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IN THE OFFICE	OF THE	STATE	ENGINEER
OF THE	STATE (OF NEV	ADA

IN THE MATTER OF APPLICATIONS 53987 THROUGH 53992, INCLUSIVE, APPLICATIONS 54003 THROUGH 54021. INCLUSIVE, FILED TO APPROPRIATE THE **UNDERGROUND WATERS** OF CAVE VALLEY, DELAMAR VALLEY, DRY LAKE VALLEY, AND **SPRING** VALLEY (HYDROGRAPHIC BASINS 180, 181, 182 AND 184), LINCOLN COUNTY AND WHITE PINE COUNTY, NEVADA.

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'S EXHIBITS

OPPOSITION TO CPB'S MOTION IN LIMINE TO EXCLUDE TESTIMONY AND EVIDENCE RELATING TO THEORETICAL ET-CAPTURE WELLS

The Southern Nevada Water Authority ("SNWA") hereby opposes the Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints, on behalf of the Cleveland Ranch ("CPB")'s Motion in Limine to Exclude Testimony and Evidence Relating to Theoretical ET-Capture Wells ("Motion"). CPB's Motion is without merit and should be denied because it seeks to exclude highly relevant evidence that directly relates to the issues to be decided by the State Engineer during the upcoming remand hearing.

RELEVANT BACKGROUND

I. The District Court Remand Order

On December 10, 2013, the Seventh Judicial District Court (the "Court") remanded portions of the State Engineer's Rulings for Spring Valley, Cave Valley, Dry Lake Valley, and Delamar Valley (Rulings 6164 through 6167, respectively) ("Remand Order"). The Court's Remand Order directed the State Engineer, among other things, to address the following issue:

A recalculation of water available for appropriation from Spring Valley assuring that the basin will reach equilibrium between discharge and recharge in a reasonable time.¹

This remand instruction was based on the District Court's finding that the "[State] Engineer is correct that the time to reach equilibrium is not a valid reason to deny the grant of water, but it may

December 10, 2013, Decision at 23, White Pine County v. Jason King, P.E., Seventh Judicial District Court of Nevada Case No. CV1204049.

very well be a reason to limit the appropriation below the calculated E.T." In arriving at this conclusion the District Court referenced the results of a groundwater model scenario that was created during the U.S. Bureau of Land Management's Environmental Impact Statement ("EIS") process. The EIS model scenario indicated that after 200 years of pumping the full quantity of water requested in SNWA's original applications, 84% of the water then estimated to discharge from the basin via evapotranspiration ("ET") will be captured by project pumping. Importantly, the EIS pumping scenario relied upon by the District Court simulated pumping from 81 wells distributed throughout the Spring Valley basin and was not limited to the 15 points of diversion ("PODs") specifically identified in SNWA's applications. After reviewing this evidence, the District Court remanded this matter to the State Engineer to consider whether an award can be issued with *some prospect* of reaching equilibrium.

II. SNWA Exhibit 475

Based on the District Court's remand instruction, SNWA updated the Central Carbonate-Rock Province ("CCRP") groundwater model that was used to run the EIS model scenario so that the model would accurately reflect the factual findings made by the State Engineer in Ruling 6164. Specifically, SNWA increased ET from the previous estimate of 77,000 afa to the State Engineer's estimate of 84,100 afa and decreased the project pumping from the requested 91,224 afa to the approved 61,127 afa. The quantity of pumping was also adjusted to reflect the staged development process approved by the State Engineer in Ruling 6164. The CPB's own experts have indicated that SNWA's changes to the CCRP groundwater model "are appropriate and result in a more accurate simulation."

SNWA then devised a model scenario with the primary goal of locating wells in such a manner as to maximize ET capture, and show *some prospect* of reaching equilibrium. Importantly, SNWA

² December 10, 2013, Decision at 11, White Pine County v. Jason King, P.E., Seventh Judicial District Court of Nevada Case No. CV1204049.

GBWN Exhibit 110 at ES-51 (Table ES-11).

⁴ GNWN Exhibit 110 at ES-15 (Table ES-4).

⁵ December 10, 2013, Decision at 13, White Pine County v. Jason King, P.E., Seventh Judicial District Court of Nevada Case No. CV1204049.

⁶ SNWA Exhibit 475 at 2-1 to 2-4.

⁷ SNWA Exhibit 475 at 2-1.

⁸ CPB Exhibit 25 at 10.

does not agree that Nevada law requires a project to demonstrate that project pumping will fully capture ET. Such an interpretation would invalidate the basis upon which almost all existing groundwater permits in the State have been issued. The unique topography of Nevada, coupled with the relatively small percentage of privately-owned land, makes it almost impossible for any water appropriator seeking to place a well on private property to fully capture ET discharge within a particular basin. This is not mere conjecture but rather is confirmed by the results of the baseline model simulation showing that even the relatively small amount of existing groundwater development in Spring Valley fails to fully capture ET within the 200-year model timeframe. The District Court recognized this reality when it acknowledged that "[o]bviously, any water-well cannot capture all of the E.T." In fact, SNWA is unaware of any water project in Nevada that has previously been required to demonstrate full capture of ET of project pumping during the approval process.

However, in order to assist the State Engineer with carrying out the District Court's remand instruction, SNWA was required to demonstrate that, if ET capture is going to be a requirement of Nevada law going forward, a project pumping scenario can be devised to accomplish that objective. Such a scenario requires a large quantity of wells to be spatially distributed across the ET discharge area of Spring Valley.¹² To be clear, if ET capture had been a requirement of Nevada law when SNWA filed its applications, the proposed well configuration would have looked quite different. However, given the District Court's remand instruction, SNWA's evidence shows that this is a type of project that could be constructed if ET capture is the primary objective. Under this project pumping scenario, the model results indicate that SNWA will be able to achieve 97% capture of project pumping from ET discharge within 75 years, and 99% capture within 200 years.¹³

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⁹ SNWA reserves its right on any future appeal to argue that ET capture is not a reason to limit a water appropriation. For purposes of this Opposition, SNWA respects the decision of the District Court at the trial court level and understands that the District Court's interpretation of Nevada water law has not been confirmed on appeal.

¹⁰ SNWA Exhibit 475 at 5-2.

¹¹ December 10, 2013, Decision at 10, White Pine County v. Jason King, P.E., Seventh Judicial District Court of Nevada Case No. CV1204049.

¹² SNWA Exhibit 475 at 4-4 (Figure 4-2).

¹³ SNWA Exhibit 475 at 6-2 (Table 6-1).

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LEGAL STANDARD

Evidence offered at a hearing before the State Engineer "must be relevant to the subject matter of the proceeding." Evidence is relevant if it has "any tendency to make the existence of any fact that is of consequence to the determination of the action more or less probable than it would be without the evidence." A tribunal has broad discretion in determining whether proffered evidence is relevant to the proceedings before it. Relevant evidence is admissible *unless* it is specifically barred by: (1) the rules of evidence, (2) the Constitution of the United States or the State of Nevada, or (3) by a statute limiting the review of an administrative determination to the administrative record. 17

ARGUMENT

CPB argues that SNWA Exhibit 475 is irrelevant based solely on the fact that the reported model scenario simulated pumping from 101 wells rather than the 15 PODs identified in SNWA's applications. Importantly, CPB offers no argument that SNWA Exhibit 475 is otherwise barred by any provision of the Nevada Rules of Evidence or the State or Federal Constitutions. Accordingly, if the Hearing Officer determines that SNWA Exhibit 475 is, in any way, relevant to the issues to be decided during the remand hearing, CPB's Motion must be denied.

I. <u>SNWA Exhibit 475 Directly Addresses the Issues of ET Capture and Time to Reach Equilibrium.</u>

The District Court's remand instruction requires the State Engineer to consider the issues of ET capture and the time it will take the basin to reach a new equilibrium in response to project pumping. These are complex issues without simple answers. To assist the State Engineer's analysis of these issues, SNWA Exhibit 475 presents the results of a model scenario specifically designed to address the issues of ET capture and time to equilibrium. The model demonstrates that if ET capture is the primary objective with respect to the development of groundwater in Nevada, a pumping scenario can be developed which meets this goal.

¹⁴ NIA C 52

¹⁵ NRS 48 015

¹⁶ Prabhu v. Levine, 112 Nev. 1538, 1550, 930 P.2d 103, 111 (1996).

¹⁷ NRS 48.025

The fact that the model scenario reported in SNWA Exhibit 475 included wells outside of the PODs identified in SNWA's applications does not, in and of itself, render the report irrelevant to the State Engineer's determination. In addition to reporting the results of the modeling scenario, the exhibit includes valuable information related to the CCRP model, including a discussion on the inherent limitations of the model and whether it is appropriate to use such a model to calculate the amount of groundwater available for appropriation in a basin. This is highly relevant information for the State Engineer to have since the District Court appears to be asking the State Engineer to calculate the quantity of water awarded to SNWA based on how much ET capture is reported by a model scenario.

Additionally, in Ruling 6164, the State Engineer required SNWA to develop its project in three distinct phases. In the first phase, pumping will be limited to 38,000 afa or 62% of the total duty of the permits. During this initial phase the State Engineer and SNWA will be able to gather real-world data on how the aquifer is responding to actual project pumping. This data will be used to create a local-scale model whose predictive accuracy will far exceed that of the CCRP regional-scale model. Depending on what those results show, the State Engineer will have the ability to require SNWA, before additional pumping levels are approved, to file change applications if such applications are needed to ensure that the basin will reach a new equilibrium in response to project pumping within a reasonable time. The results reported in SNWA Exhibit 475 provide the State Engineer with a level of confidence that if such change applications are required, new PODs can be sited in a manner that will accomplish this objective.

CPB's Motion seeks to have the State Engineer blind himself to the realities of developing large-scale groundwater projects. When developing such projects, project proponents often submit initial appropriation applications that identify a limited number of initial PODs. During the initial stages of project construction and implementation additional site-specific data related to the proposed PODs is gathered and analyzed. Oftentimes, change applications to allow for additional PODs, or a change in the location of approved PODs, will be required in order to meet project goals, ensure

compliance with regulatory conditions, and accommodate operational needs. For the State Engineer to ignore this reality would be inappropriate and unnecessary.

Because SNWA Exhibit 475 directly addresses the remand instruction provided by the District Court, and provides valuable information related to issues that must be determined by the State Engineer on remand, it is, by definition, relevant to the remand proceedings. Accordingly, CPB's Motion should be denied.

II. The State Engineer and District Court Have Already Accepted and Deemed Relevant Model Simulations That Include Wells Outside the 15 PODs Identified in SNWA's Applications.

In these proceedings, the State Engineer and the District Court have already accepted into evidence, and thereby deemed relevant, model simulations that include wells outside of the PODs identified in SNWA's applications. In fact, the very model simulation relied upon by the District Court to determine that SNWA's pumping will not fully capture ET simulated pumping from 81 well locations. If the District Court had wanted the ET capture scenario to be limited to SNWA's 15 PODs, the remand instructions would have been so limited. CPB's Motion utterly fails to explain how SNWA Exhibit 475 differs from these previous simulations that were admitted during the 2011 hearings as GBWN Exhibit 110. Given the State Engineer's previous acceptance of reports of model simulations that included wells outside of SNWA's 15 PODs, it would be inconsistent for the State Engineer to now exclude SNWA Exhibit 475 based upon a relevancy objection raised by CPB.

Furthermore, nothing in SNWA Exhibit 475 violates any prior ruling or determination of the Hearing Officer or the State Engineer as alleged by CPB. In a previous hearing the Hearing Officer correctly noted that the State Engineer is only considering approval of the 19 PODs applied for by SNWA and not "a different well field." CPB incorrectly characterizes this statement by the Hearing Officer as a "ruling." However, the Hearing Officer's statement was not an official ruling made in response to any objection or motion raised by one of the parties. Rather, it was a sua sponte statement

¹⁸ GNWN Exhibit 110 at ES-15 (Table ES-4).

¹⁹ Transcript of Public Hearing In the Matter of: Division of Water Resources Applications 53987 through 53992, Vol. 11 (October 10, 2011) at p. 2507.

Even if the Hearing Officer's sua sponte statement does somehow constitute an official ruling in this case, the submittal of SNWA Exhibit 475 does not violate it. SNWA did not submit SNWA Exhibit 475 for the purpose of asking the State Engineer to consider or approve a different well field.²⁰ Rather, the exhibit was provided to show that if ET capture is required, a well field can be designed to meet that objective. CPB's due process argument regarding additional well locations was previously raised by CPB in its appeal to the District Court of Ruling 6164.²¹ As SNWA previously noted in answer to this argument, "even if 50 to 100 additional wells were . . . ultimately needed, each and every one will need a change application, and due process will be accorded through the notice, protest and hearing requirements."²² Having heard these arguments, the District Court's order did not disturb the State Engineer's reliance on the change application process to address due process concerns on additional points of diversion that may be required in the future. Because the District Court did not accept CPB's due process arguments, such arguments are precluded by the law of the case doctrine and it is improper for CPB to attempt to re-litigate them here.²³

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²⁰ Pursuant to Nevada law, a request by SNWA for the State Engineer to approve a different point of diversion would require a change application. *See* NRS 533.345. SNWA has not submitted any such change application. CPB would have the opportunity to address any problems it has with the new point of diversion at the time the State Engineer considers any change application. The change application process provides a venue for any due process concerns CPB may have with different SNWA PODs.

Case No. CV-1204049 (and consolidated Cases) Opening Brief of Petitioner, Corporation of the Presiding Bishop of the Church of Latter-Day Saints, on behalf of Cleveland Ranch, dated January 28, 2013, pp. 29, 41, 45, 59.
 SNWA's Answering Brief to Corporation of the Presiding Bishop of the Church of Latter-Day Saints, dated April 12,

²² SNWA's Answering Brief to Corporation of the Presiding Bishop of the Church of Latter-Day Saints, dated April 12 2013, p. 23.

²³ See Geissel v. Galbraith, 105 Nev. 101, 103, 769 P.2d 1294, 1296 (1989). The law of the case doctrine is explained in SNWA's Motion in Limine to Exclude Exhibits GBWN/WPC 281, GBWN/WPC 282, GBWN/WPC 290, GBWN/WPC 292, or Parts Thereof, and Related Testimony, filed August 18, 2017.

CONCLUSION

Because SNWA Exhibit 475 directly relates to an issue to be decided at the State Engineer's remand hearing it is, by definition, relevant evidence. CPB's Motion fails to cite a single evidentiary rule or constitutional prohibition that would bar such relevant evidence from consideration. Accordingly, CPB's Motion is meritless and should be denied in its entirety.

Respectfully submitted this *If* day of August, 2017.

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CERTIFICATE OF SERVICE

Pursuant to NRCP 5(b) and NRS 533.450, I hereby certify that I am an employee of TAGGART & TAGGART, LTD., and that on this date I served, or caused to be served, a true and correct copy of the foregoing, as follows: [X]By electronic means using a web-based file sharing service pursuant to stipulation of counsel made on April 25, April 27, May 15, and June 22, 2017, as follows: Severin A. Carlson Paul R. Hejmanowski Kaempfer Crowell Heimanowski & McCrea LLC

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DATED this 28 day of August, 2017.

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