

SENATE BILL NO. 336—SENATOR HARDY

MARCH 17, 2003

Referred to Committee on Natural Resources

SUMMARY—Makes various changes relating to water rights and creates Lincoln County Water District. (BDR 48-848)

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

~

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

AN ACT relating to water; authorizing the State Engineer to postpone action on certain applications for water rights; providing that certain applications for water rights remain active until acted upon by the State Engineer; requiring the State Engineer to provide certain notices to persons who submitted reports of conveyance if he confirms those reports; creating the Lincoln County Water District; setting forth the powers of the District and the form and method of governance of the District; requiring the State Engineer to quantify in acre-feet certain water rights, to give certain persons notice concerning those water rights and to file a notice concerning those water rights with the office of the county recorder of the county in which the water is appropriated; and providing other matters properly relating thereto.

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

- 1 WHEREAS, Adequate and efficient water service is vital to the
- 2 economic development and well-being of the residents of Lincoln
- 3 County; and
- 4 WHEREAS, Inhabited areas of Lincoln County are remote from
- 5 any established water system, thus dictating that indispensable



* S B 3 3 6 R 3 *

1 activities such as water service be administered by a governmental
2 entity created for the residents of Lincoln County; and

3 WHEREAS, Lincoln County could best be served water through a
4 single governmental entity; now, therefore,

5 **Section 1.** NRS 533.360 is hereby amended to read as follows:

6 533.360 1. Except as otherwise provided in subsection 4,
7 NRS 533.345 and subsection ~~3~~ 4 of NRS 533.370, when an
8 application is filed in compliance with this chapter , the State
9 Engineer shall, within 30 days, publish or cause to be published
10 once a week for 4 consecutive weeks in a newspaper of general
11 circulation and printed and published in the county where the water
12 is sought to be appropriated, a notice of the application ~~H~~ which
13 sets forth:

- 14 (a) That the application has been filed.
- 15 (b) The date of the filing.
- 16 (c) The name and address of the applicant.
- 17 (d) The name of the source from which the appropriation is to be
18 made.

19 (e) The location of the place of diversion, described by legal
20 subdivision or metes and bounds and by a physical description of
21 that place of diversion.

22 (f) The purpose for which the water is to be appropriated.
23 The publisher shall add thereto the date of the first publication and
24 the date of the last publication.

25 2. Except as otherwise provided in subsection 4, proof of
26 publication must be filed within 30 days after the final day of
27 publication. The State Engineer shall pay for the publication from
28 the application fee. If the application is cancelled for any reason
29 before publication, the State Engineer shall return to the applicant
30 that portion of the application fee collected for publication.

31 3. If the application is for a proposed well:
32 (a) For municipal, quasi-municipal or industrial use; and
33 (b) Whose reasonably expected rate of diversion is one-half
34 cubic foot per second or more,

35 the applicant shall mail a copy of the notice of application to each
36 owner of real property containing a domestic well that is within
37 2,500 feet of the proposed well, to his address as shown in the latest
38 records of the county assessor. If there are not more than six such
39 wells, notices must be sent to each owner by certified mail, return
40 receipt requested. If there are more than six such wells, at least six
41 notices must be sent to owners by certified mail, return receipt
42 requested. The return receipts from these notices must be filed with
43 the State Engineer before he may consider the application.

44 4. The provisions of this section do not apply to an
45 environmental permit.



1 **Sec. 2.** NRS 533.370 is hereby amended to read as follows:
2 533.370 1. Except as otherwise provided in this section and
3 NRS 533.345, 533.371, 533.372 and 533.503, the State Engineer
4 shall approve an application submitted in proper form which
5 contemplates the application of water to beneficial use if:
6 (a) The application is accompanied by the prescribed fees;
7 (b) The proposed use or change, if within an irrigation district,
8 does not adversely affect the cost of water for other holders of water
9 rights in the district or lessen the efficiency of the district in its
10 delivery or use of water; and
11 (c) The applicant provides proof satisfactory to the State
12 Engineer of:
13 (1) His intention in good faith to construct any work
14 necessary to apply the water to the intended beneficial use with
15 reasonable diligence; and
16 (2) His financial ability and reasonable expectation actually
17 to construct the work and apply the water to the intended beneficial
18 use with reasonable diligence.
19 2. Except as otherwise provided in *this subsection and*
20 *subsection ~~{6.} 7~~*, the State Engineer shall approve or reject each
21 application within 1 year after the final date for filing a protest.
22 ~~{However:~~
23 ~~—(a) Action may be postponed by the} *The State Engineer may:*~~
24 (a) *Postpone action* upon written authorization to do so by the
25 applicant or, if an application is protested, by the protestant and the
26 applicant. ~~{and}~~
27 (b) *Postpone action if the purpose for which the application*
28 *was made is municipal use.*
29 (c) In areas where studies of water supplies have been
30 determined to be necessary by the State Engineer pursuant to NRS
31 533.368 or where court actions are pending, ~~{the State Engineer~~
32 ~~may}~~ withhold action until it is determined there is unappropriated
33 water or the court action becomes final.
34 3. *If the State Engineer does not act upon an application*
35 *within 1 year after the final date for filing a protest, the*
36 *application remains active until acted upon by the State Engineer.*
37 4. Except as otherwise provided in subsection ~~{6.} 7~~, where
38 there is no unappropriated water in the proposed source of supply,
39 or where its proposed use or change conflicts with existing rights, or
40 with protectible interests in existing domestic wells as set forth in
41 NRS 533.024, or threatens to prove detrimental to the public
42 interest, the State Engineer shall reject the application and refuse to
43 issue the requested permit. If a previous application for a similar use
44 of water within the same basin has been rejected on those grounds,
45 the new application may be denied without publication.



1 ~~[4.]~~ 5. In determining whether an application for an interbasin
2 transfer of ground water must be rejected pursuant to this section,
3 the State Engineer shall consider:

4 (a) Whether the applicant has justified the need to import the
5 water from another basin;

6 (b) If the State Engineer determines that a plan for conservation
7 of water is advisable for the basin into which the water is to be
8 imported, whether the applicant has demonstrated that such a plan
9 has been adopted and is being effectively carried out;

10 (c) Whether the proposed action is environmentally sound as it
11 relates to the basin from which the water is exported;

12 (d) Whether the proposed action is an appropriate long-term use
13 which will not unduly limit the future growth and development in
14 the basin from which the water is exported; and

15 (e) Any other factor the State Engineer determines to be
16 relevant.

17 ~~[5.]~~ 6. If a hearing is held regarding an application, the decision
18 of the State Engineer must be in writing and include findings of fact,
19 conclusions of law and a statement of the underlying facts
20 supporting the findings of fact. The written decision may take the
21 form of a transcription of an oral ruling. The rejection or approval of
22 an application must be endorsed on a copy of the original
23 application, and a record *must be* made of the endorsement in the
24 records of the State Engineer. The copy of the application so
25 endorsed must be returned to the applicant. Except as otherwise
26 provided in subsection ~~[7.]~~ 8, if the application is approved, the
27 applicant may, on receipt thereof, proceed with the construction of
28 the necessary works and take all steps required to apply the water to
29 beneficial use and to perfect the proposed appropriation. If the
30 application is rejected, the applicant may take no steps toward
31 the prosecution of the proposed work or the diversion and use of the
32 public water while the rejection continues in force.

33 ~~[6.]~~ 7. The provisions of subsections 1 to ~~[4.]~~ 5, inclusive, do
34 not apply to an application for an environmental permit.

35 ~~[7.]~~ 8. The provisions of subsection ~~[5.]~~ 6 do not authorize the
36 recipient of an approved application to use any state land
37 administered by the Division of State Lands of the State Department
38 of Conservation and Natural Resources without the appropriate
39 authorization for that use from the State Land Registrar.

40 ~~[8.]~~ 9. As used in this section, "interbasin transfer of ground
41 water" means a transfer of ground water for which the proposed
42 point of diversion is in a different basin than the proposed place of
43 beneficial use.



1 **Sec. 3.** NRS 533.386 is hereby amended to read as follows:
2 533.386 1. The State Engineer shall confirm that the report of
3 conveyance required by paragraph (a) of subsection 1 of NRS
4 533.384 includes all material required by that subsection and that:
5 (a) The report is accompanied by the prescribed fee;
6 (b) No conflict exists in the chain of title that can be determined
7 by the State Engineer from the conveyance documents or from other
8 information on file in the office of the State Engineer; and
9 (c) The State Engineer is able to determine the rate of diversion
10 and the amount of water conveyed in acre-feet or million gallons
11 from the conveyance documents or from other information on file in
12 the office of the State Engineer.
13 2. *If the State Engineer confirms a report of conveyance*
14 *pursuant to subsection 1, he shall in a timely manner provide a*
15 *notice of the confirmation to the person who submitted the report*
16 *of conveyance. The notice must include, without limitation, a*
17 *statement indicating that neither the confirmation of the report of*
18 *conveyance nor the report of conveyance, if the report sets forth*
19 *the amount of water conveyed, guarantees that:*
20 (a) *The water right is in good standing with the office of the*
21 *State Engineer; or*
22 (b) *The amount of water referenced in the notice or in the*
23 *report of conveyance is the actual amount of water that a person is*
24 *entitled to use upon conveyance of the application or permit to*
25 *appropriate any of the public waters, the certificate of*
26 *appropriation, the adjudicated or unadjudicated water right, or the*
27 *application or permit to change the place of diversion, manner of*
28 *use or place of use of water.*
29 3. If the State Engineer determines that the report of
30 conveyance is deficient, he shall reject the report of conveyance and
31 return it to the person who submitted it with:
32 (a) An explanation of the deficiency; and
33 (b) A notice stating that the State Engineer will not confirm a
34 report of conveyance that has been rejected unless the report is
35 resubmitted with the material required to cure the deficiency. The
36 notice must also include a statement of the provisions of subsection
37 ~~3.1~~ 4.
38 ~~3.1~~ 4. The State Engineer shall not consider or treat the person
39 to whom:
40 (a) An application or permit to appropriate any of the public
41 waters;
42 (b) A certificate of appropriation;
43 (c) An adjudicated or unadjudicated water right; or
44 (d) An application or permit to change the place of diversion,
45 manner of use or place of use of water,



1 is conveyed as the owner or holder of the application, right,
2 certificate or permit for the purposes of this chapter, including,
3 without limitation, all advisements and other notices required of the
4 State Engineer and the granting of permits to change the place of
5 diversion, manner of use or place of use of water, until a report of
6 the conveyance is confirmed pursuant to subsection 1.

7 **Sec. 3.5.** NRS 534.270 is hereby amended to read as follows:

8 534.270 1. Upon receipt of an application for a permit to
9 operate a project, the State Engineer shall endorse on the application
10 the date it was received and keep a record of the application. He
11 shall conduct an initial review of the application within 45 days after
12 receipt of the application. If the State Engineer determines in the
13 initial review that the application is incomplete, he shall notify the
14 applicant. The application is incomplete until the applicant files all
15 the information requested in the application. The State Engineer
16 shall determine whether the application is correct within 180 days
17 after receipt of a complete application. The State Engineer may
18 request additional information from the applicant. The State
19 Engineer may conduct such independent investigations as are
20 necessary to determine whether the application should be approved
21 or rejected.

22 2. If the application is determined to be complete and correct,
23 the State Engineer, within 30 days after such a determination or a
24 longer period if requested by the applicant, shall cause notice of the
25 application to be given once each week for 2 consecutive weeks in a
26 newspaper of general circulation in the county or counties in which
27 persons reside who could reasonably be expected to be affected by
28 the project. The notice must state:

- 29 (a) The legal description of the location of the proposed project;
30 (b) A brief description of the proposed project including its
31 capacity;
32 (c) That any person who may be adversely affected by the
33 project may file a written protest with the State Engineer within 30
34 days after the last publication of the notice;
35 (d) The date of the last publication;
36 (e) That the grounds for protesting the project are limited to
37 whether the project would be in compliance with subsection 2 of
38 NRS 534.250;
39 (f) The name of the applicant; and
40 (g) That a protest must:
41 (1) State the name and mailing address of the protester;
42 (2) Clearly set forth the reason why the permit should not be
43 issued; and
44 (3) Be signed by the protester or the protester's agent or
45 attorney.



- 1 3. A protest to a proposed project:
2 (a) May be made by any person who may be adversely affected
3 by the project;
4 (b) Must be in writing;
5 (c) Must be filed with the State Engineer within 30 days after
6 the last publication of the notice;
7 (d) Must be upon a ground listed in subsection 2 of
8 NRS 534.250;
9 (e) Must state the name and mailing address of the protester;
10 (f) Must clearly set forth the reason why the permit should not
11 be issued; and
12 (g) Must be signed by the protester or the protester's agent or
13 attorney.

14 4. Upon receipt of a protest, the State Engineer shall advise the
15 applicant by certified mail that a protest has been filed.

16 5. Upon receipt of a protest, or upon his own motion, the State
17 Engineer may hold a hearing. Not less than 30 days before the
18 hearing, the State Engineer shall send by certified mail notice of the
19 hearing to the applicant and any person who filed a protest.

20 6. The State Engineer shall either approve or deny each
21 application within 1 year after the final date for filing a protest,
22 unless he has received a written request from the applicant to
23 postpone his decision or, in the case of a protested application, from
24 both the protester and the applicant. The State Engineer may delay
25 action on the application pursuant to paragraph ~~(b)~~ (c) of
26 subsection 2 of NRS 533.370.

27 7. Any person aggrieved by any decision of the State Engineer
28 made pursuant to subsection 6, may appeal that decision to the
29 district court pursuant to NRS 533.450.

30 **Sec. 4.** NRS 538.171 is hereby amended to read as follows:

31 538.171 1. The Commission shall receive, protect and
32 safeguard and hold in trust for the State of Nevada all water and
33 water rights, and all other rights, interests or benefits in and to the
34 waters described in NRS 538.041 to 538.251, inclusive, and to the
35 power generated thereon, held by or which may accrue to the State
36 of Nevada under and by virtue of any Act of the Congress of the
37 United States or any agreements, compacts or treaties to which the
38 State of Nevada may become a party, or otherwise.

39 2. Except as otherwise provided in this subsection, applications
40 for the original appropriation of such waters, or to change the place
41 of diversion, manner of use or place of use of water covered by the
42 original appropriation, must be made to the Commission in
43 accordance with the regulations of the Commission. In considering
44 such an application, the Commission shall use the criteria set forth
45 in subsection ~~3~~ 4 of NRS 533.370. The Commission's action on



1 the application constitutes the recommendation of the State of
2 Nevada to the United States for the purposes of any federal action
3 on the matter required by law. The provisions of this subsection do
4 not apply to supplemental water.

5 3. The Commission shall furnish to the State Engineer a copy
6 of all agreements entered into by the Commission concerning the
7 original appropriation and use of such waters. It shall also furnish to
8 the State Engineer any other information it possesses relating to the
9 use of water from the Colorado River which the State Engineer
10 deems necessary to allow him to act on applications for permits for
11 the subsequent appropriation of these waters after they fall within
12 the State Engineer's jurisdiction.

13 4. Notwithstanding any provision of chapter 533 of NRS, any
14 original appropriation and use of the waters described in subsection
15 1 by the Commission or by any entity to whom or with whom the
16 Commission has contracted the water is not subject to regulation by
17 the State Engineer.

18 **Sec. 5.** NRS 349.983 is hereby amended to read as follows:

19 349.983 1. Grants may be made pursuant to paragraph (a) of
20 subsection 1 of NRS 349.981 only for *the Lincoln Valley Water*
21 *District and* those community and nontransient water systems that:

- 22 (a) Were in existence on January 1, 1995; and
23 (b) Are currently publicly owned.

24 2. In making its determination of which purveyors of water are
25 to receive grants pursuant to paragraph (a) of subsection 1 of NRS
26 349.981, the Board shall give preference to those purveyors of water
27 whose public water systems regularly serve fewer than 6,000
28 persons.

29 3. Each recipient of a grant pursuant to paragraph (a) of
30 subsection 1 of NRS 349.981 shall provide an amount of money for
31 the same purpose. The Board shall develop a scale to be used to
32 determine that amount, but the recipient must not be required to
33 provide an amount less than 15 percent or more than 75 percent of
34 the amount of the grant. The scale must be based upon the average
35 household income of the customers of the recipient, and provide
36 adjustments for the demonstrated economic hardship of those
37 customers, the existence of an imminent risk to public health and
38 any other factor that the Board determines to be relevant.

39 **Sec. 6.** As used in sections 6 to 16, inclusive, of this act,
40 unless the context otherwise requires, the words and terms defined
41 in sections 7, 8 and 9 of this act have the meanings ascribed to them
42 in those sections.

43 **Sec. 7.** "Board" means the Governing Board of the District.

44 **Sec. 8.** "District" means the Lincoln County Water District
45 created by section 10 of this act.



1 **Sec. 9.** “Service area” means the service area of the District
2 described in section 10 of this act.

3 **Sec. 10.** There is hereby created a political subdivision of this
4 state to be known as the “Lincoln County Water District.” The
5 jurisdiction and service area of the District are all that real property
6 within the boundaries of Lincoln County, Nevada, as described in
7 NRS 243.210, 243.215 and 243.220.

8 **Sec. 11.** The District has the following powers:

9 1. To have perpetual succession.
10 2. To sue and be sued in the name of the District in all courts or
11 tribunals of competent jurisdiction.

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

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

15 5. To incur indebtedness pursuant to chapter 271 of NRS, issue
16 bonds pursuant to chapter 350 of NRS and provide for medium-term
17 obligations pursuant to chapter 350 of NRS to pay, in whole or in
18 part, the costs of acquiring, constructing and operating any lands,
19 easements, water rights, water, waterworks or projects, conduits,
20 pipelines, wells, reservoirs, structures, machinery and other property
21 or equipment useful or necessary to store, convey, supply or
22 otherwise deal with water, and otherwise to carry out the powers set
23 forth in this section. For the purposes of NRS 350.572, sections 6 to
24 16, inclusive, of this act do not expressly or impliedly require an
25 election before the issuance of a security or indebtedness pursuant to
26 NRS 350.500 to 350.720, inclusive, if the obligation is payable
27 solely from pledged revenues, but an election must be held before
28 incurring a general obligation.

29 6. To acquire, by purchase, grant, gift, devise, lease,
30 construction, contract or otherwise, lands, rights-of-way, easements,
31 privileges, water and water rights, and property of every kind,
32 whether real or personal, to construct, maintain and operate, within
33 or without the District, any and all works and improvements
34 necessary or proper to carry out any of the objects or purposes of
35 sections 6 to 16, inclusive, of this act, and to complete, extend, add
36 to, repair or otherwise improve any works, improvements or
37 property acquired by it as authorized by sections 6 to 16, inclusive,
38 of this act.

39 7. To sell, lease, encumber, hypothecate or otherwise dispose
40 of property, whether real or personal, including, without limitation,
41 water and water rights, as is necessary or convenient to the full
42 exercise of the powers of the District.

43 8. To adopt ordinances, rules, regulations and bylaws
44 necessary for the exercise of the powers and conduct of the affairs
45 of the Board and District.



1 9. Except as otherwise provided in this subsection, to exercise
2 the power of eminent domain in the manner prescribed by law,
3 within or without the service area, to take any property, including,
4 without limitation, the property specified in subsections 6 and 15,
5 necessary or convenient for the exercise of the powers of the District
6 or for the provision of adequate water service to the service area.
7 The District shall not exercise the power of eminent domain to
8 acquire the water rights or waterworks facilities of any nonprofit
9 purveyor delivering water for domestic use whose service area is
10 adjacent to the District without first obtaining the consent of the
11 purveyor.

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

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

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

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



1 water or water right for any other water, water right or water supply
2 to be delivered to the District by the other party to the agreement.

3 14. To cooperate and act in conjunction with the State of
4 Nevada or any of its engineers, officers, boards, commissions,
5 departments or agencies, with the Government of the United States
6 or any of its engineers, officers, boards, commissions, departments
7 or agencies, or with any public or private corporation, to construct
8 any work for the development, importation or distribution of water
9 of the District, for the protection of life or property therein, or for
10 the conservation of its water for beneficial use within the District, or
11 to carry out any other works, acts or purposes provided for in
12 sections 6 to 16, inclusive, of this act, and to adopt and carry out any
13 definite plan or system of work for any of the purposes described in
14 sections 6 to 16, inclusive, of this act.

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

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

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

27 (c) The interference with or diminution of water or water rights
28 within the District;

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

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

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

42 17. To cause taxes to be levied and collected for the purposes
43 prescribed in sections 6 to 16, inclusive, of this act, including,
44 without limitation, the payment of any obligation of the District
45 during its organizational state and thereafter, and necessary



1 engineering costs, and to assist in the operational expenses of the
2 District, until such taxes are no longer required.

3 18. To supplement the surface and ground-water resources of
4 Lincoln County by the importation and use of water from other
5 sources for industrial, irrigation, municipal and domestic uses.

6 19. To restrict the use of water of the District during any
7 emergency caused by drought or other threatened or existing water
8 shortage, and to prohibit the waste of water of the District at any
9 time through the adoption of ordinances, rules or regulations and the
10 imposition of fines for violations of those ordinances, rules and
11 regulations.

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

20 21. To create assessment districts to extend mains, improve
21 distribution systems and acquire presently operating private water
22 companies and mutual water distribution systems.

23 22. To accept from the Government of the United States or any
24 of its agencies financial assistance or participation in the form of
25 grants-in-aid or any other form in connection with any of the
26 functions of the District.

27 23. To do all acts and things reasonably implied from and
28 necessary for the full exercise of all powers of the District granted
29 by sections 6 to 16, inclusive, of this act.

30 **Sec. 12.** 1. All powers, duties and privileges of the District
31 must be exercised and performed by the Board.

32 2. The Board must be composed of the members of the Board
33 of County Commissioners of Lincoln County.

34 **Sec. 13.** 1. The Board shall:

35 (a) Choose one of its members to be Chairman, and prescribe
36 the term of that office and the powers and duties thereof.

37 (b) Fix the time and place at which its regular meetings will be
38 held and provide for the calling and conduct of special meetings.

39 (c) Fix the location of the principal place of business of the
40 District.

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

43 (e) Appoint a General Manager who must not be a member of
44 the Board.



1 (f) Delegate and redelegate to officers of the District the power
2 to employ necessary executives, clerical workers, engineering
3 assistants and laborers, and retain legal, accounting or engineering
4 services, subject to such conditions and restrictions as may be
5 imposed by the Board.

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

9 (h) Take all actions and do all things reasonably and lawfully
10 necessary to conduct the business of the District and achieve the
11 purposes of sections 6 to 16, inclusive, of this act.

12 2. A simple majority of the members of the Board constitutes a
13 quorum. The vote of a simple majority of the quorum is required to
14 take action.

15 3. Members of the Board are entitled to receive a salary of not
16 more than \$80 per day and reasonable per diem and travel expenses,
17 as set by the Board, for their attendance at meetings and conduct of
18 other business of the District.

19 **Sec. 14.** 1. The Board may levy and collect general ad
20 valorem taxes on all taxable property within the District, but only
21 for the payment of principal and interest on its general obligations.
22 Such a levy and collection must be made in conjunction with
23 Lincoln County in the manner prescribed in this section.

24 2. The Board shall determine the amount of money necessary
25 to be raised by taxation for a particular year in addition to other
26 sources of revenue of the District. The Board then shall fix a rate of
27 levy which, when applied to the assessed valuation of all taxable
28 property within the District, will produce an amount, when
29 combined with other revenues of the District, sufficient to pay,
30 when due, all principal of and interest on general obligations of the
31 District and any defaults or deficiencies relating thereto.

32 3. In accordance with and in the same manner required by the
33 law applicable to incorporated cities, the Board shall certify the rate
34 of levy fixed pursuant to subsection 2 for levy upon all taxable
35 property in the District in accordance with such rate at the time and
36 in the manner required by law for levying of taxes for county
37 purposes.

38 4. The proper officer or authority of Lincoln County, upon
39 behalf of the District, shall levy and collect the tax for the District
40 specified in subsection 3. Such a tax must be collected in the same
41 manner, including, without limitation, interest and penalties, as
42 other taxes collected by the County. When collected, the tax must be
43 paid to the District in monthly installments for deposit in the
44 appropriate depository of the District.



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

4 **Sec. 15.** The District is exempt from regulation by the Public
5 Utilities Commission of Nevada.

6 **Sec. 16.** If any provision of sections 6 to 16, inclusive, of this
7 act or the application thereof to any person, thing or circumstance is
8 held invalid, such invalidity does not affect the provisions or
9 application of sections 6 to 16, inclusive, of this act that can be
10 given effect without the invalid provision or application, and to this
11 end the provisions of sections 6 to 16, inclusive, of this act are
12 declared to be severable.

13 **Sec. 17.** 1. On or before June 30, 2005, the State Engineer
14 shall quantify in acre-feet the amount of water that has been
15 beneficially used for the purpose set forth in the certificate of
16 appropriation for each certificate of appropriation which:

17 (a) Is issued pursuant to NRS 533.425 to appropriate water:

18 (1) In a county whose population is 400,000 or more; and

19 (2) From a basin for which the State Engineer keeps
20 pumping records; and

21 (b) Expresses the amount of appropriation only in terms of cubic
22 feet per second.

23 2. The State Engineer shall notify each owner of a water right
24 described in subsection 1, as determined in the records of the Office
25 of the State Engineer, by registered or certified mail:

26 (a) That the water right has been quantified as required by
27 subsection 1; and

28 (b) Of the amount of water that the State Engineer has
29 determined was beneficially used for the purpose set forth in the
30 certificate of appropriation.

31 3. The State Engineer shall file a notice with the office of the
32 county recorder of the county in which water is appropriated
33 pursuant to a certificate of appropriation described in subsection 1.
34 The notice must contain the information required to be included in
35 the notice given to the owner of the water right pursuant to
36 subsection 2.

37 **Sec. 18.** The amendatory provisions of section 2 of this act
38 apply to:

39 1. Each application described in NRS 533.370 that is made on
40 or after July 1, 2003; and

41 2. Each such application that is pending with the office of the
42 State Engineer on July 1, 2003.

43 **Sec. 19.** 1. This section and sections 5 to 16, inclusive, of
44 this act become effective upon passage and approval.



- 1 2. Sections 1 to 4, inclusive, 17 and 18 of this act become
- 2 effective on July 1, 2003.
- 3 3. Section 17 of this act expires by limitation on June 30, 2005.

Ⓢ

