



Central Nevada Regional Water Authority and Humboldt River Basin Water Authority Water Rights Retirement Program

PRESENTATION TO THE JOINT INTERIM STANDING COMMITTEE ON
NATURAL RESOURCES

May 10, 2024

Water Rights Retirement Program Background

- Interim Finance Committee appropriated \$100 million in American Rescue Plan Act infrastructure funds to the Nevada Department of Conservation and Natural Resources
- DCNR established the Water Conservation and Infrastructure Initiative to allocate funds to eligible projects including \$25M to purchase and retire groundwater rights from purchase groundwater rights that are in good standing from willing sellers
- Grant awards prioritized for purchasing and retiring water rights in groundwater basins:
 - where there is an insufficient supply of water available to serve all vested rights, claims of vested rights, permits, certificates, and protectable interests in domestic wells in the basin; and
 - to address and avoid conflicts with existing rights or detriments to the public interest including, without limitation, detriments to natural resources

CNRWA and HRBWA Program Timelines

November 7, 2023

Grants awarded to CNRWA (\$7M) and HRBWA (\$8M)

February 9, 2024

List of prospective groundwater purchases submitted to DCNR

September 30, 2024

Deadline to acquire groundwater rights or enter into contractual agreements for the transfer of groundwater rights

Prioritization of Groundwater Rights

- Four over-pumped groundwater basins in the Central Region; Diamond Valley (153), Big Smokey Valley (137A), Stone Cabin (149), and Railroad Valley Southern Part (173A)
- Four basins in the Humboldt River Basin where groundwater pumping has the highest potential for surface water capture; Paradise Valley (069), Winnemucca Segment (070), Grass Valley (071), and Lower Reese River Valley (059)
- Larger agricultural rights with a total combined duty greater than 640 AFA
- Water rights that are in regular use

Water Rights Retirement Program Interest

CNRWA

9 applicants submitted 37 permits/certificated rights in Diamond Valley

12,535 acre-feet

Total cost = \$10,654,913

HRBWA

7 applicants submitted 41 permits/certificated rights in
Antelope Valley, Middle Reese River Valley and Upper Reese River Valley

13,004 acre-feet

Total cost = \$12,013,596

Program Elements



- Water Rights Valuation
- Communications and outreach
- Application process
- Due diligence
- Prioritization
- Legal and financial mechanisms
- Mitigation and future land uses

Program Budget

	CNRWA	HRBWA	TOTAL
Original Award	\$7,000,000	\$8,000,000	\$15,000,000
Amended Award	\$10,200,671	\$6,099,328	\$16,299,999
Retained Escrow Costs	\$301,520	\$173,281	\$474,801
Administrative Costs	\$150,000	\$150,000	\$300,000
Ground Water Retirement Budget	\$9,749,151	\$5,776,047	\$15,525,198

Impacts of Water Rights Retirement Based on Available Funding

AFA	DIAMOND VALLEY	ANTELOPE VALLEY	MIDDLE REESE RIVER
Perennial Yield	30,000	9,000	14,000
Committed	135,725	30,656	30,656
Retired	11,469	2,404	3,675

Key Take Aways

- CMA designation motivated sellers in Diamond Valley
- Sharply declining groundwater levels motivated sellers in Middle Reese River Valley and Antelope Valley
- Based on the number of applications submitted in a short amount of time there is significant interest in continuing groundwater rights retirement program

Why Purchase and Retire Water Rights?

The Desert Land Act of 1877 encouraged people to reclaim, irrigate, and cultivate public lands in the arid regions of the west

Individual and generational farms are significant investments and a major economic generator in rural Nevada

The State of Nevada over-appropriated groundwater basins

There are limited tools for bringing over-pumped groundwater basins into balance (i.e., curtailment)

Curtailment would have devastating impacts on families and communities
