

**IN THE OFFICE OF THE STATE ENGINEER
OF THE STATE OF NEVADA**

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ORDER

WHEREAS, under the provisions of Chapter 534 of the Nevada Revised Statutes (NRS) the State Engineer issued Order No. 424 on February 23, 1972, which designated a portion of the Eagle Valley Groundwater Basin;

WHEREAS, under the provisions of NRS 534 the State Engineer issued Order No. 874 on July 29, 1985, which extended the designated area of the Eagle Valley Groundwater Basin in Carson City and Douglas and Washoe Counties;

WHEREAS, the State Engineer, under the provisions of NRS 534.120 issued Order No. 1119 on December 7, 1995, which considers municipal use a preferred use of groundwater within the Carson City area of Eagle Valley, such orders are deemed essential for the welfare of the area involved;

WHEREAS, Carson City through its Utility Division holds approximately 6,700 acre-feet of groundwater permits and certificates in Eagle Valley and additional groundwater rights within Carson, Dayton and Washoe Valleys, issued by the State Engineer for municipal purposes;

WHEREAS, the region of the Carson River Basin, which includes all of the areas Carson City obtains its water, endured the most severe drought on record between 1986 and 1995;

WHEREAS, Carson City in 1994 had the second highest use of water from all sources at 10,750 acre-feet (10,860 acre-feet in 1996), but used the least amount of surface water, that being 3,720 acre-feet, because of the drought and constraints placed upon the utilization of surface water. In calendar year 1994 (a severely dry year) Carson City pumped 4,850 acre-feet from the Eagle Valley Groundwater Basin which represented 69 percent of Carson City's total groundwater pumping of 7,050 acre-feet; (this represents the highest percentage of ground water pumped from Eagle Valley to the total of Carson City's ground water pumping from 1991 to present);

WHEREAS, Carson City projects the population in the year 2010 to be approximately 70,625 based on an annual growth rate of 3 percent per year from a population of 45,330 in the year 1995. Carson City projects the water use for the year 2010 to be 16,020 acre-feet.

WHEREAS, Carson City has projected as a worst case scenario of 20 percent less surface water than in 1994 and a 10 percent higher water use than that projected for 2010, for a total demand of 17,620 acre-feet, with the maximum of 11,700 acre feet from the Eagle Valley Groundwater Basin;

WHEREAS, Carson City has reduced its reliance on the Eagle Valley Groundwater Basin by utilizing a smaller percentage of water pumped from the Eagle Valley Groundwater Basin to the total ground water pumping from 79 percent in 1988 to 66 percent in 1996;

WHEREAS, Carson City has reduced its reliance on the Eagle Valley Groundwater Basin from 65 percent in 1988 to 28 percent in 1996 as a percentage of all water used by Carson City;

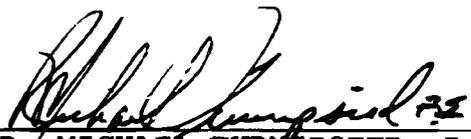
WHEREAS, Carson City has implemented management practices that maximize use of water from other sources other than from groundwater pumping, that include Mud Lake lease; State lease from the Marlette and Hobart system; and Vicee Canyon recharge program as well as maximizing use of their surface water rights in Ash Canyon Creek and Kings Canyon Creek;

WHEREAS, the State Engineer supports the practice of conjunctive use which allows for maximum use of surface water during years when it is available, and allowing for the groundwater basins from which Carson City pumps to rest, in return for pumping additional groundwater than permitted, during a drought year when surface water availability is at a minimum;

NOW THEREFORE, the State Engineer will allow Carson City to pump a maximum of 11,700 acre-feet from Eagle Valley for a one year period, provided that the average groundwater pumped from Eagle Valley over a period of five consecutive drought years will not exceed 9,900 acre-feet annually.

A drought year for the purposes of this order will be defined as a water year which is 70% or less of the average annual precipitation for the Carson River Basin as of April 1st of that year as reported by the U.S. Department of Agriculture, Natural Resource Conservation Service. The groundwater rights of Carson City in Eagle Valley will not be subject to forfeiture under NRS 534.090 when operated in conjunction with maximum use of their

surface water supplies. The State Engineer will review this Order on a periodic basis to determine if any amendments need be made to this Order.


R. MICHAEL TURNIPSEED, P.E.
State Engineer

Dated at Carson City, Nevada this
27th day of January, 1998.