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AB 82

Thank you Mr. Chairman, members of the Committee. For the record my name is Marcia de Braga.

I am here today to speak on AB \_\_\_\_\_.

This bill seeks to extend for two years the time period for the Newlands Water Right Purchase program which is due to end in July 1, 2004.

As many of you know the water rights purchase program is a component of AB 380 of the 1999 session. That bill significantly changed NV surface water law

- By establishing a priority date for water rights on a federal reclamation project
- By clarifying that water could be transferred within an owner's property—in other words, making the right appurtenant to the entire farm--without losing priority right
- By changing the law regarding forfeiture when water right is not used for a period of time
- By requiring that certain evidence must be prevented to prove a water right has been abandoned
- By providing for municipalities to retain water rights on previously farmed land for future growth and development
- And, by creating a fund to purchase water rights from willing sellers on the Newlands Project for return to the system. Wet water—in other words, water that was currently being used, as well as water that could not be used because it was being protested—could be sold through the program.

The water rights purchase program was designed to prevent government takings and was put in place for five years. The State, the Federal Government and Sierra Pacific Power Company contributed to the fund.

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It was agreed to by all the entities involved that if 6500 acre of water could be returned to the system through this program, any remaining unresolved protests and lawsuits against water right owners would be withdrawn.

Signers on the agreement were the Truckee Carson Irrigation District, Pyramid Lake Paiute Tribe of Indians, City of Fallon, Churchill County, and Sierra Pacific Power Co. Representatives of a great many other interests also helped hammer out the agreement.

The fund was put under the charge of the Carson Water Subconservancy District which oversees the water purchases.

The program got a late start for various technical reasons—most having to do with release of title—and is a long way from the 6500 acres target.

All the parties who signed the original agreement have agreed to extending the program for two years in hopes of reaching that goal.

Another important fact for you to consider is the state's role in this program. The state agreed to put \$4 million into the fund. However, because of budget constraints, it actually put in \$3.3 million early and hoped that interest on the money would fulfill the \$4 million commitment. The state also allowed the fund to use \$1.6 million for early costs, seriously diminishing the ability of the fund to earn enough interest to reach the \$4 promised.

An extension of 2 years will give time for more interest to accumulate on the state's commitment and will also let us know whether the balance will be needed.

We urge you to approve this two year extension.