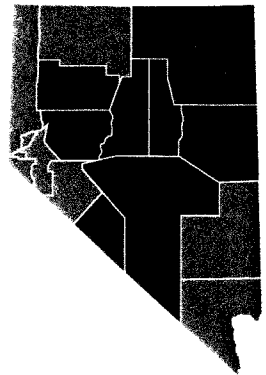


Central Nevada Regional Water Authority

485 West B Street • Suite 103 • Fallon, NV 89406 • 775-747-2038



2008 JUN 16 PM 4:15
STATE ENGINEER

June 16, 2008

Tracy Taylor, P.E.
State Engineer
Nevada Division of Water Resources
901 South Stewart Street, Suite 2002
Carson City, Nevada 89701

State	'S EXHIBIT 21
DATE:	7-15-08

Re: Recognition as Interested Person – Application Nos. 54022 – 54030, inclusive

Dear Mr. Taylor:

At the June 13, 2008 Central Nevada Regional Water Authority (Authority) meeting in Eureka the Authority directors asked me to formally submit a request to you asking that the Authority, pursuant to NAC 533.100, be recognized as an Interested Person with respect to Application Nos. 54022 – 54030. Enclosed is the \$25 fee for each application as required by NAC 533; hence, \$225.00.

By way of background I provide the following information on the Authority:

1. The Authority is a unit of local government that collaboratively and proactively addresses water resource issues common to communities in Nevada's rural interior.
2. The Authority exists under Nevada's Interlocal Cooperation Act (Chapter 277 of NRS), and the Authority has delegated authorities separate and apart from its member counties.
3. The Authority was established by agreement of six Nevada counties (Elko, Esmeralda, Eureka, Lander, Nye and White Pine) in the fall of 2005. Churchill County joined the Authority in September 2006, and Pershing County joined the Authority in January 2008. The eight counties covers 62 percent of Nevada's land area.
4. The Authority has 20 board members, and at least one board member from each member county is a county commissioner.

Regarding the Authority's request to be recognized as an Interested Person, I believe the functions conferred to the Authority support the request. The functions are contained in the Central Nevada Regional Water Authority Cooperative Agreement (attached). The conferred functions are as follows:

1. To formulate and present united positions to relevant agencies of the State of Nevada, the United States and other government agencies on water and water related issues pertaining to the Member Counties.
2. To oversee water supplies and to develop and implement plans relating to the enhancement of the environment, social conditions, and economy of Member Counties as they may be dependent upon available water supplies.

3. To (a) monitor available water supplies from all sources within and affecting the central region and separately within each Member County, (b) monitor demand for water within each County from all sources both of a consumptive and non-consumptive nature, and (c) monitor the extent to which proposals to develop and export central region water may adversely impact availability of water for use by Member Counties.
4. To prepare, update and oversee recommendations for water management and conservation plans for consumptive and non-consumptive uses of ground and surface waters originating in or passing through the local jurisdictions of Member Counties.
5. To combine limited fiscal and staff resources for the purpose of obtaining and managing technical support, legal counsel, policy advice and other costly assets necessary for sound decision-making by Member Counties.
6. To facilitate the development and maintenance of a common base of data regarding the use and management of central region water resources and the establishment of systematic arrangements for the exchange of water information.
7. To facilitate early coordination and cooperation between Members regarding proposals for inter-basin transfers of water from the central region and from areas outside the central region that are likely to affect communities and economic activities in the central region.
8. To encourage citizen participation in water supply and management issues of concern to Member Counties.
9. To recommend appropriate federal and state policy and legislation for the management of surface and groundwater resources in the central region and in areas outside the central region that are likely to affect communities and economic activities in the central region.
10. To conserve the levels and quality of groundwater within recharge areas to the central region.
11. To protect and conserve the balance between the human environment and natural ecosystems of the central region as they relate to water resource development.
12. To recommend cooperative and adaptive programs for management of the water resources in the central region and in areas outside the central region for which management decisions affect communities and economic activities in the central region.
13. To make secure and protect present developments with the central region.
14. To provide a secure foundation for future investment and development within the central region.

Additional grounds in support of the Authority's request for Interested Person status include the following:

1. The Authority, like the Southern Nevada Water Authority, was not in existence at the time the subject applications were filed with the State Engineer. Also, the Authority and the Southern Nevada Water Authority were not in existence during the protest period for the subject applications.
2. There is wide spread concern by the Authority's Member Counties that the Southern Nevada Water Authority (SNWA) water importation project will not be confined to eastern and southern Nevada. The SNWA Water Resource Plan identifies a need for 400,000 afy of additional water resources by 2035 (in 27 years). The water resources sought by the current SNWA water importation project total 170,000 afy; hence, a short

fall of at least 230,000 afy. The question that begs an answer, and is of great concern to rural Nevada, is where will SNWA get the additional water resources?

3. The Bureau of Land Management (BLM) recognized the Authority as a Cooperating Agency for the environmental impact statement that BLM is preparing on the SNWA water importation project (called the Clark, Lincoln, and White Pine Counties Groundwater Development Project EIS). The December 18, 2006 MOU between the Authority and BLM that memorializes the Authority's Cooperating Agency status states "The Central Nevada Regional Water Authority is the unit of local government with delegated authority for supporting and advocating water resource decisions of its Member Counties." In addition the MOU states "A substantial portion of the proposed project lies within the Central Hydrographic Region and affects one or more of the CNRWA Member Counties." Finally the MOU states "BLM recognizes that the Central Nevada Regional Water Authority has special expertise related to water resource management and planning."

In closing, it is accurate to say one reason for the creation of the Authority in the fall of 2005 was an awakening by Authority Member Counties to the explosive growth in Nevada's urban areas, and the threat of this growth to rural Nevada's water resources. This threat has a direct impact on rural Nevada's economic future and valued natural environment. Given the above, the Authority respectfully asks that it be recognized as an Interested Person in the proceedings to be held on Applications Nos. 54022 – 54030.

Sincerely,



Steve Bradhurst
Executive Director

Enclosure

c: Central Nevada Regional Water Authority Board of Directors

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STATE COURT CLERK'S OFFICE

CENTRAL NEVADA REGIONAL WATER AUTHORITY

Cooperative Agreement Between

**Elko County
Esmeralda County
Eureka County
Lander County
Nye County
White Pine County**

August 1, 2005

**INTERLOCAL COOPERATIVE AGREEMENT
ESTABLISHING THE
CENTRAL NEVADA REGIONAL WATER AUTHORITY**

The following Members are identified:

- 1) Elko County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as Elko);
- 2) Esmeralda County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as Esmeralda);
- 3) Eureka County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as Eureka);
- 4) Lander County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as Lander);
- 5) Nye County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as Nye);
- 6) White Pine County, a general purpose unit of local government and subdivision of the State of Nevada (hereinafter referred to as White Pine).

WITNESSETH:

WHEREAS, the Members share a common interest in the protection, enhancement and beneficial use of surface water and ground water originating within the unique hydrographic region serving the greater community of the Members; and

WHEREAS, the subject hydrographic region is loosely defined as the Central Hydrographic Region as designated by the Office of the State Engineer; and

WHEREAS, the subject hydrographic region is characterized by many internally drained basins that are often hydraulically connected via ground water flow through layered alluvial and carbonate aquifers; and

WHEREAS, the subject hydrographic region is a desert that experiences little contemporary ground water recharge and depends on ground water discharge to support a host of natural and human uses; and

WHEREAS, among the Members are counties who desire to ensure that a long-term supply of reasonably priced water is available to support future agricultural, municipal, recreational, and industrial uses within the subject hydrographic region; and

WHEREAS, there is a need for the Members to act in a unified and cooperative manner to ensure that high quality ground and surface water supplies are available for sustaining desirable environmental, social, economic, and fiscal conditions of the greater community of the Members; and

WHEREAS, there is a pressing need for coordinated response to proposals for development and export of large amounts of ground water from these basins; and

WHEREAS, participation in the responsible development and management of water supplies is best achieved through the cooperative action of the Members, operating through a separate legal entity for the purposes hereinafter defined and described; and

WHEREAS, the Members desire hereby to establish a separate legal entity to exercise power, privilege and authority in common and to ensure the quality and availability of water supplies within the subject hydrographic region for the mutual benefit of the residents and industries within and visitors to Elko, Esmeralda, Eureka, Lander, Nye and White Pine counties, all as set forth within; and

WHEREAS, Nevada Revised Statutes 277.080 and 277.170 inclusive of the Interlocal Cooperation Act, provides that any power, privilege, or authority exercised or capable of exercise by a public agency of the State of Nevada may be exercised jointly with any other public agency of the State; and

WHEREAS, the provisions of this Act allow for the establishment of a separate legal and administrative entity to conduct a joint or cooperative undertaking;

NOW, THEREFORE, pursuant to the authority and direction of the resolutions hereinabove referred to, and pursuant to the authority of Nevada Revised Statutes 277.080 and 277.170, inclusive, and in consideration of the mutual covenants and agreements herein contained, the Members agree as follows:

1. Effective Date. This Agreement shall become effective as to each Member upon execution by that Member. After two or more Members have executed the Agreement it shall be submitted to the Attorney General of Nevada for approval or deemed approval, pursuant to NRS 277.140, and upon such approval or deemed approval shall become effective as to the parties who have executed the Agreement as of that date. This Agreement shall become effective as to additional parties upon execution by such parties.

2. Creation of Central Nevada Regional Water Authority. The Central Nevada Regional Water Authority (hereinafter referred to as the "Authority"), is hereby created and established as a separate legal and administrative entity with such powers, privileges, duties, functions, and responsibilities as hereinafter set forth.

3. Functions of the Authority. The conferred functions for which the Authority is created are the following:

A. To formulate and present united positions to relevant agencies of the State of Nevada, the United States and other government agencies on water and water related issues pertaining to the Member Counties.

B. To oversee water supplies and to develop and implement plans relating to the enhancement of the environment, social conditions, and economy of Member Counties as they may be dependent upon available water supplies.

C. To (i) monitor available water supplies from all sources within and affecting the Central Region and separately within each Member County, (ii) monitor demand for water within each County from all sources both of a consumptive and non-consumptive nature, and (iii) monitor the extent to which proposals to develop and export Central Region water may adversely impact availability of water for use by Member Counties of the Authority.

D. To prepare, update and oversee recommendations for water management and conservation plans for consumptive and non-consumptive uses of ground and surface waters originating in or passing through the local jurisdictions of Member Counties of the Authority.

E. To combine limited fiscal and staff resources for the purpose of obtaining and managing technical support, legal counsel, policy advice and other costly assets necessary for sound decision-making by Member Counties.

F. To facilitate the development and maintenance of a common base of data regarding the use and management of Central Region water resources and the establishment of systematic arrangements for the exchange of water information.

G. To facilitate early coordination and cooperation between Members regarding proposals for inter-basin transfers of water from the Central Region and from areas outside the Central Region that are likely to affect communities and economic activities in the Central Region.

H. To encourage citizen participation in water supply and management issues of concern to Member Counties of the Authority.

I. To recommend appropriate federal and state policy and legislation for the management of surface and groundwater resources in the Central Region and in areas outside the Central Region that are likely to affect communities and economic activities in the Central Region.

J. To conserve the levels and quality of groundwater within recharge areas to the Central Region.

K. To conserve the levels and flows of surface waters within the Central Region.

L. To protect and conserve the balance between human environment and natural ecosystems of the Central Region as they relate to water resource development.

M. To recommend cooperative and adaptive programs for management of the water resources in the Central Region and in areas outside the Central Region for which management decisions affect communities and economic activities in the Central Region.

N. To make secure and protect present developments within the Central Region.

O. To provide a secure foundation for future investment and development within the Central Region.

P. To communicate the roles and responsibilities of the Authority to various public and private interests.

4. Powers of the Authority. The Authority shall have the following powers, privileges and authority:

A. To contract with Members of the Authority or any other public entity for the provision of services to the Authority.

B. To contract for the services of engineers, attorneys, planners, and financial and other consultants.

C. To enter into other contracts necessary to the full exercise of its power.

D. To employ such persons as it deems necessary.

E. To incur debts, liabilities or obligations subject to limitations herein set forth.

F. To sue and be sued in its own name and to employ general counsel.

G. To apply for, receive, and expend donations, gifts, grants, contributions of money, services, materials, or other property or property rights by the United States or the State of Nevada or their agencies or political subdivisions and from any other source, and to expend such donations, gifts, or contributions to carry out the purposes and objectives of the Authority as set forth in this Agreement.

H. To acquire such supplies, equipment or other property as may be necessary to enable the Authority to perform its duties under this Agreement.

I. To perform all other acts necessary or convenient for the performance of any purpose or power of the Authority.

J. To appoint committees, study groups, and form other organizations or subdivisions pursuant to the laws of the State of Nevada.

5. Prohibited Functions and Powers of the Authority.

A. Except to the extent permitted by applicable law, nothing in this Agreement shall be construed as authorizing the Authority to perform any function or to exercise any power that is not performable or exercisable by at least one of its Members without reference to this Agreement.

B. Except as provided herein with respect to Members, nothing in this Agreement is intended to, or shall be construed so as to, supersede or restrict the jurisdiction, function or power of any federal, state or local public agency.

C. The Authority shall not perform any function performed by a Member County within such County's area of service or boundaries absent written consent of the affected Member's governing body.

D. Any function not conferred on the Authority in Article 3 is a prohibited function.

6. Membership. The Members of the Authority shall be Elko County, Esmeralda County, Eureka County, Lander County, Nye County and White Pine County and any other public entity admitted as a Member County pursuant to the provisions of Article 12(B).

7. Governing Body of the Authority.

A. The business and affairs of the Authority shall be conducted by a Board consisting of three (3) Directors from each Member County.

B. Each Director shall be appointed by the governing body of the respective Member County and may, but need not, be a member of that body.

C. Each Director shall hold office from the first meeting of the Authority after his or her appointment by the governing body of the Member County he or she represents until a successor is selected by the Member County and the Member County so notifies the Authority.

D. A Director shall not receive compensation from the Authority for services as Director. A Director may be reimbursed for expenses incurred by such Director in the conduct of the Authority's business according to the policies of the Authority.

8. Fiscal Year. The fiscal year of the Authority shall be July 1 through June 30.

9. Principal Office. The principal office of the Authority shall be established by the Authority's Board of Directors.

10. Meetings. The Board shall meet at the Authority's principal office or at such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by the Board, and meetings of the Authority shall be subject to Nevada's Open Meeting Law.

11. Quorum and Voting. For purposes of transacting the Authority's business, a quorum shall exist if the Directors present (i) represent a majority of the Member Counties, and (ii) constitute a majority of all Directors then in office. The vote of a majority of the Directors present shall be required for the Authority to take action, except as provided in Article 12 or as may be otherwise provided by law.

12. Special Approval Provisions.

A. Actions by the Authority with respect to the matters specified in this article shall be taken only as provided in this Article.

B. Approval by the governing body of each Member County shall be required for amendment of this Agreement, for the recommendation of any water management or conservation plan, and for the addition of new Members pursuant to Article 6 of this Agreement.

13. Rules. The Board may adopt such rules and regulations for the conduct of the affairs of the Authority or of the Board as the Board may deem necessary or desirable. Such rules shall include a requirement that all Members submit information necessary for the monitoring of water supply and use at such times as the rules may provide.

14. Officers.

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A. The Board shall appoint the following officers: (i) a chairman and vice chairman from its Directors; and (ii) a secretary and a treasurer who shall not be Directors.

B. The Directors who are officers shall hold office for a period of one year commencing the first day of each fiscal year; subject, however, to being removed at an earlier time by action of the Board pursuant to Article 11 of this Agreement. The first director officers appointed shall hold office from the date of their appointment to the last day of the fiscal year in which they were appointed.

C. The Secretary shall be responsible for keeping the minutes of all meetings of the Board and all other official records of the Authority subject to Nevada's Open Meeting Law.

D. The officers and all other persons who have charge of any funds or securities of the Authority shall be bonded, in such amount as determined by the Board.

E. None of the officers, agents, or employees of the Authority shall be deemed, by reason of their employment by the Authority, to be employed by any of the Member Counties.

15. Executive Director. The Executive Director of the Authority shall be the chief administrative officer of the Authority, shall be appointed by and serve at the pleasure of the Board, and shall be responsible to the Board for the proper and efficient administration of the Authority. Subject to policy direction and approval by the Board, and such requirements as the Board may from time to time impose, the Executive Director shall have the power:

- A. To plan, organize and direct all Authority activities;
- B. To authorize expenditures within the approved budget;
- C. To enter contracts on behalf of the Authority as authorized by the Board; and
- D. To take other actions authorized from time to time by the Board.

16. Operating Budgets. Within sixty (60) days after the first meeting of the Board, an operating budget and an operating capital budget for the then fiscal year shall be adopted for the Authority. Unless otherwise provided by law, tentative operating budgets and operating capital budgets shall be prepared for each ensuing fiscal year on or before April 15th with the final annual budgets being adopted on or before June 1st of each year. The Authority shall not, during any fiscal year, expend or contract to expend any money or incur any liability, or enter into any contract which by its terms involves

portions of such a Member County audit pertinent to the Authority shall be provided to each Member County.

20. Liabilities of the Authority. The debts, liabilities and obligations of the Authority shall be the debts, liabilities and obligations of the Authority alone and not of the Members.

21. Liabilities of the Board. The funds of the Authority may be used to defend, indemnify and hold harmless the Authority, its directors, officers and employees, and any member for actions taken within the scope of the power of the Authority. Nothing herein shall limit the right of the Authority to purchase insurance to provide coverage for any of the foregoing.

22. Term. The Authority shall continue in existence until this Agreement is rescinded and the Authority terminated as provided in Article 25.

23. Other Cooperative Agreements. Nothing in this Agreement shall prevent the Members from entering into other cooperative agreements.

24. Withdrawal of Members. A Member may withdraw from the Authority at any time by written notification to the Authority Board, subject to the provisions of Article 17(B) and this paragraph. No Member may withdraw during the outstanding term of any indebtedness of the Authority, the terms of which preclude termination or withdrawal, unless security be made for payment by the Member of any pro rata share of such indebtedness which the Member otherwise would be or become liable.

25. Termination.

A. This Agreement may be rescinded and the Authority terminated by a written agreement of termination executed by all Members, except during the outstanding term of any outstanding indebtedness, the terms of which preclude such termination.

B. Upon termination of the Authority (i) the obligations of the Authority shall be paid and (ii) all other assets shall be distributed as provided in the termination agreement.

26. Assignment. Except as otherwise provided in this Agreement, the rights and duties of the Members may not be assigned or delegated without the written consent of all Members. Any attempt to assign or delegate such rights or duties in contravention of this Agreement shall be null and void. Any approved assignment or delegation shall be consistent with the terms of any contracts, resolutions, indemnities and other obligations of the Authority then in effect. This Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Members.

27. Choice of Law. This Agreement shall be governed by the laws of the State of Nevada.

28. Severability. If any provision of this Agreement should be held to be invalid or unenforceable by a final decision of a court of competent jurisdiction, then this Agreement shall terminate unless the remaining provisions are reaffirmed by action of the governing board of each Member County within 60 days from the date on which such a decision of invalidity or unenforceability becomes final.

29. Startup. Until an Executive Director has been selected, the Board may utilize the services of a contractor to assist with Authority activities.

30. Reservation of Rights.

A. The Members mutually recognize the rights and standing of each Member to represent and protect the rights and interests of their respective jurisdictions and citizens in the shared water resources and other natural resources of the Central Region.

B. Each Member reserves and retains all rights and authorities to seek, in any geographical area, or any appropriate court or forum, adjudication or protection of its respective rights in and to Central Region water resources, in such manner as may now or hereafter be provided by law.

C. In entering into this Agreement, no Member shall be deemed to imply its consent to any diversion, transfer or consumptive use of Central Region water resources now or in the future.

31. Formality. Each Member intending to execute this Agreement shall adopt the same according to its own rules and Nevada law as an ordinance of the governing board of each Member.

IN WITNESS WHEREOF, the Members have caused this Agreement to be executed as of the date first written above.

Approved as to form and legality
this 10 day of April, 2006

~~BRIAN SANDOVAL~~ George T. Chavos
Attorney General of the State of Nevada

BY: [Signature]
Assistant Attorney General

ELKO COUNTY

BY: [Signature]
Chairman, Board of Commissioners

ATTEST: [Signature]
County Clerk

Approved as to form and legality:
[Signature]
District Attorney

ESMERALDA COUNTY

BY: [Signature]
Chairman, Board of Commissioners

ATTEST: [Signature]
County Clerk

Approved as to form and legality:
[Signature]
District Attorney

EUREKA COUNTY

BY: [Signature]
Chairman, Board of Commissioners

ATTEST: [Signature]
County Clerk

Approved as to form and legality:
[Signature]
District Attorney

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LANDER COUNTY

BY: Michael Jacobs
Chairman, Board of Commissioners

ATTEST: Shirley Burns
County Clerk

Approved as to form and legality:
[Signature]
District Attorney

NYE COUNTY

BY: Candice Mummell 9/27/05
Chairman, Board of Commissioners

ATTEST: Dorothy E. Wharff, Deputy
County Clerk

Approved as to form and legality:
[Signature]
District Attorney

WHITE PINE COUNTY

BY: John A. Chachas
Chairman, Board of Commissioners

ATTEST: Donna M. Bath
County Clerk

Approved as to form and legality:
[Signature]
District Attorney