

Senate Committee on Natural Resources

This measure may be considered for action during today's work session.

ASSEMBLY BILL 220 (First Reprint)

Revises provisions relating to water conservation. (BDR 40-337)

Sponsored By: Assembly Committee on Natural Resources (On Behalf of the Joint Interim Standing Committee on Natural Resources)

Date Heard: May 16, 2023

Fiscal Notes: Effect on Local Government: May have Fiscal Impact.
Effect on the State: Yes.

CONTAINS UNFUNDED MANDATE

Assembly Bill 220 revises provisions related to water conservation. The bill requires connection to community sewerage or municipal water in counties with a population of 700,000 or more in certain situations. The bill also requires the establishment of a program to assist with the costs related to connecting to community sewerage and includes the costs for plugging a well and connecting to municipal water, if required by the State Engineer, to the list of projects eligible for certain grants.

Additionally, AB 220 revises the Conservation of Colorado River Water Act to, amongst other things, restrict single-family residences using water from the Colorado River to not more than 0.5 acre-feet of water per year in certain emergency circumstances and to prohibit the installation or irrigation of non-functional turf on certain parcels. The bill also authorizes the Southern Nevada Water Authority (SNWA) to restrict water usage during certain water emergencies and shortages.

Finally, amongst other provisions, AB 220:

- Revises certain responsibilities that local governing bodies and certain other entities must agree to or undertake before a permit to operate a water system can be issued;
- Requires suppliers of water to review and comment on a tentative map, and approve a final map, regarding the availability of water for proposed subdivisions in certain counties;
- Revises provisions relating to the issuance and revocation of temporary permits to appropriate groundwater; and
- Requires, with certain exceptions, that new construction, expansions, and renovations of certain structures include the installation of certain irrigation controllers and spray sprinklers.

Amendments: Three amendments (attached) are proposed:

1) SNWA proposed an amendment to:

- Add a new section to provide a definition of a "local governing body;"
- Add language to Section 4.5 about "sureties" required pursuant to NRS 445.895, regarding refunding potential surplus sureties and assessments;
- Delete Section 8; and
- Amend Section 34 to provide that "the provisions of this section are not intended to restrict the use of any water rights held by the United States Department of Defense."

2) SNWA proposed an amendment to Section 26 adding clarifying language.

3) Senator Nguyen proposed an amendment to:

- Delete the existing Section 1, including all state-imposed mandates and deadlines for septic conversions, and add a new Section 1 to provide that:
 - The district board of health may create a voluntary financial assistance program to pay 100 percent of the cost for a septic conversion for a property owner with an existing municipal water connection and septic system;
 - Upon a 2/3 vote of members, the district board of health may impose a voluntary fee, capped at the annual sewer rate of the largest community sewer system in the county, to help fund septic conversions;
 - Before December 31, 2024, the district board of health must submit a report to the legislature on the number of properties that have participated in the voluntary financial assistance program and recommendations for further action.
- Delete Sections 9 and 11; and
- Amend Section 29 to provide that the Board of Directors shall establish a process to approve a waiver of the 0.5 acre feet of water limitation for specific properties.

Amendment to AB 220 - Revised 05/17/2023 proposed by the Southern Nevada Water Authority

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EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment (3) ~~red strikethrough~~ is deleted language in the original bill (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment

Sec. 2.5

“Local governing body” means:

1. The local legislative or governing body of an incorporated city if all or any part of the area to be serviced by the water system is located within the limits of such incorporated city.
2. The board of county commissioners if the entire area to be serviced by the water system is located within the unincorporated area of the county.

Section 4.5

Sec. 4.5. NRS 445A.905 is hereby amended to read as follows:

445A.905 1. The proceeds of any assessments upon lots or parcels *and the sureties required pursuant to NRS 445A.895* must be deposited with the treasurer of the local governing body which received them, and they may be expended only for the:

- (a) Continued maintenance and operation of the water system;
- (b) Replacement of the water system if necessary; and
- (c) Payment of the costs, including, but not limited to, the direct costs of connection and the costs of necessary new or rehabilitated facilities and any necessary water rights, associated with connection to any water system provided by a public utility or a municipality or other public entity that becomes reasonably available.

2. If any surplus exists in the proceeds of assessments and the sureties required pursuant to NRS 445A.895 after all purposes of the assessments have been fully met, the surplus must be refunded to the persons who paid the sureties and assessments, in the proportion that their respective assessments bear to the gross proceeds of all assessments collected by the local governing body.

3. For the purposes set forth in subsection 1, the local governing body is not obligated to:

- (a) Expend money from any source other than the assessments and surety deposited pursuant to NRS 445A.895;*
- (b) Extend credit on behalf of a builder, developer or owner of land to be served by the water system; or*
- (c) Collect any unpaid assessment, unless the local governing body has agreed to assume the duty for the assessments pursuant to subsection 4 of NRS 445A.895.*

Section 8

Deleted by amendment

Section 34

Sec. 34. The Southern Nevada Water System Act of 1995, being chapter 393, Statutes of Nevada 1995, at page 963, is hereby amended by adding thereto a new section to be designated as section 2.5, immediately following section 2, to read as follows:

Sec. 2.5. 1. The Board of Directors of the Southern Nevada Water Authority may, by resolution, authorize the General Manager to restrict the use of water:

- (a) During any period in which the Federal Government has declared a water shortage in the Colorado River;*
- (b) If emergency conditions exist; or*
- (c) If the delivery system is unable to provide adequate volumes of water.*

2. Any restrictions imposed by the General Manager pursuant to subsection 1 must be ratified by the Board of Directors of the Southern Nevada Water Authority not more than 15 calendar days after the date the restrictions are imposed.

3. The provisions of this Section are not intended to restrict the use of any water rights held by the United States Department of Defense.

Section 26 Amendment by SNWA

- 1 5. ~~[The State Engineer may, in]~~ **In** an area in which have been
2 issued temporary permits pursuant to subsection 3, ~~[limit]~~ **the State**
3 **Engineer:**
- 4 (a) **Shall:**
- 5 (1) **Deny any applications to appropriate groundwater for**
6 **use if the property is within 1,250 feet of ~~in areas served by a public entity such as a water~~**
7 **district or a**
8 **municipality presently engaged in furnishing water;**
- 9 (2) **Limit** the depth of a domestic well ~~[pursuant to paragraph~~
10 ~~(c) of subsection 3 or]~~ **; or**
- 11 (3) **Prohibit the drilling of wells for domestic use if the property is within 1,250 feet of**
12 **~~in areas served by~~**
13 **~~where water can be furnished by a public entity such as a water~~**
14 **~~district or a municipality presently engaged in furnishing water to~~**
15 **~~the inhabitants; and~~**
- 16 (b) **May** prohibit repairs from being made to a **domestic** well, and may
17 require the person proposing to deepen or repair the well to obtain
18 water from ~~[an]~~ **a public** entity such as a water district or a
19 municipality engaged in furnishing water to the inhabitants of the
20 designated area, only if:
- 21 ~~[(a)]~~ (1) The distance from the property line of any parcel
22 served by the well to the pipes and other appurtenances of the
23 proposed source of water to which the property will be connected is
24 not more than 180 feet; and
- ~~[(b)]~~ (2) The deepening or repair of the well would require the
use of a well-drilling rig.

AB 220 Amendment

Revised May 15, 2023

Submitted by Senator Rochelle Nguyen

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment (3) ~~red strikethrough~~ is deleted language in the original bill (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment.

Purpose of the amendment:

- This amendment deletes Section 1 of the first reprint, including all state-imposed mandates and deadlines for septic conversions.
- The new Section 1 creates a voluntary financial assistance program to pay 100 percent of the cost for a septic conversion, regardless of the property owner's income.
- For clarity, the voluntary financial assistance program would cover both on-site and off-site costs for septic conversions including landscaping and road work repair associated with a conversion.
- The amendment also allows the health district to create a voluntary fee to help fund septic conversions.
- The voluntary fee is capped at the annual sewer rate of the Clark County Water Reclamation District (roughly \$250).
- Septic owners who do not want financial assistance do not have to pay the fee.
- It requires the health district to report the number of voluntary conversions to the Legislature.
- It deletes Sections 9 and 11 of the bill to make conforming changes to Section 1.
- It amends Section 29 to require the SNWA Board to create a waiver process related to the 0.5 acre foot provision and deletes language to conform to changes made in Section 1. For example, waivers could be granted for group homes with the need for more indoor water for medical purposes, properties with increased indoor uses from large families and any other purpose the Board deems appropriate.

Replace Section 1 in its entirety with the following:

Section 1. Chapter 439 of NRS is hereby amended by adding thereto a new section to read as follows:

1. The district board of health may create a voluntary financial assistance program to pay 100 percent of the cost for a property owner with an existing municipal water connection and a septic system to abandon the septic system and connect to a community sewerage disposal system.
2. Upon an affirmative vote of two-thirds of all the members of the district board of health, the district board of health may impose a voluntary fee on property owners with an existing municipal water connection and a septic system to carry out the provisions of this section.
3. The district board of health may not provide financial assistance to any property owner who fails to pay the voluntary fee authorized pursuant to subsection 2, if imposed.
4. If a voluntary fee is imposed pursuant to subsection 2, the fee must not exceed the annual sewer rate of the largest community sewerage disposal system in the county.
5. On or before December 31, 2024, the district board of health shall submit a report to the Nevada Legislature on the number of properties that have participated in the voluntary financial assistance program, if created, and recommendations for further legislative action.
6. As used in this section:
 1. “Community sewerage disposal system” means a public system of sewage disposal which is operated for the benefit of a county, city, district or other political subdivision of this State.
 2. “Septic system” means a well that is used to place sanitary waste below the surface of the ground that is typically composed of a septic tank and a subsurface fluid distribution or disposal system. The term includes a residential individual system for disposal of sewage.

Delete Sections 9 and 11 of the bill.

Amend Section 29 with the following:

Sec. 29. The Conservation of Colorado River Water Act, being chapter 364, Statutes of Nevada 2021, at page 2179, is hereby amended by adding thereto new sections to be designated as sections 38.2, 38.4 and 38.6, respectively, immediately following section 38, to read as follows:

Sec. 38.2. 1. If the Federal Government declares a shortage on the Colorado River for the upcoming year, the Board of Directors may limit each single-family residence that uses the waters of the Colorado River distributed by the Southern Nevada Water Authority or a member agency of the Southern Nevada Water Authority to not more than 0.5 acre-feet of water for that upcoming year. Any limitation imposed by the Board of Directors may not go into effect before December 31 of the year before the year for which the shortage is declared.

2. If the Board of Directors limits water usage of single-family residences pursuant to subsection 1, the Southern Nevada Water Authority and the member agencies

of the Southern Nevada Water Authority shall notify all customers of the action of the Board of Directors to limit water usage by not later than October 1 of the year before the year for which the shortage is declared.

3. The Board of Directors shall establish a process to approve a waiver of the limitations set forth in subsection 1 for specific properties.

Sec. 38.4. 1. Except as otherwise provided in this section, on and after the effective date of Assembly Bill No. 220 of the 82nd Session of the Nevada Legislature, on any parcel of property that uses or will use the waters of the Colorado River distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority:

~~(a) No new septic system may be installed;~~ and

~~(b) If the parcel of property has an existing septic system installed and a connection to a municipal water system, the owner of the property shall be required to connect to the public sewer system and discontinue the use of the existing septic system~~

2. The General Manager may, in his or her discretion, approve a waiver of the prohibitions set forth in subsection 1.

3. The provisions of this section do not apply to any decreed, certificated or permitted right to appropriate water that is diverted from the Virgin River or Muddy River.

4. As used in this section, "septic system" means a well that is used to place sanitary waste below the surface of the ground which is typically composed of a septic tank and a subsurface fluid distribution or disposal system.

Sec. 38.6. 1. Except as otherwise provided in this subsection, beginning on the effective date of Assembly Bill No. 220 of the 82nd Session of the Nevada Legislature, and ending on December 31, 2023, new turf may not be installed on any parcel of property that uses or will use the waters of the Colorado River distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority. The provisions of this subsection do not apply to the installation of warm-season turf in parks, schools or cemeteries.

2. Except as otherwise provided in subsection 4, on and after January 1, 2024, any new turf that is installed on a parcel of property that uses or will use the waters of the Colorado River distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority must be installed in accordance with any requirements for turf adopted by the Board of

Directors pursuant to subsection 3.

3. The Board of Directors shall adopt requirements for the installation of new turf on any parcel of property that uses or will use the waters of the Colorado River distributed by the Southern Nevada Water Authority or one of the member agencies of the Southern Nevada Water Authority.

4. The General Manager or his or her designee may approve a waiver from the prohibition set forth in subsection 2 or any turf requirements adopted by the Board of Directors pursuant to subsection 3.