

Amendment No. 467

Senate Amendment to Senate Bill No. 81

(BDR 48-367)

Proposed by: Senate Committee on Government Affairs

Amends: Summary: No Title: No Preamble: No Joint Sponsorship: No Digest: Yes

Adoption of this amendment will ADD a 2/3s majority vote requirement for final passage of S.B. 81 (§ 4).

ASSEMBLY ACTION			Initial and Date	SENATE ACTION			Initial and Date		
Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____	Adopted	<input type="checkbox"/>	Lost	<input type="checkbox"/>	_____
Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Concurred In	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____
Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____	Receded	<input type="checkbox"/>	Not	<input type="checkbox"/>	_____

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

HAC/JWP



Date: 4/16/2015

S.B. No. 81—Revises provisions relating to the management and appropriation of water. (BDR 48-367)



SENATE BILL NO. 81—COMMITTEE ON GOVERNMENT AFFAIRS

(ON BEHALF OF THE DIVISION OF WATER RESOURCES)

PREFILED DECEMBER 20, 2014

Referred to Committee on Government Affairs

SUMMARY—Revises provisions relating to the management and appropriation of water. (BDR 48-367)

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

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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; revising provisions relating to the designation and regulation of groundwater basins by the State Engineer; revising provisions relating to the appropriation of water for beneficial use; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State Engineer has various powers and duties with respect to the management of the water resources of this State, including the groundwater. Existing law: (1) authorizes the State Engineer to designate as a critical management area any groundwater basin or portion therein in which withdrawals of groundwater consistently exceed the perennial yield of the basin; and (2) requires the State Engineer to designate as a critical management area any groundwater basin or portion therein in which withdrawals of groundwater consistently exceed the perennial yield of the basin upon receipt of a petition for such a designation. (NRS 534.110) Existing law requires the State Engineer to designate certain areas as areas of active management, which are groundwater basins in which the State Engineer conducts close monitoring and regulation of the water supply because of heavy use. (NRS 534.011, 534.030) This bill eliminates the classification "area of active management" and renames the classification "critical management area" as "active management area." Similar to the former designation of critical management area, **section 3** of this bill authorizes the State Engineer to designate a basin or portion therein as an active management area if the State Engineer determines that: (1) ~~withdrawals~~ **consumption** of groundwater ~~exceeds~~ **consistently exceeds** the perennial yield of the basin; **or** (2) groundwater levels continue to **unreasonably decline**. ~~or (2) pumping of groundwater conflicts with existing water rights.~~ **Section 3** requires the State Engineer to designate any basin or portion therein as an active management area if the State Engineer receives a petition for such a designation which is signed by ~~not less than 40 percent of the combined total of holders of adjudicated or unadjudicated claims of vested rights and permits or certificates to appropriate water~~ **appropriators of record** and owners of domestic wells **who account for not less than 60 percent of the combined total appropriated groundwater** in the basin or portion therein. Additionally, **section 3** ~~authorizes~~ **requires** the State Engineer to rescind the designation of a groundwater basin or portion therein as an active management area if the State Engineer determines that the designation is no longer warranted. **Section 4** of this bill specifies the

powers of the State Engineer in basins or portions therein that are designated as an active management area.

Under existing law, the State Engineer is required to supervise certain artesian water, underground aquifers and percolating water. (NRS 534.030) **Section 7** of this bill clarifies that the State Engineer is required to supervise all groundwater and wells, including domestic wells for which a permit is not required.

Existing law authorizes the submittal to the State Engineer of a petition for the approval of a groundwater management plan for a critical management area by a majority of the holders of permits or certificates to appropriate water. (NRS 534.037) **Section 8** of this bill changes the signature requirement for such petitions to signatures from ~~not less than 40 percent of the combined total of the holders of adjudicated or unadjudicated claims of vested rights and permits or certificates to appropriate water and~~ appropriators of record and owners of domestic wells who account for not less than 60 percent of the combined total appropriated groundwater in the basin or portion therein.

Under existing law, the State Engineer is required to hold public hearings on the designation of a basin as in need of administration and on groundwater management plans for certain basins. Depending on whether adequate facilities are available, the hearings are required to be held within the basin or in the county in which the basin lies or, if the basin lies in more than one county, within the county where the major portion of the basin lies. (NRS 534.030, 534.037) **Sections 7 and 8** of this bill authorize the State Engineer to also hold such a hearing at the location in closest proximity to the basin where an adequate facility exists for holding a hearing.

Under existing law, the holder of a water right forfeits that right if the holder does not put the water to beneficial use within a certain period. However, existing law authorizes the State Engineer to extend this period and requires the State Engineer to consider certain factors when determining whether to make such an extension. (NRS 534.090) **Section 9** of this bill requires the State Engineer to consider as an additional factor in an application for an extension of time to prevent forfeiture whether the basin or portion therein where the water right is located has been designated as an active management area.

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

Section 1. Chapter 534 of NRS is hereby amended by adding thereto the provisions set forth as sections 2, 3 and 4 of this act.

Sec. 2. *“Appropriator of record” means a holder of an adjudicated or unadjudicated claim of a vested right or a permit or certificate to appropriate water ~~on file in the Office of the State Engineer.~~*

Sec. 3. 1. The State Engineer:

(a) May designate as an active management area any basin or a portion therein which has been designated previously as a groundwater basin by the State Engineer pursuant to NRS 534.030 and where:

(1) ~~Withdrawal of~~ Consumption of groundwater ~~exceeds~~ consistently exceeds the perennial yield of the basin; or

(2) Groundwater levels continue to unreasonably decline ~~or~~

(3) ~~Pumping of groundwater conflicts with existing water rights.~~

(b) Shall designate as an active management area any basin or a portion therein which has been designated previously to be in need of administration by the State Engineer pursuant to NRS 534.030 upon receipt of a petition for ~~such a~~ designation as an active management area which is signed by ~~not less than 40 percent of the combined total of the~~ appropriators of record and owners of domestic wells who account for not less than 60 percent of the combined total of appropriated groundwater in the basin or portion therein.

1 (c) ~~May~~ Shall rescind the designation of a basin or portion therein as an
2 active management area if the State Engineer determines that the conditions in
3 the basin or portion therein no longer warrant that designation.

4 2. If a basin or portion therein has been designated as an active
5 management area for ~~at least~~ 5 consecutive years, the State Engineer shall
6 order that withdrawals, including, without limitation, withdrawals from domestic
7 wells, be restricted in that basin or portion therein to conform to priority rights,
8 unless a groundwater management plan has been approved for the basin or
9 portion therein pursuant to NRS 534.037.

10 3. The designation of a basin or a portion therein as an active management
11 area pursuant to this section may be appealed pursuant to NRS 533.450.

12 Sec. 4. In considering a groundwater management plan pursuant to NRS
13 534.037 for a basin or portion therein designated as an active management area
14 pursuant to section 3 of this act ~~and in addition to any other power granted by~~
15 law, the State Engineer may, without limitation, approve a plan to:

16 1. Limit the quantity of water that may be withdrawn under any permit or
17 certificate ~~to conform to priority rights.~~

18 2. ~~Limit the area that may be irrigated;~~

19 ~~3. Limit the drilling of domestic wells;~~

20 ~~4. Limit the quantity of water allowed to be withdrawn from a domestic~~
21 ~~well;~~

22 ~~5. Limit the movement of water rights;~~

23 ~~6. Impose or authorize conservation practices that might otherwise result in~~
24 ~~forfeiture of the water right pursuant to NRS 534.090;~~

25 ~~7. Limit the number of extensions of time for the filing of proofs of~~
26 ~~completion of construction work and application of water to beneficial use that~~
27 ~~may be approved pursuant to NRS 533.380;~~

28 ~~8. Require the filing of proofs of beneficial use pursuant to NRS 533.400;~~

29 ~~9. Designate preferred uses of existing rights;~~

30 ~~10. Assess fees to establish a fund to retire water rights; and~~

31 ~~11. Require any other action that the State Engineer determines to be~~
32 ~~necessary.~~ Exempt a water right from the requirements set forth in NRS
33 533.390, 533.395, 533.410 or 534.090 during the period that the plan is in effect
34 so that any conservation practices that are implemented do not result in the
35 cancellation or forfeiture of a water right.

36 3. Establish a fund to retire water rights or implement conservation
37 practices. For purposes of the fund, the State Engineer may:

38 (a) Assess fees on appropriators of record of groundwater rights, owners of
39 parcels and owners of domestic wells; and

40 (b) Receive money from any other source.

41 4. Authorize the voluntary relinquishment to the groundwater source of a
42 portion of a groundwater right in exchange for granting an exemption on the
43 unrelinquished portion of the groundwater right from any provision that requires
44 the filing and approval of extensions to avoid the cancellation or forfeiture of the
45 groundwater right during the period that the plan is in effect. Any right that is
46 not voluntarily relinquished is not exempt from regulation by priority.

47 5. Require the filing of proofs of beneficial use pursuant to NRS 533.400.

6. Require the adoption of rules or regulations to further a groundwater management plan.

7. Request any other action reasonably related to the removal of the designation of an active management area.

Sec. 5. NRS 534.010 is hereby amended to read as follows:

534.010 1. As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 534.0105 to 534.0175, inclusive, *and section 2 of this act* have the meanings ascribed to them in those sections.

2. As used in this chapter, the terms “underground water” and “groundwater” are synonymous.

Sec. 6. NRS 534.011 is hereby amended to read as follows:

534.011 ~~“Area of active”~~ “Active management ~~“”~~ area” means an area:

1. In which the State Engineer is conducting particularly close monitoring and regulation of the water supply because of heavy use of that supply; and

2. Which has received that designation by the State Engineer pursuant to ~~NRS 534.030~~ *section 3 of this act*.

Sec. 7. NRS 534.030 is hereby amended to read as follows:

534.030 1. Upon receipt by the State Engineer of a petition requesting the State Engineer to administer the provisions of this chapter as relating to designated areas, signed by not less than 40 percent of the appropriators of record ~~in the Office of the State Engineer,~~ in any particular basin or portion therein, the State Engineer shall:

(a) Cause to be made the necessary investigations to determine if such administration would be justified.

(b) If the findings of the State Engineer are affirmative, designate the area by basin, or portion therein, and make an official order describing the boundaries by legal subdivision as nearly as possible.

(c) Proceed with the administration of this chapter.

2. In the absence of ~~such~~ a petition ~~from the owners of wells~~ *described in subsection 1*, in a groundwater basin which the State Engineer considers to be in need of administration, the State Engineer shall hold a public hearing:

(a) If adequate facilities to hold a hearing are available within the basin; or

(b) If such facilities are unavailable, hold the hearing within the county where the basin lies or within the county, where the major portion of the basin lies, *or at the location in closest proximity to the basin where an adequate facility exists for holding a hearing,*

to take testimony ~~from those owners~~ to determine whether administration of that basin is justified. If the basin is found, after due investigation, to be in need of administration the State Engineer may enter an order in the same manner as if a petition, as described in subsection 1, had been received.

3. The order of the State Engineer may be reviewed by the district court of the county pursuant to NRS 533.450.

4. The State Engineer shall supervise all *underground water and wells tapping artesian water or water in definable underground aquifers drilled after March 22, 1913, and all wells tapping percolating water drilled subsequent to March 25, 1939, except* *, including, without limitation,* those wells for domestic purposes for which a permit is not required.

5. Within any groundwater basin which has been designated or which may hereafter be so designated by the State Engineer, except groundwater basins subject to the provisions of NRS 534.035, and wherein a water conservation board has been created and established or wherein a water district has been created and established by law to furnish water to an area or areas within the basin or for groundwater conservation purposes, the State Engineer, in the administration of the groundwater

law, shall avail himself or herself of the services of the governing body of the water district or the water conservation board, or both of them, in an advisory capacity. The governing body or water board shall furnish such advice and assistance to the State Engineer as is necessary for the purpose of the conservation of groundwater within the areas affected. The services of the governing body or water conservation board must be without compensation from the State, and the services so rendered must be upon reasonable agreements effected with and by the State Engineer.

Sec. 8. NRS 534.037 is hereby amended to read as follows:

534.037 1. In a basin *or a portion therein* that has been designated as ~~critical~~ *an active* management area by the State Engineer pursuant to ~~subsection 7 of NRS 534.110~~ *section 3 of this act*, a petition for the approval of a groundwater management plan for the basin *or portion therein* may be submitted to the State Engineer. The petition must be signed by ~~a majority of the holders of permits or certificates to appropriate water in the basin that are on file in the Office of the State Engineer~~ *appropriators of record and owners of domestic wells who account for not less than 60 percent of the combined total of the appropriators of record and domestic well owners* *appropriated groundwater in the basin or portion therein* and must be accompanied by a groundwater management plan which must set forth the necessary steps for ~~removal~~ *rescission* of the ~~basin's~~ *designations of the basin or portion therein* as ~~critical~~ *an active* management area.

2. In determining whether to approve a groundwater management plan submitted pursuant to subsection 1, the State Engineer shall consider, without limitation:

- (a) The hydrology of the basin;
- (b) The physical characteristics of the basin;
- (c) The geographic spacing and location of the withdrawals of groundwater in the basin;
- (d) The quality of the water in the basin;
- (e) The wells located in the basin, including, without limitation, domestic wells;
- (f) Whether a groundwater management plan already exists for the basin; and
- (g) Any other factor deemed relevant by the State Engineer.

3. Before approving or disapproving a groundwater management plan submitted pursuant to subsection 1, the State Engineer shall hold a public hearing to take testimony on the plan in the county where the basin lies or, if the basin lies in more than one county, within the county where the major portion of the basin lies ~~or at the location in closest proximity to the basin where an adequate facility exists for holding a hearing~~. The State Engineer shall cause notice of the hearing to be:

- (a) Given once each week for 2 consecutive weeks before the hearing in a newspaper of general circulation in the county or counties in which the basin lies.
- (b) Posted on the Internet website of the State Engineer for at least 2 consecutive weeks immediately preceding the date of the hearing.

4. The decision of the State Engineer on a groundwater management plan may be reviewed by the district court of the county pursuant to NRS 533.450.

5. An amendment to a groundwater management plan must be proposed and approved in the same manner as an original groundwater management plan is proposed and approved pursuant to this section.

Sec. 9. NRS 534.090 is hereby amended to read as follows:

534.090 1. Except as otherwise provided in this section ~~and section 4 of this act~~, failure for 5 successive years after April 15, 1967, on the part of the holder of any right, whether it is an adjudicated right, an unadjudicated right or a right for

1 which a certificate has been issued pursuant to NRS 533.425, and further whether
2 the right is initiated after or before March 25, 1939, to use beneficially all or any
3 part of the underground water for the purpose for which the right is acquired or
4 claimed, works a forfeiture of both undetermined rights and determined rights to
5 the use of that water to the extent of the nonuse. If the records of the State Engineer
6 or any other documents specified by the State Engineer indicate at least 4
7 consecutive years, but less than 5 consecutive years, of nonuse of all or any part of
8 a water right which is governed by this chapter, the State Engineer shall notify the
9 owner of the water right, as determined in the records of the Office of the State
10 Engineer, by registered or certified mail that the owner has 1 year after the date of
11 the notice in which to use the water right beneficially and to provide proof of such
12 use to the State Engineer or apply for relief pursuant to subsection 2 to avoid
13 forfeiting the water right. If, after 1 year after the date of the notice, proof of
14 resumption of beneficial use is not filed in the Office of the State Engineer, the
15 State Engineer shall, unless the State Engineer has granted a request to extend the
16 time necessary to work a forfeiture of the water right, declare the right forfeited
17 within 30 days. Upon the forfeiture of a right to the use of groundwater, the water
18 reverts to the public and is available for further appropriation, subject to existing
19 rights. If, upon notice by registered or certified mail to the owner of record whose
20 right has been declared forfeited, the owner of record fails to appeal the ruling in
21 the manner provided for in NRS 533.450, and within the time provided for therein,
22 the forfeiture becomes final. The failure to receive a notice pursuant to this
23 subsection does not nullify the forfeiture or extend the time necessary to work the
24 forfeiture of a water right.

25 2. The State Engineer may, upon the request of the holder of any right
26 described in subsection 1, extend the time necessary to work a forfeiture under that
27 subsection if the request is made before the expiration of the time necessary to work
28 a forfeiture. The State Engineer may grant, upon request and for good cause shown,
29 any number of extensions, but a single extension must not exceed 1 year. In
30 determining whether to grant or deny a request, the State Engineer shall, among
31 other reasons, consider:

32 (a) Whether the holder has shown good cause for the holder's failure to use all
33 or any part of the water beneficially for the purpose for which the holder's right is
34 acquired or claimed;

35 (b) The unavailability of water to put to a beneficial use which is beyond the
36 control of the holder;

37 (c) Any economic conditions or natural disasters which made the holder unable
38 to put the water to that use;

39 (d) Any prolonged period in which precipitation in the basin where the water
40 right is located is below the average for that basin or in which indexes that measure
41 soil moisture show that a deficit in soil moisture has occurred in that basin;

42 (e) Whether a groundwater management plan has been approved for the basin
43 pursuant to NRS 534.037; ~~and~~

44 (f) *Whether the basin or portion therein has been designated as an active
45 management area pursuant to section 3 of this act; or*

46 (g) Whether the holder has demonstrated efficient ways of using the water for
47 agricultural purposes, such as center-pivot irrigation.

48 ➤ The State Engineer shall notify, by registered or certified mail, the owner of the
49 water right, as determined in the records of the Office of the State Engineer, of
50 whether the State Engineer has granted or denied the holder's request for an
51 extension pursuant to this subsection. If the State Engineer grants an extension
52 pursuant to this subsection and, before the expiration of that extension, proof of
53 resumption of beneficial use or another request for an extension is not filed in the

Office of the State Engineer, the State Engineer shall declare the water right forfeited within 30 days after the expiration of the extension granted pursuant to this subsection.

3. If the failure to use the water pursuant to subsection 1 is because of the use of center-pivot irrigation before July 1, 1983, and such use could result in a forfeiture of a portion of a right, the State Engineer shall, by registered or certified mail, send to the owner of record a notice of intent to declare a forfeiture. The notice must provide that the owner has at least 1 year after the date of the notice to use the water beneficially or apply for additional relief pursuant to subsection 2 before forfeiture of the owner's right is declared by the State Engineer.

4. A right to use underground water whether it is vested or otherwise may be lost by abandonment. If the State Engineer, in investigating a groundwater source, upon which there has been a prior right, for the purpose of acting upon an application to appropriate water from the same source, is of the belief from his or her examination that an abandonment has taken place, the State Engineer shall so state in the ruling approving the application. If, upon notice by registered or certified mail to the owner of record who had the prior right, the owner of record of the prior right fails to appeal the ruling in the manner provided for in NRS 533.450, and within the time provided for therein, the alleged abandonment declaration as set forth by the State Engineer becomes final.

Sec. 10. NRS 534.110 is hereby amended to read as follows:

534.110 1. The State Engineer shall administer this chapter and shall prescribe all necessary regulations within the terms of this chapter for its administration.

2. The State Engineer may:

(a) Require periodical statements of water elevations, water used, and acreage on which water was used from all ~~holders of permits and claimants of vested rights~~ **appropriators of record and owners of domestic wells.**

(b) Upon his or her own initiation, conduct pumping tests to determine if overpumping is indicated, to determine the specific yield of the aquifers and to determine permeability characteristics.

3. The State Engineer shall determine whether there is unappropriated water in the area affected and may issue permits only if the determination is affirmative. The State Engineer may require each applicant to whom a permit is issued for a well:

(a) For municipal, quasi-municipal or industrial use; and

(b) Whose reasonably expected rate of diversion is one-half cubic foot per second or more,

to report periodically to the State Engineer concerning the effect of that well on other previously existing wells that are located within 2,500 feet of the well.

4. It is a condition of each appropriation of groundwater acquired under this chapter that the right of the appropriator relates to a specific quantity of water and that the right must allow for a reasonable lowering of the static water level at the appropriator's point of diversion. In determining a reasonable lowering of the static water level in a particular area, the State Engineer shall consider the economics of pumping water for the general type of crops growing and may also consider the effect of using water on the economy of the area in general.

5. This section does not prevent the granting of permits to applicants later in time on the ground that the diversions under the proposed later appropriations may cause the water level to be lowered at the point of diversion of a prior appropriator, so long as any protectable interests in existing domestic wells as set forth in NRS 533.024 and the rights of holders of existing appropriations can be satisfied under

~~{such}~~ express conditions ~~that~~ that manage the appropriation and do not conflict with existing rights. At the time a permit is granted for a well:

(a) For municipal, quasi-municipal or industrial use; and

(b) Whose reasonably expected rate of diversion is one-half cubic foot per second or more,

the State Engineer shall include as a condition of the permit that pumping water pursuant to the permit may be limited or prohibited to prevent any unreasonable adverse effects on an existing domestic well located within 2,500 feet of the well, unless the holder of the permit and the owner of the domestic well have agreed to alternative measures that mitigate those adverse effects.

6. ~~{Except as otherwise provided in subsection 7.}~~ Notwithstanding the provisions of section 3 of this act, the State Engineer shall conduct investigations in any basin or portion thereof where it appears that the average annual replenishment to the groundwater supply may not be adequate for the needs of all ~~permittees and all vested right claimants,~~ appropriators of record and owners of domestic wells and if the findings of the State Engineer so indicate, the State Engineer may order that withdrawals, including, without limitation, withdrawals from domestic wells, be restricted to conform to priority rights.

7. ~~{The State Engineer:~~

~~— (a) May designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin.~~

~~— (b) Shall designate as a critical management area any basin in which withdrawals of groundwater consistently exceed the perennial yield of the basin upon receipt of a petition for such a designation which is signed by a majority of the holders of certificates or permits to appropriate water in the basin that are on file in the Office of the State Engineer.~~

~~→ The designation of a basin as a critical management area pursuant to this subsection may be appealed pursuant to NRS 533.450. If a basin has been designated as a critical management area for at least 10 consecutive years, the State Engineer shall order that withdrawals, including, without limitation, withdrawals from domestic wells, be restricted in that basin to conform to priority rights, unless a groundwater management plan has been approved for the basin pursuant to NRS 534.037.~~

~~8. In any basin or portion thereof in the State designated by the State Engineer, the State Engineer may restrict drilling of wells in any portion thereof if the State Engineer determines that additional wells would cause an undue interference with existing wells. Any order or decision of the State Engineer so restricting drilling of such wells may be reviewed by the district court of the county pursuant to NRS 533.450.~~

Sec. 11. NRS 534.250 is hereby amended to read as follows:

534.250 1. Any person desiring to operate a project must first make an application to, and obtain from, the State Engineer a permit to operate such a project.

2. The State Engineer shall, upon application, issue a permit to operate a project if the State Engineer determines that:

(a) The applicant has the technical and financial capability to construct and operate a project.

(b) The applicant has a right to use the proposed source of water for recharge pursuant to an approved appropriation consistent with this chapter and chapter 533 of NRS. Any determination made by the State Engineer for purposes of this paragraph is not binding in any other proceeding.

(c) The project is hydrologically feasible.

(d) ~~If the project is in an area of active management, the project is consistent with the program of augmentation for that area.~~

~~—(e)—~~ The project will not cause harm to users of land or other water within the area of hydrologic effect of the project.

3. The holder of a permit may apply to the State Engineer for approval to assign the permit to another person. The State Engineer must approve the assignment if the person to whom the permit is to be assigned will meet the requirements of paragraphs (a) and (b) of subsection 2 when the assignment is completed.

4. A permit for a project must include:

(a) The name and mailing address of the person to whom the permit is issued.

(b) The name of the ~~area of active management,~~ groundwater basin or groundwater sub-basin, as applicable, in which the project will be located.

(c) The capacity and plan of operation of the project.

(d) Any monitoring program required pursuant to subsection 5.

(e) Any conditions which are imposed pursuant to this chapter or any regulation adopted pursuant thereto.

(f) Any other information which the State Engineer deems necessary to include.

5. The State Engineer shall require the holder of a permit to monitor the operation of the project and the effect of the project on users of land and other water within the area of hydrologic effect of the project. In determining any monitoring requirements, the State Engineer shall cooperate with all government entities which regulate or monitor, or both, the quality of water.

6. The State Engineer, on his or her initiative or at the request of the holder of the permit, may modify the conditions of the permit if monitoring demonstrates that modifications are necessary. In determining whether modifications are necessary, the State Engineer shall consider uses of land or water which were not in existence when the permit was issued.

Sec. 12. NRS 534.260 is hereby amended to read as follows:

534.260 The State Engineer shall prescribe and furnish guidelines for an application for a permit for a project. The application must include:

1. A fee for application of \$2,500;

2. The name and mailing address of the applicant;

3. The name of the ~~area of active management,~~ groundwater basin or groundwater sub-basin, as applicable, in which the applicant proposes to operate the project;

4. The name and mailing address of the owner of the land on which the applicant proposes to operate the project;

5. The legal description of the location of the proposed project;

6. Such evidence of financial and technical capability as the State Engineer requires;

7. The source, quality and annual quantity of water proposed to be recharged, and the quality of the receiving water;

8. The legal basis for acquiring and using the water proposed to be recharged;

9. A description of the proposed project including its capacity and plan of operation;

10. A copy of a study that demonstrates:

(a) The area of hydrologic effect of the project;

(b) That the project is hydrologically feasible;

(c) That the project will not cause harm to users of land and water within the area of hydrologic effect; and

(d) The percentage of recoverable water;

11. The proposed duration of the permit; and

12. Any other information which the State Engineer requires.

Sec. 13. ~~NRS 534.300 is hereby amended to read as follows:~~

~~534.300 1. The State Engineer shall establish a storage account for each project for which the State Engineer has issued a permit. If the project stores water from more than one source, the State Engineer shall establish subaccounts for each source of water.~~

~~2. The holder of a permit for a project may recover only the recoverable amount of water that is stored by the project.~~

~~3. For the purposes of this section, "recoverable amount" means the amount of water, as determined by the State Engineer, that has reached the aquifer and remains within the area of [active management.] hydrologic effect.] (Deleted by amendment.)~~

Sec. 14. NRS 534.340 is hereby repealed.

Sec. 15. This act becomes effective on July 1, 2015.

TEXT OF REPEALED SECTION

534.340 Project for recharge, storage and recovery of water: Designation of areas of active management. The State Engineer shall designate areas of active management pursuant to NRS 534.030.