GORDON H. DePAOLI Nevada State Bar No. 0195 2 2012 FEB 15 PM 12: 38 DALE E. FERGUSON Nevada State Bar No. 4986 3 DOMENICO R. DePAOLI Nevada State Bar No. 11553 4 Woodburn and Wedge 5 6100 Neil Road, Suite 500 Reno, Nevada 89511 6 Telephone: 775/688-3000 7 Attorneys for Walker River Irrigation District 8 9 IN THE OFFICE OF THE STATE ENGINEER 10 OF THE STATE OF NEVADA 11 'S EXHIBITS 15 12 DATE: 13 IN THE MATTER OF CHANGE APPLICATION NO. 80700 FILED BY WALKER RIVER IRRIGATION 14 THE NATIONAL FISH AND WILDLIFE DISTRICT'S RESPONSE TO BRIEF OF FOUNDATION THE UNITED STATES BOARD OF 15 WATER COMMISSIONERS 16 I. INTRODUCTION. 17 18 At the January 24, 2012 Prehearing Conference, the Hearing Officer requested legal 19 briefing on the following two issues raised by the United States Board of Water Commissioners .20 (the "U.S. Board"): 21 Whether the proposed change in the place of use for Change 22 Application No. 80700 violates the Walker River Decree, which provides in pertinent part that no water shall be sold or delivered outside of the basin of the 23 Walker River; and 24 Because the Decree was entered to settle the rights of water users of the Walker River for irrigation of lands of the parties to the suit, the question 25 arises whether a Decree holder can own water rights but not own any land or the 26 place of use for which the water is to be placed to beneficial use. 27 See U.S. Board List of Issues filed October 21, 2011 at 1,2; Transcript of January 24, 2012 28

Prehearing Conference at 84, 85. The U.S. Board filed its *Brief of the United States Board of*

Water Commissioners (the U.S. Board's Brief") to address these two issues on February 3, 2012. The response of the Walker River Irrigation District (the "District") to the issues addressed in the U.S. Board's Brief is set forth below.

II. THE ISSUE OF WHETHER WALKER RIVER DECREE WATER RIGHTS MAY BE CHANGED TO INCLUDE WALKER LAKE AS A PLACE OF USE MUST BE RAISED BEFORE AND CONSIDERED AND DECIDED BY THE WALKER RIVER DECREE COURT.

This issue involves an interpretation of the language of the Walker River Decree. To frame the issue, the U.S. Board cites provisions of the Walker River Decree, a stipulation entered into prior to the Court's entry of the Decree, and statements made in hearings before the Court prior to the entry of the Decree. Under these circumstances, the issue should be raised before and decided by the Walker River Decree Court at an appropriate time. *See Nehmer v. U.S. Dept. of Veterans Affairs*, 494 F.3d 846, 860 (9th Cir. 2007) (district court has inherent authority to interpret its decree and parties, whether private or public entities, cannot dictate the meaning of the decree without the district court's approval).

III. THE WALKER RIVER DECREE DOES NOT PROHIBIT THE OWNERSHIP OF WALKER RIVER DECREE WATER RIGHTS INDEPENDENT OF OWNERSHIP OF THE LAND TO WHICH THOSE WATER RIGHTS ARE APPURTENANT OR THE PROPERTY WHERE THEY ARE USED.

It does not appear that the Walker River Decree requires an owner of water rights to also own the land to which those water rights are appurtenant and/or their place of use. In fact, there are many instances within the District where the ownership of land has been severed from the right to use water upon that land. In those instances, the District requires the owner of water rights to enter into a Water Rights Assessment Agreement with the District, pursuant to the provisions found in NRS Chapter 539, to ensure that the District continues to receive payment for the assessments, tolls and charges levied with respect to the land. The Water Rights Assessment Agreement also requires the water right owner to execute a Deed of Trust as security for the payment of assessments. With respect to the water rights sought to be changed by

Application No. 80700, NFWF has executed a Water Rights Assessment Agreement and Deed of Trust that requires the continued payment of assessments levied by the District, including assessments related to the operations of the U.S. Board.¹ Dated this 15th day of February, 2012. WOODBURN AND WEDGE By: DALE E. FERGUSON DOMENICO R. DePAOLI The State Engineer has previously ruled that the owner of Orr Ditch Decree water rights may

change the point of diversion, place and manner of use of those water rights without owning the

proposed new place of use. See State Engineer Ruling No. 5760 at 22 - 24, Ruling No. 6035 at

¹⁵ through 17.

AFFIDAVIT OF SERVICE

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2 STATE OF NEVADA SS. 3 COUNTY OF WASHOE 4 Holly Dewar, being first duly sworn, deposes, and states under penalty of perjury, as 5 follows: 6 I am an employee of the law firm of Woodburn and Wedge, a citizen of the United 7 States, over 18 years of age, and not an interested person to the above-entitled matter. 8 9 On February 15, 2012, I deposited in sealed envelopes in the United States Mail, postage 10 fully prepaid, a true and correct copy of Walker River Irrigation District's Response to Brief of 11 the United States Board of Water Commissioners filed in the above entitled matter, addressed to 12 each of the names and addresses as follows: 13 George Benesch David Sceirine 14 190 W. Huffaker Lane, Ste. 408 P.O. Box 239 Reno, Nevada 89511 Yerington, Nevada 89447 15 Linda Bowman 16 Joseph Sceirine P.O. Box 10306 P.O. Box 1013 17 Reno, Nevada 89510-0306 Yerington, Nevada 89447 18 Campbell Canal Co., David Sceirine, Pres. Glenn Sciarani, Nichol Merritt Ditch Co., c/o Rife and Associates Inc. 19 22 Highway 208 150 Densmore Lane Yerington, Nevada 89447 20 Yerington, Nevada 89447 21 D & GW Ditch Co., Louis Scatena Jim Snyder 1275 Hwy. 208 P.O. Box 550 22 Yerington, Nevada 89447 Yerington, Nevada 89447 23 Nevada Farm Bureau Federation Don Springmeyer, Christopher Mixson Doug Busselman 24 Wolf Rifkin Shapiro Schulman Rabkin 2165 Green Vista Dr., #205 3556 E. Russell Road, 2nd Floor 25 Sparks, Nevada 89431 Las Vegas, Nevada 89120 26 Newhall Mutual Ditch Co., Darrel E. Pursel Tunnel Ditch Co., Louis Scatena 42 McKenzie Lane 984 State Rte. 208 27 Yerington, Nevada 89447 Yerington, Nevada 89447 28

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Wes Williams, Jr. P.O. Box 100 Schurz, Nevada 89427

Holly Dewar

SUBSCRIBED and SWORN to before me this 15th day of February, 2012.

NOTARY PUBLIC

JOANNE McMASTER

Notary Public - State of Nevada

Appointment Recorded in Washoe County

No: 93-3411-2 - Expires May 10, 2013