

F I N A L

Appendix J to S  
Volume 3, Book 2

J U L Y 2 0 0 8

C O Y O T E S P R I N G S  
I N V E S T M E N T

P L A N N E D D E V E L O P M E N T P R O J E C T

# Coyote Springs Investment Planned Development Project

## Appendix J to S July 2008

*Prepared EIS for:*

**LEAD AGENCY**

U.S. Fish and Wildlife Service  
Reno, NV

**COOPERATING AGENCIES**

U.S. Army Corps of Engineers  
St. George, UT

U.S. Bureau of Land Management  
Ely, NV

*Prepared MSHCP for:*

Coyote Springs Investment LLC  
6600 North Wingfield Parkway  
Sparks, NV 89496

*Prepared by:*

ENTRIX, Inc.  
2300 Clayton Road, Suite 200  
Concord, CA 94520

Huffman-Broadway Group  
828 Mission Avenue  
San Rafael, CA 94901

Resource Concepts, Inc.  
340 North Minnesota Street  
Carson City, NV 89703

COYOTE SPRINGS INVESTMENT PLANNED DEVELOPMENT PROJECT

# Appendix J to S

---



**ENTRIX, Inc.**  
2300 Clayton Road, Suite 200  
Concord, CA 94520  
Phone 925.935.9920 ▪ Fax 925.935.5368



**Huffman-Broadway Group**  
828 Mission Avenue  
San Rafael, CA 94901  
Phone 415.925.2000 ▪ Fax 415.925.2006



**Resource Concepts, Inc.**  
340 North Minnesota Street  
Carson City, NV 89703  
Phone 775.883.1600 ▪ Fax 775.883.1656

Appendix J	Mitigation Plan, The Coyote Springs Development Project, Lincoln County, Nevada
Appendix K	Summary of Nevada Water Law and its Administration
Appendix L	Alternate Sites and Scenarios
Appendix M	Section 106 and Tribal Consultation Documents
Appendix N	Fiscal Impact Analysis
Appendix O	Executive Summary of Master Traffic Study for Clark County Development
Appendix P	Applicant for Clean Water Act Section 404 Permit Application, Coyote Springs Project, Lincoln County, Nevada
Appendix Q	Response to Comments on the Draft EIS
Appendix R	Agreement for Settlement of all Claims to Groundwater in the Coyote Spring Basin
Appendix S	Species Selection Process

Agreement for Settlement of all  
Claims to Groundwater in the  
Coyote Spring Basin



COPY

AGREEMENT FOR SETTLEMENT OF ALL CLAIMS TO GROUNDWATER  
IN THE COYOTE SPRING BASIN

This Agreement for Settlement of All Claims to Groundwater in the Coyote Spring Basin (hereinafter "Agreement") is made and entered into this 7<sup>th</sup> day of March, 2002 (the "Execution Date"), by and between Coyote Springs Investment LLC, a Nevada limited liability company (hereinafter "CSI"), the Southern Nevada Water Authority, a political subdivision of the State of Nevada, created by interlocal agreement on July 25, 1991, pursuant to Chapter 277, Nevada Revised Statutes (hereinafter "SNWA"), the Las Vegas Valley Water District, a political subdivision of the State of Nevada created pursuant to Chapter 167, Statutes of Nevada 1947 (hereinafter "LVVWD"), and the Moapa Valley Water District, a political subdivision of the State of Nevada created pursuant to Chapter 447, Statutes of Nevada 1983 (hereinafter "MVWD"). CSI, SNWA, LVVWD and MVWD are sometimes herein collectively referred to as the "Parties" and individually as "Party".

RECITALS

WHEREAS, each of the Parties to this Agreement has either a legal right to divert groundwater from the Coyote Spring Basin (assigned Basin No. 210 by the Nevada State Engineer) pursuant to permits issued by the State Engineer or has a vested interest in applications to divert groundwater from the Coyote Spring Basin currently pending before the State Engineer or both; and

WHEREAS, CSI is the sole private land owner in the Coyote Spring Basin and desires to secure sufficient groundwater resources to allow for the reasonable development of its property in the Coyote Spring Valley; and

WHEREAS, Coyote Spring Basin groundwater is an integral component of both the MVWD and SNWA resource plans to supply additional water to rapidly growing population centers in southern Nevada; and

WHEREAS, each of the \_\_\_\_\_ desires to set forth the terms and conditions of an agreement whereby any future right to divert groundwater from the Coyote Spring Basin shall be apportioned among the Parties until the full amount of the Parties pending applications to divert groundwater from the Coyote Spring Basin are fully resolved.

NOW, **THEREFORE**, in consideration of the mutual covenants, promises and agreements contained herein, the Parties hereto agree as follows:

### **Section 1. Certain Definitions**

1.1 Category One Water. For \_\_\_\_\_ of this Agreement "Category One Water" shall mean the 16,100 acre-feet per year (Cafy") of groundwater in the Coyote Spring Basin that is currently permitted for diversion by the State Engineer. The current ownership of Category One Water is divided as follows:

- a. Nevada Power Company owns 2,500 afy pursuant to Permit No. \_\_\_\_\_
- b. SNWA owns 7,500 afy, being all or portions of Permit Nos. 49414, 49660, 49661, 49662, and 49978 through 49986 inclusive.
- c. CSI owns 5,000 afy under Permit No. 46777; 2,500 afy, which is encumbered by a deed of trust in favor of Nevada Power Co., and 2,500 afy which is currently is by agreement restricted to Coyote Spring Valley as its place of use.
- d. CSI owns 1,100 afy of unencumbered water, being all or portions of Permits 49660, 49661, 49978, 49979, 49980, 49981, 49982, 49983, \_\_\_\_\_ and 49987.

1.2 Category Two For purposes of this Agreement "Category Two Water" shall mean all of the LVVWD applications, assigned Application Nos. 54055, 54056, 54057, 54058 and 54059 by the State Engineer (the "LVVWD Applications"), to divert groundwater from the Coyote Spring Basin currently pending before the \_\_\_\_\_ Engineer and any permitted right to divert any quantity of such groundwater ultimately approved by the State Engineer. The total quantity of groundwater

applied for under the District Permits is 27,510 afy of which MVWD has an interest by prior agreement which is superceded by this Agreement.

1.3 Category Three Water. For purposes of this Agreement "Category Three Water" shall mean, UI all of the CSI applications, assigned Application Nos. 63272 through 63276 inclusive and 63867 through 63876 inclusive, by the State Engineer (the Applications"), to divert groundwater from the Coyote Spring Basin currently pending before the State Engineer and any permits issued pursuant to such applications to divert any quantity of such groundwater ultimately approved by the State Engineer. The total quantity of groundwater applied for under the CSI Applications and that was the subject of hearings before the State Engineer in August 2001 is 108,585 afy. At the August 2001 hearing, CSI requested that the State Engineer initially grant permits for 16,000 afy and that the rest of CSI's Applications be granted if and when sufficient scientific data is available to support the issuance of such additional permits on a phased basis by the State Engineer, including the temporary use of such water to allow for the stressing of the carbonate aquifer to determine the effects of such pumping.

1.4 Monitoring Plan. "Monitoring Plan" shall mean all actions associated with monitoring impacts to both surface groundwater flows as may be required by the State Engineer, for each Category of Water as defined herein, as a condition of permitting groundwater withdrawals in the Coyote Spring Basin. The Monitoring Plan shall apply to all rights of the Parties to withdraw Category One, Category Two and the sixteen thousand (16,000) afy of Category Three Water issued by the State Engineer.

1.5 State Engineer. "State Engineer" shall mean the Nevada State Engineer, an executive office of the State of Nevada created pursuant to Chapter 532 of Nevada Revised Statutes.

1.6 Temporary Basis. "Temporary Basis" shall refer to the right of any Party hereto to use any Category Two or Category Three Water, not currently being used by the Party with a legal right to use such water, on an interim basis. No Party shall use any water under this Agreement on a Temporary Basis without first receiving the written approval of the Party with a legal right to such water in accordance with paragraph 6.1 or prior agreement of the                      The Parties hereto expressly agree and acknowledge that no                      shall be entitled to claim any permanent right to use of such water, including but not limited to any claim of detrimental reliance, and that any                      using water on a                      Basis shall cease and desist all such use upon 180 days written notice by the Party with a legal right to use such water.

1.7 Construction. For purposes of this Agreement, "Construction" shall be evidenced by mobilization of contractor forces, the delivery of substantial construction materials and the beginning of either substantial grading or trenching activities, and such construction activity must proceed with reasonable diligence                      first obtaining all necessary permits from all applicable governmental agencies.

1.8 Basin of Origin. "Basin of Origin" shall mean the Coyote Spring Hydrographic Basin, assigned Basin No. 210 by the State Engineer.

1.9 Borrowing Party.                      Party" shall be defined as any Party hereto that, with the permission of the Lending Party, makes                      of Lending Party's Water Rights on a Temporary Basis.

1.10 Lending Party. "Lending Party" shall mean a Party with                      legal entitlement to Water Rights that are, subject to the terms of this Agreement, used on a Temporary Basis by a Borrowing Party.

## Section 2. Category Two Water

2.1 Division of Category Two Water All permits issued by the State Engineer for Category Two Water shall initially be held by the LVVWD, Following any issuance of such permits, the LVVWD shall be obligated to assign, via a suitable instrument of conveyance, the rights to such permits as is necessary to effectuate the following division of such permits:

2.1.1 MVWD shall receive a right to the first three thousand seven hundred fifty (3,750) afy of Category Two Water for which permits are granted by the State Engineer ("Initial Category Two Water"). Any amount of Initial Category Two Water received by MVWD shall be senior in priority to any other right to divert Category Two Water ultimately issued to LVVWD by the State Engineer and assigned by LVVWD to any other Party, Notwithstanding anything to the contrary contained in this Agreement, the Parties expressly agree that in no event shall any Initial Category Two Water be deemed to have a superior priority to any Category One Water;

2.1.2 SNWA shall have right to fifty-eight percent (58%) of any Category Two Water above three thousand seven hundred (3,750) afy up to and including a total of thousand seven hundred eighty and eight tenths (13,780.8) afy issued to LVVWD by the State Engineer.

2.1.3 MVWD shall have a right to forty ,two percent (42%) of any Category Two Water above three thousand seven hundred fifty (3,750) afy up to and including total of nine thousand nine hundred seventy-nine and two tenths (9,979.2) afy issued to LVVWDby the State Engineer.

2.1.4 MVWD shall make available for CST's development in the Coyote Spring Basin up to fifty percent (50%) of any Category Two Water on pro rata basis received by

MVWD under paragraph 2.1.3 up to and including a total of four thousand nine hundred eighty-nine and six tenths (4,989.6) afy. The \_\_\_\_\_ expressly acknowledge and agree that CSI's right to divert groundwater under this paragraph does not include any right or claim to any groundwater received by MVWD pursuant to paragraph 2.1.1.

2.1.5 CSI's right to Category Two Water under paragraph 2.1.4 will be on a first come first serve basis. Specifically, if CSI puts any amount of Category Two Water to which CSI is entitled under paragraph 2.1.4 to beneficial use prior to such water being put to beneficial use by MVWD, then CSI shall have an absolute right to such water in an amount equal to that placed to beneficial use but not more than described in paragraph 2.1.4. If MVWD puts any Category Two Water, excluding Initial Category Two Water, to beneficial use or \_\_\_\_\_ committed in writing to serve any such water prior to CST, then MVWD shall have an absolute right to such water in an amount equal to that put to beneficial use, provided however that MVWD may not utilize any of CST's Category Two Water which CSI has not previously committed to an industrial, commercial or golf \_\_\_\_\_ project approved by Clark County \_\_\_\_\_ placed to beneficial use for a period of five (5) years from the Execution Date and thereafter may only utilize up to five-hundred (500) acre-feet per year each year of such water. Provided, however, that any project for which a commitment has been made shall commence Construction within two years from the date of final approval by Clark County. If Construction has not commenced within such time, such water shall be available for use by MVWD in accordance with the terms of this Paragraph 2.1.5. No water that CSI has a right to under paragraph 2.1.4 shall be deemed developed,

diverted or as having been put to beneficial use by MVWD prior to MVWD making full use of all Initial Category Two Water available to MVWD and fifty percent (50%) of any Category Two Water available to MVWD under paragraph 2.1.3. No Category Two Water shall be deemed to have been put to beneficial use by CSI prior to CSI placing any and all Category One Water to which CSI has a legal entitlement to beneficial use which is not subject to the option of Nevada Power.

2.2 Priority of Category Two Water. The Parties agree that, aside from the senior priority accorded any Initial Category Two Water received by MVWD pursuant to paragraph 2.1.1, all rights to divert Category Two Water ultimately perfected by the Parties shall have equal priority.

### Section 3. Category Three Water

3.1 Division of Category Three Water. All permits issued by the State Engineer for Category Three Water shall initially be held by CST. Following any issuance of such permits, CSI shall be obligated to assign the rights, via suitable instrument of conveyance, to such permits as is necessary to effectuate the following division of such permits:

3.1.1 SNWA shall have a right to \_\_\_\_\_ and one hundred eighty-five thousandths percent (31.185 %) up to and including four thousand nine hundred eighty nine and sixth tenths (4,989.6) afy of any Category Three Water issued to CSI by the State Engineer.

3.1.2 CSI shall have a right to sixty-eight and eight hundred fifteen thousandths percent (68.815%) up to and including eleven thousand ten and four tenths (11,010.4) afy of any Category Three Water issued to CSI by the State Engineer.

3.1.3 Notwithstanding CSI's rights to divert Category Three Water under paragraph 3.1.2, if CSI cannot demonstrate an actual and present need for such water, MYWD shall

have the right to put such water to beneficial use. For purposes of this paragraph, a sufficient demonstration of "actual and present need" shall be evidenced by the beginning of Construction within six (6) months of notice by MVWD to CSI of MVWD's desire to place such Category Three Water to beneficial use. Subject to the terms of paragraph 3.1.4 and excluding any Category Three Water to which SNWA is entitled under paragraph 3.1.1, MVWD will receive a vested right to any Category Three Water that MVWD puts to beneficial use. However, MVWD shall not be entitled to claim a vested right in any Category Three Water prior to MVWD placing any and all Category Two Water to which MVWD has a legal entitlement to beneficial use.

3.1.4 Any use of Category Three Water by MVWD prior to the expiration of six (6) months time from the date MVWD provides notice of MVWD's desire to place Category Three Water to beneficial use to CSI shall be deemed to be on a Temporary Basis.

3.2 Priority of Category Three Water. The Parties agree that all rights to divert Category Three Water ultimately perfected by the Parties shall have equal priority.

3.3 Limitation of Category Three Water Subject to this Agreement. The Parties agree that all Category Three Water issued to CSI above sixteen thousand (16,000) afy shall not be subject to assignment to any other Party except as otherwise provided herein or as a result of an independent purchase by such Party pursuant to separate agreement.

3.4 SNWA Right of First Refusal to All Category Three Water. CSI expressly agrees that SNWA shall have a right of first refusal, in accordance with paragraph 7.1 of this Agreement, if CSI ever attempts to sell or otherwise convey in any manner any Category Three Water issued to CSI above sixteen thousand 16,000 afy.

#### 4. Purchase of CSI Category One Water By SNWA

4.1 Purchase Obligations. CSI agrees to sell and SNWA agrees to purchase one thousand one hundred (1,100) acre-feet of unencumbered Category One Water owned by CSI, fully described in paragraph 1.1 d. Such one thousand one hundred (1,100) acre-feet of Category One Water (hereinafter "CSI Water Rights") shall be comprised of unencumbered water rights, being all or portions of Permit Nos. 49660,49661,49978,49979,49980,49981,49982,49983, 49986 and 49987. At a later date, not to exceed two years from the Execution Date, and by separate agreement, CSI agrees to sell to SNWA a portion of Permit 46777, being four hundred (400) acre-feet, together with a pro rata rate of diversion of .8 cfs. Such portion of Permit 46777 shall be free and clear of any and all financial encumbrances in favor of Nevada Power Co., or any other party, and shall be free and clear of a prohibition prohibiting CSI from transporting the waters granted under Permit 46777 out of Coyote Spring Valley, Basin 210. Upon CSI clearing both the financial encumbrances and the restrictive covenants against transporting any portion of Permit 46777 out of Coyote Spring Valley, that portion of Permit 46777 shall be transferred to SNWA in the identical fashion as the above described 1,100 acre-feet. Thus, all provisions of this agreement shall apply toward purchase of the 400 acre-feet, being a portion of Permit 46777.

4.2 Purchase Price and Payment. The purchase price for the unencumbered CSI Water Rights, being 1,100 acre-feet, shall be the sum of three million three hundred thousand and no/100 dollars (\$3,300,000.00) payable to CSI by SNWA. This purchase price shall be three thousand and no/100 dollars (\$3,000.00) per acre-foot, CSI and SNWA agree that the total volume of one thousand five hundred (1,500) acre-feet, the subject of this agreement, shall occur in two separate escrows or closings as follows:

- a. the sale and purchase, respectively, of 1,100 afy as described in paragraph 1.1c1, and
- b. the sale and purchase, respectively, of 400 afy, being a portion of Permit 46777.

4.3 Escrow Instructions. The parties hereto agree that there shall be no formal escrow. Rather, the parties agree to meet in the offices of the LVVWD's General Counsel, whose address is 1001 S. Valley View Blvd, Las Vegas, Nevada 89153. The escrow shall be scheduled on a mutually convenient date and time after all parties have received approvals to execute this agreement. The parties agree as follows:

- a. CSI Obligation. CSI agrees to execute two original and identical water right deeds satisfactory to SNWA and bring them to the closing.
- b. SNWA. SNWA shall attend the closing with a check in the amount of \$3,300,000 made to Coyote Springs Investment LLC, a Nevada limited company.

The parties shall exchange the check for the two deeds. An employee of SNWA shall, via regular U.S. Mail, mail one original deed to the Lincoln County Recorder, Pioche, Nevada. The other original deed shall be hand recorded at the Clark County Recorder, Las Vegas, Nevada. The employee of SNWA shall attempt to have the Clark County Recorder conform a copy of such original deed, with applicable recording data. The SNWA employee shall promptly and on the same date deliver a conformed copy of the water rights deed to the Las Vegas Office of the Nevada State Engineer. The SNWA employee shall also cause a copy of the original deed to be filed at the Carson City Office of the Nevada State Engineer with the above referred to applicable recording data thereon.

The second escrow, comprising 400 afy, being a portion of Permit 46777, shall be handled in identical fashion as set forth above. The purchase price for such 400 afy of water shall be One

Million Two Hundred Thousand Dollars (\$1,200,000.00) and the purchase price per acre-foot for such water shall be Three Thousand Dollars (\$3,000.00).

#### Section 5. Monitoring and Mitigation Responsibilities

5.1 SNWA Monitoring Responsibilities. SNWA agrees to provide all staff and to pay all costs associated with any regional monitoring plan either required by the State Engineer or otherwise agreed to by the Parties. Such costs shall include, but are not necessarily limited to, development and construction of test and production wells, professional staff time and administrative expenses. This provision shall apply only to Category One Water owned by the Parties hereto, Category Two Water and the 16,000 acy of Category Three Water.

5.2 Reasonable Access to CST's Property for Monitoring Purposes. The Parties agree that to the extent cooperative resource development requires that well-location and pipelines be located on land owned by CSI, other than that which has been provided by prior agreement, that the Parties shall seek CST's prior approval for such location and that CSI shall not unreasonably withhold such approval. An interest in and access to well sites and pipeline routes obtained pursuant to this paragraph shall be created by appropriate recorded deeds and/or easements, free and clear of all prior encumbrances.

5.3 Pro Rata Mitigation. The Parties agree that in the event the State Engineer requires a reduction in pumping of either Category Two or Category Three Water that each Party will reduce its pumping in volume equivalent to the percentage of water each is entitled to under sections 2.1 and 3.1 of this Agreement until the total reduction in pumping is sufficient to comply with the order of the State Engineer. Provided, however, that if the State Engineer requires reduction in pumping of Category Water in excess of the sixteen-thousand (16,000) acy that is the subject of this Agreement, that CSI shall be solely responsible for reducing its pumping to comply with such

order. Furthermore, if the State Engineer requires a reduction in pumping of Category Two Water, MVWD shall not be required to reduce pumping any Initial Category Two Water prior to the cessation of the pumping of all other Category Two Water. The chart attached as Schedule A depicts the priority of all Category One, Category Two and Category Three Water. The chart attached as Schedule 13 depicts the Mitigation Priority for any reduction in pumping required by the State Engineer.

Section 6. Use of Category Two and Category Three Water

6.1 Temporary Use of Water. The Parties hereto agree that a Borrowing Party may, on a Temporary Basis, use the Water Rights of a Lending Party to the extent the Lending Party does not fully use the Lending Party's Water Rights in anyone year period and subject to the express written yearly approval of the Lending Party.

6.1.1 Notice of Desire to Make Temporary Use of Water. A Borrowing Party that desires to use Water Rights Owned by another Party shall provide written notice to the Lending Party of the Borrowing Party's Desire to use such water no later than sixty (60) days prior to making any diversion of such water.

6.1.2 Approval of Lending Party. A Lending Party shall only use its Water Rights on a yearly basis if the water is to be put to a use that can be eliminated in the future or replaced by another source of water. To obtain the Lending Party's approval, the Borrowing Party must furnish the Lending Party with a plan depicting the proposed use of the Lending Party's Water Rights during the upcoming year and how the water use can be eliminated or replaced with other water in the future. Approval of the Borrowing Party's use of the Lending Party's Water Rights shall be at the sole and complete discretion of the Lending Party and

may be discontinued or not approved in the future years following the approvals for any or no reason.

6.1.3 Rights to Water Used Temporarily. The Parties hereto expressly agree and acknowledge that any Party that temporarily uses another Party's water rights under this section shall be precluded from claiming any right, title or any interest whatsoever in such water rights. Such precluded claims shall include, but are not limited to, any claims of reliance, detrimental or otherwise, adverse possession, abandonment, forfeiture or any right related to the application of such water to a beneficial use. Title to any water rights in this Section 6.1 shall in the name of the Lending Party.

6.2 Interbasin Transfer – Waiver of Rights. The Parties hereto agree and acknowledge that each Party hereto (except to the extent MVWD serves CSI or CSI uses its water to serve CSI development in the Coyote Spring Valley) intends to and in the future will transport their allocation of groundwater, whether it be Category One Water, Category Two Water or Category Three Water, or a combination thereof, to a groundwater basin other than Coyote Spring Valley, assigned Basin 210 by the Nevada State Engineer.

The Parties do hereby forever waive any legal right they may have to protest or in any manner complain of an interbasin transfer of Coyote Spring Valley groundwater by any Party, in law or in equity, including their right to invoke priority NRS 534.080(3), their right to invoke NRS 534.110(6) and their right to invoke what is commonly known as the Basin of Origin statute, NRS 533.370(4).

The parties do further hereby waive, forever release and agree never to assert any claims, legal rights or statutory administrative rights they may have, whether it be before the Nevada State Engineer or any court of competent jurisdiction, to object to or bring any action against any other

Party's effort to transport their Coyote Spring Valley groundwater, whether it be Category One Water, Category Two Water or Category Three Water, from Coyote Spring Basin to any other groundwater basin or to the Las Vegas urban area.

Each Party acknowledges that they are represented by experienced Nevada counsel of their choice. Each Party is therefore fully appraised of the legal meaning and legal impact of this section. This section is made expressly binding upon the heirs, successors and assigns of the Parties hereto.

This section 6.2 does not preclude or restrict any party from lodging a protest to the changing of a point of diversion if it is believed such change would adversely affect an existing right.

6.3 Place of Use of CSI's Water. The Parties agree that CST may place any water that CS1 is legally entitled to divert to beneficial use at any point within the Coyote Spring Basin. Any quantity of water dedicated by the State Engineer for the development of the Basin of Origin pursuant to NRS 533.370(4) shall be provided by CST Subject to the foregoing and approval by the State Engineer, CS1 may place any water to which it has a legal entitlement to beneficial use outside of the Basin of Origin and SNWA, LVVWD and MVWD do hereby expressly waive any right to protest or object to any effort by CST to transport any of its Coyote Spring Valley groundwater from Coyote Spring Basin to any other groundwater basin.

## **Section 7. Transfer of Water Rights**

7.1 SNWA's Right of First Refusal. SNWA shall have a right of first refusal to purchase any Category One, Category Two or Category Three Water sold at a future date by either CSI or MVWD. If either CST or MVWD ever receive a bona fide offer to purchase Category One, Category Two or Category Three Water and the offer is acceptable to CSI or MVWD, then CST or MVWD shall notify SNWA in writing by registered mail of the bona fide offer stating the amount and terms of the offer. SNWA shall have forty-five (45) days following the mailing by registered mail of the written notice

in which to notify CSI or MVWD in writing by registered mail as to whether SNWA desires to purchase such water rights at the same price and on the same terms as contained in the bona fide offer. Upon SNWA's request, either CSI or MVWD shall provide copies of any such offer and any other correspondence or written agreements or understandings between CSI or MVWD and the party making the offer to enable SNWA to evaluate the offer.

If SNWA fails to exercise the right of first refusal to purchase under the terms specified above and a sale of water rights is consummated with the original offeror under the same terms and conditions, SNWA's right of first refusal to purchase the sold water rights is extinguished. The extinguishment of the right of first refusal with respect to the sold water rights does not however extinguish SNWA's right of first refusal to purchase the unsold water rights. SNWA shall have ninety (90) days to effectuate purchase following the forty-five (45) days notice.

Notwithstanding any provision to the contrary in this Agreement, SNWA hereby waives its right of first refusal to purchase any Category One, Category Two or Category Three Water conveyed to MVWD by CST, by one or more transfers, in consideration of MVWD's agreement to be the water purveyor for CSI's residential and commercial water customers.

#### Section 8. Mitigation

8.1 Compliance With Orders of State Engineer. The Parties hereto agree and acknowledge that the State Engineer has the authority to require the Parties to take such actions as necessary to mitigate any impacts resulting from the diversion of groundwater in the Coyote Spring Basin. Moreover, the Parties agree that any reductions in water use will be conducted pursuant to any order issued by the State Engineer. If the State Engineer orders any specific mitigation, that mitigation will be conducted specifically as ordered.

8.2 Existing Monitoring, Management and Mitigation Plan. Except as expressly provided in this Agreement, no Party agrees to be bound by any obligations under any existing or future monitoring and/or mitigation plan to which that Party is not a signatory. The Parties hereto expressly recognize that SNWA and LVVWD have entered into a stipulation and agreement with the Bureau of Land Management, the National Park Service and the Fish and Wildlife Service entitled *Monitoring, Management and Mitigation Plan for Existing and Future Permitted Development in Coyote Spring Valley (Basin 210)* ("Federal Agreement"), a copy of which is attached hereto as Exhibit A. Furthermore, by entering into this Agreement, MVWD and CSI represent that each has read the Federal Agreement and agrees to abide by the terms and conditions of the Federal Agreement as applied to any Category Two or Category Three Water to which CSI is entitled. Further, MVWD is subject to the provisions of an existing monitoring plan with respect to the permits it holds on its Arrow Canyon well. Nothing herein shall be construed in any way affecting MVWD's obligations under such plan. Notwithstanding anything to the contrary contained in this Agreement, nothing contained in this Agreement shall affect any Parties existing obligations to comply with the terms and conditions of an existing monitoring and/or mitigation plan to which that Party is a signatory.

#### Section 9. Notices

[fto CSI: Carl Savely, Esq.  
Sawyer & Collins  
50 Liberty Street, Suite 1100  
Reno, Nevada 89501

If to LVVWD: General Manager  
Las Vegas Valley Water District  
1001 S. Valley View Blvd.  
Las Vegas, NV 89153

Copy: General Counsel  
Vegas Valley Water District  
1001 S. Valley View Blvd.  
Vegas, NV 89153

Uto SNWA: General Manger  
Southern Nevada Water Authority  
1001 S. Valley View Blvd.  
Las Vegas, NV 89153

Copy: General Counsel  
Southern Nevada Water Authority  
1001 S, Valley View Blvd,  
Las Vegas, NV 89153

If to MVWD: General Manager  
Moapa Valley Water District  
P. O. Box 257  
2625 N. Moapa Valley Blvd.  
Logandale, NV 89021

#### **Section 10. Miscellaneous**

10.1 Applicable Law. The laws of the State of Nevada shall govern the validity, construction, performance and effect of this Agreement.

10.2 Successors and Assigns. This Agreement shall inure to the \_\_\_\_\_ of and be binding upon the Parties \_\_\_\_\_ and their respective successors \_\_\_\_\_ assigns.

10.3 No Waiver of Rights. The failure to enforce or delay in enforcement of any provision of this Agreement by a Party hereto of the failure of \_\_\_\_\_ Party to exercise any right hereunder shall in no way be construed to be a waiver of \_\_\_\_\_ provision or right (or of any provision or right of a \_\_\_\_\_ or dissimilar nature) unless such Party expressly waives such provision or right in writing.

10.4 Cost of Litigation. In the event any action is commenced by any \_\_\_\_\_ against another Party in connection herewith (including any action to lift a stay or other bankruptcy proceeding), the

unsuccessful Party shall pay the costs and expenses, including reasonable attorneys' fees of the prevailing party as determined by the court.

10.5 Integration. The Parties hereto agree that this Agreement represents the final and complete understanding and Agreement of the \_\_\_\_\_ with respect to the subject matter hereof. Moreover, this final, \_\_\_\_\_ Agreement supercedes all previous conversations, negotiations and representations of the Parties and in no event shall any claim be brought by any Party other than in accordance with this written Agreement. No additional or modification of this Agreement shall be binding unless executed in writing by the Parties hereto.

10.6 Time of the Essence. Time is of the essence in the performance of the Parties' respective obligations set forth in this Agreement and all the terms, provisions, covenants and conditions therein.

10.7 Counterparts as Originals. This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall be an original, but all such counterparts shall constitute one and the \_\_\_\_\_ Agreement. Any signature page of this Agreement may be detached from any \_\_\_\_\_ without impairing the legal effect of any signature thereon, and may be attached to another counterpart, identical in form thereto, but having \_\_\_\_\_ to it one or more additional signature pages.

10.8 Recordation with State Engineer. A copy of this Agreement shall be lodged with the State Engineer. This Agreement shall be binding upon the parties executing this Agreement by the Nevada State Engineer approving the Category Two applications and the Category Three applications to a minimum volume of 16,000 acy. The State Engineer further must agree that this Agreement shall be incorporated in the permit terms for the Category Two and a portion of the Category three applications.

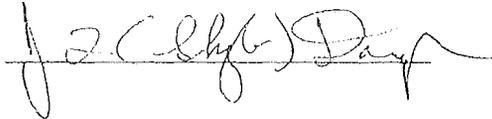
Section 11. SNWA Acknowledgment of Use By LVVWD

11.1 SNWA hereby recognizes that LVVWD may, necessary, allocate maximum of two thousand (2,000) afy of the resources secured by SNWA pursuant to this agreement for use by LVVWD in the Garnet Valley Basin (assigned Basin No. 216 by the State Engineer).

IN WITNESS WHEREOF, each of the has executed this Agreement the date and year written above.

Attest:

COYOTE SPRINGS INVESTMENT, I.I.C  
a Nevada limited liability company

  
Robert R. General Manager

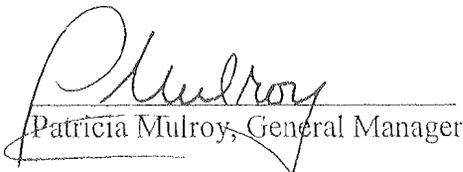
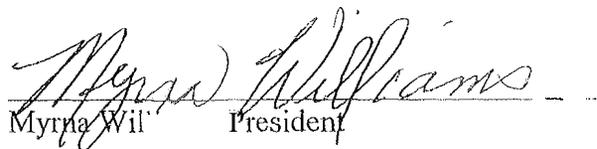
Attest:

MOAPA VALLEY WATER DISTRICT

  
Van Robinson, General Manager  
Ivan Cooper, Chairman, of Directors

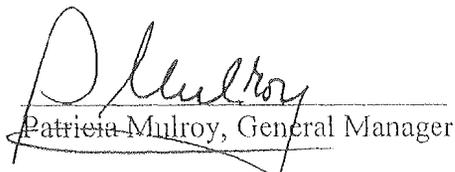
Attest:

LAS VEGAS VALLEY WATER DISTRICT

  
Patricia Mulroy, General Manager  
Myrna Williams, President

Attest:

SOUTHERN NEVADA WATER AUTHORITY

  
Patricia Mulroy, General Manager  
Amanda M. Cyphers, Chair

STIPULATION FOR DISMISSAL OF PROTESTS

Stipulation is made and entered into between the Las Vegas Valley Water District ("LVVWD") and the Southern Water Authority ("SNWA") and the States Department of the Interior, Bureau of Land National Park Service, and States Fish and Wildlife Service (collectively the "Federal Bureaus").

RECITALS

- A. Currently there are approximately 16,300 total acre-feet per year (afy) of permitted groundwater in the Coyote Valley. Of amount, SNWA has permitted rights to 7,500 afy. SNWA has developed a plan and submitted it to the State in anticipation of developing such water rights. SNWA intends to develop rights as generally described in the Coyote Valley Ground Water Development Plan (April 26, 2000 version). The Plan is in draft form while details as to and funding are worked out with Moapa Valley Water District LVVWD, SNWA, into an agreement to jointly water rights Area of Interest below.
- B. There a of programs by the Nevada State currently in place for various areas in Coyote Spring Valley and Muddy area. If mutually the monitoring requirements outlined in the Management, and Mitigation Plan, attached hereto as "Exhibit A", may someday incorporate these existing plans.

- C. On October 17, 1989, L filed Applications 54055-54059, inclusive (the "Applications") for a combined duty of approximately 27,512 acre-feet per year, with the Nevada State Engineer's Office. LVVWD/SNWA intend to pump existing and groundwater rights with concurrent monitoring, modeling, and hydrogeologic investigations. However, the timing quantities/volumes of this pumping be at time, because water availability, potential adverse impacts, future population growth resulting water demand in the Las Vegas region, Moapa Valley the I-15 corridor are not known at time.
- D. The Federal Bureaus filed timely protests to the of water rights under LVVWD's to the Federal Bureaus' responsibility to protect the state federal water rights other resources, including the endangered Moapa Dace, of the Federal Bureaus ("federal rights and resources") in the Area of defined Coyote Spring Muddy Springs Area, Hidden Valley (North), Gamet Valley, Black Area, Springs Valley, Lower Valley Tule Moapa Valley. The required by to manage, protect and rights resources their A number of federal rights occur or vicinity of the of Interest.
- E. The Federal assert groundwater from Coyote Spring Valley pose a risk of impacting federal rights are desirous of working a cooperative with LVVWD/SNWA to protect these resources, Additionally, the Secretary of Interior is required to monitor the and habitat of species listed to the Endangered Species Act that could be affected by

withdrawals of groundwater from lands underlain by the regional carbonate aquifer which is proposed source of water under the applications and other existing rights of LVVWD and SNWA and take appropriate action, in conjunction with the Nevada State Engineer, to address any impacts from such withdrawal. See Public Law 100-275, Section 6 (March 31, 1988).

F. The parties that pursuant to NRS 534.110(4) each right to appropriate groundwater in the State of Nevada carries with it the right to make a reasonable lowering of static water level at the appropriator's point of diversion and that pursuant to NRS 534.110(5) the State Engineer may allow, at the water level to be lowered at the point of diversion of a prior appropriator so long as the rights of holders of appropriations can be satisfied under such express conditions.

G. The State Engineer has set an hearing on the protests of the Federal Bureaus and other protestants commencing July 16, 2001.

H. The parties acknowledge that and have lodged protests to the but such additional not to or in any way bound or prejudiced by this Stipulation.

I. The parties agree that the for protecting federal rights and from unreasonable from water pumping in Area of Interest is through the use of monitoring, management mitigation of groundwater pumping. The common goal of the parties to the of the aquifer as a water resource without unreasonable adverse impacts to the federal rights and resources. Groundwater and the effects of pumping need to be properly

---

~~managed to avoid adverse impacts to the Area of Interest. There is a need~~

to conduct studies of the aquifer's response to pumping stresses through incremental development of reasonable quantities of groundwater accompanied by the monitoring, and mitigation plan as set forth in Exhibit A to this Stipulation. The parties have determined that it is in their best interests to cooperate in the collection of additional hydrologic and hydrogeologic information about the carbonate aquifer system in the Area of Interest.

J. The parties desire to resolve the issues raised by the protests according to the terms and

NOW, THEREFORE, in consideration of the promises and covenants contained herein, the parties do agree as follows:

1. Federal Bureaus hereby expressly agree to withdraw protests to the and that the Engineer may rule the based upon the terms and conditions set It is expressly understood Stipulation is upon the parties and their successors, and not bind or seek to bind or prejudice any other parties or United on behalf of the Moapa Band of Paiute or any other tribe,
2. The parties agree to implement and Mitigation hereto "Exhibit A", expressly into Stipulation as if set forth in full herein.
3. This Stipulation does not waive any authorities of the Federal Bureaus or the United States, including any other agency or not specified in Stipulation, nor relieves

LVVWD/SNWA from complying with any federal laws, including, but not limited to, the National Environmental Policy Act, the Endangered Species Act, the Federal Land Policy and Management and any and all rules and regulations thereunder. It is the expressed intention of the parties that by entering into this the Federal Bureaus and the States are waiving no legal rights of kind.

4. The parties expressly acknowledge that the Nevada State Engineer has, to both statutory and case law, broad authority to groundwater resources the State of Nevada and, furthermore, that nothing in this Stipulation shall be construed as waiving or such authority.
5. The parties agree that a copy of this Stipulation shall be submitted to the Nevada State Engineer prior to the commencement of the administrative proceedings scheduled to on July 16, 2001. At that time, the parties shall request, either in writing, or on the record at the of the scheduled proceeding, the State include Exhibit A of this Stipulation as part of the terms and in the event that grants 54055, 54056, 54057, 54058, and 54059, total or in part. In addition, the parties will State Engineer state in writing, prior to the he will incorporate Exhibit A of the Stipulation into in event he Applications 54055, 54056, 54057, 54058, 54059, in total or in A of the proposed request letter to State to Stipulation as Exhibit "B" and is made a part hereof. If the State Engineer does so Bureaus, at their option, may attend the hearing, but will present no issues or statements that adverse to the interests of the LVVWD/SNWA.

6. Notices. If notice is required to be sent by parties, the addresses are as follows:

If to Federal Bureaus:

District Manager  
Las Vegas Office  
Bureau of Land Management  
4765 W. Vegas Drive  
Las Vegas, NV 89108-2135

Supervisor  
Field Office  
Fish and Wildlife Service  
1340 Blvd., #234  
Reno, NV 89502

Branch Chief :  
Rights Branch  
National  
1201 Oak Ridge Drive, Suite 250  
Fort CO 80525

If to LVVWD/SNWA:

General Manager  
Las Vegas Water District  
1001 S. Valley View Boulevard  
Las Vegas, NY 89153

General  
Southern Nevada Water Authority  
1001 S. Valley View Boulevard  
Las Vegas, NY 89153

7. Assigning. party hereto may or assign interest in the water rights here involved. and all transferees and assignees shall be bound by the terms conditions of Stipulation. a condition to any such or assignment, the transferee and/or

assignee shall execute a stipulation expressly stating it is bound to all of the terms conditions of Stipulation.

8. Choice of Law. Stipulation shall be governed in accordance with the laws of the State of Nevada to the extent not inconsistent with federal law.
9. Copies of all correspondence between and data gathered by the parties pertinent to the Area of Interest shall be submitted to the State Engineer. It is the intention of the parties hereto the Engineer shall be kept informed of all activities in the same fashion as are the hereto.
10. By entering into this Stipulation, the Federal Bureaus do not become a to any other protest proceeding referenced above or waive its from suit or consent to or acknowledge the jurisdiction of any court or tribunaL Nothing in the Stipulation effect federal reserved water rights of the Federal Bureaus or the United States on behalf of any Tribe the Federal Bureaus by entering into Stipulation do not waive or any such rights. The Federal Bureaus all legal of any possesses to or derived from Orders, acts of Congress, judicial decisions, or Neither party waives its rights to seek relief in appropriate of its choice not prohibited by this Stipulation.
11. Any commitment of funding by Federal Bureaus or the LVVWD/SNWA in this or otherwise is subject to appropriations by Congress or the governing bodies of LVVWD/SNWA as appropriate.
12. This Stipulation may amended by mutual agreement of the parties.

13. This Stipulation sets forth the entire agreement of the parties and supercedes all prior discussions, negotiations, understandings or agreements. No alteration or variation of this Stipulation shall be valid or binding unless contained in an amendment in accordance with paragraph 12.
14. The terms and conditions of this Stipulation shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, successors, transferees assigns.
15. This Stipulation will become effective as between the parties upon all parties signing Stipulation. parties may execute this Stipulation in two or more counterparts, which shall, in the aggregate, be signed by all parties, each counterpart shall be deemed an original as against any party who has signed it.
16. Other entities may become parties to this Stipulation by mutual assent of the parties.

IN WITNESS WHEREOF, the parties have executed this Stipulation as of the dates written below.

UNITED STATES DEPARTMENT OF THE INTERIOR

Date: 7-19-01

BUREAU OF LAND MANAGEMENT

By *Robert V. Colby*

Title: *State Director, NV*

Date: JUL 18 2001

FISH AND WILDLIFE SERVICE

By Mary Ellen Mueller

Title: Acting Manager CA/NY Operations Office

Date: 7/13/01

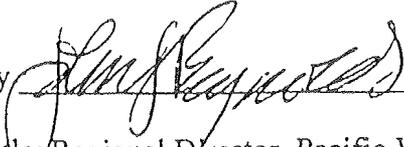
NATIONAL PARK SERVICE

By 

Title: Superintendent of Lake Mead National  
Recreation Area

Date: 1/13/21

NATIONAL PARK SERVICE

By   
Title: Regional Director, Pacific West Region

Date: July 12, 2001

LAS VEGAS VALLEY WATERDISTRICT

By   
Patricia Mulroy  
Title: General Manager

ATTEST:

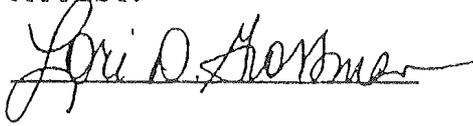


Date: July 12, 2001

SOUTHERN NEVADA WATER AUTHORITY

By   
~~Patricia Mulroy~~  
Title: General Manager

ATTEST:



## EXHIBIT A

### MONITORING, MANAGEMENT AND MITIGATION PLAN FOR EXISTING AND FUTURE PERMITTED GROUNDWATER DEVELOPMENT IN COYOTE SPRING VALLEY (BASIN 210)

The purpose of this plan is to describe LVVWD/SNWA's and the Federal obligations in the Area of Interest regarding monitoring, management and mitigation of SNWA's current groundwater rights and, if granted by the Nevada State Engineer, LVVWD's groundwater rights in Coyote Valley. It also describes the format and scope of a Review Panel (herein after referred to as TRP).

#### 1. Monitoring Requirements

##### A. Wells

- LVVWD/SNWA will ensure that all LVVWD/SNWA production wells in Coyote Valley are metered continuously for discharge. Water level data will be collected continuously as is

##### B. Monitoring Wells

- LVVWD/SNWA, in consultation with the TRP (see description in following section), will locate and construct dedicated monitoring wells near production well fields. These wells will be defined as "near production" monitor wells. LVVWD/SNWA, when initial aquifer tests in recently drilled production wells, will utilize nearby observation wells to determine aquifer characteristics.
- LVVWD/SNWA will continuously monitor water levels in all LVVWD/SNWA "near production" wells.
- LVVWD/SNWA, in consultation with the TRP, will install a monitoring well between the production wells in Hydrographic Area 210, the principal spring discharge in the Muddy River Area (Hydrographic Area 219). LVVWD/SNWA will ensure that water levels in this monitor well are recorded continuously. Barometric pressure at this location will also be recorded.
- LVVWD/SNWA, in cooperation with Sierra Nevada (formerly Nevada Power Company), USGS, and the State Engineer, will ensure that water levels in existing, carbonate monitor wells EH-5b, will be monitored continuously.
- LVVWD/SNWA, after the completion of the elevation-control survey (see paragraph ID), will, in consultation with the TRP to (1) determine if the information is sufficient to describe the vertical hydraulic gradient between the regional carbonate aquifer, the alluvial aquifer, and spring heads in the Muddy River Springs area, and (2) determine ground-water and surface-water interactions in the area. If LVVWD/SNWA in consultation with the TRP determines that information is insufficient to

the vertical hydraulic then LVVWD/SNWA construct at least one well the area to determine the vertical hydraulic gradient. Well design and location(s) be based on consultation with the LVVWD/SNWA with the TRP will determine if water levels the wells) will be monitored continuously.

C. *Streamflow and Spring flow*

- LVVWD/SNWA will equip and two continuous surface water measurement sites at locations selected in consultation with the TRP the Muddy Springs Area. These would be in addition to water gaging 09415900 Muddy at LDS Farm Moapa, 09415910 Pederson Spring near Moapa, and 09415920 Warm Springs West near Moapa, which LVVWD/SNWA currently funds cooperation with NDWR and USGS.
- LVVWD/SNWA, in cooperation with the Moapa Valley Water District, will equip and maintain continuous flow measurement devices located at Moapa Valley Water District's Jones Spring (Apcar) and Baldwin pumping stations to total discharge.
- United States Fish and Wildlife Service (USFWS) will equip and maintain continuous at Pederson Springs, and a continuous surface water measurement site at Plummer (Iverson) Spring.
- Park Service in cooperation with USGS will equip and maintain continuous surface water sites at Rogers Spring and Blue Point Spring.

D. *Elevation*

- LVVWD/SNWA will conduct a detailed elevation survey of LVVWD/SNWA wells in the Muddy Springs LVVWD/SNWA in with the TRP, will develop and plan to elevation above sea level of all major spring orifices and monitoring and production wells as is feasible in the Muddy Springs Area and Rogers and Point spring complex. The TRP will elevation data the accuracy of the need for additional

E. *Quality of Data*

- The will and collect data according to USGS protocol

F. *Water*

- LVVWD/SNWA collect and analyze water quality samples for twice annually at two surface water measurement sites at locations selected in consultation with the TRP in the Muddy Springs Area. Duplicate samples be collected and analyzed at the two sites to ensure proper analyses.
- L A will collect and water quality samples that regionally represent different water quality types at well locations determined in consultation with the TRP. Samples will be analyzed for major ions, elements and the stable isotopes of hydrogen and oxygen. Samples will be collected semi-annually for one and a half years, beginning

during aquifer testing of production wells. Long-term water quality sampling conducted every five years thereafter.

### G. Reporting

- L A will manage an internet database in cooperation with the USGS, the Federal Bureaus, the State Engineer, Moapa Valley Water District, and other entities as feasible based on cooperation to collect and compile data (e.g. water levels, surface water flows, water quality, ground.water pumpage) for the Area of Interest.
- All data collected by any party under or as described in this plan shall be fully and cooperatively shared among the parties.
- Data shall be posted to the internet site 90 days of its collection by LVVWD/SNWA. LVVWD/SNWA will use its best efforts to post data to internet site within 30 days of its submission to VVWD/SNWA if collected by other parties, or in the case of water quality 90 of laboratory results.

## 2. Management Requirements

### A. Goal

- The common goal of is to manage development ofllie aquifer as a water resource without resulting in unreasonable impacts to state and federal water rights and water resources of Federal Bureaus. Additionally, decisions must be based on best scientific information available and will collaborate on technical data collection and analysis.

### B. Symposium

- LVVWD/SNWA, in cooperation with Federal members of the Technical will hold a public at two to monitoring, mitigation.

### C.

- The parties will create and convene TRP by February 1,2002. Membership will include LVVWD, SNWA, Moapa Valley Water District, NPS, and BLM. The parties mutually to a representative of the State Office to as chair of TRP. parties may to invite other to participate in the TRP as appropriate.
  - The purpose of TRP is to:
    - 1) provide a forum for scientific/technical review
    - 2) disseminate data to the public through an internet site
    - 3) share regarding efforts and model results
    - 4) identify needs for additional data collection and scientific investigations
    - 5) hold a every two years to and discuss relevant data and to form recommendations about monitoring, modeling, and mitigation
-

- 6) discuss values for monitored variables (water levels, spring discharges, etc.) that; if are of concern to the parties
- 7) develop standards and *QNQC* for data collection and
- 8) provide a forum for discussion to help develop agreement for prescribed courses of action on issues.

- At meeting of the TRP. LVVWD/SNWA will present to the TRP a schedule for its anticipated future pumping (testing, production) for the following two years.
- Additional meetings of the TRP will be held if requested by any party if LVVWD/SNWA anticipated pumping schedule presented at the previous or other more recent meeting by 50% or more or observed two year period results in any party developing a reasonable scientific assessment that resources are being or could be adversely impacted..

*D. Decision-Making Process*

- The TRP will review available data and attempt to the prescribed course of action. If there are (1) different interpretations regarding response and/or the significance of response to the state or federal water rights or water-dependent resources of the Federal Bureaus or (2) different on prescribed course of the parties will jointly agree to conduct additional data collection or modeling directed at resolving the different interpretations or opinions, if feasible. If that is not successful, the will refer issue to their respective LVVWD/SNWA will the State Engineer or his representative of all agreed upon courses of action. Nothing herein limits or changes the State Engineer's authority and any party can petition the State Engineer to consider the issue.
- The parties that in event of a dispute to proposed or ongoing schedules, be no groundwater any pumping schedule State Engineer on a petition with regard to course of action or for a period of 90 days, whichever is less. During such and LVVWD not to any administrative or judicial proceedings regarding the disputed pumping schedule. The 7,500 acre-feet year of groundwater owned by SNWA are excluded from provisions of D;
- In the event that parties disagree to whether LVVWD/SNWA proposed or on going pumping schedules will result adverse impacts to the and resources, any party may petition the State Engineer to request that he whether there is or is not adverse impact that requires the implementation of mitigation measures by LVVWD/SNWA.

### 3. Mitigation Requirements

- LVVWD/SNWA will mitigate unreasonable adverse impacts either agreed upon by the parties or after the State Engineer determines whether there are adverse impacts due to LVVWD/SNWA pumping. LVVWD/SNWA shall take the necessary steps to ensure that mitigation measures are feasible. Mitigation measures will include one or more of the following:
  - Geographic redistribution of pumpage;
  - Reduction or elimination of pumpage;
  - Restoration/modification of existing habitat;
  - Establishment of new habitat;
  - Augmentation of water resources with pumped groundwater;
  - Other measures as agreed to by the parties and/or approved by the State Engineer, to the extent not inconsistent with this agreement

### 4. Modification of the Plan

- The State Engineer shall retain the authority to modify this plan upon 90 days written notice to the other parties; ~~that~~ no such petitions may be filed within 2 years of the first meeting of the Review Panel. Any party may submit written comments to the State Engineer regarding the merits of any such petition for modification.

Schedule A: Priority of Category One, Two and Three Water

Category One Water

Permits: 46777  
49608  
49414  
49660  
49661  
49662  
49978  
49979  
49980  
49981  
49982  
49983  
49984  
49985  
49986  
49987

Total Volume: 16,100 afy

Category Two Water

Permits: 54055  
54056  
54057  
54058  
54059

Total Volume: 27,510 afy

Priority:

- a) MVWD: 3,750 afy with priority superior to that of SNWA and MVWD in section b) below;
- b) SNWA: 13,780.8 afy and MVWD 9,979.2 afy of equal priority.

Category Three Water

Permits: 632.72-63276, inclusive  
63867-63876, inclusive

Total Volume: 16,000 afy with the possibility of the State Engineer granting additional amounts.

- a) SNWA 31.185% or 4,989.6 afy, CS168.815% or 11,010.4 afy. The priorities are equal.
- b) CSI to receive any volumes of water by the State Engineer above 16,000 afy.

## Schedule B: Mitigation Priority

1. Category Three Water
  - a. CSI- above 16,000 afy
  - b. CSI, MVWD and SNWA in equal proportion to their respective appropriations of Category Three Water from to 16,000 afy.
2. Category Two Water
  - a. CSI, MVWD and SNWA in equal proportion to their respective appropriations above 3,750 afy of Category Two Water.
  - b. MVWD- <sup>0</sup> to 3,750 afy of Initial Category Two Water.

\*The priority among the Parties set forth above remain subject to modification by order of the State Engineer.

