Department of Conservation and Natural Resources

Joe Lombardo, *Governor* James A. Settelmeyer, *Director* Adam Sullivan, P.E., *State Engineer*

NOTICE OF INTENT TO ACT UPON A REGULATION

Notice of Hearing for the Adoption of Temporary Regulations of the Nevada Division of Water Resources

The Nevada Division of Water Resources (NDWR) will hold a public hearing to receive comments from all interested persons regarding the adoption of temporary regulations that pertain to Chapter 534 of the Nevada Administrative Code.

Date: March 12, 2025

Time: 9:00 am

Location: Nevada Division of Resources

Bryan Building, Bonnie Conference Room

901 S. Stewart St. Carson City, NV 89701

Virtual: Click or type the shortcode to access the meeting:

Link: https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting

Meeting ID: 253 591 280 737

Passcode: 39u2Fi7Z

Or call in (audio only): (775) 321-6111 Phone Conference ID: 776 272 904#

The following information is provided pursuant to the requirements of NRS 233B.0603:

- 1. The need for and the purpose of the proposed regulation or amendment.
 - In response to Governor Lombardo's Executive Order 2023-004, requiring a review of current regulatory requirements for occupational licensing, the Nevada Division of Water Resources (NDWR), in cooperation with the Well Driller's Advisory Board, identified recommended revisions to existing licensing regulations and a pathway to licensure reciprocity. These revisions intend to revise onerous regulatory barriers without compromise to the standards of qualifications for issuing well drilling licenses.
- 2. If the proposed regulation is a temporary regulation, the terms or the substance of the proposed regulation to be adopted, amended or repealed, or a description of the subjects and issues involved.

The temporary regulations relating to well drillers include the following changes:

• Removing the requirement that qualifying well drilled experience must be acquired within the five years immediately preceding an application submission.

- Reducing the number of professional references required to be accepted from four to three but they must be accepted prior to being eligible to take the written examination.
- Removing the pass/fail testing requirement for applicants to correctly identify a location on a map by providing the public land survey description.
- Adds a new provision to establish a pathway for licensed well drillers from other states to apply for reciprocity from other states and become licensed in Nevada.

3. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately and in each case must include:

- a. Both adverse and beneficial effects; and
 - On business: Testing for licensure will be more streamlined and NDWR's scheduling will be clarified resulting in a benefit to businesses and employees seeking licensure. Reciprocity may invite more competition into the state, but businesses may also benefit from the ability to attract skilled workers. Those well drillers who already possess the necessary skills and expertise can get to work more easily in Nevada with less regulatory barriers.
 - On the public: NDWR does not anticipate any impact to the public resulting from these regulations.
- b. Both immediate and long-term effects.
 - On business: NDWR anticipates seeing immediate impacts from a clearer licensing process, with fewer onerous barriers, preventing avoidable delays in scheduling and licensing. Long-term, NDWR does not anticipate any effect to the standards of licensed well drillers.
 - On the public: NDWR does not anticipate any effect to the public resulting from these regulations.

4. The methods used by the agency in determining the impact on a small business.

A Small Business Impact Questionnaire was sent on December 12, 2024, to all licensed Nevada well drillers or to the owners of well drilling businesses that operate in the State. The Division received six responses to the questionnaire; however, one of those responses indicated they employed more than 150 employees and therefore did not qualify as a small business for the purpose of the questionnaire.

Supportive responses suggested the proposed regulations would hopefully make hiring licensed well drillers easier. Comments in opposition generally stated that no part of the licensing process should be made "easier"; that if you earn a license in Nevada, a driller has demonstrated the knowledge, skill, and abilities needed to drill in this state. There was concern that drillers issued a licensed by reciprocity would not be as familiar with the requirements to drill in Nevada and that out-of-state contractors could take jobs away from in-state drillers or for there to be new business competition in the state. The Division utilized the responses from the questionnaire, analyzed processes that result in delays to scheduling applicants for testing, and reviewed data from recent testing scores to assess impacts of the proposed regulations on small businesses.

. . .

5. The estimated cost to the agency for enforcement of the proposed regulation.

NDWR does not anticipate incurring any additional cost resulting from the temporary regulation.

6. A description of and citation to any regulations of other state or local governmental agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlapping is necessary. If the proposed regulation overlaps or duplicates a federal regulation, the notice must include the name of the regulating federal agency.

The temporary regulation does not overlap or duplicate any existing regulation.

7. If the regulation is required pursuant to federal law, a citation and description of the federal law.

The temporary regulation is not required by federal law.

8. If the regulation includes provisions which are more stringent than a federal regulation that regulates the same activity, a summary of such provisions.

The temporary regulation is not more stringent than federal regulation.

- 9. Whether the proposed regulation establishes a new fee or increases an existing fee. The temporary regulation does not create any new fees or increase an existing fee.
- 10. If the proposed regulation is a temporary regulation, each address at which the text of the regulation may be inspected and copied.

NDWR Headquarters, 901 S. Stewart Street, Carson City, NV 89701

NDWR Winnemucca, 705 E. 4th Street, Suite C, Winnemucca, NV 89445

NDWR Elko Office, 1250 Lamoille Hwy, Suite 1047, Elko, NV 89801

NDWR Southern Nevada Branch Office, 400 Shadow Ln., Suite 201, Las Vegas, NV 89106

Persons wishing to comment upon the proposed action of Nevada Division of Water Resources may appear at the scheduled public hearing or may address their comments, data, views or arguments, in written form, by emailing cwalling@water.nv.gov or by mailing to the following address: Nevada Division of Water Resources, 901 S. Stewart Street Ste. 2002, Carson City, NV 89701. Written submissions must be received by the Nevada Division of Water Resources on or before February 28, 2025. If no person who is directly affected by the proposed action appears to request time to make an oral presentation, the Division may proceed immediately to act upon any written submissions.

A copy of this notice and the temporary regulation will be on file at the State Library, Archives and Public Records, 100 Stewart Street, Carson City, Nevada, for inspection by members of the public during business hours.

Additional copies of the notice and the temporary regulation will be available at each Division office location detailed in the notice below and in all counties in which an office of the agency is not maintained, at the main public library, for inspection and copying by members of the public during business hours. This notice and the text of the proposed regulation are also available in the State of Nevada Register of Administrative Regulations, which is prepared and

published monthly by the Legislative Counsel Bureau pursuant to NRS 233B.0653, and on the Internet at http://www.leg.state.nv.us/. Copies of this notice and the proposed temporary regulation will also be mailed to members of the public at no charge upon request.

Upon adoption of any regulation, the Nevada Division of Water Resources, if requested to do so by an interested person, either before adoption or within 30 days thereafter, shall issue a concise statement of the principal reasons for and against its adoption and incorporate therein its reason for overruling the consideration urged against its adoption.

This notice of hearing has been posted at the following locations:

Nevada Division of Water Resources website

https://water.nv.gov/index.php/bulletinboard/regulations/

Nevada State Legislature website www.leg.state.nv.us/App/Notice/A/

Nevada Public Notice website http://notice.nv.gov

State of Nevada Campus, 1 State of Nevada Way, Las Vegas, NV 89119

Nevada State Legislature, 401 S. Carson St., Carson City, NV 89701

Nevada State Library and Archives, 100 N. Stewart St, Carson City, NV 89701

NDWR Headquarters, 901 S. Stewart Street, Carson City, NV 89701

NDWR Elko Office, 1250 Lamoille Hwy, Suite 1047, Elko, NV, 89801

NDWR Winnemucca, 705 E. 4th Street, Suite C, Winnemucca, NV 89445

NDWR Southern Nevada Branch Office, 400 Shadow Lane, Suite 201, Las Vegas, NV 89106

Carson City Library, 900 North Roop Street, Carson City, NV 89501

Churchill County Library, 553 South Maine Street, Fallon, NV 89406

Clark County Library, 1401 E. Flamingo Road, Las Vegas, NV 89119

Douglas County Library, 1625 Library Lane, Minden, NV 89423

Elko County Library, 720 Court Street, Elko, NV 89801

Esmeralda County Library, Crook Avenue & 4th Street, Goldfield, NV 89013

Eureka County Library, 10190 Monroe Street, Eureka, NV 89316

Humboldt County Library, 85 Est 5th Street, Winnemucca, NV 89445

Lander County Library, 625 South Broad Steet, Battle Mountain, NV 89820

Lincoln County Library, 63 Main Street, Pioche, NV 89043

Lyon County Library, 20 Nevin Way, Yerington, NV 89447

Mineral County Library, 110 1st Street, PO Box 1390, Hawthorne, NV 89415

Nye County Library, 701 East Street, Pahrump, NV 89048

Pershing County Library, 1125 Central Avenue, PO Box 781, Lovelock, NV 89419

Storey County Library, 175 Carson Street, Virginia City, NV 89440

Washoe County Library, 301 S. Center Street, Reno, NV 89501

White Pine County Library, 950 Campton Street, Ely, NV 89301

Posted on:

STATE OF NEVADA Department of Conservation and Natural Resources Joe Lombardo, Governor James A. Settelmeyer, Director Adam Sullivan, P.E., State Engineer

PUBLIC ADOPTION HEARING AGENDA

WEDNESDAY, MARCH 12, 2025, AT 9:00 am

Division of Water Resources Bonnie Conference Room 901 S. Stewart Street Carson City, Nevada

You may also participate via Teams or telephone at

https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting

Meeting ID: 253 591 280 737 Passcode: 39u2Fi7Z

Call in by Phone (audio only): +1 775-321-6111 **Phone Conference ID:** 776 272 904#

1. CALL TO ORDER

2. PUBLIC COMMENT

All public comments should be as brief and concise as possible so that all who wish to speak may do so (3 minutes for individuals and 5 minutes for group representatives). Comment will not be restricted based on viewpoint.

3. REVIEW AND DISCUSSION OF PROPOSED REVISIONS TO NAC 534

The proposed temporary regulation streamlines timelines, simplifies reference requirements, eliminates map testing, and facilitates reciprocity for licensed well drillers.

4. ADOPTION OF TEMPORARY REGULATION RELATING TO WELL DRILLERS UNDER NAC 534 (FOR POSSIBLE ACTION)

5. PUBLIC COMMENT

All public comments should be as brief and concise as possible so that all who wish to speak may do so (3 minutes for individuals and 5 minutes for group representatives). Comment will not be restricted based on viewpoint.

6. ADJOURNMENT

Note: Items on the agenda may be taken out of the posted order, items may be combined for consideration, and items may be pulled or removed from the agenda.

Notice of this meeting was posted in the following locations:

Department of Conservation and Natural Resources, 901 S. Stewart St., Carson City, Nevada

Nevada State Legislature, 401 S. Carson St., Carson City, Nevada State of Nevada Campus, 1 State of Nevada Way, Las Vegas, NV 89119 Nevada State Library and Archives, 100 N. Stewart St, Carson City, Nevada NDWR Elko Office, 1250 Lamoille Hwy, Suite 104, Elko, NV NDWR Southern Nevada Branch Office, 400 Shadow Lane, Suite 201, Las Vegas, NV

Notice of this meeting has been posted to the Division's website at http://water.nv.gov, Nevada Public Notice website at https://water.nv.gov, and Nevada Legislature Administrative Notices at https://www.leg.state.nv.us/App/Notice/A/

We are pleased to provide reasonable accommodation for individuals with disabilities who wish to attend the meeting. If special accommodations or assistance at the meeting are requested, please notify our office by writing to the Division at 901 S. Stewart St, Ste 2002, Carson City, Nevada, 89701; or by calling 775-684-2800 no later than five (5) working days prior to the scheduled meeting. You can also email cwalling@water.nv.gov.

To obtain support material for the agenda please email cwall 775-684-2800 or write to Division at 901 S. Stewart St, Ste 2002, Carson City, Nevada, 89701. Materials will also be posted on https://water.nv.gov/index.php/bulletinboard/regulations/.

James A. Settelmeyer, Director Adam Sullivan, P.E. State Engineer



SMALL BUSINESS IMPACT STATEMENT AS REQUIRED BY NRS 223B.0608

January 3, 2025

1. A description of the manner in which comment was solicited from affected small businesses, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary.

A Small Business Impact Questionnaire was sent on December 12, 2024, to all licensed Nevada well drillers or to the owners of well drilling businesses that operate in the State. The questionnaire included a summary description of the proposed regulation changes. The questions on the questionnaire were:

- 1. How many employees are currently employed by your business in Nevada?
- 2. Will this regulation have a direct adverse economic effect upon your business?
- 3. Will the regulation have any direct beneficial effect upon your business?
- 4. Do you anticipate any indirect adverse effects upon your business?
- 5. Do you anticipate any indirect beneficial effects upon your business?

The Division of Water Resources (Division) received six responses to the questionnaire; however, one of those responses indicated they employed more than 150 employees and therefore did not qualify as a small business for the purpose of the questionnaire. The following table summarizes the responses by each of the respondents for each question:

Response #	Q1	Q2	Q3	Q4	Q5
1	21	No	Yes	No	Yes
2	35	No	Yes	No	Yes
3	180	N/A	N/A	N/A	N/A
4	21	Yes	No	Yes	No
5	3	Yes	No	Yes	No
6	12	Yes	No	No	No

Generally, respondents that selected 'No' for Question 2 could be classified as the responses that were generally in favor of the proposed regulations. The explanations provided by those in this category were limited, with one respondent suggesting the proposed regulations would hopefully make hiring licensed well drillers easier.

Conversely, respondents that selected 'Yes' for Questions 2 could be classified as responses that were generally opposed to the proposed regulations. Those opposed to the proposed regulations expressed their opinion that no part of obtaining a license should be made "easier" and that the current licensing process shows that those able to obtain a license in Nevada have demonstrated knowledge, skills, and abilities to drill in this State. If an out of

state driller is issued a license via reciprocity, there is concern that driller may not be as familiar with regulations and requirements to drill in Nevada. There is also concern that out-of-state contractors could take jobs away from in-state contractors and for there to be more new businesses in Nevada. One commenter expressed that even waiting for three references can delay a driller for months before getting their license while these same jobs could be awarded to out-of-state contractors that get licensed by reciprocity while the in-state contractor is still working to get their license.

In addition to the Questionnaire, the Division will be conducting a public workshop on January 23, 2025, at 9:00 am to solicit input and public comment on the proposed amendments to the regulations. The workshop will be held in person at the Division of Water Resources Tahoe Hearing room located at 901 S. Stewart Street, Suite 2002, Carson City, NV 89701, and broadcast virtually via Microsoft Teams. The Division will also accept written public comments.

2. Describe the manner in which the analysis was conducted.

The Division solicited answers to a questionnaire and comments from Nevada licensed well drillers, some of which are small business owners. The Division vetted all six responses to the questionnaire. The Division will also hold a public workshop pursuant to NRS 233B.061 to solicit comments from interested persons which may cause the Division of Water Resources to amend this Small Business Impact Statement.

3. The estimated economic effect of the proposed regulation on the small business which it is to regulate including, without limitation both adverse and beneficial effects and both direct and indirect effects.

The Division estimates that the proposed amendments to existing licensing regulations provide benefits to small businesses that outweigh the potential adverse effects, and they do not pose a significant direct or indirect economic burden on small businesses.

The potential impacts resulting from establishing a pathway to obtain a license by way of reciprocity are difficult to estimate. It is possible that providing a more direct path to licensure by way of reciprocity could invite competitors from out-of-state to seek licensure in Nevada. As a result, they may be awarded projects that could otherwise be performed by an in-state contractor. The Division estimates this potential is greater for larger companies that perform work in many states. On the other hand, in-state contractors may benefit from reciprocity because it would improve their ability to attract skilled workers. Those well drillers who already possess the necessary skills and expertise can get to work more easily in Nevada with less regulatory barriers.

4. Provide a description of the methods that the agency considered to reduce the impact of the proposed regulation on small businesses and a statement regarding whether the agency actually used any of those methods.

The Division will hold a public workshop to accept public comments as described above. Comments received to both the Small Business Impact Questionnaire and any that are received during the workshop will be considered with the proposed regulations to account for and minimize impacts on businesses.

5. The estimated cost to the agency for enforcement of the proposed regulation.

There are no anticipated costs for the Division.

6. If the proposed regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

The proposed regulation does not create a new fee or increase an existing fee.

7. An explanation of why any duplicative or more stringent provisions other than federal, state or local standards regulating the same activity are necessary.

Not applicable.

8. Provide a summary of the reasons for the conclusions of the agency regarding the impact of a regulation on small businesses.

The proposed amendments to the regulations seek to provide clarity and updates to the requirements for obtaining a water well drilling license in Nevada.

I certify that, to the best of my knowledge or belief, a concerted effort was made to determine the impact of the proposed regulation on small businesses and that the information contained within the statement was prepared properly and is accurate.

Respectfully,

Adam Sullivan State Engineer

PROPOSED TEMPORARY REGULATION OF THE NEVADA DIVISION OF WATER RESOURCES

Nevada Administrative Code Chapter 534 January 7, 2025

Section 1. Chapter 534 of NAC is hereby amended by adding thereto the provisions set forth:

- 1. A person holding a valid license in another state or jurisdiction of the United States, which has requirements for obtaining a license that is comparable to or exceeds those outlined in this chapter, may be eligible for reciprocity in Nevada. The State Engineer will determine if any licenses held are satisfactory and appropriate for the type of license for which the applicant is applying. To be granted reciprocity, an applicant must:
 - (a) Submit an application to the Division pursuant to NAC 534.280;
 - (b) Submit a request for reciprocity on a form provided by the Division; and
 - (c) Satisfy all the requirements of NAC 534.282
- 2. An applicant for reciprocity will be exempt from taking the oral examination pursuant to subsection 1(b)(2) of NAC 534.282 if the applicant obtains a passing score of at least 87 percent on the written examination pursuant to NAC 534.282 subsection 1(b)(1).

Sec. 2. NAC 534.280 is hereby amended to read as follows:

An application for a well-drilling license must be submitted to the Division. The application:

- 1. Must:
- (a) Be completed and signed by the applicant on a form provided by the Division.
- (b) Be accompanied by evidence that the applicant has at least 2 years of full-time experience. [acquired during the immediately preceding 5 years.] The State Engineer will determine whether such experience is satisfactory and appropriate for the type of license for which the applicant is applying.
- (c) Be accompanied by at least four professional references of which a minimum of three must be received and accepted prior to being eligible to take the written examination pursuant to subsection 1(b)(1) of NAC 534.282. The State Engineer will determine whether such references are satisfactory and appropriate for the type of license for which the applicant is applying.
 - (d) Include any other information requested by the State Engineer.
 - (e) Be accompanied by the fee prescribed in NRS 534.140.
- 2. Is valid for 1 year after the date of submission of the application unless the applicant fails any part of the examination required pursuant to <u>NAC 534.282</u>.

Sec. 3. NAC 534.282 is hereby amended to read as follows:

- 1. An applicant for a well-drilling license must:
 - (a) Be at least 18 years of age; and
 - (b) Pass: [a two-part examination, consisting of the following sections:]
 - (1) A written examination [which includes:

- (I) A written test] consisting of questions on which the applicant must obtain a passing score of at least 80 percent; and
- [(II) A test of the applicant's ability to use a standard 7.5 minute topographic map from the United States Geological Survey to provide the public land survey description of the location of a well, which will be scored on a pass or fail basis; and]
- (2) Except as otherwise provided in subsection 2 of Section 1 of this chapter, Aan oral examination conducted by the Board.
 - 2. The State Engineer will deny an applicant a license if the applicant:
- (a) Fails to notify the Division at least 3 working days before the scheduled examination date that he or she cannot appear for the examination as instructed by a notice to appear before the State Engineer or the Board;
 - (b) Reschedules the written or oral examination more than twice; or
 - (c) Fails to pass any section of the examination described in paragraph (b) of subsection 1.

Sec. 4. NAC 534.288 is hereby amended to read as follows:

The Board is not required to conduct the oral examination section of the examination for an applicant for a well-drilling license:

- 1. Who receives a score of less than 80 percent on the written test portion of the written examination;
- [2. Who is unable to demonstrate his or her ability to locate a well by public land survey on a topographic map; or]
- [3] 2. If the State Engineer finds that the applicant's experience or professional references required pursuant to NAC 534.280 are not satisfactory or appropriate for the type of license for which the applicant is applying [7]; or
 - 3. Who is issued a reciprocity license pursuant to Section 1.