

**TMWA Subcommittee Members:**

- Chair Naomi Duerr
- Vice Chair Paul Anderson
- Alexis Hill

**WRWC Subcommittee Members:**

- Chair Paul Anderson
- Vice Chair Naomi Duerr
- Alexis Hill

**CONCURRENT MEETING OF THE  
Legislative Subcommittee of the Truckee Meadows Water Authority (TMWA)  
And  
Legislative Subcommittee of the Western Regional Water Commission (WRWC)  
AGENDA**

Monday, January 6, 2025 at 2:00 p.m.

**Independence Room, TMWA, 1355 Capital Blvd., Reno, NV**

**Notes:**

1. The announcement of this meeting has been posted at the following locations: Truckee Meadows Water Authority (1355 Capital Blvd., Reno), at <http://www.tmwa.com>, <http://wrwc.us/>, and State of Nevada Public Notice Website, <https://notice.nv.gov/>.
2. Pursuant to NRS 241.020, this agenda closes three working days prior to the meeting. We are pleased to make reasonable accommodations for persons who are disabled and wish to attend meetings. If you require special arrangements for the meeting, please call (775) 834-8002 at least 24 hours before the meeting date.
3. Staff reports and supporting material for the meeting are available at TMWA and on the TMWA website at <http://www.tmwa.com/meeting/> or you can contact Sonia Folsom at (775) 834-8002. Supporting material is made available to the general public in accordance with NRS 241.020(6).
4. The Committee may elect to combine agenda items, consider agenda items out of order, remove agenda items, or delay discussion on agenda items. Arrive at the meeting at the posted time to hear item(s) of interest.
5. Asterisks (\*) denote non-action items.
6. Public comment is limited to three minutes and is allowed during the public comment periods. The public may sign-up to speak during the public comment period or on a specific agenda item by completing a "Request to Speak" card and submitting it to the clerk. In addition to the public comment periods, the Chairman has the discretion to allow public comment on any agenda item, including any item on which action is to be taken.
7. In the event the Chairman and Vice-Chairman are absent, the remaining Committee members may elect a temporary presiding officer to preside over the meeting until the Chairman or Vice-Chairman are present (**Standing Item of Possible Action**).
8. Notice is hereby given that a quorum of the Truckee Meadows Water Authority may be present at the meeting in so much as some members of the WRWC legislative subcommittee are members of the TMWA Board of Directors. Although members constituting a quorum of the Truckee Meadows Water Authority Board may be in attendance at the meeting while serving in different capacities as representative members of different governing bodies (TMWA and WRWC), no deliberations or actions on any matter over which TMWA has supervision or control will be taken within the definition of a "meeting" under NRS 241.015 by persons constituting a quorum of the TMWA Board and acting in their capacity as members of the TMWA Board. This notice is provided in excess of caution given the potential of a quorum to be present at this meeting.

1. Roll call\*
2. Public comment (limited to no more than three minutes per speaker)\*
3. Approval of agenda (**For Possible Action**)
4. Approval of the Concurrent WRWC and TMWA Legislative Subcommittee minutes of November 5, 2024 (**For Possible Action**)
5. Omnibus bill update — Stefanie Morris and Leo Drozdoff (**For Possible Action**)
6. Nevada Division of Water Resources Bill Draft Request (BDR) update — Stefanie Morris and Leo Drozdoff\*
7. 2025 Legislative Forecast
  - a. High level overview of Bills and BDR numbers and topics — Dan Nubel\*
  - b. Election update — Leo Drozdoff\*
  - c. Update on topics likely to arise — Nate Allen and Leo Drozdoff\*
8. Report from WRWC legal counsel on process for tracking and monitoring legislation for the upcoming legislative session — Lucas Foletta\*
9. Committee comments\*

10. Staff comments\*

11. Public comment (limited to no more than three minutes per speaker)\*

12. Adjournment (**For Possible Action**)

**DRAFT MINUTES OF THE NOVEMBER 5, 2024  
CONCURRENT MEETING OF THE LEGISLATIVE SUBCOMMITTEE  
OF THE TRUCKEE MEADOWS WATER AUTHORITY AND  
THE LEGISLATIVE SUBCOMMITTEE OF THE  
WESTERN REGIONAL WATER COMMISSION**

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The meeting of the Concurrent Legislative Subcommittees of the Truckee Meadows Water Authority (TMWA) and Western Regional Water Commission (WRWC) in TMWA's Independence Conference Room. Chair Duerr called the meeting to order at 4:00 p.m.

1. ROLL CALL

TMWA Members Present: Naomi Duerr and Paul Anderson

TMWA Members Absent: Alexis Hill

TMWA Legislative Subcommittee Legal Counsel Present: Michael Kealy

TMWA Staff Present: Sonia Folsom, Laura Rader, Stefanie Morris, Dan Nubel, Eddy Quagliari, John Zimmerman, and Leo Drozdoff

A quorum of the TMWA Legislative Subcommittee was present.

WRWC Members Present: Naomi Duerr and Paul Anderson

WRWC Members Absent: Alexis Hill

WRWC Legal Counsel: Lucas Foletta

WRWC Staff Present: Kim Rigdon and Birgit Widegren

A quorum of the WRWC Legislative Subcommittee was present.

2. PUBLIC COMMENT

There was no public comment.

3. APPROVAL OF THE AGENDA

**Upon motion duly made by Vice Chair Anderson, seconded by Chair Duerr, and carried unanimously, the TMWA Subcommittee approved the agenda.**

**Upon motion duly made by Vice Chair Duerr, seconded by Chair Anderson, and carried unanimously, the WRWC Subcommittee approved the agenda.**

4. APPROVAL OF THE JOINT WRWC AND TMWA LEGISLATIVE SUBCOMMITTEE MINUTES OF May 19, 2023

**Upon motion duly made by Vice Chair Anderson, seconded by Chair Duerr, and carried unanimously, the TMWA Subcommittee approved the May 19, 2023 minutes.**

**Upon motion duly made by Vice Chair Duerr, seconded by Chair Anderson, and carried unanimously, the WRWC Subcommittee approved the May 19, 2023 minutes.**

5. OMNIBUS BILL UPDATE

Leo Drozdoff, TMWA's Government Affairs Consultant, informed the Subcommittee that the 2023 Legislative Session ended with unfinished items and a number of bills in opposition. As such, a number of entities came together to create a beneficial, non-controversial legislation, leading to the development of the omnibus bill. Its intent is to codify programs such as voluntary retirement of water rights and includes support for direct potable reuse, which is significant for the City of Sparks and the Nevada Division of Environmental Protection. There is legislative support for the omnibus bill.

**No motion taken.**

6. NEVADA DIVISION OF WATER RESOURCES (NDWR) BILL DRAFT REQUEST (BDR) UPDATE

Stefanie Morris, TMWA Outside Counsel, updated the Subcommittee on NDWR's BDR, which was just introduced and staff is working with the State Engineer's office.

**No motion taken.**

7. 2025 LEGISLATIVE FORECAST

A. HIGH LEVEL OVERVIEW OF BDR NUMBERS AND TOPICS

Sonia Folsom, TMWA Executive Assistant, informed the Subcommittee that there are 543 BDRs introduced to date, of which TMWA staff is tracking 124.

B. ELECTION UPDATE

Mr. Drozdoff provided an election update.

C. UPDATE ON TOPICS LIKELY TO ARISE

Mr. Drozdoff reported that since COVID, there has been influx of federal funds, which is running out; instructions to agencies is to have flat budgets going forward.

8. REPORT FROM WRWC LEGAL COUNSEL ON PROCESS FOR TRACKING AND MONITORING LEGISLATION FOR THE UPCOMING LEGISLATIVE SESSION

Lucas Foletta, WRWC General Counsel, reported that the WRWC will be a companion process to TMWA's, and will continue to have joint meetings, but WRWC does not track as many bills.

Kim Rigdon, WRWC Program Manager, added that Northern Nevada Water Planning Commission (NNWPC) will review bills which will be presented to the WRWC Subcommittee for approval.

9. SUBCOMMITTEE COMMENTS

There were no subcommittee items.

10. STAFF COMMENTS

Mr. Zimmerman introduced Michael Kealy, Parsons-Behle & Latimer, counsel for TMWA's Legislative Subcommittee. Mr. Kealy is being recognized by the Bar Association for his 40 years of service.

11. PUBLIC COMMENT

There was no public comment.

12. ADJOURNMENT

With no further business to discuss, Chair Duerr adjourned the meeting at 4:48 p.m.

*Approved by the Legislative Subcommittee of the Truckee Meadows Water Authority and the Western Regional Water Commission on \_\_\_\_\_.*

Submitted by,

Sonia Folsom, Recording Clerk

DRAFT: July 17, 2024

**Sec. 1. NRS 349.981 is hereby amended to read as follows:**

1. There is hereby established a program to provide grants of money to:

(a) A purveyor of water to pay for costs of capital improvements to publicly owned community water systems and publicly owned non transient water systems required or made necessary by the State Environmental Commission pursuant to [NRS 445A.800](#) to [445A.955](#), inclusive, or made necessary by the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.

(b) An eligible recipient to pay for the cost of improvements to conserve water, including, without limitation:

- (1) Piping or lining of an irrigation canal;
- (2) ~~Recovery~~ *Recovering* or recycling ~~of~~ wastewater or tailwater;
- (3) Scheduling of irrigation;
- (4) ~~Measurement~~ *Measuring* or metering ~~of~~ the use of water;
- (5) Improving the efficiency of irrigation operations; and
- (6) Improving the efficiency of the operation of a facility for the storage of water,

including, without limitation, efficiency in diverting water to such a facility.

*(7) Removing grass and replacing it with water-efficient landscaping, if the removal is secured by a conservation easement.*

*(8) Permanently retiring groundwater rights for the purposes set forth in section 18.*

(c) An eligible recipient to pay the following costs associated with connecting a domestic well or well with a temporary permit to a municipal water system, if the well was in existence on or before October 1, 1999, and the well is located in an area designated by the State Engineer pursuant to [NRS 534.120](#) as an area where the groundwater basin is being depleted:

- (1) Any local or regional fee for connection to the municipal water system.
- (2) The cost of any capital improvement that is required to comply with a decision or regulation of the State Engineer.

(d) An eligible recipient to pay the following costs associated with abandoning an individual sewage disposal system and connecting the property formerly served by the abandoned individual sewage disposal system to a community sewage disposal system, if the Division of Environmental Protection requires the individual sewage disposal system to be abandoned and the property upon which the individual sewage disposal system was located to be connected to a community sewage disposal system pursuant to the provisions of [NRS 445A.300](#) to [445A.730](#), inclusive, or any regulations adopted pursuant thereto:

- (1) Any local or regional fee for connection to the community sewage disposal system.
- (2) The cost of any capital improvement that is required to comply with a statute of this State or a decision, directive, order or regulation of the Division of Environmental Protection.

(e) An eligible recipient to pay the following costs associated with abandoning an individual sewage disposal system and connecting the property formerly served by the abandoned individual sewage disposal system to a community sewage disposal system, if the Division of Environmental Protection approves a program or project for the protection of groundwater quality developed by the State or a local government that provides for the abandonment of an individual sewage disposal system and the connection of the property upon which the individual sewage disposal system was located to a community sewage disposal system pursuant to the provisions of [NRS 445A.300](#) to [445A.730](#), inclusive, or any regulations adopted pursuant thereto:

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- (1) Any local or regional fee for connection to the community sewage disposal system.
- (2) The cost of any capital improvement that is required to comply with a statute of this State or a decision, directive, order or regulation of the Division of Environmental Protection.
- (f) An eligible recipient to pay the following costs associated with plugging and abandoning a well and connecting the property formerly served by the well to a municipal water system, if the State Engineer requires the plugging of the well pursuant to subsection 3 of NRS 534.180 or if the quality of the water of the well fails to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto:
  - (1) Any local or regional fee for connection to the municipal water system.
  - (2) The cost of any capital improvement that is required for the water quality in the area where the well is located to comply with the standards of the Safe Drinking Water Act, 42 U.S.C. §§ 300f et seq., and the regulations adopted pursuant thereto.
  - (3) The cost of plugging and abandoning a well and connecting the property formerly served by the well to a municipal water system.
- (g) A governing body to pay the costs associated with developing and maintaining a water resource plan.
  - 2. Except as otherwise provided in [NRS 349.983](#), the determination of who is to receive a grant is solely within the discretion of the Board.
  - 3. For any construction work paid for in whole or in part by a grant provided pursuant to this section to a nonprofit association or nonprofit cooperative corporation that is an eligible recipient, the provisions of [NRS 338.013](#) to [338.090](#), inclusive, apply to:
    - (a) Require the nonprofit association or nonprofit cooperative corporation to include in the contract for the construction work the contractual provisions and stipulations that are required to be included in a contract for a public work pursuant to those statutory provisions.
    - (b) Require the nonprofit association or nonprofit cooperative corporation to comply with those statutory provisions in the same manner as if it was a public body that had undertaken the project or had awarded the contract.
    - (c) Require the contractor who is awarded the contract for the construction work, or a subcontractor on the project, to comply with those statutory provisions in the same manner as if he or she was a contractor or subcontractor, as applicable, engaged on a public work.
  - 4. As used in this section:
    - (a) “Eligible recipient” means:
      - (1) A political subdivision of this State, including, without limitation, a city, county, unincorporated town, water authority, conservation district, irrigation district, water district or water conservancy district.
      - (2) A nonprofit association or nonprofit cooperative corporation that provides water service only to its members.
    - (b) “Governing body” has the meaning ascribed to it in [NRS 278.015](#).
    - (c) “Water resource plan” means a water resource plan created pursuant to [NRS 278.0228](#).

**Sec. 2. NRS 349.983 is hereby amended to read as follows:**

- 1. Grants may be made pursuant to paragraph (a) of subsection 1 of NRS 349.981 only for the Lincoln County Water District and those community and nontransient water systems that:
  - (a) Were in existence on January 1, 1995; and
  - (b) Are currently publicly owned.

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2. In making its determination of which purveyors of water are to receive grants pursuant to paragraph (a) of subsection 1 of NRS 349.981, the Board shall give preference to those purveyors of water whose public water systems regularly serve fewer than 6,000 persons.

3. Each recipient of a grant pursuant to ~~paragraph (a) of subsection 1 of~~ NRS 349.981 shall provide an amount of money for the same purpose. The Board shall develop a scale to be used to determine that amount, but the recipient must not be required to provide an amount less than 15 percent or more than 75 percent of the total cost of the project for which the grant is awarded. The scale must be based upon the average household income of the customers of the recipient, and provide adjustments for the demonstrated economic hardship of those customers, the existence of an imminent risk to public health and any other factor that the Board determines to be relevant.

**Sec. 3. NRS 445A is hereby amended to read as follows:**

1. The Legislature finds that pollution of water in this State:

- (a) Adversely affects public health and welfare;
- (b) Is harmful to wildlife, fish and other aquatic life; and
- (c) Impairs domestic, agricultural, industrial, recreational and other beneficial uses of water.

2. The Legislature declares that the people of this State have a right to clean water and it is the policy of this State and the purpose of [NRS 445A.300](#) to [445A.730](#), inclusive:

(a) To maintain the quality of the waters of the State consistent with the public health and enjoyment, the propagation and protection of terrestrial and aquatic life, the operation of existing industries, the pursuit of agriculture, and the economic development of the State;

(b) To mitigate the degradation of the waters of the State; ~~and~~

(c) To encourage and promote the use of methods of waste collection and pollution control for all significant sources of water pollution (including point and diffuse sources); ~~and~~

*(d) To encourage and promote water reuse in an appropriate manner that is consistent with public health through traditional uses, such as return-flow credits, agriculture or other irrigation, as well as emerging uses including, but not limited to, direct potable reuse and indirect potable reuse.*

**Sec. 4. NRS 445A.520 is hereby amended as follows:**

1. The Commission shall establish water quality standards at a level designed to protect and ensure a continuation of the designated beneficial use or uses which the Commission has determined to be applicable to each stream segment or other body of surface water in the State.

2. The Commission shall base its water quality standards on water quality criteria which numerically or descriptively define the conditions necessary to maintain the designated beneficial use or uses of the water. The water quality standards must reflect water quality criteria which define the conditions necessary to support, protect and allow the propagation of fish, shellfish and other wildlife and to provide for recreation in and on the water if these objectives are reasonably attainable.

3. The Commission may establish water quality standards for individual segments of streams or for other bodies of surface water which vary from standards based on recognized criteria if such variations are justified by the circumstances pertaining to particular places, as determined by biological monitoring or other appropriate studies.



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**4. *The Commission may consider establishment of a water quality standard variance, provided for by the Clean Water Act, 33 U.S.C. §1251 et seq., and associated Code of Federal Regulations. Any variance shall:***

- (a) reflect the highest attainable condition achievable during the term of the variance; and*
- (b) set a time-limited designated use and criteria for specific pollutants or water quality parameters.*

**Sec. 5. 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 *an eligible* property owner with an existing septic system whose property is served by a municipal water system to abandon the septic system and connect to the 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 annual fee on property owners with existing septic systems whose property is served by a municipal water system to carry out the provisions of this section.
3. If the district board of health imposes a voluntary annual fee pursuant to subsection 2:
  - (a) The fee must not exceed the annual sewer rate charged by the largest community sewerage disposal system in the county or counties, as applicable, in which the district board of health has been established; and
  - (b) The district board of health shall not provide financial assistance to any property owner who does not pay the voluntary fee.
4. As used in this section:
  - (a) "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.
  - (b) "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.
  - (c) "Eligible property owner" means a property owner with an existing septic system whose property is served by a municipal water system that:*
    - (1) Pays the annual fee every year it is imposed; and*
    - (2) Pays any outstanding balance of the annual fee for the property for previous years.*

**Sec. 6. NRS 533.030 is hereby amended to read as follows:**

1. Subject to existing rights, and except as otherwise provided in this section and [NRS 533.0241](#), [533.027](#) and [533.028](#), *and section 12 of this act*, all water may be appropriated for beneficial use as provided in this chapter and not otherwise.
2. The use of water, from any stream system as provided in this chapter and from underground water as provided in [NRS 534.080](#), for any recreational purpose, or the use of water from the Muddy River or the Virgin River to create any developed shortage supply or intentionally created surplus, is hereby declared to be a beneficial use. As used in this subsection:
  - (a) "Developed shortage supply" has the meaning ascribed to it in Volume 73 of the Federal Register at page 19884, April 11, 2008, and any subsequent amendment thereto.

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(b) “Intentionally created surplus” has the meaning ascribed to it in Volume 73 of the Federal Register at page 19884, April 11, 2008, and any subsequent amendment thereto.

3. Except as otherwise provided in subsection 4, in any county whose population is 700,000 or more:

(a) The board of county commissioners may prohibit or restrict by ordinance the use of water and effluent for recreational purposes in any artificially created lake or stream located within the unincorporated areas of the county.

(b) The governing body of a city may prohibit or restrict by ordinance the use of water and effluent for recreational purposes in any artificially created lake or stream located within the boundaries of the city.

4. In any county whose population is 700,000 or more, the provisions of subsection 1 and of any ordinance adopted pursuant to subsection 3 do not apply to:

(a) Water stored in an artificially created reservoir for use in flood control, in meeting peak water demands or for purposes relating to the treatment of sewage;

(b) Water used in a mining reclamation project; or

(c) A body of water located in a recreational facility that is open to the public and owned or operated by the United States or the State of Nevada.

**Sec. 7. NRS 533.370 is hereby amended to read as follows:**

1. Except as otherwise provided in this section and [NRS 533.0241](#), [533.345](#), [533.371](#), [533.372](#) and [533.503](#), *and section 12 of this act*, the State Engineer shall approve an application submitted in proper form which contemplates the application of water to beneficial use if:

(a) The application is accompanied by the prescribed fees;

(b) The proposed use or change, if within an irrigation district, does not adversely affect the cost of water for other holders of water rights in the district or lessen the efficiency of the district in its delivery or use of water; and

(c) The applicant provides proof satisfactory to the State Engineer of the applicant’s:

(1) Intention in good faith to construct any work necessary to apply the water to the intended beneficial use with reasonable diligence; and

(2) Financial ability and reasonable expectation actually to construct the work and apply the water to the intended beneficial use with reasonable diligence.

2. Except as otherwise provided in subsection 10, ~~where there~~ *the State Engineer shall reject an application and refuse to issue the requested permit if:*

(a) ~~There~~ *is no unappropriated water in the proposed source of supply;* ~~where the~~

(b) ~~The~~ *groundwater that has not been committed for use has been reserved pursuant to [NRS 533.0241](#);*

(c) ~~The groundwater has been retired pursuant to section 12 of this act;~~ *or where its*

(d) ~~The~~ *proposed use or change conflicts with existing rights or with protectable interests in existing domestic wells as set forth in [NRS 533.024](#), or threatens to prove detrimental to the public interest., the State Engineer shall reject the application and refuse to issue the requested permit.*

↳ If a previous application for a similar use of water within the same basin has been rejected on those grounds, the new application may be denied without publication.

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3. In addition to the criteria set forth in subsections 1 and 2, in determining whether an application for an interbasin transfer of groundwater must be rejected pursuant to this section, the State Engineer shall consider:

- (a) Whether the applicant has justified the need to import the water from another basin;
- (b) If the State Engineer determines that a plan for conservation of water is advisable for the basin into which the water is to be imported, whether the applicant has demonstrated that such a plan has been adopted and is being effectively carried out;
- (c) Whether the proposed action is environmentally sound as it relates to the basin from which the water is exported;
- (d) Whether the proposed action is an appropriate long-term use which will not unduly limit the future growth and development in the basin from which the water is exported; and
- (e) Any other factor the State Engineer determines to be relevant.

4. Except as otherwise provided in this subsection and subsections 6 and 10 and [NRS 533.365](#), the State Engineer shall approve or reject each application within 2 years after the final date for filing a protest. The State Engineer may postpone action:

- (a) Upon written authorization to do so by the applicant.
- (b) If an application is protested.
- (c) If the purpose for which the application was made is municipal use.
- (d) In areas where studies of water supplies have been determined to be necessary by the State Engineer pursuant to [NRS 533.368](#).
- (e) Where court actions or adjudications are pending, which may affect the outcome of the application.
- (f) In areas in which adjudication of vested water rights is deemed necessary by the State Engineer.
- (g) On an application for a permit to change a vested water right in a basin where vested water rights have not been adjudicated.
- (h) Where authorized entry to any land needed to use the water for which the application is submitted is required from a governmental agency.
- (i) On an application for which the State Engineer has required additional information pursuant to [NRS 533.375](#).

5. If the State Engineer does not act upon an application in accordance with subsections 4 and 6, the application remains active until approved or rejected by the State Engineer.

6. Except as otherwise provided in this subsection and subsection 10, the State Engineer shall approve or reject, within 6 months after the final date for filing a protest, an application filed to change the point of diversion of water already appropriated when the existing and proposed points of diversion are on the same property for which the water has already been appropriated under the existing water right or the proposed point of diversion is on real property that is proven to be owned by the applicant and is contiguous to the place of use of the existing water right. The State Engineer may postpone action on the application pursuant to subsection 4.

7. If the State Engineer has not approved, rejected or held a hearing on an application within 7 years after the final date for filing a protest, the State Engineer shall cause notice of the application to be republished and reposted pursuant to [NRS 533.360](#) immediately preceding the time at which the State Engineer is ready to approve or reject the application. The cost of the republication must be paid by the applicant. After such republication, and reposting, a protest may be filed in accordance with [NRS 533.365](#).

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8. If a hearing is held regarding an application, the decision of the State Engineer must be in writing and include findings of fact, conclusions of law and a statement of the underlying facts supporting the findings of fact. The written decision may take the form of a transcription of an oral ruling. The rejection or approval of an application must be endorsed on a copy of the original application, and a record must be made of the endorsement in the records of the State Engineer. The copy of the application so endorsed must be returned to the applicant. Except as otherwise provided in subsection 11, if the application is approved, the applicant may, on receipt thereof, proceed with the construction of the necessary works and take all steps required to apply the water to beneficial use and to perfect the proposed appropriation. If the application is rejected, the applicant may take no steps toward the prosecution of the proposed work or the diversion and use of the public water while the rejection continues in force.

9. If a person is the successor in interest of an owner of a water right or an owner of real property upon which a domestic well is located and if the former owner of the water right or real property on which a domestic well is located had previously filed a written protest against the granting of an application, the successor in interest must be allowed to pursue that protest in the same manner as if the successor in interest were the former owner whose interest he or she succeeded. If the successor in interest wishes to pursue the protest, the successor in interest must notify the State Engineer in a timely manner on a form provided by the State Engineer.

10. The provisions of subsections 1 to 9, inclusive, do not apply to an application for an environmental permit or a temporary permit issued pursuant to [NRS 533.436](#) or [533.504](#).

11. The provisions of subsection 8 do not authorize the recipient of an approved application to use any state land administered by the Division of State Lands of the State Department of Conservation and Natural Resources without the appropriate authorization for that use from the State Land Registrar.

12. As used in this section, “domestic well” has the meaning ascribed to it in [NRS 534.350](#).

**Sec. 8. NRS 533.371 is hereby amended to read as follows:**

The State Engineer shall reject the application and refuse to issue a permit to appropriate water for a specified period if the State Engineer determines that:

1. The application is incomplete;
2. The prescribed fees have not been paid;
3. The proposed use is not temporary;
4. There is no water available from the proposed source of supply without exceeding the perennial yield or safe yield of that source;
5. The groundwater that has not been committed for use from the proposed source of supply has been reserved pursuant to [NRS 533.0241](#);
6. *The groundwater has been retired pursuant to section 12 of this act;*
7. The proposed use conflicts with existing rights; or
- 7.8. The proposed use threatens to prove detrimental to the public interest.

**Sec. 9. Chapter 534 of NRS is hereby amended by adding thereto the provisions set forth as sections 10 to 15, inclusive, of this act.**

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**Sec. 10.** *As used in sections 10 to 15, inclusive, of this act, unless the context otherwise requires:*

1. *“Department” means the State Department of Conservation and Natural Resources.*
2. *“Director” means the Director of the Department.*
3. *“Nevada Conservation and Recreation Program” or “Program” means the Nevada Conservation and Recreation Program created by section 17 of this act.*

**Sec. 11.** *1. The Account for Retiring Water Rights is hereby created in the State General Fund.*

*2. The Account for Retiring Water Rights must be administered by the Director in accordance with the Nevada Voluntary Water Rights Retirement Program established by section 12 of this act. In addition to any direct legislative appropriation, the Director may apply for and accept any gift, donation, bequest, grant, federal money or other source of money for deposit in the Account for Retiring Water Rights.*

*3. The money in the Account for Retiring Water Rights must only be used for administering the Nevada Voluntary Water Rights Retirement Program established by section 12 of this act, to purchase water rights pursuant to section 12 of this act and to provide matching money required as a condition of accepting any source of money that would result in the retirement of water rights pursuant to sections 12 of this act.*

*4. The money in the Account for Retiring Water Rights or any portion of the money in the Account for Retiring Water Rights may be invested or reinvested in accordance with the provisions of chapter 355 of NRS. The proceeds of such investments and the interest and income earned on the money in the Account for Retiring Water Rights, after deducting any applicable charges, must be credited to the Account for Retiring Water Rights.*

*5. Any money remaining in the Account for Retiring Water Rights at the end of a fiscal year does not revert to the State General Fund, and the balance in the Account for Retiring Water Rights must be carried forward to the next fiscal year.*

*6. The Director may enter into an agreement with a public or private entity to apply for, obtain or manage any money contributed to the Account for Retiring Water Rights.*

**Sec. 12.** *1. The Nevada Voluntary Water Rights Retirement Program is hereby established in the Nevada Conservation and Recreation Program for the purpose of retiring groundwater rights for the purposes set forth in section 18.*

*2. The Program must be administered by the Director. In administering the Program, the Director shall, to the extent money is available in the Account for Retiring Water Rights created by section 11 of this act, fund the retirement of groundwater rights from willing persons according to the following order of priority:*

*(a) Groundwater basins where groundwater withdrawals currently exceed the available supply of water; and*

*(b) Groundwater rights that are proposed to be retired for the purposes set forth in Section 18;*

*3. When sufficient money is available in the Account for Retiring Water Rights, the Director may accept applications for the purchase and retirement of water rights in accordance with any regulations adopted by the Director pursuant to section 15 of this act.*

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**Sec. 13. 1. The Advisory Committee for the Nevada Voluntary Water Rights Retirement Program established by section 12 of this act is hereby established within the Department. The Advisory Committee consists of:**

**(a) The following voting members appointed by the Director:**

- (1) Two members who represent agricultural interests;**
- (2) Two members who represent political subdivisions of the State of Nevada that manage a regional water system in a county whose population is 100,000 or more;**
- (3) One member who represents a regional water authority that serves counties whose population are less than 100,000;**
- (4) One member who represents nonprofit conservation organizations; and**
- (5) One member who represents mining interests; and**

**(b) The following ex officio nonvoting members:**

- (1) The State Engineer or his or her designee; and**
- (2) The State Land Registrar or his or her designee.**

**2. The Advisory Committee shall consult with the Director on:**

- (a) The adoption of regulations required pursuant to section 15 of this act; and**
- (b) The administration of the Nevada Voluntary Water Rights Retirement Program established by section 12 of this act.**

**3. While engaged in the business of the Advisory Committee, each voting member of the Advisory Committee is not entitled to receive a salary, per diem allowance or travel expenses provided for state officers and employees generally.**

**Sec. 14. The State Engineer shall retire all groundwater rights pursuant to section 12 of this act through an appropriate mechanism, as determined by the State Engineer, and preclude that groundwater from appropriation. Groundwater that has been retired pursuant to this section is not available for any use and shall continue to be considered retired in the source of supply in perpetuity.**

**Sec. 15. 1. The Director may adopt such regulations if deemed necessary to carry out the provisions of sections 10 to 15 inclusive, of this act, which must include, without limitation:**

**(a) The process for accepting applications for the retirement of water rights pursuant to section 12 of this act;**

**(b) The manner in which the valuation of water rights will be conducted for the Nevada Voluntary Water Rights Retirement Program established by section 12 of this act;**

**(c) Provisions to ensure that the retirement of water rights is consistent with the purposes of the Nevada Voluntary Water Rights Retirement Program, including, without limitation, the purposes set forth in Section 18;**

**(d) Provisions to ensure compliance with any requirements or conditions of any gift, donation, bequest, grant, federal money or other source of money in administering the Account for Retiring Water Rights created by section 11 of this act;**

**(e) The method of retiring water rights by the Nevada Voluntary Water Rights Retirement Program pursuant to section 12 of this act, which must be consistent with the mechanisms by**

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*which the water right will be retired by the State Engineer in accordance with section 12 of this act.*

*2. The Director shall consult with the Advisory Committee for the Nevada Voluntary Water Rights Retirement Program established by section 13 of this act in adopting regulations pursuant to this section.*

**Sec. 16. NRS 534.120 is hereby amended to read as follows:**

1. Within an area that has been designated by the State Engineer, as provided for in this chapter, where, in the judgment of the State Engineer, the groundwater basin is being depleted, the State Engineer in his or her administrative capacity may make such rules, regulations and orders as are deemed essential for the welfare of the area involved.

2. In the interest of public welfare, the State Engineer is authorized and directed to designate preferred uses of water within the respective areas so designated by the State Engineer and from which the groundwater is being depleted, and in acting on applications to appropriate groundwater, the State Engineer may designate such preferred uses in different categories with respect to the particular areas involved within the following limits:

(a) Domestic, municipal, quasi-municipal, industrial, irrigation, mining and stock-watering uses; and

(b) Any uses for which a county, city, town, public water district or public water company furnishes the water.

3. The State Engineer may only issue **temporary revocable** permits to appropriate groundwater if water cannot be furnished by a public entity such as a water district or municipality presently engaged in furnishing water to the inhabitants thereof. Such **temporary revocable** permits can be limited as to time and may be revoked if and when:

(a) Water can be furnished by a public entity such as a water district or a municipality presently engaged in furnishing water to the inhabitants thereof; and

(b) The property served is within 1,250 feet of the water furnished pursuant to paragraph (a).

↪ The holder of a **temporary revocable** permit that is revoked pursuant to this subsection must be given 730 days from the date of revocation to connect to the public entity furnishing water.

4. In a basin designated pursuant to NRS 534.030, the State Engineer may:

(a) Deny applications to appropriate groundwater for any use in areas served by a public entity such as a water district or a municipality presently engaged in furnishing water to the inhabitants of the area.

(b) Limit the depth of domestic wells.

(c) Prohibit the drilling of wells for domestic use in areas where water can be furnished by a public entity such as a water district or a municipality presently engaged in furnishing water to the inhabitants thereof.

(d) In connection with the approval of a parcel map in which any parcel is proposed to be served by a domestic well, require the dedication to a city or county or a designee of a city or county, or require a relinquishment to the State Engineer, of any right to appropriate water required by the State Engineer to ensure a sufficient supply of water for each of those parcels, unless the dedication of the right to appropriate water is required by a local ordinance.

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5. In an area ~~in which~~ *where revocable permits* have been issued ~~temporary permits~~ pursuant to subsection 3, the State Engineer:

(a) Shall:

(1) Deny any applications to appropriate groundwater for use in areas served by a public entity such as a water district or a municipality presently engaged in furnishing water;

(2) Limit the depth of a domestic well; or

(3) Prohibit the drilling of wells for domestic use ~~in areas where~~ *if the property is within 1,250 feet of* ~~water can be furnished by a service line of~~ a public entity such as a water district or a municipality presently engaged in furnishing water to the inhabitants; and

(b) May prohibit repairs from being made to a domestic well, and may require the person proposing to deepen or repair the domestic well to obtain water from a public entity such as a water district or a municipality engaged in furnishing water to the inhabitants of the designated area, only if:

(1) The distance from the property line of any parcel served by the well to the pipes and other appurtenances of the proposed source of water to which the property will be connected is not more than 180 feet; and

(b) The deepening or repair of the well would require the use of a well-drilling rig.

6. For good and sufficient reasons, the State Engineer may exempt the provisions of this section with respect to public housing authorities.

7. The provisions of this section do not prohibit the State Engineer from revoking a ~~temporary revocable~~ permit ~~issued pursuant to this section~~ if any parcel served by a well pursuant to the ~~temporary revocable~~ permit is currently obtaining water from a public entity such as a water district or a municipality engaged in furnishing water to the inhabitants of the area.

**Sec. 17. Chapter 232 of NRS is hereby amended by adding thereto a new section to read as follows:**

*1. The Nevada Conservation and Recreation Program is hereby created within the Department to protect, preserve and obtain the benefits of the property and natural and cultural resources of this State. The Director shall administer the Program.*

*2. The Nevada Conservation and Recreation Program consists of:*

*(a) A grant program to make grants in accordance with subsections 8, 9 and 10 of section 2 of chapter 480, Statutes of Nevada 2019, at page 2861; and*

*(b) The Nevada Voluntary Water Rights Retirement Program established by section 12 of this act.*

*3. The Director may adopt regulations, if deemed necessary, to carry out the provisions of this section.*

**Sec. 18. Chapter 232 of NRS is hereby amended by adding thereto a new section to read as follows:**

*1. The purpose of the Nevada Voluntary Water Rights Retirement Program is to retire water rights from willing sellers in order to:*

*(a) Protect the natural resources of the State;*

*(b) Bring overpumped groundwater basins back into balance;*



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- (c) Address conflicts with existing rights or with protectable interests in existing domestic wells; or*
- (d) Prevent overappropriated basins from becoming overpumped basins.*

**Sec. 19. NRS 232.010 is hereby amended to read as follows:**

232.010 As used in NRS 232.010 to 232.162, inclusive: *and section 17 of this act:*

1. “Department” means the State Department of Conservation and Natural Resources.
2. “Director” means the Director of the State Department of Conservation and Natural Resources.

**Sec. 20. NRS 232.090 is hereby amended to read as follows:**

232.090 1. The Department consists of the Director and the following:

- (a) The Division of Water Resources.
- (b) The Division of State Lands.
- (c) The Division of Forestry.
- (d) The Division of State Parks.
- (e) The Division of Environmental Protection.
- (f) The Office of Historic Preservation.
- (g) The Division of Outdoor Recreation.
- (h) The Division of Natural Heritage.
- (i) Such other divisions as the Director may from time to time establish.

2. The State Environmental Commission, the State Conservation Commission, the Commission for Cultural Centers and Historic Preservation, the Commission on Off-Highway Vehicles, the Conservation Districts Program, the Sagebrush Ecosystem Council, *the Nevada Conservation and Recreation Program, the Advisory Committee for the Nevada Voluntary Water Rights Retirement Program*, and the Board to Review Claims are within the Department.

**Sec. 21.** The Director of the State Department of Conservation and Natural Resources may adopt the regulations pursuant to section 15 of this act.

**Sec. 22.** 1. This section, sections 2 to 4, section 14 and section 16, inclusive, become effective upon passage and approval.

2. Section 1 and sections 5 to 13, section 15 and sections 17 to 21, inclusive, of this act:
  - (a) Become effective upon passage and approval.
  - (b) Expire without limitation on June 30, 2035.