

MEMBERS PRESENT

Chairman Dini
Mr. Marvel
Mr. Fitzpatrick
Mrs. Westall
Dr. Robinson
Mr. Craddock
Mr. Jeffrey
Mr. Getto
Mr. Bedrosian
Mr. Bergevin

GUESTS PRESENT

See Guest List attached

* * * * *

Chairman Dini called the meeting to order at 8:00 A.M.

AB 62 - EXEMPTS CERTAIN BUSINESSES FROM REQUIREMENT
TO OBTAIN PERMIT TO USE UNDERGROUND WATER
FROM WELLS

BILL McDONALD, District Attorney, Humboldt County

Mr. McDonald stated that he supported the Bill but suggested that it be amended to include not just commercial uses but public uses such as parks, non-profit organizations, schools, etc.

ASSEMBLYMAN GLOVER, Carson City

Mr. Glover stated that the Bill did not come out exactly as intended and referred the Committee to the witnesses present to testify.

WANDA BLAIN, Secretary-Treas., Nev. Drilling Contractors Assn.

Mrs. Blain stated that her group originally contacted Mr. Glover on the amendment to the permit system and the Bill did not come out exactly the way they wanted it to read. She said the small commercial and industrial users were faced with a problem and she recommended an amendment along the following lines: Permission to drill small use, 1800

G.P.D. or less, commercial or industrial wells must be obtained from the Division of Water Resources in Carson City. Such permission will be granted within no longer than two weeks from the time of presentation to that office. The request must be in writing and contain: (1) the purpose for the well, and (2) a proper location by section, township, and range, parcel number or lot number. Upon completion there must be installed on the well a meter in good working order so that all water drawn from the well will be measured. Meter readings may be taken or requested by the Division of Water Resources periodically.

Mrs. Blain stated all they were doing was trying to eliminate the long drawn out affair of getting a permit. She said they felt it was unnecessary to drag out the process with notification in the papers, waiting the time period of objections, if not more than a domestic well was going to be used. Mrs. Blain cited an example that if she wanted to put an office on non-commercial property, and she wanted just a simple toilet, it would take about 5 months to get a permit. Mrs. Blain said they further felt the State should not lose all control but there will be those who will take advantage.

HERB WINCHESTER, Executive Secretary, Nevada Drilling
Contractors Association

Mr. Winchester stated they wanted to get the time cut down to obtain a permit in regard to the small user. Mr. Winchester stated as the Bill is written it excludes all control of the State Engineer and he believed that was wrong. He said the Engineer must have control over the water and his group felt that by requiring permission from him for a permit the Engineer would know the well was there, and by putting a meter on the well the Engineer would be able to check what is coming out of the well. He stated that the requirement for 1800 gallons plus the requirement of a meter would give the State Engineer control.

Chairman Dini asked if there might be a limitation on domestic use down the road and the response was that might be a possibility. However, Mrs. Blain said she didn't feel they should approve any more sub-divisions. Mr. Getto asked if a meter should be placed on a domestic well and the response was that the State has the right to put one on if they feel you are abusing the water ratio.

GEORGE PEEK, Developer and Purveyor of Water

Mr. Peek said he was in favor of the Bill. He said the services were needed for the rounding of a community. He said the people should be allowed the usage of their property.

WILLIAM R. TAYLOR, Owner of small business, Carson City

Mr. Taylor elaborated on the problems of a small businessman opening a business in the State of Nevada and appropriating water. He stated he was in favor of the Bill and the amendment. He related to the Committee the problems he faced in opening a Mobile Home Sales lot with the end result that it took him eight months to get a permit for a small domestic well.

DONALD L. PAFF, General Manager and Secretary of the Las Vegas Valley Water District

Mr. Paff stated his testimony* was in opposition to the Bill. He stated that AB 62 would expand the application of wells and groundwater usage that is exempt from Chapter 534. Mr. Paff stated that the expansion of the exemption would allow the continuation of overdraft of the already overdrafted groundwater basin in the Las Vegas Valley without a definitive management program applicable to the uses. He stated that 5,100 domestic wells have been drilled in the Las Vegas Valley, which are totally exempt from the provisions of Chapter 534 and thus exempted from revocation when alternative water supply becomes available to either a residential property owner, or, in the case of AB 62, for use in a business located in an area zoned for commercial use. Mr. Paff suggested to the Committee that the exemption for those wells for domestic purposes and those proposed in AB 62 be deleted from exemption from Chapter 534 and urged the Committee to delete 534.180, subsection 1. Mr. Paff also pointed out the possible problem of adequate fire protection or insurance hazards for residential and business as proposed under AB 62.

Chairman Dini asked if the groundwater basin area already being downdrafted and Mr. Paff replied it was. He said it is still diminishing although not as much as before and they are still continuing to overdraft.

* See Exhibit

Mr. Paff stated that AB 62 encourages further over-drafting rather than trying to put into a management system as is the intention. Mr. Craddock asked Mr. Paff by how much the overdraft has been diminished in the last ten years and Mr. Paff responded about 30,000 acre feet per year. Mr. Paff in response to Dr. Robinson's question advised that the Las Vegas Valley Water District is pumping just a little bit under 40,000 acres per year.

BOB SULLIVAN - Carson River Basin Council of Governments

He stated the Douglas County Board of Commissioners are not in favor of the Bill. He said they were concerned about draught of groundwater into Carson Valley as it now exists. He stated they find their situation is pretty bleak.

ROSS deLIPKAV, Registered Lobbyist

Mr. deLipkav stated he formerly worked for the State Engineer's Office as an Engineer and then as attorney for the Division. He stated he thought the law was quite poor because it is a perfect means of avoiding the law. He said it does exactly what the water law is intended to avoid. He said the law specifically says that all water in the State of Nevada is to be controlled by the water law. He stated the Bill is intended to provide a means of getting a source of water when the State Engineer would not give that source of water. He stated it places a large block of water beyond the control of the State Engineer. He stated that if AB 62 is passed it would give rise to all sorts of schemes.

D.J. NEWMAN, TLC Realty, Carson City

Mr. Newman elaborated on the delays in time and cited as examples properties in which his company had been involved.

WILLIAM J. NEWMAN, State Engineer

PETER G. MORROS, Ass't Dir. Dept. of Conservation & Nat. Resources

Mr. Newman stated he had a prepared statement* by Roland D. Westergard, Director of Conservation and Natural Resources, and himself, and proceeded to read same into the record. He stated they were extremely concerned about the possible ramifications of AB 62. He said the effect of the amendment would be to exempt commercial use of water from the

*See Exhibit

statutory permit requirements. He stated that if AB 62 were enacted commercial wells could be drilled in areas not presently served by entities such as the City of North Las Vegas or the Las Vegas Valley Water District, and in the future would then not be subject to revocation when water is available by such entity. Similarly in areas and designated ground water basis where applications have been denied for quasi-municipal, commercial, industrial, etc., uses, the enactment of AB 62 would serve to circumvent the determination that has been made in these areas on an already fully appropriated resource. He stated the affect of AB 62 will allow the drilling of commercial wells where in fact additional domestic wells could not be drilled. With the growth and development that has been experienced it has been necessary for the State Engineer to designate additional groundwater basis throughout the State of Nevada. He stated this has resulted in denials for various purposes and a more rigid control of existing uses. AB 62 would be contrary to and inconsistent with this necessary action and would not be in the interest of protecting limited water resource available or the people that are dependent upon those resources.

Chairman Dini stated he would like to go into the matter of the length of time it takes to get through an application for denial or acceptance as indicated by the witnesses who testified. Chairman Dini said he could see the 90 day period for advertising but then waiting eight, nine months to a year for consideration of an application was an extremely long time to wait for a small business. Mr. Newman elaborated on the procedure, namely all the information that was lacking in the application because people make the application themselves and are not familiar with the water law and just what is required. He said if all the information plus the map and other data required came in correctly the time could be eliminated. He said the requirement for publication was statutory, five weeks, and there was no way to get around it. He said if everything is in order it would amount to a nine week period. Dr. Robinson asked about the signing of the permits and Mr. Newman stated he was the only one who signed them. Dr. Robinson inquired what if Mr. Newman takes leave who signs the permits and Mr. Newman said he would think some provision would have to be made for someone to sign them in his absence. Mr. Morros stated that the secretaries predated them and that could be cut down.

Discussion ensued between the Committee members and the witnesses on the questions of drilling, permits, meters, and some of the points previously raised.

COMMITTEE ACTION

AB 62 - Mr. Marvel moved that the Bill be indefinitely postponed, seconded by Mrs. Westall, carried unanimously.

Chairman Dini appointed a sub-committee on AB 62, Chairman to be Mr. Jeffrey and to consist of Mr. Craddock, Mr. Bedrosian, and Mr. Getto, to go to the State Engineer and Water Planner and find out where we are going on the water problem without disrupting the whole general water law.

There being no further business before the meeting, the same was adjourned.

Respectfully submitted,

Sandra Shatzman

Sandra Shatzman
Assembly Attache

TESTIMONY OF DONALD L. PAFF
BEFORE THE
ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE
ASSEMBLY BILL NO. 62
February 9, 1979

My name is Donald L. Paff. I am the General Manager and Secretary of the Las Vegas Valley Water District, Las Vegas, Nevada. My testimony is in opposition to Assembly Bill No. 62.

Pursuant to the Las Vegas Valley Water District Act, among other things, the District is responsible "to provide for the conservation of the groundwater resources of the Las Vegas Valley." My testimony today is pursuant to that responsibility and within the framework of endorsing and supporting necessary management of our groundwater resources, specifically those in the Las Vegas Valley.

Assembly Bill No. 62 would expand the application of wells and groundwater usage that is exempt from Chapter 534. Expansion of the exemption, in our opinion, would allow the continuation of overdraft of the already overdrafted groundwater basin in the Las Vegas Valley without a definitive management program applicable to these uses. Information from the State Engineer's office indicates that, as of December 31, 1977, 4,971 domestic wells have been drilled in the Las Vegas groundwater basin and it could be anticipated that an additional 200 wells would have been completed in 1978. Thus, approximately 5,100 domestic wells have been drilled in the Las Vegas Valley, which are totally exempt from the provisions of Chapter 534 and thus exempted from revocation when alternative water supply becomes available to either a residential property owner or, in the case of A.B. 62, for use in a business located in an area zoned for commercial use.

Our rough calculations indicate that approximately 10,000 acre feet per year could be pumped from the existing domestic wells from the already over-

drafted groundwater basin. If this pumpage estimate is accurate, it would appear that domestic wells could account for approximately 1/3 (one-third) of the estimated 25,000 to 35,000 acre feet per year of safe yield from the Las Vegas groundwater basin. I wish to emphasize that these domestic wells are not subject to revocation pursuant to Chapter 534 and, to us, the only diminishment of pumpage is when the individual wells become either "quality" or "facility" inadequate.

Our current and past experience indicates that when proposing to expand our system into areas at the District's option or by request of residential customers, there is difficulty in economics of water supply because of the "checkerboard" pattern of these domestic wells. Such experiences result in several negative factors - (1) it is uneconomic and under utilization of capital improvements (2) those residences with domestic wells which will not voluntarily relinquish the right to withdraw water inhibit or place burdens on a residence who wishes the District's supply, and (3) the contribution to the overdrafting of groundwater continues. To graphically indicate these problems, I have attached a sketch (Exhibit A) which depicts one of the problem areas within our service area.

It is understandable that it is necessary to derive water for appropriate development of individual or business properties not currently served by municipal supply, such as the Las Vegas Valley Water District. We do not suggest to this committee that, unless for a good reason provided in Chapter 534, such properties should be denied the available water resource. Our opposition is to the exemption of such groundwater pumpage from Chapter 534, wherein the State Engineer is vested the responsibility to revoke temporary permits when water can be furnished to the property in question by a water district or municipality.

It is possible for one to establish that there is an inequity in the current law wherein a small business does not have the same opportunity to utilize ground water, as the individual property owner, for domestic purposes. In this regard, we suggest to the Committee that the exemption for those wells for domestic purposes and those proposed in Assembly Bill No. 62 be deleted from exemption from

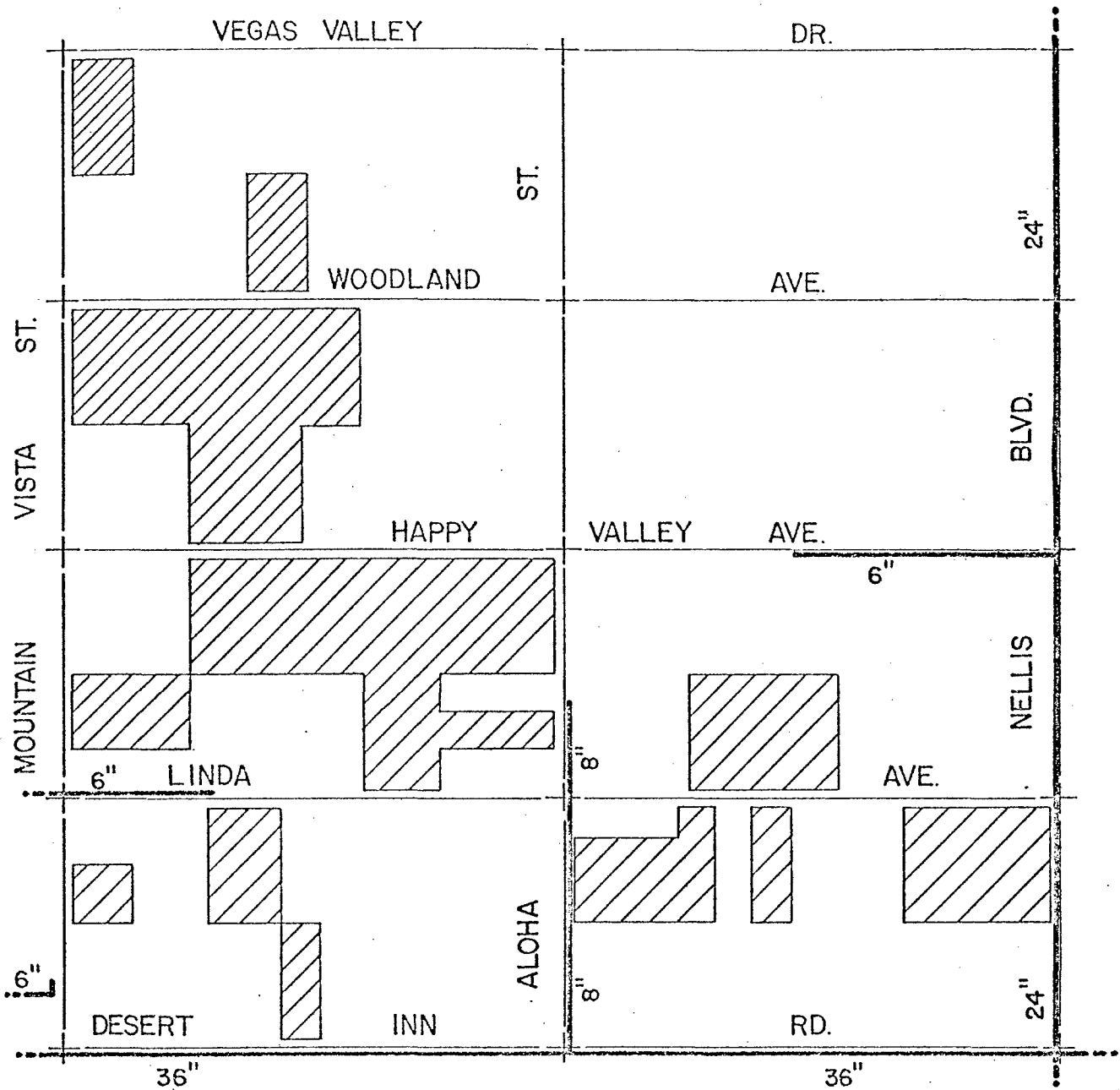
Chapter 534. Specifically, we urge the Committee to consider the deletion of 534.180, subsection 1.

We realize that there would be a great administrative difficulty and burden for the State Engineer to now issue temporary and/or permanent permits to the estimated 5,100 domestic wells within the Las Vegas Valley and, thus, our suggested deletion of 534.180 subsection 1 would be effective for wells which would be proposed to be drilled subsequent to, and subject to, your affirmative action on our recommendation. We would anticipate that in future years the currently existing domestic wells would be abandoned because of either water quality or facility degradation and/or voluntary abandonment by the property owner in view of the availability of a reliable municipal water supply to the property.

As additional support to our comments, we wish to point out the possible problem of adequate fire protection or insurance hazards for residential and business, as proposed under A.B. 62. I am not concluding that such protection could not be provided by individual wells, but meeting reasonable fire protection criteria may present problems that are not present in properly designed and constructed municipal systems.

Mr. Chairman and members of the Committee, I would be pleased to answer any questions that you may have.

EXHIBIT "A"
LAND WITH DOMESTIC WELL SERVICE

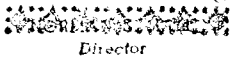


NORTH
 SCALE: 1" = 440'

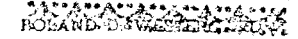
----- LAS VEGAS VALLEY WATER DISTRICT EXISTING PIPELINE

EXHIBIT

FEBRUARY 9, 1979
 D.D.F.

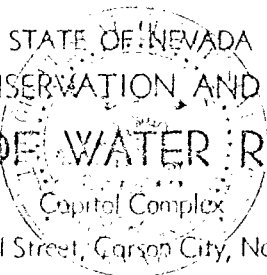


Director



State Engineer

STATE OF NEVADA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES



201 South Fall Street, Carson City, Nevada 89710

In reply refer to
No.

Address All Communications to
the State Engineer, Division
of Water Resources
Telephone (702) 885-4380

STATEMENT OF DIRECTOR OF THE DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES AND STATE ENGINEER, DIVISION OF WATER RESOURCES, BEFORE THE ASSEMBLY GOVERNMENT AFFAIRS COMMITTEE, FRIDAY, FEBRUARY 9, 1979 - ASSEMBLY BILL 62

We are extremely concerned about the possible ramifications of Assembly Bill 62. The effect of this amendment would be to exempt commercial use of water from the statutory permit requirements. In some areas of the State where water appropriations and uses have reached, or exceed water supplies available, it has been necessary to deny commercial use, even if the daily maximum draught would not exceed 1,800 gallons.

In the Las Vegas Valley area there is statutory authority to issue temporary permits which are subject to revocation when the water supply becomes available from an entity of municipality such as the City of North Las Vegas or the Las Vegas Valley District. If AB 62 were enacted commercial wells could be drilled in areas presently not served by these entities, but in the future would then not be subject to revocation when water is available by such entity.

Similarly in areas and designated ground water basins where applications have been denied for quasi-municipal, commercial, industrial, etc., uses, the enactment of AB 62 would serve to circumvent the determination that has been made in these areas on an already fully appropriated resource.

Although the current statutes exempt domestic uses from the permit requirements, the State Engineer has the responsibility to review proposed subdivisions where the source of water supply is from individual domestic wells. It has been necessary in several areas of the State to refuse to certify a water supply based on individual domestic wells, again, because of limitations on supply available. The affect of AB 62 will allow the drilling of commercial wells where in fact additional domestic wells could not be drilled.

With the growth and development that has been experienced it has been necessary for the State Engineer to designate additional ground-water basins throughout the State of Nevada. This has resulted in denials for various purposes and a more rigid control of existing uses. AB 62 would be contrary to and inconsistent with this necessary action and would not be in the interest of protecting limited water resource available or the people that are dependent upon those resources.

The application, notices and review process is necessary to protect the interest of other parties that might be adversely affected by an appropriation of underground water.

Roland D. Westergard, Director of Conservation and Natural Resources
William J. Newman, State Engineer