

Amendment No. 602

Senate Amendment to Senate Bill No. 47	(BDR 48-499)
Proposed by: Senator Cancela	
Amendment Box: Consistent with Amendment No. 108.	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

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.

JFD/EGO



Date: 4/23/2017

S.B. No. 47—Makes various changes relating to the appropriation of water.
(BDR 48-499)



SENATE BILL NO. 47—COMMITTEE ON NATURAL RESOURCES

(ON BEHALF OF THE DIVISION OF WATER RESOURCES
OF THE STATE DEPARTMENT OF
CONSERVATION AND NATURAL RESOURCES)

PREFILED NOVEMBER 16, 2016

Referred to Committee on Natural Resources

SUMMARY—Makes various changes relating to the appropriation of water.
(BDR 48-499)

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

~

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

AN ACT relating to water; declaring the policy of this State to manage conjunctively all sources of water in this State; revising provisions relating to certain applications to appropriate water; revising provisions relating to certain fees collected by the State Engineer; revising the time period in which the State Engineer must declare a forfeiture of certain water rights; revising provisions relating to temporary permits to appropriate water; revising provisions relating to domestic wells; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Under existing law, the State Engineer is charged with managing the appropriation of water in this State. (Title 48 of NRS) Section 1 of this bill declares the policy of this State to manage conjunctively the appropriation, use and administration of all water in this State, regardless of the source.

Existing law requires any person who wishes to appropriate public waters to apply to the State Engineer for a permit to do so. (NRS 533.325) ~~Section 1.5~~ of this bill revises the requirements for an application for a permit to appropriate water. **Section 2** of this bill requires the State Engineer to publish notice of an application to appropriate water in a newspaper of general circulation where the point of diversion is located.

Existing law requires the State Engineer to conduct an inventory of a basin from which water is to be exported before approving an application for an interbasin transfer of more than 250 acre-feet of groundwater if the basin has not previously been studied or inventoried. (NRS 533.364) **Section 3** of this bill requires the State Engineer to instead conduct the inventory before approving an application, or group of applications collectively applying, for an interbasin transfer of more than 25 percent of the perennial yield or 1,000 acre-feet of groundwater, whichever is less.

Upon approving an application for a permit to appropriate water, existing law authorizes the State Engineer to extend the deadline by which construction related to the appropriation of water or the application of water to a beneficial use must be completed or made. A single extension, other than for a municipal or quasi-municipal use for a public water system, may

not exceed 1 year. (NRS 533.380) **Section 4** of this bill clarifies that the single extension may not exceed 1 year from the date for filing proofs provided in the original permit or a previous extension. **Section 4** also requires an application to extend the deadline to include evidence of good faith on the part of the applicant in pursuing the perfection of the application.

Section 5 of this bill eliminates the requirement that a certificate of appropriation set forth the post office address of each holder of the permit.

Section 6 of this bill revises provisions relating to certain fees collected by the State Engineer.

Existing law recognizes a subsisting right to water livestock which may be proved by the owner of livestock by submitting certain evidence to the State Engineer. (NRS 533.492)

Section 7 of this bill revises the scale required for a topographic map showing the location of a subsisting right to water livestock from not less than 1:100,000 to not less than 1:24,000. **Section 7** also provides that a subsisting right to water livestock is a pre-statutory vested right.

Existing law prohibits the denial of an application to change the point of diversion under an existing water right on the basis that the proposed point of diversion is situated in another state. **Section 8** of this bill adds the same restriction for applications to change the manner of use or place of use.

Existing law requires, under certain circumstances, the State Engineer to notify the owner of a water right that the owner has 1 year after the date of the notice to either: (1) use the water right beneficially and provide proof of such use to the State Engineer; or (2) apply to the State Engineer for an extension of time to work a forfeiture of the water right. If, after 1 year after the date of the notice, the owner of the water right has not taken either action, the State Engineer is required to declare the right forfeited within 30 days. (NRS 534.090) **Section 9** of this bill eliminates the 30-day period.

Existing law authorizes the State Engineer to issue temporary permits to appropriate groundwater in certain designated areas and limit the depth and prohibit reconditioning of domestic wells in such areas. (NRS 534.120) **Section 10** of this bill renames such a temporary permit as a revocable permit. **Sections 11, 14 and 15** of this bill make conforming changes.

Section 10 of this bill also expands the areas in which the State Engineer may limit the depth or prohibit the reconditioning of a domestic well. Further, **section 10** requires that a domestic well whose user is furnished water by an entity such as a water district or municipality must be plugged in accordance with any applicable regulations adopted by the State Engineer.

Existing law authorizes the State Engineer, assistants and Artesian Well Supervisor to enter the premises to investigate and carry out duties. **Section 12** of this bill revises the scope of this authority to apply only to the State Engineer, assistants and authorized agents and adds access to the place where the water is being used.

Under existing law, the State Engineer may, under certain circumstances, require the plugging of a domestic well if water can be furnished to the site by a political subdivision of the State or certain public utilities. (NRS 534.180) **Section 13** of this bill removes the requirements that, in order for the State Engineer to require the plugging of the domestic well: (1) the domestic well must have been drilled on or after July 1, 1981; and (2) the charge for making the connection to the water service is less than \$200.

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

Section 1. NRS 533.024 is hereby amended to read as follows:

533.024 The Legislature declares that:

1. It is the policy of this State:

(a) To encourage and promote the use of effluent, where that use is not contrary to the public health, safety or welfare, and where that use does not interfere with federal obligations to deliver water of the Colorado River.

(b) To recognize the importance of domestic wells as appurtenances to private homes, to create a protectable interest in such wells and to protect their supply of

9 water from unreasonable adverse effects which are caused by municipal, quasi-
10 municipal or industrial uses and which cannot reasonably be mitigated.

11 (c) To encourage the State Engineer to consider the best available science in
12 rendering decisions concerning the available surface and underground sources of
13 water in Nevada.

14 (d) To encourage and promote the use of water to prevent or reduce the spread
15 of wildfire or to rehabilitate areas burned by wildfire, including, without limitation,
16 through the establishment of vegetative cover that is resistant to fire.

17 (e) To manage conjunctively the appropriation, use and administration of all
18 waters of this State, regardless of the source of the water.

19 2. The procedures in this chapter for changing the place of diversion, manner
20 of use or place of use of water, and for confirming a report of conveyance, are not
21 intended to have the effect of quieting title to or changing ownership of a water
22 right and that only a court of competent jurisdiction has the power to determine
23 conflicting claims to ownership of a water right.

24 ~~Section 1.1~~ **Sec. 1.5.** NRS 533.335 is hereby amended to read as follows:

25 533.335 Each application for a permit to appropriate water shall contain the
26 following information:

27 1. The name and post office address of the applicant and, if the applicant is a
28 corporation, the date and place of incorporation.

29 2. The name of the source from which the appropriation is to be made.

30 3. The amount of water which it is desired to appropriate, expressed in terms
31 of cubic feet per second ~~and~~ **acre-feet per year**, except in an application for a
32 permit to store water, where the amount shall be expressed in acre-feet ~~and~~ **, and**
33 **except for a diversion rate only application, where the amount shall be expressed**
34 **in cubic feet per second.**

35 4. The purpose for which the application is to be made.

36 5. A substantially accurate description of the location of the place at which
37 the water is to be diverted from its source and, if any of such water is to be returned
38 to the source, a description of the location of the place of return.

39 6. A description of the proposed works.

40 7. The estimated cost of such works.

41 8. The estimated time required to construct the works, and the estimated time
42 required to complete the application of the water to beneficial use.

43 9. The signature of the applicant or a properly authorized agent thereof.

44 **Sec. 2.** NRS 533.360 is hereby amended to read as follows:

45 533.360 1. Except as otherwise provided in subsection 4, NRS 533.345 and
46 subsection 2 of NRS 533.370, when an application is filed in compliance with this
47 chapter, the State Engineer shall, within 30 days, publish or cause to be published
48 once a week for 4 consecutive weeks in a newspaper of general circulation ~~and~~
49 ~~printed and published~~ in the county where the ~~water is sought to be appropriated,~~
50 **point of diversion is located**, a notice of the application which sets forth:

51 (a) That the application has been filed.

52 (b) The date of the filing.

53 (c) The name and address of the applicant.

54 (d) The name of the source from which the appropriation is to be made.

55 (e) The location of the place of diversion, described by legal subdivision or
56 metes and bounds and by a physical description of that place of diversion.

57 (f) The purpose for which the water is to be appropriated.

58 ➤ The publisher shall add thereto the date of the first publication and the date of
59 the last publication.

60 2. Except as otherwise provided in subsection 4, proof of publication must be
61 filed within 30 days after the final day of publication. The State Engineer shall pay

1 for the publication from the application fee. If the application is cancelled for any
2 reason before publication, the State Engineer shall return to the applicant that
3 portion of the application fee collected for publication.

4 3. If the application is for a proposed well:

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

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

8 ➔ the applicant shall mail a copy of the notice of application to each owner of real
9 property containing a domestic well that is within 2,500 feet of the proposed well,
10 to the owner's address as shown in the latest records of the county assessor. If there
11 are not more than six such wells, notices must be sent to each owner by certified
12 mail, return receipt requested. If there are more than six such wells, at least six
13 notices must be sent to owners by certified mail, return receipt requested. The
14 return receipts from these notices must be filed with the State Engineer before the
15 State Engineer may consider the application.

16 4. The provisions of this section do not apply to an environmental permit or a
17 temporary permit issued pursuant to NRS 533.436 or 533.504.

18 **Sec. 3.** NRS 533.364 is hereby amended to read as follows:

19 533.364 1. In addition to the requirements of NRS 533.370, before
20 approving an application , *or a group of applications collectively applying*, for an
21 interbasin transfer of more than ~~1250~~ *25 percent of the perennial yield or 1,000*
22 acre-feet of groundwater , *whichever is less*, from a basin which the State Engineer
23 has not previously inventoried or for which the State Engineer has not conducted,
24 or caused to be conducted, a study pursuant to NRS 532.165 or 533.368, the State
25 Engineer or a person designated by the State Engineer shall conduct an inventory of
26 the basin from which the water is to be exported. The inventory must include:

27 (a) The total amount of surface water and groundwater appropriated in
28 accordance with a decreed, certified or permitted right;

29 (b) An estimate of the amount and location of all surface water and
30 groundwater that is available for appropriation in the basin; and

31 (c) The name of each owner of record set forth in the records of the Office of
32 the State Engineer for each decreed, certified or permitted right in the basin.

33 2. The provisions of this section do not:

34 (a) Require the State Engineer to initiate or complete a determination of the
35 surface water or groundwater rights pursuant to NRS 533.090 to 533.320, inclusive,
36 or to otherwise quantify any vested claims of water rights in the basin before
37 approving an application for an interbasin transfer of groundwater from the basin;
38 or

39 (b) Prohibit the State Engineer from considering information received from or
40 work completed by another person to include in the inventory, if the inventory is
41 otherwise conducted in accordance with the provisions of subsection 1.

42 3. The State Engineer shall charge the applicant a fee to cover the cost of the
43 inventory. The amount of the fee must not exceed the cost to the State Engineer of
44 conducting the inventory.

45 4. The State Engineer shall complete any inventory conducted pursuant to
46 subsection 1 within 1 year after commencing the inventory ~~H~~ , *unless the time*
47 *limit is waived by the applicant.*

48 **Sec. 4.** NRS 533.380 is hereby amended to read as follows:

49 533.380 1. Except as otherwise provided in subsection 5, in an endorsement
50 of approval upon any application, the State Engineer shall:

51 (a) Set a time before which the construction of the work must be completed,
52 which must be within 5 years after the date of approval.

(b) Except as otherwise provided in this paragraph, set a time before which the complete application of water to a beneficial use must be made, which must not exceed 10 years after the date of the approval. The time set under this paragraph respecting an application for a permit to apply water to a municipal or quasi-municipal use on any land:

(1) For which a final subdivision map has been recorded pursuant to chapter 278 of NRS;

(2) For which a plan for the development of a project has been approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(3) On any land for which a plan for the development of a planned unit development has been recorded pursuant to chapter 278A of NRS,

must not be less than 5 years.

2. The State Engineer may limit the applicant to a smaller quantity of water, to a shorter time for the completion of work, and, except as otherwise provided in paragraph (b) of subsection 1, to a shorter time for the perfecting of the application than named in the application.

3. Except as otherwise provided in subsection 4 and NRS 533.395 and 533.4377, the State Engineer may, for good cause shown, grant any number of extensions of time within which construction work must be completed, or water must be applied to a beneficial use under any permit therefor issued by the State Engineer, but a single extension of time for a municipal or quasi-municipal use for a public water system, as defined in NRS 445A.235, must not exceed 5 years, and any other single extension of time must not exceed 1 year **from the date for filing proofs established in the original permit or in a previous extension granted by the State Engineer**. An application for the extension must in all cases be:

(a) Made within 30 days following notice by registered or certified mail that proof of the work is due as provided for in NRS 533.390 and 533.410; and

(b) Accompanied by proof and evidence of the **good faith and** reasonable diligence with which the applicant is pursuing the perfection of the application.

➤ The State Engineer shall not grant an extension of time unless the State Engineer determines from the proof and evidence so submitted that the applicant is proceeding in good faith and with reasonable diligence to perfect the application. The failure to provide the proof and evidence required pursuant to this subsection is prima facie evidence that the holder is not proceeding in good faith and with reasonable diligence to perfect the application.

4. Except as otherwise provided in subsection 5 and NRS 533.395, whenever the holder of a permit issued for any municipal or quasi-municipal use of water on any land referred to in paragraph (b) of subsection 1, or for any use which may be served by a county, city, town, public water district or public water company, requests an extension of time to apply the water to a beneficial use, the State Engineer shall, in determining whether to grant or deny the extension, consider, among other factors:

(a) Whether the holder has shown good cause for not having made a complete application of the water to a beneficial use;

(b) The number of parcels and commercial or residential units which are contained in or planned for the land being developed or the area being served by the county, city, town, public water district or public water company;

(c) Any economic conditions which affect the ability of the holder to make a complete application of the water to a beneficial use;

(d) Any delays in the development of the land or the area being served by the county, city, town, public water district or public water company which were caused by unanticipated natural conditions; and

(e) The period contemplated in the:

(1) Plan for the development of a project approved by the local government pursuant to NRS 278.010 to 278.460, inclusive; or

(2) Plan for the development of a planned unit development recorded pursuant to chapter 278A of NRS,

if any, for completing the development of the land.

5. The provisions of subsections 1 and 4 do not apply to an environmental permit or a temporary permit issued pursuant to NRS 533.436 or 533.504.

6. For the purposes of this section, the measure of reasonable diligence is the steady application of effort to perfect the application in a reasonably expedient and efficient manner under all the facts and circumstances. When a project or integrated system is composed of several features, work on one feature of the project or system may be considered in finding that reasonable diligence has been shown in the development of water rights for all features of the entire project or system.

Sec. 5. NRS 533.425 is hereby amended to read as follows:

533.425 1. Except as otherwise provided in NRS 533.503, as soon as practicable after satisfactory proof has been made to the State Engineer that any application to appropriate water or any application for permission to change the place of diversion, manner or place of use of water already appropriated has been perfected in accordance with the provisions of this chapter, the State Engineer shall issue to the holder or holders of the permit a certificate setting forth:

(a) The name ~~and post office address~~ of each holder of the permit.

(b) The date, source, purpose and amount of appropriation.

(c) If for irrigation, a description of the irrigated lands by legal subdivisions, when possible, to which the water is appurtenant.

(d) The number of the permit under which the certificate is issued.

2. If the water is appropriated from an underground source, the State Engineer shall issue with the certificate a notice of the provisions governing the forfeiture and abandonment of such water rights. The notice must set forth the provisions of NRS 534.090.

Sec. 6. NRS 533.435 is hereby amended to read as follows:

533.435 1. The State Engineer shall collect the following fees:

For examining and filing an application for a permit to appropriate water	\$360.00
This fee includes the cost of publication, which is \$50.	

For reviewing a corrected application or map, or both, in connection with an application for a water right permit	100.00
---	--------

For examining and acting upon plans and specifications for construction of a dam	1,200.00
--	----------

For examining and filing an application for each permit to change the point of diversion, manner of use or place of use of an existing right.....	240.00
---	--------

This fee includes the cost of publication, which is \$50.	
---	--

For examining and filing an application for a temporary permit to change the point of diversion, manner of use or place of use of an existing right.....	180.00
--	--------

For issuing and recording each permit to appropriate water for any purpose, except for generating hydroelectric power which results in nonconsumptive use of the water, watering livestock or wildlife purposes.....	360.00
plus \$3 per acre-foot approved or fraction thereof.	

1	Except for generating hydroelectric power , <i>watering</i>	
2	<i>livestock</i> or wildlife purposes, for issuing and recording	
3	each permit to change an existing water right whether	
4	temporary or permanent for any purpose.....	300.00
5	plus \$3 per acre-foot approved or fraction thereof.	
6	For issuing and recording each permit for additional rate of	
7	diversion <i>from a well</i> where no additional volume <i>duty</i>	
8	of water is granted	1,000.00
9	For issuing and recording each permit to change the point of	
10	diversion or place of use only of an existing right	
11	whether temporary or permanent for irrigational	
12	<i>irrigation</i> purposes, a maximum fee of	750.00
13	For issuing and recording each permit to appropriate or	
14	change the point of diversion or place of use of an	
15	existing right whether temporary or permanent for	
16	watering livestock or wildlife purposes	240.00
17	plus \$50 for each <i>cubic</i> foot of water <i>per second</i>	
18	approved or fraction thereof.	
19	For issuing and recording each permit to appropriate or	
20	change an existing right whether temporary or permanent	
21	for water for generating hydroelectric power which	
22	results in nonconsumptive use of the water	480.00
23	plus \$50 for each second <i>cubic</i> foot <i>per second</i> of	
24	water approved or fraction thereof.	
25	For issuing <i>filing and examining a request for</i> a waiver in	
26	connection with an application to drill a well	120.00
27	For filing and examining a notice of intent to drill a well	25.00
28	For filing and examining an affidavit to relinquish water	
29	rights in favor of use of water for domestic wells.....	300.00
30	For filing a secondary application under a reservoir permit.....	300.00
31	For approving and recording a secondary permit under a	
32	reservoir permit	540.00
33	For reviewing each tentative subdivision map	180.00
34	plus \$1 per lot.	
35	For reviewing and approving each final subdivision map.....	120.00
36	For storage approved under a dam permit for privately owned	
37	nonagricultural dams which store more than 50 acre-feet	480.00
38	plus \$1.25 per acre-foot storage capacity. This fee	
39	includes the cost of inspection and must be paid	
40	annually.	
41	For flood control detention basins.....	480.00
42	plus \$1.25 per acre-foot storage capacity. This fee	
43	includes the cost of inspection and must be paid	
44	annually.	
45	For filing proof of completion of work	60.00
46	For filing proof of beneficial use	60.00
47	For issuing and recording a certificate upon approval of the	
48	proof of beneficial use	350.00
49	For filing proof of resumption of a water right	360.00
50	For filing any protest.....	30.00
51	For filing any application for extension of time within which	
52	to file proofs, of completion or beneficial use, for each	
53	year for which the extension of time is sought	120.00

For filing any application for extension of time to prevent a forfeiture, for each year for which the extension of time is sought	120.00
For reviewing a cancellation of a water right pursuant to a petition for review	360.00
For examining and filing a report of conveyance filed pursuant to paragraph (a) of subsection 1 of NRS 533.384	120.00
plus \$20 per conveyance document.	
For filing any other instrument	10.00
For making a copy of any document recorded or filed in the Office of the State Engineer, for the first page	1.00
For each additional page20
For certifying to copies of documents, records or maps, for each certificate	6.00
For each copy of any full size drawing or map	6.00
For each color copy of any full size drawing or map (2' x 3')	12.00
The minimum charge for a blueprint copy, per print	3.00
For colored mylar plots	10.00

2. When fees are not specified in subsection 1 for work required of the Office of the State Engineer, the State Engineer shall collect the actual cost of the work.

3. Except as otherwise provided in this subsection, all fees collected by the State Engineer under the provisions of this section must be deposited in the State Treasury for credit to the Water Distribution Revolving Account created pursuant to NRS 532.210. All fees received for ~~blueprint~~ copies of any drawing or map must be kept by the State Engineer and used only to pay the costs of printing, replacement and maintenance of printing equipment. Any publication fees received which are not used by the State Engineer for publication expenses must be returned to the persons who paid the fees. If, after exercising due diligence, the State Engineer is unable to make the refunds, the State Engineer shall deposit the fees in the State Treasury for credit to the Water Distribution Revolving Account created pursuant to NRS 532.210.

Sec. 7. NRS 533.492 is hereby amended to read as follows:

533.492 1. A subsisting right to water livestock , *which is a pre-statutory vested right for watering livestock*, may be proven by an owner of livestock by one or more of the following items of evidence for the number of livestock and date of priority:

(a) As to water rights on open range, whether public lands or unfenced private lands or a combination of these:

(1) A statement of priority of use submitted to the Taylor Grazing Service, predecessor to the Bureau of Land Management, to show the numbers of livestock grazed upon the open range, for years from 1928 to 1934, inclusive, if accompanied by evidence of changes or absence of change since the date of the statement;

(2) A license issued by the Taylor Grazing Service for use upon the open range; or

(3) A statement of priority of use, or a license, issued by the United States Forest Service for the grazing of livestock before 1950.

(b) As to water rights on other privately owned land:

(1) An affidavit concerning the number and kind of livestock by a person familiar with the use made of the lands;

(2) A record of livestock assessed to the claimant of the right, or the claimant's predecessor, by a county assessor;

(3) A count of livestock belonging to the claimant or the claimant's predecessor made by a lender; or

(4) An affidavit of a disinterested person.

2. The location of a subsisting right to water livestock and its extent along a stream may be shown by marking upon a topographic map whose scale is not less than ~~1:100,000~~ **1:24,000** or a map prepared by the United States Geological Survey covering a quadrangle of 7 1/2 minutes of latitude and longitude and by further identifying the location or extent by one-sixteenth sections within a numbered section, township and range as certified by a registered state water right surveyor.

Sec. 8. NRS 533.515 is hereby amended to read as follows:

533.515 1. No permit for the appropriation of water or application to change the point of diversion, **manner of use or place of use** under an existing water right may be denied because of the fact that the point of diversion described in the application for the permit, or any portion of the works in the application described and to be constructed for the purpose of storing, conserving, diverting or distributing the water are situated in any other state; but in all such cases where the place of intended use, or the lands, or part of the lands ~~to be irrigated by means of the water;~~ **identified as the place of use,** are situated within this state, the permit must be issued as in other cases, pursuant to the provisions of NRS 533.324 to 533.450, inclusive, and chapter 534 of NRS.

2. The permit must not purport to authorize the doing or refraining from any act or thing, in connection with the system of appropriation, not properly within the scope of the jurisdiction of this state and the State Engineer to grant.

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

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

2. The State Engineer may, upon the request of the holder of any right described in subsection 1, extend the time necessary to work a forfeiture under that

subsection if the request is made before the expiration of the time necessary to work a forfeiture. The State Engineer may grant, upon request and for good cause shown, any number of extensions, but a single extension must not exceed 1 year. In determining whether to grant or deny a request, the State Engineer shall, among other reasons, consider:

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

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

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

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

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

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

➤ The State Engineer shall notify, by registered or certified mail, the owner of the water right, as determined in the records of the Office of the State Engineer, of whether the State Engineer has granted or denied the holder's request for an extension pursuant to this subsection. If the State Engineer grants an extension pursuant to this subsection and, before the expiration of that extension, proof of 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 534.120 is hereby amended to read as follows:

534.120 1. Within an area that has been designated by the State Engineer, as provided for in this chapter, where, in the judgment of the State Engineer, the groundwater basin is being depleted, the State Engineer in his or her administrative capacity may make such rules, regulations and orders as are deemed essential for the welfare of the area involved.

2. In the interest of public welfare, the State Engineer is authorized and directed to designate preferred uses of water within the respective areas so

1 designated by the State Engineer and from which the groundwater is being
2 depleted, and in acting on applications to appropriate groundwater, the State
3 Engineer may designate such preferred uses in different categories with respect to
4 the particular areas involved within the following limits:

5 (a) Domestic, municipal, quasi-municipal, industrial, irrigation, mining and
6 stock-watering uses; and

7 (b) Any uses for which a county, city, town, public water district or public
8 water company furnishes the water.

9 3. Except as otherwise provided in subsection 5, the State Engineer may:

10 (a) Issue ~~temporary~~ **revocable** permits to appropriate groundwater which can
11 be limited as to time and which may, except as limited by subsection 4, be revoked
12 if and when water can be furnished by an entity such as a water district or a
13 municipality presently engaged in furnishing water to the inhabitants thereof.

14 (b) Deny applications to appropriate groundwater for any use in areas served
15 by such an entity.

16 (c) Limit the depth of domestic wells.

17 (d) Prohibit the drilling of wells for domestic use, as defined in NRS 534.013,
18 in areas where water can be furnished by an entity such as a water district or a
19 municipality presently engaged in furnishing water to the inhabitants thereof.

20 (e) In connection with the approval of a parcel map in which any parcel is
21 proposed to be served by a domestic well, require the dedication to a city or county
22 or a designee of a city or county, or require a relinquishment to the State Engineer,
23 of any right to appropriate water required by the State Engineer to ensure a
24 sufficient supply of water for each of those parcels, unless the dedication of the
25 right to appropriate water is required by a local ordinance.

26 4. The State Engineer may revoke a ~~temporary~~ **revocable** permit issued
27 pursuant to subsection 3 for residential use, and require a person to whom
28 groundwater was appropriated pursuant to the **revocable** permit to obtain water
29 from an entity such as a water district or a municipality engaged in furnishing water
30 to the inhabitants of the designated area, only if:

31 (a) The distance from the property line of any parcel served by a well pursuant
32 to a ~~temporary~~ **revocable** permit to the pipes and other appurtenances of the
33 proposed source of water to which the property will be connected is not more than
34 180 feet; and

35 (b) The well providing water pursuant to the ~~temporary~~ **revocable** permit
36 needs to be redrilled or have repairs made which require the use of a well-drilling
37 rig.

38 5. The State Engineer may ~~1. in an area in which have been issued temporary~~
39 ~~permits pursuant to subsection 3;~~ limit the depth of a domestic well ~~{pursuant to~~
40 ~~paragraph (c) of subsection 3}~~ or prohibit ~~{repairs from being made to} the~~
41 **reconditioning of** a well, and may require the person proposing to ~~{deepen or~~
42 ~~repair} recondition~~ the well to obtain water from an entity such as a water district
43 or a municipality engaged in furnishing water to the inhabitants of the designated
44 area, only if:

45 (a) The distance from the property line of any parcel served by the well to the
46 pipes and other appurtenances of the proposed source of water to which the
47 property will be connected is not more than 180 feet; and

48 (b) The ~~{deepening or repair}~~ **reconditioning** of the well would require the use
49 of a well-drilling rig.

50 6. For good and sufficient reasons, the State Engineer may exempt the
51 provisions of this section with respect to public housing authorities.

7. *If a user of a domestic well is furnished water by an entity such as a water district or a municipality, the domestic well must be plugged pursuant to the provisions of any applicable regulations adopted by the State Engineer.*

8. The provisions of this section do not prohibit the State Engineer from revoking a ~~temporary~~ *revocable* permit issued pursuant to this section if any parcel served by a well pursuant to the ~~temporary~~ *revocable* permit is currently obtaining water from an entity such as a water district or a municipality engaged in furnishing water to the inhabitants of the area.

Sec. 11. NRS 534.125 is hereby amended to read as follows:

534.125 If the State Engineer issues a ~~temporary~~ *revocable* permit pursuant to NRS 534.120 or if a well for domestic use is drilled in an area in which the State Engineer has issued such a ~~temporary~~ *revocable* permit, the State Engineer shall file a notice with the county recorder of the county in which the *revocable* permit is issued or the well is drilled. The notice must include a statement indicating that, if and when water can be furnished by an entity such as a water district or a municipality engaged in furnishing water to the inhabitants of the designated area:

1. A ~~temporary~~ *revocable* permit may be revoked;

2. The owner of a domestic well may be prohibited from ~~deepening or repairing~~ *reconditioning* the well; and

3. The owner of the property served by the well may be required to connect to this water source at his or her own expense.

Sec. 12. NRS 534.130 is hereby amended to read as follows:

534.130 The State Engineer, or the assistants or authorized agents of the State Engineer, ~~and the Artesian Well Supervisor, or the assistants of the Artesian Well Supervisor, shall have the right to~~ *may* enter the ~~premises~~ *land* of any owner or proprietor where any well mentioned in this chapter is situated *or where water is being used* at any reasonable hour of the day for the purpose of investigating and carrying out ~~their~~ *the* duties ~~in the administration~~ *of the State Engineer pursuant to* this chapter.

Sec. 13. NRS 534.180 is hereby amended to read as follows:

534.180 1. Except as otherwise provided in subsection 2 and as to the furnishing of any information required by the State Engineer, this chapter does not apply in the matter of obtaining permits for the development and use of underground water from a well for domestic purposes where the draught does not exceed 2 acre-feet per year.

2. The State Engineer may designate any groundwater basin or portion thereof as a basin in which the registration of a well is required if the well is drilled for the development and use of underground water for domestic purposes. A driller who drills such a well shall register the information required by the State Engineer within 10 days after the completion of the well. The State Engineer shall make available forms for the registration of such wells and shall maintain a register of those wells.

3. The State Engineer may require the plugging of ~~such~~ *a domestic well* ~~[which is drilled on or after July 1, 1981.]~~ at any time not sooner than 1 year after water can be furnished to the site by:

(a) A political subdivision of this State; or

(b) A public utility whose rates and service are regulated by the Public Utilities Commission of Nevada. ~~+~~

~~→ but only if the charge for making the connection to the service is less than \$200.~~

4. If the development and use of underground water from a well for an accessory dwelling unit of a single-family dwelling, as defined in an applicable local ordinance, qualifies as a domestic use or domestic purpose:

(a) The owner of the well shall:

(1) Obtain approval for that use or purpose from the local governing body or planning commission in whose jurisdiction the well is located;

(2) Install a water meter capable of measuring the total withdrawal of water from the well; and

(3) Ensure the total withdrawal of water from the well does not exceed 2 acre-feet per year;

(b) The local governing body or planning commission shall report the approval of the accessory dwelling unit on a form provided by the State Engineer;

(c) The State Engineer shall monitor the annual withdrawal of water from the well; and

(d) The date of priority for the use of the domestic well to supply water to the accessory dwelling unit is the date of approval of the accessory dwelling unit by the local governing body or planning commission.

Sec. 14. NRS 349.981 is hereby amended to read as follows:

349.981 1. There is hereby established a program to provide grants of money to:

(a) A purveyor of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned nontransient water systems required or made necessary by the State Environmental Commission pursuant to NRS 445A.800 to 445A.955, inclusive, or made necessary by the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

(b) An eligible recipient to pay for the cost of improvements to conserve water, including, without limitation:

(1) Piping or lining of an irrigation canal;

(2) Recovery or recycling of wastewater or tailwater;

(3) Scheduling of irrigation;

(4) Measurement or metering of the use of water;

(5) Improving the efficiency of irrigation operations; and

(6) Improving the efficiency of the operation of a facility for the storage of water, including, without limitation, efficiency in diverting water to such a facility.

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

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

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

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

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

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

(e) An eligible recipient to pay the following costs associated with connecting a well to a municipal water system, if the quality of the water of the well fails to

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

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

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

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

10 3. For any construction work paid for in whole or in part by a grant provided
11 pursuant to this section to a nonprofit association or nonprofit cooperative
12 corporation that is an eligible recipient, the provisions of NRS 338.013 to 338.090,
13 inclusive, apply to:

14 (a) Require the nonprofit association or nonprofit cooperative corporation to
15 include in the contract for the construction work the contractual provisions and
16 stipulations that are required to be included in a contract for a public work pursuant
17 to those statutory provisions.

18 (b) Require the nonprofit association or nonprofit cooperative corporation to
19 comply with those statutory provisions in the same manner as if it was a public
20 body that had undertaken the project or had awarded the contract.

21 (c) Require the contractor who is awarded the contract for the construction
22 work, or a subcontractor on the project, to comply with those statutory provisions in
23 the same manner as if he or she was a contractor or subcontractor, as applicable,
24 engaged on a public work.

25 4. As used in this section, "eligible recipient" means:

26 (a) A political subdivision of this State, including, without limitation, a city,
27 county, unincorporated town, water authority, conservation district, irrigation
28 district, water district or water conservancy district.

29 (b) A nonprofit association or nonprofit cooperative corporation that provides
30 water service only to its members.

31 **Sec. 15.** Section 14 of the Southern Nevada Water Authority Act, being
32 chapter 572, Statutes of Nevada 1997, as last amended by chapter 113, Statutes of
33 Nevada 2003, at page 624, is hereby amended to read as follows:

34 **Sec. 14.** Money collected pursuant to section 13 of this act must be
35 used to:

36 1. Develop and distribute information promoting education and the
37 conservation of groundwater in the Basin.

38 2. Perform such comprehensive inventories of wells of all types
39 located within the basin as may be needed. Such inventories must be done
40 in conjunction with the State Engineer.

41 3. Prepare, for use by the Advisory Committee, such cost-benefit
42 analyses relating to the recharge and recovery or underground storage and
43 recovery of water in the Basin as may be needed.

44 4. Develop recommendations for additional activities for the
45 management of the Basin and the protection of the aquifer in which the
46 Basin is located, and to conduct such activities if the activities have been
47 approved by the Board of Directors.

48 5. Develop and implement a program to provide financial assistance
49 to pay at least 50 percent but not more than 85 percent of the cost of the
50 local and regional connection fees and capital improvements necessary for
51 making the connection to the proposed source of water, as determined by
52 the Southern Nevada Water Authority, to owners of real property served by:
53

1 (a) Domestic wells; or

2 (b) Wells that are operated pursuant to ~~temporary~~ *revocable* permits,
3 ➡ who are required by the State Engineer to connect the real property to a
4 public water system pursuant to NRS 534.120.

5 6. Pay the costs associated with abandoning and plugging wells on the
6 real property of persons who are required by the State Engineer to connect
7 the real property to a public water system pursuant to NRS 534.120.

8 7. Perform such other duties as are necessary for the Southern Nevada
9 Water Authority and the Advisory Committee to carry out the provisions of
10 this act.

11 **Sec. 16.** This act becomes effective upon passage and approval.