

# Feasibility and Advisability of Consolidating Water-Related Services in Washoe County



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**LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY  
THE FEASIBILITY AND ADVISABILITY OF CONSOLIDATING  
WATER-RELATED SERVICES IN WASHOE COUNTY**

**BULLETIN NO. 07-12**

**JANUARY 2007**



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## SUMMARY OF RECOMMENDATION

### **SUBCOMMITTEE TO STUDY THE FEASIBILITY AND ADVISABILITY OF CONSOLIDATING THE WATER-RELATED SERVICES IN WASHOE COUNTY A Subcommittee of the Legislative Commission's Committee to Study the Use, Management, and Allocation of Water Resources in Nevada**

Senate Concurrent Resolution No. 26  
(File No. 100, *Statutes of Nevada 2005*)

Following is a summary of the recommendation adopted by the Legislative Commission's Subcommittee to Study the Feasibility and Advisability of Consolidating the Water-Related Services in Washoe County (a Subcommittee of the Legislative Commission's Committee to Study the Use, Management, and Allocation of Water Resources) at its June 20, 2006, meeting. The bill draft request (BDR) will be submitted to 74th Session of the Nevada State Legislature in 2007.

The Committee unanimously approved a BDR to create a regional water resources entity in Washoe County, Nevada, excluding the Gerlach General Improvement District (GID) and the Lake Tahoe Basin. **(BDR S-183)**

#### **RECOMMENDATION NO. 1 — Include the following specific details:**

- The proposed regional water resources entity will be charged with developing, acquiring, and managing new and existing water resources;
- The Regional Water Planning Commission (RWPC), including its funding mechanism and technical staff, will be incorporated into the new regional water entity;
- The governing board will be comprised of nine members: two members each representing the City of Reno, City of Sparks, and Washoe County, and one member each representing the South Truckee Meadows GID, Sun Valley GID, and Truckee Meadows Water Reclamation Facility;
- The voting structure of the governing board will be by majority vote with an opt-out provision for member entities that do not wish to participate in a specific capital project; and
- The new regional water entity will have authority over determining service area policy.

The proposed effective date of the new entity is January 1, 2008.

Additionally, the BDR will propose continuing the study of the feasibility and advisability of consolidating the water-related services in Washoe County for an additional two interims, to evaluate the implementation and effectiveness of the new regional water resources entity. The study will also consider incorporation of other appropriate water services and expansion of the regional water entity to include neighboring counties.



# **REPORT OF THE LEGISLATIVE COMMISSION'S SUBCOMMITTEE TO STUDY THE FEASIBILITY AND ADVISABILITY OF CONSOLIDATING WATER-RELATED SERVICES IN WASHOE COUNTY**

A Subcommittee of the Legislative Commission's  
Committee to Study the Use, Management, and Allocation  
of Water Resources in Nevada

## **I. INTRODUCTION**

The 73rd Session of the Nevada State Legislature approved Senate Concurrent Resolution No. 26 (File No. 100, *Statutes of Nevada 2005*), creating an interim study on the use, allocation, and management of water resources in Nevada. The resolution also creates the Subcommittee to Study the Feasibility and Advisability of Consolidating the Water-Related Services in Washoe County (referred to in this document as the Washoe County Water Subcommittee).

The Washoe County Water Subcommittee is 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. A copy of S.C.R. 26 is found in Appendix A of this bulletin.

The Subcommittee was comprised of six members: four were appointed by legislative leadership and two by the Chair of the S.C.R. 26 Water Resources Committee. The Subcommittee's Chair and Vice-Chair were elected by the members of the Subcommittee.

The six members of the Subcommittee were:

Senator Mark E. Amodei, Chair (appointed by the Water Resources Committee Chair)  
Assemblywoman Heidi S. Gansert, Vice-Chair (appointed by the Assembly Minority Leader)  
Senator Bernice Mathews (appointed by the Senate Minority Leader)  
Senator Maurice E. Washington (appointed by the Senate Majority Leader)  
Assemblyman John W. Marvel (appointed by the Water Resources Committee Chair)  
Assemblywoman Debbie Smith (appointed by the Assembly Speaker)

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

Linda Eissmann, Principal Research Analyst  
Kimberly Marsh Guinasso, Senior Principal Deputy Legislative Counsel  
Matthew G. France, Deputy Legislative Counsel  
Kennedy, Principal Research Secretary

The Washoe County Water Subcommittee held six meetings, including a work session, during the 2005-2006 Legislative interim. All meetings were open to the public, and the first meeting was conducted through simultaneous videoconference between the Legislative Building in Carson City and the Grant Sawyer State Office Building in Las Vegas. Of the five subsequent meetings, three were held in the Washoe County Commission Chambers in Reno, one at the Sparks City Council Chambers in Sparks, and a final meeting was held at the Reno City Council Chambers in Reno. Videoconferencing was not available for these five meetings although some were broadcast on a local cable access channel.

The meetings addressed water resource and management issues primarily within the Truckee Meadows of Washoe County. As a result of these hearings, the Subcommittee adopted one comprehensive recommendation for a bill draft to be considered by the 2007 Legislature, as well as several specific recommendations with details for the bill draft.

The primary recommendation is creation of a regional water resources entity in Washoe County (excluding the Gerlach General Improvement District [GID] and the Lake Tahoe Basin), and continuation of the S.C.R. 26 Washoe County Water Subcommittee's study in the 2007-2008 and 2009-2010 interims.

## **II. BACKGROUND**

### **A. SOURCES OF WATER IN THE TRUCKEE MEADOWS**

The Truckee River is the primary source of water supply for the Truckee Meadows. It begins at Lake Tahoe and is fed from several lakes and reservoirs in the Sierra Nevada west of the Truckee Meadows, before eventually flowing into Pyramid Lake to the east. Truckee River water is treated at Truckee Meadows Water Authority's (TMWA's) two water treatment plants: Chalk Bluff and Glendale.

Several tributaries contribute to the Truckee River. The most significant is Steamboat Creek, which begins at Washoe Lake and is fed by a number of streams before reaching the Truckee River. Water for various uses is diverted from the Truckee River into a number of ditches, used primarily for irrigation and hydropower generation.

In addition to surface water, groundwater augments municipal water supplies in the Truckee Meadows through various wells. Groundwater is produced by either municipal wells or private domestic wells, and is generally used in the basin in which it is produced.

## B. PRIMARY WATER PURVEYORS

Residents of the Truckee Meadows are served primarily by one of four water purveyors (the following statistics are current as of December 2005):

- Truckee Meadows Water Authority is the largest water purveyor with approximately 89,177 service connections representing 78 percent of the total number of connections in the region. Of the four purveyors, TMWA has about 84 percent of the deeded water rights held in the Truckee Meadows. Primary water sources used by TMWA are the Truckee River and 30 municipal wells.
- Washoe County Department of Water Resources (WCDWR), with approximately 15,581 service connections, represents 14 percent of the total number of the area's connections. Of the four purveyors, WCDWR has about 13 percent of the deeded water rights held in the Truckee Meadows. Primary water sources used by WCDWR include 44 municipal wells and some water available through wholesale agreements from TMWA.
- Sun Valley GID (SVGID) serves 5,943 service connections, representing 5 percent of the total connections served. All of the water supplied by SVGID is made available via a wholesale agreement with TMWA.
- South Truckee Meadows GID (STMGID) serves 3,446 service connections, representing 3 percent of the total connections served in the area. Of the four purveyors, STMGID has about 3 percent of the deeded water rights held in the Truckee Meadows and utilizes nine municipal wells.

Several wholesale water agreements are currently in effect, through which one purveyor provides water to another. Water is otherwise often traded; made available to other entities for emergency purposes, special projects, or to meet peak demands; and involved in various intertie agreements, but these are not subject to formal wholesale contracts.

## III. TOPICS DISCUSSED BY THE SUBCOMMITTEE DURING THE 2005-2006 INTERIM

The following is a summary of the topics discussed by the Subcommittee during the 2005-2006 interim. (The minutes from each meeting provide additional detail about the topics covered, and can be viewed online at <http://www.leg.state.nv.us/73rd/Interim/Studies/Washoe.>)

## A. WASHOE COUNTY'S REGIONAL WATER PLANNING COMMISSION AND COMPREHENSIVE REGIONAL WATER PLAN

The Washoe County Regional Water Planning Commission (RWPC) was created by the Nevada Legislature in 1995, with passage of Senate Bill 489 (Chapter 688, *Statutes of Nevada*). Statutes pertaining to the RWPC are found in *Nevada Revised Statutes* (NRS) 540A.010 through NRS 540A.240.

The RWPC consists of nine voting members representing the Cities of Reno and Sparks, domestic well owners, Pyramid Lake Paiute Tribe, SVGID, TMWA, Washoe County, Washoe County Water Conservation District, and the public at large.

Senate Bill 489 also established a Regional Water Management Fee by authorizing the Board of County Commissioners to increase water bills by up to 1.5 percent to fund the planning and administration of the RWPC (NRS 540A.070). The measure also directed the RWPC to develop a Comprehensive Regional Water Plan.

With passage of S.B. 489 in 1995, Washoe County adopted County Code Chapter 40, Sections 500 through 590, to implement the legislation. Specifically, County Code 40.550 imposes the 1.5 percent fee on billings of water customers within the region. It further provides that all fees collected by a water supplier or provider must be deposited into a special account in the Regional Water Management Fund.

### *Comprehensive Regional Water Plan*

The RWPC is responsible for developing a Comprehensive Regional Water Plan addressing the supply of municipal and industrial water, water quality, sanitary sewer, sewage treatment, storm water drainage, and flood control. The plan must also:

- Include goals and policies to deal with current and future problems affecting the region;
- Describe the region's problems and needs;
- Identify the providers of related services;
- Identify alternatives to reduce demand or increase supply;
- Identify existing and future sources of water to meet present or future needs;
- Define priorities and general locations for additional major facilities; and
- Describe programs to mitigate drought, achieve water conservation, protect wellheads, and manage water.

Furthermore, the plan must address the quality and supply of surface and groundwater, flood control and storm drainage, and cost and financing needs as they relate to facilities, sources, and alternatives contained in the plan. Once adopted, the plan must be reviewed within the first five years, and every three years thereafter.

The Washoe County Board of County Commissioners is responsible for adopting and revising the Comprehensive Regional Water Plan.

#### *Consistency of the Plan with Other Plans and Settlements*

The Comprehensive Regional Water Plan must be consistent with the Comprehensive Regional Plan (developed by the Truckee Meadows Regional Planning Agency), any land use plans adopted by local governmental entities, the Truckee-Carson-Pyramid Lake Water Rights Settlement Act of 1990 (Public Law 101-618, also referred to as the “Negotiated Settlement”), and the State Water Plan.

### **B. WATER RIGHTS AND WATER SUPPLIES IN WASHOE COUNTY**

#### *Cost of Water Rights*

Water is fully appropriated in many of Nevada’s hydrologic basins, meaning that there are few if any water rights available on the market for sale by private entities. In Washoe County, developers must supply water rights sufficient to support their proposed developments in order to obtain a water service commitment from the purveyors.

In recent years, the cost of water rights has increased dramatically and this increase was a source of considerable discussion by the Washoe County Water Subcommittee. Testimony indicated that only a few years ago, water rights in Washoe County sold for \$5,000 to \$10,000 per acre foot. As recently as 2002, Washoe County sold roughly 104 acre feet (a.f.) of surplus water rights for \$10,000 per acre foot.

By 2005, however, the situation had changed considerably. Although the County’s surplus water rights were appraised at \$15,000 per acre foot, the average price actually paid at a sale on March 8, 2005, was \$40,000 per acre foot. The price of water rights is driven by market demand and this increase is apparently due to the limited amount of water rights potentially available for development in the Truckee Meadows. This situation meant a higher value placed on surplus water rights for sale by the County in 2005. (The water rights were declared “surplus” by the County due to conservation efforts and the use of effluent or reclaimed water, thereby making potable water rights available to development.)

### *Existing Water Rights and New Water Supplies*

The issue of existing or encumbered versus newly acquired water rights was a topic of conversation during the interim study, with different ideas expressed about whether a new regional entity should manage existing water resources or only new supplies.

As of June 2006, the following water rights were existing or encumbered for development: (a) 175,505 a.f. dedicated to the four water purveyors for specific uses; (b) 22,298 a.f. held in trust for development; and (c) 5,575 a.f. owned by the purveyors but not yet committed or held in trust. This is a total of 203,378 a.f. of water rights that are considered by the purveyors to be “existing” rights. (These numbers regularly change as rights are dedicated to specific projects.)

“New” supplies were identified as water rights held by private parties and potentially available for development, permitted water importation projects, and water importation projects pending approval. As of June 2006, new supplies included 77,161 a.f. of Truckee River water rights (representing the main stem and tributary creek rights) held by some 30,000 individual owners that could be made available for development (generally through conversion from agricultural to municipal uses). Furthermore, several water importation projects have been approved, are pending approval, or are in the planning stages. At present, the Fish Springs and Intermountain Importation Projects anticipate delivering 10,500 a.f. or more to meet existing and future demands in the valleys north of Reno. Additionally, there are importation projects in the planning stages that could make additional water available, although specific amounts are not yet known or permitted.

### *Water Forecasts*

Forecasts indicate that projected development will require additional water resources in the coming years. The Washoe County Water Subcommittee heard testimony that adoption of proposed Regional Plan amendments could require as much as 383,000 a.f. of water to meet projected demand, which exceeds the anticipated “new” supplies identified above. The potential role of a new regional water entity in identifying these additional water resources was the subject of considerable discussion throughout the interim.

### C. THE SOUTHERN NEVADA WATER AUTHORITY “MODEL”

Southern Nevada’s long-standing efforts to regionalize water planning, acquisition, and management were discussed at length by the Washoe County Water Subcommittee. Specifically, the Southern Nevada Water Authority (SNWA) provided a “model” that was studied and considered by the Subcommittee and participants in the S.C.R. 26 interim study.

## *Background*

For the first four decades of its history, Las Vegas relied on groundwater from the Las Vegas Valley. However, with rapid development following World War II, it quickly became apparent that another water source was necessary. Lake Mead was identified as the best source, but required an extensive and rather expensive treatment and delivery system.

In 1947, the State Legislature passed an Enabling Act to create a special purpose district to provide for the water needs of the Las Vegas Valley. By decree of the County Commission, the official name of the Las Vegas Valley Water District (LVVWD) was adopted. A special election gave voters an opportunity to vote on organization of the District; it passed overwhelmingly. Voters also supported a necessary bond measure.

In the Enabling Act, the LVVWD was given power to acquire necessary property through purchase, lease, or condemnation. After seven years of negotiations, the LVVWD became operational in 1954, with the purchase of existing distribution systems and water rights. Plans were also made to increase the pumping facilities, lay a pipeline, and install pumping and storage facilities. The first water from Lake Mead was delivered to Las Vegas in 1955.

With continued growth, a major expansion project was needed to bring more water from Lake Mead to Las Vegas. The Southern Nevada Water Project was an ambitious effort by the Colorado River Commission (CRC) and United States Bureau of Reclamation (BOR) to develop a water delivery and treatment system. However, because Nevada was not financially prepared to fund the entire project, the CRC entered into an agreement with the BOR to build the delivery portion of the new system as a federal water project. The State of Nevada built and paid for the treatment facility. In 1971, the Southern Nevada Water System began delivering water to Las Vegas; in 1982, the second phase of the system was completed to increase treatment and transmission capacity. (The federal government transferred ownership of its portion of the Southern Nevada Water System to the SNWA in 2001.)

## *Southern Nevada Water Authority*

As reliance on water from the Colorado River and Lake Mead increased, the various water purveyors serving southern Nevada found themselves in competition with each other for available water. Despite this competition, they were brought together by the U.S. Department of Interior, which required a coordinated conservation plan for southern Nevada. Compounding the situation was a limited amount of information on the region's water supply and demand, and prospects of serious water shortages in future years. In fact, initial predictions from the 1980s indicated that existing treatment facilities would be sufficient to meet demand until 2001, but revised projections only a few years later showed the area would run out of water as early as 1995.

For many years, water purveyors had been issuing "will serve" letters, promising water to developers to support growth. In light of the new water projections, the Clark County District

Attorney cautioned that this practice could result in liability and lawsuits. To address this problem, the LVVWD set a moratorium on its “will serve” letters in 1990. Other water purveyors soon followed as each entity realized it was facing the same problem.

This realization caused a shift from purveyor-specific water accounting methods to a regional water management strategy, and resulted in creation of the SNWA in 1991. Unlike the LVVWD created by legislation in 1947, SNWA was created through an interlocal cooperative agreement with membership from seven water and wastewater agencies in the Las Vegas Valley. The cooperative agreement (originally entered into in 1991 and subsequently amended in 1994 and 1996) was authorized and carried out pursuant to Chapter 277 of NRS. As a separate legal entity, SNWA possesses certain powers and is a political subdivision of the State of Nevada. By agreement, the LVVWD provides staff support to the SNWA.

According to SNWA’s Executive Director Patricia Mulroy, the main objectives of SNWA are to address water issues on a regional basis, secure additional water resources, construct regional water facilities, and promote conservation. Over the years, SNWA’s responsibilities have expanded to include the Las Vegas Wash, water quality, and other regional needs.

#### *SNWA Governance*

A seven-member Board of Directors governs SNWA, with an elected official serving from each member agency. Member entities of the SNWA are:

- Big Bend Water District
- City of Boulder City
- City of Henderson
- City of Las Vegas
- City of North Las Vegas
- Clark County Sanitation District
- Las Vegas Valley Water District

Member agencies actively participate in SNWA through various technical committees comprised of managers, principals, financial and technical staff, operational and conservation experts, and public information officers. The public’s involvement is actively sought through topic-specific advisory committees that provide recommendations on significant water policies.



### *Voting Structure*

The Cooperative Agreement provides that all action by the SNWA Board of Directors requires a majority vote of the Directors present, with a few exceptions. Those exceptions require a two-thirds majority vote of the Directors then in office for the following actions:

- Acquisition or disposal of water rights and water supplies;
- Contracting with water users;
- Establishing a water budget;
- Adopting a conservation plan;
- Fixing rates, charges, and fees;
- Adopting budgets; and
- Adopting assessments.

In addition to the majority and super-majority votes of SNWA's Board of Directors, the Cooperative Agreement also provides certain voting requirements for the Governing Boards of each Member and Purveyor Member agency. (The Members are all seven entities previously listed, while the Purveyor Members are only the five actual water purveyor members; the remaining two members provide wastewater services.) The Governing Boards of all Members must approve any amendment to the Cooperative Agreement, water management or conservation plans, and cost sharing plans. The Governing Boards of all Purveyor Members must approve capital improvement plans, capital improvement assessments, and shortage sharing plans.

### *Opt-Out and Veto Provisions*

There was considerable discussion by the Washoe County Water Subcommittee and study participants concerning "opt-out" and veto provisions in the SNWA model. The Cooperative Agreement permits member agencies to "opt-out" of participating in projects that do not directly benefit them, so that members contribute to projects serving their constituencies and do not incur unnecessary debt for other projects.

The Cooperative Agreement does not appear to provide any specific veto authority that would allow a single entity to stop a project by casting a single negative vote on the Board of Directors. As described previously, the Board of Directors approves items through majority and super-majority votes. However, the voting provisions that require the Governing Boards of all Members and Purveyor Members to approve certain items mean that if any Governing Board does not approve, the item fails.

#### D. PROPOSED MODELS FOR A REGIONAL ENTITY IN WASHOE COUNTY

Throughout the interim, the Washoe County Water Subcommittee expressed concern for the need to address water regionally under the concept of “conjunctive use,” rather than on a purveyor-by-purveyor basis.

Early in the interim, the four primary purveyors (STMGID, SVGID, TMWA, and WCDWR) and other interested parties individually proposed a variety of plans, many of which were similar in varying degrees to the “SNWA Model.” The proposals suggested some form of regional water entity generally responsible for water acquisition and management. The plans differed in details such as governance and voting structure, role of a technical board or committee, continuation and role of the RWPC, inclusion of various water-related services, and authority of the new entity. (Details of the plans presented throughout the interim are described in the minutes for each meeting and in exhibits to those minutes, available online at [www.leg.state.nv.us/73rd/Interim/Studies/Washoe](http://www.leg.state.nv.us/73rd/Interim/Studies/Washoe).)

After discussing various plans, as well as their commonalities and differences, the purveyors agreed to work together on a joint proposal. Initially, they developed a plan to create a subcommittee representing their individual Governing Boards, and to create a joint technical committee of their individual staff. They envisioned implementation through an interlocal agreement or joint powers authority to facilitate coordination and cooperation among the purveyors. The proposal did not create a new regional water resources entity and addressed acquisition, development, and management of new water supplies only. Existing water supplies would be left under current management authority by each individual purveyor.

Members of the Subcommittee expressed concern that such a plan would not sufficiently change the status quo and would not adequately address the concerns raised for regional water management and conjunctive use. The Subcommittee further expressed its interest in addressing both new and existing water supplies.

In response to these comments, the water purveyors developed a second proposal to create a regional entity responsible for: (a) facilitating the cooperation and interaction of technical staff from each purveyor; (b) planning and developing additional water supplies in a cooperative manner; and (c) managing regional resources of new supplies through a balanced water budget. The entity would be comprised of a seven member Board of Directors representing each of the local political subdivisions, as well as TMWA and the Truckee Meadows Water Reclamation Facility. Membership on the proposed Board would be equal (one seat to each entity), with a simple majority voting structure and an “opt-out” provision. With regard to new vs. existing water supplies, the purveyors maintained their original position that the new entity would be responsible only for new water supplies, with each purveyor maintaining control of existing supplies as previously committed water rights. (See Appendix B)

Having considered this proposal, the Washoe County Water Subcommittee chose to recommend a new regional water entity to address new and existing water supplies, as described below.

#### **IV. SUBCOMMITTEE RECOMMENDATION**

The following is a summary of the recommendation unanimously approved during the 2005-2006 Legislative Interim by the Washoe County Water Subcommittee. The following bill draft request (BDR) will be submitted to 74th Session of the Nevada State Legislature in 2007:

**Create a regional water resources entity in Washoe County, Nevada, excluding the Gerlach GID and the Lake Tahoe Basin. (BDR S-183)**

**The BDR will include the following specific details:**

- **The proposed regional water resources entity will be charged with developing, acquiring, and managing new and existing water resources;**
- **The Regional Water Planning Commission, including its funding mechanism and technical staff, will be incorporated into the new regional water entity;**
- **The Governing Board will be comprised of nine members: two members each representing the City of Reno, City of Sparks, and Washoe County and one member each representing the STMGID, SVGID, and Truckee Meadows Water Reclamation Facility;**
- **The voting structure of the Governing Board will be by majority vote with an opt-out provision for member entities that do not wish to participate in a specific capital project; and**
- **The new regional water entity will have authority over determining service area policy.**

**The proposed effective date of the new entity is January 1, 2008.**

Additionally, the BDR will propose continuing the study of the feasibility and advisability of consolidating the water-related services in Washoe County for an additional two interims, to evaluate the implementation and effectiveness of the new regional water resources entity. The study will also consider incorporation of other appropriate water services and expansion of the regional water entity to include neighboring counties. (See Appendix C)



## V. APPENDICES

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## APPENDIX A

Senate Concurrent Resolution No. 26 (File No. 100, *Statutes of Nevada 2005*)  
Legislative Commission's Subcommittee to Study the Feasibility and Advisability of  
Consolidating Water-Related Services in Washoe County to the Members of the  
74th Session of the Nevada State Legislature





Senate Concurrent Resolution No. 26–Committee on Natural Resources

FILE NUMBER 100

SENATE CONCURRENT RESOLUTION—Creating an interim study of the use, allocation and management of water resources in Nevada.

WHEREAS, The waters of the State of Nevada are among its most precious and vital resources; and

WHEREAS, The State of Nevada is the most arid state in the country and has relatively few supplies of surface water and groundwater, a condition which is periodically exacerbated by drought conditions in Nevada and in the Rocky Mountains which supply the headwaters of the Colorado River; and

WHEREAS, Adequate, long-term supplies of water are essential to maintaining stable economic growth and the development of rural and urban areas of this State; and

WHEREAS, The conservative and prudent use of supplies of water is necessary to promote adequate, long-term supplies and to protect the environment of this State; and

WHEREAS, The rapid growth in the population and the economy of this State within the last 30 years has placed growing demands on the limited water supplies and has resulted in an increasing number of projects for the reallocation of water resources from areas of supply to areas of demand; and

WHEREAS, The residents of this State are vitally interested in the decisions made relating to the use, management and allocation of Nevada's scarce water resources; and

WHEREAS, The Nevada Legislature has conducted several interim studies on the general topic of laws and activities related to water resources and large amounts of information concerning Nevada's water resources have been compiled through the years and the degree to which these materials fill the current needs is not immediately evident; and

WHEREAS, The provision of services related to water, including the supply of safe water for municipal and industrial uses, the management of wastewater and storm drainage, the management of floodplains and the administration of water reclamation projects, in an efficient manner is critical to the current and future welfare of the citizens of Washoe County; and

WHEREAS, In Washoe County, these water-related services are presently provided through several governmental entities; now, therefore, be it

RESOLVED BY THE SENATE OF THE STATE OF NEVADA, THE ASSEMBLY CONCURRING, That the Legislative Commission is hereby directed to appoint a committee to conduct an interim study of the use, management and allocation of water resources in this State; and be it further

RESOLVED, That the committee must:

1. Be composed of eight Legislators as follows:

- (a) The Chairman of the Senate Standing Committee on Government Affairs;
- (b) The Chairman of the Senate Standing Committee on Natural Resources;
- (c) One member appointed by the Majority Leader of the Senate;
- (d) One member appointed by the Minority Leader of the Senate;
- (e) The Chairman of the Assembly Standing Committee on Government Affairs;

(f) The Chairman of the Assembly Standing Committee on Natural Resources, Agriculture, and Mining;

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

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

2. Select a chairman and vice chairman from among its members; and be it further

RESOLVED, That the study must include, without limitation:

1. An analysis of the laws, regulations and policies regulating the use, allocation and management of water in this State;

2. A review of the status of existing information and studies relating to water use, surface water resources, and groundwater resources in this State;

3. An evaluation of the need, if any, for additional information or studies of water use and water resources in this State, including, without limitation, an analysis of whether:

(a) A need exists for additional field investigations to quantify surface water resources, groundwater resources and water uses, and if so, the procedures and costs associated with such investigations; and

(b) Valuable information can be obtained through placing groundwater basins, or portions thereof, under hydrologic stress by drilling and pumping wells over a period of time within those basins, and if so, the procedures and costs associated with these actions;

4. A review of the report of the State Engineer provided pursuant to Assembly Bill 213 of the 2003 Session of the Nevada Legislature;

5. Development of recommendations concerning appropriate statutory provisions for administrative procedures and penalties to be imposed upon a person who violates the provisions of NRS 533.460;

6. An analysis of the potential ramifications of initiating procedures for the adjudication of existing rights within hydrologic basins in the State;

7. An evaluation of the feasibility and desirability of quantifying the groundwater resources of this State using existing information;

8. A review of statewide water use and the efficiency of water use, including, without limitation:

(a) Per capita water consumption;

(b) Water use by the economic sector; and

(c) Potential methods of increasing the efficiency of water use in this State;

9. An analysis of the effectiveness of existing water systems for administering, controlling, allocating, distributing and protecting the water resources of this State;

10. An evaluation of the potential for the government of this State to provide:

(a) Technical assistance and information services regarding water resources to local governments within the State; and

(b) Increased access to informational and educational services regarding water resources to the residents of the State;

11. An evaluation of the feasibility and advisability of creating a statutory Legislative Committee on Water Resources and prescribing its membership and duties; and be it further

RESOLVED, That the Legislative Commission is hereby directed to appoint a subcommittee of the committee to study the feasibility and advisability of consolidating the water-related services in Washoe County; and be it further

RESOLVED, That the subcommittee must:

1. Be composed of six Legislators as follows:

- (a) One member of the Senate appointed by the Chairman of the Committee;
- (b) One member of the Assembly appointed by the Chairman of the Committee;
- (c) One member appointed by the Majority Leader of the Senate;
- (d) One member appointed by the Minority Leader of the Senate;
- (e) One member appointed by the Speaker of the Assembly; and
- (f) One member appointed by the Minority Leader of the Assembly;

2. Select a chairman and vice chairman from among its members; and be it further

RESOLVED, That the study conducted by the subcommittee must include, without limitation:

1. An analysis of relevant financial considerations, ownership and operation of facilities, and potential management and staffing structures;

2. A review of potential alternatives including, without limitation, consolidation of:

(a) All water supply, wastewater treatment, flood control, storm drainage and water reclamation programs;

(b) Only water supply and wastewater treatment programs;

(c) Only the water supply programs;

(d) Only the responsibilities for procuring water and water rights, treating the water and providing the water to the existing distributors; and

(e) Only the responsibilities for procuring water and water rights and providing the water to the water treatment facilities managed by the various distributors; and be it further

RESOLVED, That the entities providing water-related services in Washoe County are hereby directed to participate and cooperate in the study and furnish all necessary assistance to the subcommittee; and be it further

RESOLVED, That any recommended legislation proposed by the committee or subcommittee must be approved by a majority of the members of the Senate and a majority of the members of the Assembly appointed to that committee or subcommittee; and be it further

RESOLVED, That the Legislative Commission shall submit a report of the results of the studies and any recommendations for legislation to the 74th Session of the Nevada Legislature.



## APPENDIX B

### Water Purveyor's Proposal to Create a Regional Entity



## **Outline of Agreement**

- I. **Boundaries** to include Washoe County except for Gerlach and Lake Tahoe areas
- II. **Authority** New formal entity to be created pursuant to chapter 277 of NRS as a political subdivision of Nevada. Approval required by each Purveyor Board.
- III. **Purpose of Authority could include:**
  - A. Facilitation of regular interaction and cooperation among technical staff of water purveyors within region.
  - B. Water Resource Planning and development of additional supplies in a cooperative manner to ensure sufficient water availability for region.
  - C. Regional resource management of new supplies through a water budget which balances potable water use, sewer return flow in the Truckee River, and reuse of effluent.
- IV. **Functions, powers and limitations on Function and Powers** to be negotiated.
- V. **Governance**
  - a. Seven member board representing:
    - 1. Washoe County
    - 2. Reno
    - 3. Sparks
    - 4. Sun Valley GID
    - 5. South Truckee Meadows GID
    - 6. Truckee Meadows Water Authority
    - 7. Truckee Meadows Water Reclamation Facility
  - b. Appointment process and qualifications to be determined
- VI. **Voting:**
  - a. Simple majority voting
  - b. "Opt out" provision so that individual purveyors can choose to not participate in projects or incur costs. Details of "opt out" provision to be developed.





## APPENDIX C

The following Bill Draft Request will be available during the 2007 Legislative Session, or can be accessed after “Introduction” at the following Web site: <http://www.leg.state.nv.us/74th/BDRList/page.cfm?showAll=1>

**BDR S-183:** Creates regional water resources entity in Washoe County.