

SENATE BILL NO. 276—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF THE LEGISLATIVE COMMISSION’S
COMMITTEE TO STUDY THE USE, MANAGEMENT,
AND ALLOCATION OF WATER RESOURCES)

MARCH 13, 2007

Referred to Committee on Natural Resources

SUMMARY—Makes various changes relating to water.
(BDR 30-207)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Contains Appropriation not included
in Executive Budget.

~

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to water; authorizing the Board for Financing Water Projects to make grants or loans from the Fund for Grants for Water Conservation, Capital Improvements to Certain Water Systems and Improvements to Certain Sewage Disposal Systems to certain political subdivisions of this State to pay the cost of developing infrastructure relating to water resources and implementing water resource plans; changing the name of the Water Rights Technical Support Fund to the Water Rights and Resources Technical Support Fund; authorizing the Board for Financing Water Projects to make grants of money from the Water Rights and Resources Technical Support Fund to a local government to improve its water resource planning and management of information relating to water resources; making an appropriation; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

- 1 The Board for Financing Water Projects is responsible for administering a
- 2 program to make grants of money from the Fund for Grants for Water
- 3 Conservation, Capital Improvements to Certain Water Systems and Improvements
- 4 to Certain Sewage Disposal Systems to certain water systems for water
- 5 conservation and capital improvements. (NRS 349.981, 349.982, 349.984)



* S B 2 7 6 *

Section 2 of this bill authorizes the Board to make grants or loans of money to certain political subdivisions of this State to develop infrastructure for water resources and implement water resource plans. The Board is required to give preference in making those grants or loans to eligible recipients in certain rural areas.

Section 5 of this bill changes the name of the Fund for Grants for Water Conservation, Capital Improvements to Certain Water Systems and Improvements to Certain Sewage Disposal Systems.

The Board also administers the Water Rights Technical Support Fund. (NRS 534.360) Existing law requires the Board to use the money in the Fund only to make grants of money to local governments to protect their existing water rights. (NRS 534.360)

Section 7 of this bill changes the name of the Water Rights Technical Support Fund. **Section 7** also authorizes the Board to make grants of money from the Fund to local governments for improvement of their water resource plans. The Board is required to give preference in making those grants to certain local governments.

Section 9 of this bill appropriates from the State General Fund to the Water Rights and Resources Technical Support Fund the sum of \$1,000,000.

WHEREAS, The waters of this State are among its most precious and vital resources; and

WHEREAS, Nevada is one of the most arid states in the nation and has relatively few supplies of surface water and groundwater; and

WHEREAS, The development of infrastructure for water systems and the implementation of water resource plans requires large investments of capital and involves projects which require many years to complete; and

WHEREAS, The adequate funding for water resource planning and the management of information relating to water resources is vitally important for the economic development and prosperity of this State; and

WHEREAS, To the extent that political subdivisions of this State which are located in cities or towns whose population is less than 10,000 or in counties whose population is less than 100,000, lack the money to develop water resource plans, manage information relating to water resources, develop infrastructure for water systems and implement a water resource plan, the economic development of those political subdivisions is limited; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 349.980 is hereby amended to read as follows:
349.980 As used in NRS 349.980 to 349.987, inclusive, unless the context otherwise requires:



1 1. "Board" means the Board for Financing Water Projects
2 created pursuant to NRS 349.957.

3 2. "Community sewage disposal system" means a public
4 system of sewage disposal which is operated for the benefit of a
5 county, city, district or other political subdivision of this State.

6 3. "Community water system" means a public water system
7 which:

8 (a) Has 15 or more service connections; or

9 (b) Serves 25 or more persons,

10 ➔ at places which are intended for year-round occupancy.

11 4. "Costs of capital improvements to community water systems
12 and nontransient water systems" means the costs traditionally
13 associated with capital improvements to such systems and includes
14 costs associated with the:

15 (a) Consolidation of existing systems; and

16 (b) Transfer and connection of a public water system to a system
17 owned by a purveyor of water or a public utility.

18 5. "Division of Environmental Protection" means the Division
19 of Environmental Protection of the State Department of
20 Conservation and Natural Resources.

21 6. "Fund" means the Fund for Grants *and Loans* for Water
22 Conservation, Capital Improvements to Certain Water Systems and
23 Improvements to Certain Sewage Disposal Systems ~~[-]~~ *created*
24 *pursuant to NRS 349.984.*

25 7. "Individual sewage disposal system" means a single system
26 of sewage treatment tanks and effluent disposal facilities that serves:

27 (a) A single-family dwelling; or

28 (b) One or more buildings that are used exclusively for
29 commercial purposes and are not used as single-family dwellings.

30 8. "Nontransient water system" means a public water system
31 that regularly serves 25 or more of the same persons for more than 6
32 months per year, but which is not a community water system.

33 9. "Public water system" has the meaning ascribed to it in
34 NRS ~~[445A.840.]~~ *445A.235.*

35 10. "Purveyor of water" means a political subdivision of this
36 State engaged in the business of furnishing water, for compensation,
37 to persons within the political subdivision.

38 **Sec. 2.** NRS 349.981 is hereby amended to read as follows:

39 349.981 1. There is hereby established a program to provide
40 ~~{grants}~~ :

41 (a) *Grants* of money to:

42 ~~{(a)}~~ (I) A purveyor of water to pay for costs of capital
43 improvements to publicly owned community water systems and
44 publicly owned nontransient water systems required or made
45 necessary by the State Environmental Commission pursuant to NRS



1 445A.800 to 445A.955, inclusive, or made necessary by the Safe
2 Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations
3 adopted pursuant thereto.

4 ~~[(b)]~~ (2) An eligible recipient to pay for the cost of
5 improvements to conserve water, including, without limitation:

6 ~~[(1)]~~ (I) Piping or lining of an irrigation canal;

7 ~~[(2)]~~ (II) Recovery or recycling of wastewater or tailwater;

8 ~~[(3)]~~ (III) Scheduling of irrigation;

9 ~~[(4)]~~ (IV) Measurement or metering of the use of water;

10 ~~[(5)]~~ (V) Improving the efficiency of irrigation operations;

11 and

12 ~~[(6)]~~ (VI) Improving the efficiency of the operation of a
13 facility for the storage of water, including, without limitation,
14 efficiency in diverting water to such a facility.

15 ~~[(e)]~~ (3) An eligible recipient to pay the following costs
16 associated with connecting a domestic well or well with a temporary
17 permit to a municipal water system, if the well was in existence on
18 or before October 1, 1999, and the well is located in an area
19 designated by the State Engineer pursuant to NRS 534.120 as an
20 area where the groundwater basin is being depleted:

21 ~~[(1)]~~ (I) Any local or regional fee for connection to the
22 municipal water system.

23 ~~[(2)]~~ (II) The cost of any capital improvement that is
24 required to comply with a decision or regulation of the State
25 Engineer.

26 ~~[(4)]~~ (4) An eligible recipient to pay the following costs
27 associated with abandoning an individual sewage disposal system
28 and connecting the property formerly served by the abandoned
29 individual sewage disposal system to a community sewage disposal
30 system, if the Division of Environmental Protection requires the
31 individual sewage disposal system to be abandoned and the property
32 upon which the individual sewage disposal system was located to be
33 connected to a community sewage disposal system pursuant to the
34 provisions of NRS 445A.300 to 445A.730, inclusive, or any
35 regulations adopted pursuant thereto:

36 ~~[(1)]~~ (I) Any local or regional fee for connection to the
37 community sewage disposal system.

38 ~~[(2)]~~ (II) The cost of any capital improvement that is
39 required to comply with a statute of this State or a decision,
40 directive, order or regulation of the Division of Environmental
41 Protection.

42 ~~[(e)]~~ (5) An eligible recipient to pay the following costs
43 associated with connecting a well to a municipal water system, if the
44 quality of the water of the well fails to comply with the standards of



1 the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the
2 regulations adopted pursuant thereto:

3 ~~[(1)]~~ (I) Any local or regional fee for connection to the
4 municipal water system.

5 ~~[(2)]~~ (II) The cost of any capital improvement that is
6 required for the water quality in the area where the well is located to
7 comply with the standards of the Safe Drinking Water Act, 42
8 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

9 (b) *Grants or loans of money to an eligible recipient to pay the*
10 *costs to develop infrastructure relating to water resources and*
11 *implement a water resource plan, including, without limitation,*
12 *expanding or constructing a facility or water system. In making its*
13 *determination which eligible recipients will receive grants or loans*
14 *pursuant to this paragraph, the Board shall give preference to*
15 *eligible recipients in rural areas.*

16 2. Except as otherwise provided in NRS 349.983, the
17 determination of who is to receive a grant *or loan* is solely within
18 the discretion of the Board.

19 3. As used in this section ~~["eligible"]~~ :

20 (a) *"Eligible* recipient" means a political subdivision of this
21 State, including, without limitation, a city, county, unincorporated
22 town, water authority, conservation district, irrigation district, water
23 district or water conservancy district.

24 (b) *"Rural area" means an area in a town or city whose*
25 *population is less than 10,000 or a county whose population is less*
26 *than 100,000.*

27 **Sec. 3.** NRS 349.982 is hereby amended to read as follows:

28 349.982 1. The Board shall administer the program and shall
29 adopt regulations necessary for that purpose.

30 2. The regulations must provide such requirements for
31 participation in the program as the Board deems necessary.

32 3. The money in the Fund may be used to defray, in whole or
33 in part, the costs of administering the Fund and the expenses of the
34 Board in administering the program.

35 4. The Board may, by regulation, impose an administrative fee
36 which must be collected from each recipient of a grant *or loan* from
37 the Fund. If such a fee is imposed, all revenue derived from the fee
38 must be used to defray, in whole or in part, the costs of
39 administering the Fund and the expenses of the Board in
40 administering the program.

41 **Sec. 4.** NRS 349.983 is hereby amended to read as follows:

42 349.983 1. Grants may be made pursuant to *subparagraph*
43 *(1) of* paragraph (a) of subsection 1 of NRS 349.981 only for the
44 Lincoln County Water District and those community and
45 nontransient water systems that:



(a) Were in existence on January 1, 1995; and

(b) Are currently publicly owned.

2. In making its determination of which purveyors of water are to receive grants pursuant to *subparagraph (1) of* paragraph (a) of subsection 1 of NRS 349.981, the Board shall give preference to those purveyors of water whose public water systems regularly serve fewer than 6,000 persons.

3. Each recipient of a grant pursuant to *subparagraph (1) of* paragraph (a) of subsection 1 of NRS 349.981 shall provide an amount of money for the same purpose. The Board shall develop a scale to be used to determine that amount, but the recipient must not be required to provide an amount less than 15 percent or more than 75 percent of the amount of the grant. The scale must be based upon the average household income of the customers of the recipient, and provide adjustments for the demonstrated economic hardship of those customers, the existence of an imminent risk to public health and any other factor that the Board determines to be relevant.

Sec. 5. NRS 349.984 is hereby amended to read as follows:

349.984 1. The Fund for Grants *and Loans* for Water Conservation, Capital Improvements to Certain Water Systems and Improvements to Certain Sewage Disposal Systems is hereby created.

2. Except as otherwise provided by subsections 3 and 4 of NRS 349.982, the money in the Fund must be used only to make grants *or loans* in furtherance of the program.

3. All claims against the Fund must be paid as other claims against the State are paid.

Sec. 6. NRS 349.987 is hereby amended to read as follows:

349.987 1. The provisions of NRS 349.150 to 349.364, inclusive, which are not inconsistent with the provisions of NRS 349.980 to 349.987, inclusive, apply to the bonds issued pursuant to NRS 349.986.

2. The provisions of NRS 349.935 to 349.956, inclusive, and 349.961 do not apply to the program or to any grants *or loans* made or bonds issued pursuant to NRS 349.986.

Sec. 7. NRS 534.360 is hereby amended to read as follows:

534.360 1. There is hereby created in the State Treasury a fund to be designated as the Water Rights *and Resources* Technical Support Fund to be administered by the Board for Financing Water Projects.

2. The Water Rights *and Resources* Technical Support Fund is a continuing fund without reversion. Money in the Fund must be invested as the money in other funds is invested. The interest and income earned on the money in the Fund, after deducting any



1 applicable charges, must be credited to the Fund. Claims against the
2 Fund must be paid as other claims against the State are paid.

3 3. The Board for Financing Water Projects may accept gifts,
4 grants and donations from any source for deposit in the Water
5 Rights *and Resources* Technical Support Fund.

6 4. Except as otherwise provided in subsection 5, money in the
7 Water Rights *and Resources* Technical Support Fund must be used
8 by the Board for Financing Water Projects only to make grants to a
9 local government to:

10 (a) Obtain and provide expert and technical assistance to gather
11 data to protect its existing water rights; ~~or~~

12 (b) Fund projects to enhance or protect its existing water rights
13 ~~or~~; or

14 (c) *Fund projects to enhance its water resource planning and*
15 *management of information relating to water resources. In*
16 *making its determination which local governments will receive*
17 *grants pursuant to this paragraph, the Board shall give preference*
18 *to a county whose population is less than 100,000 or any other*
19 *local government whose population is less than 10,000.*

20 5. Any grant of money from the Water Rights *and Resources*
21 Technical Support Fund must not be used by a local government to
22 pay for any assistance or projects as set forth in subsection 4 if the
23 only purpose of the assistance or project is to obtain evidence,
24 including, without limitation, technical evidence and oral testimony
25 or to pay for expert witnesses or attorney's fees for or in anticipation
26 of any administrative or judicial proceeding, including, without
27 limitation, hearings before the State Engineer or in any state or
28 federal court.

29 **Sec. 8.** NRS 540.051 is hereby amended to read as follows:

30 540.051 The Section shall:

31 1. Include in its planning:

32 (a) Recognition and protection of existing water rights
33 consistent with chapters 533 and 534 of NRS; and

34 (b) Consideration of the factors relating to the quality of water
35 in this State and the importance of considering the issues of quantity
36 and quality simultaneously, but the State Environmental
37 Commission and Division of Environmental Protection of the
38 Department retain full responsibility for the management of water
39 quality.

40 2. Suggest to the Legislature changes in water policy which
41 may be necessary to meet new requirements of law or of the people
42 of the State.

43 3. Assist the State Engineer in dealings with the Federal
44 Government and other states, but the State Engineer is solely
45 responsible for the allocation of water resources and litigation.



4. Review local and federal documents regarding water planning that are relevant to the use of water in Nevada, including, without limitation, local water and resource plans. Reviews conducted pursuant to this subsection must consider, without limitation:

(a) The accuracy of information relating to water use and water planning;

(b) Compliance with the water law of this State; and

(c) General advice relating to water planning.

5. Compile and update summarized data relating to hydrographic basins to support decisions that the State Engineer makes regarding ~~such~~ those basins, and provide summarized information regarding ~~such~~ those basins to the public. The Section shall cause to be generated and updated a summary for each hydrographic basin to show critical information regarding that basin, including, without limitation:

(a) Whether the basin is designated;

(b) All appurtenant or associated studies related to the availability of water;

(c) Rulings and orders affecting new appropriations of water;

(d) The availability of crop and pumpage inventories;

(e) The availability of data regarding water levels; and

(f) Current commitments of water from the basin that are attributable to existing water rights.

➔ The information described in this subsection must, insofar as practicable, be provided in an electronic format and made available on the website of the State Engineer on the Internet or its successor.

6. Upon request, provide technical assistance to the Board for Financing Water Projects created by NRS 349.957, including, without limitation, the review of letters of intent and applications for grants ~~and~~ and loans.

7. Promote water conservation by:

(a) Consulting with suppliers of water concerning:

(1) Community water conservation plans; and

(2) The content and scope of water plans; and

(b) Reviewing plans for compliance with the applicable provisions of NRS 540.121 to 540.151, inclusive.

8. Assist federal, state and local governments and the general public in obtaining information regarding water planning, the availability of water and issues relating to water rights.

9. Support activities in response to drought as provided for under the drought plan established for the State.

10. Administer the statewide program established for the management of floodplains.



1 11. Upon request, provide updates to local governments on
2 water issues relevant to this State, changes in policy and the
3 availability of new information concerning water resources.

4 **Sec. 9.** There is hereby appropriated from the State General
5 Fund to the Water Rights and Resources Technical Support Fund
6 created pursuant to NRS 534.360 the sum of \$1,000,000.

7 **Sec. 10.** This act becomes effective on July 1, 2007.

