

EXHIBIT C

**RULES AND REGULATIONS
GOVERNING
THE DISTRIBUTION
AND USE OF WATER**

WALKER RIVER IRRIGATION DISTRICT

Revised as of _____, 2016

PREAMBLE

The distribution and use of water within the boundaries of the Walker River Irrigation District is subject to the applicable provisions of the Walker River Decree, rules and regulations adopted and approved pursuant to the Walker River Decree, applicable provisions of Nevada law, and these rules and regulations governing the distribution and use of water within the boundaries of the Walker River Irrigation District which have been adopted by the Board of Directors of the District pursuant to the provisions of N.R.S. 539.233.

Regulation No. 1

DEFINITIONS

Unless the context otherwise requires, as used in Regulation Nos. 2 through Regulation No. 14, words and phrases which are defined in Section 14.1 of Regulation No. 14 shall have the meaning as provided in that Section 14.1.

Regulation No. 2

RECORDS

Section 2.1 Based upon ownership information made available to the District by land owners and the Lyon County, Nevada Recorder, the District will maintain for each parcel of land within its boundaries with appurtenant water rights a record of water right acreage and appurtenant surface water rights, from which will be the basis for all charges made by the District for the operation and maintenance and drainage of the lands thereof.

Section 2.2 In the case where the landowner of record subdivides acreage originally served through one delivery and creates multi-tenants, delivery will continue to be made at the original delivery point; however, a Record of Service will be separately maintained for each parcel.

Section 2.3 Where a parcel of land is leased in total the record of service will be as if the landowner was operating the land. When part of the parcel is leased and the remainder operated by the landowner, then one record of service shall be maintained in the name of the land owner.

Section 2.4 In cases where land with appurtenant water rights is leased, written authorization signed by the owner authorizing the leasee to order and use the land owner's water must be filed with the District by the said land owner prior to any such order and use.

Regulation No. 3

BASIS FOR CHARGES

Assessments and other charges imposed by the District shall be in accordance with the applicable provisions of Nevada law, including, without limitation, the provisions of N.R.S. Chapter 539.

Regulation No. 4

DISTRICT OFFICE HOURS

Regular District office hours, Monday through Friday, will be from 7:30 A.M. until 3:30 P.M. The office will be closed during holidays, Saturdays and Sundays.

Regulation No. 5

ORDERING OF WATER

Section 5.1 Methods and Times for Placing Water Orders. During the irrigation season as set forth in Regulation 9 for the category of water being ordered, orders for water may be placed: (a) at any time by electronic order through the District website www.WRID.us; (b) by telephone to the District Office during District Office hours as set forth in Regulation 4; or (c) by telephone to the applicable ditch rider at the telephone number and at the times set forth in a notice provided by the District to water users in February of each year. A ditch rider who receives such an order shall promptly transmit it to the District Office, either by telephone or electronically.

Section 5.2 Timing of Deliveries, West Fork Upstream of Tunnel Section and East Fork Upstream of Elbow. Orders for water to be delivered to points of diversion on the West Walker River upstream of the Tunnel Section, or to points of diversion on the East Walker River upstream of the Elbow, must be received in the District Office by 11:00 AM of a day which is no more than 120 hours and not less than 24 hours prior to the requested delivery time. Orders received in the District Office after 11:00 AM of a day will be deemed received on the following day, and the delivery start time may be delayed by 24 hours, if necessary.

Section 5.3 Timing of Deliveries, West Fork Tunnel Section, East Fork Downstream of the Elbow and Downstream of the Confluence of the West and East Forks. Orders for water to be delivered to points of diversion on the West Fork at the Tunnel Section, East Walker River downstream of the Elbow, or downstream of the confluence of the West Walker River and East Walker River, must be received in the District Office by 11:00 AM of a day which is no more than 120 hours and no less than 48 hours prior to the requested delivery time. Orders

received in the District Office after 11:00 AM of a day will be deemed received on the following day, and the delivery start time may be delayed by 24 hours, if necessary.

Section 5.4 Changes to Previously Scheduled Deliveries. Orders for change in quantity, or shut off of previously ordered deliveries, must be made and will be processed in the same manner as provided in Sections 5.2 and 5.3 above, as applicable.

Section 5.5 Quantity of Water Ordered or To Be Adjusted. Orders for the delivery of water shall be not less than one (1) cubic foot per second, and orders for adjustments to previously scheduled deliveries shall be for not less than one-half (.50) cubic foot per second.

Section 5.6 Delivery of Water Under Order. The quantity of water delivered will be in accordance with the order, insofar as normal operations of the canal or ditch permit.

Section 5.7 District Processing of Orders. By 12:30 p.m. of each day during the irrigation season, the District will provide the Chief Deputy Water Commissioner with all orders it has received for water by the water categories identified in Regulation 9 since Noon of the previous day for the Chief Deputy Water Commissioner's use in planning river diversions for the following and subsequent days.

Regulation No. 6

IRRIGATION SEASON CHANGES TO STORED WATER

Section 6.1 General. Changes in the place of use of stored water to land with appurtenant water rights within the boundaries of the District during an irrigation season are allowed with the approval of the District Board of Directors. Such changes may involve one or more land owners. Changes which involve an exchange of water from Bridgeport Reservoir to Topaz Reservoir (East Walker River to West Walker River, or Main Walker River to East Walker River or to West Walker River) may be allowed up to a specific date established each irrigation season by the District. Changes which involve movement of stored water for the Main Walker River in proportion to the share contributed by each reservoir (1/3 Bridgeport Reservoir and 2/3 Topaz Reservoir) may take place at any time during the irrigation season in that proportion so that such Main Walker River stored water may be moved upstream to East or West Walker Rivers in those proportions. Changes to stored water from the West Walker River to the Main Walker River and from the East Walker River to the Main Walker River may also take place at any time during the irrigation season.

Section 6.2 Applications for Irrigation Season Changes to Stored Water. Applications for irrigation season changes to stored water shall be filed with the District on forms provided by the District. All applications filed with the District at least _____ days before its next regularly scheduled Board meeting will be acted upon at that next regularly scheduled meeting.

Section 6.3 District to Provide Information to Chief Deputy Water Commissioner. Throughout the irrigation season, the District shall inform the Chief Deputy Water Commissioner of changes which have been approved under this Regulation 6.

Section 6.4 Ordering of Water Under Approved Changes. Water under changes approved under this regulation shall be ordered and delivered as provided in Regulation 5.

Regulation No. 6A

**PERMANENT CHANGES TO STORED WATER
FOR IRRIGATION USE WITHIN THE DISTRICT**

Section 6A.1 Authority and Applicability. Section 2.4 of the Administrative Rules and Regulations approved by the Walker River Decree Court provides that “any change in the point of diversion and/or place of use of storage waters adjudicated to the Walker River Irrigation District, which change is entirely within the boundaries of the Walker River Irrigation District, shall be made pursuant to adopted rules and regulations of the governing body for said District.” This Regulation applies to any change in the place of use of a New Land Stored Water Right, or of a Supplemental Stored Water Right for irrigation use to land wholly within the boundaries of the District which land does not have an appurtenant surface water right.

Section 6A.2 Prohibited Changes. No permanent change in place of use of a New Land Stored Water Right or of a Supplemental Stored Water Right will be allowed where the change is from land served by the West Walker River to land served by the East Walker River, or vice-versa, or from land served by the Main Walker River to land served by either the East Walker River or the West Walker River.

Section 6A.3 Change Application. A Change Application to change a Supplemental Stored Water Right or a New Land Stored Water Right for purposes of this regulation shall be filed with the District on forms provided by the District, and must contain such information as may be necessary for a full understanding of the proposed change, as may be required by the District. Each Change Application shall be accompanied by a map and drawings and such other data as may be prescribed by the District.

Section 6A.4 Notice of Change Application.

1. When a Change Application is filed in compliance with this Regulation, the District shall, within 30 days, publish or cause to be published once a week for 4 consecutive weeks in a newspaper of general circulation and printed and published in the county where the water is sought to be changed, a notice of the application which sets forth:

- (a) That the application has been filed.
- (b) The date of the filing.
- (c) The name and address of the applicant.
- (d) The name of the source from which the change is to be made.
- (e) the location of the place of diversion, described by legal subdivision or metes and bounds and by a physical description of that place of diversion.

The publisher shall add thereto the date of the first publication and the date of the last publication.

2. Proof of publication must be filed within 30 days after the final day of publication. The District shall pay for the publication from the application fee. If the application is cancelled for any reason before publication, the District shall return to the applicant that portion of the application fee collected for publication.

Section 6A.5 Protest of Application.

1. Any person interested may, within 30 days after the date of last publication of the notice of application, file with the State Engineer a written protest against the granting of the application, setting forth with reasonable certainty the grounds of such protest, which must be verified by the affidavit of the protestant, or an agent or attorney thereof.

2. On receipt of a protest that complies with the requirements of subsection 1, the District shall advise the applicant whose application has been protested of the fact that the protest has been filed with the District, which advice must be sent by certified mail.

3. Each applicant and each protestant shall, in accordance with a schedule established by the District, provide to the District and to each protestant and each applicant information required by the District relating to the application or protest.

Section 6A.6 Hearing. All Change Applications filed under this Regulation must be considered by the Board of Directors of the District, whether or not it has been protested, at a properly noticed meeting of the board.

Section 6A.7 Approval or Rejection. The District shall approve an application submitted in proper form which contemplates the application of water to beneficial use if:

- (a) The application is accompanied by the prescribed fees;
- (b) The proposed use or change does not adversely affect the cost of water for other holders of water rights in the District or lessen the efficiency of the District in its delivery or use of water;
- (c) Does not conflict with existing rights;
- (d) Does not threaten to prove detrimental to the public interest; and
- (e) If a Supplemental Stored Water Right, the natural flow water right recognized by the Walker River Decree appurtenant to the existing place of use has been finally approved for use at the new place of use.

Section 6A.8 Judicial Review.

[TO BE PROVIDED]

Section 6A.9 Application Fee. The District shall charge the same application fee under this Regulation as is charged by the Nevada State Engineer for a similar application filed with the Nevada State Engineer.

Section 6A.10 Recordation of Order of Approval. If the Board approves the Change Application under this Regulation, a certified copy thereof must be recorded in the Office of the County Recorder of the county in which the land to be affected is situated, and thereafter the recorded copy must be delivered to the applicant upon payment of the recording fees.

Regulation No. 7

WATER FROM DISTRICT WELL

Section 7.1 Exchanges Involving Water From District Well. Pursuant to such limitations as the District Board may establish for a particular irrigation season, water available within a portion of the District under Nevada Certificate No. 8861 may be made available to land with appurtenant water rights within the District boundaries by exchange for stored water or decreed rights, or both, of lands which may receive water directly under Nevada Certificate No. 8861.

Section 7.2 District to Provide Information to Chief Deputy Water Commissioner. The District shall provide information related to all exchanges under Section 7.1 on a daily basis for the Chief Deputy Water Commissioner's use in planning river diversions.

Section 7.3 Ordering Water Under Approved Exchanges. Water under exchanges allowed under Section 7.1 shall be ordered and delivered as provided in Regulation 5.

Regulation No. 8

DIVERSION WORKS/HEADGATES

Section 8.1 Manually Operated River Diversion Works. The operation and regulation of manually operated headgates at the head of all canals and ditches and spill works for canals and ditches immediately downstream of said headgates are under the exclusive management and control of the Chief Deputy Water Commissioner and his agents. No person except the Chief Deputy Water Commissioner and his agents shall have any right to adjust or regulate such structures in any manner.

Section 8.2 Remotely Automated River Diversion Works. The operation and regulation of headgates and spill works with fully automated controls for adjusting and maintaining flows from the River into canals and ditches, which adjustments can be made from remote locations, shall be operated and regulated as provided in this Section 8.2. In all such cases, the Chief Deputy Water Commissioner establishes the flow of water to be diverted into any such canal or ditch each day consistent with orders received for diversion. Based upon the Chief Deputy Water Commissioner's establishment of the diversion rate at the River, the Chief Deputy Water Commissioner shall direct the District to make the necessary adjustments to any such canal or ditch headgate remotely from the District Office or electronically in the field. When those adjustments are made, a representative of, or the Chief Deputy Water Commissioner shall be present, unless the Chief Deputy Water Commissioner and the District agree that such adjustments shall be made at a set time each day. A hard copy record of all adjustments made remotely shall also be provided to the Chief Deputy Water Commissioner each day to verify the adjustments are accurate and consistent with the flow rate established by the Chief Deputy Water Commissioner. The District shall not direct or input any adjustments without the prior consent of the Chief Deputy Water Commissioner. Automatic adjustments made by the automated system in the normal course

of the automated system's operation to maintain a constant flow rate are excepted. The River Rider assigned to any such canal or ditch verifies in the field that the quantity actually being diverted is consistent with the flow rate established by the Chief Deputy Water Commissioner. That verification takes place in the same manner as verification takes place for manually operated headgates. If the River Rider's field verification results in a need for an adjustment to any such headgate, the River Rider directs the District to make the adjustment remotely from the District Office. In the event of a problem which prevents a remote adjustment, the District will respond with a trained person to correct the problem, or the adjustment will be made manually by the River Rider. The River Rider field verifies that the adjustment has been made as directed. In order to verify the diversions into any such canal or ditch, the Chief Deputy Water Commissioner at all reasonable times has access to the facilities in the District Office which display those diversions. If the diversion as displayed requires an adjustment, the Chief Deputy Water Commissioner directs the District to make an adjustment consistent with the provisions of this Section 8.2.

Installation of automated headgates will leave in place existing manually operated headgates at the head of all canals and ditches, and such headgates remain in complete and exclusive control of the Chief Deputy Water Commissioner. If the quantity of water being allowed to flow past the new headgate with automated controls is not consistent with the flow rate established by the Chief Deputy Water Commissioner, or adjustments are being made to the automated headgate which are not authorized by the Chief Deputy Water Commissioner, the Chief Deputy Water Commissioner can override the amount of water being allowed to pass through the new automated headgate by adjusting and locking the manually operated headgate which is upstream of the new automated headgate.

Section 8.3 Structures for Farm Water Delivery. The operation and the regulation of headgates for the farm delivery of water downstream of the point of diversion from the River on canals and works owned or operated by the District are under the exclusive management and control of the Board of Directors, through the manager or his agents, and no person except he or his employees or assistants shall have any right to adjust or regulate such structures in any manner.

Regulation No. 9

IRRIGATION SEASON

Section 9.1 Decree Water. The season for the delivery of decree water shall begin on March 1st and end on October 31st of each year.

Section 9.2 District Certificated Surface Water. The season for the delivery of state permit water shall begin on May 1st and end on July 31st of each year.

Section 9.3 District Stored Water. The season for the delivery of storage water shall begin on April 1st and end on October 31st of each year.

Section 9.4 District Underground Water. The season for delivery of District underground water shall begin on April 1st and end on September 30th of each year.

Regulation No. 10

DITCH RIDER REQUIREMENTS AND RECORD KEEPING

Section 10.1 Ditch Rider Required. It shall be required to have a ditch rider available during the irrigation season at all times during the period in which irrigation water is being delivered through the individual ditch company canals or ditches where the users are tenants-in-common.

Section 10.2 Ditch Rider to Provide Water Use Information. Each ditch rider shall provide the District with daily reports of all water delivery and use on each ditch. Such daily reports shall be on forms provided by the District, and shall include information on the place of such use, the quantity delivered in cubic feet per second and the duration of the delivery.

Regulation 11

WATER USE REPORTING AND RECORD KEEPING

Section 11.1 District Reports to Chief Deputy Water Commissioner. From the reports provided by ditch riders, the District shall prepare and provide the Chief Deputy Water Commissioner daily reports of delivery and use of decree water. Such reports will be provided electronically.

Section 11.2 District Reports to Water Users. Periodically during the irrigation season, the District shall provide each water user within the District a report of cumulative water use by the water categories identified in Regulation 9 to the date of the report, and the balance of stored water allocated and remaining available for use.

Section 11.3 Information Obtained From Chief Deputy Water Commissioner. On a daily basis during the period beginning March 1st and ending October 31st of each year, the District will obtain and record the following information from the Chief Deputy Water Commissioner: (a) the water right priority being provided water under the Walker River Decree each day and within each relevant river section, including information related to the establishment thereof; (b) inflow into Bridgeport Reservoir and into Topaz Reservoir; (c) the quantity of water being discharged from Bridgeport Reservoir and Topaz Reservoir along with an allocation of that total quantity to natural flow for the water rights in priority, to transportation allocated to storage deliveries and to storage deliveries; and (d) the resulting change, if any, in the elevation of Bridgeport Reservoir and Topaz Reservoir.

Regulation No. 12

ROTATION OF WATER

Section 12.1 Rotation Encouraged. The rotation of decree water is encouraged and recognized as beneficial, however, only that water which is available and of the same or senior in priority may be rotated during any one period, and may not be used on New Land or Non-Water

right Land during the rotation period in which one is entitled to the water. The rotation of stored water with stored water is also encouraged and recognized as beneficial.

Section 12.2 Rotation Not Allowed in Certain Instances. Land with no water right other than a right to stored water shall not rotate with those lands with a decreed water right.

Section 12.3 Flow Efficiency. Those users having the right to use a small amount in a continuous flow are encouraged to engage in the rotation of water in order to receive, when available, an irrigation head of 1 cfs or greater for a shorter duration to bring about a more efficient use of the available water supply.

Regulation No. 13

COMPLAINTS ABOUT THE DISTRIBUTION OF WATER

Section 13.1 Decree Water Only. Complaints related to the delivery of decree water only shall first be made to the ditch rider, and if not resolved, shall be made to the Chief Deputy Water Commissioner. Such complaints shall be made as promptly as possible.

Section 13.2 Stored Water Only. Complaints related to the delivery of stored water only shall first be made to the ditch rider, and if not resolved, shall be made to the General Manager of the District. Such complaints shall be made as promptly as possible.

Section 13.3 Decree and Stored Water. Complaints related to the simultaneous delivery of decree water and stored water shall first be made to the ditch rider. If such a complaint is not resolved by the ditch rider, then it shall be made to the Chief Deputy Water Commissioner and the General Manager of the District, who shall consult with one another with respect to the appropriate resolution. Such complaints shall be made as promptly as possible.

Regulation No. 14

TEMPORARY CHANGES TO STORED WATER RIGHTS FOR BENEFICIAL USE AT WALKER LAKE

ARTICLE I

DEFINITIONS

Section 14.1 Unless the context otherwise requires, as used in this Regulation, the following words and phrases shall have the following meanings:

(a) “Acquired New Land Stored Water Right” shall mean and refer to a New Land Stored Water Right owned by NFWF or its successor-in-interest.

(b) “Acquired Supplemental Stored Water Right” shall mean and refer to a Supplemental Stored Water Right owned by NFWF or its successor-in-interest.

(c) “Administrative Rules and Regulations” shall mean and refer to the Administrative Rules and Regulations Regarding Change of Point of Diversion, Manner of Use or Place of Use of Water of the Walker River and Its Tributaries and Regarding Compliance With California Fish and Game Code Section 5937 and Other Provisions of California Law as approved by the Court in the Walker River Action.

(d) “Agency” or “agencies” shall mean and refer to either or both of the State Engineer of the State of Nevada or the California State Water Resources Control Board, as appropriate, which has the responsibility for adjudicating a specific Change Application or Change Petition.

(e) “Applicant” shall mean and refer to any person making a Change Application and to the District with respect to a Change Petition.

(f) “Change Application” shall mean and refer to any application filed in accordance with this Regulation to temporarily change the point of redirection, manner of use and/or place of use of a Supplemental Stored Water Right or a New Land Stored Water Right from its existing point of redirection, its existing place of use and its existing manner of use to temporarily allow for its beneficial use from its reservoir of origin to and into Walker Lake for fish and wildlife resources.

(g) “Change Petition” shall mean and refer to any petition filed in accordance with this Regulation to temporarily add the East Walker River, West Walker River and/or the Walker River to Walker Lake and Walker Lake as an additional place of use, and to temporarily add fish and wildlife resources as an additional purpose of use to the District’s Stored Water Rights.

(h) “Contested Application” shall mean and refer to a Change Application or Change Petition which is protested pursuant to the provisions of N.R.S. § 533.365 or California Water Code § 1703.1.

(i) “District” shall mean and refer to the Walker River Irrigation District.

(j) “District’s Stored Water Rights” shall mean and refer to the rights of the District to store water in Bridgeport Reservoir pursuant to the Walker River Decree and California Water Rights License No. 9407 and the Walker River Decree, or to store water in Topaz Lake Reservoir under California Water Rights License Nos. 6000 and 3987 and the Walker River Decree.

(k) “NFWF” shall mean and refer to the National Fish and Wildlife Foundation.

(l) “New Land Stored Water Right” shall mean and refer to benefits of the District’s Stored Water Rights apportioned by the District to specific lands within the District with no appurtenant surface water rights adjudicated by the Walker River Decree.

(m) “Party” shall mean and refer to any person who appears or is allowed to appear in an agency proceeding or in a proceeding for approval or judicial review of an agency decision or report.

(n) “Person” shall mean and refer to a corporation, company, partnership, firm, association, society, governmental agency, Indian tribe, or any other entity, as well as a natural person.

(o) “Protestant” shall mean and refer to any person who protests a Change Application pursuant to the provisions of N.R.S. § 533.365 or a Change Petition pursuant to California Water Code § 1703.1.

(p) “State Engineer” shall mean and refer to the state engineer of the State of Nevada.

(q) “Supplemental Stored Water Right” shall mean and refer to benefits of the District’s Stored Water Rights apportioned by the District to specific lands within the District with appurtenant surface water rights adjudicated by the Walker River Decree.

(r) “United States Board of Water Commissioners” shall mean and refer to that certain six person board appointed pursuant to the orders of the Court in the Walker River Action dated May 12, 1937, January 28, 1938, and June 27, 1940, to act as a water master or board of commissioners to apportion and distribute the waters of the Walker River, its forks and tributaries in the State of Nevada and in the State of California.

(s) “Walker River Action” shall mean and refer to that certain action entitled “United States of America, Plaintiff v. Walker River Irrigation District, et al., Defendants” in the United States District Court for the District of Nevada, In Equity No. C-125-ECR.

(t) “Walker River Decree” shall mean and refer to that certain final decree entered in the Walker River Action on April 14, 1936, as amended on April 24, 1940.

(u) “Water Resources Control Board” shall mean and refer to the California State Water Resources Control Board.

ARTICLE II

APPLICABILITY

Section 14.2 This Regulation shall apply to all Change Applications and to all Change Petitions. This Regulation constitutes the District’s limited and conditional consent to the temporary Change Applications and temporary Change Petitions provided for herein, and any such

Change Applications and Change Petitions processed and approved hereunder shall be subject to all of its terms and provisions.

ARTICLE III

FILING CHANGE PETITIONS

Section 14.3.1 The District shall file temporary Change Petitions for the District's Stored Water Rights with the Water Resources Control Board on such forms and in such manner as required by that office and pursuant to the provisions of California Water Code sections 1707 and 1725.

Section 14.3.2 Each Change Petition filed by the District shall expressly provide that the changes requested will expire on a date which is not later than the one year anniversary of its final approval, provided, however, that the District may seek similar temporary changes for one year at a time for up to five consecutive years.

Section 14.3.3 Each Change Petition is subject to and shall comply with all of the requirements of the Administrative Rules and Regulations.

ARTICLE IV

FILING CHANGE APPLICATIONS

Section 14.4.1 A Change Application to change an Acquired Supplemental Stored Water Right shall be filed with the State Engineer.

Section 14.4.2 A Change Application to change an Acquired New Land Stored Water Right shall be filed with the State Engineer.

Section 14.4.3 A Change Application to change a Supplemental Stored Water Right or a New Land Stored Water Right for purposes of participation in a 3-year water leasing demonstration program pursuant to the provisions of Section 208(b)(1)(B)(i) of P.L. 111-851 shall be filed with the State Engineer.

Section 14.4.4 Each Change Application filed with the State Engineer pursuant to this Regulation shall be filed pursuant to the provisions of N.R.S. 533.345, and shall expressly provide that it will expire on a date which is not later than the one year anniversary of its final approval, and that it is subject to the requirement that it will be deemed withdrawn in the circumstances provided for in Section 4.6.

Section 14.4.5 The District may provide written comments and recommendations to the State Engineer with respect to a Change Application. Any such written comments and recommendations shall be provided within thirty (30) business days after the District receives a copy of a Change Application.

Section 14.4.6 If the State Engineer determines that he must notice the Change Application as provided in N.R.S. 533.360 and hold a hearing and render a decision as provided in N.R.S. Chapter 533, all as provided in N.R.S. 533.345(3), the District, in a properly noticed meeting, shall consider whether the Change Application should be so processed based upon the same information as was submitted to the State Engineer. If the District's decision is that it should not be so processed, it shall be deemed withdrawn upon notice to the State Engineer by the District of that decision. If the District's decision is that it should be so processed, the State Engineer may thereafter proceed as provided in N.R.S. 533.345(3).

Section 14.4.7 It shall be a condition of any Change Application processed and approved pursuant to this Regulation that the approval is and shall remain subject to all of the provisions of this Regulation, including without limitation, the terms and provisions of Articles IX and X.

Section 14.4.8 Change Applications are subject to and shall comply with all of the requirements of the Administrative Rules and Regulations.

ARTICLE V

PROCEEDINGS BEFORE THE AGENCY

Section 14.5.1 Except as otherwise expressly provided by this Regulation, all proceedings before an agency with respect to Change Petitions and Change Applications shall be in accordance with the practice and procedure of that agency. Protests to Change Applications may be filed in accordance with the provisions of N.R.S. § 533.365, or to Change Petitions in California, in accordance with the relevant provisions of the California Water Code.

Section 14.5.2 The decision of the Water Resources Control Board with respect to a Change Petition shall be based upon the applicable provisions of California law, including, but not necessarily limited to, whether the proposed changes will injure any legal user of water, or result in any significant adverse impacts to water quality or the environment.

Section 14.5.3 The decision of the State Engineer with respect to a Change Application shall be based upon the applicable provisions of Nevada law.

Section 14.5.4 The preparation of and filing of the agency record of all proceedings concerning a Change Petition or Change Application shall comply with the Administrative Rules and Regulations.

ARTICLE VI

AGENCY DECISION

Section 14.6 The decisions of the State Engineer and the District on Change Applications and of the Water Resources Control Board on Change Petitions shall be made, served and filed in accordance with the Administrative Rules and Regulations.

ARTICLE VII

JUDICIAL REVIEW

Section 14.7 The decisions of the State Engineer on Change Applications and of the Water Resources Control Board on Change Petitions shall be submitted to, reviewed by and approved by the Court in the Walker River Action as provided in the Administrative Rules and Regulations.

ARTICLE VIII

IMPLEMENTATION, MANAGEMENT, MONITORING AND MITIGATION

Section 14.8.1 No water from District's Stored Water Rights shall be used for the benefit of Walker Lake unless and until: (1) the required Change Petition has been approved as provided in this Regulation and as provided in the Administrative Rules and Regulations; and (2) one or more related Change Applications have been approved as provided in this Regulation and in the Administrative Rules and Regulations.

Section 14.8.2 Prior to implementation of any Change Application approved in accordance with this Regulation, the District shall adopt a plan designed to monitor the impacts of all Change Applications which are approved with respect to conflict with existing rights, efficiency of delivery and use of water in the District, including, but not limited to, ditch transportation efficiencies and stream channel conveyance losses, protection of District and ditch company assessments, carry-over storage in Bridgeport Reservoir and Topaz Lake Reservoir, and any other matter or issue relevant to determining whether such Change Applications, if allowed on a long term basis, will interfere with the primary purpose of the District and the interests of those water users who will continue to irrigate lands within its boundaries.

Section 14.8.3 The District shall cause to be prepared a report on the information obtained by the plan referenced in Section 14.8.2, along with recommendations, if any, concerning continuation of this Regulation beyond its expiration date, changes to the provisions of this Regulation, and any other matter the District deems relevant.

Section 14.8.4 The report required by Section 14.8.3 shall be submitted to the District Board, the Water Resources Control Board and the State Engineer, and shall also be available to the public in general.

ARTICLE IX

EXPIRATION OF REGULATION

Section 14.9 This Regulation expires by limitation on a date which is the fifth anniversary of the date of its approval by the District Board, unless on or before that date the Board of Directors of the District adopts a resolution extending its effectiveness for a specific period of

time. In the event that such a resolution is adopted, additional Change Petitions and Change Applications may be processed and approved pursuant to the terms of this Regulation as extended and/or as modified.

ARTICLE X

**CHANGE PETITIONS AND CHANGE APPLICATIONS REMAIN SUBJECT
TO
BY-LAWS AND RULES AND REGULATIONS OF THE DISTRICT**

Section 14.10 Notwithstanding the fact that the effect a Change Petition and Change Application processed and approved pursuant to this Regulation may have the effect of allowing use of Supplemental Stored Water Rights and New Land Stored Water Rights outside the boundaries of the District, it is a condition of this Regulation and a condition of any approved Change Petition and Change Application that such water rights shall continue to be subject to the bylaws, rules and regulations of the District as are now, or may hereafter, be in effect.