting from groundwater exploitation in the basin (NSE Ruling R5790). The effect of the ruling is to increase the amount of groundwater presently pumped from the basin. The ruling was appealed to District Court (Case No. CV-1409-204). The Court rejected the methodology used by the NSE to establish the mitigation right granted to the current owner of Big Shipley Hot Springs and remanded the case to the "... State Engineer to establish Sadler Ranch's mitigation right ..."

On October 8, 1982 the NSE initiated adjudication of all claims of rights to surface water and groundwater in Diamond Valley (NSE Order #800), but this effort failed to progress and the adjudication process languished. After a 30-year hiatus the NSE resuscitated the process on August 21, 2015 (NSE Order #1263). Subsequently, on October 16, 2015, the NSE issued Order # 1266 requiring all claimants to file Proofs of Appropriation on or before May 31, 2106.

The adjudication of pre-statutory rights is a necessary precursor to any GMP prepared for the basin in response to its designation as a GMP. Unless all water rights in the basin have been determined, it will be difficult to assess the degree to which groundwater usage must be reduced to balance the basin water budget

Groundwater Quality

Concentrations of major ions (calcium, magnesium, sodium, potassium, bicarbonate, sulfate, and chloride) and total dissolved solids (TDS) in groundwater are primarily derived from dissolution of minerals in rocks and soil in contact with the water. In general, concentrations of solutes (substances dissolved in water) increase with the amount of time water has been in contact with rock and soil and, therefore, increases along the path the water flows from recharge areas to discharge areas. Therefore, concentration is typically less in recharge areas and increases along the flow path toward discharge areas. Evapotranspiration will increase concentrations of most major ions, but chemical reactions can remove selected solutes by mineral precipitation and ion exchange. Groundwater quality is frequently degraded near ore deposits where reducing conditions are often created by the presence of sulfides in the ore resulting in increased concentrations of arsenic, iron, manganese, sulfate and TDS

Water Quality in Diamond Valley Hydrographic Basin

Water quality data for Eureka County are available from numerous sources. These include but are not limited to: the records of the Eureka County Public Works Department; semi-annual monitoring reports, Reconnaissance Series Reports prepared for the Nevada Department of Conservation and Natural Resources, the National Water Information System (NWIS) of the United States Geological Survey; NEPA documents prepared for mining projects such as the Mount Hope Project and the records of the Nevada State Laboratory. To provide a sense of the variability of water quality throughout Diamond Valley the concentration of total dissolved solids and arsenic are depicted in Figures 5.2 and 5.3. As one can see the current groundwater quality where the majority of the agricultural pumping occurs meets current drinking water standards.

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Total Dissolved Solids in Diamond Valley

From Figure 12 it is apparent TDS is highly variable in the aquifers throughout the hydrographic basin, ranging from less than 250 mg/L, which generally indicates very good water quality, to more than 1,000 mg/L. For the most part TDS is less than the recommended SMCL of 500 mg/L and well below the maximum SMCL of 1,000 mg/L. There are some notable exceptions, however.

Elevated TDS is found south and northeast of the playa in northern Diamond Valley. This high TDS groundwater is primarily derived from shallow monitoring wells along the margin of the playa near the groundwater discharge area and reflects the effect of evaporation and transpiration which concentrates dissolved solids. As discussed in previous sections, the presence of high TDS water at the playa is notable because large-scale pumping in Diamond Valley has created an extensive cone of depression in southern Diamond Valley. The result is a reversal of the natural hydraulic gradient such that the high TDS water, normally found beneath the playa can now flow in an opposite direction. The long-term consequence is migration of high TDS water toward the nearest irrigation wells, albeit at a very slow rate. Somewhat elevated TDS is also found in southern Diamond Valley along a north-south trend that roughly follows one of the roadways from Devil's Gate to the playa, but the reason for this is not evident.

Elevated TDS also occurs in groundwater derived from the mountain block west of Diamond Valley from the vicinity of Mount Hope (where Pine Valley, Diamond Valley and Kobeh Valley come together) south toward Whistler Mountain.

Concentration of Dissolved Arsenic

Figure 13 shows variability of the concentration of arsenic in aquifer in Diamond Valley. Comparison of Figure 12 and 13 shows that data for arsenic in groundwater are less widely distributed than for TDS such that there are limited data or no readily available data in some basins. Note that a lack of data does not preclude water from exceeding the MCL for arsenic, merely that no data are available.

Elevated arsenic concentrations are reported for a few wells in southern Diamond Valley. These include wells at Barrick's Ruby Hill Mine which derive groundwater from bedrock and a County-owned well located north of Highway 50 and west of State Route 278 that derives water from alluvial deposits. For the remainder of Diamond Valley, data suggest relatively low concentrations of arsenic may be the norm.

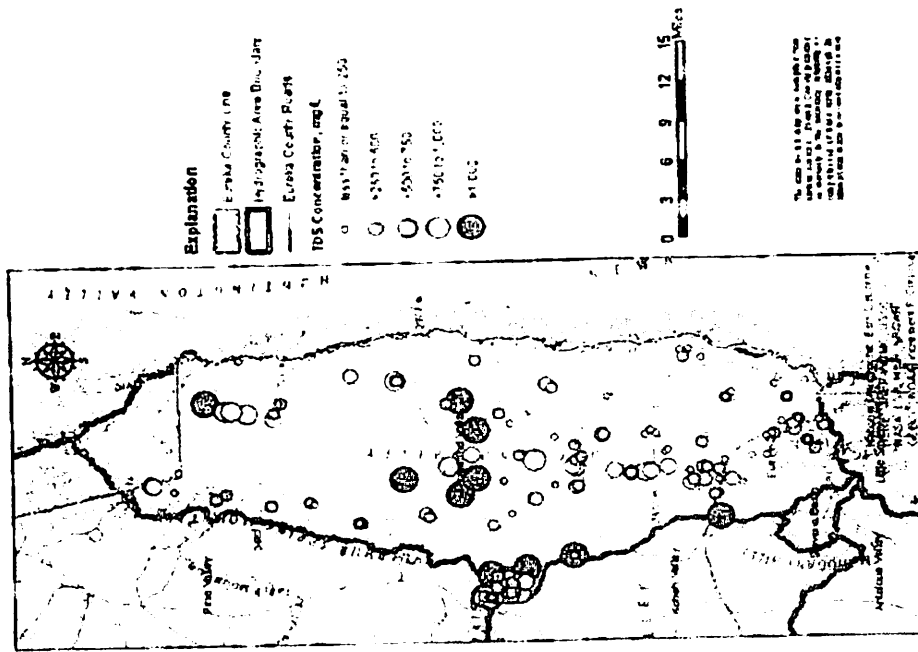


Figure 12. Concentration of Total Dissolved Solids, TDS, in Diamond Valley.

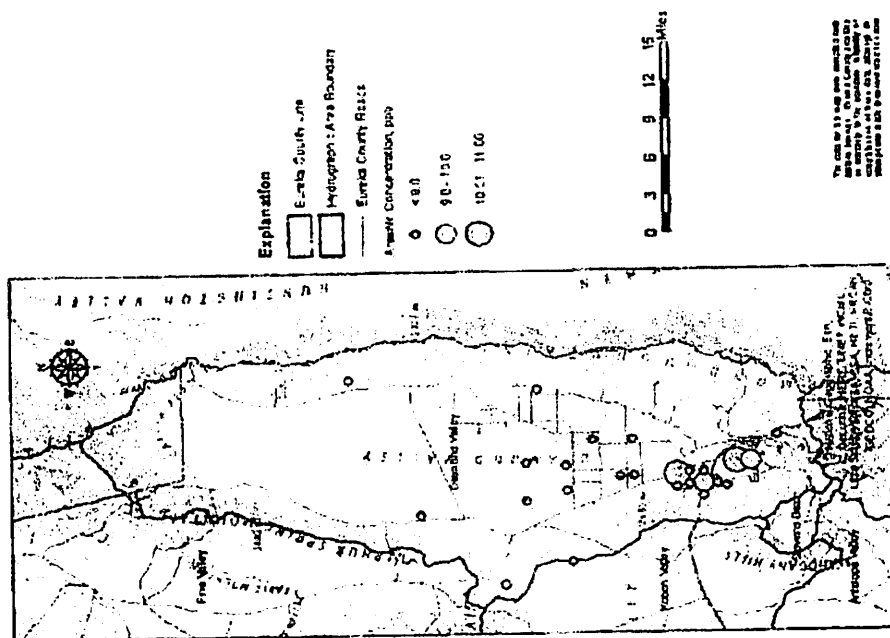


Figure 13. Concentration of Arsenic in Diamond Valley.



On Fri, Feb 26, 2016 at 4:08 PM, Jake Tibbitts <natresmgr@eureka-nv.org> wrote:

All:

Attached is proposed draft Chapter 1 of the GMP, which describe the current conditions with the Diamond Valley Hydrographic Basin and addresses the requirements of NRS 534.037 (2) subsections (a) through (e):

- (a) The hydrology of the basin;
- (b) The physical characteristics of the basin;
- (c) The geographic spacing and location of the withdrawals of groundwater in the basin;
- (d) The quality of the water in the basin;
- (e) The wells located in the basin, including, without limitation, domestic wells;

This will be discussed at the meeting on Monday. Thanks to Steve Walker and Dale Bugenig for taking the initiative in putting this together.

Jake Tibbitts

Natural Resources Manager

Eureka County, NV

PO Box 682

Eureka, NV 89316



EUREKA CONSERVATION DISTRICT

PO Box 323, Eureka, NV 89316

Phone: 775-237-5251

Conserving Natural Resources for Our Future

VERY IMPORTANT – PLEASE TAKE THE TIME TO READ

February 24, 2016

Dear Neighbor,

On August 25, 2015, the NV State Engineer designated Diamond Valley (Basin 153) a “Critical Management Area” (CMA) per Nevada Revised Statute 534.110. This statute essentially states that in areas where groundwater pumping consistently exceeds the perennial yield of the basin and groundwater levels are declining, the groundwater right holders in that area have 10 years to develop and implement a groundwater management plan to reduce over-pumping and stabilize groundwater levels. If this is not done the State Engineer will then be forced, by law, to move forward and curtail all water rights that were granted after total duties exceeded the estimated perennial yield of the valley of 30,000 acre feet per year. At the status quo, this basically would eliminate all groundwater rights granted after May 1960. It is essential that holders of groundwater rights in Diamond Valley come together to develop and implement a Groundwater Management Plan (GMP).

Over the past couple years a number of public meetings have been held to lay the groundwork for this plan. The Eureka Conservation District is assisting with the meeting arrangements and administration. Over the past year, irrigators representing about 60% of the irrigated acres, and some mining companies with groundwater rights, have been meeting consistently to develop this required plan and a great deal of progress is being made. Many of you, your neighbors and fellow irrigators have been in attendance. Meeting notices for each meeting have been emailed out to the list of email addresses we have, letters to all box holders in Diamond Valley have been sent out a couple times, and articles about the meetings and GMP have been published in the Eureka Sentinel. With the irrigation season approaching, and the efforts of the past meetings in mind, it was suggested that a letter of progress and an appeal for participation should be again made to all groundwater right holders in Diamond Valley. **The next Groundwater Management Plan Workshop will be held on Monday, February 29, 9:00 am, at the Opera House.**

Below is a synopsis on the progress that has been made and the items we will be discussing on February 29, 2016 including some action items for every groundwater rights holder:

- I. All of Diamond Valley, Basin 153, is over-allocated, over-pumped and as such has been designated a Critical Management Area.
 - A. It is the responsibility of the groundwater rights holders to design and implement a Groundwater Management Plan that reduces pumping over time in order to avoid curtailment of over 60% of all groundwater rights in Diamond Valley.
- II. It has been proposed that Diamond Valley test a new system of water use which is being referred to as the Shares System or “Unbundling” of water rights.
 - a. This system “unbundles” existing water rights from its current land base by converting current duties (acre-feet of water per acre) into shares. These shares could be traded, leased, sold, or saved for following years all within the basin at no risk of losing these shares due to non-use of water. This would provide flexibility to use the water where needed and as needed without approvals to move the water. Once converted, the share allotment is permanent (as long as the Shares System is still in use). If, at some point, the shares received by any one individual are not sufficient to maintain their



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- operation said grower (or mine) could choose to fallow his fields and bank his water, trade his water to someone else or "rent" water from another for the season or sell his shares outright. This is perceived as being more favorable than strict curtailment which would preclude these options.
- b. Share allotments would be made to reflect actual water use while recognizing existing priority (i.e., more shares allotted to senior water rights holders). To date the planning group has developed a draft analysis of how shares would be assigned to each water right based on priority and how water allocations to that share (volume of water per share) would address the process of reduced pumping.
 - c. Each share would then be allocated a volume of water each year. Annual allocations of water to the shares would reduce over time to address the over pumping of the aquifer determined by a Water Management Board on a yearly basis. This Board would be appointed and include the State Engineer, experts in groundwater hydrology, agricultural operations, business management and other needed levels of expertise. This Board would be advised by a local Community Reference Panel/Advisory Board of 5 to 7 groundwater right holders that will be elected.
 - d. Reductions in water use over time would be implemented based on groundwater monitoring and the response of the water table in stabilizing.
 - e. The system would require that groundwater pumping be metered using high-accuracy and equivalent meters and the data from the meters would be transmitted to a database that would keep track of water use on a nearly "real-time" basis. These data would be used to quantify compliance with the share allotment and water allocation to each water user. Costs of the meters and data transfer systems have been developed and funding is being pursued to offset these costs to water pumpers.
 - f. Even without the share system, it has become apparent that a more accurate determination of actual pumping be established. Therefore, voluntary (rather than State Engineer mandated) metering has been proposed. Meeting participants believe that every active irrigation pump in Diamond Valley must have a flow meter installed and working prior to turning on for 2016 and that each meter be read, recorded and the information collected in order to determine an actual, rather than estimated, amount of acre feet pumped. It has been discussed that any meter installed now should be compatible with the share system (i.e., highly accurate smart meter).
- III. A key element of the plan is to develop a valid list of groundwater right holders in Diamond Valley. The list provided by the State Engineer has noted discrepancies particularly on water right ownership (e.g., wrong names, entities that no longer exist). **It is imperative, and we are asking you to please review your water right holdings and make sure the right has been conveyed to the current owner with the correct legal name and mailing address.** If you need help with making this determination or need assistance on the process to make the application to convey the water right to the current owner please contact Jake Tibbitts for more information (contact information listed below). You may check the State Engineer's website and search for your current listing at <http://water.nv.gov/data/permit/>.
- IV. **On February 29, 2016 at 9:00 am, in the Opera House** another meeting will be held to work on the Groundwater Management Plan.
- The meeting will include:



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-
- A. Professor Mike Young of Australia, author of "Unbundling Blueprint" and Australian Model will be in attendance and able to speak to and answer questions;
 - B. Review Plan draft;
 - C. Discuss metering progress and funding options and necessity of high accuracy smart meters (e.g., magnetic flow meter);
 - D. Discuss plan to verify water rights including letter to groundwater right holders;
 - E. Finalization of formula for converting to shares - the percentage of difference of allotted share from oldest permit to youngest permit;
 - F. Beginning steps for share registry establishment;
 - G. Proposed start date for new share system;
 - H. Nominations for and structure of Community Reference Panel/Advisory Board to advise the Water Management Board. If you know of any person, including yourself, that would be a good candidate to serve on this board, please plan on providing this nomination at the meeting;
 - I. Critics view of unbundling approach and pitfalls to avoid;
 - J. Professor Mike Young and Katie Locklier information for a cost-benefit study that will aim to demonstrate the value of what is being proposed; and
 - K. Nature of legislative changes that would make conversion easier

It is imperative that you or your representative attend these meetings, especially if you have concerns or objections. In order to avoid curtailment by priority the groundwater rights holders must design and implement a plan to stabilize the water table of the basin. Per the NRS Statute, a majority of the groundwater rights holders and the State Engineer must approve the Groundwater Management Plan. Please do not miss this opportunity to have your opinions and ideas heard and used.

The following neighbors and associates have volunteered to field calls and answer questions if you have any.

Jim Moyle	Vickie Buchanan	Jake Tibbitts	Steve Walker
Irrigator	Irrigator	Eureka Co. Natural Resources	Consultant
775-318-0057	775-318-0322	Manager	775-771-6323
	vckbuchanan@gmail.com	775-237-6010	stevewalker@gbis.com
		natresmgr@eurekanv.org	

We look forward to seeing you on **Monday, February 29, 2016 at 9:00 am** in the Opera House.

Sincerely,

Eureka Conservation District Board of Supervisors

Lynn Conley, Jim Ithurralde, Denise Moyle, Jim Gallagher, Juniece Salas, and Jake Tibbitts

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Saturday, January 30, 2016 12:04 PM
To: 'cdubray@frontier.net'; 'Lynn Conley'; 'Andy Marshall'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'miannacchione@generalmolymoly.com'; 'Patrick Rogers (progers@generalmolymoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org)
Subject: Flow meter info and water rights spreadsheet - Diamond Valley Groundwater Management Plan
Attachments: IDWR Approved_flow_meter_list.pdf; Diamond Valley Water Rights by Priority 8-19-2015 TCD Analysis for DV GW....xlsx

All:

At the last GMP workshop, I committed to send out the list of approved flow meters from Idaho DWR. The list was prepared independently by Utah State University after thorough testing at their water lab in Logan, UT. I also committed sending out the spreadsheet from the Division of Water Resources outlining the current groundwater rights in Diamond Valley. They are attached.

It was committed by everybody at the meeting to look at your rights and others to help assist in any discrepancies, errors, etc. that need to be flagged for clearing up.

Don't forget to mark your calendars for the next GMP workshop on leap year, February 29, at 9 am at the Opera House.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Wednesday, February 24, 2016 4:22 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadler-ranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@general-moly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@general-moly.com'; 'grothhay@gmail.com'; 'Carrie Dubray'; 'Sandy Green'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'mjwilson@water.nv.gov'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org); Michael Young
Subject: Letter to groundwater rights holders and next GMP meeting
Attachments: 2 24 16 Letter to DV gw rights holders on GMP and validation request.docx

All:

Attached is a letter that was placed in the mail today to all groundwater rights holders in Diamond Valley. The letter was sent certified through the Eureka Conservation District. The mailing list was provided by the State Engineer's office of all groundwater rights addresses they have for Diamond Valley. If anybody that believes they have a groundwater right in Diamond Valley does not get a letter or the letter comes with the wrong legal name, etc., on the envelope, this should raise a red flag that there is work to be done to validate the right and bring it up to date in the State Engineer's office.

Please remember that the next GMP Workshop is this coming Monday, February 29, at 9 am at the Opera House. It is crucial that we get everybody at this meeting as there will be decision points and consensus needed moving forward. If you know of anybody not receiving notice of these meetings that should be, please reach out to them and make sure they are invited. Agenda items to be covered at the meeting:

- A. Professor Mike Young of Australia, author of "Unbundling Blueprint" (aka Australian Model), will be in attendance and able to speak to and answer questions;
- B. Review Plan draft;
- C. Discuss metering progress and funding options and necessity of high accuracy smart meters (e.g., magnetic flow meter);
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- E. Finalization of formula for converting to shares including the percentage of difference of allotted share from oldest permit to youngest permit;
- F. Beginning steps for share registry establishment;
- G. Proposed start date for new share system;

- H. Nominations for and structure of Community Reference Panel/Advisory Board to advise the Water Management Board. If you know of any person, including yourself that would be a good candidate to serve on this board, please plan on providing this nomination at the meeting;
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- J. Professor Mike Young and Katie Locklier information for a cost-benefit study that will aim to demonstrate the value of what is being proposed; and
- K. Nature of legislative changes that would make conversion easier.

See you all on Monday.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010
Fax: 775-237-6012

GMP Mtg. 2/29/2016
Sign-In

(62)

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+ Lavon Miller	hunterboy@gmail.com
+ Jeff Lemmari	dirtandpots@gmail.com
+ Jerry Sestonovich	C.Sestonovich@gmail.com
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+ Daniel Ventura	buckarodas@gmail.com
+ Levi Shoda	Schay@live.com
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* Katie Locklier

Katie.locklier@duke.edu

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Friday, March 25, 2016 1:11 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etchevery'; 'Martin Etchevery'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etchevery'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'lmrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@generalmoly.com'; 'grothhay@gmail.com'; 'Carrie Dubray'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'randye@mwpower.net'; 'mwpkvin@mwpower.net'; 'terilynncbrown9@gmail.com'; Carol Bailey (rangeriders@yahoo.com); 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org)
Subject: GMP meeting - Monday, March 28 at 9 am
Attachments: Diamond Valley Water Rights by Priority 8-19-2015 TCD Analysis for DV GW....xlsx

This is a reminder of the next GMP Workshop is this upcoming Monday, March 28, at 9 am at the Opera House. As before, it is crucial that everybody continue to attend these workshops to make progress on decisions points and consensus moving forward. As always, if you know of anybody not receiving notice of these meetings that should be, please reach out to them and make sure they are invited.

Items to be covered at the meeting will be recommendations from the Advisory Board that was elected at last meeting.

1. Diamond Valley Groundwater Resource Authority - member composition, member appointment process, functional duties, etc.,
2. Flow meter type and installation deadline,
3. Share allotment scenario including benchmark pumping reductions, and
4. General discussion on progress and any other issues of concern.

Some have asked again for the spreadsheet of groundwater rights in DV from the State Engineer. It is attached.

See you all on Monday.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

March 28, 2016
GMP Workshop

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Jake Tibbitts

From: Jake Tibbitts <natresmgr@eurekanv.org>
Sent: Friday, April 22, 2016 6:08 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@generalmoly.com'; 'grothhay@gmail.com'; 'Carrie Dubray'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'randye@mwpower.net'; 'mwpkevin@mwpower.net'; 'terrilynnbrown9@gmail.com'; Carol Bailey (rangeriders@yahoo.com); 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eurekanv.org)
Subject: Groundwater Management Plan (GMP) meeting - Monday, April 25 at 9 am

This is a reminder of the next GMP Workshop this upcoming Monday, April 25, at 9 am at the Opera House.

The Advisory Board recommends that from here moving forward, items for the GMP will be put forward for formal vote after discussion by the water rights holders in attendance.

It remains crucial that everybody attend these workshops to make progress moving forward. And, as always, please spread the word to those not attending or who may not be getting these notices.

Items for discussion and possible action at the April 25 GMP Workshop:

1. Diamond Valley Groundwater Authority - member composition, member appointment process, functional duties, etc.,
 - a. Water Manager
 - b. State Engineer (in person)
 - c. Ag Financial Institution Person (e.g., FSA, Farm Credit)
 - d. Water Resource Management, Federal Agency (e.g., NRCS)
 - e. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
2. Flow meter installation deadline
 - a. Smart meters, cell technology with near real-time reporting, installed by March 1, 2017.
 - i. Go over pros and cons of cell vs. radio and real-time reporting.
 - b. Magnetic flow meters required with some exemptions for very limited cases, TBD?

3. Share allotment senior-junior spread priority factor
 - a. At this point, 20% recommended by Advisory Board
4. Benchmark pumping reductions outlined in Plan
 - a. To provide certainty, could be less based on monitoring, but not more.
5. Current permitted stock, municipal, commercial, and domestic water rights exempt from the plan.
 - a. Highlight total permitted volume under these uses.
 - b. Cannot be transferred to shares and/or used for a non-exempt use.
 - c. "New" uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
 - d. Note that County holds rights for future growth and development, especially surrounding Town and GIDs. This water would remain available for connections within the areas served by the County. Needs above these "reserves" would require shares to cover use. This would also help direct growth to where infrastructure is already in place.
6. Mining rights
 - a. Shares allotted based on source permit, not current temporary right with applied consumptive use "haircut."
 - b. Consumptive uses require shares.
 - c. Non-consumptive uses do not require shares; GMP will require disposal of water in a manner that provides a net-benefit to the alluvial aquifer.
7. Penalties for use of water beyond annual allocation
 - a. 30 day grace period to replace 1:1
 - b. Double replacement of shares used after 30 days.
 - i. Must be fully made up by the next year's allocation.
 1. Allocation will be held back until penalty is paid in full.
 - ii. May opt to have this 2:1 penalty deducted from next year's allocation.
 - c. Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses.
 - i. Fine not to exceed \$10,000 per day for each violation as determined by the DVGA.
 - d. For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3).

See you all on Monday.

Jake Tibbitts
 Natural Resources Manager
 Eureka County, NV
 PO Box 682
 Eureka, NV 89316

Phone: 775-237-6010
 Fax: 775-237-6012

2016
APRIL 25 GMP WORKSHOP

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Ira Remon	

April 25 GMP Workshop Items based on AB recommendations on April 18:

1. Diamond Valley Groundwater Authority - member composition, member appointment process, functional duties, etc.,
 - a. Water Manager
 - b. State Engineer (in person)
 - c. Ag Financial Institution Person (e.g., FSA, Farm Credit)
 - d. Water Resource Management, Federal Agency (e.g., NRCS)
 - e. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
2. Flow meter installation deadline
 - a. Smart meters, cell technology with near real-time reporting, installed by March 1, 2017.
 - i. Go over pros and cons of cell vs. radio and real-time reporting.
 - b. Magnetic flow meters required with some exemptions for very limited cases, TBD?
3. Share allotment senior-junior spread priority factor
 - a. At this point, 20% recommended by Advisory Board
4. Benchmark pumping reductions outlined in Plan
 - a. To provide certainty, could be less based on monitoring, but not more.
5. Current permitted stock, municipal, commercial, and domestic water rights exempt from the plan.
 - a. Highlight total permitted volume under these uses.
 - b. Cannot be transferred to shares and/or used for a non-exempt use.
 - c. "New" uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
 - d. Note that County holds rights for future growth and development, especially surrounding Town and GIDs. This water would remain available for connections within the areas served by the County. Needs above these "reserves" would require shares to cover use. This would also help direct growth to where infrastructure is already in place.
6. Mining rights
 - a. Shares allotted based on source permit, not current temporary right with applied consumptive use "haircut."
 - b. Consumptive uses require shares.
 - c. Non-consumptive uses do not require shares; GMP will require disposal of water in a manner that provides a net-benefit to the alluvial aquifer.
7. Penalties for use of water beyond annual allocation
 - a. 30 day grace period to replace 1:1
 - b. Double replacement of shares used after 30 days.
 - i. Must be fully made up by the next year's allocation.
 1. Allocation will be held back until penalty is paid in full.
 - ii. May opt to have this 2:1 penalty deducted from next year's allocation.
 - c. Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses.
 - i. Fine not to exceed \$10,000 per day for each violation as determined by the DVGA.
 - d. For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3).

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eurekanv.org>
Sent: Friday, May 20, 2016 3:09 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@generalmoly.com'; 'grothhay@gmail.com'; 'Carrie Dubray'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'randye@mwpower.net'; 'mwpekin@mwpower.net'; 'terilynmbrown9@gmail.com'; Carol Bailey (rangeriders@yahoo.com); 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eurekanv.org)
Subject: Groundwater Management Plan (GMP) meeting - Monday, May 23 at 9 am

*****Note location change*****

This is a reminder of the next GMP Workshop this upcoming Monday, May 23, at 9 am at the Courthouse (Commissioners Chambers).

As before, the Advisory Board recommends that, items for the GMP will be put forward for formal vote after discussion by the water rights holders in attendance.

It remains crucial that everybody attend these workshops to make progress moving forward. And, as always, please spread the word to those not attending or who may not be getting these notices.

Advisory Board recommended items for discussion and possible action at the May 23 GMP Workshop:

- Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers)
 - Advisory Board is discussing whether to place limits on how much water could transfer to industrial or municipal uses. Needs further discussion.
- Share allotment senior-junior spread priority factor
 - 20% previously decided by AB but two members were not present for this discussion and vote. Advisory Board now has a split vote (non-unanimous) between 10% and 20% spread.
- Mining water rights

- Mining rights that do not have an irrigation source permit do not get converted to shares and become an exempt use.
- Penalties for use of water beyond annual allocation
 - Not publicized;
 - The next year's allocation will be withheld until penalties are "paid in full."
 - 30 day grace period to replace 1:1.
 - Can come out of up to 5% of the next year's allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 days;
 - After 30 day grace period, 2:1 replacement of shares but must be fully made up before the next year's allocation.
 - Can come out of up to 5% of the next year's allocation (based on benchmark reduction table) at 3:1 as long as done before next year's allocation.
 - Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
 - Fine not to exceed \$10,000 per day for each violation.
 - For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
- Water Manager
 - Job description
 - Non-voting, ex-officio member of Authority
 - Independent contractor preferred with contract held by Division of Water Resources
 - Funding arrangement TBD;
 - Contract would ensure accountability and reporting to Authority and Advisory Board.
- Authority Membership
 - Based on acceptance of Water Manager item above, remove Ag Finance member so remaining board has 3 voting members;
 - State Engineer (in person)
 - Water Resource Management, Federal Agency (e.g., NRCS)
 - Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
 - State Engineer will appoint members based on recommendations of the Advisory Board
 - He cannot chose somebody not vetted by the AB.
- What is a majority for GMP approval/petition?
 - Weighted based on water appropriated under each permit or certificate.
- Timeline moving forward
 - Draft GMP to State Engineer for review by October 1.
- Feedback from all participants on items for Advisory Board to consider.

See you all on Monday.

Jake Tibbitts
 Natural Resources Manager
 Eureka County, NV
 PO Box 682

2016

MAY 23 GMP WORKSHOP

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Advisory Board recommended items for discussion and possible action at the May 23 GMP Workshop:

- 1. Update on water level monitoring in DV.**
- 2. Mining representative on AB**
 - o Carrie Dubray resigned from Ruby Hill Mine.
 - o Nominations and elections of new mining rep on AB
 - Debbie Lassiter, Ruby Hill, is interested;
 - Previous nominations
 - Pat Rogers, General Moly
 - Ari Erickson, Gullsil Prospect Project
- 3. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers)**
 - o Advisory Board is discussing whether to place limits on how much water could transfer to industrial or municipal uses. Needs further discussion.
- 4. Share allotment senior-junior spread priority factor**
 - o 20% previously decided by AB but two members were not present for this discussion and vote. Advisory Board now has a split vote (non-unanimous) between 10% and 20% spread.
- 5. Mining water rights**
 - o Mining rights that do not have an irrigation source permit do not get converted to shares and become an exempt use.
- 6. Penalties for use of water beyond annual allocation**
 - o Not publicized;
 - o The next year's allocation will be withheld until penalties are "paid in full."
 - o 30 day grace period to replace 1:1.
 - Can come out of up to 5% of the next year's allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 days;
 - o After 30 day grace period, 2:1 replacement of shares but must be fully made up before the next year's allocation.
 - Can come out of up to 5% of the next year's allocation (based on benchmark reduction table) at 3:1 as long as done before next year's allocation.
 - o Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
 - Fine not to exceed \$10,000 per day for each violation.
 - o For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
- 7. Water Manager**
 - o Job description still being developed by AB.
 - o Non-voting, ex-officio member of Authority
 - o Independent contractor preferred with contract held by Division of Water Resources
 - Funding arrangement TBD;
 - Contract would ensure accountability and reporting to Authority and Advisory Board.

Page 1 of 2

8. Authority Membership

- Based on acceptance of Water Manager item above, remove Ag Finance member so remaining board has 3 voting members;
 - State Engineer (in person)
 - Water Resource Management, Federal Agency (e.g., NRCS)
 - Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
- State Engineer will appoint members based on recommendations of the Advisory Board
 - He cannot choose somebody not vetted by the AB.

9. What is a majority for GMP approval/petition?

- Weighted based on water appropriated under each permit or certificate.

10. Timeline moving forward

- Draft GMP to State Engineer for review by October 1.

11. Feedback from all participants on items for Advisory Board to consider.

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Tuesday, July 19, 2016 2:20 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithuralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@general-moly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@general-moly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terrilynnbrown9@gmail.com'; Carol Bailey (rangeriders@yahoo.com); 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com' Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org); 'Jessica Santoyo, Natural Resources'; Gary McCuin (gmccuin549@gmail.com)
Cc:
Subject: Mark Your Calendars; Groundwater Management Plan (GMP) meeting - Monday, July 25

All:

We are back on schedule for the last Monday of the month. This month's GMP meeting will be next Monday, July 25 at 9 am in the Opera House.

Please plan on attending as there are some very important matters to discuss and move forward with. I'll send another email on Friday with the list of items to be discussed and considered.

Jake Tibbitts
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Phone: 775-237-6010
Fax: 775-237-6012

Jake Tibbitts

From: Jake Tibbitts <natresmgr@eureka-nv.org>
Sent: Saturday, July 23, 2016 1:11 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etchevery'; 'Martin Etchevery'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etchevery'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@general-moly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; Ty B. Erickson, M.D. (Ty@TyEricksonMD.com); 'Ari Erickson'; 'ropin4fun2@yahoo.com'; Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov); 'kkinsella@general-moly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terrylynnbrown9@gmail.com'; Carol Bailey (rangeriders@yahoo.com); 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'
Cc: Steve Walker; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; Jackie Berg (jberg@eureka-nv.org); 'Jessica Santoyo, Natural Resources'; Gary McCuin (gmccuin549@gmail.com)
Subject: Groundwater Management Plan (GMP) meeting - Monday, July 25
Attachments: 7 25 16 GMP meeting.docx

Another reminder of the meeting Monday at 9 am at the Opera House. Below (and attached) are the items to be considered in the GMP. Again, if you know of anybody not attending the meetings or that may be left off these emails, please forward to them or invite them to the meeting. We need everybody on board working through this important effort.

All items previously discussed and voted on are on the list below. Items highlighted were specifically noted at either the full-group meeting on May 16 or the June 20 and July 21 Advisory Board (AB) meetings as needing AB discussion, clarification, and recommendation to bring back to the full group.

1. 20% share allotment senior-junior spread priority factor
 - o Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 - o Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).
2. Water banking
 - o Banking is of any given portion of an annual allocation (water per share), not core shares.
 - o No timeframe for sale, lease, or use imposed under GMP.
 - o Banked water will not depreciate. When used, it will be at the same amount as when banked.

1. Rick Felling noted a possible depreciation to account for “loss” by continued ET of phreatophytes of water banked – i.e., a portion of water left in the basin continues to be used by plants.
 - GMP will include a section about working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
 - o Will include language about reconsidering banking scheme under the GMP once water user pumping equals most current perennial yield estimate.
3. Funding of GMP and Water Manager
- o Fee schedule
 - o Where will fees and other penalties go?
 - o NSE DV Assessment
 - o Are uses not converted to shares still under funding scheme?
4. Benchmark pumping reductions outlined in Plan
- o To provide certainty, and since groundwater level trends may take years to “tease out,” benchmark reductions will be locked in place for the first 10 years. Reductions after 10 years could be less than benchmark reductions, but not more, based on water level monitoring data multi-year trends,
5. Flow meters
- o Must be the Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 1. High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 2. Magnetic flow meter that has been tested by independent Water Lab at Utah State University and is one of the meters that meets the standard for required meters in Idaho.
 - o Must be installed by March 1, 2017.
 - o AB will check into data systems with no annual service charge.
 - o The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.
 - o Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 1. May require site specific engineering.
6. Penalties for use of water beyond annual allocation
- o Not publicized;
 - o The immediate next year’s allocation will be withheld until penalties are “paid in full.”
 - o 30 day grace period, from the time any portion of the individual’s overdraft is first made, to replace 1:1.
 1. If adequate replacement water allocation cannot be secured before the end of the 30 day grace period, the individual may elect to replace the overdraft up to 5% of the individual’s next year’s allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 day grace period.
 - o If not “cured” within the 30 day grace period, 2:1 replacement of overdraft water allocation but must be fully made up before the immediate next year’s allocation.
 1. If adequate replacement water allocation cannot be secured before the immediate next year’s allocation, the individual may elect to replace the overdraft up to 5% of the individual’s next year’s allocation (based on benchmark reduction table) at 3:1 at least 30 days prior to allocation.

- Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
 - 1. Fine not to exceed \$10,000 per day for each violation.
 - For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
7. Mining rights and other non-consumptive uses
- All non-consumptive uses of water are still under the authority of the GMP. Consideration of non-consumptive uses as allocation non-debit must be analyzed through review and approval of net-depletion analysis by the Authority.
 - 1. No universal calculation for net-depletion analysis – very project specific.
 - Shares allotted based on source irrigation permit, not current temporary right with applied consumptive use "haircut."
 - Consumptive uses will require shares.
 - Non-consumptive uses do not require shares but GMP will require disposal of water in a manner that provides a net-benefit to the alluvial aquifer.
 - NSE will enforce in tandem with Authority.
8. Current permitted stock, municipal, commercial, and domestic water rights and mining rights that do not have an irrigation source permit do not get converted to shares but are still under authority of GMP.
- These uses that are not converted to shares would be reconsidered after the "exit ramp" review of the GMP (year 67).
 - 1. May need a set aside of shares held by the County (or other entity) for these uses.
 - Cannot be transferred to shares and/or used for a use required to have shares.
 - "New" uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
 - While these uses are not converted to shares, there would be requirements on them under the GMP.
 - 1. Enforce domestic use at or below 2 acre-feet/year.
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 - 3. Municipal tiered rates that incentivize conservation.
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 - Landscaping irrigation scheduling, low flow shower heads, etc.
 - 5. Waive "use it or lose it" of these uses to minimize unnecessary water use.
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9. Start fleshing out needed legislation.
- What new or different from amended SB 81 of the 2015 Session?
10. Diamond Valley Groundwater Authority
- Membership:
 - 1. Water Manager
 - Non-voting, ex-officio member of Authority

- Job description still being developed by AB.
 - Independent contractor preferred with contract held by Division of Water Resources with funding, duties, etc. clearly spelled out in MOU between Authority and DWR.
 - Contract language to ensure accountability and reporting to Authority and Advisory Board.
 - Funding arrangement TBD
 - State Engineer or designee; no less than Deputy Administrator/Engineer
2. Water Resource Management, Federal Agency (e.g., NRCS)
 3. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
 - State Engineer will appoint members based on recommendations of the Advisory Board
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11. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers) at the inception of the GMP
- There will be language in the GMP that out-of-basin transfers may be considered in the future but only with an amendment to the GMP and when water levels have reached some threshold of stabilization.
 1. Would require a petition signed by a majority of permit holders.
12. NSE retains authority under GMP for no conflict analysis under NRS 533.370 and no impairment under NRS 533.085
- Existing rights, including vested rights
 - Domestic wells
13. Draft GMP to State Engineer for review by October 1.

Hope to see you all there.

Jake Tibbitts
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July 25⁻²⁰¹⁶ GMP Workshop Sign-In

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July 25, 2016 GMP Meeting:

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 - Contract language to ensure accountability and reporting to Authority and Advisory Board.
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 - State Engineer or designee; no less than Deputy Administrator/Engineer
 - 2. Water Resource Management, Federal Agency (e.g., NRCS)
 - 3. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
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 - o Existing rights, including vested rights
 - o Domestic wells
13. Draft GMP to State Engineer for review by October 1.

Diamond Valley Groundwater Management Plan – Fall 2015 Assumptions

- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
- Perennial yield of 30,000 acre-feet per year is a good number and is number recognized by State Engineer but GMP should focus on sustainability, not numbers, and based on groundwater measurements (data).
 - May change based on soon to be released USGS report
- GMP apply to Diamond Valley hydrographic basin only (Basin 153) and apply to entire basin, not just a portion.
- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.
- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
- All existing groundwater permits/certificates/vested rights in good standing with Division of Water Resources will be converted to water shares, regardless of varying levels of extensions of times to put the water to use. If they are in good standing with DWR, they are legal water rights that must be converted to shares.
- Will recognize certain aspects of current Nevada water law, specifically the part of NRS 533.370(2) that ensures water transfers do not conflict with existing rights (in this case uses or shares) or the protectable interest in existing domestic wells.
- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
- Annual Allocations
 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.
 - Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can’t own shares. Board members must be approved by the State Engineer.

Page 5 of 5

Jake Tibbitts

From: Jake Tibbitts
Sent: Thursday, August 25, 2016 4:08 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoyle.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestariovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmoyle.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terrylynnbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com' 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'
Cc:
Subject: Groundwater Management Plan (GMP) meeting - Monday, August 29
Attachments: 8 29 16 GMP meeting.docx

This is a reminder of the GMP meeting this coming Monday, August 29th, at 9 am at the Opera House. Attached is the GMP outline/working model with specific items for discussion and possible action highlighted. As always, if you know of anybody not attending the meetings or that may be left off these emails, please forward to them or invite them to the meeting. We need everybody on board working through this important effort.

See you all there.

Best,

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010

Please note my email address has changed - JTibbitts@EurekaCountyNV.gov

Diamond Valley Groundwater Management Plan Outline and Working Model

August 29, 2016 GMP Meeting:

All items previously discussed and voted on are on the list below. Items highlighted are items specifically intended by the Advisory Board to be discussed and possibly acted upon by the full-group. The list of assumptions developed last fall are also listed below for reference.

1. Flow meters

- All groundwater use under the GMP will be required to be metered using the approved meter.
- Must be the Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 - 1. High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 - 2. Magnetic flow meter that has been tested by independent Water Lab at Utah State University and is one of the meters that meets the standard for required meters in Idaho.
- Presentation from irrigator from Idaho to explain their process in selecting meters and data modules.
- What did it take to get on Idaho list of approved meters?
- Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 - 1. May require site specific engineering.
 - 2. Adopt something similar to Idaho variances
- Develop stand-alone data collection and transmission system for our needs?
- Must be installed, fully operational, and certified for use before use of any water allocation in 2017.
- The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.

2. Update on recent USGS Diamond Valley Flow System Report.

- Perennial yield and spring decline implications?

3. Legislation update

- A request was sent from AB and DNRPCA
- Work Session item did make agenda for August 26 Legislative Subcommittee to Study Water.

4. Share allotment details

- 20% share allotment senior-junior spread priority factor
 - 1. Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 - 2. Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).

- Only groundwater rights in good standing at GMP approval will be converted to shares unless legal requirements mandate changes.
 1. There will be a rights validation process outlined in the GMP with a period of time for review and adjustment by water rights holders.
 2. Base right (permit or certificate) will be held “static” at the same status it was at share conversion in case need to revert back.
- GMP will exempt groundwater vested rights including those mitigated by groundwater rights from conversion to shares unless vested groundwater rights holder(s) opt in.
 1. Will rely on State Engineer records, USGS report, and, ultimately, adjudication/court order.
 - Currently, mitigation rights on State Engineer books are roughly 2,000 af.
 - USGS report quantifies 6,000 af of 35,000 af groundwater discharge as being spring flow decline. Plan will keep 6000 af dedicated for mitigation rights and not convert these to shares. This 6000 af will be “fixed” with no reductions of pumping required under the GMP.
 - If adjudication, court order, or other legal requirements define more than 6000 af of groundwater go towards vested rights, shares will be reduced accordingly to ensure vested rights are not diminished.
 2. GMP will not require a deadline for vested rights holders to choose to opt in. However, if any vested rights holder voluntarily chooses to have their rights converted to shares under the GMP, they must stay in the system for the duration of the GMP.

5. Water banking

- Banking is of any given portion of an annual allocation (water per share), not core shares.
- No timeframe for sale, lease, or use imposed under GMP.
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 - GMP will include a section that included:
 - Working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
 - Pursuit of other groundwater enhancement options to offset phreatophyte water use and increase groundwater recharge including, but not limited to:
 - Pinyon-Juniper removal
 - Directing runoff to benefit aquifer
 - Catchment basins
 - Rotary subsoiler
 - Cloud seeding
- Will include language about reconsidering banking scheme under the GMP once water user pumping equals most current perennial yield estimate.

6. Funding of GMP and Water Manager

- Fund through assessment authority under NRS where all permitted water rights are assessed. Will come through AB and Authority annually with mandate to only fund GMP requirements and not be excessive.
 - 1. See NRS 534.040
 - Need legislation?
 - 2. Assessments will have to go up to cover costs.
 - Currently \$0.30/acre-foot; ~\$39,000.00.
 - What about current domestic wells?
 - Authority set up as non-profit (501(c)(3))?
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 - 2. Advisory Board has not discussed this in detail, yet.
 - Fees (and penalties) will go into a fund and can only be used to administer the groundwater management plan which may include:
 - 1. Pay Water Manager and any other staff or consultants;
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 - 3. Implement groundwater conservation practices.
 - Entity administering water account/register will likely have separate “transaction” fees.
7. Benchmark pumping reductions outlined in Plan
- To provide certainty, and since groundwater level trends may take years to “tease out,” benchmark reductions will be locked in place for the first 10 years. Reductions after 10 years are anticipated to follow the original benchmark reductions but reductions after 10 years may be adjusted, up or down, but cannot exceed 2%, and will be informed by water level monitoring data multi-year trends.
 - Benchmark reductions:

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6	57720	22	0.92	53102
7	56240	24	0.92	51741
8	54760	26	0.92	50379
9	53280	28	0.92	49018
10	51800	30	0.92	47656
11	51060	31	0.92	46975
12	50320	32	0.92	46294
13	49580	33	0.92	45614
14	48840	34	0.92	44933
15	48100	35	0.92	44252
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8. Penalties for use of water beyond annual allocation and other general penalties/fines

- Not publicized;
- The immediate next year's allocation will be withheld until penalties are "paid in full."
- 30 day grace period, from the time any portion of the individual's overdraft is first made, to replace 1:1.
 1. If adequate replacement water allocation cannot be secured before the end of the 30 day grace period, the individual may elect to replace the overdraft up to 5% of the individual's next year's allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 day grace period.
- If not "cured" within the 30 day grace period, 2:1 replacement of overdraft water allocation but must be fully made up at least 30 days prior to immediate next year's allocation.
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 - 1. Fine not to exceed \$10,000 per day for each violation.
 - For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
 - Where we can, define "purposeful repeat," "egregious," "excessive," etc.
 - 1. Develop a chart that highlights fine based on volume overused?
 - 2. Look into penalty structures from other states?
 - 3. GMP will have provisions to appeal any penalties to AB and Authority for reconsideration, removal, or decrease.
 - Other penalties
 - 1. Water rights holder has obligation to keep meter system in operating condition within measurement guidelines. While Water Manager will assist where able, once water user is notified that meter system is not operating correctly, there will be 7 days to remedy issue or replace meter. Failure to remedy within 7 days will result in cease and desist of pumping until remedied.
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 - 2. Tampering of meter.
 - Similar to Idaho, \$350 per acre irrigated under the metered system. Cease and desist pumping until fine paid in full and meter operating under measurement guidelines.
9. Current permitted stock, municipal, commercial, and domestic water rights and mining rights that do not have an irrigation source permit do not get converted to shares but are still under authority of GMP.
- These uses that are not converted to shares would be reconsidered after the "exit ramp" review of the GMP (year 6?).
 - Cannot be transferred to shares and/or used for a use required to have shares.
 - "New" uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
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9. Waive “use it or lose it” of these uses to minimize unnecessary water use.
10. Incentives for xeriscaping.

10. Mining rights and other non-consumptive uses

- o All non-consumptive uses of water are still under the authority of the GMP. Consideration of non-consumptive uses as allocation non-debit must be analyzed through review and approval of net-depletion analysis by the Authority.
 1. No universal calculation for net-depletion analysis – very project specific.
- o Shares allotted based on source irrigation permit, not current temporary right with applied consumptive use “halrcut.”
- o Consumptive uses will require shares.
- o Non-consumptive uses do not require shares but GMP will require water be returned in a manner that provides a net-benefit to the alluvial aquifer.
- o NSE will enforce in tandem with Authority.

11. Diamond Valley Groundwater Authority

- o Membership:
 1. Water Manager
 - Non-voting, ex-officio member of Authority
 - Job description still being developed by AB.
 - Independent contractor preferred with contract held by Division of Water Resources with funding, duties, etc. clearly spelled out in MOU between Authority and DWR.
 - o Contract language to ensure accountability and reporting to Authority and Advisory Board.
 - o Funding arrangement TBD
 - State Engineer or designee; no less than Deputy Administrator/Engineer
 2. Water Resource Management, Federal Agency (e.g., NRCS)

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3. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
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 1. He cannot appoint somebody not first approved by the AB.
12. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers) at the inception of the GMP
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 - Existing rights, including vested rights
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14. Draft GMP to State Engineer for review by October 1.

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- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
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 - May change based on soon to be released USGS report
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- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.
- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
- All existing groundwater permits/certificates/vested rights in good standing with Division of Water Resources will be converted to water shares, regardless of varying levels of extensions of times to put the water to use. If they are in good standing with DWR, they are legal water rights that must be converted to shares.
- Will recognize certain aspects of current Nevada water law, specifically the part of NRS 533.370(2) that ensures water transfers do not conflict with existing rights (in this case uses or shares) or the protectable interest in existing domestic wells.
- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
- Annual Allocations
 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.
 - Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can’t own shares. Board members must be approved by the State Engineer.

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Jake Tibbitts

From: Jake Tibbitts
Sent: Thursday, August 25, 2016 4:08 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etchevery'; 'Martin Etchevery'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etchevery'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmolymoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmolymoly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terriynnbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com'
Cc: 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'
Subject: Groundwater Management Plan (GMP) meeting - Monday, August 29
Attachments: 8 29 16 GMP meeting.docx

This is a reminder of the GMP meeting this coming Monday, August 29th, at 9 am at the Opera House. Attached is the GMP outline/working model with specific items for discussion and possible action highlighted. As always, if you know of anybody not attending the meetings or that may be left off these emails, please forward to them or invite them to the meeting. We need everybody on board working through this important effort.

See you all there.

Best,

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010

Please note my email address has changed - JTibbitts@EurekaCountyNV.gov

Diamond Valley Groundwater Management Plan Outline and Working Model

August 29, 2016 GMP Meeting:

All items previously discussed and voted on are on the list below. Items highlighted are items specifically intended by the Advisory Board to be discussed and possibly acted upon by the full-group. The list of assumptions developed last fall are also listed below for reference.

1. Flow meters

- All groundwater use under the GMP will be required to be metered using the approved meter.
- Must be the Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 - 1. High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 - 2. Magnetic flow meter that has been tested by independent Water Lab at Utah State University and is one of the meters that meets the standard for required meters in Idaho.
- Presentation from irrigator from Idaho to explain their process in selecting meters and data modules.
- What did it take to get on Idaho list of approved meters?
- Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 - 1. May require site specific engineering.
 - 2. Adopt something similar to Idaho variances
- Develop stand-alone data collection and transmission system for our needs?
- Must be installed, fully operational, and certified for use before use of any water allocation in 2017.
- The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.

2. Update on recent USGS Diamond Valley Flow System Report.

- Perennial yield and spring decline implications?

3. Legislation update

- A request was sent from AB and DNRPCA
- Work Session item did make agenda for August 26 Legislative Subcommittee to Study Water.

4. Share allotment details

- 20% share allotment senior-junior spread priority factor
 - 1. Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 - 2. Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).

- Only groundwater rights in good standing at GMP approval will be converted to shares unless legal requirements mandate changes.
 1. There will be a rights validation process outlined in the GMP with a period of time for review and adjustment by water rights holders.
 2. Base right (permit or certificate) will be held “static” at the same status it was at share conversion in case need to revert back.
- GMP will exempt groundwater vested rights including those mitigated by groundwater rights from conversion to shares unless vested groundwater rights holder(s) opt in.
 1. Will rely on State Engineer records, USGS report, and, ultimately, adjudication/court order.
 - Currently, mitigation rights on State Engineer books are roughly 2,000 af.
 - USGS report quantifies 6,000 af of 35,000 af groundwater discharge as being spring flow decline. Plan will keep 6000 af dedicated for mitigation rights and not convert these to shares. This 6000 af will be “fixed” with no reductions of pumping required under the GMP.
 - If adjudication, court order, or other legal requirements define more than 6000 af of groundwater go towards vested rights, shares will be reduced accordingly to ensure vested rights are not diminished.
 2. GMP will not require a deadline for vested rights holders to choose to opt in. However, if any vested rights holder voluntarily chooses to have their rights converted to shares under the GMP, they must stay in the system for the duration of the GMP.

5. Water banking

- Banking is of any given portion of an annual allocation (water per share), not core shares.
- No timeframe for sale, lease, or use imposed under GMP.
- Banked water will not depreciate. When used, it will be at the same amount as when banked.
 1. Rick Felling noted a possible depreciation to account for “loss” by continued ET of phreatophytes of water banked – i.e., a portion of water left in the basin continues to be used by plants.
 - GMP will include a section that included:
 - Working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
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- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
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- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
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 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.
 - Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can’t own shares. Board members must be approved by the State Engineer.

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August 29, 2016 GMP WORKSHOP

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Daniel Venturolo

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DUSTY MOYLE

IRA REMNER

Mark Moyle

Jake Tibbitts

From: Jake Tibbitts
Sent: Monday, August 29, 2016 5:49 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmoly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terriynnbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com'
Cc: 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'; 'Michael Young'
Subject: Groundwater Management Plan (GMP) updated working model/outline
Attachments: 8 29 16 GMP working model and outline.docx

All,

I updated the GMP working model/outline based on today's actions by the attendees. Please note that this document does not include those items that were referred back to the Advisory Board for more discussion and recommendation. If an item is on the attached, it has been voted on by the entire group as being an element to be included in the GMP.

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Phone: 775-237-6010

Please note my email address has changed - JTibbitts@EurekaCountyNV.gov

Diamond Valley Groundwater Management Plan Outline and Working Model

As of August 29, 2016

All items discussed and voted on are on the list below. There are items not on the list below that still require additional discussion. The list of assumptions developed last fall are also listed below for reference.

1. Share allotment details

- 20% share allotment senior-junior spread priority factor
 1. Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 2. Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).
- Only groundwater rights in good standing at GMP approval will be converted to shares.
 1. There will be a rights validation process with a period of time for review and adjustment by water rights holders.
 2. Base right (permit or certificate) we be held “static” at the same status it was at share conversion in case need to revert back.
- GMP will exempt groundwater vested rights including those mitigated by groundwater rights from conversion to shares unless vested groundwater rights holder(s) opt in.
 1. Will rely on State Engineer records, recent USGS report, and, ultimately, adjudication/court order.
 - Currently, mitigation rights on State Engineer books are roughly 2,000 acre-feet (af).
 - USGS report quantifies 6,000 af of 35,000 af groundwater discharge as being spring flow decline. Plan will keep 6000 af dedicated for mitigation rights and not convert these to shares. This 6000 af will be “fixed” with no reductions of pumping required under the GMP.
 - If adjudication, court order, or other legal requirements define more than 6000 af of groundwater go towards vested rights, allocations will be reduced accordingly to meet pumping reduction benchmarks and ensure vested rights are not diminished.
 2. GMP will not require a deadline for vested rights holders to choose to opt in. However, if any vested rights holder voluntarily chooses to have their rights converted to shares under the GMP, they must stay in the system for the duration of the GMP.

2. Flow meters

- All groundwater use under the GMP will be required to be metered using the approved meter.
- Must be the Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 1. High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 2. Magnetic flow meter that has been tested by independent Water Lab at Utah State University and is one of the meters that meets the standard for required meters in Idaho.

- Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 1. May require site specific engineering.
 2. Will adopt something very similar to Idaho variances.
- Must be installed, fully operational, and certified for use before use of any water allocation in 2017.
- The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.

3. Water banking

- Banking is of any given portion of an annual allocation (water per share), not core shares.
- No timeframe for sale, lease, or use imposed under GMP.
- Banked water will not depreciate. When used, it will be at the same amount as when banked.
 1. Rick Felling noted a possible depreciation to account for “loss” by continued ET of phreatophytes of water banked – i.e., a portion of water left in the basin continues to be used by plants.
 - GMP will include a section that included:
 - Working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
 - Pursuit of other groundwater enhancement options to offset phreatophyte water use and increase groundwater recharge including, but not limited to:
 - Pinyon-Juniper removal
 - Directing runoff to benefit aquifer
 - Catchment basins
 - Rotary subsoiler
 - Cloud seeding
- Will include language about reconsidering banking scheme under the GMP once water user pumping equals most current perennial yield estimate.

4. Funding of GMP and Water Manager

- Fund through assessment authority under NRS where all permitted water rights are assessed. Will come through AB and Authority annually with mandate to only fund GMP requirements and not be excessive.
 1. Assessments will have to go up to cover costs.
 - Currently \$0.40/acre-foot; ~\$53,000.00.
- Fees (and penalties) will go into a fund and can only be used to administer the groundwater management plan which may include:
 1. Pay Water Manager and any other staff or consultants;
 2. Retire groundwater rights; and
 3. Implement groundwater conservation practices.
- Entity administering water account/register will likely have separate “transaction” fees.

5. Benchmark pumping reductions outlined in Plan

- To provide certainty, and since groundwater level trends may take years to “tease out,” benchmark reductions will be locked in place for the first 10 years. Reductions after 10 years are anticipated to follow the original benchmark reductions but reductions after 10 years may be adjusted, up or down, but cannot exceed 2%, and will be informed by water level monitoring data multi-year trends.

○ Benchmark reductions:

Year	Pumping estimate	% Cumulative Reduction	Assumed Efficiency	Assumed Consumptive Use
0	74000	0	0.85	62900
1	71780	3	0.86	61731
2	69560	6	0.87	60517
3	66600	10	0.88	58608
4	62900	15	0.89	55981
5	59200	20	0.91	53872
6	57720	22	0.92	53102
7	56240	24	0.92	51741
8	54760	26	0.92	50379
9	53280	28	0.92	49018
10	51800	30	0.92	47656
11	51060	31	0.92	46975
12	50320	32	0.92	46294
13	49580	33	0.92	45614
14	48840	34	0.92	44933
15	48100	35	0.92	44252
16	47360	36	0.92	43571
17	46620	37	0.92	42890
18	45880	38	0.92	42210
19	45140	39	0.92	41529
20	44400	40	0.92	40848
21	43660	41	0.92	40167
22	42920	42	0.92	39486
23	42180	43	0.92	38806
24	41440	44	0.92	38125
25	40700	45	0.92	37444
26	39960	46	0.92	36763
27	39220	47	0.92	36082
28	38480	48	0.92	35402
29	37740	49	0.92	34721
30	37000	50	0.92	34040

6. Penalties for use of water beyond annual allocation and other general penalties/fines

- Not publicized;
- The immediate next year’s allocation will be withheld until penalties are “paid in full.”
- 30 day grace period, from the time any portion of the individual’s overdraft is first made, to replace 1:1.
 1. If adequate replacement water allocation cannot be secured before the end of the 30 day grace period, the individual may elect to replace the overdraft up to 5% of the individual’s next year’s allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 day grace period.

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- If not “cured” within the 30 day grace period, 2:1 replacement of overdraft water allocation but must be fully made up at least 30 days prior to immediate next year’s allocation.
 - 1. If adequate replacement water allocation cannot be secured before the immediate next year’s allocation, the individual may elect to replace the overdraft up to 5% of the individual’s next year’s allocation (based on benchmark reduction table) at 3:1 at least 30 days prior to immediate next year’s allocation.
 - Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
 - 1. Fine not to exceed \$10,000 per day for each violation.
 - 2. Tampering of a meter will fall within this category (i.e., being purposeful).
 - For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney’s fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
 - Where we can, define “purposeful repeat,” “egregious,” “excessive,” etc.
 - 1. Develop a chart that highlights fine based on volume overused.
 - 2. Look into penalty structures from other states.
 - 3. GMP will have provisions to appeal any penalties to AB and Authority for reconsideration, removal, or decrease.
 - Other penalties
 - 1. Water rights holder has obligation to keep meter system in operating condition within measurement guidelines. While Water Manager will assist where able, once water user is notified that meter system is not operating correctly, there will be 7 days to remedy issue or replace meter. Failure to remedy within 7 days will result in cease and desist of pumping until remedied.
 - Pumping data gaps will be “filled” using average pumping rates before meter system issues arose. Power meter data may also be used to match times pump was running. Clamp on meters may also be installed until magnetic flow meter can be serviced or replaced.
 - There may be allowances, on a case-by-case basis, for short-term remedies to extent past 7 days if extenuating circumstances require.
 - For example, a specific part may not be available to obtain and get installed within 7 days. In this case, a clamp on meter could be allowed to be used in lieu of the approved meter until the ultimate remedy is achieved – the approved meter system is operational.
7. Current permitted stock, municipal, commercial, and domestic water rights and mining rights that do not have an irrigation source permit do not get converted to shares but are still under authority of GMP.
- These uses that are not converted to shares would be reconsidered after the “exit ramp” review of the GMP (year 6?).
 - Cannot be transferred to shares and/or used for a use required to have shares.

- “New” uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
- While these uses are not converted to shares, there would be requirements on them under the GMP.
 1. Work with County to have them relinquish their water rights not foreseen as being reasonably needed.
 2. Work with County to have them waive hookup fees to incentivize tying into municipal system and reduce new domestic wells.
 3. Work with County to have them invest in infrastructure to better enable hookups to municipal system.
 4. County amend water dedication ordinance for new parcels to require shares in an amount that equals 2 acre-feet per year (based on reduction table).
 5. State Engineer enforce domestic use at or below 2 acre-feet/year.
 - Develop an education piece that outlines what typical domestic use at or below 2 af/yr looks like
 - Use municipal use surrogates to highlight examples
 6. State Engineer enforce domestic use only for domestic purposes allowed under Nevada Law (i.e, no commercial use, single-family residence only).
 7. Aggressive municipal tiered rates that incentivize conservation.
 8. Education on water use, especially for domestic and municipal uses.
 - Landscaping irrigation scheduling, low flow shower heads, etc.
 9. Waive “use it or lose it” of these uses to minimize unnecessary water use.
 10. Incentives for xeriscaping.

8. Non-consumptive uses

- All non-consumptive uses of water are still under the authority of the GMP. Consideration of non-consumptive uses as allocation non-debit must be analyzed through review and approval of net-depletion analysis by the Authority.
 1. No universal calculation for net-depletion analysis – very project specific.
- Shares allotted based on source irrigation permit, not current temporary right with applied consumptive use “haircut.”
- Consumptive uses will require shares.
- Non-consumptive uses do not require shares but GMP will require water be returned in a manner that provides a net-benefit to the alluvial aquifer.
- NSE will enforce in tandem with Authority.

9. Diamond Valley Groundwater Authority

- Membership:
 1. Water Manager
 - Non-voting, ex-officio member of Authority

- Job description still being developed by AB.
 - Independent contractor preferred with contract held by Division of Water Resources with funding, duties, etc. clearly spelled out in MOU between Authority and DWR.
 - Contract language to ensure accountability and reporting to Authority and Advisory Board.
 - Funding arrangement TBD
 - 2. State Engineer or designee; no less than Deputy Administrator/Engineer
 - 3. Water Resource Management, Federal Agency (e.g., NRCS)
 - 4. Water Resource Management, State Agency other than State Engineer's office (e.g., Cooperative Extension, CABNR)
 - State Engineer will appoint members based on recommendations of the Advisory Board
 - 1. He cannot appoint somebody not first approved by the AB.
10. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers) at the inception of the GMP
- There will be language in the GMP that out-of-basin transfers may be considered in the future but only with an amendment to the GMP and when water levels have reached some threshold of stabilization.
 - 1. Would require a petition signed by a majority of permit holders.
11. NSE retains authority under GMP for no conflict analysis under NRS 533.370 and no impairment under NRS 533.085
- Existing rights, including vested rights
 - Domestic well "protectable interest"
12. Draft GMP to State Engineer for review by October 1.

Diamond Valley Groundwater Management Plan – Fall 2015 Assumptions

- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
- Perennial yield of 30,000 acre-feet per year is a good number and is number recognized by State Engineer but GMP should focus on sustainability, not numbers, and based on groundwater measurements (data).
 - May change based on soon to be released USGS report
- GMP apply to Diamond Valley hydrographic basin only (Basin 153) and apply to entire basin, not just a portion.
- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No Irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.
- Duty and priority recognized and addressed in conversion to shares.
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Page 7 of 7

Jake Tibbitts

From: Jake Tibbitts
Sent: Thursday, September 01, 2016 8:07 AM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmolymoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoye@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmolymoly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terrylynbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com'
Cc: 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'; 'Michael Young'
Subject: Save the Date - Next Groundwater Management Plan (GMP) Workshop - September 19 at 9 am

All,

It was determined by the group on Monday to have the next GMP workshop on Monday, September 19 at 9:00 am at the Opera House. Please mark your calendars.

Hope you all have an enjoyable Labor Day weekend!

Jake Tibbitts
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Please note my email address has changed - JTibbitts@EurekaCountyNV.gov

Jake Tibbitts

From: Jake Tibbitts
Sent: Friday, September 16, 2016 5:46 PM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommon'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithuralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmolymoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntnboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmolymoly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terrilynnbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com'; 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'JJ Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'
Cc:
Subject: REMINDER - Next Groundwater Management Plan (GMP) Workshop - Monday, September 19 at 9 am
Attachments: 9 19 16 GMP meeting.docx

This is a reminder of the upcoming GMP meeting on Monday. Attached is the working outline with recent recommendations by the Advisory Board. Have a good weekend and see you all on Monday.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Phone: 775-237-6010

Please note my email address has changed - JTibbitts@EurekaCountyNV.gov

Diamond Valley Groundwater Management Plan Outline and Working Model

September 19, 2016 Meeting:

All items discussed and voted on are on the list below. Items highlighted are Items specifically requested to be considered by the Advisory Board and includes their recommended language the full group's consideration. The list of assumptions developed last fall are also listed below for reference.

1. First year will receive introductory allocation to quantify individual use with the approved meter before reductions, allow for implementation of conservation practices (i.e., LESA, etc.) and work out other kinks.
 - A. Allocation will be made based on Year 0 (that will become Year 1) in benchmark reduction table (currently 0.85 acre-feet per share).
 - B. Individuals that don't use full introductory allocation will be able to bank unused water.
 - C. There will be no penalties for Individual overuse during introductory allocation.
2. Share allotment details
 - A. 20% share allotment senior-junior spread priority factor
 - 1) Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 - 2) Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).
 - B. Only groundwater rights in good standing at GMP approval will be converted to shares.
 - 1) There will be a rights validation process with a period of time for review and adjustment by water rights holders working with State Engineer if there are any discrepancies asserted.
 - If first year is "introductory" this will give ample time for validation.
 - 2) Base right (permit or certificate) will be held "static" at the same status it was at share conversion in case need to revert back.
 - C. GMP will exempt groundwater vested rights including vested rights mitigated by groundwater rights from conversion to shares unless vested groundwater rights holder(s) opt in.
 - For surface water vested rights mitigated by groundwater rights, if they opt in, constrained to use allocation only on lands within groundwater discharge area as defined by the recent USGS report (Fig 17 p. 60). There will be no reduction in water use of vested groundwater rights under the plan, even if they opt in. Their allocations will be the same every year.
 - Technical consideration – if allowed to move water to main farming area, this could actually increase the drawdown and further damage the aquifer. It's also technically preferable to keep as much pumping in the groundwater discharge area as this water is currently being used by phreatophytes, not southern DV farms. And this is the area where the water rights were put to use pre-statutorily.
 - Bailey mitigation permit – permit restriction that the groundwater cannot be moved outside of the spring discharge area.
 - Judge Fairman order citing *Carson v. Hogen* (1901) – "right to...water continue to flow to his headgate as it did when the appropriation was first made" – and *Lower Kings River Water Ditch Co. v. Kings River & Fresno Canal Co.* (1882) – "water rights holder's specific quantity of water must be allowed to remain in the water course, and be available...so that the water may be applied to the established place of use."
 - 2) Will rely on State Engineer records, recent USGS report, and, ultimately, adjudication/court order.
 - Currently, mitigation rights on State Engineer books are roughly 2,000 acre-feet (af).
 - USGS report quantifies pre-development groundwater discharge through evapotranspiration at 29,000 af and spring flow declines at 6,000 for a total of 35,000 af pre-development groundwater discharge. In fact, 29,000 af of groundwater ET was

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reported to be occurring in 2012. If adjudication, court order, or other legal requirements define more than 6000 af of groundwater go towards vested rights, allocations will not have to be reduced accordingly because an increase in the amount of spring flow decline would actually mean that the pre-development "perennial yield" is higher than 35,000 af.

- 3) GMP will not require a deadline for vested rights holders to choose to opt in. However, if any vested rights holder voluntarily chooses to have their rights converted to shares under the GMP, they must stay in the system for the duration of the GMP.

3. Flow meters

- A. All groundwater use under the GMP will be required to be metered using the approved meter, Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 - 1) High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 - 2) Magnetic flow meter that has been tested by independent Water Lab at Utah State University to meet the standard for required meters in Idaho and was the best performing meter as far as accuracy and reliability.
- B. To be installed at or near the point of diversion.
- C. Installed with a minimum straight pipe length equivalent of three (3) pipe diameters upstream and two (2) pipe diameters downstream from the center of the meter spool. Manufacturer specifications for upstream and downstream straight pipe requirements may be greater or less than this requirement. All other manufacturer installation specifications must be met.
 - 1) Owners or operators who install the approved meter without the minimum straight length spacing requirements, or otherwise inconsistent with manufacturer's specifications, will need to provide an adequate testing section of straight pipe located somewhere on the diversion system either upstream or downstream of the installed flow meter. This testing section can be excavated pipeline as long as the section of pipe carries all water being measured through the installed flow meter. Water users choosing to expose pipe will be required to excavate the pipe at their expense.
- D. Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 - 1) May require site specific engineering.
 - 2) At a minimum, any variance in use of the approved meter must be as accurate as, or otherwise is better suited to an application than the approved meter.
 - 3) If a petition for variance is submitted and granted, the water user bears the risk that the alternative meter will perform as expected.
 - 4) If an alternative meter is approved and is later found to be insufficient, the variance will be withdrawn and another acceptable meter will be required to be installed.
- E. Meter will be field-tested by the Water Manager or other designee of the Authority using manufacturers "field verifier" and a portable standard flow meter to ensure it is installed properly, functioning properly, and accurate to within $\pm 10\%$ of the rate of flow and volume as measured with a portable standard flow meter.
- F. If a meter does not pass a field check, the Authority may require the water user to replace the meter at the water user's expense.
- G. Must be installed, fully operational, and certified for use before use of any water under the GMP.
- H. The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.

- 1) Specifications and test performance of the approved meter will be referenced in the GMP for the minimum requirements that any future meter will have to meet.

4. Funding of GMP and Water Manager

- A. AB is working on preparing budget and/or cost projections on what it will take to run GMP program.
- B. Water Manager will be required to seek funding to run and further the GMP.
- C. Fund through assessment authority under NRS where all permitted water rights are assessed. Will come through AB and Authority annually with mandate to only fund GMP requirements and not be excessive.
 - 1) Assessments will have to go up to cover costs.
 - Currently \$0.40/acre-foot; ~\$53,000.00.
- D. Fees (and penalties) will go into a fund and can only be used to administer the groundwater management plan which may include:
 - 1) Pay Water Manager and any other staff or consultants;
 - 2) Retire groundwater rights; and
 - 3) Implement groundwater conservation practices.
- E. Entity administering water account/register will likely have separate "transaction" fees.

5. Penalties for use of water beyond annual allocation and other general penalties/fines

- A. Name/entity not publicized but amount and reason for penalty/fine will be;
- B. The immediate next year's allocation will be withheld until penalties are "paid in full."
- C. 30 day grace period, from the time any portion of the individual's overdraft is first made, to replace 1:1.
 - 1) If adequate replacement water allocation cannot be secured before the end of the 30 day grace period, the individual may elect to replace the overdraft up to 5% of the individual's next year's allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 day grace period.
- D. If not "cured" within the 30 day grace period, 2:1 replacement of overdraft water allocation but must be fully made up at least 30 days prior to immediate next year's allocation.
 - 1) If adequate replacement water allocation cannot be secured before the immediate next year's allocation, the individual may elect to replace the overdraft up to 5% of the individual's next year's allocation (based on benchmark reduction table) at 3:1 at least 30 days prior to immediate next year's allocation.
- E. Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
 - 1) Fine not to exceed \$10,000 per day for each violation.
 - 2) Tampering of a meter will fall within this category (i.e., being purposeful).
- F. For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
- G. Where we can, define "purposeful repeat," "egregious," "excessive," etc.
 - 1) Will develop a chart (or something similar) that highlights fine based on volume overused.
 - 2) Will look into penalty structures from other states for consideration.
 - 3) GMP will have provisions to appeal any penalties to AB and Authority for reconsideration, removal, or decrease.

H. Other penalties

- 1) **Water rights holder has obligation to keep meter system in operating condition within measurement guidelines. While Water Manager will assist where able, once water user is notified that meter system is not operating correctly, there will be 7 days to remedy issue or replace meter. Failure to remedy within 7 days will result in cease and desist of pumping until remedied.**
 - **Pumping data gaps will be “filled” using average pumping rates before meter system issues arose. Power use data may also be used to match times pump was running. Clamp on meters may also be installed until magnetic flow meter can be serviced or replaced.**
 - **There may be allowances, on a case-by-case basis, for short-term remedies to extent past 7 days if extenuating circumstances require.**
 - **For example, a specific part may not be available to obtain and get installed within 7 days. In this case, a clamp on meter could be allowed to be used in lieu of the approved meter until the ultimate remedy is achieved – the approved meter system is operational.**
6. **Current permitted stock, municipal, commercial, and domestic water rights and mining rights that do not have an irrigation source permit do not get converted to shares but are still under authority of GMP.**
 - A. **These uses that are not converted to shares would be reconsidered after the “exit ramp” review of the GMP (year 6?).**
 - B. **Cannot be transferred to shares and/or used for a use required to have shares.**
 - C. **“New” uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.**
 - D. **While these uses are not converted to shares, there would be requirements on them under the GMP.**
 - 1) **Work with County to have them relinquish their water rights not foreseen as being reasonably needed.**
 - 2) **Work with County to have them waive hookup fees to incentivize tying into municipal system and reduce new domestic wells and offer domestic well credit to those abandoning current domestic well and assist in cost-share in abandoning old domestic well in accordance with NRS/NAC.**
 - 3) **Work with County to have them invest in infrastructure to better enable hookups to municipal system.**
 - 4) **County amend water dedication ordinance for new parcels to require shares in an amount that equals 2 acre-feet per year (based on reduction table).**
 - 5) **State Engineer enforce domestic use at or below 2 acre-feet/year.**
 - **Develop an education piece that outlines what typical domestic use at or below 2 af/yr looks like**
 - **Use municipal use surrogates to highlight examples**
 - 6) **State Engineer enforce domestic use only for domestic purposes allowed under Nevada Law (i.e, no commercial use, single-family residence only).**
 - 7) **Aggressive municipal tiered rates that incentivize conservation.**
 - 8) **Education on water use, especially for domestic and municipal uses.**
 - **Landscaping irrigation scheduling, low flow shower heads, etc.**
 - 9) **Waive “use it or lose it” of these uses to minimize unnecessary water use.**
 - 10) **Incentives for xeriscaping.**

7. Lands retired from irrigation (permanently or set-aside programs)

- A. Funds raised through assessment may be used for these purposes but must go through annual, public budgeting process to ensure proper debate and transparency.**
- B. Funds may be pursued from grants, gifts, etc. and spent through the GMP for these purposes.**
- C. Requirements for weed and rodent control and cover crops;**
 - 1) Will rely on and work with relevant entities that already have jurisdiction over these items under NRS.**
 - DV Weed District, DV Rodent District, NV Dept. of Ag**
 - 2) GMP generally not likely not able to impose restrictions such as these as there is no clear legal framework to do. But, where funding is raised by and spent through the GMP for water retirement, these requirements would be required in the GMP based on contractual agreements as part of receipt of funding to retire water.**
 - 3) GMP will also have language encouraging funding mechanisms outside of GMP (e.g., Agricultural Sustainability Trust) to place weed and rodent control and cover crop requirements on lands with water retired.**

8. Well use approvals

- A. For a well to be used to withdraw water under the GMP, it must be linked to a specific water account. A well may not be pumped for any use required to have shares unless it is linked to a specific water account.**
 - 1) There will be an annual well charge to keep well active and linked to an account.**
 - Shows intent for use under the GMP.**
 - Wells kept active and linked to account will be held exempt for abandonment requirements under NRS/NAC.**
 - Wells not active will result in consideration for abandonment requirements under NRS/NAC.**
 - Wells kept active but unused must have temporary, secure caps placed on them to ensure they are not exposed to open air or sources of contamination.**
- B. Wells withdrawing water under the GMP must be from a legal well according to NRS/NAC.**
- C. New wells drilled (including replacement wells) will still have to follow applicable well drilling laws and regulations under NRS and NAC and State Engineer retains authority for conflict analysis for new wells.**

9. Benchmark pumping reductions outlined in Plan

- A. To provide certainty, and since groundwater level trends may take years to “tease out,” benchmark reductions will be locked in place for the first 10 years. Reductions after 10 years are anticipated to follow the original benchmark reductions but reductions after 10 years may be adjusted, up or down, but annual reductions or increases from the immediate previous year cannot exceed 2%, and will be informed by water level monitoring data multi-year trends.**
- B. Benchmark reductions:**

Year	Pumping estimate	% Cumulative Reduction	Assumed Efficiency	Assumed Consumptive Use
0	74000	0	0.85	62900
1	71780	3	0.86	61731
2	69560	6	0.87	60517
3	66600	10	0.88	58608
4	62900	15	0.89	55981
5	59200	20	0.91	53872
6	57720	22	0.92	53102
7	56240	24	0.92	51741
8	54760	26	0.92	50379
9	53280	28	0.92	49018
10	51800	30	0.92	47656
11	51060	31	0.92	46975
12	50320	32	0.92	46294
13	49580	33	0.92	45614
14	48840	34	0.92	44933
15	48100	35	0.92	44252
16	47360	36	0.92	43571
17	46620	37	0.92	42890
18	45880	38	0.92	42210
19	45140	39	0.92	41529
20	44400	40	0.92	40848
21	43660	41	0.92	40167
22	42920	42	0.92	39486
23	42180	43	0.92	38806
24	41440	44	0.92	38125
25	40700	45	0.92	37444
26	39960	46	0.92	36763
27	39220	47	0.92	36082
28	38480	48	0.92	35402
29	37740	49	0.92	34721
30	37000	50	0.92	34040

10. Water banking

- A. Banking is of any given portion of an annual allocation (water per share), not core shares.
- B. No timeframe for sale, lease, or use imposed under GMP.
- C. Banked water will not depreciate. When used, it will be at the same amount as when banked.
 - 1) Rick Felling noted a possible depreciation to account for "loss" by continued ET of phreatophytes of water banked – i.e., a portion of water left in the basin continues to be used by plants.
 - GMP will include a section that included:
 - Working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
 - Pursuit of other groundwater enhancement options to offset phreatophyte water use and increase groundwater recharge including, but not limited to:
 - Pinyon-Juniper removal
 - Directing runoff to benefit aquifer
 - Catchment basins

- Rotary subsoiler
 - Cloud seeding
- D. Will include language about reconsidering banking scheme under the GMP once water user pumping equals most current perennial yield estimate.

11. Non-consumptive uses

- A. All non-consumptive uses of water are still under the authority of the GMP. Consideration of non-consumptive uses as allocation non-debit must be analyzed through review and approval of net-depletion analysis by the Authority.
 - 1) No universal calculation for net-depletion analysis – very project specific.
- B. Shares allotted based on source irrigation permit, not current temporary right with applied consumptive use “haircut.”
- C. Consumptive uses will require shares.
- D. Non-consumptive uses do not require shares but GMP will require water be returned in a manner that provides a net-benefit to the alluvial aquifer.
- E. NSE will enforce in tandem with Authority.

12. Diamond Valley Groundwater Authority

- A. Membership:
 - 1) Water Manager
 - Non-voting, ex-officio member of Authority
 - Job description still being developed by AB.
 - Independent contractor preferred with contract held by Division of Water Resources with funding, duties, etc. clearly spelled out in MOU between Authority and DWR.
 - Contract language to ensure accountability and reporting to Authority and Advisory Board.
 - Funding arrangement TBD
 - 2) State Engineer or designee; no less than Deputy Administrator/Engineer
 - 3) Water Resource Management, Federal Agency (e.g., NRCS)
 - 4) Water Resource Management, State Agency other than State Engineer’s office (e.g., Cooperative Extension, CABNR)
- B. State Engineer will appoint members based on recommendations of the Advisory Board
 - 1) He cannot appoint somebody not first approved by the AB.
- C. Advisory Board
 - 1) 7 members elected by water rights/shareholders.
 - Current members represent mining, water rights holder with a primary interest in ranching in Diamond Valley, and farmers.
 - 2) At GMP inception, the current AB members will stay installed for the first 2 years. After year 2 of the GMP, the farmer seats will be open for elections. The mining and ranching seats will be up for election at year 4. After year 4, elections will be every 2 years following this alternate seat schedule and the seats will then be open to any shareholder with no designation of shareholders representing any specific use. Elections will be held at an annual meeting where all shareholders may attend, make nominations, and cast their votes.

13. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers) at the inception of the GMP

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- A. There will be language in the GMP that out-of-basin transfers may be considered in the future but only with an amendment to the GMP and when water levels have reached some threshold of stabilization.
 - 1) Would require a petition signed by a majority of permit holders.

14. NSE retains authority under GMP for no conflict analysis under NRS 533.370 and no impairment under NRS 533.085

- A. Existing rights, including vested rights
- B. Domestic well "protectable interest"
- C. The GMP will not have much description on this conflict analysis and it will be solely up to NSE to do such analysis.

15. Draft GMP to State Engineer for review by October 1.

16. Requests for proposals for development and standing up of share account is being pursued.

17. Legislation

- A. BDR language submitted:

In a basin designated as a Critical Management Area pursuant to NRS 534.110(7)(a), in consideration of a groundwater management plan submitted to the State Engineer pursuant to NRS 534.037, the State Engineer may, in addition to those powers conferred by law, approve:

- 1) *Limits to the quantity of groundwater that may be withdrawn under any permit or certificate or other use outlined in the plan as long as senior permits or certificates receive more groundwater under the plan than junior permits or certificates;*
- 2) *Conservation practices that might otherwise result in cancellation or forfeiture of the groundwater right pursuant to NRS 533.390, 533.395, 533.410 and 534.090 and exempt those rights from the requirements of NRS 533.390, 533.395, 533.410 and 534.090;*
- 3) *Groundwater use requirements within the critical management area and under the plan not bound to any specific point of diversion, place of use, and manner of use;*
- 4) *Groundwater banking for any unused volume of groundwater granted for use in any given year to be allowed for withdrawal in future years;*
- 5) *Requirements for specific groundwater measuring and data reporting devices;*
- 6) *Local governance, administration, or enforcement of the groundwater management plan while not abrogating any ultimate authority of the State Engineer over the plan;*
- 7) *Assessment of fees on groundwater uses outlined in the plan or receive other funding to expend to administer the groundwater management plan, retire groundwater rights, or implement groundwater conservation practices;*
- 8) *Penalties in accordance with NRS 534.190 through NRS 534.195 for violations with provisions of the plan by any entity under the plan with expenditure of any fines used to administer the groundwater management plan, retire groundwater rights, or implement groundwater conservation practices;*
- 9) *Voluntary relinquishment to the groundwater source a portion of a groundwater right in exchange for exemption from provisions requiring the filing and approval of extensions of time to avoid cancellation and forfeiture during the period the groundwater management plan is in effect, but rights not relinquished would not be exempt from regulation by priority;*

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10) Any other actions reasonably related to the implementation of a specific Groundwater Management Plan as outlined in that specific plan.

A groundwater management plan approved pursuant to NRS 534.037 may continue beyond critical management area designation unless and until a petition is presented to the State Engineer, under the same procedures as NRS 534.037(1) and NRS 534.110(7)(b), to remove the plan.

Diamond Valley Groundwater Management Plan – Fall 2015 Assumptions

- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
- Perennial yield of 30,000 acre-feet per year is a good number and is number recognized by State Engineer but GMP should focus on sustainability, not numbers, and based on groundwater measurements (data).
 - May change based on soon to be released USGS report
- GMP apply to Diamond Valley hydrographic basin only (Basin 153) and apply to entire basin, not just a portion.
- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.
- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
- All existing groundwater permits/certificates/vested rights in good standing with Division of Water Resources will be converted to water shares, regardless of varying levels of extensions of times to put the water to use. If they are in good standing with DWR, they are legal water rights that must be converted to shares.
- Will recognize certain aspects of current Nevada water law, specifically the part of NRS 533.370(2) that ensures water transfers do not conflict with existing rights (in this case uses or shares) or the protectable interest in existing domestic wells.
- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
- Annual Allocations
 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.

- **Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can't own shares. Board members must be approved by the State Engineer.**

Sept. 19, 2016 GMP Mtg.

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Jake Tibbitts

From: Jake Tibbitts
Sent: Thursday, October 20, 2016 9:15 AM
To: 'Lynn Conley'; 'Anthony Miller'; 'Billy Norton'; 'Bob Burnham'; 'Carrie Dubray'; 'Craig Benson'; 'D'Mark Mick'; 'Dale Bugenig'; 'Dave & Leora Betschart'; 'Denise Moyle'; 'Dusty Moyle'; 'Fred Etchegaray'; 'Jayme Halpin'; 'Jeff Lommori'; 'Jerry & Trina Machachek'; 'Jerry Sestanovich'; 'Jim Baumann'; 'Jim Gallagher'; 'Jim Ithurralde'; 'JJ Goicoechea'; 'Ken Conley'; 'Ladd Dubray'; 'Lloyd Morrison'; 'Lynford Miller'; 'Mark Moyle'; 'Martin Etcheverry'; 'Martin Etcheverry'; 'Marty Plaskett'; 'Matthew Morrison'; 'Nick Etcheverry'; 'Paul Etzler'; 'Pete Goicoechea'; 'Robert Beck'; 'Tim & Sandie Halpin'; 'Tim Bailey'; 'Travis Gallagher'; 'schay@live.com'; 'Vickie Buchanan'; 'Wayne Conway'; 'doug@sadlerranch.org'; 'dofr@comcast.net'; 'Patrick Rogers (progers@generalmoly.com)'; 'chadbliss@mwpower.org'; 'imrenner@yahoo.com'; 'buckaroodan@gmail.com'; 'rhunt29085@AOL.com'; 'rbjballen2@gmail.com'; 'haystaxwest@gmail.com'; 'matt6560@hotmail.com'; 'bellfarmingco@aol.com'; 'basqboy@gmail.com'; 'conleyag@gmail.com'; 'huntboy@gmail.com'; 'lamarmoyle@gmail.com'; 'jsestanovich@gmail.com'; 'saragroth67@gmail.com'; 'Ty B. Erickson, M.D. (Ty@TyEricksonMD.com)'; 'Ari Erickson'; 'ropin4fun2@yahoo.com'; 'Jasmine, Jaime - Elko, NV (Jaime.Jasmine@nv.usda.gov)'; 'kkinsella@generalmoly.com'; 'grothhay@gmail.com'; 'cdubray@frontier.com'; 'bryan562185@gmail.com'; 'Sandy Green'; 'corbinknowles@cableone.net'; 'jeffbulkley@gmail.com'; 'mwpkevin@mwpower.net'; 'terriynnbrown9@gmail.com'; 'Carol Bailey (rangeriders@yahoo.com)'; 'Jerry & Trina Machachek'; 'dvfarmgirl@aol.com'; 'ropp91@gmail.com'; 'randye@mwpower.org'; 'Debbie Lassiter'; 'minonancy@hotmail.com'; 'Joseph Martini'; 'countrymortgage@aol.com'; 'andcgo@gmail.com'; 'minoletti3j@yahoo.com'; 'momma_wood@hotmail.com'; 'ab24602@gmail.com'
Cc: 'Steve Walker'; 'Rick Felling'; 'Jason King'; 'J.J. Goicoechea'; 'Steve Lewis'; 'Kelvin Hickenbottom'; 'Jackie Berg'; 'Jessica Santoyo'; 'mccuing@unce.unr.edu'; 'jeffbulkley@gmail.com'; 'corbinknowles@cableone.net'
Subject: REMINDER - Next Groundwater Management Plan (GMP) Workshop - Monday, October 24 at 9 am
Attachments: 10 24 16 GMP meeting.docx

This is a reminder of the upcoming GMP meeting on Monday at the Opera House. Attached is the working outline with recent recommendations by the Advisory Board. This outline is still being worked into the official draft plan that will be submitted to the State Engineer for his review and feedback.

PLEASE NOTE: It is anticipated that on Monday, the group will vote whether to formally forward the draft GMP to the State Engineer for his review and feedback. This will not be the official petition process that will eventually be required to get the final plan sent to the State Engineer. There has been confusion by some that Monday will be the final "yea or nay" on the GMP. That will come when the group feels comfortable that we are as far as we are going to get with the GMP and an official petition will be presented for all holders of groundwater permits or certificates to consider.

Have a good weekend and see you all on Monday.

Jake Tibbitts
Natural Resources Manager
Eureka County, NV
PO Box 682
Eureka, NV 89316

Diamond Valley Groundwater Management Plan Outline and Working Model

October 24, 2016 Meeting:

All items discussed and voted on are on the list below. Items highlighted are items specifically requested to be considered by the Advisory Board and includes their recommended language the full group's consideration. The list of assumptions developed last fall are also listed below for reference.

1. First year will receive introductory allocation to quantify individual use with the approved meter before reductions, allow for implementation of conservation practices (i.e., LESA, etc.) and work out other kinks.
 - A. Allocation will be made based on Year 0 (that will become Year 1) in benchmark reduction table (currently 0.85 acre-feet per share).
 - B. Individuals that don't use full introductory allocation will be able to bank unused water.
 - C. There will be no penalties for individual overuse during introductory allocation.
2. Share allotment details
 - A. 20% share allotment senior-junior spread priority factor
 - 1) Advisory Board split vote with five members at 20%, 1 wanting a higher factor (>20%), and 2 wanting a lower factor (<20%)
 - 2) Full group split vote with 14 at 20%, 1 wanting a higher factor (>20%), and 7 wanting a lower factor (<20%).
 - B. Only groundwater rights in good standing at GMP approval will be converted to shares.
 - 1) There will be a rights validation process with a period of time for review and adjustment by water rights holders working with State Engineer if there are any discrepancies asserted.
 - If first year is "Introductory" this will give ample time for validation.
 - 2) Base right (permit or certificate) will be held "static" at the same status it was at share conversion in case need to revert back.
 - C. Vested groundwater rights, including surface water vested rights that have been mitigated with groundwater rights, will not be under the requirements of the GMP.
 - 1) Recent USGS report quantifies pre-development groundwater discharge through evapotranspiration at 29,000 af and spring flow declines at 6,000 for a total of 35,000 af pre-development groundwater discharge. In fact, 29,000 af of groundwater ET was reported to be occurring in 2012. If adjudication, court order, or other legal requirements define more than 6000 af of groundwater go towards mitigating vested surface rights, allocations under the GMP will not have to be reduced accordingly because an increase in the amount of spring flow decline would actually mean that the pre-development "perennial yield" would have to be higher than 35,000 af.
3. Flow meters
 - A. All groundwater use under the GMP will be required to be metered using the approved meter, Siemens, SITRANS F MAGFLO MAG 5100W w/ 5000 converter with smart meter capability, wireless transmission module, with near real-time reporting.
 - 1) High quality, single, specific meter to reduce issues and complaints regarding accuracy, quality, and integrity.
 - 2) Magnetic flow meter that has been tested by independent Water Lab at Utah State University to meet the standard for required meters in Idaho and was the best performing meter as far as accuracy and reliability.
 - B. To be installed at or near the point of diversion.
 - C. Installed with a minimum straight pipe length equivalent of three (3) pipe diameters upstream and two (2) pipe diameters downstream from the center of the meter spool. Manufacturer specifications for

upstream and downstream straight pipe requirements may be greater or less than this requirement. All other manufacturer installation specifications must be met.

- 1) Owners or operators who install the approved meter without the minimum straight length spacing requirements, or otherwise inconsistent with manufacturer's specifications, will need to provide an adequate testing section of straight pipe located somewhere on the diversion system either upstream or downstream of the installed flow meter. This testing section can be excavated pipeline as long as the section of pipe carries all water being measured through the installed flow meter. Water users choosing to expose pipe will be required to excavate the pipe at their expense.
- D. Any exemptions/waivers for required magnetic flow meters will be considered on a case-by-case basis through petition to the AB and Authority.
 - 1) May require site specific engineering.
 - 2) At a minimum, any variance in use of the approved meter must be as accurate as, or otherwise is better suited to an application than the approved meter.
 - 3) If a petition for variance is submitted and granted, the water user bears the risk that the alternative meter will perform as expected.
 - 4) If an alternative meter is approved and is later found to be insufficient, the variance will be withdrawn and another acceptable meter will be required to be installed.
- E. Meter will be field-tested by the Water Manager or other designee of the Authority using manufacturers "field verifier" and a portable standard flow meter to ensure it is installed properly, functioning properly, and accurate to within $\pm 10\%$ of the rate of flow and volume as measured with a portable standard flow meter.
- F. If a meter does not pass a field check, the Authority may require the water user to replace the meter at the water user's expense.
- G. Must be installed, fully operational, and certified for use before use of any water under the GMP.
- H. The process for a future change in specific meter based on better technology or other unforeseen issue will be outlined in the GMP to ensure GMP amendment is not necessary.
 - 1) Specifications and test performance of the approved meter will be referenced in the GMP for the minimum requirements that any future meter will have to meet.

4. Funding of GMP and Water Manager (after system is "stood up.")

- A. AB projects that it will cost about \$150,000 per year to run the GMP.
 - 1) Water Manager independent contract
 - 2) Office supplies
 - 3) Field Equipment
 - 4) Vehicle
 - 5) Contingency
- B. Water Manager will be required to seek funding to run and further the GMP (but not for their salary).
- C. Fund through assessment authority under NRS where all permitted water rights are assessed. Will come through a budget process with the AB and Authority annually with mandate to only fund GMP requirements and not be excessive and not create large annual roll-overs.
 - 1) Assessments will have to go up to cover costs.
 - Currently \$0.40/acre-foot; ~\$53,000.00.
 - There are 86,179 shares on the preliminary spreadsheet. To raise \$150,000 per year for the GMP would result in an assessment of \$1.74 per share.

- D. Fees (and penalties) will go into a fund and can only be used to administer the groundwater management plan which may include:
- 1) Pay Water Manager and any other staff or consultants;
 - 2) Retire groundwater rights; and
 - 3) Implement groundwater conservation practices.
- E. Entity administering water account/register will likely have separate "transaction" fees.
5. Penalties for use of water beyond annual allocation and other general penalties/fines
- A. Name/entity not publicized but amount and reason for penalty/fine will be;
- B. The immediate next year's allocation will be withheld until penalties are "paid in full."
- C. 30 day grace period, from the time any portion of the individual's overdraft is first made, to replace 1:1.
- 1) If adequate replacement water allocation cannot be secured before the end of the 30 day grace period, the individual may elect to replace the overdraft up to 5% of the individual's next year's allocation (based on benchmark reduction table) at 2:1 as long as done within the 30 day grace period.
- D. If not "cured" within the 30 day grace period, 2:1 replacement of overdraft water allocation but must be fully made up at least 30 days prior to immediate next year's allocation.
- 1) If adequate replacement water allocation cannot be secured before the immediate next year's allocation, the individual may elect to replace the overdraft up to 5% of the individual's next year's allocation (based on benchmark reduction table) at 3:1 at least 30 days prior to immediate next year's allocation.
- E. Financial penalty provisions similar to NRS 534.193(1)(a) will be enacted for egregious, excessive, or purposeful repeat offenses, as determined by the Authority based on consultation with the Advisory Board.
- 1) Fine not to exceed \$10,000 per day for each violation.
 - 2) Tampering of a meter will fall within this category (i.e., being purposeful).
- F. For any of the above penalties, may require the person to pay the costs of any proceeding, including investigative costs and attorney's fees, similar to requirements of NRS 534.193(3), as determined by the Authority based on consultation with the Advisory Board.
- G. To get past subjective definitions of "purposeful repeat," "egregious," "excessive," etc.
- 1) Will develop a chart (or something similar) that highlights fine based on volume or incidences overused.
 - 2) Will look into penalty structures from other states for consideration.
 - 3) GMP will have provisions to appeal any penalties to AB and Authority for reconsideration, removal, or decrease.
- H. Other penalties
- 1) Water rights holder has obligation to keep meter system in operating condition within measurement guidelines. While Water Manager will assist where able, once water user is notified that meter system is not operating correctly, there will be 7 days to remedy issue or replace meter. Failure to remedy within 7 days will result in cease and desist of pumping until remedied.
 - Pumping data gaps will be "filled" using average pumping rates before meter system issues arose. Power use data may also be used to match times pump was running. Clamp on meters may also be installed until magnetic flow meter can be serviced or replaced.

- There may be allowances, on a case-by-case basis, for short-term remedies to extent past 7 days if extenuating circumstances require.
 - For example, a specific part may not be available to obtain and get installed within 7 days. In this case, a clamp on meter could be allowed to be used in lieu of the approved meter until the ultimate remedy is achieved – the approved meter system is operational.
6. Current permitted stock, municipal, commercial, and domestic water rights and mining rights that do not have an irrigation source permit do not get converted to shares but are still under authority of GMP.
- A. These uses that are not converted to shares would be reconsidered after the “exit ramp” review of the GMP (year 6?).
 - B. Cannot be transferred to shares and/or used for a use required to have shares.
 - C. “New” uses under one of these categories would require shares to cover use. Benchmark reduction table would be used to project maximum share needs for the life of any project/use (may be in perpetuity) and would require shares be dedicated for this period of time.
 - D. While these uses are not converted to shares, there would be requirements on them under the GMP.
 - 1) Work with County to have them relinquish their water rights not foreseen as being reasonably needed.
 - 2) Work with County to have them waive hookup fees to incentivize tying into municipal system and reduce new domestic wells and offer domestic well credit to those abandoning current domestic well and assist in cost-share in abandoning old domestic well in accordance with NRS/NAC.
 - 3) Work with County to have them invest in infrastructure to better enable hookups to municipal system.
 - 4) County amend water dedication ordinance for new parcels to require shares in an amount that equals 2 acre-feet per year (based on reduction table).
 - 5) State Engineer enforce domestic use at or below 2 acre-feet/year.
 - Develop an education piece that outlines what typical domestic use at or below 2 af/yr looks like
 - Use municipal use surrogates to highlight examples
 - 6) State Engineer enforce domestic use only for domestic purposes allowed under Nevada Law (i.e, no commercial use, single-family residence only).
 - 7) Aggressive municipal tiered rates that incentivize conservation.
 - 8) Education on water use, especially for domestic and municipal uses.
 - Landscaping irrigation scheduling, low flow shower heads, etc.
 - 9) Waive “use it or lose it” of these uses to minimize unnecessary water use.
 - 10) Incentives for xeriscaping.
7. Lands retired from irrigation (permanently or set-aside programs)
- A. Funds raised through assessment may be used for these purposes but must go through annual, public budgeting process to ensure proper debate and transparency.
 - B. Funds may be pursued from grants, gifts, etc. and spent through the GMP for these purposes.
 - C. Requirements for weed and rodent control and cover crops;
 - 1) Will rely on and work with relevant entities that already have jurisdiction over these items under NRS.
 - DV Weed District, DV Rodent District, NV Dept. of Ag

- 2) GMP generally not likely not able to impose restrictions such as these as there is no clear legal framework to do. But, where funding is raised by and spent through the GMP for water retirement, these requirements would be required in the GMP based on contractual agreements as part of receipt of funding to retire water.
- 3) GMP will also have language encouraging funding mechanisms outside of GMP (e.g., Agricultural Sustainability Trust) to place weed and rodent control and cover crop requirements on lands with water retired.

8. Well-use approvals

- A. For a well to be used to withdraw water under the GMP, it must be linked to a specific water account. A well may not be pumped for any use required to have shares unless it is linked to a specific water account.
 - 1) There will be an annual well charge to keep well active and linked to an account.
 - Shows intent for use under the GMP.
 - Wells kept active and linked to account will be held exempt for abandonment requirements under NRS/NAC.
 - Wells not active will result in consideration for abandonment requirements under NRS/NAC.
 - Wells kept active but unused must have temporary, secure caps placed on them to ensure they are not exposed to open air or sources of contamination.
- B. Wells withdrawing water under the GMP must be from a legal well according to NRS/NAC.
- C. New wells drilled (including replacement wells) will still have to follow applicable well drilling laws and regulations under NRS and NAC and State Engineer retains authority for conflict analysis for new wells.

9. Benchmark pumping reductions outlined in Plan

- A. To provide certainty, and since groundwater level trends may take years to “tease out,” benchmark reductions will be locked in place for the first 10 years. Reductions after 10 years are anticipated to follow the original benchmark reductions but reductions after 10 years may be adjusted, up or down, but annual reductions or increases from the immediate previous year cannot exceed 2%, and will be informed by water level monitoring data multi-year trends.
- B. Benchmark reductions:

Year	Pumping estimate	% Cumulative Reduction	Assumed Efficiency	Assumed Consumptive Use
0	74000	0	0.85	62900
1	71780	3	0.86	61731
2	69560	6	0.87	60517
3	66600	10	0.88	58608
4	62900	15	0.89	55981
5	59200	20	0.91	53872
6	57720	22	0.92	53102
7	56240	24	0.92	51741
8	54760	26	0.92	50379
9	53280	28	0.92	49018
10	51800	30	0.92	47656
11	51060	31	0.92	46975
12	50320	32	0.92	46294
13	49580	33	0.92	45614
14	48840	34	0.92	44933
15	48100	35	0.92	44252
16	47360	36	0.92	43571
17	46620	37	0.92	42890
18	45880	38	0.92	42210
19	45140	39	0.92	41529
20	44400	40	0.92	40848
21	43660	41	0.92	40167
22	42920	42	0.92	39486
23	42180	43	0.92	38806
24	41440	44	0.92	38125
25	40700	45	0.92	37444
26	39960	46	0.92	36763
27	39220	47	0.92	36082
28	38480	48	0.92	35402
29	37740	49	0.92	34721
30	37000	50	0.92	34040

10. Water banking

- A. Banking is of any given portion of an annual allocation (water per share), not core shares.
- B. No timeframe for sale, lease, or use imposed under GMP.
- C. Banked water will not depreciate. When used, it will be at the same amount as when banked.
 - 1) Rick Felling noted a possible depreciation to account for "loss" by continued ET of phreatophytes of water banked – i.e., a portion of water left in the basin continues to be used by plants.
 - GMP will include a section that included:
 - Working with relevant entities to manage and reduce phreatophytes to reduce their consumption of water while assisting transition to non-phreatophytic vegetation.
 - Pursuit of other groundwater enhancement options to offset phreatophyte water use and increase groundwater recharge including, but not limited to:
 - Pinyon-Juniper removal
 - Directing runoff to benefit aquifer
 - Catchment basins

- Rotary subsoiler
 - Cloud seeding
- D. Will include language about reconsidering banking scheme under the GMP once water user pumping equals most current perennial yield estimate.

11. Non-consumptive uses

- A. All non-consumptive uses of water are still under the authority of the GMP. Consideration of non-consumptive uses as allocation non-debit must be analyzed through review and approval of net-depletion analysis by the Authority.
 - 1) No universal calculation for net-depletion analysis – very project specific.
- B. Shares allotted based on source irrigation permit, not current temporary right with applied consumptive use “haircut.”
- C. Consumptive uses will require shares.
- D. Non-consumptive uses do not require shares but GMP will require water be returned in a manner that provides a net-benefit to the alluvial aquifer.
- E. NSE will enforce in tandem with Authority.

12. Diamond Valley Groundwater Authority

- A. Membership:
 - 1) Water Manager
 - Non-voting, ex-officio member of Authority
 - Job description still being developed by AB.
 - Independent contractor preferred with contract held by Division of Water Resources with funding, duties, etc. clearly spelled out in MOU between Authority and DWR.
 - Contract language to ensure accountability and reporting to Authority and Advisory Board.
 - Funding arrangement TBD
 - 2) State Engineer or designee; no less than Deputy Administrator/Engineer
 - 3) Water Resource Management, Federal Agency (e.g., NRCS)
 - 4) Water Resource Management, State Agency other than State Engineer’s office (e.g., Cooperative Extension, CABNR)
- B. State Engineer will appoint members based on recommendations of the Advisory Board
 - 1) He cannot appoint somebody not first approved by the AB.
- C. Advisory Board
 - 1) 7 members elected by water rights/shareholders.
 - Currently has 8 members represent mining, water rights holder with a primary interest in ranching in Diamond Valley, two fully-senior farmers, and then remaining farmers with both senior and junior rights.
 - 2) AB will elect a chair and vice-chair and conduct meetings and business generally following a procedure such as Robert’s Rule of Order or parliamentary procedure. The AB, through its elected chair, will establish and follow formal agendas when conducting meetings. The Water Manager may be tasked with preparing agenda, taking notes, and preparing meeting minutes or the AB may hire a secretary for these duties depending on funding availability.
 - 3) All elections held for AB members will be held at an annual meeting between November 1 and December 15 where all shareholders may attend, make nominations, and cast their votes.

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Nominations will be made from the floor and votes will be weighted according to number of shares a voting shareholder holds. Counting of the votes will be open to view by all shareholders attending the meeting.

- At GMP inception, the current AB members will stay installed for the first 2 years. Petition to forward GMP to State Engineer for approval will be considered ratification inception AB structure.
 - At year 2 of the GMP, 4 farmer seats will be open for elections and one farmer seat will be dropped so AB will have 7 seats.
 - At year 4, the mining seat, the ranching seat, and 1 farming seat will be up for election.
 - At year 6, the 4 farming seats up for election will be replaced with 1 seat to represent agriculture and 3 seats to any shareholder (with any water use interest).
 - At year 8, the mining seat will be elected and ranching seat will transition to a seat for any shareholder (with any water use interest). After year 8 the AB will be made up of 1 mining seat, 2 agriculture seats, and 4 open seats (any shareholder with any water use interest).
 - Elections will be held every 2 years following this alternate seat schedule.
- 4) Any seat that becomes vacant before term is up will be filled by appointment by Authority based on letters of interest and recommendation of the AB and will only fill unexpired term of vacant seat.

13. Water will stay within the Diamond Valley basin (i.e., no out-of-basin transfers) at the inception of the GMP

- A. There will be language in the GMP that out-of-basin transfers may be considered in the future but only with an amendment to the GMP and when water levels have reached some threshold of stabilization.
- 1) Would require a petition signed by a majority of permit holders.

14. NSE retains authority under GMP for no conflict analysis under NRS 533.370 and no impairment under NRS 533.085

- A. Existing rights, including vested rights
- B. Domestic well "protectable interest"
- C. The GMP will not have much description on this conflict analysis and it will be solely up to NSE to do such analysis.
- 1) It is anticipated that well-use approval process will provide a nexus for this analysis by NSE.

15. Draft GMP to State Engineer for in October 2016.

16. Requests for proposals for development and standing up of share and allocation account and trading platform is being pursued.

- A. Proposal is being put together by Waterfind USA
- B. H2OX has been approached

17. Legislation

- A. BDR language submitted:

In a basin designated as a Critical Management Area pursuant to NRS 534.110(7)(a), in consideration of a groundwater management plan submitted to the State Engineer pursuant to NRS 534.037, the State Engineer may, in addition to those powers conferred by law, approve:

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- 1) *Limits to the quantity of groundwater that may be withdrawn under any permit or certificate or other use outlined in the plan as long as senior permits or certificates receive more groundwater under the plan than junior permits or certificates;*
- 2) *Conservation practices that might otherwise result in cancellation or forfeiture of the groundwater right pursuant to NRS 533.390, 533.395, 533.410 and 534.090 and exempt those rights from the requirements of NRS 533.390, 533.395, 533.410 and 534.090;*
- 3) *Groundwater use requirements within the critical management area and under the plan not bound to any specific point of diversion, place of use, and manner of use;*
- 4) *Groundwater banking for any unused volume of groundwater granted for use in any given year to be allowed for withdrawal in future years;*
- 5) *Requirements for specific groundwater measuring and data reporting devices;*
- 6) *Local governance, administration, or enforcement of the groundwater management plan while not abrogating any ultimate authority of the State Engineer over the plan;*
- 7) *Assessment of fees on groundwater uses outlined in the plan or receive other funding to expend to administer the groundwater management plan, retire groundwater rights, or implement groundwater conservation practices;*
- 8) *Penalties in accordance with NRS 534.190 through NRS 534.195 for violations with provisions of the plan by any entity under the plan with expenditure of any fines used to administer the groundwater management plan, retire groundwater rights, or implement groundwater conservation practices;*
- 9) *Voluntary relinquishment to the groundwater source a portion of a groundwater right in exchange for exemption from provisions requiring the filing and approval of extensions of time to avoid cancellation and forfeiture during the period the groundwater management plan is in effect, but rights not relinquished would not be exempt from regulation by priority;*
- 10) *Any other actions reasonably related to the implementation of a specific Groundwater Management Plan as outlined in that specific plan.*

A groundwater management plan approved pursuant to NRS 534.037 may continue beyond critical management area designation unless and until a petition is presented to the State Engineer, under the same procedures as NRS 534.037(1) and NRS 534.110(7)(b), to remove the plan.

Diamond Valley Groundwater Management Plan – Fall 2015 Assumptions

- Some type of “Unbundling” share system will be followed. Hybridize Prof. Young’s “Blueprint” to best fit Diamond Valley and local desires
- Perennial yield of 30,000 acre-feet per year is a good number and is number recognized by State Engineer but GMP should focus on sustainability, not numbers, and based on groundwater measurements (data).
 - May change based on soon to be released USGS report
- GMP apply to Diamond Valley hydrographic basin only (Basin 153) and apply to entire basin, not just a portion.
- At least through “test case,” exempt stockwater, domestic, and municipal rights and only include irrigation, mining, and other substantial water uses. All new domestic parcels after this point will bring shares and require totalizing meter (County already requires 2 af be brought forward for new parceling). Other changes from irrigation or mining to one of these grandfathered categories would require staying in the share system (i.e., once a share, always a share, even if the use changes).
- Application for irrigation in DV is ~3 af/ac
- No Irrigation season – addressed through annual allocations. Use as you want until allocation for year is depleted, conserve and save for future years, or sell/trade to others for use.

- Duty and priority recognized and addressed in conversion to shares.
- Smart meters on every ag well by March 1, 2016 – even if before full Groundwater Management Plan is implemented – with all meters certified by some common standard or spec.
- No Order by the State Engineer for metering. Will be addressed and required under GMP.
- All existing groundwater permits/certificates/vested rights in good standing with Division of Water Resources will be converted to water shares, regardless of varying levels of extensions of times to put the water to use. If they are in good standing with DWR, they are legal water rights that must be converted to shares.
- Will recognize certain aspects of current Nevada water law, specifically the part of NRS 533.370(2) that ensures water transfers do not conflict with existing rights (in this case uses or shares) or the protectable interest in existing domestic wells.
- No new shares added after initial share conversion UNLESS physical, “new” water is brought into basin or legal requirements mandate changes (i.e., DWR or court ordered mitigation of vested surface water declines by replacement with groundwater).
- Annual Allocations
 - Start out with benchmark reductions from status quo for first few of years, such as 3% reduction in groundwater pumping basin wide each year for 5 years to reach 15% reduction basin wide by the fifth year, then based on groundwater monitoring and basin aquifer response.
- Board – Governance
 - Advisory Board/Community Reference Panel - 5 members nominated by and elected from Diamond Valley groundwater rights holders.
 - Executive Governing Board- 5 to 7 members with relevant technical expertise *inclusive* of a full-time manager who is paid. CEO-type is one of the members. Must be folks with no financial interest in Diamond Valley; they can’t own shares. Board members must be approved by the State Engineer.

Oct. 24, 2016. GMP Mtg

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