

Legislative Committee to Oversee the Western Regional Water Commission



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**LEGISLATIVE COMMITTEE TO OVERSEE THE
WESTERN REGIONAL WATER COMMISSION**

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TABLE OF CONTENTS

	<u>Page</u>
Summary of Recommendation	iii
Report to the 77th Session of the Nevada Legislature by the Legislative Committee to Oversee the Western Regional Water Commission	1
I. Introduction	1
II. Background.....	2
A. Initial Studies	2
B. Creation of a Regional Water Resources Entity	2
III. Activities of the Western Regional Water Commission During the 2011-2012 Interim	3
A. Public Water Purveyor Consolidation.....	4
B. Water Resource Management.....	6
1. Water Resources Supply and Demand	6
2. Monitoring and Ensuring Water Quality	7
3. Effluent and Wastewater Treatment and Use of Reclaimed Water	8
4. Storm Water Management	9
5. Domestic Wells and Septic Systems Monitoring and Mitigation.....	10
a. Domestic Wells	10
b. Septic Systems	11
6. Truckee River Flood Management Authority	11
C. Interbasin Water Transfers	12
IV. Committee Recommendation.....	14
V. Appendices	15

SUMMARY OF RECOMMENDATION

**LEGISLATIVE COMMITTEE TO OVERSEE THE
WESTERN REGIONAL WATER COMMISSION**

Senate Bill 487

(Chapter 531, *Statutes of Nevada 2007*)

The following is a summary of the recommendation unanimously approved during the 2011-2012 Interim by the Legislative Committee to Oversee the Western Regional Water Commission. The following bill draft request (BDR) will be submitted to the 77th Session of the Nevada Legislature:

- Submit a BDR to extend the life of the Committee indefinitely and expand the Committee's authority so that it may study water issues across the State. **(BDR 17-144)**

**REPORT TO THE 77TH SESSION OF THE NEVADA LEGISLATURE
BY THE LEGISLATIVE COMMITTEE TO OVERSEE THE
WESTERN REGIONAL WATER COMMISSION**

I. INTRODUCTION

In 2007, the Nevada Legislature approved Senate Bill 487 (Chapter 531, *Statutes of Nevada*), which created three entities: (a) the Western Regional Water Commission (WRWC) in Washoe County, Nevada; (b) the Northern Nevada Water Planning Commission (NNWPC) (formerly the Washoe County Regional Water Planning Commission); and (c) the Legislative Committee to Oversee the Western Regional Water Commission. As set forth in the bill (Appendix A), the Committee is directed to review the programs and activities of the WRWC, including potential consolidation of the retail distribution systems and facilities of all public water purveyors in the planning area, for three interims. The Committee is to expire by limitation on July 1, 2013.

The Committee is comprised of six members: four appointed by legislative leadership, one by the Chair of the Senate Committee on Natural Resources, and one by the Chair of the Assembly Committee on Natural Resources, Agriculture, and Mining. At the first meeting, Committee members elect the Chair and Vice Chair.

The six Committee members for the 2011-2012 Interim were:

- Assemblyman Don Gustavson, Chair
- Assemblyman Peter (Pete) J. Goicoechea, Vice Chair
- Senator John J. Lee
- Senator Michael A. Schneider
- Assemblywoman Teresa Benitez-Thompson
- Assemblyman Richard (Skip) Daly

Staff services were provided by the Legislative Counsel Bureau (LCB):

- Patrick Guinan, Principal Research Analyst, Research Division
- Eileen G. O'Grady, Chief Deputy Legislative Counsel, Legal Division
- Susan M. Young, Information Technology Specialist, Research Division

During the 2009-2010 Interim, the Committee submitted two bill drafts requests (BDRs) for consideration by the 2011 Legislature. Both measures were approved. Assembly Bill 237 (Chapter 135, *Statutes of Nevada 2011*) authorized counties to issue special obligation bonds in order to offer financial assistance to homeowners who need to switch from well and septic systems to municipal sewer and water systems. Assembly Bill 238 (Chapter 268, *Statutes of Nevada 2011*) allowed counties of certain populations (currently only Washoe County) to

acquire securities issued by water authorities for water projects for the purposes of refinancing them so long as the securities were issued on or after October 1, 1999.

The Committee held two meetings during the 2011–2012 Interim. The meetings took place at the Legislative Building in Carson City, Nevada, and were videoconferenced to the Grant Sawyer State Office Building in Las Vegas, Nevada.

Topics addressed this interim included:

- Progress on the consolidation of the Washoe County Department of Water Resources (DWR) with the Truckee Meadows Water Authority (TMWA);
- Water resource management; and
- The process governing requests for interbasin water transfers in Nevada.

As a result of these hearings, the Committee adopted one recommendation for a BDR to be considered by the 2013 Legislature. The recommendation removes the 2013 expiration date for the Committee and allows it to study water issues across the State in the future (**BDR 17–144**).

II. BACKGROUND

A. INITIAL STUDIES

In 2005, the Legislature approved Senate Concurrent Resolution No. 26 (File No. 100, *Statutes of Nevada*), creating an interim study on the use, allocation, and management of water resources in Nevada. The resolution also created the Subcommittee to Study the Feasibility and Advisability of Consolidating the Water-Related Services in Washoe County. The Subcommittee was directed to analyze relevant financial considerations, ownership and operation of facilities, and potential management and staffing structures; and to review potential alternatives, including consolidation of water, wastewater, flood control, storm drainage, and water reclamation programs, or any combination thereof. The Subcommittee's deliberations resulted in S.B. 487 (Chapter 531, *Statutes of Nevada*) of the 2007 Session, which proposed the creation of a regional water resources entity in Washoe County (the WRWC) and continuation of the Subcommittee's study (the Legislative Committee to Oversee the Western Regional Water Commission) for two additional interims.

B. CREATION OF A REGIONAL WATER RESOURCES ENTITY

Senate Bill 487 in 2007 created the WRWC by special act of the Legislature to plan for the management of water supplies and to develop a comprehensive regional water plan for a portion of Washoe County. The bill also created the NNWPC to advise the Commission, with essentially the same duties and representation as the former Washoe County Regional Water Planning Commission (including the actual development of the regional water plan). If the

cities of Reno and Sparks, Washoe County, Sun Valley General Improvement District (GID), South Truckee Meadows GID (STMGID), and TMWA enter into a cooperative agreement, the entities may authorize the WRWC to exercise any powers that the entities may individually exercise, provided the powers are not inconsistent with the provisions of S.B. 487.

The bill set forth the membership, terms, qualifications, duties, and powers of the Board of Trustees of the WRWC and the Planning Commission. To fund the activities of both Commissions, the measure authorized the continuation of a fee not to exceed 1.5 percent of the amount billed by a public water purveyor to its customers provided that the fee is separately stated on its customer billings. The bill repealed portions of Chapter 540A (“Regional Planning and Management”) in the *Nevada Revised Statutes* (NRS) relating to the regional water planning commission, comprehensive regional plan, remediation, and water supply, and enacted similar requirements applicable to both Commissions.

In September 2008 the involved entities approved a Joint Powers Authority, and the WRWC began its work.

III. ACTIVITIES OF THE WESTERN REGIONAL WATER COMMISSION DURING THE 2011-2012 INTERIM

The following is a summary of topics discussed by the Committee during the 2011-2012 Interim. (Additional detail is contained in the meeting minutes, which include exhibits, available online at: <http://www.leg.state.nv.us/Interim/76th2011/Committee/StatCom/OverseeWRWC/?ID=65>).

At the Committee’s first meeting, Jim Smitherman, Water Resources Program Manager, WRWC/NNWPC, provided a general outline of the Commission’s duties as follows:

- Evaluate public water purveyor consolidation;
- Surface water and groundwater resources;
- Wastewater treatment and effluent management;
- Water quality;
- Water conservation;
- Future demand and supply; and
- Ensure conformance among various regional plans.

Each of the duties listed above plays a role in one of the Commission’s primary responsibilities, that is the ongoing development and implementation of the Comprehensive Regional Water Management Plan (the Plan), which is intended to be a living document that will change over time as new information becomes available and new challenges and opportunities arise in managing the area’s water resources. In accordance with the NRS, the WRWC adopted the Plan in January of 2011 and then submitted it to the Legislature in February of 2011. The Plan incorporates water resources and facility plans completed by several entities including TMWA, the cities of Reno and Sparks, Washoe County, and the

Sun Valley GID. Each of the water management elements discussed in this report is addressed in detail in the Plan, which can be accessed online at: <http://www.nnwpc.us/index.php?alias=2011waterplan.html>.

For clarity, this report divides the topics addressed by the Committee during the Interim into three categories, as follows:

- A. Public water purveyor consolidation;
- B. Water resource management, which included:
 - 1. Water resources and supply and demand;
 - 2. Monitoring and ensuring water quality;
 - 3. Effluent and wastewater treatment and reclaimed water use;
 - 4. Storm water management;
 - 5. Domestic wells and septic systems monitoring and mitigation; and
 - 6. Truckee River Flood Management Authority;
- C. Interbasin water transfers.

A. PUBLIC WATER PURVEYOR CONSOLIDATION

After extensive analysis, which is covered in [Legislative Counsel Bureau Bulletin No. 11-10](#) of the 2009-2010 Interim, the WRWC formally found in 2009 that a merger of the Washoe County DWR into the TMWA would be beneficial to the residents of Washoe County. Subsequent to that finding, Washoe County and TMWA entered into an interlocal agreement to proceed with the merger.

At both of the meetings held during the 2011-2012 Interim, several officials reiterated their beliefs that the consolidation of the Washoe County DWR and the TMWA would reduce costs; improve efficiency, customer service, and reliability; and make better use of existing facilities thereby increasing their life span and forestalling any immediate need for new facilities to be built.

The Washoe County DWR and the TMWA continue to work through the complexities of a host of issues including: (1) dealing with real property, easements, and water rights; (2) making revisions of Washoe County ordinances to mirror TMWA's rules for service; (3) developing joint facility operating plans; (4) planning master control system; (5) finalizing water quality monitoring plans; (6) handling labor negotiations; (7) completing a merger agreement; and (8) refinancing of Washoe County debt.

The current timeline is to have the merger agreement completed by the end of 2012 and to begin implementing the transition process in early 2013. Although several elements of

the merger remain to be completed, representatives of the involved entities suggested that the merger might be completed as early as July of 2013.

A lengthy financial analysis of the merger was completed in 2011 by TMWA and the Washoe County DWR with the assistance of an independent financial advisory firm. According to testimony, the analysis found that the merger could go forward without causing any adverse financial impact to water customers or bond holders. With the establishment of the Washoe County bond bank completed in 2012 ([Assembly Bill 238](#), Chapter 268, *Statutes of Nevada 2011*), TMWA will be able to cost-effectively refinance Washoe County's water-related debt in order to meet the requirements of the interlocal agreement and complete the merger. Improving market conditions suggest that the debt refinancing portion of the merger could be completed along with the rest of the merger by July of 2013.

The Washoe County DWR's water-related debt has been issued to the State revolving fund for transfer to TMWA as soon as DWR ratepayers are likewise transferred to TMWA. Testimony indicated that the State Treasurer has been supportive in advance of the debt transfer to TMWA. Officials from both water purveyors have been working with underwriting banks that will assist in refinancing the public-issued debt at the appropriate time. The financial forecast that was completed in 2011 will be revisited prior to final implementation to ensure that financial conditions remain positive. However, it is worth noting that testimony indicated that, while the economic downturn of the last several years caused fluctuation in both water sales and expenses, the situation has stabilized and the future outlook remains positive. Once the debt transfer is initiated, the timeframe for completion is approximately four months during which time other elements of the merger, including facility and labor consolidation, will be ongoing.

According to testimony, employees who will be transferred from the Washoe County DWR to the TMWA have been aware of this for several years and are comfortable with the process. The Washoe County DWR is currently looking at which of its employees will be absorbed into either TMWA's bargaining unit or its management structure and, accordingly, what labor agreements need to be reached between the two purveyors. According to Rosemary Menard, Director, Washoe County DWR, approximately 30 DWR employees will be absorbed into TMWA, while the rest of the Washoe County DWR staff will remain with Washoe County. At the time of the Committee's final meeting, the two entities were ready to enter into the initial phase of employment negotiations and reported that this process should fit well into the overall timeframe for merger completion. Again, while the slow economy has caused staff reductions over the last several years, representatives from both water purveyors expressed their belief that the outlook is improving and that no additional staff reductions will be necessary as a result of the consolidation.

One of the requirements of the TMWA Board of Directors prior to merger implementation is that Washoe County must determine the future of STMGID. The options of setting up STMGID as a separate utility or merging STMGID into DWR are currently being considered by the Washoe County Board of County Commissioners. A decision regarding this matter is

expected in the December 2012 timeframe. Until this is completed, the merger cannot move to the implementation stage.

An added consideration in regard to timing the consolidation properly is that Washoe County is also currently consolidating the Washoe County DWR with its Public Works, Buildings and Safety, Community Development, and Parks and Open Space Departments. With so much merging and consolidation taking place at the same time, Washoe County wants to be sure it handles each task carefully. However, Ms. Menard remains optimistic that these changes will enhance efficiency and provide cost savings for the community.

B. WATER RESOURCE MANAGEMENT

1. Water Resources and Supply and Demand

Analyses conducted during the development of the Plan found that Washoe County has sustainable water resources to meet projected water demands through the year 2030 (the horizon for the current Plan).

The primary source of water for the Truckee Meadows is the Truckee River, which the flows in are controlled by federal decree. However, TMWA and the Washoe County DWR also make use of groundwater from wells and treated water resources through what is known as conjunctive use. An overview of the TMWA water system assets provided by John Erwin, Director, Natural Resources Planning and Management, TMWA, indicated that at present, TMWA manages its resources to provide between 70,000 to 110,000 acre-feet annually (a.f.a.). The Agency's planning window provides for 10 to 12 years of adequate water supply.

Since 2006, as many as 30,000 people have moved from the Truckee Meadows, resulting in an overall drop of water used per connection. For 2011, TMWA's use-per-connection had dropped to just under 0.8 a.f.a.), down from just over 0.9 a.f.a. in 2005. A corresponding drop in overall water consumption occurred during the same period with usage going from approximately 85,000 a.f.a. in 2007 to 70,000 a.f.a. in 2011.

According to testimony at the Committee's meetings during the 2011-2012 Interim, TMWA owns 22,250 acre-feet of upstream reservoir storage and can produce approximately 63 million gallons per day (MGD) from 31 wells, while the Washoe County DWR operates 41 groundwater wells. Additionally, TMWA converted approximately 64,000 acre-feet of water rights originally granted for irrigation to municipal use. Blending these sources together through conjunctive use allows TMWA to provide water to approximately 85 percent of Washoe County residents through 93,000 connections while the Washoe County DWR serves 18,500 connections. General improvement districts in the area represent about 10,000 additional connections and are also supplied through conjunctive use.

Annual snowpack for the Truckee River Basin (not to be confused with the Lake Tahoe Basin) varies greatly resulting in vastly different Truckee River flows from year to year.

For example, in 1991, only 140,000 acre-feet of water crossed into Nevada, while in 1996 approximately 1.1 million acre-feet flowed across the border. Accordingly, one of TMWA's primary goals is to ensure that there is adequate storage in reservoirs and groundwater supply to make up for losses experienced in dry years.

The Lake Tahoe dam provides for storage of approximately 744,000 acre-feet when Lake Tahoe is at capacity. In drier years, water has to be released from Lake Tahoe and lower reservoirs to meet daily flow requirements for the Truckee River. In addition to getting water from Lake Tahoe, TMWA owns half of the storage capacity of Donner Lake and all of the storage capacity of Independence Lake. These reservoirs, along with Boca, Prosser, and Stampede Reservoirs, are used to store water for recreation and wildlife management, and to augment Truckee River flows when necessary.

The Truckee River General Electric Decree (1915) requires that water must flow into Nevada at 500 cubic feet per second (cfs) from April 1 through September 30 each year. The flow requirement is reduced to 400 cfs in winter. On average, about 550,000 acre-feet of water flows into Nevada annually via the Truckee River. Of that amount, the Truckee Meadows consumes only about 35,000 a.f.a. or 3 to 5 percent. Testimony also indicated that TMWA has enhanced its surface water treatment capacity significantly in the last several years which has helped reduce the need to draw on groundwater supplies in years when there is adequate precipitation.

More information on water resource management in the Truckee Meadows is available at TMWA's website at: http://tmwa.com/water_system/resources/.

2. Monitoring and Ensuring Water Quality

At the Committee's first meeting, Ms. Menard provided a brief overview of the regulatory framework governing surface water and wastewater management. The Clean Water Act of 1972 (as amended in 1977 and 1987), and the Safe Drinking Water Act of 1974 (as amended in 1986 and 1996), as well as related federal regulations, are the primary sources of water quality governance. In large part, these statutory frameworks are focused on protecting and restoring surface water quality and ensuring the continued beneficial use of the nation's surface water.

In the Truckee Meadows and surrounding areas, as elsewhere, protecting cold water fisheries and preserving certain fish species is of paramount importance. For the Truckee River, beneficial uses include: industrial, municipal, and domestic water supply; irrigation; livestock watering; recreation involving fresh water; and wildlife propagation and aquatic life preservation, including brown, Lahontan cutthroat, and rainbow trout, Cui-Ui, and mountain white fish.

The CWA regulates point-source discharges to surface waters from, for example, wastewater treatment plants, through a system of regulatory permits. It also provides for voluntary

approaches and a permitting process to reduce nonpoint source pollution from such sources as storm water and irrigation run-off.

Public wastewater systems are highly regulated but, testimony by Washoe County DWR staff indicated that regulations for individual septic systems do not address any possible impacts of septic system effluent on surface or groundwater resources. As such, with approximately 16,000 septic systems being used in the Truckee Meadows service area, TMWA and the Washoe County DWR devote significant resources to monitoring and managing septic system contamination of groundwater. Importantly, some 6,000 properties in the Truckee Meadows service area get their water from domestic wells, and most of these properties also use a septic system. Under this scenario, nitrate contamination by septic system effluent of the groundwater drawn from domestic wells is common. Monitoring and mitigation of septic system and domestic well issues is addressed below in the section titled “5. Domestic Wells and Septic Systems Monitoring and Mitigation.”

The Safe Water Drinking Act and associated federal regulations establish water system operating requirements necessary to protect public health. The U.S. Environmental Protection Agency (EPA) typically delegates implementation and enforcement to the states. In Nevada, the State Division of Environmental Protection’s (NDEP) Bureau of Safe Drinking Water oversees implementation of the Act’s provisions, except in Clark and Washoe Counties, where implementation is handled by the respective County Health Districts.

The EPA, the State, and the Washoe County Health Department, require TMWA to publish an annual Water Quality Report which provides information regarding the monitoring of over 100 contaminants that may appear in the water supply. Water in the Truckee Meadows service area consistently exceeds federal quality standards. The 2012 Water Quality Report can be found online at: http://tmwa.com/docs/your_water/water_quality/2012_wqr_report.pdf.

3. Effluent and Wastewater Treatment and Use of Reclaimed Water

In a dry environment such as Nevada’s, treated effluent and wastewater are valuable resources. Testimony before the Committee focused on current practices and future opportunities for putting reclaimed water to its best use. There are five water reclamation facilities in the region, each utilizing different effluent management practices based primarily on its geographic location. John Buzzone, Senior Licensed Engineer, Resource Planning and Management Division, Washoe County DWR, explained that nearly all of the 29 MGD of wastewater processed at the Truckee Meadows Water Reclamation Facility (TMWRF) must be returned to the Truckee River for downstream users. Accordingly, this water is highly treated. The limited amount of water that is retained at TMWRF can be reused for landscape irrigation at golf courses and other locations, parks, and schools.

The University of Nevada, Reno’s (UNR’s), Main Station Field Lab is the largest single user of effluent in the region. Through a trade agreement with UNR, TMWA supplies the Lab with

effluent so that fresh water owned by UNR can remain in the Truckee River. Ultimately, this means less water has to be treated which results in cost savings.

Virtually all of the water reclaimed at the South Truckee Meadows Water Reclamation Facility is reused. This water is stored in a 4,000 acre-feet reservoir in winter and then used for irrigation in the dry summer months. The 300,000 gallons of water reclaimed daily from the Cold Springs facility is allowed to flow into rapid infiltration basins where it helps to recharge local aquifers. Wastewater processed at the Lemmon Valley and Reno-Stead facilities is partially used for wetland enhancement at Swan Lake and is then allowed to evaporate.

It is anticipated that, by 2030, the WRWC will need to identify additional disposal opportunities for as much as 10 MGD of wastewater. Storage is expensive to build, and treatment facilities cost even more. For example, testimony indicated that a reverse osmosis treatment facility that could process 20 MGD would cost on the order of \$350 million to build. This estimate does not address additional operating and maintenance costs. In lieu of taking on such an expensive project, integrated regional planning for wastewater facilities and effluent management has begun with staff engineers at the various facilities in the planning area coordinating their efforts and sharing information in order to improve efficiency and ensure best practices are being followed. The WRWC has also hired an outside expert in the use of reclaimed water to help the Commission understand how better to use this important resource, including using reclaimed water for groundwater recharge.

While highly treated effluent can meet drinking water quality standards, public perception makes putting this into practice highly unlikely. The WRWC is investigating other options which include, indirect potable recharge (IPR)—a process whereby potable treated water is injected into groundwater basins to be reused later. In order for this option to become viable, however, State regulations will have to be amended, an avenue the WRWC is exploring with NDEP. Other possibilities include using treated water for power generation and various commercial applications, as well as expanding environmental and wetland uses as appropriate.

4. Storm Water Management

Storm water and other runoff in the Truckee Meadows flows directly into the Truckee River. The Truckee Meadows Stormwater Quality Management Program has been implemented region-wide across several agencies and focuses on not only urban run-off, but on other nonpoint sources, such as construction sites and privately held land.

For example, the Program is responsible for conducting inspections at construction sites to ensure that best management practices are in place to keep silt and other pollutants on site. Low-impact development is also encouraged; one example of which is curb cuts that were built into the Cabela's parking lot during construction. These cuts allow water to run into landscaped islands for infiltration rather than into storm drains. Similarly, the inclusion of storm vaults into new developments helps facilitate filtration and recharge of groundwater. Finally, the Program also inspects industrial facilities to encourage best practices. A good

example of this kind of management is the vehicle tire wash at Granite Construction, which helps keep pollutants on site when heavy construction equipment leaves the property.

The Truckee River Coordinated Monitoring Program, initiated in 2009, continues to function well. Sixteen federal, State, tribal, and local entities that conduct monitoring of the Truckee River entered into a memorandum of understanding resulting from the passage of S.C.R 2 (File No. 61, *Statutes of Nevada 2009*). The parties cooperated to develop a consistent nomenclature for disparate site naming conventions, drafted new site maps for posting to the Truckee River Information Gateway (TRIG), and worked through nuances of programmatic differences and regulatory drivers that called for different end products. Today, a much better shared understanding of the watershed continues to develop, and further efforts in field collaboration are occurring. Members continue to post and share data publicly via the TRIG website at: www.truckeeriverinfo.org.

5. Domestic Wells and Septic Systems Monitoring and Mitigation

a. Domestic Wells

The Heppner Subdivision in northeast Lemmon Valley has more than 500 domestic wells in a 1.5-square-mile area. Most of these wells are drilled in granite, which is a less suitable source for water than others, such as alluvium or sedimentary rock. The WRWC has addressed domestic well issues in Lemmon Valley in several ways. Transitioning customers from flat rates to water meters has cut demand by more than half since 2001. Additionally, federal construction grants, community development block grants, and loans made from the Water and Sewer Financial Assistance program (A.B. 54, Chapter 325, *Statutes of Nevada 2009*) have all helped to ease the financial burden of moving from septic systems and domestic wells to the municipal system.

The Mount Rose-Galena Fan area similarly contains over 500 domestic wells, most located south of the Mount Rose Highway. While these wells are typically situated in better water source material, increased development and fluctuating precipitation amounts have reduced groundwater levels and forced some homeowners to deepen their wells while other wells have seen reduced production.

Washoe County has developed a recommended domestic well mitigation policy. The purpose of the policy is to guide the creation of well mitigation programs and to settle individual claims for mitigation that are determined necessary in order to protect groundwater resources and address any “unreasonable adverse affects” that municipal pumping might have on domestic wells in the service area. Several criteria must all be met in order for a municipal well to be deemed the cause of an unreasonable adverse effect. (Please see Appendix B.)

Once in place, the mitigation will address three general situations: (1) properties with wells where there is not now, nor is there expected to be water service in the future; (2) properties where the availability of water facilities will result in conversion to a water system; and

(3) properties where a well owners deepened their well in advance of the installation of a community water system. While the costs and benefits both to well owners and to Washoe County differ in each of the three circumstances described, the overall goals of the program are to preserve and protect groundwater resources into the future while adequately compensating well owners for the cost of conversion or well deepening. Total estimated costs for the mitigation program over 20 years are approximately \$2,434,860. Funding for the program will come from developer connection fees, user fees, and from STMGID to address its portion of current and future impacts.

b. Septic Systems

As noted above, there are some 16,000 septic systems in use in the Truckee Meadows service area and approximately 6,000 domestic wells. According to testimony, contamination of groundwater from septic system effluent is a significant problem. Nitrate contamination has been confirmed in some areas and is suspected in others. Locations in Spanish Springs and Golden Valley show nitrate concentrations that exceed the EPA's maximum contaminant level in both domestic and municipal wells.

A groundwater recharge program for 600 parcels with septic systems in Golden Valley is helping to improve local water quality and reduce strain on domestic wells, but thus far contaminant levels have only dropped significantly in close proximity to recharge wells. In Spanish Springs, the NDEP has directed Washoe County to convert homes on septic systems to the community sewer system, which costs approximately \$30,000 per home.

The WRWC is looking at various funding possibilities to assist with these costs. At present there may only be funding available to convert 150 of the 2,000 systems that need to be switched in the area. The present estimate to convert "priority homes" with the greatest impact on drinking water resources across the entire Truckee Meadows service area is \$300 million. Testimony indicated that the current funding stream for these conversions has run out with the project approximately 10 percent complete. As such, septic systems are being managed as well as possible but are not being replaced with sewer hookups until more funding can be obtained.

More information on Washoe County domestic well and septic system programs can be found online at: <http://www.co.washoe.nv.us/water/>.

6. Truckee River Flood Management Authority

Senate Bill 175 of the 2009 Session (Chapter 477, *Statutes of Nevada*) authorized the creation of a flood management authority in Washoe County for the construction, improvement, and maintenance of a flood management project and permitted the use of general obligation or revenue bonds or municipal securities for such purposes. The Truckee River Flood Management Authority (TRFMA) was formed in 2011 out of the previous Flood Project Coordinating Committee (FPCC) through a Joint Operating Authority to serve as the region's

official nonfederal sponsor for the Truckee River Flood Project. The TRFMA is funded primarily with a 1/8-cent sales tax dedicated to public safety which currently supports the completion of a regional public safety training center, an emergency operations center, and ongoing flood project elements. The TRFMA Board of Directors has authority to raise the fees it charges if necessary. (Please see Appendix C.)

The Truckee Meadows has a long history of flooding, and most residents remember the last two major floods that took place in 1997 and 2007. The worse of these two, the 1997 flood, caused approximately \$700 million in damage just in Washoe County. In 2000, the FPCC began the process of developing the Living River Plan (LRP), which it formally adopted in 2005. The LRP has been updated frequently since then and most recently was adopted by the TRFMA in 2011. The LRP includes several main goals as follows: to reduce flood damage, restore the Truckee River ecosystem, improve fish passage for federally listed species, and enhance river-based recreational activities. In order to accomplish these goals, the LRP incorporates several planning elements including, bridge replacements, floodplain land acquisitions, floodwalls, instream and riparian restoration, river terracing, set-back levies, and urban parkways.

The TRFMA or its predecessors have made several important accomplishments including acquiring over 142 acres of floodplain land needed for project completion, relocating several tenants and utilities away from flood prone areas, constructing several flood control elements such as the Reno-Sparks Indian Colony levee and floodwall and ecosystem restoration in the Lockwood area, and upgrading the regional flood warning system. While some projects have been completed prior to gaining formal congressional approval through the Truckee River Action (TRAC) program, several more projects ranging in scope and cost remain in the design/feasibility phase and will be dependent upon identifying future funding.

Testimony indicated that a primary task is to continue negotiations with the U.S. Army Corps of Engineers (Corps) to formulate a flood control plan that will be supported by Corps leadership and ultimately authorized by Congress. Such authorization will make TRFMA eligible to receive credit for local funds already spent on TRAC projects. Negotiations center around how to revise the LRP in order to gain Corps approval. The current LRP extends out 117 years and, according to the Corps, is too expensive. The alternate, proposed by the Corps, is a 50-year plan which, according to testimony from TRFMA officials, does not adequately address the local community's goals. Depending upon how this process plays out, the TRFMA will go down one of two paths—construct the plan elements locally which will allow construction to begin earlier and end sooner, or, follow the Corps's path, which will provide more federal funding but will require the Corps to manage design and construction.

While this work continues, the TRFMA is also undertaking the necessary tasks to become a stand-alone agency. These tasks include separating from Washoe County, creating a separate bank account, and entering into cooperative agreements with various federal, State, tribal, and local entities. More information about the TRFMA and its activities is available online at: <http://truckeeflood.us/>.

C. Interbasin Water Transfers

Kelvin Hickenbottom, P.E., Deputy State Engineer, Division of Water Resources (DWR), State Department of Conservation and Natural Resources (SDCNR), provided the Committee an informational presentation on how interbasin water transfer requests are handled in Nevada. Interbasin transfers involve primarily groundwater.

According to the NRS, the State Engineer must follow certain criteria for evaluating interbasin transfer applications, which includes: (1) the amount of water available from the proposed source; (2) whether the proposed transfer will conflict with existing rights or domestic wells; (3) whether the proposed use threatens to prove detrimental to the public interest; (4) whether the importation need is justified; (5) whether a conservation plan is necessary in the originating basin and is being carried out by the applicant; (6) whether the proposed transfer is environmentally sound for the originating basin; (7) whether the transfer will unduly limit future growth and development in the originating basin; and (8) any other factors the State Engineer deems relevant. The State Engineer may also seek proof of an applicant's good faith and ability to construct the project, as well as whether the applicant has the financial ability to apply the water to the intended use.

While some of these conditions, such as whether the project is "environmentally sound" or whether the transfer will "unduly limit future growth and development" in the basin, are not defined in the NRS, Mr. Hickenbottom explained that the State Engineer is of the opinion there is adequate case law and historical precedent for appropriate determinations to be made. Similarly, the State Engineer is of the opinion that his office has issued enough rulings and decisions on appeals that applicants have a "feel for how we are analyzing applications. . . and how the courts are interpreting those decisions." Mr. Hickenbottom noted, however, that while there have been many interbasin water transfers in Nevada history, "not enough time has passed on any large-scale transfer. . . to know how well the statutory criteria and our subsequent decisions are working." More information on the DWR is available online at: <http://water.nv.gov/>.

IV. COMMITTEE RECOMMENDATION

At its final meeting, the Legislative Committee to Oversee the WRWC discussed and ultimately approved one recommendation for a BDR to be considered by the 2013 Legislature. Recognizing that the water purveyor consolidation was not yet complete, and may not be by July 2013, and generally agreeing that water issues in Nevada are of paramount importance and deserve to be addressed by a committee designated solely for this purpose, the Committee unanimously approved Chair Gustavson's recommendation to draft legislation to remove the 2013 expiration date for the Committee and to expand the Committee's purview to water-related issues across the State (**BDR 17-144**).

Finally, Chair Gustavson and the entire Committee expressed their sincere appreciation to everyone who has worked hard to assist the Committee in completing its work over the last three interims.

V. APPENDICES

	<u>Page</u>
Appendix A	
Senate Bill 487 (Chapter 531, <i>Statutes of Nevada 2007</i>).....	17
Appendix B	
“Status Report for the Legislative Oversight Committee on the Western Regional Water Commission Groundwater Management and Domestic Well Mitigation Issues”	45
Appendix C	
Senate Bill 175 (Chapter 477, <i>Statutes of Nevada 2009</i>).....	79
Appendix D	
Suggested Legislation	93

APPENDIX A

Senate Bill 487 (Chapter 531, *Statutes of Nevada 2007*)

Senate Bill 487
(Chapter 531, *Statutes of Nevada 2007*)

Senate Bill No. 487–Committee on Natural Resources

CHAPTER.....

AN ACT relating to water; providing for the regional management and conservation of water resources in certain portions of Washoe County; creating the Western Regional Water Commission; setting forth the powers and duties of the Western Regional Water Commission; creating the Northern Nevada Water Planning Commission to advise and assist the Western Regional Water Commission; repealing certain provisions relating to regional planning and management of water in certain counties; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Existing general law provides for regional planning and management of water by a water planning commission in counties whose population is 100,000 or more but less than 400,000 (currently Washoe County). Under that general law, a board of county commissioners is required to adopt a comprehensive plan for the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods and is required to take action by a two-thirds majority. This general law also provides for a water planning commission, which reports to and advises the board of county commissioners concerning issues relating to water resources. (NRS 540A.010-540A.310)

This bill repeals various provisions of that general law and creates by special legislation a new structure for regional planning of water resources in certain portions of Washoe County based on the unique conditions and circumstances existing in those areas. Under the Nevada Constitution, the Legislature may pass a special or local law if the subject matter of the law does not fall within one of certain enumerated categories and a general law cannot be made applicable because of special circumstances and conditions. (Nev. Const. Art. 4, §§ 20, 21) **Section 4** of this bill specifies the unique conditions and circumstances in these portions of Washoe County that justify special legislation for the purpose of regional planning and management of water resources.

Sections 23 and 25-28 of this bill create the Western Regional Water Commission (Regional Water Commission), which is governed by a Board of Trustees consisting of representatives of various public entities and interests. **Sections 36-41** of this bill create the Northern Nevada Water Planning Commission (Water Planning Commission), which reports to and advises the Board of Trustees of the Regional Water Commission.

Section 24 of this bill authorizes the City of Reno, City of Sparks, Washoe County, Sun Valley General Improvement District, South Truckee Meadows General Improvement District and Truckee Meadows Water Authority to provide certain additional power and duties to the Regional Water Commission by cooperative agreement. The cooperative agreement must be entered into before April 1, 2008.

Sections 34-52 of this bill require the development and adoption of a comprehensive plan for the area over which the Regional Water Commission has jurisdiction, which must address the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm water and control of floods. **Sections 30-35** of this bill authorize the Board of Trustees to:



(1) plan for the implementation of a mechanism for scheduling the delivery of water supplies held by certain water purveyors before April 1, 2008; (2) develop a plan for the establishment of service territories by which those purveyors may provide new water service provided on and after April 1, 2008, if each of the public purveyors agree to the plan; (3) impose a fee for the planning and administration of certain activities; and (4) plan for water conservation by various means.

Section 56 of this bill creates a temporary statutory legislative committee to oversee the programs and activities of the Regional Water Commission.

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

Section 1. NRS 533.550 is hereby amended to read as follows:

533.550 1. Notwithstanding any other provision of law, 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. 2. NRS 540A.010 is hereby amended to read as follows:

540A.010 As used in this chapter, unless the context otherwise requires:

1. "Board" means the board of county commissioners.

2. "Commission" means the ~~†water planning commission†~~ Northern Nevada Water Planning Commission created by ~~†NRS 540A.080†~~ section 36 of this Act.



3. "Comprehensive plan" or "plan" means the plan developed ~~pursuant to NRS 540A.130.~~ *by a regional water commission created by special act.*

4. "Division" means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

Sec. 3. Sections 3 to 53, inclusive, of this Act may be cited as the Western Regional Water Commission Act.

Sec. 4. 1. The Legislature hereby finds that:

(a) The provisions of section 22 of this Act describe a hydrologically unique area which is distinguished by the presence of Lake Tahoe and the Truckee River, a water system which is governed by a unique combination of state and federal law, by federal decree and by the Truckee River Operating Agreement; and

(b) The unique hydrological conditions of the area described in section 22 of this Act and the complex legal framework governing the use of water within that area are special circumstances and conditions to which a general law cannot be made applicable and necessitate this special Act which provides for a special structure for the coordinated planning and management of water resources in that area.

2. It is hereby declared as a matter of legislative determination that:

(a) The organization of the Western Regional Water Commission having the purposes, powers, rights, privileges and immunities provided in this Act will serve a public use and will promote the general welfare by facilitating unified and cooperative efforts to secure and develop additional water supplies, maintain and cooperatively establish policies for managing existing water resources and water supplies, provide for integrated regional water resources and management of water supplies, provide for integration of efforts to manage storm water, provide for protection of watersheds and provide for regional conservation efforts, subject to and in accordance with the Truckee River Operating Agreement.

(b) The planning for the acquisition, development, management and conservation of regional water supplies and any associated facilities by the Regional Water Commission is for a public and governmental purpose and a matter of public necessity.

(c) The geographical boundaries of the Regional Water Commission are within the area described in section 22 of this Act.

(d) The Regional Water Commission shall, in carrying out the provisions of this Act:

(1) Make full use of any available resources for sustainability, economic viability and maintenance of environmental values;



(2) Communicate the decisions and policies of the Regional Water Commission in an effective manner;

(3) Provide for a centralized system of decision making;

(4) Facilitate the effective coordination of land use and resource planning;

(5) Facilitate the effective and efficient planning, management and operation of facilities; and

(6) Plan for the effective stewardship of water resources, including, without limitation, ensuring the quantity and quality of surface water and groundwater and the control point and nonpoint sources of pollution.

(e) For the accomplishment of the purposes stated in this subsection, the provisions of this Act shall be broadly construed.

Sec. 5. As used in this Act, unless the context otherwise requires, the words and terms defined in sections 6 to 21, inclusive, of this Act have the meanings ascribed to them in those sections.

Sec. 6. "Board of Trustees" or "Board" means the Board of Trustees of the Regional Water Commission.

Sec. 7. "City of Reno" means the municipal corporation in Washoe County, created and existing pursuant to the provisions of chapter 662, Statutes of Nevada 1971, as amended.

Sec. 8. "City of Sparks" means the municipal corporation in Washoe County, created and existing pursuant to the provisions of chapter 470, Statutes of Nevada 1975, as amended.

Sec. 9. "Comprehensive Plan" means the plan developed pursuant to sections 34 to 52, inclusive, of this Act.

Sec. 10. "Division" means the Division of Environmental Protection of the State Department of Conservation and Natural Resources.

Sec. 11. "Facilities" means any facility necessary for the beneficial use of water supplies, including, without limitation, any diversion, dam, reservoir, other water storage facility for the water supplies, water conveyance, well, pump, treatment facility, storage tank, pipe, turnout and any other facility required to provide water services or to provide for the conservation of water or enhanced control of floods.

Sec. 12. "Planning area" means the area described in section 22 of this Act.

Sec. 13. "Public purveyor" means:

1. The Truckee Meadows Water Authority, or its successor;

2. The Washoe County Department of Water Resources, or its successor;

3. The South Truckee Meadows General Improvement District, or its successor;



4. The Sun Valley General Improvement District, or its successor; or

5. Any other governmental entity engaged in the retail delivery of potable water in the planning area.

Sec. 14. "Regional Water Commission" means the Western Regional Water Commission created pursuant to section 23 of this Act.

Sec. 15. "Truckee Meadows Water Authority" means the political subdivision of the State of Nevada created by a cooperative agreement effective December 4, 2000, pursuant to the provisions of NRS 277.080 to 277.180, inclusive.

Sec. 16. "Truckee River Operating Agreement" means all agreements relating to the implementation of Public Law 101-618, 104 Stat. 3324, as amended, including, without limitation, the Operating Agreement referenced in section 205(a) of Public Law 101-618, 104 Stat. 3324, as amended, whether entered into before, on or after April 1, 2008, to which the Truckee Meadows Water Authority, its predecessor or its successor, if any, is a party.

Sec. 17. "Washoe County" means the county created by and described in NRS 243.340.

Sec. 18. "Water Planning Commission" means the Northern Nevada Water Planning Commission created pursuant to section 36 of this Act.

Sec. 19. "Water Quality Settlement Agreement" means the Agreement entered into on October 10, 1996, by the City of Reno, the City of Sparks, Washoe County, the United States Department of the Interior, the United States Department of Justice, the United States Environmental Protection Agency, the Division and the Pyramid Lake Paiute Tribe, and any agreements entered into to implement that Agreement including, without limitation, any applicable provisions of the Truckee River Operating Agreement.

Sec. 20. "Water right" means any entitlement to the beneficial use of surface water or groundwater supplies, including, without limitation, an entitlement that exists by contract, by interest in real property, by decree or by rights granted or recognized by the State of Nevada, the State of California or any other governmental agency.

Sec. 21. "Water supplies" means surface water, groundwater, wastewater or effluent capable of being put to beneficial use.

Sec. 22. 1. The planning area in which plans for the use, management and conservation of water are to be made, pursuant to this Act, is the entire area within the boundaries of Washoe County except:



(a) Any land within the region defined by NRS 277.200, the Tahoe Regional Planning Compact;

(b) Land located within any Indian reservation or Indian colony which is held in trust by the United States;

(c) Land located within the Gerlach General Improvement District or its successor created pursuant to chapter 318 of NRS;

(d) Land located within the following administrative groundwater basins established by the United States Geological Survey and the Division of Water Resources of the State Department of Conservation and Natural Resources:

(1) Basin 22 (San Emidio Desert);

(2) Basin 23 (Granite Basin); and

(3) Basin 24 (Hualapai Flat); and

(e) Any land excluded by the Board pursuant to subsection 2 and not otherwise included pursuant to subsection 3.

2. The Board may exclude from the planning area any land which it determines is unsuitable for inclusion because of its remoteness from the water supplies which are the subject of the Comprehensive Plan or because it lies within a separate hydrologic basin neither affecting nor affected by conditions within the remainder of the planning area.

3. The Board may include within the planning area any land otherwise excluded pursuant to subsection 2 if it finds that the land requires alleviation of the effect of flooding or drainage of storm waters or requires another benefit from planning or management performed in the planning area.

Sec. 23. 1. The Western Regional Water Commission is hereby created. The Regional Water Commission is a body corporate and politic and a municipal corporation.

2. The property and revenues of the Regional Water Commission, any interest of any creditor therein and any possessory interest in or right to use that property which the Regional Water Commission may grant are exempt from all state, county and municipal taxation.

Sec. 24. By entering into a cooperative agreement pursuant to NRS 277.080 to 277.180, inclusive, the City of Reno, City of Sparks, Washoe County, Sun Valley General Improvement District, South Truckee Meadows General Improvement District and Truckee Meadows Water Authority may jointly authorize the Regional Water Commission to exercise such powers, privileges or authority that each of those entities may individually exercise pursuant to the laws of this State which are not inconsistent with the provisions of this Act.



Sec. 25. 1. The Regional Water Commission must be directed and governed by a Board of Trustees composed of the following nine members appointed pursuant to this section:

- (a) Two members of the City Council of the City of Reno;
- (b) Two members of the City Council of the City of Sparks;
- (c) Two members of the Board of County Commissioners of Washoe County;
- (d) One member representing the Truckee Meadows Water Reclamation Facility or its successor;
- (e) One member designated by the Board of Trustees of the South Truckee Meadows General Improvement District or its successor; and
- (f) One member of the Board of Trustees of the Sun Valley General Improvement District or its successor.

2. The City Council of the City of Reno, the City Council of the City of Sparks and the Board of County Commissioners of Washoe County shall each appoint one trustee from their membership for an initial term of 2 years.

3. The Board of Directors of the Truckee Meadows Water Authority or its successor shall appoint from its membership, for initial terms of 3 years:

- (a) One trustee who is a member of the City Council of the City of Reno;
- (b) One trustee who is a member of the City Council of the City of Sparks; and
- (c) One trustee who is a member of the Board of County Commissioners of Washoe County.

➤ The trustees appointed pursuant to this subsection must be different persons than those appointed pursuant to subsection 2.

4. The Board of Trustees of the Sun Valley General Improvement District or its successor and the Board of Trustees of the South Truckee Meadows General Improvement District or its successor shall each appoint one trustee from its membership for an initial term of 3 years.

5. The owners of the Truckee Meadows Water Reclamation Facility or its successor shall jointly appoint one trustee for an initial term of 2 years.

6. After the initial terms, each trustee who is appointed to the Board serves for a term of 2 years. A trustee may be reappointed.

7. All trustees must be elected officials. No trustee may serve beyond his term of office.

8. The position of a trustee must be considered vacated upon his loss of any of the qualifications required for his appointment,



and in such event, the appointing authority shall appoint a successor to fill the remainder of the unexpired term.

Sec. 26. Each member of the Board shall file with the County Clerk of Washoe County:

1. His oath of office.

2. A corporate surety bond furnished at the Regional Water Commission's expense, in an amount not to exceed \$5,000, and conditioned for the faithful performance of his duties as a member of the Board.

Sec. 27. 1. The Board shall elect one of its members as Chairman and one of its members as Vice Chairman, and shall elect a Secretary and a Treasurer, who may be members of the Board. The Secretary and the Treasurer may be the same person. The terms of the officers expire on December 31 of each year.

2. The Secretary shall keep audio recordings or transcripts of all meetings of the Board and, in a well-bound book, a record of all the proceedings of the Board, minutes of all meetings, certificates, contracts, bonds given by employees and all other acts of the Board. Except as otherwise provided in NRS 241.035, the minute book, audio recordings, transcripts and records must be open to the inspection of all interested persons, at all reasonable times and places.

3. The Treasurer shall keep, in permanent records, strict and accurate accounts of all money received by and disbursed for and on behalf of the Board and the Regional Water Commission.

Sec. 28. 1. The Board shall meet regularly at a time and in a place to be designated by the Board. The Board shall provide for the calling of a special meeting when action is required before a regular meeting would occur.

2. Except as otherwise provided in this subsection, a majority of the members of the Board constitutes a quorum at any meeting. Each motion and resolution of the Board must be adopted by at least a majority of the members present at the meeting.

Sec. 29. The Regional Water Commission is a public employer within the meaning of NRS 286.070, and the provisions of chapter 286 of NRS apply to the Regional Water Commission and its employees.

Sec. 30. The Regional Water Commission may do all things necessary to accomplish the purposes of this Act. The Regional Water Commission has perpetual succession and, except as otherwise provided in sections 33 of this Act, has the following powers to:

1. Sue and be sued.



2. Enter into agreements with Washoe County, the Cities of Reno and Sparks, and any public purveyor.
3. Prepare, adopt, update and oversee the implementation of the Comprehensive Plan pursuant to sections 34 to 52, inclusive, of this Act.
4. Plan for the implementation of a mechanism for:
 - (a) Scheduling the delivery of water supplies held by public purveyors to maximize the yield of regional water supplies and facilitate the cooperative administration of regional water conveyance and treatment facilities for the benefit of the public purveyors.
 - (b) Maximizing conjunctive use by the public purveyors. As used in this paragraph, "conjunctive use" means the combined use of surface water and groundwater systems to optimize resource use.
5. Prepare, adopt and update a water conservation plan for the use of municipal, industrial and domestic water supplies within the planning area, and make recommendations for water conservation agreements among water purveyors and local governmental entities.
6. Study and recommend to the Board of County Commissioners of Washoe County, the City Council of the City of Reno and the City Council of the City of Sparks ordinances for the implementation of a water conservation plan adopted pursuant to subsection 5 and the Comprehensive Plan.
7. Contract with public purveyors or any other public entity for the provision of services to or by the Regional Water Commission and, in the performance of its functions, use the officers, agents, employees, services, facilities, records and equipment of any public purveyor, Washoe County, the City of Reno or the City of Sparks, with the consent of the respective public purveyor or governmental entity, and subject to such terms and conditions as may be agreed upon.
8. Employ or contract with such persons as it deems necessary and hire and retain officers, agents and employees, including fiscal advisers, engineers, attorneys or other professional or specialized personnel.
9. Seek, apply for and otherwise solicit and receive from any source, public or private, such contributions, gifts, grants, devises and bequests of money and personal property, or any combination thereof, as the Regional Water Commission determines is necessary or convenient for the exercise of any of its powers.
10. Participate with relevant agencies of the United States, the State of Nevada and other entities on issues concerning the supply of water.



11. Adopt such rules and regulations for the conduct of the affairs of the Regional Water Commission or of the Board as the Board may deem necessary or desirable.

12. Perform such other functions conferred on the Regional Water Commission by the provisions of this Act.

Sec. 31. The Board may develop a plan for the establishment of service territories within the planning area in which the public purveyors and all systems for the supply of water which are controlled or operated by the public purveyors may, on and after April 1, 2008, provide new retail or wholesale water services to new customers. A plan developed pursuant to this section does not apply to any public purveyor unless each public purveyor agrees to the provisions of the plan. The provisions of this section do not affect the ability of public purveyors to continue to provide retail and wholesale water services to customers who received that type of service before April 1, 2008, or pursuant to agreements for water service existing before April 1, 2008. In developing the plan, the Board shall:

1. Seek to ensure the coordination of the delivery of water at the lowest reasonable cost, considering all the facilities, improvement and operations required to provide that water as measured by the net present value of those facilities, improvements and operations existing at the time of the determination, generally using current dollars;

2. Seek to ensure that existing or future customers are not affected inequitably;

3. Seek to provide for the most effective management, development and integration of systems for the efficient use of water supplies and associated facilities; and

4. Consider:

(a) Any specific planning conducted by public purveyors before April 1, 2008, for existing or new customers;

(b) The topography of the service territories and the readiness and ability of public purveyors to serve customers with existing facilities;

(c) Any policies for land use that affect the service territories; and

(d) The rate of growth within the service territories projected over a reasonable period.

Sec. 32. The Board has and may exercise all rights and powers necessary or incidental to or implied from the specific powers granted in this Act. Such specific powers are not a limitation upon any power necessary or appropriate to carry out the purposes and intent of this Act.



Sec. 33. Notwithstanding the provisions of this Act, the Truckee Meadows Water Authority or its successor is and shall remain the entity with the sole and exclusive power and authority to negotiate and execute and to implement its obligations under that Agreement, as the successor in interest to Sierra Pacific Power Company. All water supplies provided or available to the Truckee Meadows Water Authority or its successor pursuant to the Truckee River Operating Agreement must be considered as acquired before April 1, 2008, and must be managed, scheduled and operated in accordance with that Agreement. Nothing in this Act alters the rights and obligations of the Water Quality Settlement Agreement, and all water supplies must be managed, scheduled and operated in accordance with the Water Quality Settlement Agreement.

Sec. 34. The Board may, upon the recommendation of the Water Planning Commission:

1. Adopt and revise the Comprehensive Plan;
2. Make recommendations concerning methods for conserving existing water supplies which are consistent with any other plans required by law;
3. Make recommendations concerning methods of collecting and treating sewage to protect and conserve water supplies;
4. Provide information to members of the public regarding present and potential uses of water; and
5. Make recommendations concerning the management and use of water within the planning area to:
 - (a) The governing body and the Planning Commission of Washoe County and the Cities of Reno and Sparks;
 - (b) The Governing Board for Regional Planning and the Regional Planning Commission established in Washoe County pursuant to NRS 278.0264 and 278.0262, respectively;
 - (c) The State Engineer;
 - (d) The Federal Government; and
 - (e) Such other entities as the Board deems appropriate.

Sec. 35. 1. To fund the planning and administration required by this Act and the implementation of the Comprehensive Plan, the Board may impose a fee at a rate not to exceed 1.5 percent of the amount otherwise billed, to be collected by each public purveyor and supplier of water from customers within the planning area. If the Board determines to impose such a fee, the Board must impose the fee by resolution after holding a hearing.

2. A public purveyor or supplier of water must state separately on its billings to customers the amount charged as a result of any fee imposed pursuant to subsection 1.



Sec. 36. 1. The Northern Nevada Water Planning Commission is hereby created in the planning area. The Water Planning Commission must consist of the following voting members who are residents of Nevada:

(a) The Director of Public Works for the City of Reno, or his designee;

(b) The Director of Public Works for the City of Sparks, or his designee;

(c) The Director of Water Resources for Washoe County, or his designee;

(d) A member of the South Truckee Meadows General Improvement District or its successor;

(e) The General Manager of the Sun Valley General Improvement District or its successor, or his designee;

(f) The General Manager of the Truckee Meadows Water Authority or its successor, or his designee;

(g) The General Manager of the Truckee Meadows Wastewater Reclamation Facility or its successor, or his designee;

(h) One member appointed by the governing body of the Indian reservation which is the largest in area in the planning area, if the planning area contains an Indian reservation, or, if there is not an Indian reservation located within the planning area or the governing body of the reservation does not appoint a member, one member appointed by the Board to represent the public at large;

(i) One member of the public at large appointed by the Board to represent environmental, biological, conservation or public concerns;

(j) One member appointed by the Board to represent owners of domestic wells;

(k) One member appointed by the Board of Supervisors of the Washoe Storey Conservation District or its successor, and

(l) Such additional members with expertise in any area that the Board determines is necessary, appointed by the Board.

➤ The terms of the ex officio members described in paragraphs (a) to (g), inclusive, are concurrent with the employment of those members in the respective positions specified in those paragraphs. The members appointed pursuant to paragraphs (h) to (l), inclusive, serve initial terms of 2 years.

2. After the initial terms, the term of office of each member appointed pursuant to paragraphs (h) to (l), inclusive, of subsection 1 is 3 years. A member may be reappointed. A vacancy must be filled for the unexpired term by the appointing entity.

Sec. 37. In addition to the voting members, the Water Planning Commission includes the following nonvoting members:



1. One member appointed by the Public Utilities Commission of Nevada;
2. One member appointed by the Consumer's Advocate of the Bureau of Consumer Protection in the Office of the Attorney General;
3. One member appointed by the Administrator of the Division;
4. One member appointed by the State Engineer;
5. One member appointed by the Chief of the Water Planning Section of the Division of Water Resources of the State Department of Conservation and Natural Resources;
6. One member appointed by the board of directors of the water conservancy district which is largest in area in the planning area;
7. One member appointed by the county or district board of health;
8. One member of the public at large appointed by the affirmative vote of a majority of the voting members; and
9. Additional members with expertise in an area that the majority of the voting members determines is necessary, appointed by the affirmative vote of a majority of the voting members.

Sec. 38. The members of the Water Planning Commission appointed pursuant to paragraphs (h) to (l), inclusive, of subsection 1 of section 36 of this Act or any alternative designees appointed pursuant to paragraphs (a) to (g), inclusive, of subsection 1 of section 36 of this Act may not hold any elective governmental office but may be engaged or employed in private enterprise or be employees of state or local government, and each member must be qualified pursuant to at least one of the following subsections:

1. A professional engineer licensed pursuant to the provisions of chapter 625 of NRS;
2. Experienced in comprehensive planning, natural resources or environmental protection;
3. A specialist in hydrologic science;
4. Experienced in law, management or planning related to water;
5. Experienced in municipal finance or resource economics;
6. Experienced in construction, planning or operation of facilities or systems for supplying or treating water, for collecting or treating sewage, for drainage of storm water or for control of floods; or
7. Knowledgeable in the areas of water conservation, biology, natural systems, water quality and water management.



Sec. 39. The Water Planning Commission shall establish a schedule for the selection of its Chairman for a term of 1 year, in rotation, from among the members.

Sec. 40. 1. The Water Planning Commission shall meet at the call of the Chairman or any three members. The Water Planning Commission shall establish a schedule of regular meetings and provide for the calling of a special meeting when action is required before a regular meeting would occur.

2. A quorum consists of a majority of the members. The affirmative vote of a majority of the members present is required to take action, unless a larger proportion is required by this Act for a particular action.

3. A member of the Water Planning Commission is not entitled to compensation for his services as a member.

Sec. 41. 1. The Water Planning Commission shall develop, and as necessary recommend revisions to, a Comprehensive Plan for the planning area covering the supply of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm waters and control of floods. The initial Comprehensive Plan must be developed on or before January 1, 2011. The provisions of the comprehensive plan developed and revised pursuant to the former provisions of NRS 540A.130 before April 1, 2008, remain in effect until the Board adopts the initial Comprehensive Plan.

2. The Comprehensive Plan must consist of written text, appropriate maps and goals and policies to deal with current and future problems affecting the planning area as a whole with respect to the subjects of the Comprehensive Plan set forth in subsection 1. In developing the Comprehensive Plan, the Water Planning Commission shall consider any water resource plan developed by a public purveyor and, to the extent feasible and consistent with the objectives of the Regional Water Commission, seek to incorporate such a plan.

3. The Comprehensive Plan must:

(a) Describe the problems and needs of the planning area relating to the subjects of the Comprehensive Plan set forth in subsection 1;

(b) Identify the providers of services relating to the subjects of the Comprehensive Plan within the planning area and the area within which each provides service, including service territories of public utilities and public purveyors;

(c) Identify alternatives to reduce demand or increase water supply;



(d) Identify and provide for existing and future sources of water needed to meet the present or future needs of the planning area, including, without limitation, existing and future demand for water within each public purveyor's service territory;

(e) Define priorities and general location for additional major facilities needed to provide services relating to the subjects of the Comprehensive Plan set forth in subsection 1;

(f) Describe programs to mitigate drought, achieve conservation of water, protect wellheads and otherwise manage water;

(g) Provide for the development, acquisition and stabilization of surface water and groundwater supply in the planning area, including policies regarding dedication of privately held water resources by applicants for water service;

(h) Provide for the oversight of, protection of, regional management of and maximization of efficient conjunctive use of, the supply of surface water and groundwater and major water resource facilities in the planning area, including use of reclaimed water and recharge and recovery or underground storage and recovery of water, and the scheduling of the delivery of water supplies held by public purveyors;

(i) Identify and provide for the extent to which reuse or effluent water is to be put to beneficial use or discharged, directly or indirectly, into the Truckee River;

(j) Provide for the regional conservation and prevention of long-term depletion of surface water and groundwater resources in the planning area in support of the Comprehensive Plan;

(k) Provide for adequate supplies of municipal and industrial water, quality of water, sanitary sewerage, treatment of sewage, drainage of storm waters and control of floods within the planning area;

(l) Identify and provide for the peaking capacity required for delivery of water supplies to each public purveyor, if applicable, and the means by which such requirements will be met;

(m) Include a water budget identifying water supplies available to each public purveyor from all sources; and

(n) Seek to make full use of any unused capacity of facilities that are owned by public purveyors, if such use is otherwise economical and efficient.

4. The Water Planning Commission shall make recommendations to the Board for the adoption of, and any revisions to, the Comprehensive Plan.



Sec. 42. The Comprehensive Plan must include the following elements:

1. Quality of surface water, which must include, without limitation:

- (a) Compliance with standards of quality for bodies of water;
- (b) Locations and capacities of plants to treat wastewater;
- (c) Intended quantity and quality of discharge from those plants and its reuse, service areas and interceptors; and
- (d) Programs to attain protection from pollution by both concentrated and diffuse sources.

2. Quality of groundwater, which must include, without limitation:

- (a) Compliance with standards of quality for hydrographic basins and septic tanks;
- (b) Capacities for withdrawal of water from hydrographic basins;
- (c) Programs to protect wellheads;
- (d) Programs to clean up contaminated groundwater from hydrographic basins; and
- (e) Programs to attain protection from pollution by both concentrated and diffuse sources.

3. Supply of surface water, which must include, without limitation:

- (a) Existing and planned sources of surface water;
- (b) Existing and planned uses for all surface water, including municipal and industrial uses, requirements for return flow, reserves for drought and future growth, uses to improve the quality of water, uses to provide habitat and uses in conjunction with underground water;
- (c) Major facilities to convey and store surface water;
- (d) Standards, service areas, rates of flow and reserves for storage; and
- (e) Facilities to treat surface water.

4. Supply of underground water, which must include, without limitation:

- (a) Existing and planned sources of underground water;
- (b) Existing and planned uses for all underground water, including municipal and industrial uses, maintenance of minimum groundwater level and the need for recharge, reserves for drought and future growth, uses to improve the quality of water, uses to provide habitat and uses in conjunction with surface water;
- (c) Major facilities to extract and convey underground water;
- (d) Compliance with standards for treated and nontreated water, service areas, rates of flow and reserves for storage; and



(e) Facilities to treat and store underground water.

5. Control of floods and drainage of storm water, as it relates to surface water, which must include, without limitation:

(a) Minimum standards of design for controlling floods in the planning area;

(b) Nonstructural alternatives and standards for facilities to control floods in the planning area and single drainage basins;

(c) Regional facilities to control floods; and

(d) Generalized facilities and standards of design for single drainage basins.

6. Control of floods and drainage of storm water, as it relates to underground water, which must include, without limitation:

(a) Groundwater level and capacity for additional storage of water underground as a means of mitigating floods;

(b) Location and capacities of major facilities for controlling floods which utilize storage of water underground to mitigate floods; and

(c) Standards of design for devices to infiltrate storm water and other minor facilities for controlling floods which utilize storage of water underground to mitigate floods.

7. Cost and financing, which must include an estimate of the cost of each major facility, source of water or other requirement of the Comprehensive Plan and an analysis of alternatives for financing and funding the facility, source or other requirement, or alternatives thereto, as well as the effect of the funding alternatives on other facilities included in the Comprehensive Plan. The estimate of cost must state the financial impact on persons within the planning area, including, without limitation, all direct and indirect costs of connecting to a system for supplying water, if applicable.

8. Recommendations for developing and implementing consistent policies of, and among, public purveyors concerning regional drought reserve standards, developer costs, impact fees, dedication of water rights and standards for the drainage of water.

9. Evaluation and recommendations regarding the consolidation of public purveyors in the planning area, which must include costs and benefits of consolidation, the feasibility of various consolidation options, analysis of water supplies, operations, facilities, human resources, assets, liabilities, bond covenants, and legal and financial impediments to consolidation and methods, if any, for addressing any such impediments.

Sec. 43. 1. The Comprehensive Plan must be consistent with and carry out the provisions of the Comprehensive Regional Plan adopted by the Governing Board for Regional Planning in Washoe County pursuant to NRS 278.0276 and the master plans and any



other plans for the use of land which are adopted by governmental entities within the planning area.

2. The Comprehensive Plan must be consistent with and carry out or support the carrying out of all aspects of the Truckee River Operating Agreement and Water Quality Settlement Agreement.

3. The Comprehensive Plan must be consistent with the state water plan that is in effect at the time that the Comprehensive Plan is adopted.

Sec. 44. In developing the Comprehensive Plan, the Water Planning Commission shall:

1. Receive and consider information from public purveyors, public utilities and other entities supplying municipal and industrial water within the planning area;

2. Receive and consider information from entities providing sanitary sewerage, treatment of sewage, drainage of storm water and control of floods within the planning area;

3. Receive and consider information from entities concerned with water quality within the planning area;

4. Review and consider any plan or recommendation of the State Engineer concerning the development, conservation and use of water resources, existing water conservation plans, the regional plan and any master plan that has been adopted pursuant to the provisions of chapter 278 of NRS and any similar plan of a local government which applies to any area in the planning area, and may seek and consider the advice of each local planning commission and any other affected entity;

5. Coordinate and make consistent the elements of the Comprehensive Plan set forth in section 42 of this Act;

6. Consider existing applicable laws;

7. Recognize and coordinate the needs of the incorporated areas of the planning area with the needs of the unincorporated areas of the planning area; and

8. Receive and consider information from other interested persons.

Sec. 45. 1. Before submitting the Comprehensive Plan to the Board, the Water Planning Commission shall hold at least one public hearing on the Comprehensive Plan within the planning area.

2. Before acting on a proposed amendment to the adopted Comprehensive Plan, the Water Planning Commission shall hold at least one public hearing on the proposed amendment at a location in the planning area relevant to the proposed amendment.

3. Notice of the time and place of each hearing must be given by publication in a newspaper of general circulation in the planning area at least 10 days before the day of the hearing. If there is more



than one newspaper of general circulation in the planning area, notice must be given by publication in at least two such newspapers.

4. The decision to submit the proposed Comprehensive Plan or any amendment to the adopted Comprehensive Plan to the Board must be made by resolution of the Commission carried by the affirmative votes of a majority of the total voting members of the Water Planning Commission. The resolution must refer expressly to the text, maps and descriptive or other matter intended by the Water Planning Commission to constitute the Comprehensive Plan or an amendment thereto.

Sec. 46. 1. An attested copy of the proposed Comprehensive Plan or an amendment thereto must be submitted by the Water Planning Commission to the Board.

2. Before taking any action on the proposed Comprehensive Plan or an amendment thereto, the Board shall convene a public hearing.

3. Notice of the hearing must be given at least 10 days before the date of the hearing. The notice must include, without limitation:

- (a) A statement of the time, place and nature of the hearing;
- (b) A statement of the legal authority under which the hearing is to be held; and
- (c) A reference to the particular sections of any applicable laws.

4. Not less than 30 days before the hearing, the Board shall cause to be placed a copy of the proposed Comprehensive Plan or amendment thereto in the office of the County Clerk of Washoe County and publish notice that the Comprehensive Plan or amendment thereto is available for public inspection.

5. Each notice required by this section must be published in a newspaper of general circulation in the planning area. If there is more than one newspaper of general circulation in the planning area, notice must be given by publication in at least two such newspapers. The notice must be a display advertisement not less than 3 by 5 inches in size.

Sec. 47. 1. The Board shall not change or add to the proposed Comprehensive Plan or an amendment thereto as submitted by the Water Planning Commission until it has submitted the substance of the proposed change or addition to the Water Planning Commission in writing with its reasons for the change or addition.

2. The Water Planning Commission shall, if it agrees to the change or addition, revise the submitted Comprehensive Plan or amendment thereto accordingly. If the Water Planning Commission does not agree, it shall report to the Board in writing its reason for disagreeing and any alternative proposal.



3. In either case, the Water Planning Commission shall present its revision or report to the Board within 40 days after the Board's change or amendment is submitted to the Water Planning Commission.

4. If the Water Planning Commission does not agree with the proposed change or addition and the Board refuses to rescind its proposal or to accept an alternative proposal of the Water Planning Commission, the Water Planning Commission shall revise the originally submitted Comprehensive Plan or amendment thereto to incorporate the change or addition proposed by the Board.

Sec. 48. 1. After adoption by the Board, the Comprehensive Plan or an amendment thereto must be submitted for review to the Regional Planning Commission in Washoe County established pursuant to NRS 278.0262. The Regional Planning Commission shall review the Comprehensive Plan or amendment thereto only for consistency with the Comprehensive Regional Plan adopted pursuant to NRS 278.0276 and the master plans and any other plans for the use of land which are adopted by local governmental entities within the planning area. The Regional Planning Commission shall review the Comprehensive Plan or amendment thereto at one or more public hearings. Notice of the time and place of a hearing must be given in accordance with NRS 278.0276.

2. If the Regional Planning Commission fails to make a determination within 40 days after the submission of the Comprehensive Plan or amendment thereto, the Comprehensive Plan or amendment thereto shall be deemed to be consistent with the Comprehensive Regional Plan.

3. If the Regional Planning Commission determines that the Comprehensive Plan or amendment thereto is not consistent with the Comprehensive Regional Plan, it shall state its reasons why the Comprehensive Plan or amendment thereto is not consistent. Unless an appeal is filed pursuant to section 49 of this Act, the Water Planning Commission and the Board shall respectively develop and adopt, in accordance with sections 44 to 47, inclusive, of this Act, proposed revisions to the Comprehensive Plan or amendment thereto, and the Board shall resubmit the revised Comprehensive Plan or amendment thereto to the Regional Planning Commission.

Sec. 49. 1. An affected entity that disagrees with the reasons given by the Regional Planning Commission for its determination of consistency or inconsistency pursuant to section 48 of this Act may file an appeal with the Governing Board for Regional Planning in Washoe County not later than 10 days after the determination of consistency or inconsistency. As used in this subsection, "affected



entity” means Washoe County, the City of Reno, the City of Sparks or any other governmental entity or public purveyor or a public utility providing services relating to the subject matter of the Comprehensive Plan within the planning area.

2. Within 45 days after its receipt of an appeal, the Governing Board for Regional Planning shall consider the appeal and issue its decision. If the decision of the Governing Board for Regional Planning is that the Comprehensive Plan or amendment thereto is not consistent with the Comprehensive Regional Plan, it shall state its reasons why the Comprehensive Plan or amendment thereto is not consistent. The Water Planning Commission and the Board shall then respectively develop and adopt, in accordance with sections 44 to 47, inclusive, of this Act, proposed revisions to the Comprehensive Plan or amendment thereto, and the Board shall resubmit the revised Comprehensive Plan or amendment thereto to the Regional Planning Commission for review.

Sec. 50. The adopted Comprehensive Plan must be reviewed by the Water Planning Commission on a schedule to be established by the Board, which must at least provide for review of the Comprehensive Plan within 5 years after its adoption and at least every 5 years thereafter. After each review, the Water Planning Commission shall submit to the Board any proposed amendment to the Comprehensive Plan or report that there are no amendments.

Sec. 51. 1. Except as otherwise provided in subsection 2, on and after the date the initial Comprehensive Plan is finally approved, no facility intended to provide a service relating to a subject of the Comprehensive Plan within the planning area may be constructed, if the facility is of such a kind or size as to affect the working of the Comprehensive Plan as distinct from providing normal service to customers, unless it is included in the Comprehensive Plan or has been reviewed and approved as provided in subsection 3.

2. The Comprehensive Plan may allow for the construction of facilities not included within the Comprehensive Plan in order to meet an emergency as defined in the Comprehensive Plan.

3. A proposal to construct a facility described in subsection 1 within the planning area must be submitted to the Water Planning Commission for review and recommendation to the Board concerning the conformance of the proposal with the Comprehensive Plan. The review must include an evaluation of stranded costs, the need for the facility within the planning area and the impact that construction of the facility will have on any potential consolidation of public purveyors. If the Water Planning Commission fails to make such a recommendation within 30 days after the proposal is submitted to it, the Water Planning Commission



shall be deemed to have made a recommendation that the proposal conforms to the Comprehensive Plan. The Board shall consider the recommendation of the Water Planning Commission and approve or disapprove the proposal as conforming to the Comprehensive Plan. Any disapproval must be accompanied by recommended actions to be taken to make the proposal conform to the Comprehensive Plan. The Water Planning Commission and the Board shall limit their review to the substance and content of the Comprehensive Plan and shall not consider the merits or deficiencies of a proposal in a manner other than is necessary to enable them to make a determination concerning conformance with the Comprehensive Plan.

4. The Board shall provide, by resolution after holding a hearing, for the Water Planning Commission or its staff to make final decisions concerning the conformance of classes of proposed facilities to the Comprehensive Plan. A resolution adopted pursuant to this section must provide an opportunity for the applicant or a protestant to appeal from a decision of the Water Planning Commission or its staff to the Board.

Sec. 52. Any water right or source of water belonging to a governmental entity within the planning area must be used in accordance with the Comprehensive Plan.

Sec. 53. The provisions of this Act do not supersede the authority granted by law to the State Engineer, the State Environmental Commission and the State Department of Conservation and Natural Resources.

Sec. 54. NRS 540A.060, 540A.070, 540A.080, 540A.090, 540A.100, 540A.110, 540A.120, 540A.130, 540A.140, 540A.150, 540A.160, 540A.170, 540A.180, 540A.190, 540A.200, 540A.210, 540A.220, 540A.230, 540A.290, 540A.300 and 540A.310 are hereby repealed.

Sec. 55. The fee authorized pursuant to NRS 540A.070 must remain in effect and be collected by Washoe County and transferred to the Western Regional Water Commission, created pursuant to section 23 of this act, until such time as the Board of Trustees of the Regional Water Commission adopts a resolution pursuant to section 35 of this act imposing a new fee.

Sec. 56. 1. There is hereby created the Legislative Committee to Oversee the Western Regional Water Commission created pursuant to section 23 of this act. The Committee must:

(a) Consist of six Legislators as follows:

(1) One member of the Senate appointed by the Chairman of the Senate Committee on Natural Resources;



(2) One member of the Assembly appointed by the Chairman of the Assembly Committee on Natural Resources, Agriculture, and Mining;

(3) One member of the Senate appointed by the Majority Leader of the Senate;

(4) One member of the Senate appointed by the Minority Leader of the Senate;

(5) One member of the Assembly appointed by the Speaker of the Assembly; and

(6) One member of the Assembly appointed by the Minority Leader of the Assembly.

(b) Insofar as practicable, represent the various areas within the planning area.

(c) Elect a Chairman and a Vice Chairman from among its members. The Chairman must be elected from one House of the Legislature and the Vice Chairman from the other House. After the initial selection of a Chairman and a Vice Chairman, each of those officers holds office for a term of 2 years commencing on July 1 of each odd-numbered year. If a vacancy occurs in the chairmanship or vice chairmanship, the members of the Committee shall select a replacement for the remainder of the unexpired term.

2. Any member of the Committee who is not a candidate for reelection or who is defeated for reelection continues to serve until the next session of the Legislature convenes.

3. Vacancies on the Committee must be filled in the same manner as original appointments.

4. The members of the Committee shall meet throughout each year at the times and places specified by a call of the Chairman or a majority of the Committee.

5. The Director of the Legislative Counsel Bureau or his designee shall act as the nonvoting recording Secretary.

6. The Committee shall prescribe regulations for its own management and government.

7. Except as otherwise provided in subsection 8, four members of the Committee constitute a quorum, and a quorum may exercise all the powers conferred on the Committee.

8. Any recommended legislation proposed by the Committee must be approved by a majority of the members of the Senate and by a majority of the members of the Assembly appointed to the Committee.

9. Except during a regular or special session of the Legislature, the members of the Committee are entitled to receive the compensation provided for a majority of the members of the Legislature during the first 60 days of the preceding regular session,



the per diem allowance provided for state officers and employees generally and the travel expenses provided pursuant to NRS 218.2207 for each day or portion of a day of attendance at a meeting of the Committee and while engaged in the business of the Committee. The salaries and expenses paid pursuant to this subsection and the expenses of the Committee must be paid from the Legislative Fund.

10. The Committee shall review the programs and activities of the Western Regional Water Commission. The review must include an analysis of potential consolidation of the retail distribution systems and facilities of all public purveyors in the planning area, which is described in section 22 of this act.

11. The Committee may:

(a) Conduct investigations and hold hearings in connection with its powers pursuant to this section.

(b) Direct the Legislative Counsel Bureau to assist in the study of issues related to oversight of the Western Regional Water Commission.

12. In conducting the investigations and hearings of the Committee:

(a) The Secretary of the Committee or, in his absence, any member of the Committee may administer oaths.

(b) The Secretary or Chairman of the Committee may cause the deposition of witnesses, residing either within or outside of the State, to be taken in the manner prescribed by rule of court for taking depositions in civil actions in the district courts.

(c) The Chairman of the Committee may issue subpoenas to compel the attendance of witnesses and the production of books and papers.

13. If any witness refuses to attend or testify or produce any books and papers as required by the subpoena issued pursuant to this section, the Chairman of the Committee may report to the district court by petition, setting forth that:

(a) Due notice has been given of the time and place of attendance of the witness or the production of the books and papers;

(b) The witness has been subpoenaed by the Committee pursuant to this section; and

(c) The witness has failed or refused to attend or produce the books and papers required by the subpoena before the Committee which is named in the subpoena, or has refused to answer questions propounded to him,

and asking for an order of the court compelling the witness to attend and testify or produce the books and papers before the Committee.



14. Upon a petition pursuant to subsection 13, the court shall enter an order directing the witness to appear before the court at a time and place to be fixed by the court in its order, the time to be not more than 10 days after the date of the order, and to show cause why he has not attended or testified or produced the books or papers before the Committee. A certified copy of the order must be served upon the witness.

15. If it appears to the court that the subpoena was regularly issued by the Committee, the court shall enter an order that the witness appear before the Committee at the time and place fixed in the order and testify or produce the required books or papers. Failure to obey the order constitutes contempt of court.

16. Each witness who appears before the Committee by its order, except a state officer or employee, is entitled to receive for his attendance the fees and mileage provided for witnesses in civil cases in the courts of record of this State. The fees and mileage must be audited and paid upon the presentation of proper claims sworn to by the witness and approved by the Secretary and Chairman of the Committee.

17. On or before January 15 of each odd-numbered year, the Committee shall submit to the Director of the Legislative Counsel Bureau for transmittal to the Legislature a report concerning the review conducted pursuant to subsection 10 and any recommendations for legislation.

Sec. 57. 1. This section and section 56 of this act become effective on July 1, 2007.

2. Sections 1 to 23, inclusive, and 25 to 55, inclusive, of this act become effective on April 1, 2008.

3. Section 24 of this act:

(a) Becomes effective on:

(1) July 1, 2007, for the purposes of authorizing the entities set forth in that section to enter into the cooperative agreement specified in that section; and

(2) April 1, 2008, for all other purposes, if the cooperative agreement specified in that section is entered into before that date.

(b) Expires by limitation on April 1, 2008, if the cooperative agreement specified in that section has not been entered into before that date.

4. Section 56 of this act expires by limitation on July 1, 2013.



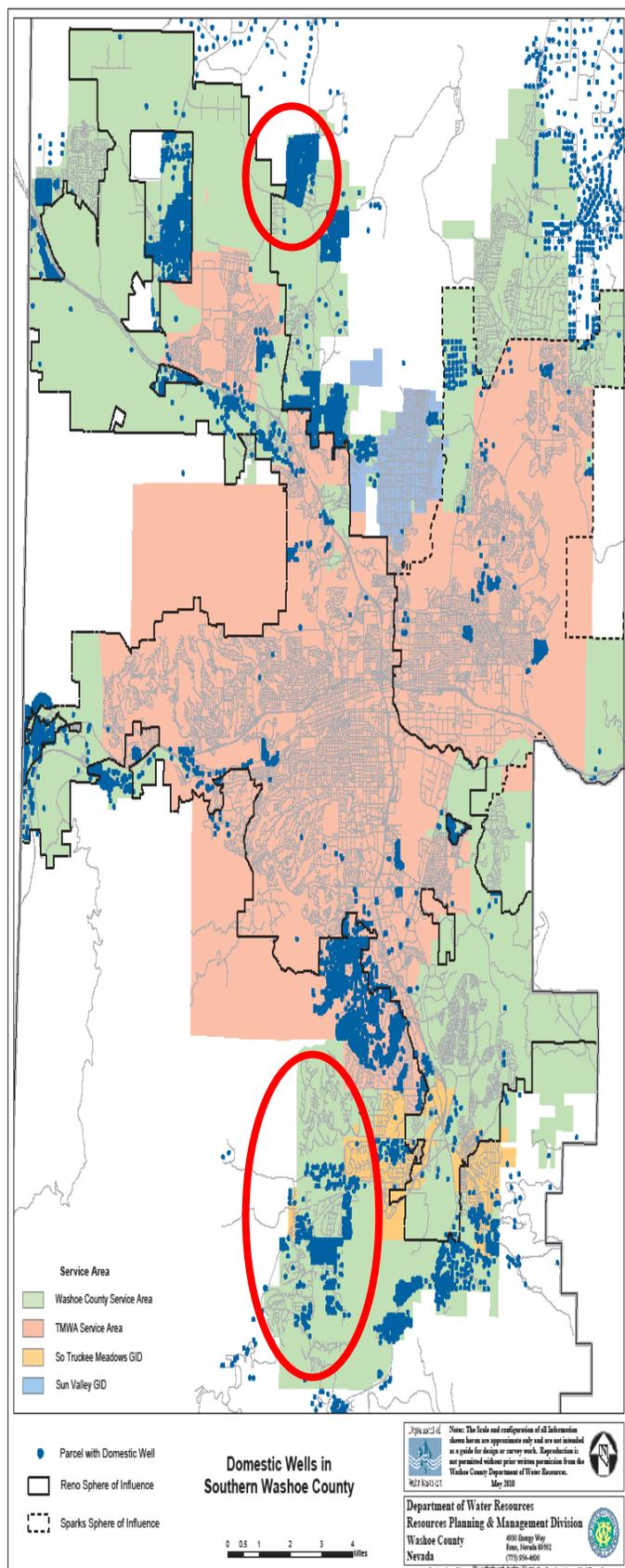
APPENDIX B

**“Status Report for the Legislative Oversight Committee on
the Western Regional Water Commission Groundwater
Management and Domestic Well Mitigation Issues”**

Status Report for the Legislative Oversight Committee on the Western Regional Water Commission

Groundwater Management and Domestic Well Mitigation Issues

June 28, 2012
Washoe County
Department of
Water Resources



Key Provisions of Nevada Water Law

- Municipal pumping is subject to limitation based on water rights issued by the State Engineer;
- The State Engineer takes into account the perennial yield of groundwater basins when issuing water rights;
- Water suppliers must operate in compliance with the provisions of their water rights and actively monitor aquifer levels.

The Legislature has declared that “It is the Policy of this State:

- 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 water from unreasonable adverse effects which are caused by municipal, quasi-municipal or industrial uses and which cannot reasonably be mitigated.” NRS 533.024.1(b)
 - Language added to Statute in 1993

The Legislature has also authorized the State Engineer to:

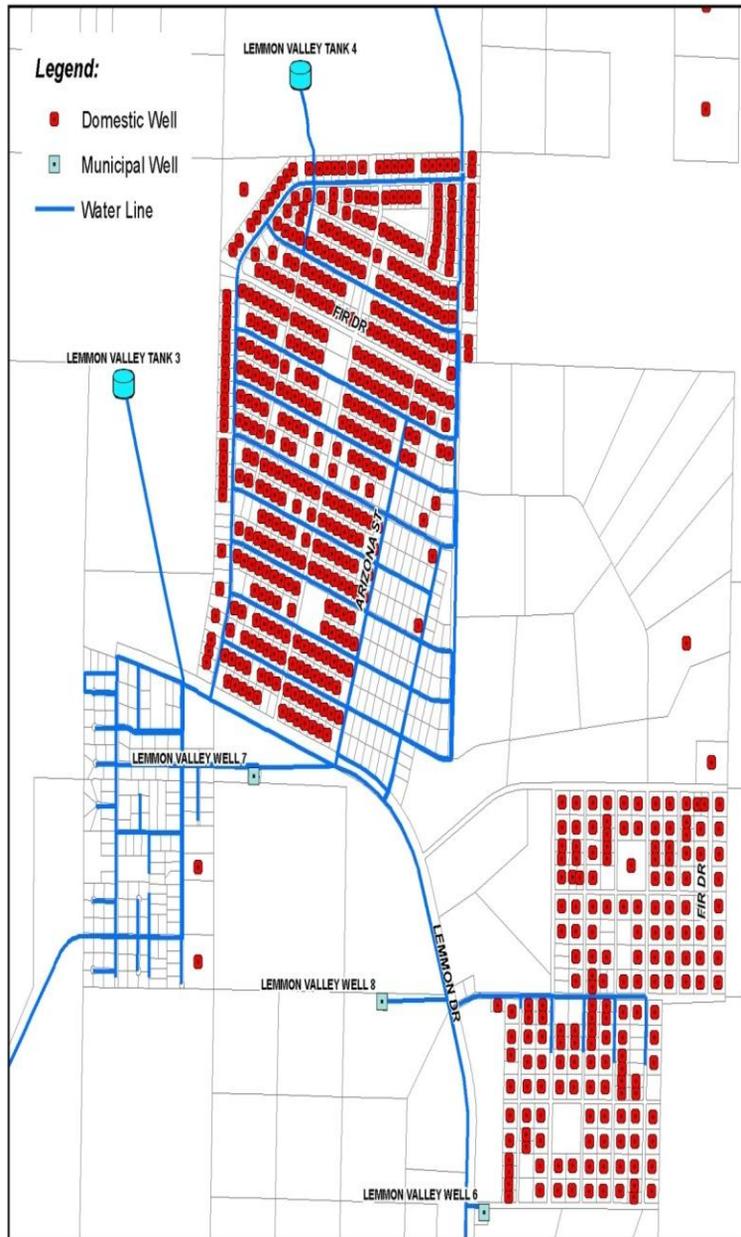
- “prohibit the drilling of wells for domestic use, as defined in NRS 534.013, in areas where water can be furnished by an entity such as a water district or a municipality presently engaged in furnishing water to the inhabitants thereof.”

NRS 534.120.3(d)

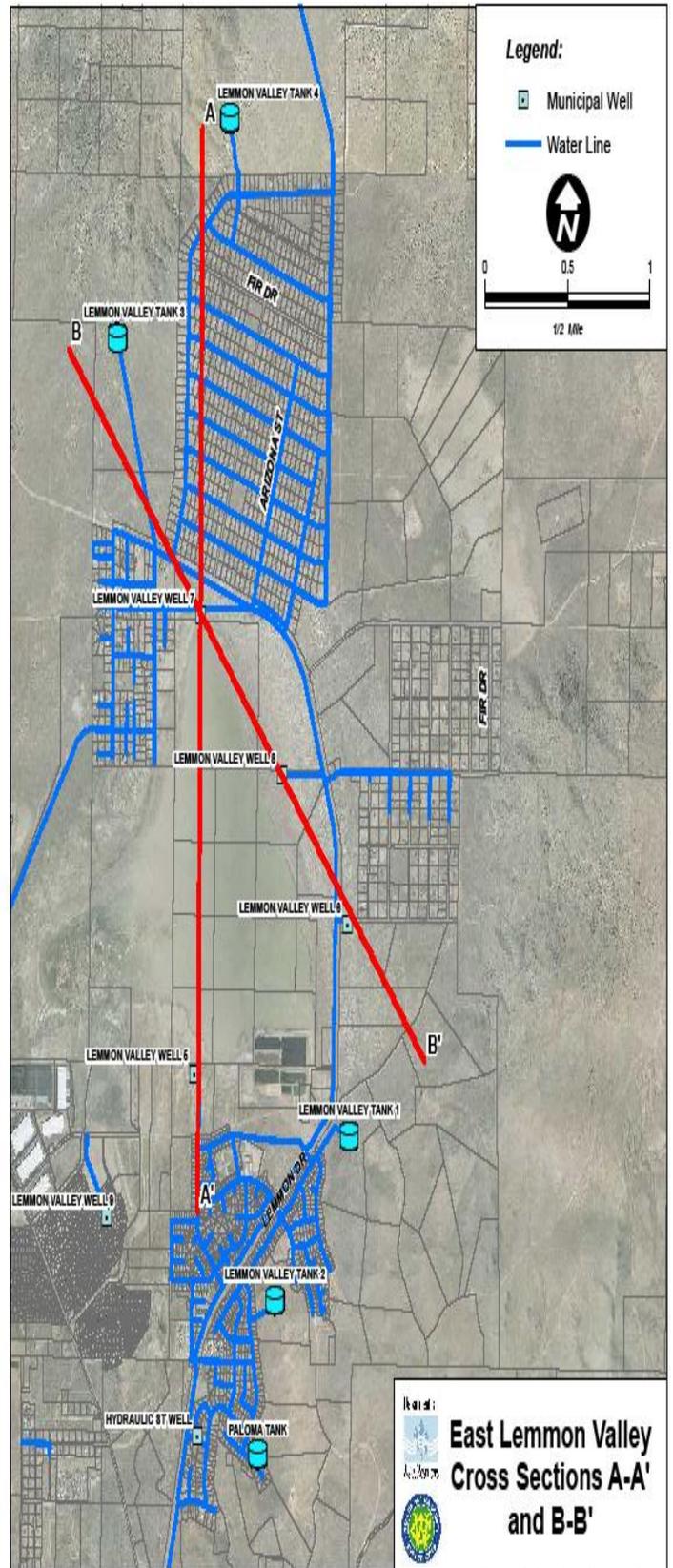
- Language added to statute in 1955

The Heppner Subdivision in Northeast Lemmon Valley has more than 500 domestic wells in an area that is about a mile and a half square

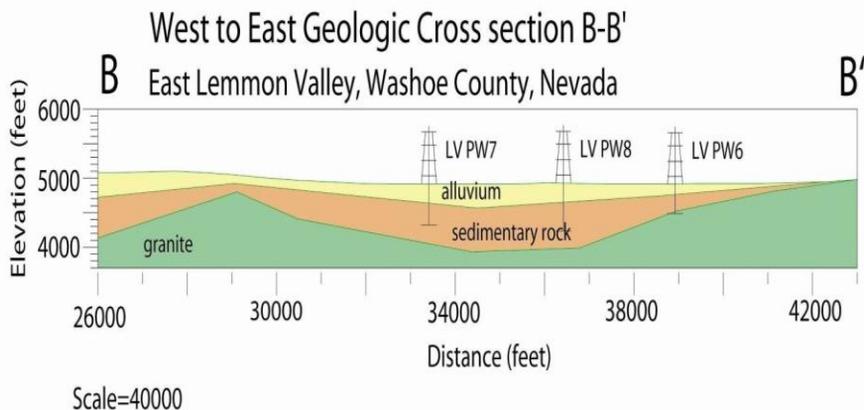
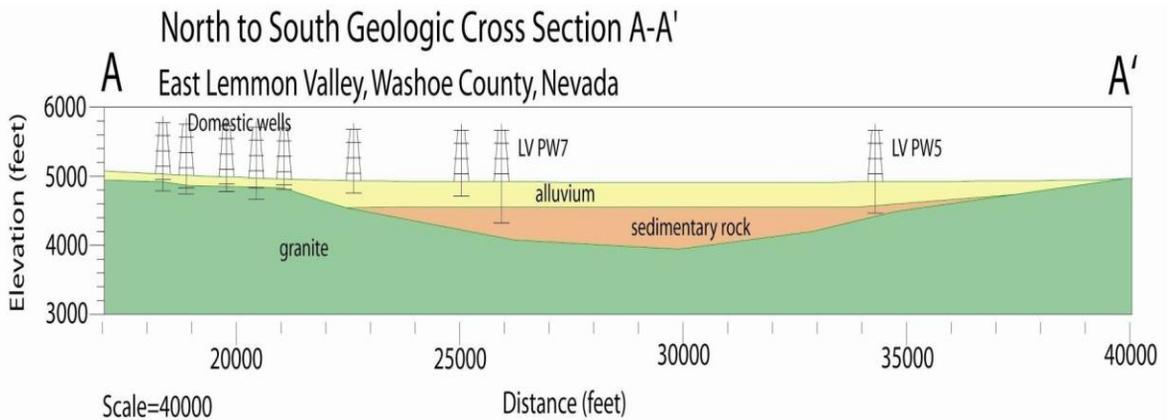
Northeast Lemmon Valley



Location of Hydro-geological Cross Sections in Northeast Lemmon Valley

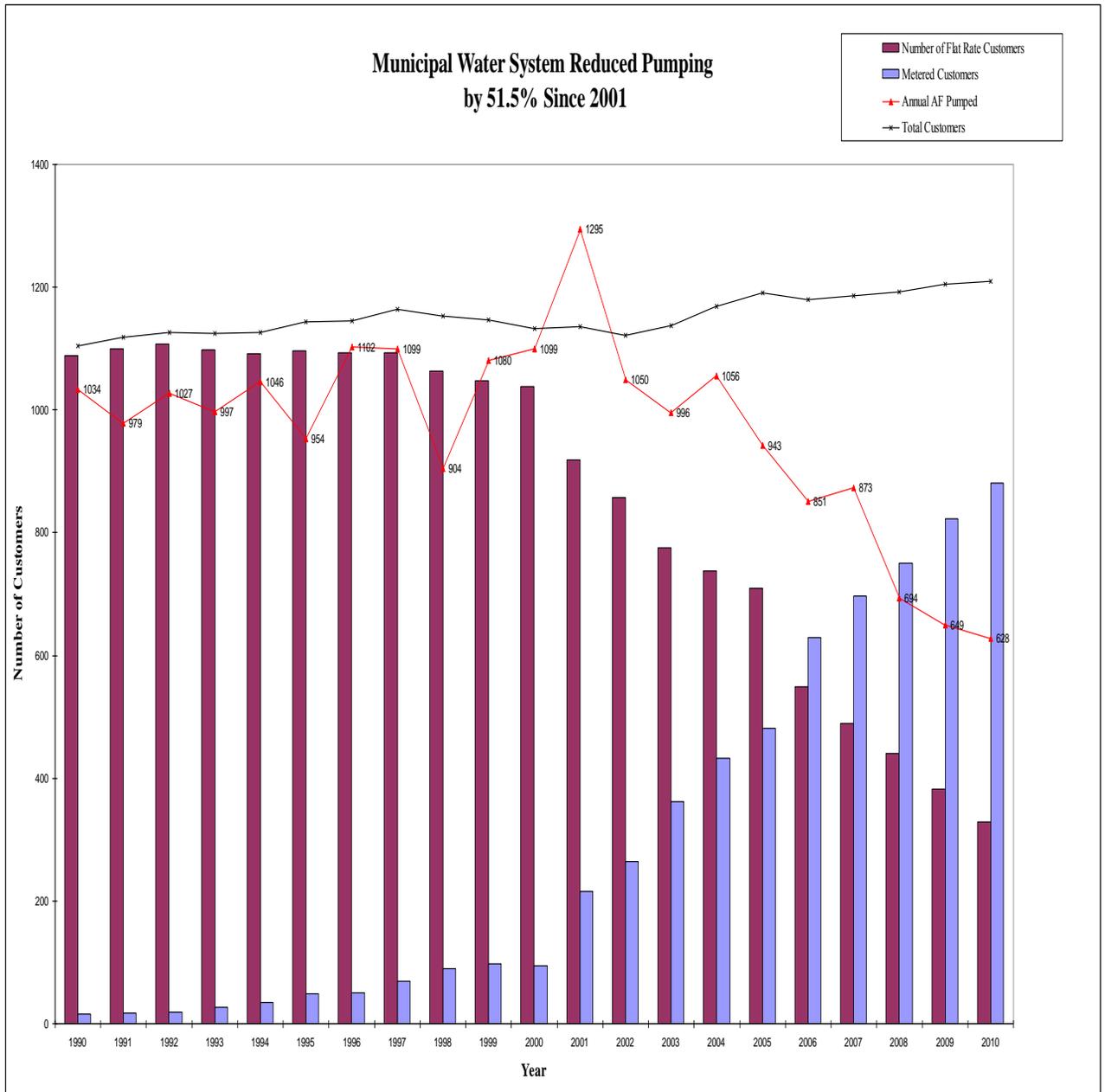


Hydro-geologic conditions, such as fractured granite, make some areas less suitable as sources of water for either domestic or municipal wells



Geologic cross sections for Lemmon Valley Production Wells. Derrick figures mark location and depth of wells. Lithology shows depth to granite, sedimentary rock and alluvium in East Lemmon Valley. Note the domestic wells are mostly completed in granite.

Water Use by County Customers in Northeast Lemmon Valley 1990 to 2010

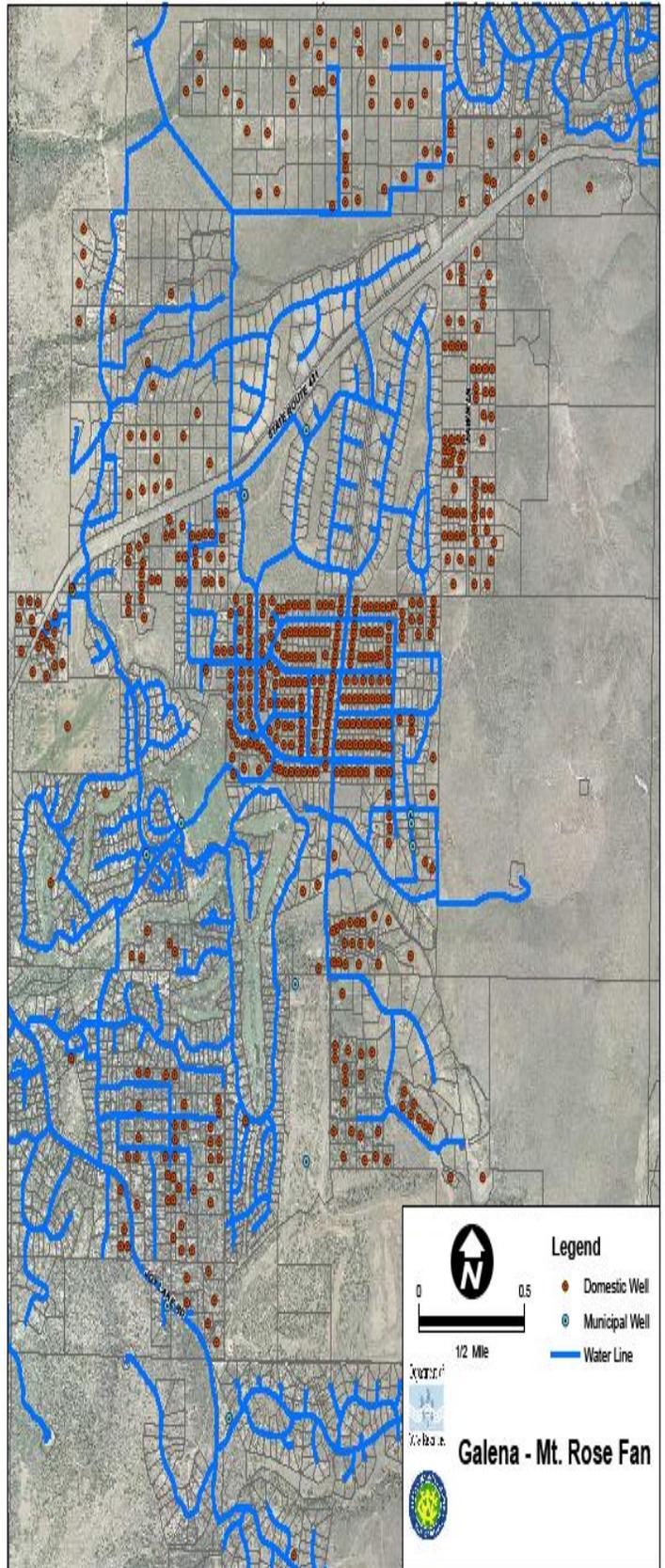


Domestic Well Issues in Northeast Lemmon Valley have been addressed by:

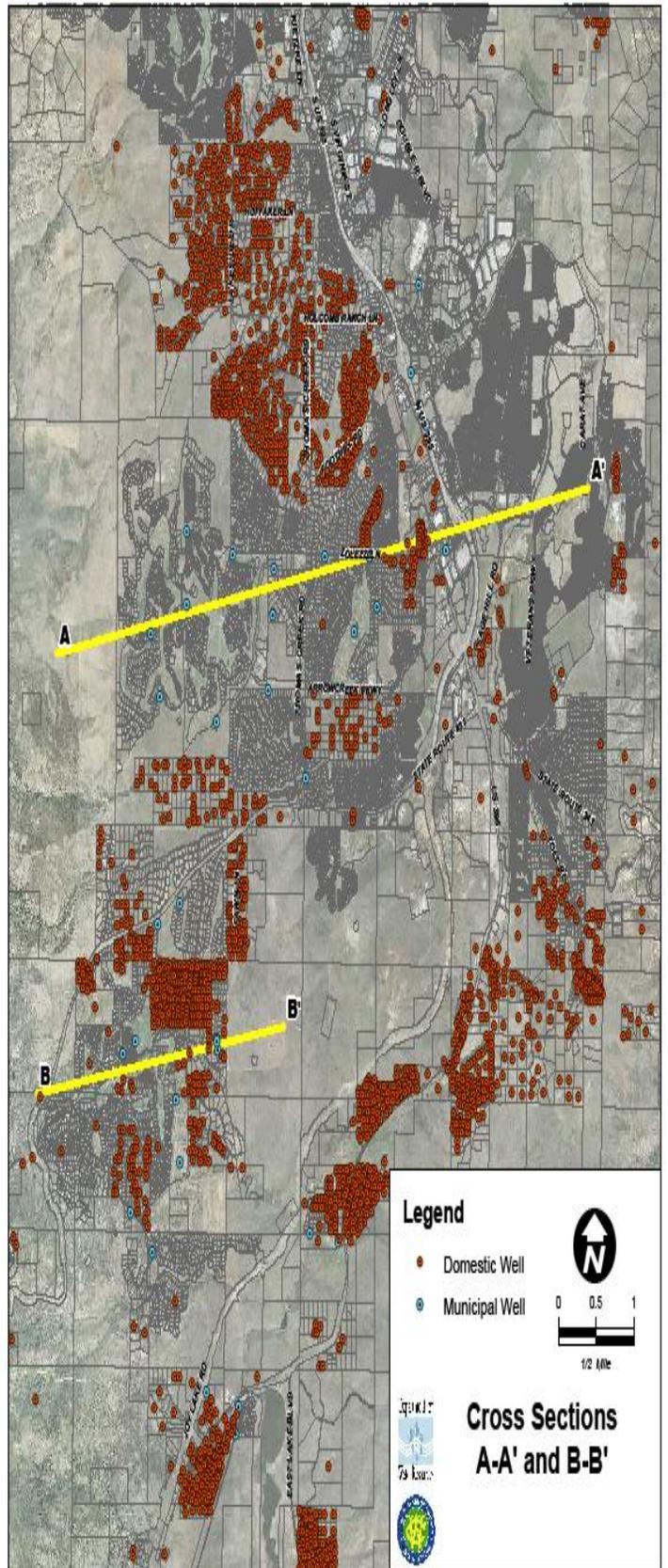
- Transitioning flat rate municipal customers to metered rates has cut demand by more than 50 % since 2001;
- Obtaining federal construction grants reduced by 58% the cost to residents of connecting to the municipal system when their domestic wells fail;
- Obtaining Community Development Block Grant Funds has assisted 22 low income property owners connect to the municipal system at no cost; and
- Providing loans from the Water and Sewer Financial Assistance program to assist property owners needing to hook up but who are unable to afford the 'up front' costs of doing so.

Mt. Rose-Galena Fan Area

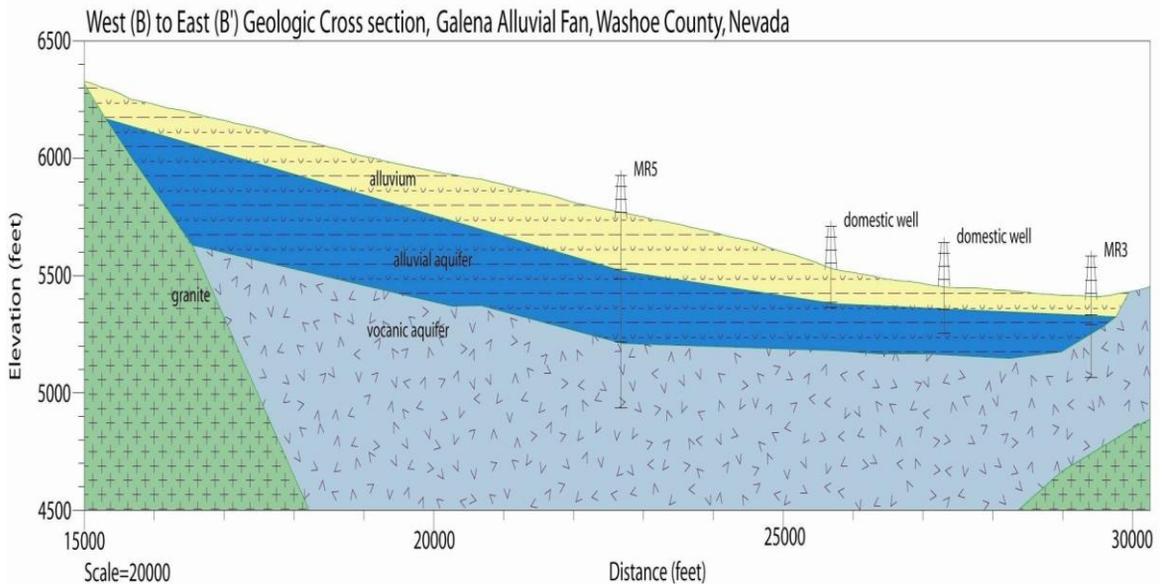
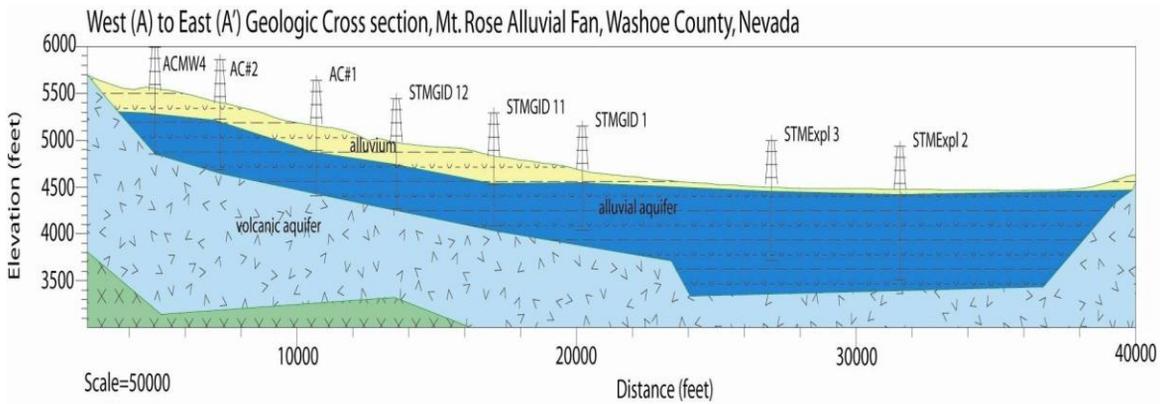
Over 500 domestic wells are located on the Upper Mt. Rose-Galena Fan, with most being South of the Mt. Rose Highway



Locations of Mt. Rose-Galena Fan hydro-geological cross-sections

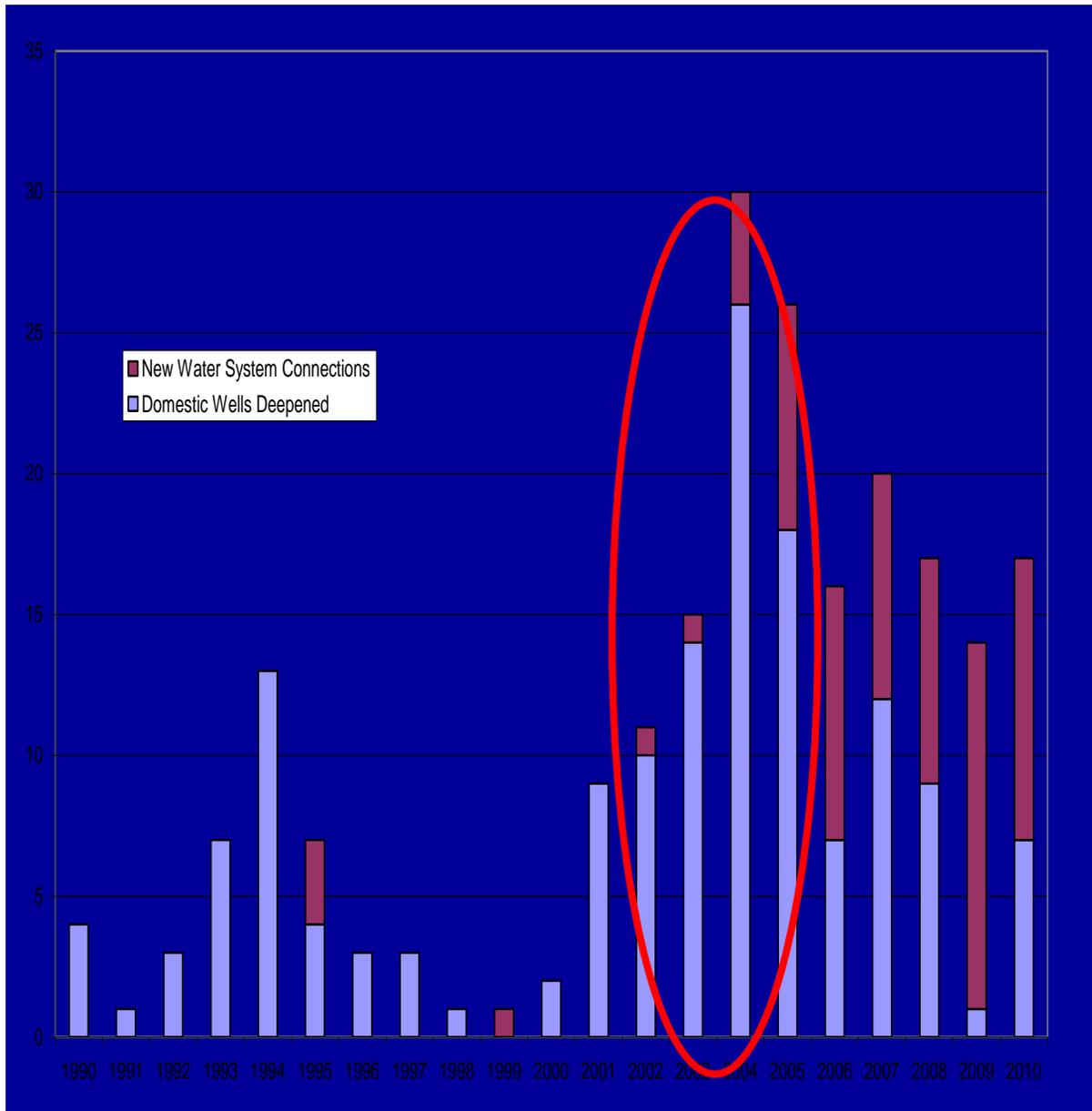


Southwest Truckee Meadows and Upper Galena Fan hydro-geologic Formations



Geologic cross sections illustrating aquifer thicknesses. Derricks represent production wells for ArrowCreek (AC), STMGID, Mt. Rose (MR) water systems and exploration wells (STMEExpl).

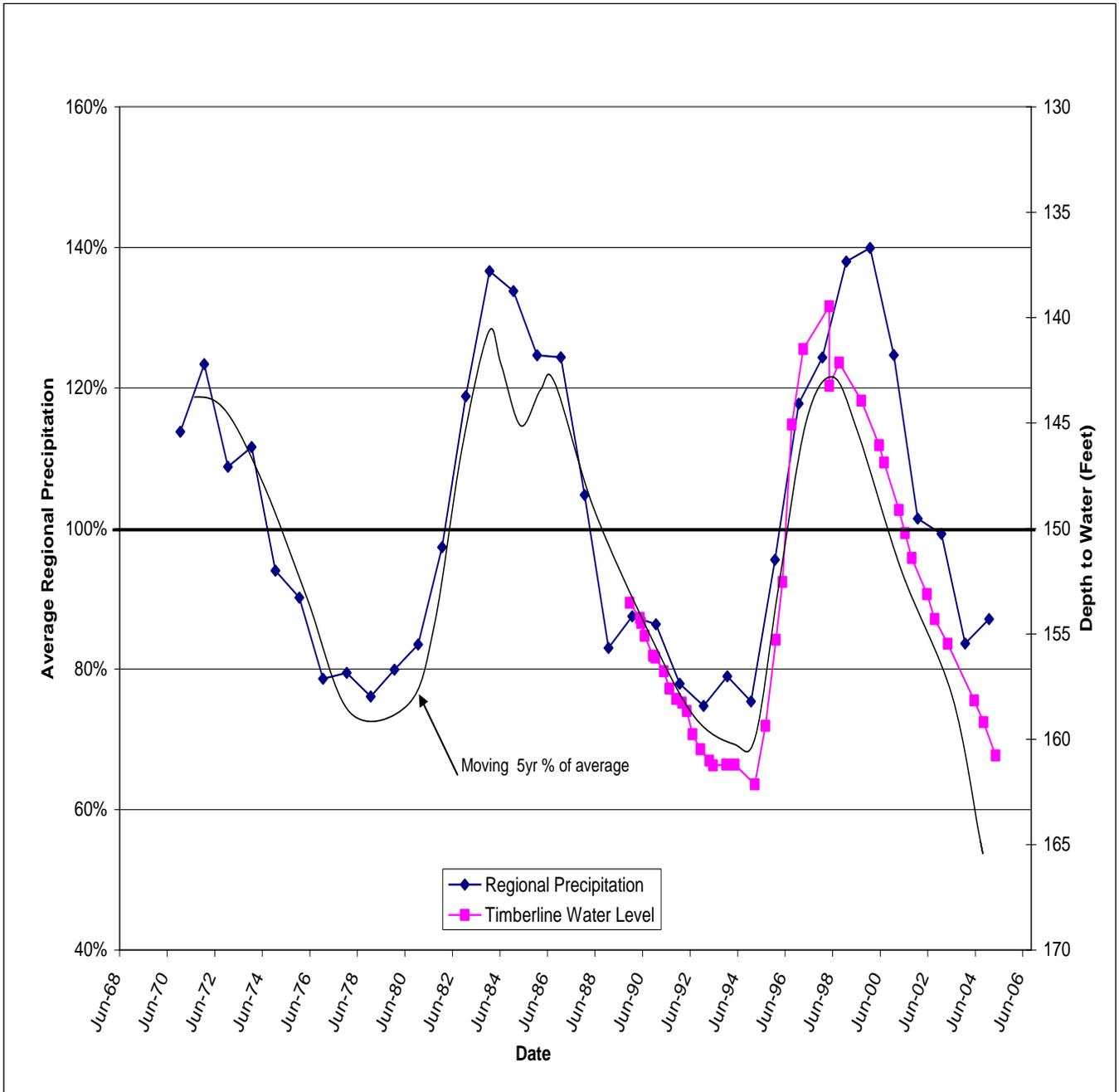
Callahan Ranch area wells deepened versus those connected to the municipal water system



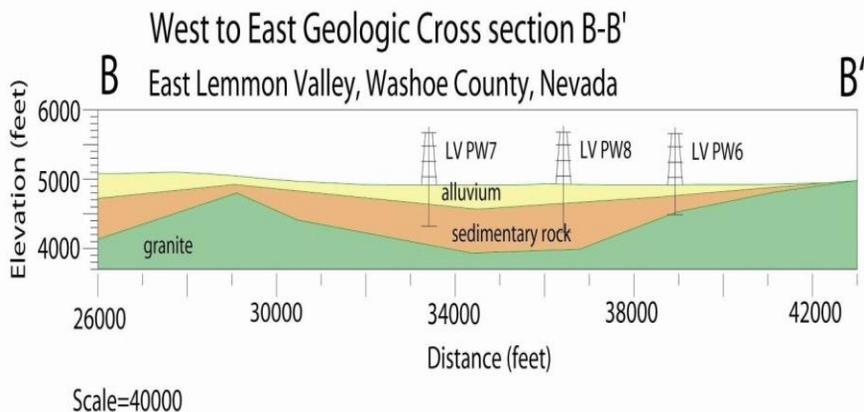
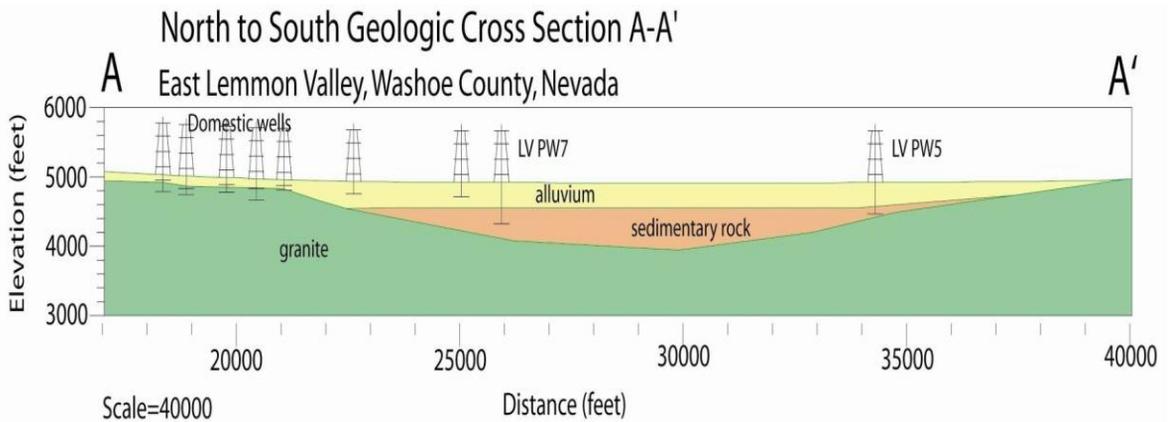
Several Factors Can Affect the Productivity of Domestic Wells:

- Natural variability of annual precipitation and multi-year droughts;
- Poor hydro-geologic conditions;
- Shallow well construction;
- High concentration of domestic wells in an area; and
- Municipal pumping.

Documented Strong Correlation Between Groundwater Levels and Annual Precipitation



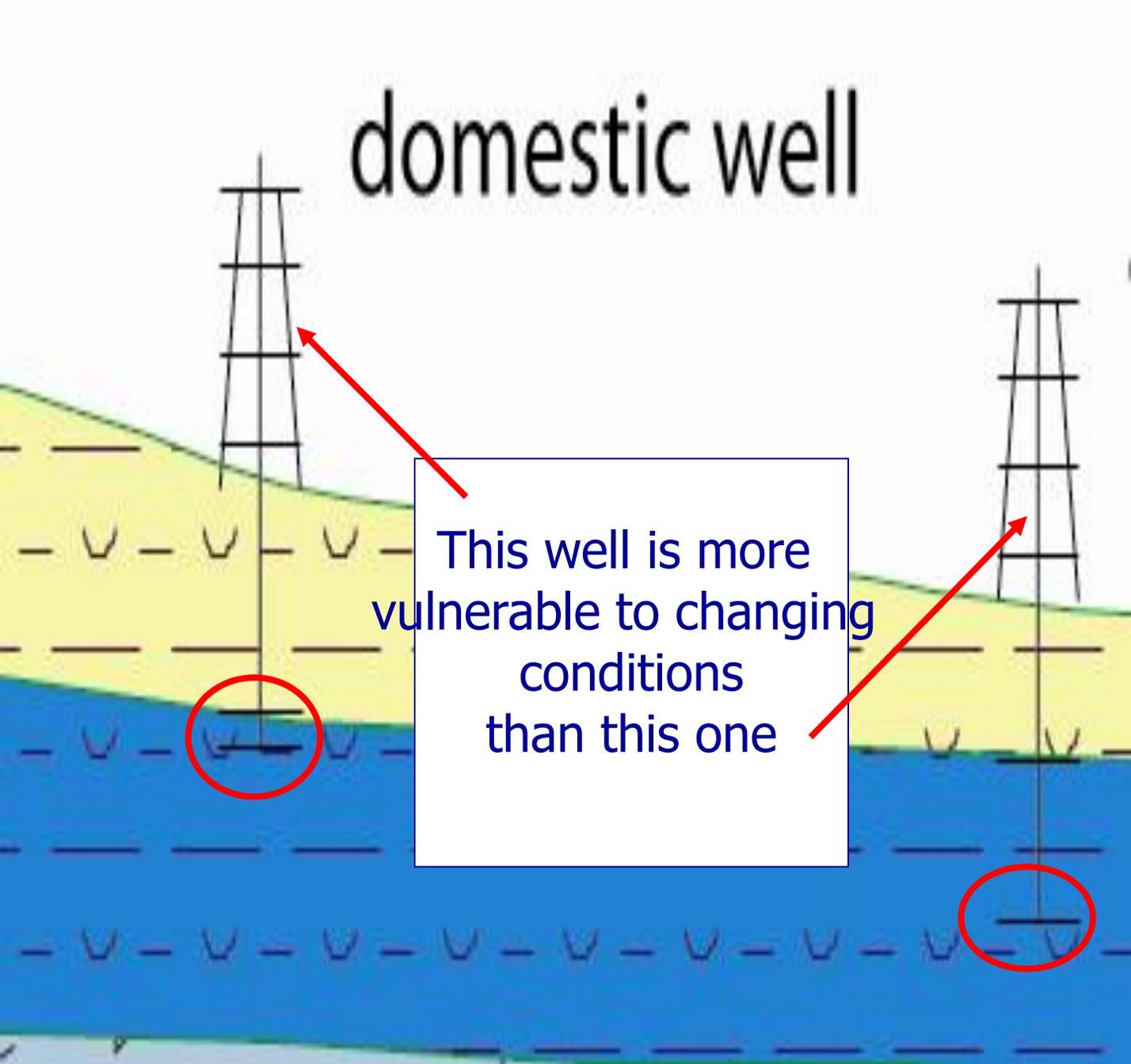
Hydro-Geologic Conditions, such as fractured granite, make some areas less suitable as sources of water for either domestic or municipal wells



Geologic cross sections for Lemmon Valley Production Wells. Derrick figures mark location and depth of wells. Lithology shows depth to granite, sedimentary rock and alluvium in East Lemmon Valley. Note the domestic wells are mostly completed in granite.

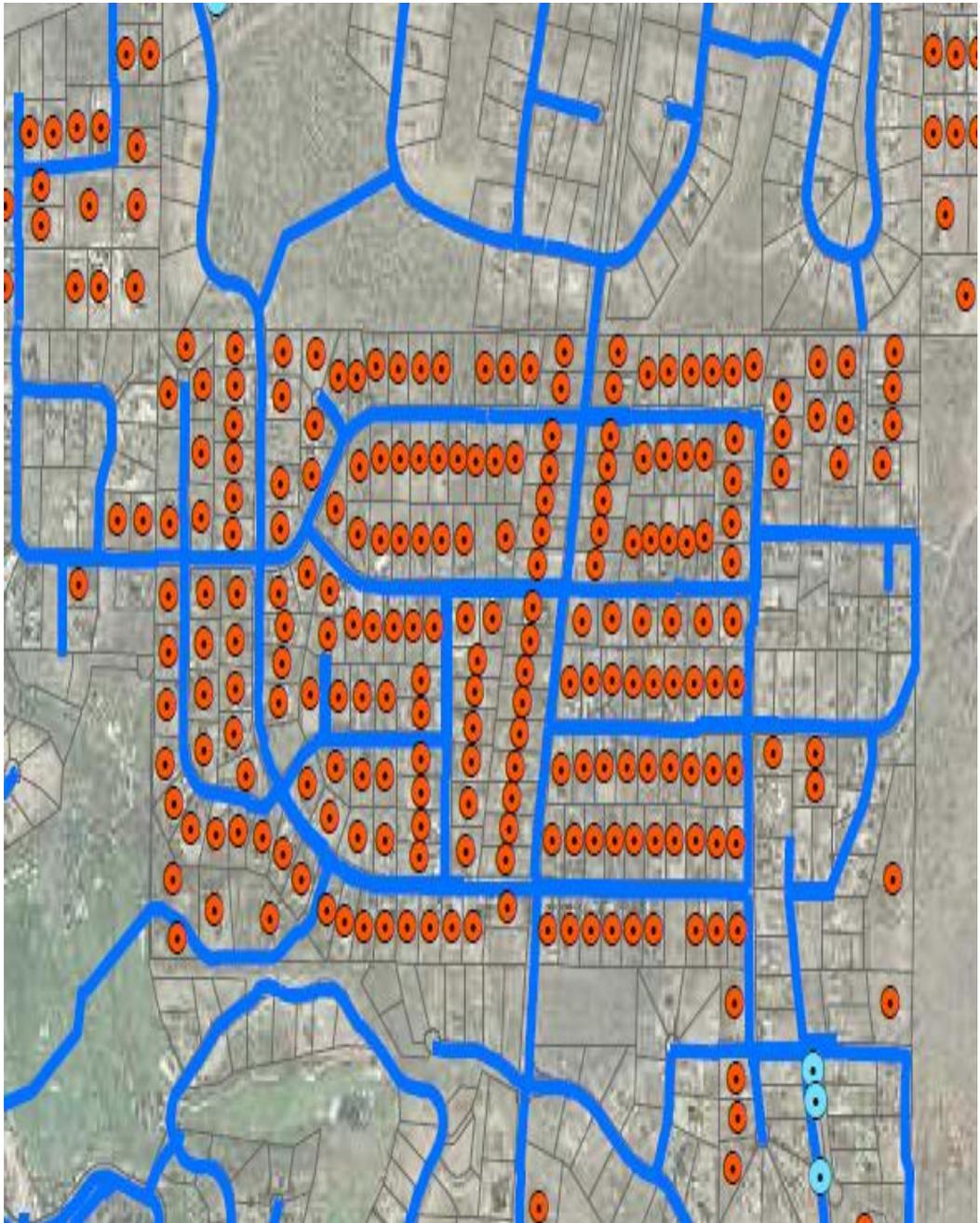
A Domestic Well's Depth to Water Is Critical to the Well's Viability Over Time

domestic well

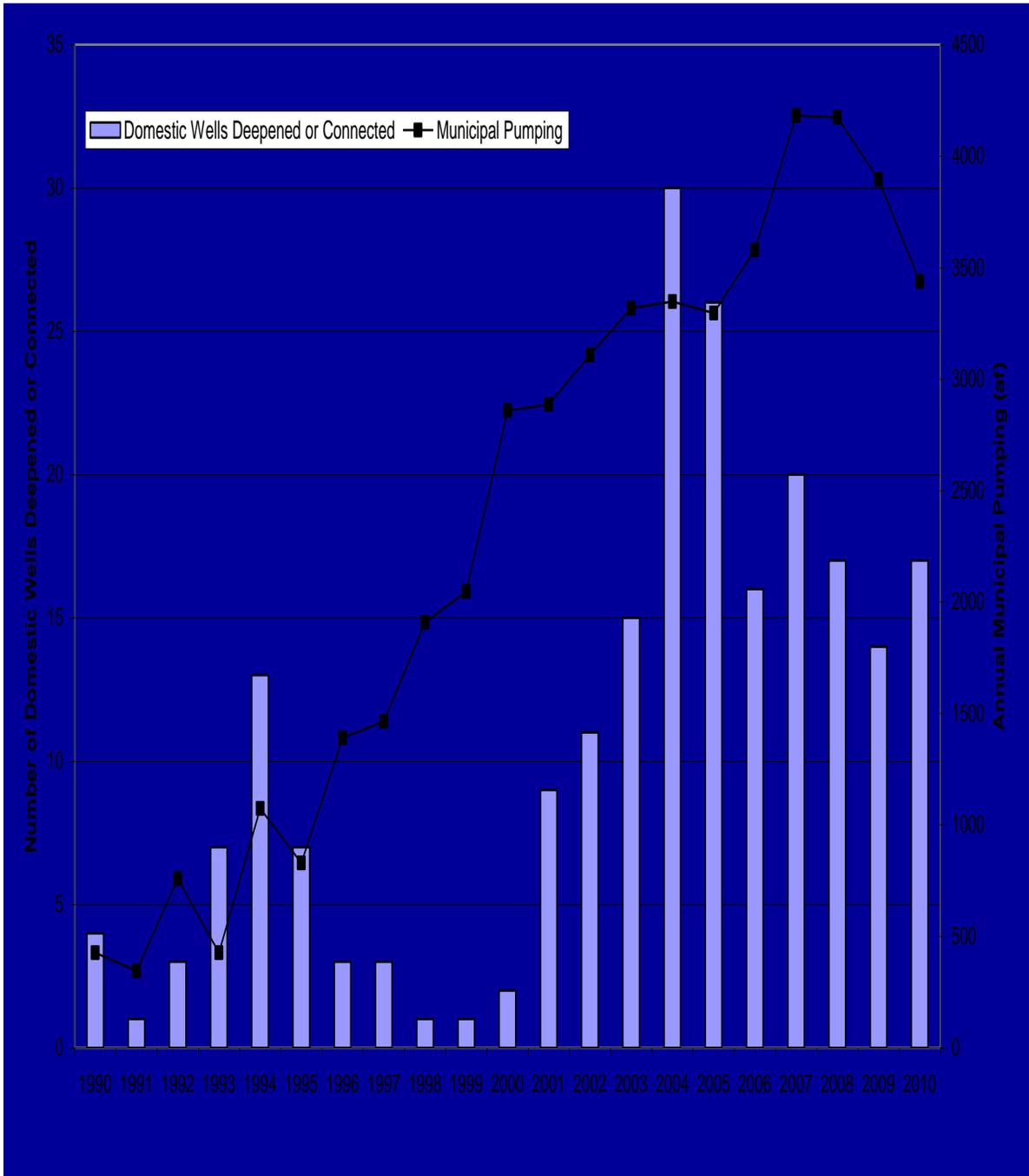


This well is more vulnerable to changing conditions than this one

High Concentration of Domestic Wells in a Small Area



Effects of municipal pumping on domestic wells in Callahan Ranch area



Recommended Domestic Well Mitigation Policy Statement

- The purpose of the policy is to provide direction on the creation of domestic well mitigation programs and the settlement of individual claims for domestic well mitigation that are determined to be necessary to:
 - improve management and protection of groundwater resources, including preventing over-pumping the aquifer, and
 - address any unreasonable adverse effects of municipal pumping on domestic wells in the Washoe County water service area.

Draft Definition of “Unreasonable Adverse Effect”

- An unreasonable adverse effect caused by a municipal well may be considered to be occurring when all of the following circumstances exist:
 - The impacted domestic well must be experiencing an actual or imminent unreasonable adverse effect that results in the reduction of ground water supply to the well and that leads to an actual well failure, significant pressure losses, persistent problems with sanding and siltation, or must be part of an area with multiple domestic wells where such impacts are being experienced by other domestic well owners.

Unreasonable Adverse Effect Definition (continued)

- The impacted well must draw from the same source aquifer as the municipal well or wells alleged to be causing the unreasonable adverse effect.
- Objective evidence must exist that clearly relates the pumping of the municipal well or wells to the impairment of the affected well.
- The protectable interest in the impacted domestic well or wells is limited to the 2 acre feet per year of use allowed by NRS 534.180(1).
- The priority date of the domestic well (as defined by NRS 534.080) is more senior than the priority date for the municipal well or wells alleged to be causing the unreasonable adverse impact.

Mitigation Program Recommendations Address Three General Situations:

- A.** Properties with domestic wells where community water service is not now and is not expected to be available in the future;
- B.** Properties where the availability of community water system facilities will result in the conversion of a domestic well to the community water system; and
- C.** Properties where a domestic well owner deepened his/her well in advance of the installation of community water system facilities.

A. Properties with domestic wells where community water service is not now and is not expected to be available in the future

- Domestic well owners would receive compensation for deepening wells by 150 feet;
- The compensation amount would be annually updated to adjust for cost changes;
- The compensation amount for FY 2011-2012 is \$66 per foot for a total of \$9961;
- Property owners in this category who have already deepened their well would receive \$9961;
- Property owners would be responsible for covering the cost of appurtenances, estimated at \$4650;
- If a well cannot be deepened to provide a long-term, sustainable water supply the mitigation program would cover the cost of drilling a new well of adequate depth;
- Properties where new wells are drilled would be responsible for covering the cost of appurtenances.

B. Properties where the availability of community water system facilities will result in the conversion of a domestic well to the community water system

- Property owners would receive a hook-up credit for the full value of the public right-of-way cost;
- The value of this credit is between \$12,500 and \$13,600 depending on whether a meter pit was installed at the property with the water system facilities;
- Property owners would be responsible for covering all on-site costs, estimated at \$4500 to \$7000; and
- Property owners would be eligible to apply for financing of on-site costs under the County's Water and Sanitary Sewer Financial Assistance Program.
- Property owners who have already paid to connect would receive reimbursement for connection fees minus any mitigation funds DWR or STMGID already provided for on-site costs.
- Properties in SAD 5 that were developed with domestic wells prior to the installation of water lines included as part of the SAD, would be reimbursed for the amount of their assessment.

C. Properties where a domestic well owner voluntarily deepened his/her well in advance of the installation of community water system facilities

- Property owners would receive a transferrable, recordable guarantee for a no-cost connection to the infrastructure in the public right-of-way when they ultimately need to connect; and
- Property owners would be responsible for covering all on-site costs associated with connecting to the community system.

Estimated Funding Requirements

(in current dollars)

	Water System Connections	Deepen Wells	Refunds for SAD 5	Grand Total
Expected Cash Payments in FY 2011-2012	\$311,593	\$ 594,683	\$ 37,000	\$ 943,276
Estimated Future Obligations (over 20 years)	\$ 57,200	\$1,434,384	\$ 0	\$1,491,584
Total Estimated Cost	\$ 368,793	\$2,029,067	\$ 37,000	\$2,434,860

In General, DWR's Well Mitigation Program for the Mt. Rose-Galena Fan Area:

- Covers about 2/3rds of an impacted property owner's estimated cost;
- Addresses anticipated domestic well mitigation requirements in both DWR and STMGID service territories;
- Provides implementation funding without requiring that surcharges be levied on any group of customers; and
- Identifies a method to equitably share program costs between DWR and STMGID based on a scientific analysis of each agency's responsibility.

Sources of Program Funding

- Connection fees paid by developments that have occurred in the area;
- User fees collected from water rate payers; and
- Proposed contribution from STMGID to address their portion of current and future impacts.

Questions ?

APPENDIX C

Senate Bill 175 (Chapter 477, *Statutes of Nevada 2009*)

Senate Bill 175
(Chapter 477, *Statutes of Nevada 2009*)

Senate Bill No. 175–Committee on Government Affairs

CHAPTER.....

AN ACT relating to floods; authorizing a board of county commissioners to acquire, improve, equip, operate and maintain a flood management project in certain counties; authorizing any revenues derived from such a flood management project to be pledged for the payment of certain bonds; authorizing the governing body of a municipality in certain counties to acquire, improve, equip, operate and maintain a flood management project under certain circumstances; revising provisions governing the acquisition of bonds issued by a flood management authority; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes a board of county commissioners to acquire and maintain within the county various projects, including building projects, drainage and flood control projects, lending projects, off-street parking projects, overpass projects, park projects, sewerage projects, street projects and water projects. In connection with those projects, a board of county commissioners may issue general obligation bonds to support and defray the cost of the project and take certain other related actions concerning the project. (NRS 244A.011-244A.065) Existing law confers similar authority upon the governing body of a municipality. (NRS 268.672-268.740) **Sections 3-15** of this bill expand the authority of a board of county commissioners in a county whose population is 100,000 or more but less than 400,000 (currently Washoe County) by authorizing the board to acquire and maintain a flood management project in the same manner as any other project authorized under existing law. **Sections 16-22** of this bill provide similar provisions for a governing body of a municipality within such a county. **Sections 24-27** of this bill revise the provisions of existing law governing the making of loans and the issuance of state securities by this State to assist municipalities in the construction of public improvements by including within those provisions a flood management authority.

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

Section 1. The Legislature hereby declares that flood management projects provide a benefit to residents and owners of property by:

1. Preventing the loss of life and property;
2. Preventing the disruption of essential services for the safety of the public and the disruption of commerce, transportation, communication and essential services which have adverse economic impacts;
3. Preventing the waste of water resulting from floods;



4. Providing for the conservation, development, use and disposal of water and improved quality of water;

5. Providing for ecosystem restoration and enhanced recreational facilities; and

6. Providing for the safeguarding of the public health.

Sec. 2. Chapter 244A of NRS is hereby amended by adding thereto the provisions set forth as sections 3 and 4 of this act.

Sec. 3. *“Flood management authority” means any entity that is created by cooperative agreement pursuant to chapter 277 of NRS, the functions of which include the acquisition, construction, improvement, operation and maintenance of a flood management project.*

Sec. 4. *“Flood management project” or any phrase of similar import, means a project or improvement that is located within or without a county whose population is 100,000 or more but less than 400,000 and is established for the control or management of any flood or storm waters of the county or any flood or storm waters of a stream of which the source is located outside of the county. The term includes, without limitation:*

1. *A drainage and flood control project;*

2. *A project to construct, repair or restore an ecosystem;*

3. *A project to mitigate any adverse effect of flooding or flood management activity or improvement;*

4. *A project to conserve any flood or storm waters for any beneficial and useful purpose by spreading, storing, reusing or retaining those waters or causing those waters to percolate into the ground to improve water quality;*

5. *A project that alters or diverts or proposes to alter or divert a natural watercourse, including any improvement for the passage of fish;*

6. *A park project that is related to a flood management project;*

7. *Any landscaping or similar amenity that is constructed:*

(a) To increase the usefulness of a flood management project to any community or to provide aesthetic compatibility with any surrounding community; or

(b) To mitigate any adverse effect on the environment relating to a flood management project;

8. *A project to relocate or replace a utility, transmission line, conduit, bridge or similar feature or structure that exacerbates any flooding or is located in an area that is susceptible to flooding;*

9. *A project to protect and manage a floodplain;*



10. *A project that is designed to improve the quality of any flood or storm waters or the operation of any flood management system, including, without limitation, any monitoring, measurement or assessment of that system; and*

11. *Any real property or interest in real property that is acquired to support the carrying out of a flood management project, including, without limitation, any property that may become flooded because of any improvement for flood management,*

or any combination thereof and any other structure, fixture, equipment or property required for a flood management project.

Sec. 5. NRS 244A.011 is hereby amended to read as follows:

244A.011 NRS 244A.011 to 244A.065, inclusive, ~~shall~~ *and sections 3 and 4 of this act may be ~~renewed~~ cited* as the County Bond Law.

Sec. 6. NRS 244A.013 is hereby amended to read as follows:

244A.013 Except where the context otherwise requires, the definitions in NRS 244A.015 to 244A.056, inclusive, *and sections 3 and 4 of this act* govern the construction hereof.

Sec. 7. NRS 244A.025 is hereby amended to read as follows:

244A.025 "County" means any county in ~~the~~ *this* State. For the purposes of NRS 244A.011 to 244A.065, inclusive, *and sections 3 and 4 of this act*, Carson City is considered as a county.

Sec. 8. NRS 244A.027 is hereby amended to read as follows:

244A.027 "Drainage and flood control project" means any natural and artificial water facilities for the collection, transportation, impoundment and disposal of rainfall, storm, flood or surface drainage waters, including, without limitation, ditches, lakes, reservoirs, revetments, levees, dikes, walls, embankments, bridges, sewers, culverts, inlets, connections, laterals, collection lines, outfalls, outfall sewers, trunk sewers, intercepting sewers, transmission lines, conduits, syphons, sluices, flumes, canals, ditches, natural and artificial watercourses, ponds, dams, retarding basins, and other water diversion and storage facilities, pumping stations, stream gauges, rain gauges, meters, flood warning service and appurtenant telephone, telegraph, radio and television service, engines, valves, pumps, apparatus, fixtures, structures and buildings, or any combination thereof, and all appurtenances and incidentals necessary, useful or desirable for any such facilities, including, without limitation, all types of property therefor. *The term includes a flood management project.*

Sec. 9. NRS 244A.034 is hereby amended to read as follows:

244A.034 "Infrastructure project" means:



1. A capital improvement for fire protection, a library, a building, a park or police protection that a municipality is authorized to improve, acquire or equip pursuant to a law other than the County Bond Law; or

2. For a water authority, wastewater authority, *flood management authority* or any municipality whose governing body is composed of only the members of the board, a capital improvement for ~~the~~:

- (a) A water system ~~the~~;
- (b) A water reclamation system;
- (c) A *flood management project*; or
- (d) A sanitary sewer,

that the municipality is authorized to improve, acquire or equip pursuant to a law other than the County Bond Law.

Sec. 10. NRS 244A.0345 is hereby amended to read as follows:

244A.0345 "Municipal securities" means notes, warrants, interim debentures, bonds and temporary bonds issued by a municipality pursuant to a law other than the County Bond Law which are:

1. General obligations payable from ad valorem taxes that are approved by the voters of the municipality issued for a capital improvement of a library or park;

2. General obligations payable from ad valorem taxes that are approved by the voters of the municipality or are approved pursuant to subsection 3 of NRS 350.020 issued for a capital improvement of an infrastructure project other than a library or park;

3. Revenue obligations of a water authority that are payable from revenues of:

- (a) The water system of the water authority;
- (b) One or more of the municipalities that are members of the water authority; or
- (c) Any combination of the entities described in paragraphs (a) and (b); ~~the~~

4. Revenue obligations of a wastewater authority that are payable from revenues of:

- (a) The water reclamation system of the wastewater authority;
- (b) One or more of the municipalities that are members of the wastewater authority; or
- (c) Any combination of the entities described in paragraphs (a) and (b); ~~the~~; or

5. *Revenue obligations of a flood management authority that are payable from the revenues of:*



(a) A flood management project of the flood management authority;

(b) One or more of the municipalities that are members of the flood management authority; or

(c) Any combination of the entities described in paragraphs (a) and (b).

Sec. 11. NRS 244A.0347 is hereby amended to read as follows:

244A.0347 "Municipality" means any city, town, school district, library district, consolidated library district, fire protection district, district for a fire department, park district, general improvement district organized pursuant to chapter 318 of NRS, wastewater authority, *flood management authority*, water district organized pursuant to a special act or water authority organized as a political subdivision created by cooperative agreement.

Sec. 12. NRS 244A.057 is hereby amended to read as follows:

244A.057 Any board, upon behalf of the county and in its name, may acquire, improve, equip, operate and maintain, within the county:

1. A building project;
2. A drainage and flood control project;
3. *A flood management project;*
4. *A* lending project if the county has adopted an ordinance pursuant to subsection 3 of NRS 244A.064;
- ~~4.~~ 5. An off-street parking project;
- ~~5.~~ 6. An overpass project;
- ~~6.~~ 7. A park project;
- ~~7.~~ 8. A sewerage project;
- ~~8.~~ 9. A street project;
- ~~9.~~ 10. An underpass project; and
- ~~10.~~ 11. A water project.

Sec. 13. NRS 244A.061 is hereby amended to read as follows:

244A.061 The payment of any bonds issued hereunder may be additionally secured by a pledge of all or part of any revenues derived from ~~the~~:

1. *The* operation of any project herein authorized and from any other income-producing project of the county ~~and derived from any~~;
2. *A flood management project; or*
3. *Any* license or other excise taxes levied for revenue and available for such a pledge, ~~or~~
or any combination thereof. ~~or~~



Sec. 14. NRS 244A.063 is hereby amended to read as follows:

244A.063 In order to ~~insure~~ *acquire, improve, equip, operate and maintain a project specified in NRS 244A.057 and to ensure* the payment, wholly or in part, of the general obligation bonds or revenue bonds of the county the payment of which bonds is additionally secured by a pledge of the revenues derived from any such income-producing project ~~and from any such~~ , *flood management project or* excise taxes, *or any combination thereof*, the board may establish and maintain, and the board may from time to time revise, a schedule or schedules of fees, rates and charges for services or facilities, or both services and facilities, rendered by or through the *income-producing project or flood management project*, within the corporate limits of the county, and a schedule or schedules of license or other excise taxes, in an amount sufficient for that purpose and also sufficient to discharge any covenant in the proceedings of the board authorizing the issuance of any of such bonds, including any covenant for the establishment of reasonable reserve funds.

Sec. 15. NRS 244A.065 is hereby amended to read as follows:

244A.065 1. No other act or law with regard to the authorization or issuance of bonds that requires an approval, or in any way impedes or restricts the carrying out of the acts herein authorized to be done, shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto, except as herein otherwise provided.

2. The powers conferred by NRS 244A.011 to 244A.065, inclusive, ~~shall be~~ *and sections 3 and 4 of this act are* in addition and supplemental to, and not in substitution for, and the limitations imposed by NRS 244A.011 to 244A.065, inclusive, ~~shall~~ *and sections 3 and 4 of this act do* not affect the powers conferred by, any other law.

3. No part of NRS 244A.011 to 244A.065, inclusive, ~~shall repeal or affect~~ *and sections 3 and 4 of this act repeals or affects* any other law or part thereof, it being intended that NRS 244A.011 to 244A.065, inclusive, ~~shall~~ *and sections 3 and 4 of this act must* provide a separate method of accomplishing its objectives, and not an exclusive one, ~~and~~ and NRS 244A.011 to 244A.065, inclusive, ~~shall~~ *and sections 3 and 4 of this act must* not be construed as repealing, amending or changing any such other law.

Sec. 16. Chapter 268 of NRS is hereby amended by adding thereto a new section to read as follows:

“Flood management project” or any phrase of similar import, means a project or improvement that is located within or without a



city in a county whose population is 100,000 or more but less than 400,000 and is established for the control or management of any flood or storm waters of the city or any flood or storm waters of a stream of which the source is located outside of the city. The term includes, without limitation:

- 1. A drainage project or flood control project;*
- 2. A project to construct, repair or restore an ecosystem;*
- 3. A project to mitigate any adverse effect of flooding or flood management activity or improvement;*
- 4. A project to conserve any flood or storm waters for any beneficial and useful purpose by spreading, storing, reusing or retaining those waters or causing those waters to percolate into the ground to improve water quality;*
- 5. A project that alters or diverts or proposes to alter or divert a natural watercourse, including any improvement for the passage of fish;*
- 6. A recreational project that is related to a flood management project;*
- 7. Any landscaping or similar amenity that is constructed:
(a) To increase the usefulness of a flood management project to any community or to provide aesthetic compatibility with any surrounding community; or
(b) To mitigate any adverse effect on the environment relating to a flood management project;*
- 8. A project to relocate or replace a utility, transmission line, conduit, bridge or similar feature or structure that exacerbates any flooding or is located in an area that is susceptible to flooding;*
- 9. A project to protect and manage a floodplain;*
- 10. A project that is designed to improve the quality of any flood or storm waters or the operation of any flood management system, including, without limitation, any monitoring, measurement or assessment of that system; and*
- 11. The acquisition of any real property or interest in real property to support the carrying out of a flood management project, including, without limitation, any property that may become flooded because of any improvement for flood management,
or any combination thereof and any other structure, fixture, equipment or property required for a flood management project.*

*Sec. 17. NRS 268.672 is hereby amended to read as follows:
268.672 NRS 268.672 to 268.740, inclusive, and section 16 of this act may be cited as the City Bond Law.*



Sec. 18. NRS 268.674 is hereby amended to read as follows:

268.674 Except as otherwise provided in NRS 268.672 to 268.740, inclusive, *and section 16 of this act, the* terms used or referred to herein are as defined in the Local Government Securities Law, ~~††~~ but the definitions in NRS 268.676 to 268.728, inclusive, *and section 16 of this act*, except where the context otherwise requires, govern the construction hereof.

Sec. 19. NRS 268.682 is hereby amended to read as follows:

268.682 "Drainage project" or "flood control project," or any phrase of similar import, means any natural and artificial water facilities for the collection, channeling, impoundment and disposal of rainfall, other surface and subsurface drainage waters, and storm and floodwaters, including , without limitation ditches, ponds, dams, spillways, retarding basins, detention basins, lakes, reservoirs, canals, channels, levees, revetments, dikes, walls, embankments, bridges, inlets, outlets, connections, laterals, other collection lines, intercepting sewers, outfalls, outfall sewers, trunk sewers, force mains, submains, water lines, sluices, flumes, syphons, sewer lines, pipes, conduits, culverts, other transmission lines, pumping stations, gauging stations, ventilating facilities, stream gauges, rain gauges, engines, valves, pumps, meters, junction boxes, manholes, other inlet and outlet structures, bucket machines, inlet and outlet cleaners, backhoes, draglines, graders, other equipment, apparatus, fixtures, structures and buildings, flood warning service and appurtenant telephone, telegraph, radio and television apparatus and other water diversion, drainage and flood control facilities , ~~††~~ or any combination thereof . ~~††~~ *The term includes a flood management project.*

Sec. 20. NRS 268.730 is hereby amended to read as follows:

268.730 Except as otherwise provided in NRS 268.086 and 268.088, any governing body of a municipality, upon its behalf and in its name, may at any time or from time to time acquire, improve, equip, operate and maintain, within or without or both within and without the municipality:

1. A building project;
2. A cemetery project;
3. A communications project;
4. A drainage project or flood control project;
5. An electric project;
6. A fire protection project;
7. *A flood management project;*
8. An off-street parking project;
- ~~††~~ 9. An overpass project;



- ~~10.~~ 10. A park project;
- ~~11.~~ 11. A recreational project;
- ~~12.~~ 12. A refuse project;
- ~~13.~~ 13. A sewerage project;
- ~~14.~~ 14. A sidewalk project;
- ~~15.~~ 15. A street project;
- ~~16.~~ 16. A transportation project;
- ~~17.~~ 17. An underpass project; and
- ~~18.~~ 18. A water project.

Sec. 21. NRS 268.738 is hereby amended to read as follows:

268.738 In order to ~~insure~~ *acquire, improve, equip, operate and maintain a project specified in NRS 268.730 and to ensure* the payment, wholly or in part, of the general obligation securities *or revenue securities* of the municipality the payment of which bonds is additionally secured by a pledge of the revenues derived from any such income-producing project ~~and from any such~~ , *flood management project or* excise taxes, *or any combination thereof*, the governing body of the municipality may establish and maintain, and the governing body may from time to time revise, a schedule or schedules of fees, rates and charges for services or facilities, or both services and facilities, rendered by or through the *income-producing project or flood management* project and a schedule or schedules of license or other excise taxes, in an amount sufficient for that purpose and also sufficient to discharge any covenant in the proceedings of the governing body authorizing the issuance of any of such bonds, including any covenant for the establishment of reasonable reserve funds.

Sec. 22. NRS 268.740 is hereby amended to read as follows:

268.740 1. No other act or law with regard to the authorization or issuance of bonds that requires an approval, or in any way impedes or restricts the carrying out of the acts herein authorized to be done, shall be construed as applying to any proceedings taken hereunder or acts done pursuant hereto, except as herein otherwise provided.

2. The powers conferred by NRS 268.672 to 268.740, inclusive, ~~shall be~~ *and section 16 of this act are* in addition and supplemental to, and not in substitution for, and the limitations imposed by NRS 268.672 to 268.740, inclusive, ~~shall~~ *and section 16 of this act do* not affect the powers conferred by, any other law.

3. No part of NRS 268.672 to 268.740, inclusive, ~~shall repeal or affect~~ *and section 16 of this act repeals or affects* any other law or part thereof, it being intended that NRS 268.672 to 268.740, inclusive, ~~shall~~ *and section 16 of this act must* provide a separate



method of accomplishing its objectives, and not an exclusive one , ~~++~~ and NRS 268.672 to 268.740, inclusive, ~~shall~~ **and section 16 of this act must** not be construed as repealing, amending or changing any such other law.

Sec. 23. NRS 271A.050 is hereby amended to read as follows:
271A.050 "Project" means:

1. With respect to a county whose population is 400,000 or more:

(a) An art project, as defined in NRS 271.037;

(b) A tourism and entertainment project, as defined in NRS 271.234; or

(c) A sports stadium which can be used for the home games of a Major League Baseball or National Football League team and for other purposes, including structures, buildings and other improvements and equipment therefor, parking facilities, and all other appurtenances necessary, useful or desirable for a Major League Baseball or National Football League stadium, including, without limitation, all types of property therefor and immediately adjacent facilities for retail sales, dining and entertainment.

2. With respect to a city in a county whose population is 400,000 or more:

(a) A project described in paragraph (a), (b) or (c) of subsection 1; or

(b) A recreational project, as defined in NRS 268.710.

3. With respect to a municipality other than a municipality described in subsection 1 or 2, any project that the municipality is authorized to acquire, improve, equip, operate and maintain pursuant to subsections 1, 2, 3 and ~~++~~ 5 to 10, inclusive, of NRS 244A.057 or NRS 268.730 or 271.265, as applicable.

4. Any real or personal property suitable for retail, tourism or entertainment purposes.

5. Any real or personal property necessary, useful or desirable in connection with any of the projects set forth in this section.

6. Any combination of the projects set forth in this section.

Sec. 24. Chapter 350A of NRS is hereby amended by adding thereto a new section to read as follows:

"Flood management authority" means any entity that is created by cooperative agreement pursuant to chapter 277 of NRS, the functions of which include the acquisition, construction, improvement, operation and maintenance of a flood management project.



Sec. 25. NRS 350A.020 is hereby amended to read as follows:
350A.020 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 350A.025 to 350A.125, inclusive, *and section 24 of this act* have the meanings ascribed to them in those sections.

Sec. 26. NRS 350A.070 is hereby amended to read as follows:
350A.070 "Municipal securities" means notes, warrants, interim debentures, bonds and temporary bonds validly issued as obligations for a purpose related to natural resources which are payable:

1. From taxes whether or not additionally secured by any municipal revenues available therefor,

2. For bonds issued by an irrigation district, from assessments against real property;

3. For bonds issued by a water authority organized as a political subdivision created by cooperative agreement, from revenues of the water system of the water authority or one or more of the water purveyors who are members of the water authority or any combination thereof; ~~text~~

4. For bonds issued by a wastewater authority, from revenues of the water reclamation system of the wastewater authority or one or more of the municipalities that are members of the wastewater authority, or any combination thereof ~~text~~; *or*

5. *For bonds issued by a flood management authority, from revenues of the flood management authority or one or more of the municipalities that are members of the flood management authority, or any combination thereof.*

Sec. 27. NRS 350A.080 is hereby amended to read as follows:
350A.080 "Municipality" means any county, city, town, wastewater authority, *flood management authority*, water authority organized as a political subdivision created by cooperative agreement, school district, general improvement district or other district, including an irrigation district.

Sec. 28. This act becomes effective upon passage and approval.



APPENDIX D

Suggested Legislation

The following BDR will be available during the 2013 Legislative Session, or can be accessed after “Introduction” at the following website: <http://www.leg.state.nv.us/Session/77th2013/BDRList/>.

BDR 17-144 Provides for an ongoing study of water issues in Nevada.