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FIRST REPRINT

S.B. 276

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.

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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 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)



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Section 2 of this bill authorizes the Board to make grants of money to certain political subdivisions of this State to develop infrastructure for water resources and implement water resource plans.

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

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

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



- 1 (a) Has 15 or more service connections; or
2 (b) Serves 25 or more persons,
3 ➔ at places which are intended for year-round occupancy.
- 4 4. "Costs of capital improvements to community water systems
5 and nontransient water systems" means the costs traditionally
6 associated with capital improvements to such systems and includes
7 costs associated with the:
8 (a) Consolidation of existing systems; and
9 (b) Transfer and connection of a public water system to a system
10 owned by a purveyor of water or a public utility.
- 11 5. "Division of Environmental Protection" means the Division
12 of Environmental Protection of the State Department of
13 Conservation and Natural Resources.
- 14 6. "Fund" means the Fund for Grants for Water Conservation,
15 Capital Improvements to Certain Water Systems and Improvements
16 to Certain Sewage Disposal Systems ~~H~~ *created pursuant to*
17 *NRS 349.984.*
- 18 7. "Individual sewage disposal system" means a single system
19 of sewage treatment tanks and effluent disposal facilities that serves:
20 (a) A single-family dwelling; or
21 (b) One or more buildings that are used exclusively for
22 commercial purposes and are not used as single-family dwellings.
- 23 8. "Nontransient water system" means a public water system
24 that regularly serves 25 or more of the same persons for more than 6
25 months per year, but which is not a community water system.
- 26 9. "Public water system" has the meaning ascribed to it in NRS
27 ~~445A.840.~~ *445A.235.*
- 28 10. "Purveyor of water" means a political subdivision of this
29 State engaged in the business of furnishing water, for compensation,
30 to persons within the political subdivision.
- 31 **Sec. 2.** NRS 349.981 is hereby amended to read as follows:
32 349.981 1. There is hereby established a program to provide
33 grants of money to:
34 (a) A purveyor of water to pay for costs of capital improvements
35 to publicly owned community water systems and publicly owned
36 nontransient water systems required or made necessary by the State
37 Environmental Commission pursuant to NRS 445A.800 to
38 445A.955, inclusive, or made necessary by the Safe Drinking Water
39 Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant
40 thereto.
41 (b) An eligible recipient to pay for the cost of improvements to
42 conserve water, including, without limitation:
43 (1) Piping or lining of an irrigation canal;
44 (2) Recovery or recycling of wastewater or tailwater;
45 (3) Scheduling of irrigation;



- 1 (4) Measurement or metering of the use of water;
- 2 (5) Improving the efficiency of irrigation operations; and
- 3 (6) Improving the efficiency of the operation of a facility for
- 4 the storage of water, including, without limitation, efficiency in
- 5 diverting water to such a facility.

6 (c) An eligible recipient to pay the following costs associated
7 with connecting a *property formerly served by a* domestic well or
8 well with a temporary permit to a municipal water system, if the
9 well was in existence on or before October 1, 1999, and the well is
10 located in an area designated by the State Engineer pursuant to NRS
11 534.120 as an area where the groundwater basin is being depleted:

12 (1) Any local or regional fee for connection to the municipal
13 water system.

14 (2) The cost of any capital improvement that is required to
15 comply with a decision or regulation of the State Engineer.

16 (d) An eligible recipient to pay the following costs associated
17 with abandoning an individual sewage disposal system and
18 connecting the property formerly served by the abandoned
19 individual sewage disposal system to a community sewage disposal
20 system, if the Division of Environmental Protection requires the
21 individual sewage disposal system to be abandoned and the property
22 upon which the individual sewage disposal system was located to be
23 connected to a community sewage disposal system pursuant to the
24 provisions of NRS 445A.300 to 445A.730, inclusive, or any
25 regulations adopted pursuant thereto:

26 (1) Any local or regional fee for connection to the
27 community sewage disposal system.

28 (2) The cost of any capital improvement that is required to
29 comply with a statute of this State or a decision, directive, order or
30 regulation of the Division of Environmental Protection.

31 (e) An eligible recipient to pay the following costs associated
32 with connecting a *property formerly served by a* well to a municipal
33 water system, if the quality of the water of the well fails to comply
34 with the standards of the Safe Drinking Water Act, 42 U.S.C. §§
35 300f et seq., and the regulations adopted pursuant thereto:

36 (1) Any local or regional fee for connection to the municipal
37 water system.

38 (2) The cost of any capital improvement that is required for
39 the water quality in the area where the well is located to comply
40 with the standards of the Safe Drinking Water Act, 42 U.S.C. §§
41 300f et seq., and the regulations adopted pursuant thereto.

42 *(f) An eligible recipient to pay the costs to develop*
43 *infrastructure relating to water resources and implement a water*
44 *resource plan, including, without limitation, expanding or*
45 *constructing a facility or water system.*



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2. Except as otherwise provided in NRS 349.983, the determination of who is to receive a grant is solely within the discretion of the Board.

3. As used in this section, "eligible recipient" means a political subdivision of this State, including, without limitation, a city, county, unincorporated town, water authority, conservation district, irrigation district, water district or water conservancy district.

Sec. 3. (Deleted by amendment.)

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

349.983 1. Grants may be made pursuant to paragraph (a) of subsection 1 of NRS 349.981 only for the Lincoln County Water District and those community and 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 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 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~~ **water project**. 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. (Deleted by amendment.)

Sec. 6. (Deleted by amendment.)

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



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

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

8 (a) Obtain and provide expert and technical assistance to gather
9 data to protect its existing water rights; ~~for~~

10 (b) Fund projects to enhance or protect its existing water rights
11 ~~for~~; or

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

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

27 **Sec. 8.** (Deleted by amendment.)

28 **Sec. 9.** There is hereby appropriated from the State General
29 Fund to the Water Rights and Resources Technical Support Fund
30 created pursuant to NRS 534.360, as amended by section 7 of this
31 act, the sum of \$1,000,000.

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

