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November 28, 2011

Susan Joseph-Taylor, Chief Hearing Officer  
Office of the State Engineer  
Nevada Division of Water Resources  
901 South Stewart Street, Suite 2002  
Carson City, NV 89701

RE: Southern Nevada Water Authority Applications in Spring, Dry Lake, Cave, and  
Delamar Valleys

Dear Ms. Joseph-Taylor:

I would like to thank you for the opportunity to voice my concerns regarding the Southern Nevada Water Authority's (SNWA) applications for water rights in Spring, Dry Lake, Cave, and Delamar Valleys for the purpose of supporting the proposed pipeline to supply additional water resources to southern Nevada. I served as the Coordinator for the White Pine County Economic Diversification Program for twenty-seven years and in that capacity, worked with the County regarding the SNWA water rights applications for several years. I also assisted the County with its presentation of socioeconomic concerns in the 2006 hearings on the Spring Valley applications. Most recently, I worked with Great Basin Water Network to review and provide comments on the socioeconomic analysis presented in the Draft Environmental Impact Statement (EIS) for the Rights-of-Way needed to support the pipeline project.

Based my experience working with White Pine County's community and economic development programs, development of its Water Resources Plan, and participation in the previous hearings on Spring Valley as well as the review of the Draft EIS, I have the following concerns: 1) SNWA's analysis of project need does not include a review of all available studies on population estimates and growth patterns in Clark County nor does it adequately address the current and on-going impacts of the economic decline it has suffered since 2008; 2) there is no public referendum in favor of the project based on a full understanding of the total project costs; and 3) based on the application for Rights-of-Way, the project impact will exceed a period of over 225 years during which time technology, economic trends, and need for resources will change substantially.

1) Southern Nevada Water Authority relies heavily on the need for additional water resources to sustain growth in Clark County that will support not only its own economy but the state's as a whole. The socioeconomic analysis covers a period that includes one of the worst economic declines in the country's history and Clark County has been one of

the hardest hit areas in the nation. Southern Nevada Water Authority accepts the projection of continued growth in the Las Vegas Valley based on previous population figures collected prior to 2008 in spite of the impact of recent economic decline, varying analysis of potential growth, and reports of excess housing. There are several projections of population growth available for Clark County as an urban area. A review of southern Nevada's planning documents shows that the assumptions for the need for additional water to support growth and avoid slowing the pace of growth are based on a variety of conditions nationally and globally for over decades in the future. At the same time, the City of Las Vegas, using the Clark County REMI population forecast for 2008-2050 and Census data projected that population growth in Clark County would slow considerably and predicted, "a return to more realistic, consistent rates of growth than that which occurred in the 1990's and continued through 2007." There is disagreement among the studies in whether the growth rate experienced by Clark County during the past decade would have continued at that rate for an extended period in the future independent of the impacts of the recession since 2008 or access to water resources from Central Nevada. The Draft EIS shows a housing vacancy rate of 15 percent in Clark County in 2010. According to the Las Vegas Housing Market Conditions report from the Center for Business and Economic Research, there were 31,674 vacant units listed for sale in the Greater Las Vegas area during the first quarter of 2011 reflecting an excess supply of 10,203 housing units above the estimated normal vacancy rate for the area. Southern Nevada Water Authority relies on potential for new industrial development, construction, and casinos that have not yet been proposed. On the other hand, it restricts its consideration of economic development potential in White Pine County to existing economic sectors and projects that have been proposed and are in development and relies on limited analysis and understanding of existing economic activity in the rural areas.

2) The cost estimates have risen from approximately \$2 billion in 2006 to over \$14 billion. This does not provide a full accounting of project costs. To allow the public to make a fair assessment of the project, there needs to be an accounting of the costs of the project to date, the costs of compliance with NEPA and other federal and state regulations to allow the project to go forward, the costs of construction and operation of the project, the financing costs, and the estimated cost per rate payer to support the project. The Draft EIS notes, "*There has been no widespread public referendum on the proposed water development project in general or any proposed public funding for the project. Such a referendum promotes public dialogue about a project, identifies issues, interest groups, and stakeholders supporting and opposing a project, and produces a result that can be viewed as an affirmation or denial of a project. Given the lack of such a referendum, the only indication of attitudes and opinions about the proposed project among the general Las Vegas Valley population is limited to newspaper polls, the most recent of which indicates that slightly over half of the Clark County population supports the proposed project. The SNWA board of directors, which represents local government*

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*and water purveyors, also reaffirmed its support for the project in 2009.*” In this time of budget crises at all levels, there is a need for confirmation that citizens of southern Nevada are willing to support the long term costs of the project both politically and financially.


3) The processes and time frames anticipated for the proposed project do not provide adequate assurance that water resources allocated to SNWA will be put to beneficial use. The time frames extend from the initial applications in 1989 through the current hearings on water rights applications and the Environmental Impact Statement for the pipeline Rights-of-Way, construction that will not be completed until mid-century, and anticipated impacts in excess of 200 years from the time the project begins operation. The Environmental Impact Statement is based on a tiered process in which a Right-of-Way grant for the main pipeline will be supplemented with additional NEPA processes for wells, additional water lines, and facilities. The requirement for initial construction on each Right-of-Way within 5 years of its issuance. Construction in Delamar, Dry Lake, and Cave Valleys is expected to take place from 2016 to 2019. As the project moves further north, the groundwater development would not occur for up to 37 years from the date of the initial Record of Decision on the pipeline.

The BLM's Draft EIS concludes that the project will result in substantial irreversible and irretrievable commitment of resources that could have potentially significant adverse effects on the region's environment and potential for economic activity. Given the lack of adequate and impartial analysis of economic trends and potential in affected rural areas as well as Clark County, the lack of certainty that the project will have the political and financial capacity to move forward, and the fact that construction on the northern portions of the pipeline will not be completed until mid-century, it seems that approval of the full amount of water resources requested through the Southern Nevada Water Authority applications would be premature.

I urge the State Engineer to deny the current applications and ask that Southern Nevada Water Authority re-evaluate the project based on a realistic view of need, cost, and financial capacity. If all or part of the applications are approved, I urge the State Engineer to use all the mechanisms available under Nevada state law to require project phasing, periodic re-evaluation of the need for the water resources, and on-going monitoring and mitigation that includes active participation from the affected counties.

Thank you for your consideration.

Sincerely,



Karen Rajala