



**NEVADA LEGISLATURE
LEGISLATIVE COMMISSION'S COMMITTEE TO STUDY
THE USE, MANAGEMENT, AND ALLOCATION OF
WATER RESOURCES**

(S.C.R. 26, FILE NO. 100, *STATUTES OF NEVADA 2005*)

SUMMARY MINUTES AND ACTION REPORT

The fifth meeting of the Legislative Commission's Committee to Study the Use, Management, and Allocation of Water Resources (Senate Concurrent Resolution No. 26, File No. 100, *Statutes of Nevada 2005*) was held on April 26, 2006, at 9 a.m. in the Turquoise Room of the Elko Convention Center, 700 Moren Way, Elko, Nevada. A copy of this set of "Summary Minutes and Action Report," including the "Meeting Notice and Agenda" ([Exhibit A](#)) and other substantive exhibits, is available on the Nevada Legislature's Web site at www.leg.state.nv.us/73rd/Interim. In addition, copies of the audio record may be purchased through the Legislative Counsel Bureau's Publications Office (e-mail: publications@lcb.state.nv.us; telephone: 775/684-6835).

COMMITTEE MEMBERS PRESENT IN ELKO:

Senator Dean A. Rhoads, Chair
Assemblyman Jerry D. Claborn, Vice Chair
Senator Mark E. Amodei
Senator Dina Titus
Assemblyman Pete J. Goicoechea
Assemblyman David R. Parks

COMMITTEE MEMBERS NOT PRESENT:

Senator Warren B. Hardy
Assemblyman Kelvin D. Atkinson

OTHER LEGISLATOR PRESENT:

Assemblyman John C. Carpenter

LEGISLATIVE COUNSEL BUREAU STAFF PRESENT:

Susan E. Scholley, Chief Principal Research Analyst, Research Division, Legislative Counsel Bureau (LCB)

Kimberly Marsh Guinasso, Senior Principal Deputy Legislative Counsel, Legal Division, LCB

Matthew G. France, Principal Deputy Legislative Counsel, Legal Division, LCB

Lucinda Benjamin, Senior Research Secretary, Research Division, LCB

OPENING REMARKS

Chairman Rhoads opened the meeting and provided information from previous Committee meetings and noted procedures for presenting testimony. Each committee member and staff introduced themselves.

APPROVAL OF THE “SUMMARY MINUTES AND ACTION REPORT” OF THE MEETING HELD ON MARCH 22, 2006, IN ELY, NEVADA

SENATOR AMODEI MOVED TO APPROVE THE MINUTES OF THE COMMITTEE’S MEETING HELD ON MARCH 22, 2006, IN ELY, NEVADA. MOTION SECONDED BY ASSEMBLYMAN CLABORN, WHICH PASSED UNANIMOUSLY.

UPDATE ON DISCUSSIONS WITH UTAH ABOUT WATER DIVISION AGREEMENT REQUIRED BY LINCOLN COUNTY CONSERVATION, RECREATION AND DEVELOPMENT ACT OF 2004 AND RELATED MATTERS

- Tracy Taylor, P.E., Deputy State Engineer, Division of Water Resources, State Department of Conservation and Natural Resources (SDCNR), presented an update on discussions concerning Public Law 108-424 and addressed transbasin diversions from ground water basins located within the State of Nevada and State of Utah. He stated the agreement stipulates that “the State of Nevada and State of Utah shall reach an agreement regarding the division of water resources of those interstate ground water flow systems from which water will be diverted and used by the project.”

Additionally, Mr. Taylor provided an update on a March 1, 2006, meeting between the State of Utah and State of Nevada Directors of the Conservation and Natural Resources Departments and members of the Nevada Division of Water Resources. He stated that a Memorandum of Understanding was drafted, which is currently under review by the State of Utah. In response to a question from the Committee, Mr. Taylor stated the Basin and Range Carbonate Aquifer System Study (BARCASS) is a federally funded project.

UPDATE ON HUMBOLDT RIVER BASIN WATER AUTHORITY AND RELATED MATTERS

- Mike L. Baughman, Ph.D., President, Intertech Services Corporation and contract executive director of the Humboldt River Basin Water Authority (HRBWA), provided information on: (1) HRBWA key initiatives; (2) formation of the Authority pursuant to the Interlocal Cooperation Act (Nevada Revised Statutes [NRS] 277.080 and 277.170); and (3) the Board of Directors. He explained the Board’s role and responsibilities include protection of all existing decreed and certified water rights, monitoring of water supply and demand within the basin, development, and protection and conservation of

the environmental balance. Mr. Baughman will provide the members with a copy of the agenda of the upcoming HRBWA meeting.

Following discussion of Senate Bill 62 (Chapter 493, *Statutes of Nevada 2005*), Mr. Baughman informed the Committee that a data gap analysis of initiatives regarding S.B. 62 will be completed by February 2007 by the Desert Research Institute. He commented on the stockwatering issue and the Bureau of Land Management's (BLM) ability to apply for wildlife water rights. Mr. Baughman recommended that policies that encourage economic development in rural areas be examined. Please see [Exhibit B](#).

In response to questions from Committee members, Mr. Baughman discussed:

- Policies that encourage water savings;
- Incentives for utilizing water rights and examination of alternatives for upstream storage during periods of plentiful water;
- Creation of the Argenta marsh;
- Proposals regarding interbasin water transfers;
- Protection of private property water uses;
- Surplus water within the Humboldt River Basin;
- Appropriation of water from springs and seeps for wildlife purposes;
- Economic development in rural areas;
- Improving data to support beneficial uses and water quality standards for the Humboldt River system;
- Enhancing data to support water allocation and management decisions by the Nevada State Engineer; and
- Expanding information regarding interbasin flow and surface/groundwater interaction.

PRESENTATION ON AQUA TRAC AND PROPOSALS FOR WATER IMPORTATION/EXPORTATION IN NEVADA AND RELATED MATTERS

- Tom Gallagher, Managing Member, Aqua Trac LLC, presented a PowerPoint presentation on proposed plans for importation of water from three basins in Nevada and discussed areas of recharge and discharge in mountain and playa areas. Please see [Exhibit C](#). He explained the purpose of Aqua Trac is to locate, develop, and provide

water resources to local entities. Additionally, he discussed the annual basin yield of the Kumiva, Winnemucca Lake, and Granite Springs basins located between Honey Lake and Lovelock, Nevada, and noted water applications have been filed for water in the basins.

Further, Mr. Gallagher explained the Prism rainfall method for studying basins and the difference between Prism and State annual accumulation (acre feet). He discussed the proposed pipelines in northern Nevada and the cost of developing pipelines in phases and indicated that test wells have been completed.

- Senator Titus commented on the importance of linking water use with economic development.

PRESENTATION ON INTERBASIN OR INTERCOUNTY TRANSFERS AND RELATED MATTERS

- Steve Bradhurst, Director, Washoe County Department of Water Resources, referred to the Cooperative Water Project which began in 1989 and discussed the protest of applications and concerns regarding that project. He referred to the Honey Lake water transfer project in Washoe County and provided information on Washoe County's code related to long-term mining of the groundwater system.

Mr. Bradhurst emphasized the need to develop a land use plan for counties to determine projected water demand and added that the Water Resources Department examines waste water and reclaimed water and provides water resource planning. He presented information on a private and public sector partnership to examine water issues and build water systems within Washoe County. Issues to be addressed are the: (1) need for imported water; (2) cost to transfer water into Washoe County; (3) source of funds to pay for the water; and (4) disposal of treated wastewater.

OVERVIEW OF ELKO COUNTY WATER RESOURCES AND ELKO COUNTY WATER PLANNING COMMISSION AND RELATED MATTERS

- Warren Russell, Chair, Elko County Commission, presented five water resource issues:
 1. Groundwater sustainability;
 2. Large-scale groundwater development implications;
 3. Rural economy;
 4. Planning processes; and
 5. Impact and mitigation of drawing down water in aquifers.

Discussion was held regarding sanctions for over-pumping. Committee members requested this issue be discussed further during the Committee's Work Session on June 21, 2006. In addition, county ordinances were discussed regarding domestic wells and the creation of parcels that will develop domestic wells. Please see [Exhibit D](#).

- Dr. John Hutchings, Natural Resources Manager for Eureka County, said the goal of the Central Nevada Regional Water Authority is to create parity between decision making processes in rural and urban communities. Dr. Hutchings presented the following recommendations:
 1. Continue need-based funding for water resource planning and information management;
 2. Increase funding for infrastructure projects;
 3. Examine the protest period for water rights applications;
 4. Increase technical capacity of the Office of the State Engineer to assess and mitigate the impacts of rapid groundwater development, if necessary; and
 5. Create a State water rights advocate position.

OVERVIEW OF CHURCHILL COUNTY WATER RESOURCES AND RELATED MATTERS

- Brad T. Goetsch, Churchill County Manager, discussed cooperative agreements between entities that enter into long-term leases for water, which is a concern for Churchill County. He also addressed the: (1) "Aqua Trac proposals for water development; (2) Importance of the agricultural industry in Churchill County and proposed industrial projects; (3) Movement of upstream water and how pumping groundwater affects surface water; and (4) Goal of Churchill County to manage sustainable growth concerns about basins that have been overpumped and over appropriated. He discussed the analysis of snow packs and effects of global warming. Mr. Goetsch recommended examination of other sources of water, the need for counties to achieve water inventories, reconciliation of surface and groundwater use, and maintenance of sustainable growth. Mr. Goetsch also recommended to the Committee a handbook titled *Nevada Water Issues 2006 A Handbook for Public Officials, the Press, and the Public*, published by the Great Basin Water Network and Progressive Leadership Alliance.
- Senator Amodei requested information from municipalities on the water issues of highest priority and suggestions for resources or services to address water concerns.

OVERVIEW OF CITY OF FALLON MUNICIPAL WATER UTILITIES AND WATER RESOURCES AND RELATED MATTERS

- Robert H. Erickson, Councilman, City of Fallon City Council, provided information on the background of the City of Fallon. His presentation included information on:
 1. Regulations and court decrees regarding water resources;
 2. Basalt Aquifer and other aquifers in the Lahontan Valley;
 3. Metered water utilities;
 4. Business and agricultural water use;
 5. Water right decrees; and
 6. Components of the Newlands Project.

Mr. Erickson stated that the City of Fallon recommends the Office of the State Engineer receive funding to maintain water inventories, which can be used to make decisions and evaluations regarding Nevada's water resources. Please see [Exhibit E](#).

OVERVIEW OF CITY OF FERNLEY WATER RESOURCES AND RELATED MATTERS

- David Stix, Jr., Mayor, City of Fernley, commented that Fernley has adequate water for its customers and indicated that the City of Fernley has adopted a policy that requires a physical water right to drill a well or if a lot is to be subdivided. Mr. Stix presented a Microsoft PowerPoint presentation on the City of Fernley. Please see [Exhibit F](#).

He emphasized the high population growth rate in Fernley and discussed the water supply and aquifer systems. In addition, Mr. Stix discussed mitigation of conflict between quality and quantity of water and its relation to growth.

- In response to a question from Assemblyman Giocoechea, Paul Taggert, Attorney for the City of Fernley, discussed upstream storage on the Truckee River and the rights of parties to the Truckee River Operating Agreement (TROA).

Mr. Stix referred to TROA and upstream storage as a component of water management and provided information on “purple pipe” water use. Additionally, Mr. Taggart discussed the dust mitigation program for farms in Fernley and the plan to reseed and recreate the natural vegetation in areas other than those planned for housing. He also discussed the State requirement of 1.12 acre feet of water for development and the need for drought storage.

Senator Amodei requested information on the substance of protests for water rights. Mr. Taggart explained the protests of abandonment and forfeiture and discussed the adequacy of resources to handle protests.

PUBLIC COMMENT

- Assemblyman John C. Carpenter (Assembly District No. 33) commented on water pumping and the adequacy of data in water usage in Snake Valley.
- Boyd Spratling, President of the Cattlemen’s Association, stated that the filing of water right permits for wildlife use is adequate and noted there is a need to expedite the development of springs. He was of the opinion that there is no need for BLM or the U. S. Forest Service to file for water rights for wildlife use.
- Senator Rhoads requested that staff determine if BLM permits are being filed for wildlife use.
- Jon Hutchings, Director of Natural Resources for Eureka County, stated the BLM Field Manager intends to withdraw applications for water rights for wildlife, but it has not yet occurred.
- Susan Lynn, Executive Director, Great Basin Water Network, requested funding support to perform inventories of water basins by individual contractors. She presented recommendations to:
 1. Inventory and adjudicate surface, ground, and domestic water in basins where conflicts are identified;
 2. Require annual reports from water purveyors serving 1000 customers;
 3. Support a continuation of Senate Bill 62 (Chapter 493, *Statutes of Nevada 2005*) to assist counties to define water resources and needs; and
 4. Support changes to administrative procedures in the Office of the State Engineer.

Please see [Exhibit G](#).

- Dean Baker, White Pine County rancher and member of the White Pine County Water Committee, presented information on the amount of

groundwater located on his property in Snake Valley and supported the need for an extensive baseline to be developed so effects of pumping can be monitored.

- Chairman Rhoads requested that Ms. Lynn and Mr. Baker be included on the agenda for the Committee's next meeting.
- Randy Tobey, Vice Chairman, Pyramid Lake Paiute Tribe (PLPT), addressed the importance of managing resources. Mr. Tobey discussed the Tribe's efforts regarding the handling of waste water and noted that the PLPT has filed protest against the water applications submitted by Aqua Trac. Regarding water importation issues, Mr. Tobey stated a major concern to the Tribe is water return and maintaining quality water in the Truckee River and stressed the need for efficient water delivery systems. In conclusion, he stated the PLPT is investigating the development of an ethanol plant on the reservation.
- In response to a question from Senator Amodei, Mr. Tobey indicated that the water application process takes a long time to complete, and stated it would be beneficial to have a more timely process.

ADJOURNMENT

There being no further business to come before the Committee, the meeting was adjourned at 2:23 p.m.

Respectfully submitted,

Lucinda Benjamin
Senior Research Secretary

Susan E. Scholley
Chief Principal Research Analyst

APPROVED BY:

Senator Dean A. Rhoads, Chair

Date: _____

LIST OF EXHIBITS

[Exhibit A](#) is the “Meeting Notice and Agenda” provided by Susan E. Scholley, Chief Principal Research Analyst, Research Division, Legislative Counsel Bureau.

[Exhibit B](#) is a Microsoft PowerPoint presentation titled “Humboldt River Basin Water Authority, Overview of Organization and Key Initiatives,” submitted by Mike L. Baughman, President, Intertech Service Corporation.

[Exhibit C](#) is a Microsoft PowerPoint presentation titled “S.C.R. 26 Committee Meeting, April 26, 2006,” presented by Tom Gallagher, Managing Member, Aqua Trac LLC.

[Exhibit D](#) is written testimony presented by Warren Russell, Chair, Elko County Board of Commissioners.

[Exhibit E](#) is written testimony presented by Robert H. Erickson, Councilman, City of Fallon City Council.

[Exhibit F](#) is a Microsoft PowerPoint presentation titled “City of Fernley S.C.R. 26, Mayor David Stix, Jr., April 26, 2006,” presented by David Stix, Jr., Mayor, City of Fernley.

[Exhibit G](#) is a document titled “Great Basin Water Network Legislative Proposals,” submitted by Susan Lynn, Executive Director, Great Basin Water Network.

This set of “Summary Minutes and Action Report” is supplied as an informational service. Exhibits in electronic format may not be complete. Copies of the complete exhibits, other materials distributed at the meeting, and the audio record are on file in the Research Library of the Legislative Counsel Bureau, Carson City, Nevada. You may contact the Library online at www.leg.state.nv.us/lcb/research/library/feedbackmail.cfm or telephone: 775/684-6827.