

SENATE BILL NO. 498—COMMITTEE ON GOVERNMENT AFFAIRS

MARCH 26, 2007

Referred to Committee on Government Affairs

SUMMARY—Revises the authority of the Virgin Valley Water District to borrow money and incur indebtedness. (BDR S-964)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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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 districts; revising the authority of the Virgin Valley Water District to borrow money and incur indebtedness; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

1 Under existing law, the Virgin Valley Water District is authorized to incur
2 indebtedness, issue bonds and provide for medium-term obligations to carry out its
3 powers. (Chapter 100, Statutes of Nevada 1993, p. 160, as last amended by chapter
4 203, Statutes of Nevada 1997, p. 560) This bill expands and clarifies that authority
5 to allow the District to borrow money and incur indebtedness in any manner
6 permitted by law for such a district and, subject to monitoring and oversight by the
7 Clark County Debt Management Commission, to issue and retire bonds, warrants,
8 notes and other securities in the same manner as a municipality. This bill also
9 clarifies the authority of the District to provide for medium-term obligations and
10 installment-purchase agreements in accordance with current statutes.

11 Under existing law, the Virgin Valley Water District is required to hold an
12 election before incurring any general obligations. This bill specifies various types
13 of securities which may be issued by the District without an election, including a
14 general obligation only if the payment of that obligation is additionally secured by a
15 pledge of and lien on the revenues of the District.



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

Section 1. The Virgin Valley Water District Act, being chapter 100, Statutes of Nevada 1993, at page 159, is hereby amended by adding thereto a new section to be designated as section 10.5, immediately following section 10, to read as follows:

Sec. 10.5. 1. The District may, subject to the provisions of NRS 350.011 to 350.0165, inclusive:

(a) Issue and retire bonds, warrants, notes and other securities, as if the District was a municipality, in accordance with and by the exercise of the powers conferred by:

- (1) Chapter 271 of NRS;*
- (2) NRS 350.020 to 350.070, inclusive;*
- (3) NRS 350.350 to 350.490, inclusive;*
- (4) NRS 350.500 to 350.720, inclusive; and*
- (5) Any other applicable law;*

(b) Provide for medium-term obligations and installment-purchase agreements in accordance with and by the exercise of the powers conferred by NRS 350.087 to 350.095, inclusive; and

(c) Conduct any transaction described in NRS 350.800, as if the District was a municipality, in accordance with and by the exercise of the powers conferred by that section, to pay, in whole or in part, the costs of acquiring, constructing and operating any lands, easements, water rights, water, waterworks or projects, conduits, pipelines, wells, reservoirs, structures, machinery and other property or equipment useful or necessary to store, convey, supply or otherwise deal with water, and otherwise to carry out the powers set forth in section 3 of this act.

2. For the purposes of:

(a) NRS 350.011 to 350.0165, inclusive, the District shall be deemed to be a municipality within the meaning of those provisions.

(b) NRS 350.572, sections 1 to 15, inclusive, of this act do not expressly or impliedly require an election before the issuance of a security or indebtedness pursuant to NRS 350.500 to 350.720, inclusive, if the obligation is:

- (1) Payable solely from pledged revenues;*
- (2) A general obligation payable from general ad valorem taxes, the payment of which obligation is additionally secured by a pledge of and lien on designated revenues;*



(3) *A medium-term obligation; or*
(4) *Any combination of the obligations described in subparagraphs (1), (2) and (3),*
↳ *but an election must be held before incurring a general obligation payable solely from general ad valorem taxes.*

Sec. 2. Section 3 of the Virgin Valley Water District Act, being chapter 100, Statutes of Nevada 1993, as last amended by chapter 203, Statutes of Nevada 1997, at page 560, is hereby amended to read as follows:

Sec. 3. The District has the following powers:

1. To have perpetual succession.
2. To sue and be sued in the name of the District in all courts or tribunals of competent jurisdiction.
3. To adopt a seal and alter it at the District's pleasure.
4. To enter into contracts, and employ and fix the compensation of staff and professional advisers.

5. To ***borrow money and*** incur indebtedness ~~[pursuant to chapter 271 of NRS, issue bonds pursuant to chapter 350 of NRS and provide for medium-term obligations pursuant to chapter 350 of NRS to pay, in whole or in part, the costs of acquiring, constructing and operating any lands, easements, water rights, water, waterworks or projects, conduits, pipelines, wells, reservoirs, structures, machinery and other property or equipment useful or necessary to store, convey, supply or otherwise deal with water, and otherwise to carry out the powers set forth in this section. For the purposes of NRS 350.572, sections 1 to 15, inclusive, of this act do not expressly or impliedly require an election before the issuance of a security or indebtedness pursuant to NRS 350.500 to 350.572, inclusive, if the obligation is payable solely from pledged revenues, but an election must be held before incurring a general obligation.]~~ ***to the extent permitted by law.***

6. To acquire, by purchase, grant, gift, devise, lease, construction, contract or otherwise, lands, rights-of-way, easements, privileges, water and water rights, and property of every kind, whether real or personal, to construct, maintain and operate, within or without the District, any and all works and improvements necessary or proper to carry out any of the objects or purposes of sections 1 to 15, inclusive, of this act, and to complete, extend, add to, repair or otherwise improve any works, improvements or property acquired by it as authorized by sections 1 to 15, inclusive, of this act.

7. To sell, lease, encumber, hypothecate or otherwise dispose of property, whether real or personal, including water



1 and water rights, as is necessary or convenient to the full
2 exercise of the district's powers.

3 8. To adopt ordinances, rules, regulations and bylaws
4 necessary for the exercise of the powers and conduct of the
5 affairs of the Board and District.

6 9. Except as otherwise provided in this subsection, to
7 exercise the power of eminent domain in the manner
8 prescribed by law, within or without the service area of the
9 District, to take any property, including, without limitation,
10 the property specified in subsections 6 and 15, necessary or
11 convenient for the exercise of the powers of the District or for
12 the provision of adequate water service to the service area.
13 The District shall not exercise the power of eminent domain
14 to acquire the water rights or waterworks facilities of any
15 nonprofit purveyor delivering water for domestic use whose
16 service area is adjacent to the district without first obtaining
17 the consent of the purveyor.

18 10. To enter upon any land, to make surveys and locate
19 any necessary improvements, including, without limitation,
20 lines for channels, conduits, canals, pipelines, roadways and
21 other rights-of-way, to acquire property necessary or
22 convenient for the construction, use, supply, maintenance,
23 repair and improvement of such improvements, including
24 works constructed and being constructed by private owners,
25 lands for reservoirs for the storage of necessary water, and all
26 necessary appurtenances, and, where necessary and for the
27 purposes and uses set forth in this section, to acquire and hold
28 the stock of corporations, domestic or foreign, owning water
29 or water rights, canals, waterworks, franchises, concessions
30 or other rights.

31 11. To enter into and do any acts necessary or proper for
32 the performance of any agreement with the United States, or
33 any state, county or district of any kind, public or private
34 corporation, association, firm or natural person, or any
35 number of them, for the joint acquisition, construction,
36 leasing, ownership, disposition, use, management,
37 maintenance, repair or operation of any rights, works or other
38 property of a kind which may be lawfully acquired or owned
39 by the District.

40 12. To acquire the right to store water in any reservoirs,
41 or to carry water through any canal, ditch or conduit not
42 owned or controlled by the District, and to grant to any owner
43 or lessee the right to the use of any water or right to store
44 such water in any reservoir of the District, or to carry such



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1 water through any tunnel, canal, ditch or conduit of the
2 District.

3 13. To enter into and do any acts necessary or proper for
4 the performance of any agreement with any district of any
5 kind, public or private corporation, association, firm or
6 natural person, or any number of them, for the transfer
7 or delivery to any district, corporation, association, firm or
8 natural person of any water right or water pumped, stored,
9 appropriated or otherwise acquired or secured for the use of
10 the District, or for the purpose of exchanging the water or
11 water right for any other water, water right or water supply to
12 be delivered to the district by the other party to the
13 agreement.

14 14. To cooperate and act in conjunction with the State of
15 Nevada or any of its engineers, officers, boards, commissions,
16 departments or agencies, with the government of the United
17 States or any of its engineers, officers, boards, commissions,
18 departments or agencies, or with any public or private
19 corporation, to construct any work for the development,
20 importation or distribution of water of the District, for the
21 protection of life or property therein, or for the conservation
22 of its water for beneficial use within the district, or to carry
23 out any other works, acts or purposes provided for in sections
24 1 to 15, inclusive, of this act, and to adopt and carry out any
25 definite plan or system of work for any of the purposes
26 described in sections 1 to 15, inclusive, of this act.

27 15. To store water in surface or underground reservoirs
28 within or without the District for the common benefit of the
29 District, to conserve and reclaim water for present and future
30 use within the District, to appropriate and acquire water and
31 water rights and import water into the District for any useful
32 purpose to the District, and to commence, maintain, intervene
33 in and compromise in the name of the District, or otherwise,
34 and assume the costs and expenses of any action or
35 proceeding involving or affecting:

36 (a) The ownership or use of water or water rights within
37 or without the District used or useful for any purpose of the
38 District or of common benefit to any land situated therein;

39 (b) The wasteful use of water within the District;

40 (c) The interference with or diminution of water or water
41 rights within the District;

42 (d) The contamination or pollution of the surface or
43 subsurface water used in the District or any other act that
44 otherwise renders such water unfit for beneficial use; and



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(e) The interference with this water that may endanger or damage the residents, lands or use of water in the District.

16. To sell and distribute water under the control of the District, without preference, to any natural person, firm, corporation, association, district, agency or inhabitant, public or private, for use within the service area, to fix, establish and adjust rates, classes of rates, terms and conditions for the sale and use of such water, and to sell water for use outside the service area upon a finding by the board that there is a surplus of water above that amount required to serve customers within the service area.

17. To cause taxes to be levied and collected for the purposes prescribed in sections 1 to 15, inclusive, of this act, including the payment of any obligation of the District during its organizational state and thereafter, and necessary engineering costs, and to assist in the operational expenses of the District, until such taxes are no longer required.

18. To supplement the surface and groundwater resources of Virgin Valley by the importation and use of water from other sources for industrial, irrigation, municipal and domestic uses.

19. To restrict the use of district water during any emergency caused by drought or other threatened or existing water shortage, and to prohibit the waste of district water at any time through the adoption of ordinances, rules or regulations and the imposition of fines for violations of those ordinances, rules and regulations.

20. To annex area into the District in the manner prescribed for cities in chapter 268 of NRS.

21. To supply water under contract or agreement, or in any other manner, to the United States or any department or agency thereof, the State of Nevada, Clark County, Nevada, and any city, town, corporation, association, partnership or natural person situated in Clark County, Nevada, and to deliver water to those users in Mohave County, Arizona, who are located in the Virgin Valley in accordance with the provisions of NRS 533.515 and 533.520, for an appropriate charge, consideration or exchange made therefor, when such supply is available or can be developed as an incident of or in connection with the primary functions and operations of the District.

22. To create assessment districts to extend mains, improve distribution systems and acquire presently operating private water companies and mutual water distribution systems.



23. To accept from the Government of the United States or any of its agencies financial assistance or participation in the form of grants-in-aid or any other form in connection with any of the functions of the District.

24. To assume the obligations of the Bunkerville Water User's Association, a nonprofit corporation, in providing water service to users in the District's service area.

25. To assume the obligations of the Mesquite Farmstead Water Association, a nonprofit corporation, in providing water service to users in the District's service area and in its certificated service area in Mohave County, Arizona, pursuant to the certificate of public convenience and necessity granted to the Mesquite Farmstead Water Association by the State of Arizona.

26. To conduct business in Mohave County, Arizona, upon qualifying to do so pursuant to the laws of that state.

27. To do all acts and things reasonably implied from and necessary for the full exercise of all powers of the district granted by sections 1 to 15, inclusive, of this act.

Sec. 3. This act becomes effective on July 1, 2007.

