

WATER RIGHTS PRIORITY AGREEMENT

THIS WATER RIGHTS PRIORITY AGREEMENT (hereinafter the “Agreement”) made and entered into on this ____ day of _____, 2026 (hereinafter the “Effective Date”), by and between the City of Elko, a municipal corporation and political subdivision of the State of Nevada (hereinafter the “City”), and Bruce J. Miller and Sidnie D. Miller, husband and wife, and Bar L Ranch, Inc., a Nevada Corporation (hereinafter the Millers and Bar L Ranch, Inc. collectively referred to in the singular as “Miller”). The City and Miller may each be referred to as a “Party” and collectively as the “Parties.”

RECITALS

WHEREAS, the City and Miller entered into a Water Rights Priority Agreement on January 27, 2015, which expired on January 27, 2025;

WHEREAS, Miller has the authority to enter into this Agreement with respect to the water rights held in the names of the Millers and Bar L Ranch, Inc., and with respect to the water rights held in the name of Dorothy Young;

WHEREAS, the Parties desire to enter into a new Water Rights Priority Agreement;

WHEREAS, the Nevada Division of Water Resources has issued the following applications/permits to the City:

Application Permit No.	Source	Source Description	Use	Duty Balance/ Storage
48840	Effluent	Sewer Treatment Plant Effluent	Storage	2,800 AF
48840S03	Effluent	Sewer Treatment Plant Effluent	Irrigation	299.2 AF
48840S06	Effluent	Sewer Treatment Plant Effluent	Irrigation	640 AFA
48840S08	Storage	Sewer Treatment Plant Effluent	Irrigation	65.2 AFA
48840S09	Storage	Sewer Treatment Plant Effluent	Construction	203.77 AFA

WHEREAS, the Nevada Division of Water Resources has issued the following applications/permits to Dorothy Young:

Application	Source	Source Description	Use	Duty Balance
48840S04	Effluent	Treated Sewage Effluent	Irrigation	317.65 AFA
48840S05	Effluent	Treated Sewage Effluent	Irrigation	92.64 AFA

WHEREAS, the Nevada Division of Water Resources has issued the following permit to Miller:

Application	Source	Source Description	Use	Duty Balance
48840S07	Effluent	Treated Sewage Effluent	Irrigation	513.96 AFA

NOW, THEREFORE, in consideration of the foregoing recitals and the covenants and conditions hereinafter contained, the Parties agree as follows:

1. **Priority of Water Rights.** The Parties' respective water rights shall have the following priorities up to the amounts shown:

Application	Priority	Limit
48840S06 (City)	First	Up to 1,200,000 gallons per day
48840S04 and 48840S05 (Dorothy Young)	Second	Up to 1,800,000 gallons per day
48840S09 (City)	Third	Up to 200,000 gallons per day
48840S03 (City)	Fourth	Up to 807,000 gallons per day
48840S07 (Miller)	Fifth	Up to 1,200,000 gallons per day
48840S08 (City)	Sixth	Up to 300,000 gallons per day

2. **Compliance with Laws/Permits.** The Parties and their successors and assigns shall utilize the above-listed water rights in accordance with all applicable laws and regulations and shall keep current their reuse site discharge permits issued by the Nevada Division of Environmental Protection.

3. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the heirs, personal representatives, successors and assigns of the Parties.

4. **Term.** This Agreement shall become effective on the Effective Date and shall terminate ten (10) years thereafter.

5. **Pumping Charges/Costs.** This Agreement does not affect pumping costs or charges in relation thereto.

6. **Jurisdiction and Venue.** The Fourth Judicial District Court in and for the County of Elko, State of Nevada, shall have jurisdiction and venue over all disputes arising under this Agreement.

7. **Third Party Beneficiaries.** There are no third party beneficiaries to this Agreement.

8. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any prior understandings, agreements or representations between the Parties, written or oral, to the extent they have related in any way to the priority of the water rights referred to herein.

9. **Governing Law.** This Agreement shall be governed by, construed and enforced in accordance with the Laws of the State of Nevada.

10. **Modification.** Any modification of this Agreement or additional obligations assumed by the parties in connection with this Agreement shall be binding only if evidenced by a written document signed by each party or an authorized representative of each Party.

11. **Loss of Water Rights.** In the event a water right is lost due to abandonment, forfeiture or otherwise, the water right that is next in priority shall automatically replace the water right that is lost and all remaining water rights shall automatically be reprioritized accordingly.

IN WITNESS WHEREOF the parties have set their hands on the day, month and year first hereinabove written.

CITY OF ELKO:

By: _____
REECE KEENER, MAYOR

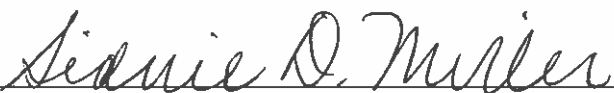
ATTEST:

ANNETTE ROBINSON, CITY CLERK

MILLER:



**BRUCE J. MILLER, individually and as
Secretary of Bar L Ranch, a Nevada corporation**



**SIDNIE D. MILLER, individually and as
President of Bar L Ranch, a Nevada corporation**