

ASSEMBLY BILL NO. 422—ASSEMBLYWOMAN KIRKPATRICK

MARCH 21, 2011

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to water. (BDR 48-681)

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; providing specific authority for public bodies to lease water rights to certain owners or holders of water rights; revising provisions relating to the Program for the Management of Groundwater in the Las Vegas Valley Groundwater Basin; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Section 1 of this bill specifically authorizes a public body to lease a water right owned by the public body to an owner or holder of a water right who, as determined by the State Engineer, is exceeding the amount of water to which the owner or holder is entitled.

The Advisory Committee for the Management of Groundwater in the Las Vegas Valley Groundwater Basin is created in existing law to advise the Southern Nevada Water Authority concerning the Program for the Management of Groundwater in the Las Vegas Valley Groundwater Basin. (Sections 8, 9 and 12 of chapter 572, Statutes of Nevada 1997, p. 2799) **Section 3** of this bill increases the term of an appointed member of the Advisory Committee from 2 years to 4 years. **Section 4** of this bill revises the frequency of the meetings of the Advisory Committee from quarterly to annually. **Section 5** of this bill revises the frequency of and responsibility for preparation of reports concerning the Program.

Under existing law, the Southern Nevada Water Authority is authorized to establish a program under which it may enter into an agreement with a property owner in the Basin for the abandonment or plugging of a well on the owner's property or the connection of the property to a public water system. (Section 14.3 of chapter 468, Statutes of Nevada 1999, p. 2386) **Section 6** of this bill makes the mandatory provisions in existing law for such an agreement discretionary and authorizes the inclusion of other provisions in such an agreement that are reasonably necessary to carry out the purposes and intent of the program.




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

Section 1. Chapter 533 of NRS is hereby amended by adding thereto a new section to read as follows:

1. A public body may lease a water right owned by the public body to an owner or holder of a water right who, as determined by the State Engineer, is exceeding the amount of water to which the owner or holder is entitled.

2. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions. The term includes, without limitation, a water district organized pursuant to a special act of the Legislature or a water authority organized as a political subdivision created by a cooperative agreement or created by a special act of the Legislature.

Sec. 2. NRS 533.550 is hereby amended to read as follows:

533.550 1. Notwithstanding any other provision of law  and except as otherwise provided in section 1 of this act, a public body shall not sell or lease for a term of more than 5 years a water right owned by the public body unless the public body, after holding at least one public hearing at which public comment was solicited, has issued written findings that:

(a) The sale or lease of the water right is consistent with the prudent, long-term management of the water resources within the jurisdiction of the public body;

(b) The sale or lease of the water right will not deprive residents and businesses within the jurisdiction of the public body of reasonable access to water resources for growth and development;

(c) The sale or lease of the water right is a reasonable means of promoting development and use of the water right; and

(d) The means by which the water right is sold or leased reasonably ensures that the public body will receive the actual value of the water right or comparable economic benefits.

2. As used in this section, "public body" means the State or a county, city, town, school district or any public agency of this State or its political subdivisions. The term does not include a water district organized pursuant to a special act of the Legislature or a water authority organized as a political subdivision created by a cooperative agreement or created by a special act of the Legislature.

Sec. 3. Section 8 of the Southern Nevada Water Authority Act, being chapter 572, Statutes of Nevada 1997, at page 2800, is hereby amended to read as follows:

Sec. 8. 1. The Advisory Committee for the Management of Groundwater in the Las Vegas Valley



Groundwater Basin is hereby created. The Advisory Committee consists of:

(a) Seven members to be appointed by the Board of Directors, including:

(1) Two persons who own and operate domestic wells located in the Basin;

(2) One representative of an organization that owns and operates a quasi-municipal well located in the Basin;

(3) One representative of an industrial or commercial user of groundwater which is located in the Basin;

(4) One representative of a private water company which operates in the Basin;

(5) One consumer whose water service is provided entirely by a municipal water purveyor which is located in the Basin; and

(6) One representative of a municipal water purveyor that owns and operates wells located in the Basin;

(b) The State Engineer, or a designated representative of the State Engineer, who is an ex officio nonvoting member of the Advisory Committee; and

(c) The Administrator of the Division of Environmental Protection of the State Department of Conservation and Natural Resources, or a designated representative of the Administrator, who is an ex officio nonvoting member of the Advisory Committee.

2. Members of the Advisory Committee serve without compensation, except that while engaged in the business of the Advisory Committee, each member is entitled to the per diem allowance and travel expenses provided for state officers and employees generally, to be paid by the Southern Nevada Water Authority.

3. After the initial term, the term of each appointed member is ~~2~~ 4 years. Members may be reappointed. At the expiration of the term of a member, or if a member resigns or is otherwise unable to complete his or her term, the Board of Directors shall, not later than 90 days after the vacancy occurs, appoint a person pursuant to subsection 4 to fill the vacancy.

4. In replacing a member described in:

(a) Subparagraph (1), (2) or (3) of paragraph (a) of subsection 1, the Board of Directors shall consider recommendations solicited from a representative sampling of owners of domestic wells, persons and organizations associated with quasi-municipal wells, and industrial and commercial users of groundwater, respectively.



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(b) Subparagraph (4), (5) or (6) of paragraph (a) of subsection 1, the Board of Directors shall consider recommendations solicited from the various entities that comprise the Southern Nevada Water Authority.

Sec. 4. Section 9 of the Southern Nevada Water Authority Act, being chapter 572, Statutes of Nevada 1997, at page 2800, is hereby amended to read as follows:

Sec. 9. ~~{1.}~~ The Advisory Committee shall meet at least once every ~~{3 months.}~~

~~—2.— The Advisory Committee shall elect from its members a Chair who shall serve for a term of 2 years. Any vacancy occurring in the office of Chair must be filled by majority vote of the members of the Advisory Committee for the remainder of the unexpired term.}~~ **year.**

Sec. 5. Section 12 of the Southern Nevada Water Authority Act, being chapter 572, Statutes of Nevada 1997, at page 2801, is hereby amended to read as follows:

Sec. 12. ~~{1.— On or before December 31 of each year, the Southern Nevada Water Authority shall prepare a summary report which describes the activities of the Management Program and the Advisory Committee during the preceding calendar year.}~~

~~—2.}~~ On or before December 31 of each even-numbered year, the Southern Nevada Water Authority ~~{and the Advisory Committee}~~ shall prepare a **{joint}** report and submit the report to the Director of the Legislative Counsel Bureau for transmittal to the Nevada Legislature. The **{joint}** report must include, without limitation:

{(a)} **1.** A summary of all of the activities, studies and research conducted on behalf of the Management Program during the previous 2 calendar years;

{(b)} **2.** A detailed assessment of the joint public workshops conducted by the Southern Nevada Water Authority and the Advisory Committee during the previous 2 calendar years, including documentation of the comments made on the record by the members of the general public who attended the workshops;

{(c)} **3.** A statement of income and expenditures related to the Management Program; and

{(d)} **4.** An assessment from the Advisory Committee concerning the status of the groundwater in the Basin and the activities related to the management of the Basin, including any recommendations concerning:



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~~[(4)]~~ (a) Whether activities, fees and other aspects of the Management Program should be continued, modified or terminated; and

~~[(2)]~~ (b) Plans for additional activities for the management of groundwater in the Basin, and for the protection of the aquifer in which the Basin is located.

Sec. 6. Section 14.3 of the Southern Nevada Water Authority Act, being chapter 468, Statutes of Nevada 1999, at page 2386, is hereby amended to read as follows:

Sec. 14.3. 1. The Southern Nevada Water Authority may, in consultation with the Advisory Committee, establish a program under which it may enter into an agreement with an owner of real property located in the Basin to:

- (a) Abandon or plug a well located on the real property;
- (b) Install pipes and other appurtenances to deliver water to the real property; and
- (c) Pay fees related to the connection of the property to a public water system.

2. An agreement entered into pursuant to subsection 1 ~~must~~ *may*:

(a) Provide for the repayment, over time, to the Southern Nevada Water Authority by the owner of the real property all money expended by the Southern Nevada Water Authority pursuant to the agreement;

(b) Provide that all money to be repaid to the Southern Nevada Water Authority pursuant to the agreement be due and payable upon the sale or other transfer of the real property;

(c) Be secured by a lien upon the real property; ~~and~~

(d) Be acknowledged and recorded in the same manner as conveyances affecting real property are required to be acknowledged and recorded pursuant to chapter 111 of NRS ~~and~~ *and*

(e) Include any other provision that is reasonably necessary to carry out the purposes and intent of the program established pursuant to subsection 1.

3. An abandonment or plugging of a well pursuant to an agreement entered into pursuant to subsection 1 must be conducted in a manner approved by the State Engineer.

4. As used in this section, "public water system" has the meaning ascribed to it in NRS 445A.840.

Sec. 7. This act becomes effective on July 1, 2011.

