

STIPULATION FOR WITHDRAWAL OF PROTESTS

This Stipulation is made and entered into on this 7th day of January, 2008 between the Southern Nevada Water Authority (“SNWA”) and the United States Department of the Interior on behalf of the Bureau of Indian Affairs, the Bureau of Land Management, the National Park Service, and the Fish and Wildlife Service (collectively the “DOI Bureaus”). Collectively, SNWA and each of the DOI Bureaus are referred to as the “Parties.”

RECITALS

- A. In October 1989, the Las Vegas Valley Water District (SNWA’s predecessor-in-interest) filed Applications 53987 through 53992, inclusive, (hereinafter referred to as the “SNWA Applications”) for a combined 48 cubic feet per second (“cfs”) of groundwater withdrawals in the Delamar, Dry Lake and Cave Valley Hydrographic Basins (“the Hydrographic Basins”). SNWA intends to pump up to 34,752 acre-feet of groundwater annually from the Hydrographic Basins for municipal purposes with concurrent monitoring, management, and mitigation as specified in Exhibit A to this Stipulation. In the future, SNWA may seek to change the points of diversion within the Hydrographic Basins for any quantities of groundwater permitted pursuant to the SNWA Applications.
- B. The DOI Bureaus filed timely protests to the granting of the SNWA Applications pursuant to the DOI Bureaus’ responsibilities to protect their state and federal water rights (“Federal Water Rights”) and other water-dependent resources (“Federal Resources”) of the DOI Bureaus in 1) the Hydrographic Basins; 2) that portion of the Whiter River Valley Hydrographic Basin that is south of Hardy Springs; and 3) the Pahrnagat Valley Hydrographic Basin, including the Pahrnagat National Wildlife Refuge (“Area of Interest”) (depicted in Figure 1). The DOI Bureaus are required by law to manage, protect, and preserve all Federal Water Rights and Federal Resources that fall

under their jurisdiction. A number of these Federal Water Rights and Federal Resources occur within the Area of Interest. As of the date of this Stipulation, those Federal Water Rights that are based upon the application of federal law have not been quantified pursuant to an adjudication that complies with the requirements of the McCarran Amendment, 43 U.S.C. § 666. SNWA expressly reserves the right to contest any and all claims of the DOI Bureaus to such Federal Water Rights as are based upon the application of federal law in any proceeding that conforms to the requirements of the McCarran Amendment, 43 U.S.C. § 666.

- C. The DOI Bureaus are concerned that the proposed groundwater withdrawals from the Hydrographic Basins may injure Federal Water Rights and/or affect Federal Resources in the Area of Interest and certain other areas outside the Area of Interest, and are desirous of working in a cooperative manner with the SNWA to protect these Federal Water Rights and Federal Resources.
- D. On September 8, 2006, the Parties entered into a Stipulation for the Withdrawal of Protests related to Applications 54003 through 54021 for the appropriation of Nevada state groundwater from the Spring Valley Hydrographic Basin (“Spring Valley Stipulation”). The Spring Valley Stipulation established a number of cooperative processes among the Parties for the management of SNWA’s groundwater development project in Spring Valley. Rather than duplicate the processes established by the Spring Valley Stipulation, the Parties desire to expand certain of the processes, as contained in Exhibit A to this Stipulation, to efficiently accommodate an agreed upon Hydrologic Monitoring, Management and Mitigation Plan for SNWA groundwater development within the Delamar, Dry Lake and Cave Valleys Hydrographic Basins.

- E. The Parties acknowledge that pursuant to Nevada Revised Statutes (NRS) 534.110(4), Nevada Water Law provides that “[i]t is a condition of each appropriation of groundwater acquired under this chapter [534] that the right of the appropriator relates to a specific quantity of water and that the right must allow for a reasonable lowering of the static water level at the appropriator’s point of diversion.” Further, pursuant to NRS 534.110(5), Nevada Water Law “does not prevent the granting of permits to applicants later in time on the ground that the diversions under the proposed later appropriations may cause the water level to be lowered at the point of diversion of a prior appropriator, so long as the rights of holders of existing appropriations can be satisfied under such express conditions.” It is the intent of the Parties that this Stipulation provides the initial “express conditions” to allow development of the SNWA Applications to proceed; however, such future conditions may be adjusted based on implementation of the monitoring, management, and mitigation plans specified in Exhibit A, which are attached to this Stipulation and made a part hereof.
- F. The State Engineer has set an administrative hearing on the protests of the DOI Bureaus and other protestants to the SNWA Applications commencing February 4, 2008.
- G. The Parties acknowledge that other entities and individuals have lodged protests to the SNWA Applications, but such additional protestants are not Parties to or in any way bound or prejudiced by this Stipulation. Further, these protestants may enter into stipulations with SNWA concerning the SNWA Applications. Such stipulations shall not require the participation of the DOI Bureaus nor modify in any way the intent or content of this Stipulation, nor shall the DOI Bureaus be bound or prejudiced by such stipulations.

- H. The Common Goal of the Parties, as expressed in Exhibit A to this Stipulation, is to manage the development of groundwater by SNWA in the Hydrographic Basins without causing injury to Federal Water Rights and/or unreasonable adverse effects to Federal Resources and Special Status Species within the Area of Interest as a result of groundwater withdrawals by SNWA in the Hydrographic Basins. The Parties agree that the preferred conceptual approach for protecting Federal Water Rights from injury and Federal Resources and Special Status Species from unreasonable adverse effects within the Area of Interest that may be caused by groundwater withdrawals by SNWA in the Hydrographic Basins is through the development of such groundwater in conjunction with the implementation of the monitoring, management, and mitigation plans described in Exhibit A. The effects of groundwater withdrawals pursuant to the development of any or all of the SNWA Applications and any future changes in points of diversion and/or rates of withdrawal need to be properly monitored and managed to avoid any injury to Federal Water Rights and unreasonable adverse effects to Federal Resources and Special Status Species within the Area of Interest. There is a need to better understand the response of the aquifers and associated discharge points, such as artesian wells, springs, streams, wetlands, and playas, to pumping stresses from development of permitted quantities of groundwater in accordance with the monitoring, management, and mitigation plans set forth in Exhibit A to this Stipulation.
- I. The Parties have determined that it is in their best interests to cooperate in the collection and analysis of additional hydrologic, hydrogeologic, water chemistry, and biological information.
- J. The Parties desire to resolve the issues raised by the DOI Bureaus' protests according to the terms and conditions contained herein.

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

1. **Intent of the Parties.** SNWA and the DOI Bureaus have entered into various stipulations and memorandums of agreement, and anticipate similar future agreements that outline activities to cooperate and collaborate to monitor, manage, and mitigate potential impacts from SNWA's development of various permits to appropriate groundwater in eastern and central Nevada. It is the intent of the Parties to integrate the various activities outlined in these existing and future stipulations and agreements into an overall process that will evaluate the cumulative effects of SNWA's groundwater development projects utilizing technical tools such as a transient groundwater flow model that has been calibrated and validated as a tool to predict future impacts. This process will outline how the Parties incorporate ongoing and future data collected into the transient groundwater flow model and use this tool and process to help SNWA make management decisions regarding the operation of the groundwater development projects based on the projected potential impacts to the groundwater and surface water systems. The process will also allow the Parties to refine the ongoing monitoring, management and mitigation plans. Therefore, no later than March 31, 2009, the Parties agree to negotiate a separate memorandum of understanding that will provide for such a process.
2. The DOI Bureaus hereby expressly agree to withdraw their protests to the SNWA Applications and agree that the Nevada State Engineer may rule on the SNWA Applications based upon the terms and conditions set forth herein. It is expressly understood that this Stipulation is binding only upon the Parties hereto and their successors, transferees and assignees, and shall not bind or seek to bind or prejudice any other parties or protestants, including any Indian Tribe.

3. Other entities with groundwater applications in and around the Hydrographic Basins may be invited to participate in the cooperative processes described in Exhibit A upon mutual written agreement between the Parties.
4. SNWA may seek to change the points of diversion and rates of withdrawal within the Hydrographic Basins for any quantities of groundwater permitted pursuant to the SNWA Applications. Prior to filing such change applications, SNWA shall consult with the TRP and the BRT about the potential effects of any proposed changes on Federal Water Rights, Federal Resources, and Special Status Species. If the consensus of the TRP and the BRT is that the proposed change(s) will not increase the risk of injury to Federal Water Rights and/or increase the risk of unreasonable adverse effects to Federal Resources and/or Special Status Species, then the TRP and the BRT will recommend to the Executive Committee that protests not be filed by the DOI Bureaus to the proposed change(s). If there is no such consensus between the TRP and the BRT, or within the Executive Committee, then the DOI Bureaus shall be free to file such protests as they deem necessary.
5. This Stipulation does not waive any authorities of the DOI Bureaus or the United States, including any other agency or bureau not specified in this Stipulation. Further, this Stipulation does not override or relieve the Parties from complying with applicable federal laws, including, but not limited to, the National Environmental Policy Act, the Endangered Species Act, the Federal Land Policy and Management Act, and any and all rules and regulations thereunder.
6. It is the expressed intention of the Parties that by entering into this Stipulation, the DOI Bureaus, the United States, and SNWA are not waiving legal rights of any kind, except as

expressly provided herein. Nor is this Stipulation intended to modify any legal standard by which Federal Water Rights or Federal Resources are protected.

7. The Parties expressly acknowledge that the Nevada State Engineer has, pursuant to both statutory and case law, broad authority to administer groundwater resources in the State of Nevada and, furthermore, that nothing contained in this Stipulation shall be construed as waiving or in any manner diminishing such authority.
8. The DOI Bureaus agree not to file rebuttal evidence with the State Engineer in response to the first evidentiary exchange for the hearings scheduled to begin February 4, 2008. The Parties agree that a copy of this Stipulation shall be submitted to the Nevada State Engineer at the commencement of the administrative proceedings scheduled to begin on February 4, 2008. At that time, the Parties shall request on the record at the beginning of the scheduled proceeding that the State Engineer include this Stipulation and Exhibit A as part of the permit terms and conditions in the event that he grants any of the SNWA Applications in total or in part. Following the submission of this Stipulation and Exhibit A to the State Engineer, then the DOI Bureaus, at their option, may attend the hearing, but shall not present a case, witnesses, exhibits, or statements, nor cross-examine any witnesses, nor assist any other party or protestant in presenting a case, witnesses, exhibits, statements, or cross examination.
9. SNWA shall submit a copy of this Stipulation and Exhibit A to the Bureau of Land Management and request that it be included in any Environmental Impact Statement prepared for the "Clark/Lincoln/White Pine Counties Groundwater Development Project," or any other project related to the development of the SNWA Applications.

10. Any notice given under this Stipulation shall be deemed properly given when actually received or three (3) days after such notice was deposited in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed as follows:

If to DOI Bureaus:

Regional Director
Western Regional Office
Bureau of Indian Affairs
400 North 5th Street
Phoenix, AZ 85004

State Director
Nevada State Office
Bureau of Land Management
1340 Financial Blvd.
Reno, NV 89502

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

Branch Chief
Water Rights Branch
National Park Service
1201 Oak Ridge Drive, Suite 250
Fort Collins, CO 80525

If to SNWA:

General Manager
Southern Nevada Water Authority
1001 S. Valley View Blvd
Las Vegas, NV 89153

11. Any Party hereto may transfer or assign its interest, if any, in the water rights here involved, without prior notice or permission from any of the other Parties. Any and all transferees and assignees shall be bound by the terms and conditions of this Stipulation. As a condition to any such transfer or assignment, the transferee and/or assignee shall

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

12. This Stipulation shall be governed in accordance with the laws of the State of Nevada to the extent not inconsistent with federal law.
13. It is the intent of the Parties hereto that the Nevada State Engineer shall be kept informed of all activities and data gathered pursuant to this Stipulation in the same fashion as are the Parties hereto; however, the Executive Committee (described in Exhibit A), in consultation with the Nevada State Engineer, may specify the types of data and documents that shall be submitted to the Nevada State Engineer.
14. By entering into this Stipulation, the DOI Bureaus do not become a party to any proceeding other than the protest proceeding referenced above nor waive their immunity from suit nor consent to or acknowledge the jurisdiction of any court or tribunal. Nothing in the Stipulation shall affect any federal reserved water rights of the DOI Bureaus or the United States on behalf of any Indian Tribe and the DOI Bureaus by entering into this Stipulation do not waive or prejudice any such rights. The DOI Bureaus reserve all legal rights, of any kind, they possess pursuant to or derived from Executive Orders, acts of Congress, judicial decisions, or regulations promulgated pursuant thereto. The Parties do not waive their rights to seek relief in any appropriate forum not expressly prohibited by this Stipulation.
15. Any commitment of funding by the DOI Bureaus or the SNWA in this Stipulation, including specifically any monitoring, management, and mitigation actions provided for in Exhibit A is subject to appropriations by Congress or the governing body of the SNWA as appropriate.

16. No Party shall be considered to be in default in the performance of any of its obligations under this Stipulation when a failure of performance shall be due to an uncontrollable force, including but not limited to, denial of access to private property, denial of right-of-way permits, facilities failure, flood, earthquake, storm, lightning, fire, labor disturbance, sabotage and/or restraint by court or public authority. A Party rendered unable to fulfill any of its obligations under this Stipulation by reason of an uncontrollable force shall give prompt written notice of such act to the other Parties. The Parties shall meet and confer to determine if the affected performance can be completed by other means and to address future performance under this Stipulation that may be affected by such uncontrollable force in an attempt to obtain the Parties' full performance under this Stipulation.
17. This Stipulation may only be amended by mutual written agreement of the Parties. Other entities may become parties to this Stipulation by amending this Stipulation in writing.
18. This Stipulation sets forth the entire agreement of the Parties and supercedes all prior discussions, negotiations, understandings or agreements regarding the subject matter of this Stipulation. No alteration or variation of this Stipulation shall be valid or binding unless contained in a written amendment in accordance with Paragraph 17 of this Stipulation.
19. This Stipulation is entered into for the purpose of resolving a disputed claim and establishing the monitoring, management, and mitigation plans contained in Exhibit A. Except as expressly provided herein, the Parties agree that the Stipulation shall not be offered as evidence or treated as an admission regarding any matter herein and may not be used in proceedings on any other application or protest whatsoever, except that the Stipulation may be used in any future proceeding to interpret and/or enforce its terms.

Further, the Parties agree that neither the Stipulation nor any of its terms shall be used to establish precedent with respect to any other application or protest in any water rights adjudication or water rights permitting proceeding, including but not limited to any hearing regarding the SNWA applications to appropriate groundwater in the Snake Valley Hydrographic Basin, before the Nevada State Engineer or in any other administrative or judicial proceeding.

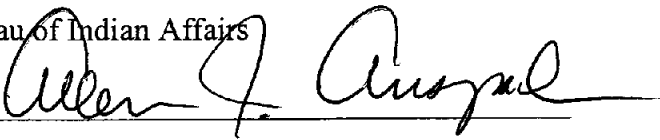
20. The terms and conditions of this Stipulation shall be binding upon and inure to the benefit of the Parties hereto and their respective agents, officers, employees, personal representatives, successors, transferees and assigns. This Agreement is for the sole benefit of the Parties and does not create any right or benefit, substantive or procedural, enforceable by any third parties.
21. Each Party agrees to bear its own costs and attorney fees.
22. This Stipulation shall become effective as between the Parties upon all Parties signing this Stipulation. The 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.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement which is effective as of the date first written above.

Date: JAN 07 2008

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

By 

Title: Regional Director

Date: January 3, 2008

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Land Management

By Lon Wenten

Title: Nevada State Director

Date: JAN 02 2007

UNITED STATES DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

By Steve Skowronson

Title: Regional Director, Region 8

Date: 1/7/2008

UNITED STATES DEPARTMENT OF THE INTERIOR

National Park Service

By Juanita S. Jarvis

Title: Regional Director, FWS

Date: _____

SOUTHERN NEVADA WATER AUTHORITY

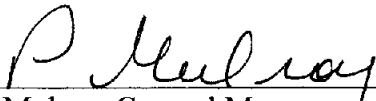
By _____

Title: _____

Approved as to form:

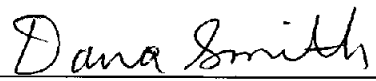
Date: 12-21-07

SOUTHERN NEVADA WATER AUTHORITY



Patricia Mulroy, General Manager

Approved as to form:



Dana R. Smith, Deputy Counsel

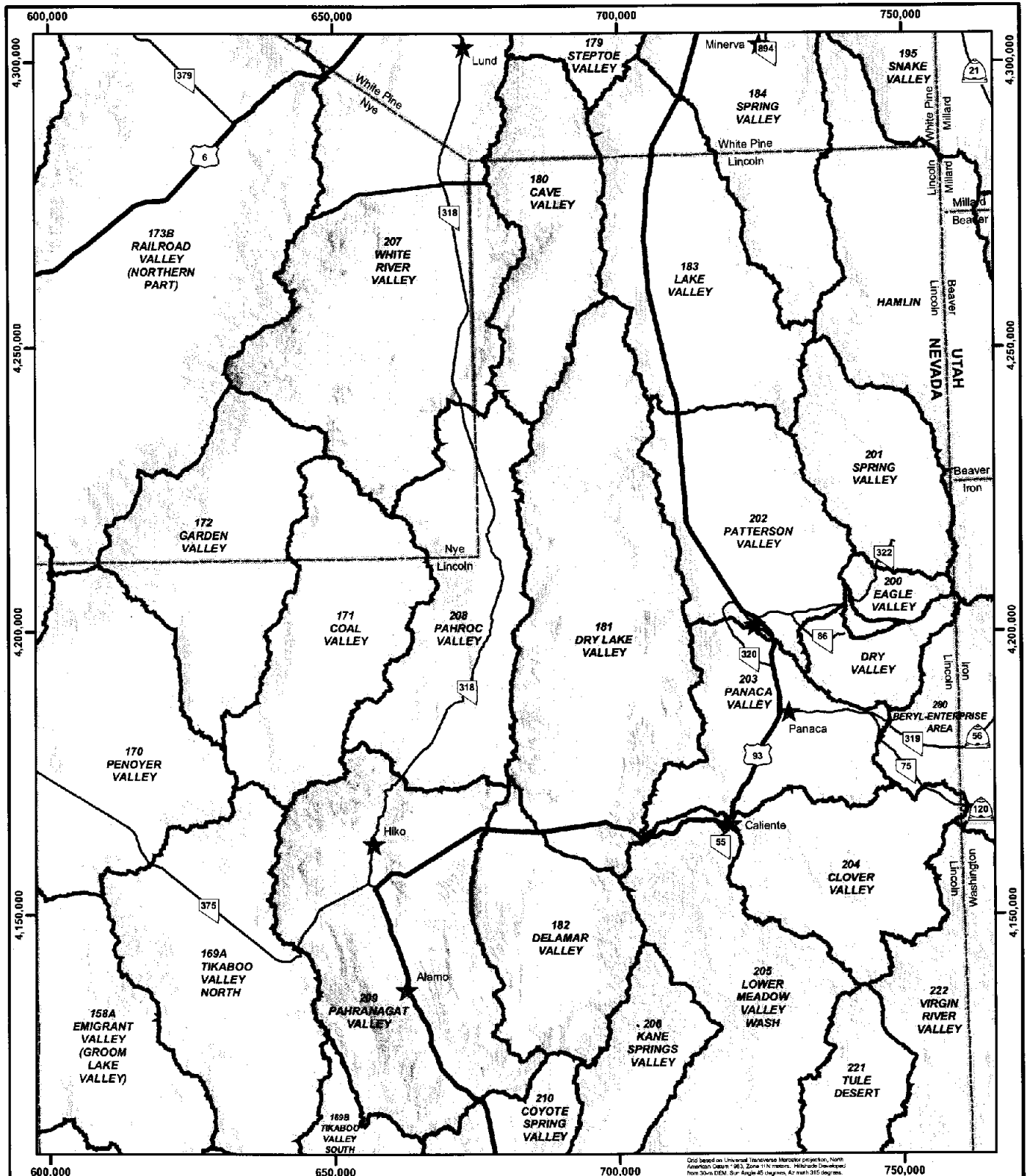


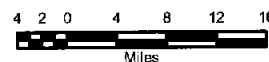
Figure 1: DDC Stipulation Area of Interest

Legend

- Area of Interest
- Hydrographic Area*
- Project Basin
- Town
- County Boundary
- State Boundary

Major Roads

- U.S. Highway
- State Route



*Hydrographic Area name and number shown

EXHIBIT A

HYDROLOGIC AND BIOLOGICAL MONITORING, MANAGEMENT AND MITIGATION PLAN FOR DEVELOPMENT OF GROUNDWATER IN THE DELAMAR, DRY LAKE AND CAVE VALLEY HYDROGRAPHIC BASINS PURSUANT TO APPLICATION NOS. 53987 THROUGH 53992 BY THE SOUTHERN NEVADA WATER AUTHORITY

1. Introduction

This hydrologic monitoring, management and mitigation plan (“Plan”) is a component of a Stipulation between the Southern Nevada Water Authority (hereinafter referred to as “SNWA”) and the U.S. Department of the Interior bureaus, including the Bureau of Indian Affairs, the Bureau of Land Management, the Fish and Wildlife Service, and the National Park Service (hereinafter referred to as the “DOI Bureaus”). Collectively, SNWA and each of the DOI Bureaus are hereinafter referred to as the “Parties.” Unless otherwise specifically defined in this Exhibit A, all defined terms used in this Exhibit A shall have the same definition that appears in the Stipulation to which this Exhibit A is attached.

This Plan describes the Parties’ obligations regarding the development, monitoring, management, and mitigation related to SNWA’s applications 53987 through 53992 to withdraw groundwater from points of diversion in the Delamar, Dry Lake, and Cave Valley Hydrographic Basins (hereinafter referred to as the “Hydrographic Basins”). The Plan consists of three principal components:

Monitoring Requirements - including, but not limited to, existing wells, new monitoring wells, water chemistry analyses, spring discharge measurements, quality control procedures, and reporting requirements;

Management Requirements – including, but not limited to, creation of a Biologic Resources Team (“BRT”) to review biological information collected pursuant to this Plan and advise the Executive Committee (established pursuant to Paragraph 3(B) of Exhibit A of the Spring Valley Stipulation); the expansion of the duties of the Technical Review Panel (“TRP”) (established pursuant to Paragraph 3(C) of Exhibit A of the Spring Valley Stipulation) to review information collected under this Plan and advise the Executive Committee; the use of an agreed upon transient groundwater flow system numerical model to help predict effects of groundwater withdrawals by SNWA in the Hydrographic Basins; and the use of the consensus-based decision making process established in the Spring Valley Stipulation as set forth in Appendix A to this Exhibit A; and,

Mitigation Requirements – including, but not limited to the: (1) modification, relocation or reduction in points of diversion and/or rates and quantities of groundwater withdrawals, the augmentation of Federal Water Rights, Federal

Resources, and/or Water Dependent Ecosystems; (2) acquisition of real property and/or water rights dedicated to the protection of Special Status Species; and (3) measures designed and calculated to rehabilitate, repair or replace any and all Federal Water Rights, Federal Resources and Water Dependent Ecosystems if necessary to achieve the Common Goals set forth in Paragraph 1.A. of this Exhibit A.

For purposes of this Exhibit A, "Area of Interest" shall consist of 1) the Hydrographic Basins, 2) that portion of the White River Valley Hydrographic Basin that is south of Hardy Springs, and 3) the Pahrnagat Valley Hydrographic Basin, including the Pahrnagat National Wildlife Refuge. The term "Special Status Species" is defined in Paragraph V.F. of this Exhibit A. The terms "Federal Water Rights" and "Federal Resources" as used in this Exhibit A shall have the same definition as in the Stipulation to which this Exhibit A is attached. The term "Water Dependent Ecosystem" is defined in Paragraph V.F. of this Exhibit A.

A. Common Goals

The Common Goals of the Parties are to manage the development of any water rights permitted to SNWA by the Nevada State Engineer in the Hydrographic Basins without causing: 1) any injury to the Federal Water Rights; and 2) any unreasonable adverse effects to Federal Resources and Special Status Species within the Area of Interest as a result of groundwater withdrawals by SNWA in the Hydrographic Basins ("Common Goals"). These Common Goals include taking actions that protect and recover those Special Status Species that are currently listed pursuant to the Endangered Species Act and avoid listing of currently non-listed Special Status Species. To accomplish these goals, the Parties will strive to improve existing Water Dependent Ecosystems within the Area of Interest for habitat areas that are within the current and historic habitat range of each of the Special Status Species. Such actions should be focused on habitat within the hydrographic basin(s) that is most likely to be affected by hydrologic changes that may result from SNWA groundwater withdrawals in the Hydrographic Basins.

To accomplish the Common Goals, the Parties agree that once the TRP has determined that an agreed-upon transient regional groundwater flow model has been adequately calibrated and validated by actual field measurements, it will be used as one tool to give an early warning of possible injury to Federal Water Rights or unreasonable adverse effects to Federal Resources and Special Status Species within the Area of Interest as a result of groundwater withdrawals by SNWA in the Hydrographic Basins. It is the intent of the Parties to take actions as provided for in this Exhibit A to the extent possible to prevent injury to Federal Water Rights or unreasonable adverse effects to Federal Resources and Special Status Species within the Area of Interest as a result of groundwater withdrawals by SNWA in the Hydrographic Basins.

Actions that SNWA may take in order to offset any unreasonable adverse effect to Federal Resources and/or Special Status Species within the Area of Interest or any injury to Federal Water Rights include, but are not necessarily limited to:

1. Reduction or cessation of groundwater withdrawals within the Hydrographic Basins;
2. Geographic redistribution of pumping within the Hydrographic Basins;

3. Acquisition of real property and/or water rights dedicated to the recovery of Special Status Species within the current and historic habitat range of each of the Special Status Species. The Parties anticipate that such acquisition of real property and/or water rights may be accomplished prospectively in order to offset future impacts, also known as mitigation banking. Such mitigation banking measures will be recommended by the BRT in advance of actual acquisition and/or dedication of real property and/or water rights and will be measured against existing baseline habitat conditions;
4. Augmentation of Federal Water Rights, Federal Resources, and/or Water Dependent Ecosystems;
5. Provision of resources to restore and enhance habitat on the Pahrnagat National Wildlife Refuge; and
6. Other measures as agreed to by the Parties and/or required by the State Engineer that are consistent with this Stipulation.

The actions taken will be those which will best accomplish the Common Goals. Other Parties may also take actions, including but not limited to those listed above, to offset unreasonable adverse effects either individually or in coordination with SNWA.

2. Monitoring Requirements

I. GENERAL

The parties recognize that the establishment of accurate early-warning indicators and specific mitigation actions that are necessary to meet the Common Goals is difficult until monitoring data are developed prior to groundwater withdrawals by SNWA in the Hydrographic Basins. Additionally, the Parties recognize that additional monitoring data developed during groundwater withdrawals by SNWA in the Hydrographic Basins will further inform the development of early-warning indicators and specific mitigation actions. Data collected pre- and post- groundwater withdrawals shall be used to design and calibrate an agreed upon transient regional groundwater flow model that may assist in predicting actual pumping effects and changes caused by groundwater withdrawals by SNWA in the Hydrographic Basins.

The Parties agree that monitoring is necessary to accomplish the Common Goals and agree to cooperatively implement a monitoring plan sufficient to collect and analyze data to assess the effects, if any, from SNWA's proposed groundwater withdrawals in the Hydrographic Basins on Federal Water Rights, Federal Resources and Special Status Species in the Area of Interest. The monitoring network shall be comprised of existing SNWA wells, SNWA exploratory wells, SNWA production wells, new monitoring wells, existing monitoring wells, and spring discharge sites. These monitoring sites shall be selected by the TRP ("Monitoring Network").

Some wells in the Monitoring Network will be selected by the TRP to help characterize the movement of groundwater from the Hydrographic Basins to the White River, Pahroc, and

Pahrnagat Valley Hydrographic Basins to the west (“Adjacent Hydrographic Basins”). Other wells in the Monitoring Network shall be located throughout the Hydrographic Basins and Adjacent Hydrographic Basins to provide early warning of the spread, if any, of drawdown toward Federal Water Rights and Federal Resources as well as data for future groundwater model calibration. Shallow piezometers and wells may be used to evaluate the effects of groundwater withdrawals near discharge areas as listed below in Paragraph 2.II.C.

To ensure baseline aquifer conditions are established, SNWA shall ensure that at least five (5) years of monitoring data exists for wells or spring discharge sites that are currently being monitored within the Monitoring Network as of the date of execution of this Stipulation prior to any groundwater withdrawals, other than for aquifer tests and construction. Pursuant to funding agreements with non-Parties, SNWA has already collected extensive monitoring data from existing monitoring wells. The Parties agree that this data shall be used by the TRP as part of baseline data collection.

The Parties recognize that substantial baseline hydrologic data for the Hydrographic Basins and Adjacent Hydrographic Basins is being collected as part of the BLM’s ongoing compliance with the National Environmental Policy Act for SNWA’s Clark, Lincoln, and White Pine County Groundwater Development Project (“EIS Process”). Each Party agrees to submit baseline hydrologic data collected by that Party in the Hydrographic Basins and Adjacent Hydrographic Basins for inclusion in the EIS Process. The Parties also recognize the need for continued baseline hydrologic data collection between issuance of the Final Environmental Impact Statement and the commencement of groundwater withdrawals by SNWA in the Hydrographic Basins. Therefore, baseline data will continue to be collected in the Hydrographic Basins and the Adjacent Hydrographic Basins in order to keep the data compiled in the Final Environmental Impact Statement current up to the commencement of groundwater withdrawals by SNWA in the Hydrographic Basins.

SNWA shall monitor all new wells in the Monitoring Network at least two (2) years prior to any groundwater withdrawals, other than for aquifer tests and construction. SNWA shall ensure that at least two (2) years of monitoring is done for the new spring discharge sites in the Monitoring Network before SNWA groundwater withdrawals, other than for aquifer tests and construction.

Notwithstanding anything to the contrary contained in this Stipulation or this Exhibit A, SNWA shall use its best efforts to complete baseline monitoring within these time frames. However, in the event SNWA is unable to perform the monitoring requirements set forth in this Exhibit A due to circumstances beyond SNWA’s control, including but not limited to delays related to construction, private property access issues or other delays, then SNWA reserves the right to develop any water rights granted to SNWA by the Nevada State Engineer in accordance with Nevada water law and this Exhibit A.

The cost of the monitoring plan shall be borne primarily by SNWA. The DOI Bureaus shall provide staffing to the TRP and shall jointly seek funding through the TRP to contribute to monitoring efforts. Any funding requests for studies within the Area of Interest submitted through the Southern Nevada Public Lands Management Act shall be coordinated through the TRP, or BRT as appropriate. Except as otherwise provided in this Plan, each DOI Bureau is responsible for monitoring its own Federal Water Rights and Federal Resources, and for sharing this information with the other Parties within 90 days of its collection.

Any requirement for SNWA to continuously monitor wells, piezometers, and surface water sites pursuant to the Plan shall require SNWA to install all equipment necessary to continuously record discharge and/or water levels at all monitoring sites and shall, unless prevented by circumstances beyond its control, ensure that all such discharge and/or water level data is recorded on a continuous basis.

SNWA shall record discharge and water levels in all SNWA production wells within the Hydrographic Basins on a continuous basis.

Modification of the monitoring requirements in this Plan, including any addition, subtraction or replacement of the wells initially selected by the TRP or the frequency of monitoring for these wells may be made through consensus recommendations from the TRP as set forth in Appendix A of this Exhibit A.

II. HYDROLOGIC MONITORING

A. Existing Monitoring Wells

Pursuant to funding agreements with non-Parties, SNWA has collected extensive monitoring data from existing monitoring wells. The Parties agree that this data shall be used by the TRP as part of baseline data collection. Because the list of wells monitored under these funding agreements has changed over time, SNWA agrees to ensure continued monitoring of certain existing wells selected by the TRP pursuant to this Paragraph. SNWA shall monitor groundwater levels quarterly in a total of nine (9) existing monitoring wells and continuously in a total of six (6) existing monitoring wells in the Hydrographic Basins and Adjacent Hydrographic Basins, for a total of fifteen (15) existing wells to be monitored. These wells shall be selected by the TRP. The wells may be selected to provide early warning of the spread of drawdown toward Federal Water Rights and Federal Resources and obtain hydrologic information throughout the Hydrographic Basins and Adjacent Hydrographic Basins in order to produce annual groundwater level contour and water level change maps, calibrate the transient groundwater flow model, and evaluate the effects, if any, of SNWA's groundwater withdrawals within the Hydrographic Basins.

B. New Monitoring Wells

The DOI Bureaus agree to expedite NEPA and other permitting clearances, within the limits of applicable laws, to help meet the monitoring requirements of this Plan. The construction of the new monitoring wells is contingent upon accessibility and issuance of appropriate rights-of-way by various Federal and State agencies.

SNWA shall record water level data continuously at all new monitoring wells upon their completion, contingent upon accessibility and issuance of appropriate rights-of-way by various Federal and State agencies. SNWA shall purchase and install all necessary water-level measuring equipment.

SNWA shall make the new monitoring wells available to the DOI Bureaus for additional data collection.

SNWA shall construct and equip four (4) new monitoring wells in or around the Hydrographic Basins and Adjacent Hydrographic Basins that must be dedicated to long-term monitoring. The location of these new monitoring wells shall be selected in order to provide early warning of the spread of drawdown toward Federal Water Rights and Federal Resources; to help characterize interbasin groundwater flow between the Hydrographic Basins and the Adjacent Hydrographic Basins; and/or to help further the understanding of the relationship between the alluvial and bedrock aquifers. SNWA may substitute existing monitoring wells for some or all of the monitoring wells required to be constructed pursuant to this Paragraph, if agreed upon by the TRP. In order to install these new wells in a timely manner, within one (1) year after execution of this Stipulation the TRP shall select the location for these new wells. If the TRP has not selected the location for the new monitoring wells within one (1) year after execution of this Stipulation, SNWA shall select the location of these new wells and shall provide notice to the TRP of its selections.

C. Spring Discharge Measurements

Pursuant to a funding agreement with non-Parties, SNWA has collected extensive monitoring data from the existing spring discharge monitoring sites listed in Subsection (i) below. The Parties agree that this data shall be used by the TRP as part of baseline data collection. Because the list of spring discharge sites that are monitored under this funding agreement has changed over time, in the event that this funding agreement changes, terminates or expires, SNWA agrees to ensure continued monitoring of certain existing spring discharge sites selected by the TRP pursuant to this Paragraph.

The springs listed in Subsection (i) below are currently monitored through a funding agreement between SNWA, the Nevada Division of Water Resources, and the U.S. Geological Survey (USGS). SNWA shall make all data gathered pursuant to this funding agreement available to all Parties and shall include this data in baseline conditions. In the event this funding agreement changes, terminates or expires, the TRP, in coordination with the BRT, shall determine which sites are to be included in the Monitoring Network. The basis for the selection of any site and the total number of sites selected shall be to meet the Common Goals of this Plan. The TRP shall determine the method of spring discharge measurement and shall carefully consider the use of shallow wells to avoid damage to sensitive areas. In the event the funding agreement changes, terminates or expires, SNWA agrees to continue monitoring the springs selected by the TRP either directly or through funding of a third party. For those springs located on private land, SNWA shall use its best efforts to gain access for monitoring, but SNWA shall not be responsible for monitoring on private land to which it cannot gain access.

(i). Spring Discharge Measurements within Adjacent Hydrographic Basins that are Currently Being Monitored

<u>Spring</u>	<u>Owner</u>	<u>Measured By</u>	<u>Frequency</u>	<u>Location</u>
Flag Springs (3) Complex	NDOW	USGS	Biannual	WR
Hot Creek Spring	NDOW	USGS	Continuous	WR
Moorman Spring	Private	USGS	Biannual	WR
Ash Springs	BLM/Private	USGS	Continuous	Pah
Crystal Spring	Private	USGS	Continuous	Pah

*NDOW= Nevada Department of Wildlife; WR= White River Valley Hydrographic Basin; Pah= Pahrnagat Valley Hydrographic Basin

Due to the modified nature of the spring discharge sites listed in Subsection (ii) below, the TRP shall determine whether monitoring of these springs can be accomplished in a manner such that the data collected is representative of actual hydrologic conditions, and if so, the TRP shall select which sites in Subsection (ii) to include in the Monitoring Network. SNWA shall ensure biannual monitoring of the sites in Subsection (ii) selected by the TRP either directly or through funding of a third party, but SNWA shall not be responsible for monitoring on private land to which it cannot gain access.

(ii). Spring Discharge Sites to be Evaluated for Monitoring by TRP

<i>Spring</i>	<i>Owner</i>	<i>Measured By</i>	<i>Frequency</i>	<i>Location</i>
Hiko Spring	Private	--	--	Pah
Maynard Spring	BLM	--	--	Pah
Hardy Springs (5) Complex	Private	--	--	WR

(iii). Cottonwood Spring

The U.S. Fish and Wildlife Service (USFWS) currently measures spring discharge at Cottonwood Spring on the Pahrnagat National Wildlife Refuge and agrees to provide data from this site to all Parties.

(iv). Spring Discharge Measurements within the Hydrographic Basins

In addition, the TRP may identify a total of up to 8 springs to be monitored biannually within the Hydrographic Basins in which SNWA production wells are to be located, but SNWA shall not be responsible for monitoring on private land to which it cannot gain access. The springs selected by the TRP pursuant to this Subsection (iv) need not be evenly distributed throughout each of the Hydrographic Basins.

D. Aquifer Tests

An understanding of aquifer properties is necessary in order to make predictions regarding changes in groundwater levels and flows and facilitate the modeling of the groundwater flow systems. Furthermore, aquifer tests are needed to help determine such aquifer properties. As such, aquifer tests shall be performed. A well step drawdown test and 72 hour constant rate aquifer test shall be performed on all test wells and SNWA shall share the data from these tests with the TRP.

E. Water Chemistry Sampling Program

SNWA has extensive water chemistry data collected from existing monitoring wells and spring discharge sites. The Parties agree that this existing water chemistry data shall be included in baseline data and may be substituted for the sampling required pursuant to this Paragraph where such data exists. The TRP shall select 10 sites from the Monitoring Network for water chemistry sampling, excluding SNWA exploratory and production wells. These sites shall be sampled two (2) times at six (6)-month intervals pursuant to a schedule determined by the TRP, but completed by no later than three (3) years from the date of the execution of the Stipulation, unless prevented by circumstances beyond SNWA's control. After this first round of sampling the TRP shall review these data to determine if water

chemistry parameters in Table 1 need to be modified. Future sampling will use the TRP-revised list of water chemistry parameters. Thereafter, sampling of the selected sites identified in the Monitoring Network shall be conducted once every five (5) years following the start of groundwater withdrawals by SNWA, other than for aquifer tests and construction, unless prevented by circumstances beyond SNWA's control. The TRP, in consultation with the BRT, may change any aspect of this water chemistry sampling program, including but not limited to the addition and/or deletion of sampling sites, the addition and/or deletion of water chemistry parameters, and an increase or decrease in sampling frequency, if deemed appropriate by the TRP. SNWA may subcontract this obligation to a third party.

Table 1 - Water Chemistry Parameters

Field Parameters	Major Ions	Isotopes	Minor and Trace Elements
Water temperature Air temperature pH Electrical conductivity Dissolved oxygen	TDS Calcium Sodium Potassium Chloride Bromide Fluoride Nitrate Phosphate Sulfate Alkalinity Silica Magnesium	Oxygen-18 Deuterium Tritium Chlorine-36* Carbon-14* Carbon-13* Strontium-87* Uranium-238*	Arsenic Barium Cadmium Chromium Lead Mercury Selenium Silver Manganese Aluminum Iron Bromide Fluoride

*These parameters shall be included only in the first sampling event, and shall not be included in any further water chemistry sampling performed pursuant to this Exhibit.

All analyses shall be conducted and reported in accordance with standard Environmental Protection Agency (EPA) listed methods.

F. Precipitation Stations

The coverage of existing precipitation stations shall be reviewed by the TRP, and, if necessary, the TRP may recommend that additional precipitation stations be established. SNWA shall fund the construction, operation, and maintenance of any such additional stations.

G. Elevation Control

SNWA shall conduct a detailed elevation survey of all production wells and wells within the Monitoring Network.

H. Quality of Data

SNWA and the DOI Bureaus shall ensure that all measurement and data collection is done based on USGS established protocols, unless otherwise agreed upon by the TRP.

III. BIOLOGICAL MONITORING

A. General

Biological monitoring shall be conducted only to further the Common Goals and shall be focused on Special Status Species and their habitats within the Area of Interest that are most likely to be affected by any hydrologic changes that may result from SNWA's groundwater withdrawals in the Hydrographic Basins. The areas that are most likely to be affected by any hydrologic changes that may result from SNWA's groundwater withdrawals in the Hydrographic Basins shall be determined by the TRP. Biological monitoring will be developed and implemented by the Biologic Resources Team (defined in Paragraph V.F, "BRT") in coordination with the Nevada Department of Wildlife (NDOW). Other technical advisors may be consulted as deemed necessary by the BRT. The BRT will coordinate its monitoring effort with the Recovery Implementation Teams for Pahrnagat and White River Valleys.

Biological monitoring may include these areas within the Hydrographic Basins, but only to the extent that access can be obtained:

1. Biological monitoring of valley floor and range-front springs where Special Status Species occur, to the extent that access can be obtained. The Parties will work to gain access to these areas to the maximum extent possible;
2. Monitoring of Water Dependent Ecosystems on the valley floors, to the extent that these exist;
3. Monitoring of sage grouse breeding/late brood-rearing habitat that is groundwater dependent.

Biological monitoring may include these areas within the Adjacent Hydrographic Basins, but only to the extent that access can be obtained:

4. Monitoring of selected areas to be determined by the BRT in consultation with the TRP, for those Special Status Species and their habitats that are most likely to be affected as a result of SNWA's groundwater withdrawals in the Hydrographic Basins. Monitoring locations will be determined by the BRT and may include the following areas:
 - a. Pahrnagat Valley: Pahrnagat National Wildlife Refuge, Key Pittman Wildlife Management Area, and Ash, Crystal, and Hiko Springs;
 - b. White River Valley: Hot Creek, Flag, Moorman, and Hardy Springs and phreatophytic habitats that support Special Status Species in Middle and Lower White River Valley, including the Kirch Wildlife Management Area.

IV. REPORTING

All data collected pursuant to this Plan shall be fully and cooperatively shared among the Parties.

Using data derived from groundwater level measurements of all production and Monitoring Network wells in this Plan, SNWA shall produce groundwater contour maps and water-level change maps at the end of baseline data collection, and annually thereafter at the end of each year of groundwater withdrawals by SNWA, or at a frequency agreed upon by the TRP.

Water level and water production data shall be made available to the Parties within 90 calendar days of collection using a shared data-repository website administered by SNWA. Water chemistry sampling reports shall be made available to the Parties within 90 calendar days of receipt using a shared data-repository website administered by SNWA.

SNWA shall report the results of all monitoring and sampling pursuant to this Plan in an annual monitoring report that shall be submitted to the TRP and the Nevada State Engineer's Office by no later than March 31 of each year that this Plan is in effect. The DOI Bureaus may, at their option, provide comments to the Nevada State Engineer's Office on the annual report.

V. MANAGEMENT REQUIREMENTS

A. *General*

Through the TRP and BRT the Parties shall collaborate on data collection and technical analysis to ensure decisions are consistent with the Common Goals. Decisions must be based on the best scientific information available and the Parties shall collaborate on technical data collection and analysis. The Parties shall use existing data, data collected under this Plan, and the agreed upon transient regional groundwater flow system model as tools to evaluate the effects, if any, of groundwater development on Federal Water Rights, Federal Resources, and Special Status Species in the Area of Interest. The Parties agree that the transient regional groundwater flow system model is one tool that shall be used to inform the Executive Committee about the potential for effects of groundwater withdrawals to spread through the basin-fill and the regional carbonate-rock aquifers, as well as the effectiveness of the potential mitigation actions.

B. *Executive Committee*

The Parties agree that the Executive Committee ("EC") created pursuant to the Spring Valley Stipulation shall also perform the functions related to the Hydrographic Basins that are the subject of this Stipulation and this monitoring, management and mitigation Plan as set forth in Appendix A to this Exhibit A. In addition to its duties specified in Appendix A, the EC shall 1) review agreed-upon TRP and/or BRT recommendations for actions to reduce or eliminate an injury to Federal Water Rights and/or unreasonable adverse effects to Federal Resources or Special Status Species in the Area of Interest from groundwater withdrawals by SNWA in the

Hydrographic Basins, and 2) negotiate a resolution in the event that the TRP and/or BRT cannot reach consensus on monitoring requirements/research needs, technical aspects of study design, interpretation of results, and/or appropriate actions to minimize or mitigate unreasonable adverse effects to Federal Resources or Special Status Species within the Area of Interest or injury to Federal Water Rights from groundwater withdrawals by SNWA in the Hydrographic Basins.

C. *Technical Review Panel*

The Parties agree that the TRP created pursuant to the Spring Valley Stipulation shall also perform the functions related to the Hydrographic Basins that are the subject of this Stipulation and this monitoring, management and mitigation Plan, as set forth in Appendix A to this Exhibit A.

The Parties agree that data and information gathered pursuant to other stipulations with the DOI Bureaus in the White River Flow System will be presented for review and analysis by the TRP. At a minimum, the TRP shall review, analyze and integrate the data and information gathered pursuant to the July 19, 2001 Stipulation for Dismissal of Protests to SNWA applications in Coyote Spring Valley; and the April 20, 2006 Memorandum of Agreement between SNWA, the U.S. Fish and Wildlife Service, Coyote Springs Investment LLC, the Moapa Band of Paiute Indians, and the Moapa Valley Water District. Additionally, data, reports and other analyses related to the Hydrographic Basins that is performed by the TRP shall be shared with the Moapa Band of Paiute Indians ("Tribe"), provided however, that the Tribe shall not be a voting member of the TRP unless otherwise agreed to by the Executive Committee.

D. *Hydrologic Management and Mitigation Operation Plan*

Prior to groundwater pumping for production from the Hydrographic Basins, SNWA, in cooperation with the DOI Bureaus, shall prepare a written Hydrologic Management and Mitigation Operation Plan ("Operation Plan"). The Operation Plan shall: 1) identify and define early warning indicators for injury to Federal Water Rights and unreasonable adverse effects to Federal Resources and Special Status Species; 2) define a range of specific mitigation actions that may be carried out if early warning indicators are reached; and 3) use collected baseline data to develop a plan to optimize groundwater development to allow for development of any water rights permitted to SNWA by the Nevada State Engineer in the Hydrographic Basins without causing injury to Federal Water Rights and unreasonable adverse effects to Federal Resources and Special Status Species, consistent with the Common Goals. Early warning indicators and the range of specific mitigation and conservation measures identified in the Operation Plan will be based on all relevant and available data. This Operation Plan shall be used by the Executive Committee during its decision-making process as outlined in Appendix A. The TRP, in coordination with the BRT, shall update the Operation Plan as necessary to ensure the early warning indicators and mitigation actions are consistent with the Common Goals. The Operation Plan, or any mitigation or conservation measures described in the Operation Plan, may also be submitted by SNWA to the Bureau of Land Management, the lead agency for the Clark, Lincoln, and White Pine Counties Groundwater Development Project EIS and the action agency for Endangered Species Act consultation, for consideration as part of the proposed action or alternatives in the EIS process.

and as part of the proposed action for the Endangered Species Act consultation process for that Project.

E. Transient Regional Groundwater Flow System Modeling

Once groundwater pumping for production has begun, SNWA shall update and calibrate the steady-state regional groundwater flow model with the data collected during groundwater production in order to produce a transient regional groundwater flow system model ("Model"). The Parties agree that the Model is one tool that may be used to give an early warning of possible injury to Federal Water Rights or unreasonable adverse effects to Federal Resources or Special Status Species within the Area of Interest. However, the Parties recognize that a regional Model may not be an accurate predictor of site-specific effects and that Model results must be qualified based on a comparison of the accuracy of the Model and the capability of the Model to predict actual conditions.

The Parties shall share all geologic, geophysical, hydrologic, and geochemical information collected in the Area of Interest. All data collected pursuant to this Exhibit and data collected pursuant to the EIS Process that has passed QA/QC, as determined by the TRP, shall be included in the Model. The Parties may use the Model to, among other things, study the long term effects in the Area of Interest of removing water from storage, and to create embedded (child) models focused on the Pahranaagat and White River Valley Hydrographic Basins.

SNWA shall maintain, update, calibrate, and operate the Model in cooperation with the TRP to include data collected pursuant to this Exhibit and data collected during groundwater production. SNWA may subcontract this obligation to a third party. The cost of all modeling described herein shall be borne by SNWA.

SNWA shall provide Model output for evaluation by the TRP in the form of input files, output files, drawdown maps, tabular data summaries, and plots of simulated water levels through time for the aquifer system, unless otherwise recommended by the TRP.

F. Biologic Resources Team

The Parties hereby establish a Biologic Resources Team ("BRT") to determine and recommend to the EC the appropriate course of action to avoid and/or mitigate unreasonable adverse effects to Federal Resources and Special Status Species in the Area of Interest resulting from SNWA's withdrawal of groundwater from the Hydrographic Basins, consistent with the Common Goals. However, in determining whether an unreasonable adverse effect has occurred, it is the intent of the Parties to give Special Status Species the same level of protection that would be afforded to them under applicable state and/or federal law, including but not limited to, the Federal Land Policy and Management Act and the Endangered Species Act. The term "Water Dependent Ecosystems" as used in this Exhibit A shall mean those Special Status Species habitat areas in the Area of Interest that are dependent upon groundwater levels and/or local and regional spring flows.

The membership of the BRT shall consist of one representative with biologic expertise of Special Status Species and Water Dependent Ecosystems in the Area of Interest from SNWA and each DOI Bureau that chooses to participate. At the discretion of the BRT, others with specific biologic expertise of the Special Status Species and Water Dependent Ecosystems in

the Area of Interest may be invited to consult with the BRT, but shall not be voting members of the BRT. All information considered by the BRT shall be made available to all Parties.

Members of the BRT shall be appointed no later than 30 days after a State Engineer decision granting any of SNWA's Applications in whole or in part. The BRT shall use the consensus-based decision making process as provided in Appendix A.

In furtherance of the Common Goals, the BRT shall strive to identify and monitor responses of Special Status Species within the Area of Interest with respect to changes in biologic resources resulting from SNWA's withdrawal of groundwater from the Hydrographic Basins. The Parties agree that the natural condition of the biologic resources in the Hydrographic Basins and the Adjacent Hydrographic Basins has been highly modified by agricultural practices and other activities, and that because of these existing conditions the BRT may consider whether a minor adverse effect to biologic resources coupled with mitigation measures may be more beneficial for proper ecological functioning than to avoid any adverse effects to biologic resources.

The BRT shall:

1. Work with the TRP to identify Special Status Species and Water Dependent Ecosystems within the Area of Interest and identify those areas that are most likely to be affected by potential hydrologic changes, as determined by the TRP, that may result from SNWA groundwater withdrawals in the Hydrographic Basins;
2. Assemble baseline information using data collected during the EIS Process on those Special Status Species that are most likely to be effected by potential hydrologic changes, as determined by the TRP, that may result from SNWA groundwater withdrawals within the Area of Interest;
3. Develop and implement a baseline monitoring program within the Area of Interest to collect information on those Special Status Species that are most likely to be effected by potential hydrologic changes, as determined by the TRP, that may result from SNWA groundwater withdrawals within the Hydrographic Basins for the time period between issuance of the Final Environmental Impact Statement to the commencement of groundwater withdrawals by SNWA in the Hydrographic Basins. The goal of this baseline monitoring program shall be to help establish natural variability in the Water Dependent Ecosystems;
4. Identify a representative sample of indicators to monitor to establish early warning of unreasonable adverse effects, if any, to Special Status Species in the Area of Interest;
5. Develop and implement a monitoring plan for detecting unreasonable adverse effects to Special Status Species in the Area of Interest that may result from SNWA groundwater withdrawals in the Hydrographic Basins. The BRT shall develop the monitoring plan within 18 months from the date of a State Engineer decision granting the SNWA Applications, in whole or in part;
6. Identify and seek funding to implement research projects, if determined to be necessary by the BRT, to help characterize the relationship between groundwater and Special Status Species habitats, including responses to changing groundwater elevations and spring flows;
7. Specify procedures for data management, sharing, analysis, and reporting;
8. Coordinate with the Pahranaagat and White River Valley Recovery Implementation Teams;

9. Develop recommendations to mitigate unreasonable adverse effects to Special Status Species from SNWA groundwater withdrawals in the Hydrographic Basins; and
10. Monitor the success of mitigation actions.

Definition of Special Status Species

As used in this Exhibit, the term “Special Status Species” shall consist of species that are groundwater-dependent and that belong in any of the following categories:

Proposed Species - species that have been officially proposed for listing as threatened or endangered by the Secretary of the Interior under provisions of the Endangered Species Act (“ESA”) and for which a proposed rule has been published in the Federal Register.

Listed Species - species officially listed as threatened or endangered by the Secretary of the Interior under ESA and for which a final rule for the listing has been published in the Federal Register.

Endangered Species – under provisions of the ESA, any species which is in danger of extinction throughout all or a significant portion of its range.

Threatened Species – under provisions of the ESA, any species which is likely to become an endangered species within the foreseeable future throughout all or a significant portion of its range.

Candidate Species - species designated as candidates for listing as threatened or endangered pursuant to the ESA by the Fish and Wildlife Service (“FWS”), and/or National Marine Fisheries Service (“NMFS”).

State Listed Species - species listed by the state of Nevada in a category implying but not limited to potential endangerment or extinction. Listing is either by legislation or regulation.

BLM Sensitive Species - those designated by the Nevada State Director, in cooperation with the Nevada agency responsible for managing the species and Nevada Natural Heritage programs, as sensitive. They are those species that: (1) could easily become endangered or extinct in Nevada, (2) are under status review by the FWS and or NMFS, (3) are undergoing significant current or predicted downward trends in habitat capability that would reduce a species’ existing distribution, (4) are undergoing significant current or predicted downward trends in population or density such that Federal listed, proposed, or candidate status may become necessary, (5) typically have small and widely dispersed populations, (6) inhabit ecological refugia or other specialized or unique habitats, (7) are State Listed but which may be better conserved through application of BLM sensitive species status.

TNC G1/G2 Species - G1 Extremely rare; usually 5 or fewer occurrences in the overall range or very few remaining individuals; or because of some factor(s) making it especially vulnerable to extinction. G2 Very rare; usually between 5 and 20 occurrences in the overall range or with many individuals in fewer occurrences; or because of some factor(s) making it vulnerable to extinction.

VI. MITIGATION REQUIREMENTS

To further the Common Goals, SNWA shall mitigate any injury to Federal Water Rights, or unreasonable adverse effects to Federal Resources and/or Special Status Species within the Area of Interest agreed upon by the Parties as determined through the processes described in Appendix A, or after the Nevada State Engineer determines whether there are any such effects due to groundwater withdrawals by SNWA in the Hydrographic Basins. Provided, however, that if any member of the TRP or BRT provides data to the Executive Committee identifying an injury to Federal Water Rights related to the Pahrangat National Wildlife Refuge and also presents data that indicates a trend towards reaching an early warning indicator identified in the Operation Plan, then SNWA shall, within 30 days, identify appropriate mitigation action(s) from within the range of mitigation action(s) identified within the Operation Plan and implement such mitigation action(s). The TRP consultation process identified in Appendix A may be commenced upon identification of such injury by any Party, but will automatically begin no later than 30 days after notice of such injury is provided to the Executive Committee. Following completion of the consultation process identified in Appendix A, any mitigation action commenced by SNWA prior to the initiation of the TRP and/or BRT consultation process may be discontinued if the Executive Committee does not agree by consensus that such mitigation shall continue.

The Parties shall take all necessary steps to ensure that mitigation actions are feasible and are timely implemented. Mitigation measures may include, but are not limited to one or more of the following:

- Geographic redistribution of groundwater withdrawals;
- Reduction or cessation in groundwater withdrawals;
- Provision of consumptive water supply requirements using surface and groundwater sources;
- Acquisition of real property and/or water rights dedicated to the recovery of the Special Status Species within the current and historic habitat range within the Area of Interest of each of the Special Status Species.
- Augmentation of water supply and/or acquisition of water rights for Federal Water Rights and/or Federal Resources using surface and groundwater sources; and
- Other measures as agreed to by the Parties and/or required by the State Engineer that are consistent with this Stipulation.

VII. MODIFICATION OF THE PLAN

The Parties may modify this Plan by mutual written agreement.

APPENDIX A

Criteria Initiating TRP/BRT Consultation and Management or Mitigation

Actions

A consultation initiated under this Appendix A shall be completed within 150 days from initiation. The TRP/BRT consultation process shall be completed within 90 days from initiation and the EC process shall be completed within 60 days from completion of the TRP/BRT process. These timelines may be modified or extended by mutual agreement of the EC. The consultation is deemed initiated when a member of the TRP and/or BRT notifies the other members of a concern as described below. Criteria for initiation of consultation, management, and/or mitigation actions are as follows:

I. TRP/BRT Consultation Initiation Criteria

Any party may initiate a TRP or BRT consultation when that Party is concerned that there may be an injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources and/or Special Status Species within the Area of Interest as the result of:

- a) a change in surface water and/or groundwater level and/or discharge measured by one or more of the monitoring sites included in this Plan, or
- b) a change in groundwater level predicted by the agreed-upon transient regional groundwater flow system Model, or
- c) a change in a measured biological parameter in a Special Status Species or its Water Dependent Ecosystem,

that is due to, or may be reasonably attributed to, groundwater withdrawals by SNWA in the Hydrographic Basins.

If consultation is initiated pursuant to Section I a) or c) above, the following consultation process shall apply:

- 1) Parties shall notify each other and the TRP and BRT shall confer by teleconference or in person within 21 calendar days;
- 2) The TRP and BRT shall evaluate all relevant data including the water level, discharge measurement, and biological data. The objective for the consultation is to determine if the change in water level, discharge and/or biological parameter may be due to groundwater withdrawals by SNWA in the Hydrographic Basins.
 - i. The TRP shall compare the observed field data with Model predictions to evaluate how well Model predictions match observed drawdown and shall discuss potential changes to the Model as agreed to by consensus of the TRP.

- ii. The BRT shall compare observed changes in biological parameters to changes in hydrologic conditions evaluated by the TRP and/or predicted by the TRP Model.
- iii. Based on observed data, the Model shall be recalibrated and sensitivity analysis applied if necessary, and the Model shall be rerun to evaluate the effects of groundwater withdrawals by SNWA in the Hydrographic Basins on Federal Water Rights, Federal Resources and Special Status Species within the Area of Interest and on regional groundwater gradients.
- iv. If the TRP and/or BRT agree that the measured change in water level, discharge, and/or biological parameter is not attributable to groundwater withdrawals by SNWA in the Hydrographic Basins, no further management actions shall be taken at that time. The TRP and BRT may conduct further investigations into the cause(s) of such changes.
- v. If any member of the TRP or BRT is concerned that the measured change in water level, discharge, and/or biological parameter is attributable to groundwater withdrawals by SNWA in the Hydrographic Basins and is causing or has the potential to cause injury to Federal Water Rights and/or unreasonable adverse effects to Federal Resources and/or Special Status Species in the Area of Interest, then the TRP and/or BRT shall work to develop consensus-based courses of action to address the concern and/or that manage or mitigate any injury and/or unreasonable adverse effect(s). The TRP and BRT may use the Model to evaluate the effects of various courses of action outlined in the Paragraph VI of Exhibit A to manage or mitigate such unreasonable adverse effect(s). The TRP and BRT shall convey all recommended courses of action to the Executive Committee, and the Parties shall proceed to Section II.1.
- vi. If the water level, discharge measurement, or biological data indicates that there is an injury to Federal Water Rights and/or unreasonable adverse effects to Federal Resources and/or Special Status Species within the Area of Interest, and the TRP and/or BRT is unable to develop a consensus-based course of action, the TRP and/or BRT shall notify the Executive Committee, and the Parties shall proceed to Section II.2.

If a consultation is initiated pursuant to Section 1.b) above, the following consultation process shall apply:

- 1) Parties shall notify each other and the TRP and BRT shall confer by teleconference or in person within 21 calendar days;
- 2) The TRP shall evaluate the modeling parameters, variances to water level changes relative to modeling predictions, the translation of modeling variances to areas of concern and variables influencing Model results. The TRP objective for the consultation is to determine if the response may be due to groundwater withdrawals by SNWA in the Hydrographic Basins.

- i. The TRP shall compare the observed field data with Model predictions to evaluate how well the Model predictions match observed drawdown and shall discuss potential changes to the Model as agreed to by consensus of the TRP. All Parties recognize that future modeling of predicted effects for the verification of the Model shall be a necessary component to determine the validity of the modeling results and any course of action.
- ii. Based on observed data, the Model shall be recalibrated as necessary, and shall be rerun to evaluate the effects of groundwater withdrawals by SNWA in the Hydrographic Basins on Federal Water Rights, Federal Resources and/or Special Status Species in the Area of Interest.
- iii. If the TRP agrees that the recalibrated Model does not predict a potential injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources or Special Status Species in the Area of Interest, no further management actions shall be taken at that time.
- iv. If any member of the TRP is concerned that the recalibrated Model predicts a potential injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources and/or Special Status Species in the Area of Interest, then the TRP shall develop consensus-based actions to address the concern and/or that manage or mitigate those effect(s). The TRP shall also use the Model to evaluate the effects of different courses of action outlined in Paragraph VI of Exhibit A to manage or mitigate those effects. The TRP shall convey all recommended courses of action to the Executive Committee, and the Parties shall proceed to Section II.1.
- v. If the recalibrated Model predicts a potential injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources and/or Special Status Species in the Area of Interest, and the TRP is unable to develop a consensus-based course of action, the TRP shall notify the Executive Committee, and the Parties shall proceed to Section II.2.

II. Actions to Manage or Mitigate

- 1) If the TRP and/or BRT determines, by consensus, that a predicted or measured change in groundwater levels or biological parameter would result in injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources and/or Special Status Species in the Area of Interest, the Executive Committee shall consider the TRP and/or BRT's recommended courses of action. Upon receiving any consensus-based TRP and/or BRT recommendations, the Parties, through the Executive Committee (with input from the TRP and BRT as necessary), may seek a negotiated resolution of a course of action to reduce or eliminate the injury to Federal Water Rights and/or the unreasonable adverse effect

to Federal Resources and/or Special Status Species in the Area of Interest, through management of groundwater withdrawals, and/or the mitigation of the injury or effects. If the Executive Committee cannot reach consensus, any Party may refer the issue to the Nevada State Engineer or other agreed-upon third party after notifying all other Parties of its intent to refer the matter to the Nevada State Engineer or other agreed upon third party.

- 2) If the TRP and/or BRT notifies the Executive Committee that it is unable to make a determination by consensus that a predicted or measured change in groundwater levels, and/or biological parameter would result in injury to Federal Water Rights and/or an unreasonable adverse effect to Federal Resources and/or Special Status Species in the Area of Interest, or that the TRP and/or BRT is unable to obtain consensus on a recommended course of action, the Executive Committee shall attempt to negotiate a mutually acceptable course(s) of action. If that is not successful, any Party may refer the issue to the Nevada State Engineer or other agreed-upon third party after notifying all other Parties of its intent to refer the matter to the Nevada State Engineer or other agreed upon third party.
- 3) The Executive Committee shall refer to the Operation Plan developed pursuant to Paragraph V.D. of Exhibit A when determining management or mitigation actions.