JIM GIBBONS
Governor

STATE OF NEVADA

LEO DROZDOFF
Acting Director

JASON KING, P.E.
State Engineer

DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES
901 South Stewart Street, Suite 2002
Carson City, Nevada 89701-5250
(775) 684-2800 • Fax (775) 684-2811
http://water.nv.gov

May 17, 2010

NOTICE OF HEARING

Re: Permits 38343, 45870, 45892, 45893, 45894, 45985, 45897, 46116, 46117, 46118, 46119, 46304, 46305, 46306, 46307, 46308, 46309, 46310, 46312, 46313, 46314, 46315, 46316, 46317, 46318, 46319, 46320, 46324, 46325, 46326, 46826, 46827, 47074, 47141, 47265, 48497, 49545, 50722, 50804, 50805, 51142, 52128, 52129, 52130, 52131, 52132, 52284, 52285, 52606, 52978, 54357, 54359, 54360, 54361, 55101, 55347, 57877, 57879, 57880, 58626, 58627, 58628, 58629, 58630, 58631, 58632, 58633, 58958, 58959, 60694, 60695, 61064, 61065, 61188, 61968, 61969, 62037, 62038, 62716, 62717, 62726, 62920, 63500, 63780, 64367, 64615, 66228, 68908, 71196, 71197, 71198, 71199, 71201, 71310, 71750, 71751, 71752, 71878, 72828, 73042, 74672, 74673, 74674, 75228, 75880, 75944, 75945, 75946, 75963, 76040, 76217, 76334, 76359

Richard Durham
Regional Vice-President
Utilities Inc. of Central Nevada
1240 East State Street, Suite 115
Pahrump, Nevada 89048
Certified Mail
7106 7808 0630 0042 8989

Wendy Barnett
Regional Director
Utilities Inc. of Central Nevada
1240 East State Street, Suite 115
Pahrump, Nevada 89048
Certified Mail
7106 7808 0630 0042 8996

Bruce Scott
Resource Concepts
340 North Minnesota
Carson City, Nevada 89703

Water Service Corp
2335 Sanders Road
Northbrook, Illinois 60062

Douglas Cannon
Lionel Sawyer & Collins
50 West Liberty Street, Ste. 1100
Reno, Nevada 89501

Crystal Jackson, Executive Director
Public Utilities Commission of Nevada
1150 East William Street
Carson City, Nevada 89701-3109

Ladies and Gentlemen:

Utilities Inc. of Central Nevada is the holder of the above-referenced water right permits. Many of these permits were issued in the 1980s and 1990s. Proof of beneficial use was due to be filed under many of them in the 1980s and 1990s. Other water rights are being moved into the service area even though many of the currently held water rights have not gone to beneficial use. Nevada Revised Statute § 533.380 provides that, in general, proof of completion of works of diversion shall be filed within five years and proof of beneficial use shall be filed within ten years for municipalities. Nevada Revised Statute § 533.380(3) provides that for good cause shown the State Engineer may extend the time within which the construction work must be completed or the water must be applied to beneficial use if there is an adequate demonstration that the permit holder is proceeding in good faith and with reasonable diligence to perfect the appropriation. Nevada Revised Statute § 533.395 provides that if, at any time in the judgment of the State Engineer, the holder of any permit is not proceeding in good faith and with reasonable diligence to perfect the appropriation, the State Engineer shall require the submission of such proof and evidence as may be necessary to show compliance with the law.

Please take notice; pursuant to the authority set forth in NRS § 533.380 and 533.395, the State Engineer is setting a hearing to consider the matter of requests for extensions of time for filing proof of completion or proof of beneficial use under Permits 38343, 45870, 45892, 45893, 45894, 45985, 45897, 46116, 46117, 46118, 46119, 46304, 46305, 46306, 46307, 46308, 46309, 46310, 46312, 46313, 46314, 46315, 46316, 46317, 46318, 46319, 46320, 46324, 46325, 46326, 46826, 46827, 47074, 47141, 47265, 48497, 49545, 50722, 50804, 50805, 51142, 52128, 52129, 52130, 52131, 52132, 52284, 52285, 52606, 52978, 54357, 54359, 54360, 54361, 55101, 55347, 57877, 57879, 57880, 58626, 58627, 58628, 58629, 58630, 58631, 58632, 58633, 58958, 58959, 60694, 60695, 61064, 61065, 61188, 61968, 61969, 62037, 62038, 62716, 62717, 62726, 62920, 63500, 63780, 64367, 64615, 66228, 68908, 71196, 71197, 71198, 71199, 71201, 71310, 71750, 71751, 71752, 71878, 72828, 73042, 74672, 74673, 74674, 75228, 75880, 75944, 75945, 75946, 75963, 76040, 76217, 76334, 76359. Accordingly, the hearing will convene promptly at **9:00 a.m., Tuesday, June 29, 2010, at the Nevada Division of Water Resources, Tahoe Hearing Room, 901 South Stewart, Second Floor, Carson City, Nevada.**

You or your designated representative should plan to attend the hearing for the purpose of presenting evidence or testimony in support of your position concerning the requests for extension of time under the permitted water rights. Please be prepared to address what actions the permittee is taking towards development of the water system, i.e., laying pipe in order to deliver water to potential customers. Please prepare a history of Utility Inc.'s and its predecessor's work in the service area and plans for delivering water to the service area in the future. The State Engineer requests the permittee provide specific information to address the issue of lot owners within the

service area for which there is no present ability to provide water service for a reasonable charge. The State Engineer requests the permittee provide a detailed action plan that demonstrates that the permit holder is proceeding in good faith and with reasonable diligence to perfect the appropriation. The State Engineer specifically invites a representative of the Public Utilities Commission of Nevada to attend the hearing.

Legal counsel not licensed to practice law in the State of Nevada or licensed, but not maintaining an office in the State of Nevada, is required to comply with Supreme Court Rule 42. The Verified Application to Associate form that needs to be filed with the Nevada State Bar can be found on the Nevada Division of Water Resources website found at http://water.nv.gov under Forms Room - Miscellaneous Forms. Nevada Supreme Court Rule 43 provides an exception for lawyers employed by or representing the United States Government.

The hearing will be reported by a certified court reporter. An original and one copy of the transcript of the proceedings must be filed with the State Engineer. The permittee will bear the cost of the court reporter's appearance fee, travel expenses and reporting the hearing.

We are pleased to make reasonable accommodations for members of the public who are disabled and wish to attend the hearing. If special arrangements for the hearing are necessary, please notify me at the Nevada Division of Water Resources, 901 South Stewart, Suite 2002, Carson City, Nevada, 89701, or by calling (775) 684-2800.

If you have any questions on this matter, feel free to call me.

Sincerely,

S. Joseph-Taylor

Susan Joseph-Taylor
Chief, Hearings Section

SJT/jm

cc: Bradley J. Hofland, Esq.
Chris Vera
Parsons, Behle & Latimer
Michel Christensen
Jason King, E-mail
Tracy Taylor, E-mail
Kelvin Hickenbottom, E-mail
Bob Conrad, E-mail
Mike Wolz, E-mail
Bryan Stockton, E-mail
Barbara Shand, E-mail
Cy Ryan, E-mail
Don Ham, E-mail

Ed Vogel, E-mail
Henry Brean, E-mail
Ian Russell, E-mail
J.C. Davis, E-mail
Jeff De Long, E-mail
Joe Sickings, E-mail
Josh Johnson, E-mail
Keith Rogers, E-mail
Ken Ritter, E-mail
Kent Harper, E-mail
Launce Rake, E-mail
Lisa Wolf, E-mail
Mary Manning, E-mail
Patty Henetz, E-mail
Patty Kaczmarek, E-mail
Ray Thompson, E-mail
Warren Bates, E-mail
Steve Del Soldato, E-mail
Elko Branch Office, E-mail
Southern Nevada Branch Office, E-mail
Capitol Reporters, regular mail