
ASSEMBLY BILL NO. 363—ASSEMBLYMEN GRADY
AND COLLINS

MARCH 17, 2003

JOINT SPONSOR: SENATOR AMODEI

Referred to Committee on Government Affairs

SUMMARY—Provides for creation of Silver Springs Water and
Sewer District. (BDR S-864)

FISCAL NOTE: Effect on Local Government: Yes.
Effect on the State: No.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to special districts; providing in skeleton form for
the creation of the Silver Springs Water and Sewer
District in Lyon County, Nevada; providing for the
storage, conservation, distribution and sale of water
within the District; authorizing the District to purchase,
acquire and construct the facilities necessary to provide
water and sewer service to customers within the District;
authorizing the issuance of general obligation and revenue
bonds; providing the power to tax; providing a penalty;
and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** There is hereby created a political subdivision of
2 this state to be known as the “Silver Springs Water and Sewer
3 District.” The jurisdiction and service area of the District includes
4 certain real property located in Lyon County, Nevada.
5 **Sec. 2.** As used in sections 1 to 15, inclusive, of this act,
6 unless the context otherwise requires:
7 1. “Board” means the Governing Board of the District.



1 2. "District" means the Silver Springs Water and Sewer
2 District.

3 3. "Service area" means the service area of the District
4 described in section 1 of this act.

5 **Sec. 3.** The District has the following powers:

6 1. To have perpetual succession.

7 2. To sue and be sued in the name of the District in all courts or
8 tribunals of competent jurisdiction.

9 3. To adopt a seal and alter it at the pleasure of the District.

10 4. To enter into contracts, and employ and fix the
11 compensation of staff and professional advisers.

12 5. To incur indebtedness pursuant to chapter 271 of NRS, issue
13 bonds pursuant to chapter 350 of NRS and provide for medium-term
14 obligations pursuant to chapter 350 of NRS to pay, in whole or in
15 part, the costs of acquiring, constructing and operating any lands,
16 easements, water rights, water, waterworks or projects, conduits,
17 pipelines, wells, reservoirs, structures, machinery and other property
18 or equipment useful or necessary to store, convey, supply or
19 otherwise deal with water, or to provide sewer service, and
20 otherwise to carry out the powers set forth in this section. For the
21 purposes of NRS 350.572, sections 1 to 15, inclusive, of this act do
22 not expressly or impliedly require an election before the issuance of
23 a security or indebtedness pursuant to NRS 350.500 to 350.572,
24 inclusive, if the obligation is payable solely from pledged revenues,
25 but an election must be held before incurring a general obligation.

26 6. To acquire, by purchase, grant, gift, devise, lease,
27 construction, contract or otherwise, lands, rights-of-way, easements,
28 privileges, water and water rights, and property of every kind,
29 whether real or personal, to construct, maintain and operate, within
30 or without the District, all works and improvements necessary or
31 proper to carry out any of the objects or purposes of sections 1 to 15,
32 inclusive, of this act, and to complete, extend, add to, repair or
33 otherwise improve any works, improvements or property acquired
34 by it as authorized by sections 1 to 15, inclusive, of this act.

35 7. To sell, lease, encumber, hypothecate or otherwise dispose
36 of property, whether real or personal, including water and water
37 rights, as is necessary or convenient to the full exercise of the
38 powers of the District.

39 8. To adopt ordinances, rules, regulations and bylaws
40 necessary to exercise the powers and conduct the affairs of the
41 Board and District.

42 9. Except as otherwise provided in this subsection, to exercise
43 the power of eminent domain in the manner prescribed by law,
44 within or without the service area of the District, to take any
45 property, including, without limitation, the property specified in



1 subsections 6 and 15, necessary or convenient for the exercise of the
2 powers of the District or for the provision of adequate water or
3 sewer service to the service area. The District shall not exercise the
4 power of eminent domain to acquire the water rights or waterworks
5 facilities of any nonprofit purveyor delivering water for domestic
6 use whose service area is adjacent to the District without first
7 obtaining the consent of the purveyor.

8 10. To enter upon any land, to make surveys and locate any
9 necessary improvements, including, without limitation, lines for
10 channels, conduits, canals, pipelines, sewers, roadways and other
11 rights-of-way, to acquire property necessary or convenient for the
12 construction, use, supply, maintenance, repair and improvement of
13 such improvements, including works constructed and being
14 constructed by private owners, lands for reservoirs for the storage of
15 necessary water, and all necessary appurtenances, and, where
16 necessary and for the purposes and uses set forth in this section, to
17 acquire and hold the stock of corporations, domestic or foreign,
18 owning water or water rights, canals, waterworks, franchises,
19 concessions or other rights.

20 11. To enter into and do any acts necessary or proper for the
21 performance of any agreement with the United States, or any state,
22 county or district of any kind, public or private corporation,
23 association, firm or natural person, or any number of them, for the
24 joint acquisition, construction, leasing, ownership, disposition, use,
25 management, maintenance, repair or operation of any rights, works
26 or other property of a kind which may be lawfully acquired or
27 owned by the District.

28 12. To acquire the right to store water in any reservoirs, or to
29 carry water through any canal, ditch or conduit not owned or
30 controlled by the District, and to grant to any owner or lessee the
31 right to the use of any water or right to store such water in any
32 reservoir of the District, or to carry such water through any tunnel,
33 canal, ditch or conduit of the District.

34 13. To enter into and do any acts necessary or proper for the
35 performance of any agreement with any district of any kind, public
36 or private corporation, association, firm or natural person, or any
37 number of them, for the transfer or delivery to any district,
38 corporation, association, firm or natural person of any water right or
39 water pumped, stored, appropriated or otherwise acquired or secured
40 for the use of the District, or for the purpose of exchanging the
41 water or water right for any other water, water right or water supply
42 to be delivered to the District by the other party to the agreement.

43 14. To cooperate and act in conjunction with the State of
44 Nevada or any of its engineers, officers, boards, commissions,
45 departments or agencies, with the government of the United States



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1 or any of its engineers, officers, boards, commissions, departments
2 or agencies, or with any public or private corporation, to construct
3 any work for the development, importation or distribution of water
4 of the District, for the protection of life or property therein, or for
5 the conservation of its water for beneficial use within the District, or
6 to carry out any other works, acts or purposes provided for in
7 sections 1 to 15, inclusive, of this act, and to adopt and carry out any
8 definite plan or system of work for any of the purposes described in
9 sections 1 to 15, inclusive, of this act.

10 15. To store water in surface or underground reservoirs within
11 or without the District for the common benefit of the District, to
12 conserve and reclaim water for present and future use within the
13 District, to appropriate and acquire water and water rights and
14 import water into the District for any useful purpose to the District,
15 and to commence, maintain, intervene in and compromise in the
16 name of the District, or otherwise, and assume the costs and
17 expenses of any action or proceeding involving or affecting:

18 (a) The ownership or use of water or water rights within or
19 without the District used or useful for any purpose of the District or
20 of common benefit to any land situated therein;

21 (b) The wasteful use of water within the District;

22 (c) The interference with or diminution of water or water rights
23 within the District;

24 (d) The contamination or pollution of the surface or subsurface
25 water used in the District or any other act that otherwise renders
26 such water unfit for beneficial use; and

27 (e) The interference with this water that may endanger or
28 damage the residents, lands or use of water in the District.

29 16. To sell and distribute water under the control of the
30 District, without preference, to any natural person, firm, corporation,
31 association, district, agency or inhabitant, public or private, for use
32 within the service area, to fix, establish and adjust rates, classes of
33 rates, terms and conditions for the sale and use of such water, and to
34 sell water for use outside the service area upon a finding by the
35 Board that there is a surplus of water above that amount required to
36 serve customers within the service area.

37 17. To cause taxes to be levied and collected for the purposes
38 prescribed in sections 1 to 15, inclusive, of this act, including the
39 payment of any obligation of the District during its organizational
40 state and thereafter, and necessary engineering costs, and to assist in
41 the operational expenses of the District, until such taxes are no
42 longer required.

43 18. To supplement the surface and ground-water resources of
44 the District by the importation and use of water from other sources
45 for industrial, irrigation, municipal and domestic uses.



1 19. To restrict the use of the water of the District during any
2 emergency caused by drought or other threatened or existing water
3 shortage, and to prohibit the waste of the water of the District at any
4 time through the adoption of ordinances, rules or regulations and the
5 imposition of fines for violations of those ordinances, rules and
6 regulations.

7 20. To annex area into the District in the manner prescribed for
8 cities in chapter 268 of NRS.

9 21. To supply water under contract or agreement, or in any
10 other manner, to the United States or any department or agency
11 thereof, the State of Nevada, Lyon County, Nevada, and any city,
12 town, corporation, association, partnership or natural person situated
13 in Lyon County, Nevada, for an appropriate charge, consideration or
14 exchange made therefor, when such supply is available or can be
15 developed as an incident of or in connection with the primary
16 functions and operations of the District.

17 22. To create assessment districts to extend mains, improve
18 distribution systems and acquire private water companies and
19 mutual water distribution systems.

20 23. To lay sewer and pipe along, under, or upon public
21 highways, roads, streets, and alleys, and to build and erect sewage
22 treatment or disposal plants, either within or without the boundaries
23 of the District, and to compel all property owners within the area
24 served by the sewage system to connect their private drains and
25 sewer systems with the system or sewers of the District.

26 24. To make and enforce all necessary and proper regulations
27 for the removal of sewage, and to make all other sanitary regulations
28 in connection therewith not in conflict with the Constitution or laws
29 of this state, or the ordinances of Lyon County or any incorporated
30 city embraced within the District. A person who violates any such
31 regulation is guilty of a misdemeanor and shall be punished by a
32 fine of not more than \$100, or by imprisonment in the county jail for
33 not more than 30 days, or by both fine and imprisonment.

34 25. To accept from the Government of the United States or any
35 of its agencies financial assistance or participation in the form of
36 grants-in-aid or any other form in connection with any of the
37 functions of the District.

38 26. To assume the obligations of the Silver Springs Mutual
39 Water Company in providing water service to users in the service
40 area of the District.

41 27. To assume the obligations of the Silver Springs General
42 Improvement District in providing sewer service to users in the
43 service area of the District.



1 28. To do all acts and things reasonably implied from and
2 necessary for the full exercise of all powers of the District granted
3 by sections 1 to 15, inclusive, of this act.

4 **Sec. 4.** 1. All powers, duties and privileges of the Silver
5 Springs Water and Sewer District must be exercised and performed
6 by the Governing Board of the District.

7 2. The first Board consists of the members of the Board of
8 Trustees of the Silver Springs General Improvement District sitting
9 upon October 1, 2003. The members of the first Board shall convene
10 not later than October 31, 2003, to commence and continue
11 operation of the District until the appointment and election of their
12 successors in conjunction with the Lyon County general election in
13 2004.

14 **Sec. 5.** 1. Except as otherwise provided in section 4 of this
15 act, the Governing Board of the District:

16 (a) Consists of five members elected from the service area of the
17 District; and

18 (b) Must be elected at a general district election held in
19 conjunction with the general election of Lyon County in 2004 and
20 with subsequent general elections of Lyon County.

21 2. Except for members of the first Board, two members of the
22 Board, who must be chosen by lot, serve terms of 4 years and the
23 remaining members serve terms of 2 years.

24 **Sec. 6.** The Board may establish and adjust various election
25 areas within the District. Such election areas must be established to
26 ensure, as nearly as practicable, equal representation upon the Board
27 for all residents of the District.

28 **Sec. 7.** 1. Except as otherwise provided in this section and
29 sections 4 and 5 of this act, each member of the Board must:

30 (a) Reside in the District for at least 6 months before his
31 appointment or the election at which the member is elected;

32 (b) Be a qualified elector of the District;

33 (c) If he is elected to office, be elected by a plurality of the
34 qualified electors of the District; and

35 (d) Take office upon qualification therefor as provided in
36 subsection 3, or on the first Monday in January next following the
37 member's election or appointment, whichever is later, and leave
38 office upon the first Monday in January next following the election
39 or appointment of the member's successor in office.

40 2. If the Board establishes various election areas within the
41 District, each member who is elected to the Board must:

42 (a) Reside in the election area represented for at least 6 months
43 before the election at which the member is elected;

44 (b) Be a qualified elector of the election area represented;



1 (c) Be elected by a plurality of the qualified electors of the
2 election area represented; and

3 (d) Take office in the manner prescribed in paragraph (d) of
4 subsection 1.

5 3. Before taking office, each member of the Board must qualify
6 by filing with the Clerk of Lyon County:

7 (a) An oath of office taken and subscribed in the manner
8 prescribed by the Clerk; and

9 (b) A corporate surety bond, at the expense of the District, in an
10 amount determined by the Clerk, but not more than \$10,000, which
11 bond must guarantee the faithful performance of the duties of the
12 member.

13 4. A vacancy in the office of a member of the Board must be
14 filled by appointment of the remaining members of the Board. The
15 person so appointed must be a resident and elector of the District, or
16 if the Board has established various election areas, the election area
17 represented, and, before taking office, qualify in the manner
18 prescribed in subsection 3. The person shall serve the remainder of
19 the term of the member whose absence required his appointment. If
20 the Board fails, neglects or refuses to fill a vacancy within 30 days
21 after a vacancy occurs, the Board of County Commissioners of Lyon
22 County shall fill the vacancy.

23 **Sec. 8.** 1. Unless otherwise required for purposes of an
24 election to incur an indebtedness, the Registrar of Voters of Lyon
25 County shall conduct, supervise and, by ordinance, regulate all
26 District elections in accordance, as nearly as practicable, with the
27 general election laws of this state, including, but not limited to, laws
28 relating to the time of opening and closing of polls, the manner of
29 conducting the election, the canvassing, announcement and
30 certification of results and the preparation and disposition of ballots.

31 2. At least 90 days before the election, the Registrar of Voters
32 of Lyon County shall publish notice of the election. Each candidate
33 for election to the Board must file a declaration of candidacy with
34 the Registrar of Voters at least 60 days before the election. Timely
35 filing of the declaration is a prerequisite to election.

36 3. If the Board establishes various election areas within the
37 District and there are two or more seats upon the Board to be filled
38 at the same election, each of which represents the same election
39 area, the two candidates therefor receiving the highest number of
40 votes, respectively, are elected.

41 4. If a member of the Board is unopposed in seeking reelection,
42 the Board may declare that member elected without a formal
43 election, but that member may not participate in the declaration.



1 5. If no person files candidacy for election to a particular seat
2 upon the Board, the seat must be filled in the manner provided in
3 subsection 4 of section 7 of this act for filling a vacancy.

4 **Sec. 9.** 1. The Board shall:

5 (a) Choose one of its members to be the Chairman of the Board
6 and President of the District, and prescribe the term of that office
7 and the powers and duties thereof.

8 (b) Fix the time and place at which its regular meetings will be
9 held and provide for the calling and conducting of special meetings.

10 (c) Fix the location of the principal place of business of the
11 District.

12 (d) Elect a Secretary-Treasurer of the Board and the District,
13 who may or may not be a member of the Board.

14 (e) Appoint a General Manager, who must not be a member of
15 the Board.

16 (f) Delegate and redelegate to officers of the District the power
17 to employ necessary executives, clerical workers, engineering
18 assistants and laborers, and retain legal, accounting or engineering
19 services, subject to such conditions and restrictions as may be
20 imposed by the Board.

21 (g) Prescribe the powers, duties, compensation and benefits of
22 all officers and employees of the District, and require all bonds
23 necessary to protect the money and property of the District.

24 (h) Take all actions and do all things reasonably and lawfully
25 necessary to conduct the business of the District and achieve the
26 purposes of sections 1 to 15, inclusive, of this act.

27 2. A simple majority of the members of the Board constitutes a
28 quorum. The vote of a simple majority of the quorum is required to
29 take action.

30 3. Members of the Board are entitled to receive a salary of not
31 more than \$80 per day and reasonable per diem and travel expenses,
32 as set by the Board, for their attendance at meetings and the
33 conducting of other business of the District.

34 **Sec. 10.** 1. All assets of the Silver Springs Mutual Water
35 Company, including, without limitation, any lands, buildings,
36 easements, water rights, water, waterworks, conduits, pipelines,
37 reservoirs, wells, structures, facilities, intangibles, cash on hand,
38 bank deposits, office furniture, supplies and equipment and all other
39 real or personal property of whatever nature belonging to the
40 Company, become the property of the Silver Springs Water and
41 Sewer District on October 1, 2003. The officers of the Silver
42 Springs Mutual Water Company, after its dissolution, have limited
43 authority to wind up the affairs of the Company and execute papers
44 and documents necessary to accomplish the transfer of assets to the
45 Silver Springs Water and Sewer District.



1 2. All liabilities of the Silver Springs Mutual Water Company,
2 including, without limitation, any bonds, debentures, notes,
3 mortgages, deeds of trust, accounts, things in action and all other
4 liabilities of whatever nature of the Company, become the liabilities
5 of the Silver Springs Water and Sewer District on October 1, 2003.
6 The transfer of liabilities pursuant to this subsection does not in any
7 way jeopardize, enhance or otherwise alter any security taken by
8 any obligee with respect to any liability transferred.

9 **Sec. 11.** 1. The Board may levy and collect general ad
10 valorem taxes on all taxable property within the District, but only
11 for the payment of principal and interest on its general obligations.
12 Such a levy and collection must be made in conjunction with Lyon
13 County in the manner prescribed in this section.

14 2. The Board shall determine the amount of money necessary
15 to be raised by taxation for a particular year in addition to other
16 sources of revenue of the District. The Board then shall fix a rate of
17 levy which, when applied to the assessed valuation of all taxable
18 property within the District, will produce an amount, when
19 combined with other revenues of the District, sufficient to pay,
20 when due, all principal of and interest on general obligations of the
21 District and any defaults or deficiencies relating thereto.

22 3. In accordance with and in the same manner required by the
23 law applicable to incorporated cities, the Board shall certify to the
24 Board of County Commissioners of Lyon County the rate of levy
25 fixed pursuant to subsection 2. The Board shall instruct the County
26 to levy a tax upon all taxable property in the District in accordance
27 with that rate at the time and in the manner required by law for
28 levying of taxes for county purposes.

29 4. The proper officer or authority of Lyon County, upon behalf
30 of the District, shall levy and collect the District tax specified in
31 subsection 3. The tax must be collected in the same manner,
32 including interest and penalties, as other taxes collected by the
33 County. When collected, the tax must be paid to the District in
34 monthly installments for deposit in the appropriate depository of the
35 District.

36 5. If the taxes levied are not paid, the property subject to the
37 tax lien must be sold and the proceeds of the sale paid to the District
38 in accordance with the law applicable to tax sales and redemptions.

39 **Sec. 12.** The District is exempt from regulation by the Public
40 Utilities Commission of Nevada.

41 **Sec. 13.** 1. All assets of the Silver Springs General
42 Improvement District, including, without limitation, any lands,
43 buildings, easements, conduits, pipelines, structures, facilities,
44 intangibles, cash on hand, bank deposits, office furniture, supplies
45 and equipment and all other real or personal property of whatever



1 nature belonging to the Silver Springs General Improvement
2 District, become the property of the Silver Springs Water and Sewer
3 District on October 1, 2003. The Board of Trustees of the Silver
4 Springs General Improvement District, after its dissolution, has
5 limited authority to wind up the affairs of the Silver Springs General
6 Improvement District and execute papers and documents necessary
7 to accomplish the transfer of assets to the Silver Springs Water and
8 Sewer District.

9 2. All liabilities of the Silver Springs General Improvement
10 District, including, without limitation, any bonds, debentures, notes,
11 mortgages, deeds of trust, accounts, things in action and all other
12 liabilities of whatever nature of the Silver Springs General
13 Improvement District, become the liabilities of the Silver Springs
14 Water and Sewer District on October 1, 2003. The transfer of
15 liabilities pursuant to this subsection does not in any way jeopardize,
16 enhance or otherwise alter any security taken by any obligee with
17 respect to any liability transferred.

18 **Sec. 14.** For the purposes of NRS 349.983, the Silver Springs
19 Water and Sewer District shall be deemed to have been in operation
20 and publicly owned on January 1, 1995.

21 **Sec. 15.** If any provision of sections 1 to 14, inclusive, of this
22 act or the application thereof to any person, thing or circumstance is
23 held invalid, that invalidity does not affect the provisions or
24 application of sections 1 to 14, inclusive, of this act that can be
25 given effect without the invalid provision or application, and to this
26 end the provisions of sections 1 to 14, inclusive, of this act are
27 declared to be severable.

